INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2020

SCOR
The Art & Science of Risk

CONTENTS —

General disclaimer

Numbers presented throughout this document 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 document might contain immaterial differences in sums and percentages due to rounding. Unless otherwise specified, the sources for the business ranking and market positions are internal.

Forward-looking statements

This report includes forward-looking statements and information about the objectives of SCOR, in particular relating to its current or future projects. These statements are sometimes identified by the use of the future tense or conditional mode, as well as terms such as "estimate", "believe", "have the objective of", "intend to", "expect", "result in", "should" and other similar expressions. It should be noted that the achievement of these objectives and forward-looking statements is dependent on the circumstances and facts that arise in the future.

Forward-looking statements and information about objectives may be impacted by known and unknown risks, uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR, and in particular by the impact of the COVID-19 crisis which cannot be accurately assessed at this stage, given the uncertainty related to the magnitude and duration of the COVID-19 pandemic and to the possible effects of future governmental actions and/or legal developments.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2019 Universal Registration Document filed on March 13, 2020, under number D.20-0127 with the French Autorité des marchés financiers (AMF) posted on SCOR's website www.scor.com.

In addition, such forward-looking statements are not "profit forecasts" within the meaning of Article 1 of Commission Delegated Regulation (EU) 2019/980.

Financial information

The Group's financial information contained in this document is prepared on the basis of IFRS and interpretations issued and approved by the European Union.

Unless otherwise specified, prior-year balance sheet, income statement items and ratios have not been reclassified. The calculation of financial ratios (such as book value per share, return on investments, return on invested assets, Group cost ratio, return on equity, net combined ratio and life technical margin) is detailed in the appendix of this report.

The first half 2020 financial information has been subject to the completion of a limited review by SCOR's independent auditors. Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to June 30, 2020 should not be taken as a forecast of the expected financials for these periods.

01 BUSINESS REVIEW

1.1. SELECTED FINANCIAL INFORMATION

1.1.1. GROUP KEY FIGURES

SCOR SE ("the Company") and its consolidated subsidiaries (referred to collectively as "SCOR" or the "Group"), form the world's fourth largest reinsurer[1] serving more than 4,000 clients. The Group is organized in three business units, SCOR Global P&C, SCOR Global Life and SCOR Global Investments, and three regional management platforms (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

In the face of the COVID-19 pandemic[2], SCOR has once again demonstrated the strength and resilience of its business model as well as its ability to absorb major shocks. The Group consistently continues to execute its strategic plan "Quantum Leap" combining growth, profitability and solvency, with no change in risk appetite, capital shield policy or capital management policy.

In EUR millions	Six months ended June 30, 2020 (unaudited)	Year ended December 31, 2019	Six months ended June 30, 2019 (unaudited)
Consolidated SCOR Group			
Gross written premiums	8,195	16,341	8,010
Net earned premiums	7,385	14,058	7,026
Operating result	128	713	480
Consolidated net income – Group share	26	422	286
Net investment income[1]	302	671	309
Group cost ratio[1]	4.7%	4.7%	4.9%
Return on invested assets[1]	2.6%	3.0%	2.8%
Return on equity[1]	0.8%	7.0%	9.8%
Basic earnings per share *(in EUR)*[2]	0.14	2.27	1.54
Book value per share *(in EUR)*[1]	34.19	34.06	32.59
Share price *(in EUR)*[3]	24.40	37.42	38.56
Operating cash flow	343	841	33
Total shareholders' equity	6,392	6,374	6,088
SCOR Global P&C			
Gross written premiums	3,518	7,147	3,446
Net combined ratio[1]	102.3%	99.0%	93.7%
SCOR Global Life			
Gross written premiums	4,677	9,194	4,564
Life technical margin[1]	5.4%	7.5%	7.2%

(1) Refer to Appendix – Calculation of financial ratios, for detailed calculation.
(2) Refer to Note 3.8 – Earnings per share, for detailed calculation.
(3) Closing stock price on June 30, 2020 (December 31, 2019, June 28, 2019).

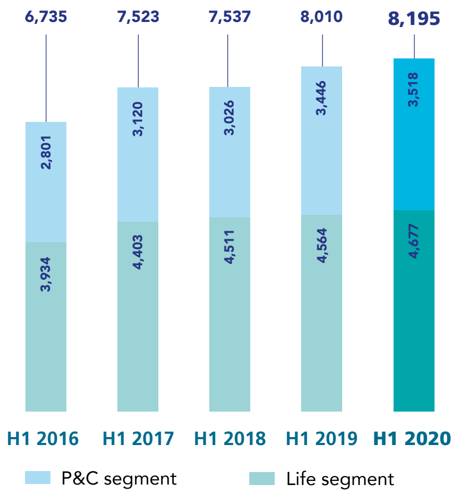
(1) By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2019".
(2) Refer to Section 1.2.1 – COVID-19.

1.1.2. OVERVIEW

The H1 2020 figures include the impact of the COVID-19 pandemic. Refer to Section 1.2.1 for details.

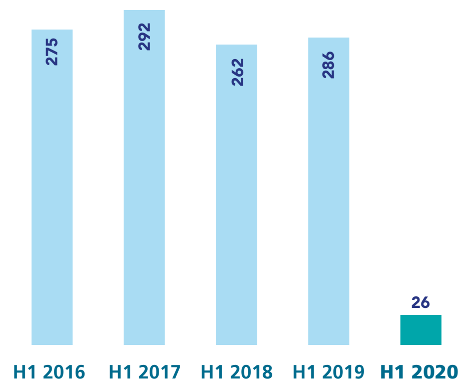
Gross written premium (unaudited)

In EUR millions



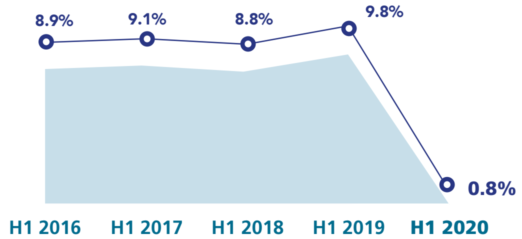
Consolidated net income – Group share (unaudited)

In EUR millions



Return on equity* (unaudited)

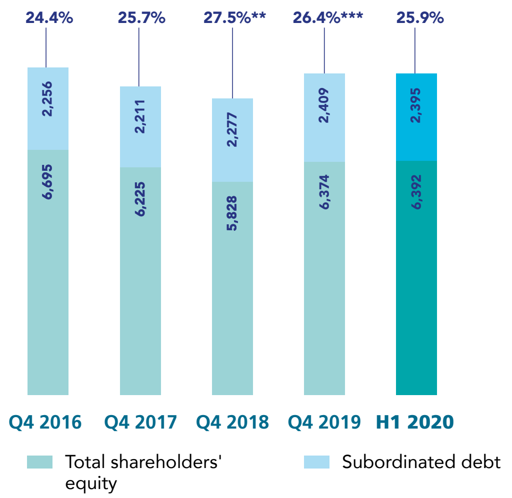
In %



* *Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period using a prorata temporis method).*

Shareholders' equity, debt and leverage ratio* (unaudited as at June 30, 2020)

In % – In EUR millions



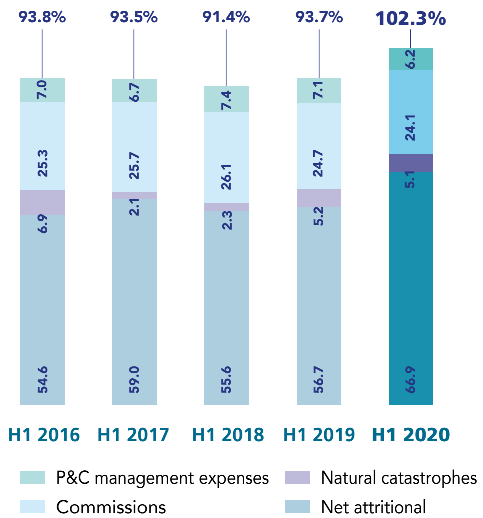
* *The leverage ratio is calculated by dividing the subordinated debt by the sum of shareholders' equity and subordinated debt. The calculation excludes accrued interest and includes the impact of swaps related to subordinated debt issuances. This ratio is expressed as a percentage. It is used to determine how much lenders are financing the Group's activities over shareholders.*

** *In March 2018, SCOR placed a perpetual note in the amount of USD 625 million. In June and November 2018, SCOR redeemed the CHF 315 million and CHF 250 million undated subordinated notes line, using the proceeds of the new instrument.*

*** *In December 2019, SCOR issued a perpetual note in the amount of USD 125 million. These new notes are assimilated and form a single series with the existing USD 625 million perpetual deeply subordinated notes issued in March 2018. The new notes issue bears the same terms and conditions as the original notes.*

Net combined ratio* (unaudited)

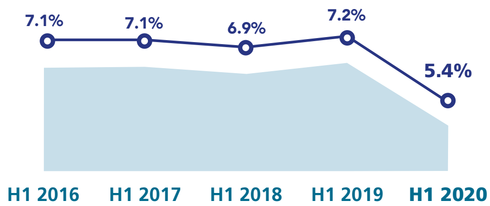
In %



* *The net combined ratio is calculated by taking the sum of Non-Life claims (including natural catastrophes), commissions and management expenses net of retrocession, divided by earned premiums net of retrocession. The net combined ratio calculation has been refined in 2017 to exclude some immaterial non-technical items that were previously included. Considering their potential growth, these items have been excluded to ensure they do not distort the net combined ratio in the future. The impact on the previously reported ratio was +0.25% as at June 30, 2016.*

Life technical margin* (unaudited)

In %



* *The Life technical margin is calculated as the percentage of net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums. The net technical result represents the result of the net reinsurance operations of the SCOR Global Life business unit including income and expenses either implied in the reinsurance and retrocession arrangements or fully related to these arrangements.*

Share price

In EUR

1.1.3. RATINGS INFORMATION

The Company and some of its insurance subsidiaries are rated by recognized rating agencies.

At June 30, 2020, the relevant ratings for the Company were as follows(1):

	Financial Strength	Senior Debt	Subordinated Debt
AM BEST	A+ stable outlook	aa-	a
FitchRatings	AA- stable outlook	A+	A-
Moody's	Aa3 negative outlook	N/A	A2 (hyb)
S&P Global	AA- stable outlook	AA-	A

On June 18, 2020, SCOR has been informed of Standard & Poor's (S&P) decision to affirm the financial strength rating for the Group and its main subsidiaries at "AA-", with a "stable outlook".

On May 7, 2020, Moody's affirmed SCOR's Aa3 insurance financial strength rating as well as its debt ratings and the ratings of its subsidiaries. The outlook has been changed to negative from stable.

On April 24, 2020, SCOR has been informed of Fitch's decision to affirm the Group's Financial Strength Rating of "AA-" (Very Strong) and Long-Term Issuer Default Rating (IDR) at "A+". Fitch has also affirmed the ratings of SCOR's core operating subsidiaries. The outlooks are stable.

1.2. CONSOLIDATED NET INCOME

1.2.1. COVID-19

SCOR is demonstrating its capacity to absorb the impact of the COVID-19 crisis, both operationally and financially. SCOR has been proactive in taking immediate actions to contribute to help stop the spread of the pandemic.

The Group adopted early and strict prevention measures to protect the health of its employees and has been active in regularly sharing its knowledge and expertise on the pandemic. Thanks to the resilience of its operational capability, the Group has been able to continuously serve its clients during this crisis.

SCOR has applied its modelling expertise to conduct a thorough assessment of its exposures to the health, economic and financial impact of the COVID-19 pandemic. Based on data currently available, information received from cedants to date and the results of the models used, the total estimated cost of the COVID-19 pandemic booked in Q2 2020 reaches EUR 248 million on the P&C side, EUR 194 million on the Life side and EUR 14 million on the investment side, i.e. a total estimated cost of EUR 456 million net of retrocession, net of reinstatement premiums and before tax, fully booked in the second quarter.

The situation is as follows:

- On the P&C side, the Group's exposure comes mainly from Credit, Surety & Political risks and from Property Business Interruption. The actual COVID-19-related claims received are limited, standing at a total of EUR 74 million(2).
- On the Life side, the actual COVID-19-related claims received as at June 30, 2020 are limited, standing at a total of EUR 63 million (2).
  - The main exposure arises in the United States. SCOR has booked a claim reserve provision of EUR 182 million(3) (net of retrocession and before tax) to cover COVID-19 related claims, incurred in the United States up to June 30, 2020.
  - A further EUR 12 million of COVID-19-related claims have been booked in Europe and Asia Pacific in Q2 2020.
  - The evolution of the COVID-19 pandemic is still subject to a high level of uncertainty. SCOR monitors the situation continually thanks to a detailed proprietary epidemiological model. At this point the pandemic is estimated to have a manageable impact on SCOR Global Life's portfolio over the next 12 months. The ultimate outcome of the pandemic is still subject to significant variation, due to compliance with containment measures in the US, the progress in medical treatments, and potential viral mutations.

(1) Sources: www.standardandpoors.com; www.ambest.com; www.moodys.com and www.fitchratings.com.
(2) Gross of retrocession.
(3) Based upon 163k population deaths in the US.

- On the investment side, SCOR benefited from the defensive nature and very high quality of its investment portfolio when the COVID-19 pandemic started. The level of impairment charge remains limited in Q2 2020 at EUR 14 million before tax (excluding amounts attributable to non-controlling interest). The level of unrealized gains on invested assets[1] has increased by EUR 172 million between December 31, 2019 and June 30, 2020, despite EUR 62 million of realized gains largely coming from the real estate portfolio in Q1 2020.

