

Press Release

February 24, 2021 - N° 4

2020 Annual Results

SCOR absorbs the shock of Covid-19, recording a net income of EUR 234 million in 2020, and proposes a dividend of EUR 1.80 per share

2020 was marked by the historic global shock of Covid-19, as well as by a series of natural catastrophes and large man-made losses. SCOR successfully passed this real-life stress test, once again demonstrating the resilience of its business model and its shock-absorbing capacity. The Group accomplished its mission, honoring all its commitments to its clients and contributing to the protection of the people and property affected by these losses, while delivering a good set of results.

SCOR continues to actively implement its strategic plan “Quantum Leap”, focused on the twofold targets of profitability and solvency, accelerating its use of new technologies while continuing its actions in terms of sustainable development and social responsibility.

The Covid-19 crisis is still ongoing and continues to present significant uncertainties for 2021. SCOR’s solvency ratio at the end of 2020, which takes into account projected Covid-19 claims across 2021, stands at 220%, at the upper end of the optimal solvency range. Furthermore, the Group maintains a very strong level of liquidity standing at almost EUR 2.0 billion. All four rating agencies have affirmed the Group’s financial rating at a level of “AA-”¹. With this very strong capital position, SCOR is proposing a dividend of EUR 1.80² per share for the fiscal year 2020.

SCOR