1.2.2. GROSS WRITTEN PREMIUMS

Gross written premiums for the six months ended June 30, 2020 amounted to EUR 8,195 million, an increase of 2.3% at current exchange rates compared to EUR 8,010 million for the same period in 2019. The growth at constant exchange rates is 1.0%. The overall increase in gross written premiums of EUR 185 million in the first six months of 2020 compared to the same period in 2019 is driven by an increase in gross written premium for SCOR Global P&C of EUR 72 million (corresponding to an increase of 2.1% at current exchange rates and of 0.9% at constant exchange rates). and for SCOR Global Life of EUR 113 million (corresponding to an increase of 2.5% at current exchange rates and 1.0% at constant exchange rates).

For SCOR Global P&C, excluding the negative impact of COVID-19 on premiums, growth would be at +5.3% (at current exchange rates) compared to the first six months in 2019, in line with "Quantum Leap" assumptions. For SCOR Global Life, the gross written premium variation is largely driven by continued franchises development, particularly in Asian markets.

1.2.3. NET EARNED PREMIUMS

Net earned premiums for the six months ended June 30, 2020 amounted to EUR 7,385 million, an increase of 5.1% at current exchange rate (3.8% at constant exchange rates) compared to EUR 7,026 million for the same period in 2019. The overall increase of EUR 359 million is due to an increase of EUR 344 million in net earned premiums for SCOR Global P&C and of EUR 15 million in net earned premiums for SCOR Global Life.

1.2.4. NET INVESTMENT INCOME

Net investment income[2] for the six-month period ended June 30, 2020 amounted to EUR 302 million compared to EUR 309 million for the same period in 2019. Investment revenues on invested assets[1] decreased to EUR 220 million in the first half of 2020, compared to EUR 255 million in the same period in 2019. In the first half of 2020, SCOR Global Investments generated EUR 48 million gains from direct real estate portfolio as well as EUR 13 million gains from the fixed income portfolio (EUR 2 million and EUR 9 million respectively for the same period in 2019). The contribution from fair value through income on invested assets stands at EUR 0 million for the six months ended June 30, 2020 (EUR 13 million for the six months ended June 30, 2019).

The Group had average invested assets of EUR 20.5 billion in the first half-year 2020 as compared to EUR 19.5 billion in the first half-year 2019. The return on invested assets for the six months ended June 30, 2020 was 2.6% compared to 2.8% for the same period in 2019.

1.2.5. CONSOLIDATED NET INCOME – GROUP SHARE

SCOR's group net income was EUR 26 million for the first six months of 2020, compared to EUR 286 million for the six-month period ended June 30, 2019 strongly impacted by a total cost of the COVID-19 pandemic booked in Q2 2020 at EUR 456 million net of retrocession, net of reinstatement premiums and before tax.

1.2.6. RETURN ON EQUITY

The return on equity was 0.8% for the first six months of 2020 compared to 9.8% for the same period in 2019.

Basic earnings per share was EUR 0.14 for the first six months of 2020 and EUR 1.54 for the same period in 2019.

(1) For the calculation of invested assets please refer to 6.1.4 Invested Assets, Management Classification vs IFRS Classification.
(2) Refer to Appendix – Calculation of financial ratios, for detailed calculation.

1.2.7. OPERATING CASH FLOWS

Operating cash flows for the Group amounted to EUR 343 million for the six month-period ended June 30, 2020, compared to EUR 33 million for the same period in 2019.

Operating cash flows of SCOR Global P&C amounted to EUR 286 million for the six months ended June 30, 2020 supported by robust cash flow in line with expectations. Operating cash flows for the same period in 2019 amounted to EUR 99 million.

Operating cash flows of SCOR Global Life amounted to EUR 57 million for the six months ended June 30, 2020 backed by strong cash flow delivered by multiple markets. Operating cash flows amounted to EUR (66) million for the same period in 2019, during which SCOR Global Life had experienced lower cash flows as a result of volatility on claims payments and seasonality of client and tax settlements.

1.2.8. SIGNIFICANT EVENTS

COVID-19 pandemic

Refer to Sections 1.2.1 and 3.3 for detailed information.

2019 dividends proposal in the context of COVID-19 pandemic

The Board of Directors of SCOR SE, at its meeting of February 26, 2020, had decided to propose to SCOR's Shareholders' Meeting scheduled to be held on April 17, 2020, that a gross dividend of EUR 1.80 per share be distributed for the 2019 fiscal year.

Given the difficulties of holding shareholders' meetings in the context of the COVID-19 pandemic, the Board of Directors of SCOR SE, at its meeting of March 27, 2020, decided to postpone its Annual Shareholders' Meeting, which was held on June 16, 2020.

Since March 27, 2020, the European Insurance and Occupational Pensions Authority ("EIOPA") and the *Autorité de contrôle prudentiel et de résolution* (ACPR) have issued statements, on April 2, 2020, and on April 3 and 21, 2020, respectively, regarding dividend distributions in respect of the 2019 fiscal year. In its press release of April 3, the ACPR says that "insurance companies must [...] refrain from proposing the distribution of dividends".

In view of these factors, the Board of Directors of SCOR SE, in its meeting on May 25, 2020, has decided to propose to the Shareholders' Meeting of June 16, 2020, that no dividend be distributed for the 2019 fiscal year and that the entire net income for that year be allocated to distributable earnings. All of the resolutions proposed by the Board of Directors were adopted by the Annual Shareholders' Meeting.

The ACPR's position calling for no dividend distribution covers the period from April until October 1, 2020. SCOR will regain its freedom in terms of capital management after this deadline.

AgroBrasil Acquisition

On February 13, 2020, SCOR acquired control of AgroBrasil Administração e Participações Ltda ("AgroBrasil"), Brazil's family-owned leading Managing General Agent distributing fruit and grain loss of crop quality and yield insurance protection to Brazilian farmers.

This transaction marks an important milestone in SCOR's Specialty Insurance strategy:

The AgroBrasil acquisition secures access to a growing and profitable market for SCOR's P&C reinsurance and specialty insurance activities.

SCOR has been a longstanding re/insurance player in the Brazilian agriculture market, which is one of the world's most advanced and sophisticated markets. AgroBrasil is a recognized expert with an unrivalled access to growers, backed by a unique network of expert agronomists and a proprietary digital platform.

SCOR has partnered with AgroBrasil for 15 years: initially as a reinsurer, and since 2013 as an insurer through its Brazilian insurance company, ESSOR Seguros, fully owned by SCOR since 2018.

New cat bond ATLAS Capital Reinsurance 2020 DAC

SCOR has successfully sponsored a new catastrophe bond ("cat bond"), Atlas Capital Reinsurance 2020 DAC, which provides the Group with multi-year risk transfer capacity of USD 200 million to protect itself against storms in the U.S. and earthquakes in the U.S. and Canada. The risk period for Atlas Capital Reinsurance 2020 DAC runs from April 30, 2020, to May 31, 2024.

The issue has received the approval of the Central Bank of Ireland (CBI) and the Irish regulatory authorities.

The contract has been accounted for as a derivative, in accordance with IAS 39 – Financial instruments: Recognition and Measurement. For further details see Section 3.6.1 – Insurance business investments.

1.3. GROUP FINANCIAL POSITION

1.3.1. SHAREHOLDERS' EQUITY

Total shareholders' equity remained stable from EUR 6,374 million as at December 31, 2019 to EUR 6,392 million as at June 30, 2020. The main changes of the period are the revaluation of assets available for sale (EUR 211 million), the effect of shadow accounting (EUR (116) million), the effect of change in foreign exchange rates (EUR (108) million) and EUR 23 million net income (including the share attributable to non-controlling interests).

The Board of Directors of SCOR SE, at its meeting of February 26, 2020, had decided to propose to the Shareholders' Meeting scheduled to be held on April 17, 2020, that a gross dividend of EUR 1.80 per share be distributed for the 2019 fiscal year. In view of the statements issued by EIOPA and the ACPR regarding dividend distributions in the context of the COVID-19 pandemic, the Annual Shareholders' Meeting, postponed to June 16, 2020, approved the subsequent proposal of the Board of Directors of SCOR SE, which had met on May 25, 2020, that no dividend will be distributed for the 2019 fiscal year and that the entire net income for 2019 will be allocated to distributable earnings. For more information, see Section 1.2.8 – Significant Events.

1.3.2. ASSETS AND LIQUIDITY MANAGEMENT

The COVID-19 pandemic is having an unprecedented impact on the global economy. In March and April 2020, unemployment rates skyrocketed, Purchasing Manager Indexes dropped sharply, and corporate earnings have shown signs of deterioration albeit Q2 2020 earnings will be reflective of the full effect of the lockdown restrictions. The current IMF economic forecasts are unprecedented with a -4.9% worldwide economic contraction expected for 2020 followed by a recovery of 5.4% in 2021.

To avoid a liquidity crunch which would have created a systemic wave of corporate defaults and consequently the potential collapse of the financial system, governments have set up emergency lending facilities. In conjunction with the actions taken by the governments, central banks have implemented measures to ensure the smooth transmission of their accommodative monetary policy. These measures aim at improving liquidity and pricing conditions in bond markets and ensuring the continued flow of credit from banks. The FED and the ECB balance sheets have grown respectively from USD 4,200 billion pre COVID-19 to USD 7,100 billion and from EUR 4,600 billion to EUR 6,200 billion.

The Q1 2020 earnings season marked the first material decline in earnings for corporates since the second half of 2009 after the Great Financial Crisis and the Q2 2020 earnings season is expected to be worse with the estimated earnings decline expected at -43.8% on average for S&P 500 companies.

Nevertheless, with easing of lockdown restrictions, the economic figures have started to reverse. The US unemployment, once expected to exceed 20%, is already receding and is at 11.1% for June after topping 13.3% in May. GDP average expectations are for the US and the Eurozone a contraction of respectively -5.6% and -8.0% in 2020 and a rebound of +4.0% and +5.4% in 2021.

Valuations of financial assets have discounted this adverse but better than expected economic environment. Government bonds were driven by the different Quantitative Easing monetary policies and by the collapse of any short-term inflation expectations. The US 10-year rate is now at only 0.65% *versus* 1.91% at the end of 2019. In Europe, the same move pushed rates lower with less magnitude due to an already extremely low level. Hence the German Bund 10-year rate is now at -0.45% *versus* -0.18% et the end of 2019.

In the corporate bond market, after a sharp sell-off, credit spreads have retraced two thirds of their widening. Consequently, the overall average yield of the US corporate bond universe is lower than pre COVID-19 with an effective yield of 2.21% *versus* 2.90% at the end of 2019 and a year-to-date total return of +4.84%.

Equities have also retraced part of their initial losses but dispersion within sectors remained elevated with an overall overperformance of the US market *versus* Europe. Hence, the S&P 500 is now showing a year to date performance of only -3.09% *versus* -11.75% for the European Stoxx600.

SCOR entered the COVID-19 outbreak with a resilient and defensive investment portfolio. SCOR took immediate measures to safeguard its portfolio value, with a voluntary freeze of the reinvestment activity between March and June 2020. In this context, the allocation to corporate bonds was reduced to 41% of invested assets as at June 30, 2020, compared to 43% as at December 31, 2019. Liquidity, defined as SCOR's share of cash and cash equivalents and short-term government bonds (with maturities above three months and below twelve months) and bank overdrafts, stands at 13% of invested assets as at June 30, 2020, compared to 6% as at December 2019. The quality of the Group's fixed income portfolio remains high with a "A+" average rating, in line with the "Quantum Leap" risk framework, and strong diversification in terms of sectors and geographical exposure.

SCOR maintains a disciplined asset-liability matching policy, with a duration of the fixed income portfolio at 3.1 years as at June 30, 2020, slightly lower than December 31, 2019 level of 3.4 years.

With financial cash flows expected from the investment portfolio over the next 24 months standing at EUR 8.7 billion (including cash and cash-equivalents, short-term investments, coupons and redemptions) as of June 30, 2020, SCOR maintains a high level of flexibility to actively manage its portfolio and seize market opportunities.

As at June 30, 2020, SCOR's total investments and cash and cash equivalents amounted to EUR 31.9 billion, comprising real estate investments of EUR 591 million, equities of EUR 2,049 million, debt instruments of EUR 17,015 million, loans and receivables of EUR 9,758 million, derivative instruments of EUR 301 million, and cash and cash equivalents of EUR 2,180 million.

As at June 30, 2020, the debt instruments were invested as follows: government bonds and assimilated EUR 5,030 million, covered bonds and agency MBS EUR 1,627 million, corporate bonds EUR 8,688 million, and structured and securitized products EUR 1,670 million.

For further detail on the investment portfolio as at June 30, 2020 see Section 3.6 – Other financial assets and financial liabilities.

The Group maintains a policy of hedging its net monetary assets and liabilities denominated in foreign currencies to minimize income volatility from currency rate fluctuations. Moreover, the Group has set up a strict policy of currency congruency to protect its capital implying the investment of financial assets using a similar currency mix to the one of net written premiums and reinsurance liabilities.

1.3.3. FINANCIAL DEBT LEVERAGE

As at June 30, 2020, the Group has a financial debt leverage position of 25.9% (compared to 26.4% at December 31, 2019).

This ratio is calculated by dividing subordinated debt by the sum of total shareholders' equity and subordinated debt. The calculation of the leverage ratio excludes accrued interest and includes the impact of swaps related to the same subordinated debt issuances.

1.4. SOLVENCY

SCOR's internal model and risk management system under the Solvency II regime is described in Section 1.3.7 of the 2019 Universal Registration Document.

SCOR's estimated solvency ratio at June 30, 2020 stands at 205%[1], well within the optimal solvency range of 185%-220% as defined in the "Quantum Leap" plan.

1.5. SCOR GLOBAL P&C

1.5.1. GROSS WRITTEN PREMIUMS

Gross written premiums of EUR 3,518 million for the first six months ended June 30, 2020 represent an increase of 2.1% compared to EUR 3,446 million for the same period in 2019. At constant exchange rates, gross written premiums increased by 0.9%.

Excluding the COVID-19 impact on premiums (EUR (112) million), the increase in gross written premiums would have been 4.1% at constant exchange rates and 5.3% at current exchange rates.

1.5.2. NET COMBINED RATIO

SCOR Global P&C achieved a net combined ratio of 102.3% for the six months ended June 30, 2020, compared to a net combined ratio of 93.7% for the same period last year. Natural catastrophes had a 5.1% impact on the net combined ratio for the six months ended June 30, 2020 compared to 5.2% for the same period last year. COVID-19 had an impact of 8.2% on the net combined ratio.

1.5.3. IMPACT OF NATURAL CATASTROPHES

During the six months ended June 30, 2020, SCOR Global P&C results were mainly impacted by tornadoes in the US, fires and hailstorms in Australia, storms in Europe, an earthquake in Puerto Rico, flooding in Indonesia and typhoons in Asia.

The total net losses due to catastrophes amounted to EUR 160 million for the six months ended June 30, 2020, a similar level in comparison to the same period in 2019 when total net losses due to catastrophes amounted to EUR 147 million.

(1) Solvency ratio based on Solvency II requirements. The Group solvency final results are to be filed to supervisory authorities by September 15, 2020, and may differ from the estimates expressed or implied in this Interim Financial Report.

1.6. SCOR GLOBAL LIFE

1.6.1. GROSS WRITTEN PREMIUMS

For the six months ended June 30, 2020, SCOR Global Life's gross written premiums were EUR 4,677 million compared to EUR 4,564 million for the same period in 2019, representing an increase of 2.5% at current exchange rates. The growth at constant exchange rates by 1% is driven by continued franchise development, particularly in Asian markets.

1.6.2. SCOR GLOBAL LIFE TECHNICAL MARGIN

SCOR Global Life achieved a technical margin[(1)] for the six months ended June 30, 2020 of 5.4%, compared to 7.2% for the same period in 2019. The technical margin for the six months period ended June 30, 2020 is impacted by -4.6 pts. due to the COVID-19 pandemic and benefits from active portfolio management and a strong reserving position. As part of the technical margin, the net technical result absorbed EUR 194 million claims caused by the COVID-19 pandemic, of which EUR 182 million relates to the life reinsurance business in the US and EUR 12 million relate to all other markets, net of retrocession and before tax.

1.7. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2020, there were no material changes to the related-party transactions as described in Section 2.3.2 of the 2019 Universal Registration Document, or new related party transactions, which had a material effect on the financial position or on the performance of SCOR.

1.8. RISK FACTORS

The main risks and uncertainties the Group faced as at December 31, 2019 are described in Section 3 of the 2019 Universal Registration Document. Since the publication of the 2019 Universal Registration Document, the global spread of the Coronavirus Disease 2019 (COVID-19) has been creating rapidly developing threats and uncertainties for SCOR, and its risk profile.

IDENTIFICATION OF UNCERTAINTIES RELATED TO THE DEVELOPMENT AND IMPACT OF THE COVID-19 CRISIS

In the current environment, there are a number of uncertainties that affect how the pandemic continues to develop and therefore its ultimate impact on people and the wider economy. These uncertainties fall into two main areas:

Epidemiological and medical uncertainties

There are uncertainties that relate to the ongoing transmission rate of the virus (depending on *e.g.* effectiveness of lockdown/social distancing/"track and tracing" measures, or whether individuals develop lasting immunity to the virus following infection), the number of deaths resulting from infection with COVID-19 (related to *e.g.* the fatality rate of the virus and the ability to provide effective treatments and/or vaccine development) and the excess mortality from related factors other than deaths from infection with COVID-19 (*e.g.* mortality from people that were prevented from receiving healthcare, including preventative screening for other conditions; mortality from "deaths of despair" related to the economic shock).

Social and economic uncertainties

Lockdown measures

Many countries are now easing lockdown measures and encouraging people to return to normal activities, while observing social distancing precautions. However, it is impossible to know to what extent people will observe social distancing rules during everyday interactions. It is therefore possible that further waves of infection will occur in many countries, with the necessity of imposing further lockdown measures. Therefore, although it is known that the immediate economic impact of imposing lockdowns is severe, it is more difficult to predict the extent and persistency of these measures over time and thus the longer-term economic impacts.

(1) Refer to Appendix – Calculation of financial ratios, for detailed calculation.

Support to the economy

While the fiscal and monetary policies announced so far should limit the numbers of defaults and therefore enable a quicker post-crisis recovery, it is uncertain whether these measures will be sufficient to tackle the full spectrum of the economic consequences from the COVID-19 crisis, particularly if there are future infection waves.

Over the medium to longer term, mounting debts due to the fiscal policies from governments and the increasing size of the central bank balance sheets, could trigger a debt crisis, inflation and result in reduced future healthcare spending. In turn, this could fuel widening inequalities both within and between countries, triggering further social unrest, terrorism and geopolitical tensions.

IDENTIFICATION OF THE PRINCIPAL MATERIAL RISKS TO SCOR'S RISK PROFILE FROM COVID-19

The main material impacts on SCOR's risk profile due to the COVID-19 pandemic originate from underwriting risks related to the Property & Casualty (P&C) and Life reinsurance businesses, and from the risks associated with SCOR's invested assets portfolio. The operational implications of the progressive closure of SCOR's offices as the virus has spread across the globe, have been mitigated to a large extent by the successful implementation of SCOR's Business Continuity Plan (BCP). The BCP has provided the required IT infrastructure and support for SCOR's business-as-usual activities to be continued by employees working from home, as this has been deemed necessary.

Impacts on underwriting activities

P&C underwriting risks

Although a number of material uncertainties remain, such that it is difficult to project with any degree of accuracy or certainty the potential impact on the P&C lines of business, those that are most at risk of being exposed to losses as a result of the pandemic are Credit & Surety and Property, particularly with respect to Business Interruption. The exposures from the Credit & Surety business originate from secondary economic impacts, mainly resulting from measures taken by governments to protect people's lives. While fiscal and monetary measures (including trade credit backstops) will help mitigate the impact on (re)insurance losses for Credit & Surety, the nature and effectiveness of these measures remains uncertain.

The potential exposure to Business Interruption losses remains particularly uncertain, not least because the meaning and application of contract language is the subject to pending and potential future disputes and there are efforts in a number of jurisdictions (particularly in the United States) to pass legislation intended to prescribe coverage for Business Interruption under standard policy forms. Ultimately, coverage under each contract must be determined by examining the facts of the claim, the contract language, and the applicable law. Legal disputes are expected to take several years to resolve.

As the impact of the pandemic became apparent in the first quarter of the current year, SCOR moved swiftly to amend its P&C Underwriting Guidelines to require the inclusion of explicit communicable/infectious disease exclusions, unless otherwise permitted by Underwriting Management.

Life underwriting risks

SCOR's most material Life risk exposure is from the reinsurance of long-term mortality, with the majority of this business concentrated in the U.S. The materiality of the Life claims originating from the COVID-19 pandemic is therefore related to a large extent on the ongoing development of the pandemic in the U.S. and, most importantly, the infection fatality rate of those lives reinsured by SCOR.

COVID-19 has particularly impacted older lives, people with pre-existing medical conditions, and those from lower socio-economic backgrounds. Although there is still uncertainty in relation to the overall outcome of the pandemic on SCOR's Life business, it should be noted that SCOR's exposure to the pandemic is mitigated by a number of factors. These include the effect of underwriting (which results in a healthier cohort of lives than the general population) and certain characteristics of the reinsured portfolio, which tends to cover higher socio-economic groups (who are likely to have better access to healthcare and be better able to adhere to containment measures) and to include proportionately fewer older lives than the general population.

Impacts on invested assets

It is currently too early to assess the final impact of COVID-19 on the global economy. The potential outcomes vary depending on the spread of the virus in worst-affected countries and the severity of lockdown measures imposed, the possibility of a second wave of infections and the re-imposition of lockdown measures in countries where the rate of infection is currently under control, and the impact of central bank stimuli and government actions to support their economies.

Based on current economic projections, the rate of downgrade and defaults is likely to increase compared to the situation pre-COVID, which exposes SCOR's invested assets portfolio to increased default and credit spread risk. However, as of now, the support from central banks strongly mitigates these risks. In light of the current macro-economic outlook due to COVID-19, SCOR's invested assets will also be exposed to other market risks, particularly interest rate risk, given the current low-interest rate environment.

SCOR entered the COVID-19 crisis with a resilient and defensive investment portfolio. Since the beginning of 2019, the risks within SCOR's invested assets portfolio have been voluntarily decreased, with a material reduction in the credit exposure and a better liquidity profile with a decrease in the real estate exposure. The fixed income portfolio is of very high quality, with an average rating of A+ and is highly diversified and granular. Finally, the exposure of the portfolio to sectors likely to be directly affected by the crisis (*e.g.* retail, leisure, airlines), in addition to oil and gas sectors, remains limited.

Other risks

SCOR may be exposed to a number of other risks over the medium term as the pandemic develops and related consequences come to light.

Impact on business growth

In a depressed economy, production and commercial exchanges would be lower than before the COVID crisis. This could reduce the need for insurance and reinsurance coverage for Property & Casualty (P&C) business and result in a decrease of SCOR's P&C premium income. This would affect existing business where premium is adjustable based on actual exposure, but more significantly, it could impact future business volumes. However, decreasing premium income might be (partially) compensated by hardening markets.

For SCOR's Life business, an economic downturn could lead to increased lapses on insurance policies, impacting reinsured business volumes. However, the occurrence of the pandemic may raise risk awareness and a related appetite for life or medical insurance coverage.

A high degree of uncertainty remains on the ultimate impacts on premium volume.

Apart from the COVID-19 crisis and its consequences, SCOR has not identified any additional material risk or uncertainty arising in the six months ended June 30, 2020.

1.9. RISKS RELATED TO FUTURE MACROECONOMIC DEVELOPMENTS

The current health crisis due to the COVID-19 pandemic has put the world economy under stress, leading to the biggest global economic shock since World War II. The pandemic is likely to place further stress on the intrinsic weaknesses of worldwide economies that have persisted since the 2008 financial crisis. The economic fallout from the COVID-19 pandemic could lead to a resurgence of trade tensions and protectionist policies, leading to a decline in world trade. The pandemic could also lead to social and political destabilization in the mid-term and a re-fragmentation of the world in the long-term.

The scope, quantum and pace of implementation of government support to the economy are much larger than in previous crises. While this support should limit the crisis in the short to medium term, the current accommodative fiscal and monetary policies and the explosion of the public debt of governments and central banks, if not put rapidly under control, will inhibit investment, innovation and productivity and distort asset prices. It could also induce either a financial crisis of sovereigns, that might be very damaging to the eurozone, Europe and some emerging economies, or a loss of confidence in the currencies and central banks, that could trigger a return of inflation and a reduction in the real value of savings over the mid-term.

The virus is not yet under control and uncertainties on the economic future of the world are very high, making economic forecasting exceedingly difficult. If a vaccine or a treatment is not found rapidly, the negative shock on economies is likely to become permanent and the flexibility of different economies will be tested. Only those able to adapt quickly and to manage the pandemic at lower economic cost are likely to be able to partially recover, while the others will be threatened by a long-lasting depression. However, if a vaccine is found rapidly, the rebound in the world economy could be as sudden as the current recession.

02

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2020 (UNAUDITED)

2.1. INTERIM CONSOLIDATED BALANCE SHEET

ASSETS

In EUR millions		As at June 30, 2020 (unaudited)	As at December 31, 2019
Goodwill arising from insurance activities		**800**	**788**
Goodwill arising from non insurance activities		**82**	**82**
Value of business acquired		**1,193**	**1,302**
Insurance business investments	**Note 3.6.1**	**29,714**	**30,283**
Real estate investments		591	661
Available-for-sale financial assets		17,617	18,843
Investments at fair value through income		1,447	1,351
Loans and receivables		9,758	9,220
Derivative instruments		301	208
Investments in associates		**13**	**13**
Share of retrocessionaires in insurance and investment contract liabilities		**1,799**	**2,227**
Other assets		**10,943**	**10,748**
Accounts receivable from assumed insurance and reinsurance transactions		6,843	6,724
Accounts receivable from ceded reinsurance transactions		418	351
Deferred tax assets		540	532
Tax receivables		153	131
Miscellaneous assets		1,538	1,413
Deferred acquisition costs		1,451	1,597
Cash and cash equivalents		**2,180**	**1,435**
TOTAL ASSETS		**46,724**	**46,878**

SHAREHOLDERS' EQUITY AND LIABILITIES

In EUR millions		As at June 30, 2020 (unaudited)	As at December 31, 2019
Shareholders' equity – Group share		**6,369**	**6,348**
Share capital		1,470	1,473
Additional paid-in capital		609	624
Revaluation reserves		291	214
Consolidated reserves		3,959	3,614
Treasury shares		(52)	(54)
Net Income for the year		26	422
Share-based payments		66	55
Non-controlling interests		**23**	**26**
TOTAL SHAREHOLDERS' EQUITY		**6,392**	**6,374**
Financial liabilities	**Notes 3.6.5 and 3.6.6**	**3,043**	**3,027**
Subordinated debt		2,395	2,409
Real estate financing		488	517
Other financial liabilities		160	101
Employee benefits and other provisions		**237**	**268**
Contract liabilities		**31,085**	**31,236**
Insurance contract liabilities		30,748	30,913
Investment and financial reinsurance contract liabilities		337	323
Other liabilities		**5,967**	**5,973**
Derivative instruments		40	29
Accounts payable on assumed insurance and reinsurance transactions		853	910
Accounts payable on ceded reinsurance transactions		1,152	1,431
Deferred tax liabilities		260	270
Tax payables		133	90
Miscellaneous liabilities		3,529	3,243
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**46,724**	**46,878**

2.2. INTERIM CONSOLIDATED STATEMENT OF INCOME

In EUR millions		Six months ended June 30 2020 (unaudited)	2019 (unaudited)
Gross written premiums		8,195	8,010
Change in unearned premiums reserves		54	(168)
Gross earned premiums		**8,249**	**7,842**
Other income and expenses		(8)	(18)
Investment income		322	347
Total income from ordinary activities		**8,563**	**8,171**
Gross benefits and claims paid		(6,357)	(5,630)
Gross commissions on earned premiums		(1,481)	(1,411)
Net retrocession result		(146)	(205)
Investment management expenses		(40)	(37)
Acquisition and administrative expenses		(289)	(277)
Other current operating expenses		(116)	(122)
Total other current operating income and expenses		**(8,429)**	**(7,682)**
CURRENT OPERATING RESULT		**134**	**489**
Other operating expenses		(12)	(9)
Other operating income		6	-
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)		**128**	**480**
Acquisition related expenses		-	-
Gain from bargain purchase		-	-
OPERATING RESULT		**128**	**480**
Financing expenses		(72)	(71)
Share in results of associates		(1)	(1)
CONSOLIDATED INCOME, BEFORE TAX		**55**	**408**
Corporate income tax	Note 3.7	(32)	(122)
CONSOLIDATED NET INCOME		**23**	**286**
Attributable to:			
Non-controlling interests		(3)	-
GROUP SHARE		**26**	**286**
In EUR			
Earnings per share (Basic)	Note 3.8	0.14	1.54
Earnings per share (Diluted)	Note 3.8	0.14	1.53

2.3. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30	
In EUR millions	2020 (unaudited)	2019 (unaudited)
Consolidated net income	**23**	**286**
Other comprehensive income	**3**	**340**
Items that will not be reclassified subsequently to income	**-**	**(19)**
Remeasurements of post-employment benefits	-	(25)
Taxes recorded directly in equity	-	6
Items that will be reclassified subsequently to income	**3**	**359**
Revaluation – Available-for-sale financial assets	211	572
Shadow accounting	(116)	(180)
Effect of changes in foreign exchange rates	(108)	42
Net gains/(losses) on cash flow hedges	54	21
Taxes recorded directly in equity	(32)	(89)
Other changes	(6)	(7)
COMPREHENSIVE INCOME, NET OF TAX	**26**	**626**
Attributable to:		
Non-controlling interests	(3)	-
Group share	29	626

2.4. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30	
In EUR millions	2020 (unaudited)	2019 (unaudited)
Net cash flows provided by/(used in) SCOR Global Life operations	57	(66)
Net cash flows provided by/(used in) SCOR Global P&C operations	286	99
Net cash flows provided by/(used in) operations	**343**	**33**
Acquisitions of consolidated entities	(2)	-
Changes in scope of consolidation (cash and cash equivalent of acquired companies)	-	-
Disposals of consolidated entities, net of cash disposed of	-	-
Acquisitions of real estate investments	(6)	(38)
Disposals of real estate investments	109	5
Acquisitions of other insurance business investments[1]	(2,747)	(4,406)
Disposals of other insurance business investments[1]	3,289	5,240
Acquisitions of tangible and intangible assets	(69)	(59)
Disposals of tangible and intangible assets	-	-
Net cash flows provided by/(used in) investing activities	**574**	**742**
Issuance of equity instruments	3	7
Treasury share transactions	(34)	-
Dividends paid	-	(327)
Cash generated by issuance of financial liabilities	37	25
Cash used to redeem financial liabilities	(81)	(51)
Interest paid on financial liabilities	(82)	(81)
Other cash flows from financing activities	17	8
Net cash flows provided by/(used in) financing activities	**(140)**	**(419)**
Effect of change in foreign exchange rates on cash and cash equivalents	(32)	1
TOTAL CASH FLOW	**745**	**357**
Cash and cash equivalents at January 1	**1,435**	**1,175**
Net cash flows by/(used in) operations	343	33
Net cash flows by/(used in) investing activities	574	742
Net cash flows by/(used in) financing activities	(140)	(419)
Effect of change in foreign exchange rates on cash and cash equivalents	(32)	1
CASH AND CASH EQUIVALENTS AT JUNE 30	**2,180**	**1,532**

(1) Acquisition and disposals of other insurance business investments also include movements related to bonds and other short-term investments which have a maturity date of less than three months and are classified as cash equivalents.

2.5. INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2020	**1,473**	**624**	**214**	**3,614**	**(54)**	**422**	**55**	**26**	**6,374**
Allocation of prior year net income	**-**	**-**	**-**	**422**	**-**	**(422)**	**-**	**-**	**-**
Consolidated net income	**-**	**-**	**-**	**-**	**-**	**26**	**-**	**(3)**	**23**
Other comprehensive income net of tax	**-**	**-**	**77**	**(74)**	**-**	**-**	**-**	**-**	**3**
Revaluation – Assets available for sale	-	-	211	-	-	-	-	-	211
Shadow accounting	-	-	(116)	-	-	-	-	-	(116)
Effect of changes in foreign exchange rates	-	-	-	(108)	-	-	-	-	(108)
Net gains/(losses) on cash flow hedges	-	-	-	54	-	-	-	-	54
Taxes recorded directly in equity	-	-	(18)	(14)	-	-	-	-	(32)
Remeasurements of post-employment benefits	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	(6)	-	-	-	-	(6)
Comprehensive income net of tax	**-**	**-**	**77**	**(74)**	**-**	**26**	**-**	**(3)**	**26**
Share-based payments(1)	-	-	-	(3)	2	-	11	-	10
Other changes	-	-	-	-	-	-	-	-	-
Capital transactions(2)	(3)	(15)	-	-	-	-	-	-	(18)
Dividends paid	-	-	-	-	-	-	-	-	-
SHAREHOLDERS' EQUITY AT JUNE 30, 2020 (UNAUDITED)	**1,470**	**609**	**291**	**3,959**	**(52)**	**26**	**66**	**23**	**6,392**

(1) Reduction of treasury shares for EUR 2 million mainly coming from the cancellation of shares related to the share-buy-back program.

(2) Movement presented above related to the issuance of shares on the exercise of stock-options for EUR 3 million (EUR 1 million in share-capital and EUR 2 million in additional paid-in capital). This resulted in the creation of 133,900 new shares during the six months ended June 30, 2020. These movements were offset by a reduction in group capital by cancellation of 509,135 treasury shares for EUR (21) million (EUR (4) million in share-capital and EUR (17) million in additional paid-in capital).

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2019	**1,521**	**815**	**(145)**	**3,556**	**(338)**	**322**	**69**	**28**	**5,828**
Effect of adoption of new IFRS(1)	**-**	**-**	**-**	**(45)**	**-**	**-**	**-**	**-**	**(45)**
Shareholders' equity at January 1, 2019 after adoption of new IFRS	**1,521**	**815**	**(145)**	**3,511**	**(338)**	**322**	**69**	**28**	**5,783**
Allocation of prior year net income	**-**	**-**	**-**	**322**	**-**	**(322)**	**-**	**-**	**-**
Consolidated net income	**-**	**-**	**-**	**-**	**-**	**286**	**-**	**-**	**286**
Other comprehensive income net of tax	**-**	**-**	**310**	**30**	**-**	**-**	**-**	**-**	**340**
Revaluation – Assets available for sale	-	-	572	-	-	-	-	-	572
Shadow accounting	-	-	(180)	-	-	-	-	-	(180)
Effect of changes in foreign exchange rates	-	-	-	42	-	-	-	-	42
Net gains/(losses) on cash flow hedges	-	-	-	21	-	-	-	-	21
Taxes recorded directly in equity	-	-	(82)	(1)	-	-	-	-	(83)
Remeasurements of post-employment benefits	-	-	-	(25)	-	-	-	-	(25)
Other changes	-	-	-	(7)	-	-	-	-	(7)
Comprehensive income net of tax	**-**	**-**	**310**	**30**	**-**	**286**	**-**	**-**	**626**
Share-based payments(2)	-	-	-	-	267	-	(34)	-	233
Other changes	-	-	-	-	-	-	8	-	8
Capital transactions(3)	(48)	(187)	-	-	-	-	-	-	(235)
Dividends paid	-	-	-	(325)	-	-	-	(2)	(327)
SHAREHOLDERS' EQUITY AT JUNE 30, 2019 (UNAUDITED)	**1,473**	**628**	**165**	**3,538**	**(71)**	**286**	**43**	**26**	**6,088**

(1) Effect due to first application of IFRS 16 and IFRIC 23.
(2) Reduction of treasury shares for EUR 267 million mainly due to the cancellation of shares related to the share-buy-back program.
(3) Movements presented above relate to the issuance of shares on the exercise of stock-options for EUR 7 million (EUR 3 million in share-capital and EUR 4 million in additional paid-in capital). This resulted in the creation of 390,990 new shares during the six months ended June 30, 2019. These movements were offset by a reduction in group capital by cancellation of 6,545,416 treasury shares for EUR (242) million (EUR (51) million in share-capital and EUR (191) million in additional paid-in capital).

03 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2020 (UNAUDITED)

3.1. GENERAL INFORMATION

The unaudited interim condensed consolidated financial statements (the «Financial Statements») reflect the financial position of SCOR and its consolidated subsidiaries (the «Group») as well as the interest in associated companies for the six months ended June 30, 2020.

Information about the SCOR Group and the principal activities of the Group are disclosed in Section 1.2 of the 2019 Universal Registration Document.

The Board of Directors approved the Financial Statements on July 22, 2020.

3.2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

3.2.1. BASIS OF PREPARATION

The Group's Financial Statements for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and with applicable standards adopted by the European Union as at June 30, 2020.

The Group's Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements included in Section 4 of the 2019 Universal Registration Document. The accounting policies, principles and methods applied in the preparation of the Financial Statements are consistent with those applied for the consolidated financial statements for the year ended December 31, 2019 unless otherwise stated.

In preparing these Financial Statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities at the reporting date. With regards to the COVID-19 pandemic, assessment of the impact with respect to the P&C and Life business exposures requires a high degree of estimation and is highly judgmental. In general, claims information is still limited. Estimates for determining the accounting positions as at June 30, 2020 are made based on current available information and SCOR's expertise. There is still a high degree of uncertainty regarding future developments and current estimates could evolve as more information becomes available. The actual outcome and results could differ substantially from estimates and assumptions made. Interim results are not indicative of full year results.

The Group's Financial Statements are presented in Euros (EUR) and all values are rounded to the nearest EUR million except where otherwise stated. The other key currencies in which the Group conducts business and the exchange rates used for the preparation of the Financial Statements are as follows:

In EUR per foreign currency unit	Closing rate		Average rate			
	As at June 30, 2020	As at December 31, 2019	Q2 2020	Q1 2020	Q2 2019	Q1 2019
USD	0.8898	0.8918	0.9087	0.9062	0.8905	0.8802
GBP	1.1023	1.1821	1.1279	1.1604	1.1463	1.1465
CNY	0.1260	0.1285	0.1282	0.1299	0.1307	0.1304

3.2.2. IFRS STANDARDS APPLIED FOR THE FIRST TIME

The amended International Financial Reporting Standards and Interpretations as adopted by the European Union applicable for the first time during the six months ended June 30, 2020, including Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39 and IFRS 7 issued on September 26, 2019 did not materially impact the Financial Statements.

3.2.3. IFRS STANDARDS PUBLISHED BUT NOT YET EFFECTIVE

The following standards relevant to SCOR and expected to have a significant impact on its consolidated financial statements have been issued by the International Accounting Standards Board but are not yet effective or have not been adopted by the European Union:

On July 24, 2014, the IASB published IFRS 9 – Financial Instruments. The final version of IFRS 9 replaces the previously published versions of IFRS 9 on classification and measurement and hedge accounting. It also replaces IAS 39 – Financial Instruments: Recognition and Measurement and covers classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The EU endorsed IFRS 9 on November 22, 2016. However, SCOR opted for the Deferral Approach for IFRS 9 as granted by IFRS 4 and thus can defer application of the standard until January 1, 2023 if such effective date will be endorsed by the EU.

IFRS 9 requires financial assets to be classified based on the business model for managing the financial assets and their contractual cash flows characteristics. Based on their classification, financial assets will be measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through P&L. The new impairment model requires recognition of expected credit losses based on available historical, current and forecast information. The hedging model included in IFRS 9 aligns hedge accounting more closely with risk management but does not fundamentally change the types of hedging relationships or the requirements to measure and recognize hedge effectiveness.

The adoption of IFRS 9 will affect the classification and measurement of the Group's financial assets as more financial assets are expected to be accounted for at fair value through profit or loss. SCOR's impairment policies will also be affected as impairments will be recognized based on expected credit losses and no longer based on incurred credit losses only. There are no significant changes expected for the hedge accounting as applied by SCOR. The Group is in the process of determining the impact of IFRS 9 on its financial position and performance as well as on disclosures in more detail.

On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts. The Standard will replace the current guidance in IFRS 4 – Insurance Contracts. On March 17, 2020, the IASB voted to propose a deferral of the mandatory effective date for IFRS 17 to January 1, 2023. The IASB also decided to propose extending to 2023 the temporary exemption for insurers to apply IFRS 9, so that both, IFRS 17 and IFRS 9 can be applied at the same time. IFRS 17 will significantly change the accounting for insurance contracts as currently applied. IFRS 17 introduces a current fulfilment measurement approach as the general model for all insurance and reinsurance contracts. Insurance obligations will be the sum of current fulfilment cash flows and the unearned profit for a contract or group of contracts. Current fulfilment cashflows comprise the discounted expected future cash in- and outflows in the boundary of a contract or group of contracts, including a risk adjustment. The unearned profit is called CSM (Contractual Service Margin). Contracts that are onerous on initial recognition require an immediate loss recognition. Insurance contracts will be re-measured based on current market information at each reporting date. Under IFRS 17, the performance of the Group will mainly be depicted through the insurance service result (the profit earned from providing (re)insurance coverage) and the financial result (investment income from managing insurance assets and insurance finance expense from discounting insurance obligations). Gross written premiums will no longer be presented on the face of the income statement. Presentation of balance sheet and income statement will change under IFRS 17 compared to current practice. The new Standard also requires additional disclosures and reconciliations to enable users of the Financial Statements to understand the amounts recognized on the balance sheet and in total comprehensive income as well as the risks embedded in insurance contracts that the Group issues. IFRS 17 is expected to require significant changes in systems and processes at potentially substantial cost. SCOR continues to work on the implementation phase of the IFRS 17 project. Developments of potential changes to IFRS 17 have been closely monitored to ensure consequential impact on the implementation work are timely taken into account.

The final Standard IFRS 17 was issued by the IASB on June 25, 2020. The Standard has a mandatory effective date of January 1, 2023, with earlier application permitted. The amendments address targeted improvements and some of the concerns and implementation challenges that were identified after IFRS 17 – Insurance Contracts was published in 2017. The deferral of the mandatory effective date of IFRS 17 to January 1, 2023 has been considered in the overall project planning to implement new insurance contract accounting requirements.

3.3. COVID-19

The outbreak of the new coronavirus was first reported around end of 2019/early 2020 and was characterized as a pandemic by the World Health Organization on March 11, 2020. The virus has significantly impacted the world economy and financial markets.

Management continuously monitored the developments and has assessed the impacts of the pandemic on SCOR's consolidated financial statements as at June 30, 2020 considering that:

- a high degree of management judgment is required in making such assessments;
- significant uncertainty still exists with regards to assumptions made on impacts incurred as well as the further development of the pandemic in terms of magnitude and duration, progress in medical treatment and potential viral mutations, including possible effects of future governmental actions and/or legal developments.

Therefore, any of the impacts described below should be understood in this context of management judgments made and high level of uncertainty.

A specific description of risks related to COVID-19 is included in sections 1.8 – Risk factors, and 1.9 – Risks related to future macroeconomic developments of this Half-Year-Report.

The interim consolidated condensed financial statements are prepared under the going-concern assumption and include the current assessment of claim costs for SCOR's P&C and Life business units (EUR 248 million and EUR 194 million COVID-19 related claims, net of retrocession, net of reinstatement premiums and before tax, respectively). These impacts comprise notified claims (EUR 63 million for the Life business unit and EUR 74 million for the P&C business unit) and estimates of incurred but not reported claims, increasing insurance contract liabilities. The assessment performed as at June 30, 2020 is based on parameters that are still widely estimated. Clearer information about actual exposure is expected during the second half of 2020 and further in 2021.

For the Life business unit, the main exposure arises in the US, accounting for EUR 182 million of claim costs, net of retrocession and before tax. In Europe and Asia-Pacific COVID-19 related claims amount to EUR 12 million (net of retrocession and before tax) in Q2 2020. For the P&C business unit the impact booked in Q2 2020 of EUR 248 million net of retrocession, reinstatement premium, and before tax, comes mainly from Credit, Surety & Political Risk and from Property Business Interruption, with limited COVID-19 related exposure in other business lines. SCOR Global P&C has no exposure to event cancellation on a stand-alone basis, and very limited exposure from multi-line treaties.

SCOR Global P&C has further identified a decrease in gross written premium by EUR 112 million attributable to COVID-19, which has an impact on the net result of EUR -12 million. For the Life business unit, no significant impact on gross written premiums has been identified in the reporting period.

The pandemic led to increased volatility in financial markets. SCOR did not reclassify financial instruments. Fair value measurement approaches have not been changed. The six-month period ended June 30, 2020 includes EUR 14 million impairments on insurance business investments before tax (excluding amounts attributable to non-controlling interest).

In assessing potential impairment of non-financial assets management considered whether triggers for impairment were identified. No impairment triggers were identified for goodwill related to non-insurance business activities and the annual impairment test will thus be conducted later in 2020. Goodwill related to insurance business activities was assessed and no impairment identified as recoverable amounts exceeded the respective carrying amounts.

Lease payments, mainly related to leases of office buildings, were not impacted by COVID-19 as at June 30, 2020.

Many governments around the world have reacted to the economic crises triggered by the pandemic and issued government assistance packages, including tax concessions or rebates. SCOR assessed potential impacts on reported tax charges and balances under consideration of whether these were substantively enacted and met recognition requirements. Deferred tax assets and liabilities are recorded in applying accounting policies consistently. Deferred tax asset recoverability tests have been updated following the COVID-19 pandemic and did not result in changes in the overall position. Recoverability of deferred tax assets will depend on the availability of future taxable income.

3.4. BUSINESS COMBINATIONS

On February 13, 2020, SCOR acquired a majority interest (60%) in AgroBrasil Administração e Participações Ltda ("AgroBrasil"), Brazil's family-owned leading Managing General Agent distributing fruit and grain loss of crop quality and yield insurance protection to Brazilian farmers.

The AgroBrasil acquisition secures access to a growing and profitable market for SCOR's P&C reinsurance and specialty insurance activities.

The purchase agreement includes both put and call options for the 40% remaining interest to be exercised in the first quarter of 2023. The interest subject to the put and call options is deemed to have been acquired at the date of acquisition. No non-controlling interest is recognized from the business combination.

In accordance with IAS 39, the present value of the liability corresponding to the deferred purchase price for the remaining 40% is included in the purchase price and has been recognized in the Group's liabilities.

SCOR obtained control of AgroBrasil at the closing date of the transaction. AgroBrasil has therefore been fully consolidated in the SCOR Group financial statements since February 13, 2020.

The identifiable assets acquired and liabilities assumed have been recorded at their fair values for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS. The net assets amounted to BRL 1 million (EUR 0.2 million, based on the EUR/BRL exchange rate at the acquisition date). The resulting goodwill of EUR 12 million is recognized as goodwill arising from insurance activities.

3.5. SEGMENT INFORMATION

The primary activities of the Group are described in Section 1.2 of the 2019 Universal Registration Document.

For management purposes the Group is organized into three business units (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which SCOR Global P&C and SCOR Global Life are considered reportable operating segments, and one corporate cost center, referred to as "Group Functions". SCOR Global Investments is the asset management business unit of the Group. Its role is complementary to the two reportable operating segments as it manages SCOR Global P&C's and SCOR Global Life's investment assets associated with their contract liabilities. SCOR Global Investments also manages third-party assets, however this activity is currently considered not material. Therefore, SCOR Global Investments is not considered a separate reportable operating segment for the purposes of IFRS 8 – Operating segments. The reportable operating segment SCOR Global P&C is responsible for SCOR's property and casualty insurance and reinsurance (also referred to as "Non-Life"); and the reportable operating segment SCOR Global Life is responsible for Life reinsurance (also referred to as "Life"). Each operating segment underwrites different types of risks and offers different products and services which are marketed *via* separate channels. Responsibilities and reporting within the Group are established on the basis of this structure. No operating segments have been aggregated to form the SCOR Global P&C and the SCOR Global Life reportable operating segments.

Management reviews the operating results of the SCOR Global P&C and SCOR Global Life segments individually for the purpose of assessing the operational performance of the businesses and to allocate resources. The amount of inter-segment transactions, primarily in relation to gross written premiums, is not significant. Hub shared service costs are allocated to the business units using a headcount allocation key.

Group functions is not an operating segment and does not generate revenues. Costs relating to Group functions are not directly attributable to either the SCOR Global P&C or SCOR Global Life segments.

3.5.1. OPERATING SEGMENTS

The following table sets forth the operating results for the Group's operating segments and its corporate cost center for the six months ended June 30, 2020 and 2019. Inter-segment recharges of expenses are eliminated at consolidation level.

	For the six months ended June 30 (unaudited)							
	2020				2019			
In EUR millions	SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total
Gross written premiums	4,677	3,518	-	8,195	4,564	3,446	-	8,010
Change in gross unearned premiums reserves	(11)	65	-	54	(6)	(162)	-	(168)
Gross earned premiums	**4,666**	**3,583**	**-**	**8,249**	**4,558**	**3,284**	**-**	**7,842**
Revenues associated with financial reinsurance contracts	8	-	-	8	10	-	-	10
Gross benefits and claims paid	(3,878)	(2,479)	-	(6,357)	(3,543)	(2,087)	-	(5,630)
Gross commissions on earned premiums	(648)	(833)	-	(1,481)	(636)	(775)	-	(1,411)
GROSS TECHNICAL RESULT(1)	**148**	**271**	**-**	**419**	**389**	**422**	**-**	**811**
Ceded written premiums	(430)	(422)	-	(852)	(337)	(492)	-	(829)
Change in ceded unearned premiums reserves	-	(12)	-	(12)	-	13	-	13
Ceded earned premiums	**(430)**	**(434)**	**-**	**(864)**	**(337)**	**(479)**	**-**	**(816)**
Ceded claims	399	211	-	610	131	349	-	480
Ceded commissions	34	74	-	108	49	82	-	131
Net retrocession result	**3**	**(149)**	**-**	**(146)**	**(157)**	**(48)**	**-**	**(205)**
NET TECHNICAL RESULT(1)	**151**	**122**	**-**	**273**	**232**	**374**	**-**	**606**
Other income and expense excl. Revenues associated with financial reinsurance contracts	**1**	**(17)**	**-**	**(16)**	**2**	**(30)**	**-**	**(28)**
Investment revenues	80	142	-	222	90	171	-	261
Interests on deposits	79	3	-	82	72	6	-	78
Capital gains/(losses) on the sale of investments	21	42	-	63	-	15	-	15
Change in fair value of investments	(1)	(1)	-	(2)	-	16	-	16
Change in impairment and amortization of investments	(2)	(22)	-	(24)	(1)	(20)	-	(21)
Foreign exchange gains/(losses)	4	(23)	-	(19)	(1)	(1)	-	(2)
Investment income	**181**	**141**	**-**	**322**	**160**	**187**	**-**	**347**
Investment management expenses	(12)	(24)	(4)	(40)	(10)	(22)	(5)	(37)
Acquisition and administrative expenses	(139)	(136)	(14)	(289)	(134)	(132)	(11)	(277)
Other current operating expenses	(36)	(30)	(50)	(116)	(39)	(29)	(54)	(122)
CURRENT OPERATING RESULT	**146**	**56**	**(68)**	**134**	**211**	**348**	**(70)**	**489**
Other operating expenses	(4)	(8)	-	(12)	(2)	(7)	-	(9)
Other operating income	1	5	-	6	-	-	-	-
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)	**143**	**53**	**(68)**	**128**	**209**	**341**	**(70)**	**480**

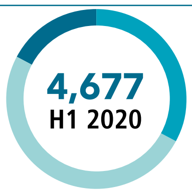
(1) Technical results are the balance of income and expenses allocated to the insurance and reinsurance business.

SCOR Global Life achieved a technical margin[1] for the six months ended June 30, 2020 of 5.4%, compared to 7.2% for the same period in 2019. The technical margin for the six months period ended June 30, 2020 is impacted by -4.6 pts. due to the COVID-19 pandemic and benefits from active portfolio management and a strong reserving position. As part of the technical margin, the net technical result absorbed EUR 194 million claims caused by the COVID-19 pandemic, of which EUR 182 million relates to the life reinsurance business in the US and EUR 12 million relate to all other markets, net of retrocession and before tax.

For SCOR Global P&C, the net technical result for the six months ended June 30, 2020 reflects a net combined ratio (calculated by dividing the sum of Non-Life claims, including natural catastrophes, commissions and management expenses net of retrocession, by earned premiums net of retrocession) of 102.3% compared to 93.7% for the same period in 2019. Natural catastrophes had an impact of 5.1% on the net combined ratio for the first six months in 2020, compared to 5.2% for the same period in 2019. COVID-19 had an impact of 8.2% on the net combined ratio.

3.5.2. GROSS WRITTEN PREMIUMS AND INSURANCE CONTRACT LIABILITIES BY GEOGRAPHIC REGION

The distribution of gross written premiums by geographic region for SCOR Global Life, based on market responsibility, is as follows:



In EUR millions		For the six months ended June 30 (unaudited) 2020	2019
SCOR Global Life			
33%	EMEA	1,519	1,595
50%	Americas	2,350	2,266
17%	Asia-Pacific	808	703
TOTAL GROSS WRITTEN PREMIUMS		**4,677**	**4,564**

In 2019, the market responsibility for one portfolio was reallocated from the Americas to EMEA. The gross written premiums for SCOR Global Life previously reported in the 2019 Interim Financial Report for Americas were EUR 2,314 million for the half-year ended June 30, 2019. Gross written premiums previously reported for EMEA were EUR 1,547 million for the half-year ended June 30, 2019.

Contract liabilities and share of retrocessionaires in contract liabilities for SCOR Global Life, allocated on the same basis as gross written premiums, are as follows:

	As at June 30, 2020 (unaudited)		As at December 31, 2019	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR Global Life				
EMEA	9,588	358	9,632	505
Americas	3,888	102	3,917	146
Asia-Pacific	1,288	(51)	1,131	1
TOTAL	**14,764**	**409**	**14,680**	**652**

(1) Refer to Appendix – Calculation of financial ratios, for detailed calculation.

The distribution of gross written premiums by geographic region for SCOR Global P&C, based on the country in which the ceding company operates for treaty business and localization of the insured for facultative business, is as follows:

In EUR millions		For the six months ended June 30 (unaudited) 2020	2019
SCOR Global P&C			
38%	EMEA	1,352	1,497
45%	Americas	1,576	1,359
17%	Asia-Pacific	590	590
TOTAL GROSS WRITTEN PREMIUMS		**3,518**	**3,446**

For SCOR Global P&C, contract liabilities, allocated on the same basis as gross written premiums, and share of retrocessionaires in contract liabilities, allocated based on the location of the retrocessionaire, are as follows:

	As at June 30, 2020 (unaudited)		As at December 31, 2019	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR Global P&C				
EMEA	8,569	653	8,961	861
Americas	5,377	631	5,142	618
Asia-Pacific	2,375	106	2,453	96
TOTAL	**16,321**	**1,390**	**16,556**	**1,575**

3.5.3. ASSETS AND LIABILITIES BY OPERATING SEGMENT

Key balance sheet captions by operating segment, as reviewed by management, are broken down as follows:

	As at June 30, 2020 (unaudited)			As at December 31, 2019		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Goodwill arising from insurance activities	45	755	800	45	743	788
Value of business acquired	1,193	-	1,193	1,302	-	1,302
Insurance business investments	13,488	16,226	29,714	13,791	16,492	30,283
Share of retrocessionaires in insurance and investment contract liabilities	409	1,390	1,799	652	1,575	2,227
Cash and cash equivalents[1]	988	1,192	2,180	593	842	1,435
TOTAL ASSETS	**21,838**	**24,886**	**46,724**	**21,950**	**24,928**	**46,878**
Contract liabilities	(14,764)	(16,321)	(31,085)	(14,680)	(16,556)	(31,236)

(1) Cash and cash equivalent include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 158 million on June 30, 2020 (December 31, 2019: EUR 211 million).

3.5.4. CASH FLOW BY OPERATING SEGMENT

Operating cash flow by segment is disclosed on the face of the interim condensed consolidated statements of cash flows.

3.6. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

3.6.1. INSURANCE BUSINESS INVESTMENTS

The Group's insurance business investments by category and valuation technique are presented in the following table:

		Investments and cash as at June 30, 2020 (unaudited)				
In EUR millions		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**591**	**-**	**-**	**-**	**591**
Equity securities	Note 3.6.4	604	154	381	-	69
Debt securities	Notes 3.6.3 & 3.6.4	17,013	15,292	1,721	-	-
Available-for-sale financial assets		**17,617**	**15,446**	**2,102**	**-**	**69**
Equity securities	Note 3.6.4	1,445	221	1,224	-	-
Debt securities	Notes 3.6.3 & 3.6.4	2	2	-	-	-
Investments at fair value through income		**1,447**	**223**	**1,224**	**-**	**-**
Loans and receivables		**9,758**	**651**	**-**	**-**	**9,107**
Derivative instruments(1)		**301**	**-**	**155**	**146**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**29,714**	**16,320**	**3,481**	**146**	**9,767**
Cash and cash equivalents(2)		**2,180**	**2,180**	**-**	**-**	**-**
INVESTMENTS AND CASH		**31,894**	**18,500**	**3,481**	**146**	**9,767**
Percentage		**100%**	**58%**	**11%**	**0%**	**31%**

		Investments and cash as at December 31, 2019				
In EUR millions		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**661**	**-**	**-**	**-**	**661**
Equity securities	Note 3.6.4	601	183	347	-	71
Debt securities	Notes 3.6.3 & 3.6.4	18,242	16,463	1,779	-	-
Available-for-sale financial assets		**18,843**	**16,646**	**2,126**	**-**	**71**
Equity securities	Note 3.6.4	1,349	250	1,099	-	-
Debt securities	Notes 3.6.3 & 3.6.4	2	2	-	-	-
Investments at fair value through income		**1,351**	**252**	**1,099**	**-**	**-**
Loans and receivables		**9,220**	**97**	**-**	**-**	**9,123**
Derivative instruments(1)		**208**	**-**	**123**	**85**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**30,283**	**16,995**	**3,348**	**85**	**9,855**
Cash and cash equivalents(2)		**1,435**	**1,435**	**-**	**-**	**-**
INVESTMENTS AND CASH		**31,718**	**18,430**	**3,348**	**85**	**9,855**
Percentage		**100%**	**58%**	**11%**	**0%**	**31%**

(1) Liabilities of EUR 40 million arising from derivative financial instruments are disclosed in the liability section of the consolidated balance sheet (as at December 31, 2019: EUR 29 million).

(2) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 158 million on June 30, 2020 (December 31, 2019: EUR 211 million).

Classification, valuation and impairment methods are presented in Section 4.6 – Notes to the consolidated financial statements, Note 7 of the 2019 Universal Registration Document.

The Group provides disclosures on the measurements of financial instruments held at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement. Assessing the significance of a particular input to the fair value measurement requires judgment, considering factors specific to the asset or liability. At each end of a reporting period, the Group considers the classification relevancy of financial instruments that are measured at fair value. The valuation methodology of financial instruments is monitored to identify potential reclassifications. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Included in this level are financial instruments for which quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker. Such instruments comprise listed equities, government, covered and agency bonds, corporate bonds as well as short-term investments. For units in unit-inked trusts, shares, open-ended investment companies and derivative financial instruments (including real estate, interest rate and mortality swaps, options etc.), fair value is determined by reference to published bid values.

Level 2: models prepared by internal and external experts using observable market inputs

The Group has certain investments which are valued based on models prepared by internal and external experts using observable market inputs. These primarily comprise structured products, other than securities issued by government agencies for which the market is considered active, hybrid and tier 1 and tier 2 corporate debt, private placements, inflation linked government assimilated bonds, specific alternative investments and derivative instruments.

Level 3: valuation inputs for the asset or liability which are not based on observable market data (unobservable inputs)

The value of these instruments is neither supported by prices from observable current market transactions in the same instrument nor is it based on available market data. If a fair value measurement uses inputs based significantly on unobservable inputs, it is classified as a Level 3 measurement. Level 3 instruments consist mainly of derivative instruments primarily relating to the Atlas catastrophe and mortality bonds.

Further details on the valuation of these derivative instruments are included within Section 4.6 – Notes to the consolidated financial statements, Note 7.9 – Derivative Instruments in the 2019 Universal Registration Document.

Atlas catastrophe bonds (level 3)

Atlas Capital UK 2019 PLC provides the Group with multi-year risk transfer capacity of USD 250 million to protect itself against named storms in the U.S., earthquakes in the U.S. and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 will run from June 1, 2019, to May 31, 2023.

In 2020, SCOR has sponsored a new catastrophe bond ("cat bond"), Atlas Capital Reinsurance 2020 DAC, which provides the Group with multi-year risk transfer capacity of USD 200 million to protect itself against storms in the U.S. and earthquakes in the U.S. and Canada. The risk period for Atlas Capital Reinsurance 2020 DAC will run from April 30, 2020, to May 31, 2024.

These instruments are recognized as derivatives and valued using a cumulated expected loss model that is based on a combination of market inputs to the extent that trades in this instrument are active and catastrophe modelling tools developed by a third-party service provider (AIR).

The significant unobservable inputs used in the valuation model are:

Unobservable inputs	Atlas Capital UK 2019 PLC	Atlas capital Re 2020 DAC
Expected loss US Named Storm based on AIR model	10.27%	6.77%
Expected loss US and Canadian earthquake based on AIR model	5.09%	4.35%
Expected loss European Windstorm based on AIR model	1.83%	0.00%

A significant catastrophic event (US or Canadian Earthquake or a US Named Storm or a European Windstorm) that would occur during the coverage period of the respective bonds would lead to a change in the fair value of the derivative instrument.

Available-for-sale financial assets measured at cost

Available-for-sale financial assets include EUR 69 million of investments which are measured at cost (December 31, 2019: EUR 71 million). These investments include primarily equity securities and funds which are not listed.

During the six-month periods ended June 30, 2020 and 2019, there were no material gains or losses realized on the disposal of available-for-sale financial assets which were previously carried at cost.

Transfers and classification of investments

There have been no material transfers between Level 1 and Level 2 fair value categories during the six-month periods ended June 30, 2020 and 2019.

Real estate investments

During the six months ended June 30, 2020, SCOR sold a building with EUR 47 million gain on sale (during the six months ended June 30, 2019, SCOR sold a building with EUR 2 million gain on sale).

3.6.2. MOVEMENTS IN FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3 OF THE FAIR VALUE HIERARCHY

During the six months ended June 30, 2020, there was no transfer into/out of the Level 3 fair value measurement category.

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Net book value at January 1, 2020	**-**	**-**	**-**	**85**	**85**
Foreign exchange rate movements	-	-	-	-	-
Income and expense recognized in statement of income	-	-	-	(6)(1)	(6)
Additions	-	-	-	67(2)	67
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
NET BOOK VALUE AT JUNE 30, 2020	**-**	**-**	**-**	**146**	**146**

(1) Movements in derivative instruments are due to the change in fair value of Atlas Capital UK 2019 PLC and Atlas Capital Reinsurance 2020 DAC, derivatives recorded in other operating expenses and contingent capital facilities recorded in investment income.
(2) The addition concerns the new Atlas Capital Reinsurance 2020 DAC derivative contract and the new contingent capital facilities.

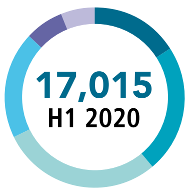
During the six months ended June 30, 2019, there was no transfer into/out of the Level 3 fair value measurement category.

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Net book value at January 1, 2019	**-**	**-**	**-**	**19**	**19**
Foreign exchange rate movements	-	-	-	-	-
Income and expense recognized in statement of income	-	-	-	(6)(1)	(6)
Additions	-	-	-	106(2)	106
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
NET BOOK VALUE AT JUNE 30, 2019	**-**	**-**	**-**	**119**	**119**

(1) Movements in derivative instruments are due to the change in fair value of Atlas IX Series 2016-1 and Atlas Capital UK 2019 PLC, derivatives recorded in other operating expenses and contingent capital facilities recorded in investment income.
(2) The addition concerns the new Atlas Capital UK 2019 PLC derivative contract.

3.6.3. DEBT SECURITIES CREDIT RATING STRUCTURE

An analysis of the credit ratings of debt securities is as follows:



In EUR millions		As at June 30, 2020 (unaudited)		As at December 31, 2019	
16%	AAA	2,730	16%	3,087	17%
23%	AA	4,017	23%	4,695	26%
29%	A	4,878	29%	5,112	28%
19%	BBB	3,202	19%	3,038	17%
7%	<BBB	1,207	7%	1,272	7%
6%	Not Rated	981	6%	1,040	5%
TOTAL DEBT SECURITIES		**17,015**	**100%**	**18,244**	**100%**

3.6.4. BREAKDOWN OF SECURITIES AVAILABLE FOR SALE AND AT FAIR VALUE THROUGH INCOME

The following table summarizes the debt and equity securities and unrealized gains/(losses) by class of securities classified as available for sale and at fair value through income:

	As at June 30, 2020 (unaudited)		As at December 31, 2019	
In EUR millions	Net book value	Net unrealized gains/(losses)	Net book value	Net unrealized gains/(losses)
Government bonds & similar				
France	61	-	64	-
Germany	34	1	58	1
Netherlands	20	1	17	1
United Kingdom	243	1	323	-
Other EU	174	1	175	1
United States	2,181	20	2,590	(2)
Canada	265	27	313	16
Japan	19	1	16	-
China	740	7	718	4
Supranational	169	4	194	2
Other	1,124	37	1,187	17
Total government bonds & similar	**5,030**	**100**	**5,655**	**40**
Covered bonds & Agency MBS	**1,627**	**45**	**1,885**	**17**
Corporate bonds	**8,688**	**445**	**8,977**	**257**
Structured & securitized products	**1,670**	**(89)**	**1,727**	**(13)**
TOTAL DEBT SECURITIES	**17,015**	**501**	**18,244**	**301**
Equity securities	**2,049**	**(24)**	**1,950**	**24**
TOTAL AVAILABLE FOR SALE AND FAIR VALUE THROUGH INCOME	**19,064**	**477**	**20,194**	**325**

Impairment

During the six months ended June 30, 2020, the Group recorded EUR 1 million impairment expenses on debt securities (same period in 2019: EUR 2 million) and EUR 9 million impairment expenses on equity securities (same period in 2019: EUR 9 million), in accordance with its impairment policies as defined in Section 4.6 – Notes to the consolidated financial statements, Note 7.2 of the 2019 Universal Registration Document.

3.6.5. FINANCIAL LIABILITIES

The following table sets out an overview of the debt issued by the Group:

In EUR millions	Maturity	As at June 30, 2020 (unaudited) Net book value	Fair value	As at December 31, 2019 Net book value	Fair value
Subordinated debt					
CHF 125 million	Perpetual	119	120	114	117
EUR 250 million	Perpetual	255	273	250	289
USD 625 million	Perpetual	567	551	569	572
USD 125 million	Perpetual	112	109	112	112
EUR 250 million	06/05/2047	249	278	253	289
EUR 600 million	06/08/2046	593	655	602	683
EUR 500 million	05/27/2048	500	575	509	605
Total subordinated debt(1)		**2,395**	**2,561**	**2,409**	**2,667**
Investment properties financing		179	179	218	218
Own-use properties financing		309	309	299	299
Total real estate financing(2)		**488**	**488**	**517**	**517**
Other financial debt(2)		**160**	**160**	**101**	**101**
TOTAL FINANCIAL DEBT		**3,043**	**3,209**	**3,027**	**3,285**

(1) The balance includes EUR 24 million accrued interests (as at December 31, 2019: EUR 38 million).
(2) These debts are not publicly traded. Therefore, the carrying amounts are reflective of their fair value.

3.6.6. FINANCIAL DEBT AND CAPITAL

Cash-flow hedge on perpetual subordinated debts

In order to hedge the foreign exchange risk associated with the debts issued in USD (USD 625 million issued March 13, 2018 and USD 125 million issued December 17, 2019), SCOR entered into cross-currency swaps which exchange the principals and the coupons on the notes into Euro and mature on March 13, 2029.

Cash-flow hedge accounting is applied. The fair value of the swaps is obtained from the banking counterparty using market inputs. As part of the usual analysis of accounts processes, these third-party valuations are checked for reasonableness. The total relating notional amount is USD 750 million as at June 30, 2020 (December 31, 2019: USD 750 million). As at June 30, 2020, the balance sheet amount of these swaps is an asset of EUR 138 million (as at December 31, 2019: asset of EUR 79 million). No inefficiency was identified on these hedges during the first half of 2020.

Real estate financing

Real estate financing relates to the acquisition of investment properties and own-use properties through property-related bank loans of EUR 488 million (EUR 517 million as at December 31, 2019), of which EUR 77 million related to real estate financing at MRM S.A. (EUR 78 million as at December 31, 2019).

The majority of real estate financing contracts contain accelerated repayment clauses and other debt covenants. Such covenants define certain ratios to comply with, among which loan to value ratios (LTV), defined as the relation between the carrying amount of the financing and the market value of the real estate being financed, interest coverage rates (ICR), representing the percentage at which interest charges are covered by rental income, and debt service coverage ratios (DSCR), representing the percentage at which debt amortization and interest expense are covered by rental income. Under existing financing contracts LTV ratios vary between 50% and 70% and ICR/DSCR between 130% and 440%.

Cash-flow hedge on real estate financing

SCOR has entered into interest rates swaps to cover its exposure to financial debt with variable interest rates relating to real estate investments. Cash-flow hedge accounting is applied. The fair value of these swaps is obtained from the banking counterparty using market inputs. As part of the usual analysis of accounts processes, these third-party valuations are checked for reasonableness. The total notional amount relating to these swaps is EUR 69 million as at June 30, 2020 (December 31, 2019: EUR 86 million). As at June 30, 2020, the balance sheet amount of these swaps is a liability EUR 2 million (as at December 31, 2019: liability of EUR 2 million). No inefficiency was identified on these hedges during the first half of 2020.

Contingent capital facility

On December 3, 2019, SCOR arranged a contingent capital facility with J.P. Morgan taking the form of a contingent equity line, providing the group with EUR 300 million coverage in case of extreme natural catastrophes or life events impacting mortality. Under this arrangement, SCOR issued 9.4 million warrants in favor of J.P. Morgan, each warrant giving J.P. Morgan the right to subscribe to two new SCOR shares. J.P. Morgan has undertaken to exercise accordingly the number of warrants necessary for the subscription of up to EUR 300 million (issuance premium included) of new shares, without exceeding 10% of SCOR's share capital, when the aggregate amount of (i) the estimated ultimate net losses resulting from eligible natural catastrophes incurred by the Group (in its capacity as an insurer/reinsurer) between January 1, 2020 and December 31, 2022 or (ii) the ultimate net claims amount recorded by SCOR Group Life business unit (in its capacity as an insurer/reinsurer) over two consecutive semesters over the period from July 1, 2019 and December 31, 2022 reaches certain contractual thresholds subject to review by SCOR's Statutory Auditors. In addition, subject to no drawdown having already been conducted under the facility, if SCOR's daily volume-weighted average share price falls below EUR 10, an individual tranche of EUR 150 million will be drawn down out of the EUR 300 million facility.

J.P. Morgan is committed to subscribing the new shares, in case of exercise of the warrants, but does not intend to become a long-term shareholder of SCOR and would therefore resell the shares by way of private placements and/or sales on the open market. In this respect, SCOR and J.P. Morgan have entered into a profit sharing arrangement, whereby 75% of the gain generated by the resale of the new shares, if any, would be retroceded to SCOR. If the resale of the new shares occurs immediately upon exercise through an off-market transaction, the profit share owed to SCOR will be paid in the form of SCOR shares in order to limit the dilutive impact of the transaction for SCOR's shareholders.

In the absence of any extreme triggering event, no shares would be issued under the facility and this facility would therefore remain without any dilutive impact for the shareholders.

2019 Dividend

In line with SCOR's shareholder remuneration policy and given the Group's performance in 2019, the Board of Directors of SCOR SE, at its meeting of February 26, 2020, had decided to propose to the Shareholders' Meeting scheduled to be held on April 17, 2020, that a gross dividend of EUR 1.80 per share be distributed for the 2019 fiscal year.

In the context of COVID-19, the Annual Shareholders' Meeting, postponed to June 16, 2020, approved the subsequent proposal of the Board of Directors of SCOR SE, which had met on May 25, 2020, that no dividend will be distributed for the 2019 fiscal year and that the entire net income for 2019 will be allocated to distributable earnings.

3.7. INCOME TAX

For the six months ended June 30, 2020 corporate income tax was an expense of EUR 32 million (EUR 122 million for the six-months ended June 30, 2019). The decrease of EUR 90 million is mainly due to the decrease in pre-tax income from EUR 408 million for the first half-year 2019 to EUR 55 million for the first half year in 2020 driven by the COVID-19 impact.

3.8. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows for the six-month periods ended June 30, 2020 and 2019:

In EUR millions	As at June 30, 2020 (unaudited)			As at June 30, 2019 (unaudited)		
	Net income (numerator)	Shares, (denominator) *(in thousands)*[(1)]	Net income per share *(in EUR)*	Net income (numerator)	Shares, (denominator) *(in thousands)*[(1)]	Net income per share *(in EUR)*
Basic earnings per share						
Net income – Group share	26	186,469	0.14	286	185,337	1.54
Diluted earnings per share						
Dilutive effects	-	-	-	-	-	-
Stock options and share-based compensation[(2)]	-	1,861	-	-	1,710	-
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS AND ESTIMATED CONVERSIONS	**26**	**188,330**	**0.14**	**286**	**187,047**	**1.53**

(1) Average number of shares during the period, excluding treasury shares.
(2) Calculated assuming all options are exercised when the average SCOR share price for the year exceeds the option exercise price.

The exercise of stock-options has consistently led to treasury shares being cancelled as decided by the General Meeting of the Company in order to avoid any dilutive effect of such exercise upon the share capital.

3.9. LITIGATION MATTERS

The Group describes the litigation matters in more detail in Section 4.6 Note 25 of the 2019 Universal Registration Document.

COMISIÓN NACIONAL DE LA COMPETENCIA

On November 12, 2009, and following an administrative sanctioning procedure, the Spanish competition authority (*Comisión Nacional de la Competencia*, or the "CNC") sanctioned SCOR Global P&C SE Ibérica Sucursal, a branch of SCOR Global P&C, and a number of other insurance and reinsurance companies for an alleged infringement of Article 1 of Law 15/2007, of July 3, 2007, on Competition (the "Competition Act" which prohibits agreements and concerted practices that may have as an object or effect the restriction of competition in the market). The infraction would have consisted in an agreement to set the minimum price and other commercial conditions applied to customers in the market for decennial insurance for constructions in Spain. Pursuant to such decision, SCOR was sentenced to pay a fine of EUR 18.6 million. Other insurers and reinsurers were also fined in relation to the same matter.

On December 21, 2009 SCOR filed an appeal to the sanctioning decision before the Administrative Chamber of the National Audience (*Audiencia Nacional*, or the «AN»).

On December 28, 2012, the AN issued its judgment on the appeal, annulling the decision of the CNC. The AN accepted SCOR's grounds and declared that the Company had not infringed the Competition Act. Consequently, the economic sanction imposed on SCOR by the CNC was annulled.

The State Attorney (*Abogado del Estado*) representing the CNC has appealed the AN judgment to the Supreme Court (*Tribunal Supremo*) in January 2013. The Supreme Court has accepted the State attorney's appeal on October 10, 2013.

On June 2, 2015, SCOR received the decision from the Spanish Supreme Court on the State Attorney's appeal. In its decision, the Supreme Court confirmed that SCOR, together with certain other market participants, were part of an antitrust violation. However, the Supreme Court cancelled the fine imposed by the Agency and requested it to be recalculated. On July 2, 2015, SCOR filed an action for annulment of the Supreme Court decision. On September 15, 2015, this action was dismissed by the Supreme Court. On November 3, 2015, SCOR filed an appeal against the Supreme Court's decision in front of the Spanish Constitutional Court. This action was dismissed on February 26, 2016.

In March 2016, the CNMC (*Comisión Nacional de los Mercados y la Competencia*, former CNC) has commenced the reevaluation procedure of SCOR's fine imposed in 2009.

On March 9, 2017, the CNMC issued a resolution in which it confirmed SCOR's fine at the amount of EUR 18.6 million. SCOR has appealed the CNMC's resolution in front of the AN, and on April 25, 2019, the AN has rejected SCOR's appeal. Subsequently, on June 5, 2019, SCOR has appealed this decision in front of the Spanish Supreme Court. On January 30, 2020 SCOR was notified that the Spanish Supreme Court has not accepted SCOR's appeal, thereby triggering the requirement to pay the EUR 18.6 million fine. On February 25, 2020 SCOR has filed an appeal to the Spanish Constitutional Court against the decision of the Spanish Supreme Court.

COVÉA

As announced in SCOR's press release dated January 29, 2019, the gravity of the facts brought to the attention of SCOR and its governance bodies relating to the misconduct committed to the detriment of SCOR, in the context of the preparation and submission by Covéa, on August 24, 2018, of its unsolicited takeover proposal for SCOR, compelled SCOR to initiate legal actions against Thierry Derez, Covéa SGAM, Covéa Coopérations and Barclays. These legal actions consist of:

- a criminal action, by way of a direct prosecution ("citation directe") before the Criminal Court of Paris ("Tribunal correctionnel de Paris"), against Thierry Derez, for breach of trust ("abus de confiance");
- a criminal action, by way of a direct prosecution ("citation directe") before the Criminal Court of Paris ("Tribunal correctionnel de Paris"), against Covéa SGAM and Covéa Coopérations, for concealment of breach of trust ("recel d'abus de confiance");
- a civil action against Barclays before the High Court of Justice of London, for serious breach of confidence and trade secrets;
- a civil action ("action en responsabilité civile"), before the Commercial Court of Paris ("Tribunal de commerce de Paris"), against Thierry Derez, for serious breach of his legal and fiduciary duties and obligations as a director of SCOR in his personal capacity (regarding in particular loyalty, conflicts of interest, and confidentiality) as well as SCOR's trade secrets ("secret des affaires"); and
- a civil action ("action en responsabilité civile"), before the Commercial Court of Paris ("Tribunal de commerce de Paris"), against Covéa SGAM and Covéa Coopération, for having directly participated in and benefitted from the serious breaches by Thierry Derez.

In the criminal proceedings by way of direct prosecution ("citation directe") before the hearings on the merits, initially scheduled for May 5 and 6, 2020, have been postponed because of the courthouse closures due to COVID-19 and have not yet been rescheduled.

In the civil proceedings before the Commercial Court of Paris ("Tribunal de commerce de Paris") against Thierry Derez, Covéa SGAM and Covéa Coopérations, the Commercial Court has refused, by judgment delivered on November 19, 2019, to order a stay of proceedings pending the outcome of the criminal proceedings. The hearings on the merits of the case will take place on September 21, 2020.

In the claim against Barclays for breach of confidence and trade secrets, the High Court of Justice of London has declined, by judgment delivered on January 30, 2020, Barclays' application to stay the proceedings until the judgment of the Paris Criminal Court ("Tribunal correctionnel de Paris") in the criminal proceedings. The procedural court conference that have set directions and timing for the steps up to trial (such as the disclosure process), took place on July 10, 2020. Disclosures will be made on September 10, 2020 and the trial will take place not before April 2021.

3.10. SUBSEQUENT EVENTS

None.

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STATUTORY AUDITORS' REPORT ON THE HALF-YEARLY FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier)*, we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of SCOR SE, for the period from January 1 to June 30, 2020, and
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors on July 22, 2020, on the basis of the information available at that date in the evolving context of the crisis related to COVID-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report of the Board of Directors established on July 22, 2020 on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements it being reminded that it is not our responsibility to conclude on the fair presentation and consistency with the condensed half-yearly consolidated financial statements of the solvency related information disclosed in paragraph 1.4 of the half-yearly management report.

Paris-La Défense, July 22, 2020

The Statutory Auditors

French original signed by

MAZARS		KPMG SA	
Maxime Simoen	Guillaume Wadoux	Pierre Planchon	Antoine Esquieu

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, the condensed half-year consolidated financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and of all consolidated companies, and that the business review presented on pages 3 to 13 gives a true and fair view of the significant developments during the period and their impact on the financial statements, of the main related party transactions as well as a description of the main risks and uncertainties faced by all of these entities for the six remaining months of the fiscal year.

Paris, July 22 ,2020

Denis Kessler
Chairman and Chief Executive Officer

06

APPENDIX – CALCULATION OF FINANCIAL RATIOS

6.1. APPENDIX – CALCULATION OF FINANCIAL RATIOS

6.1.1. BOOK VALUE PER SHARE

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Group shareholders' equity	**6,369**	**6,348**	**6,062**
Shares issued as at closing date	186,674,276	187,049,511	186,931,366
Treasury shares as at closing date	(389,478)	(668,058)	(924,072)
Basic number of shares	**186,284,798**	**186,381,453**	**186,007,294**
BASIC BOOK VALUE PER SHARE	**34.19**	**34.06**	**32.59**

6.1.2. RETURN ON INVESTMENTS AND RETURN ON INVESTED ASSETS

The return on investments (ROI) is used to assess the profitability of the Group's investments, including funds withheld by cedents and other deposits less cash deposits. This percentage return is calculated by dividing the total net investment income by the average investments (calculated as the quarterly averages of the total investments).

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Average investments[(1)]	28,132	27,418	27,042
Total net investment income	302	671	309
RETURN ON INVESTMENTS (ROI)	**2.2%**	**2.4%**	**2.3%**

(1) Average of quarterly "Total investments" disclosed in Note 6.1.4 of this appendix, adjusted for ceded funds withheld.

The return on invested assets (ROIA) is used to assess the return on the Group's invested assets excluding funds withheld by cedents. This percentage return is calculated by dividing the total investment income on invested assets by the average invested assets (calculated as the quarterly averages of the total invested assets).

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Average invested assets[(1)]	20,457	19,838	19,485
Total investment income on invested assets	260	588	268
RETURN ON INVESTED ASSETS (ROIA)	**2.6%**	**3.0%**	**2.8%**

(1) Average of quarterly "Total Invested Assets" disclosed in Note 6.1.4 of this appendix.

6.1.3. INVESTMENT INCOME ON INVESTED ASSETS AND NET INVESTMENT INCOME

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Investment revenues on invested assets[1]	**220**	**511**	**255**
Realized gains/(losses) on fixed income	13	34	9
Realized gains/(losses) on loans	1	-	-
Realized gains/(losses) on equities	-	2	1
Realized gains/(losses) on real estate	48	48	2
Realized gains/(losses) on other investments	-	9	6
Realized gains/(losses) on invested assets[2]	**62**	**93**	**18**
Impairment of fixed income	-	(9)	(2)
Impairment of loans	(1)	(1)	-
Impairment of equities	(9)	-	-
Impairment/depreciation of real estate[3]	(10)	(20)	(12)
Impairment of other investments	-	(2)	(2)
Impairment/amortization on invested assets[3]	**(20)**	**(32)**	**(16)**
Fair value through income on invested assets[4]	-	20	13
Financing costs on real estate[5]	(2)	(4)	(2)
TOTAL INVESTMENT INCOME ON INVESTED ASSETS	**260**	**588**	**268**
Net interest income on funds withheld and contract deposits	82	158	78
Investment management expenses	(40)	(75)	(37)
TOTAL NET INVESTMENT INCOME	**302**	**671**	**309**
Foreign exchange gains/(losses)	(19)	3	(2)
Income from other consolidated entities	1	1	-
Income/(expenses) on technical items[6]	(4)	-	1
Financing costs on real estate	2	4	2
IFRS INVESTMENT INCOME NET OF INVESTMENT MANAGEMENT EXPENSES	**282**	**679**	**310**

(1) Investment revenues on invested assets are presented net of EUR 1 million real estate revenues attributable to 3rd parties.
(2) Realized gains/(losses) on invested assets is net of EUR 2 million gains on derivative instruments, included in Fair value through income on invested assets.
(3) Impairment/depreciation of real estate is presented net of EUR 4 million depreciation attributable to 3rd parties.
(4) Includes (2).
(5) Real estate financing expenses relate to real estate investments (buildings owned for investment purposes) only, net of financing expenses attributable to 3rd parties.
(6) Income/(expenses) on technical items include (1) and (3) amongst other technical items.

6.1.4. INVESTED ASSETS, MANAGEMENT CLASSIFICATION *VS* IFRS CLASSIFICATION

Management Classification / IFRS Classification *In EUR millions*	June 30, 2020 (unaudited)											
	Cash	Fixed income	Loans	Equities	Real estate	Other invest-ments	Total invested assets	Funds withheld by cedants and other	Total invest-ments	Accrued interests	Technical items[1]	Total IFRS classification
Real estate investments	**-**	**-**	**-**	**-**	**591**	**-**	**591**	**-**	**591**	**-**	**-**	**591**
Equity securities	-	43	51	166	92	197	549	55	604	-	-	604
Debt securities	-	15,611	1,259	4	-	11	16,885	-	16,885	128	-	17,013
Available-for-sale financial assets	**-**	**15,654**	**1,310**	**170**	**92**	**208**	**17,434**	**55**	**17,489**	**128**	**-**	**17,617**
Equity securities	-	-	-	221	-	1,224	1,445	-	1,445	-	-	1,445
Debt securities	-	-	-	2	-	-	2	-	2	-	-	2
Investments at fair value through income	**-**	**-**	**-**	**223**	**-**	**1,224**	**1,447**	**-**	**1,447**	**-**	**-**	**1,447**
Loans and receivables[2]	**-**	**649**	**965**	**-**	**4**	**73**	**1,691**	**8,062**	**9,753**	**5**	**-**	**9,758**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**301**	**301**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**16,303**	**2,275**	**393**	**687**	**1,505**	**2,163**	**8,117**	**29,280**	**133**	**301**	**29,714**
Cash and cash equivalents	2,180	-	-	-	-	-	2,180	-	2,180	-	-	2,180
TOTAL INSURANCE INVESTMENTS AND CASH AND CASH EQUIVALENTS	**2,180**	**16,303**	**2,275**	**393**	**687**	**1,505**	**23,343**	**8,117**	**31,460**	**133**	**301**	**31,894**
Less third parties' interests[3]	(158)	(145)	(1,436)	(10)	(60)	(1,063)	(2,872)	-	(2,872)	-	-	-
Other consolidated entities[4]	-	5	-	-	-	281	286	-	286	-	-	-
Direct real estate unrealized gains and losses[5]	-	-	-	-	111	-	111	-	111	-	-	-
Direct real estate debt[6]	-	-	-	-	(148)	-	(148)	-	(148)	-	-	(148)
Cash (payable)/ receivable	(11)	-	-	-	-	-	(11)	-	(11)	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**2,011**	**16,163**	**839**	**383**	**590**	**723**	**20,709**	**8,117**	**28,826**	**-**	**-**	**-**

(1) Including Atlas CAT bonds and foreign exchange derivatives.
(2) Loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months.
(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.
(4) Certain consolidated entities held for investment purposes have been included in the scope of Invested Assets.
(5) Fair value less carrying amount of real estate investments excluding EUR 8 million attributable to third-party investors.
(6) Real estate financing related to real estate investments (buildings owned for investment purposes) excluding EUR 31 million attributable to third-party investors.

Management Classification / IFRS Classification *In EUR millions*	As at December 31, 2019											
	Cash	Fixed income	Loans	Equities	Real estate	Other invest-ments	Total invested assets	Funds withheld by cedants and other	Total invest-ments	Accrued interests	Technical items[1]	Total IFRS classification
Real estate investments	**-**	**-**	**-**	**-**	**661**	**-**	**661**	**-**	**661**	**-**	**-**	**661**
Equity securities	-	34	93	209	88	122	546	55	601	-	-	601
Debt securities	-	16,796	1,308	5	-	-	18,109	-	18,109	133	-	18,242
Available-for-sale financial assets	**-**	**16,830**	**1,401**	**214**	**88**	**122**	**18,655**	**55**	**18,710**	**133**	**-**	**18,843**
Equity securities	-	-	-	250	-	1,099	1,349	-	1,349	-	-	1,349
Debt securities	-	-	-	2	-	-	2	-	2	-	-	2
Investments at fair value through income	**-**	**-**	**-**	**252**	**-**	**1,099**	**1,351**	**-**	**1,351**	**-**	**-**	**1,351**
Loans and receivables[2]	**-**	**97**	**891**	**-**	**-**	**-**	**988**	**8,228**	**9,216**	**4**	**-**	**9,220**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**208**	**208**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**16,927**	**2,292**	**466**	**749**	**1,221**	**21,655**	**8,283**	**29,938**	**137**	**208**	**30,283**
Cash and cash equivalents	1,435	-	-	-	-	-	1,435	-	1,435	-	-	1,435
TOTAL INSURANCE INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,435**	**16,926**	**2,292**	**466**	**749**	**1,221**	**23,090**	**8,283**	**31,373**	**137**	**208**	**31,718**
Less third parties' interests[3]	(211)	(141)	(1,332)	(11)	(62)	(941)	(2,698)	-	(2,698)	-	-	-
Other consolidated entities[4]	-	-	-	-	-	282	282	-	282	-	-	-
Direct real estate unrealized gains and losses[5]	-	-	-	-	141	-	142	-	142	-	-	-
Direct real estate debt[6]	-	-	-	-	(185)	-	(186)	-	(186)	-	-	-
Cash (payable)/receivable	(59)	-	-	-	-	-	(59)	-	(59)	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**1,165**	**16,786**	**960**	**455**	**643**	**562**	**20,571**	**8,283**	**28,854**	**-**	**-**	**-**

(1) Including Atlas CAT bonds and foreign exchange derivatives.
(2) Loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months.
(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.
(4) Certain consolidated entities held for investment purposes have been included in the scope of Invested Assets.
(5) Fair value less carrying amount of real estate investments excluding EUR 6 million attributable to third-party investors.
(6) Real estate financing related to real estate investments (buildings owned for investment purposes) excluding EUR 31 million attributable to third-party investors.

6.1.5. GROUP COST RATIO

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Total expenses as per profit & loss account[1]	(445)	(874)	(436)
Unallocated loss adjustment expenses (ULAE)[2]	(35)	(63)	(30)
Total management expenses	**(480)**	**(937)**	**(466)**
Investment management expenses	40	75	37
Total expense base	**(440)**	**(862)**	**(429)**
Corporate finance	7	14	11
Amortization	40	75	23
Non controllable expenses	4	8	4
Total management expenses (for cost ratio calculation)	**(389)**	**(765)**	**(391)**
Gross written premiums	**8,195**	**16,341**	**8,010**
GROUP COST RATIO	**4.7%**	**4.7%**	**4.9%**

(1) Total expenses are investment management expenses, acquisition and administrative expenses and other current operating expenses as presented in Section 2.2 – Interim condensed consolidated statements of income.
(2) ULAE are part of gross benefits and claims paid.

6.1.6. RETURN ON EQUITY

Return on equity (ROE) is based on the Group's share of net income divided by average shareholders' equity (calculated as time weighted average shareholders' equity). This return is annualized when calculated quarterly.

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Consolidated net income – Group share	**26**	**422**	**286**
Opening shareholders' equity – Group share	6,348	5,800	5,800
Weighted consolidated net income[1]	13	211	143
Payment of dividends[2]	-	(218)	(108)
Weighted increase in capital[2]	(5)	(164)	(85)
Effect of changes in foreign exchange rates[3]	(54)	63	21
Revaluation of assets available-for-sale and others[1]	61	328	215
Weighted average shareholders' equity	**6,363**	**6,020**	**5,986**
ROE	**0.8%**	**7.0%**	**9.8%**

(1) Prorata of 50%: linear acquisition throughout the period in 2019 and 2020.
(2) Considers time weighted transactions based on transactions dates.
(3) A daily weighted average is used for the currency or currencies that experienced material foreign exchange rates movements, and simple weighted average is used for the other currencies.

6.1.7. NET COMBINED RATIO

The loss ratio is calculated by dividing Non-Life claims (including natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

The commission ratio is calculated by dividing Non-Life reinsurance commissions by Non-Life premiums earned. This ratio is net of retrocession.

The technical ratio is a Non-Life indicator and is calculated as the sum of the loss ratio and commission ratio. This ratio is net of retrocession and is used to assess the net performance of reinsurance transactions excluding P&C management expenses.

The P&C management expense ratio is calculated by dividing management expenses incurred for Non-Life reinsurance operations by Non-Life premiums earned. This ratio is net of retrocession.

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Gross earned premiums	3,583	6,712	3,284
Ceded earned premiums	(434)	(991)	(479)
Net earned premiums	**3,149**	**5,721**	**2,805**
Gross benefits and claims paid	(2,479)	(4,576)	(2,087)
Ceded claims	211	682	349
Total Net claims	(2,268)	(3,894)	(1,738)
Loss ratio	**72.0%**	**68.1%**	**61.9%**
Gross commissions on earned premiums	(833)	(1,543)	(775)
Ceded commissions	74	170	82
Total Net commissions	(759)	(1,373)	(693)
Commission ratio	**24.1%**	**24.0%**	**24.7%**
Total technical ratio	**96.1%**	**92.1%**	**86.6%**
Acquisition and administrative expenses	(136)	(270)	(132)
Other current operating expenses	(30)	(57)	(29)
Other income and expense from reinsurance operations	(30)	(70)	(37)
Total P&C management expenses	**(196)**	**(397)**	**(198)**
Total P&C management expense ratio	**6.2%**	**6.9%**	**7.1%**
TOTAL NET COMBINED RATIO	**102.3%**	**99.0%**	**93.7%**

6.1.8. LIFE TECHNICAL MARGIN

The Life technical margin is calculated as a percentage of the net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums.

In EUR millions	As at June 30, 2020 (unaudited)	As at December 31, 2019	As at June 30, 2019 (unaudited)
Gross earned premiums	4,666	9,183	4,558
Ceded earned premiums	(430)	(846)	(337)
Net earned premiums	**4,236**	**8,337**	**4,221**
Net technical result	**151**	**472**	**232**
Interest on deposits	79	152	72
Technical result	**230**	**624**	**304**
LIFE TECHNICAL MARGIN	**5.4%**	**7.5%**	**7.2%**

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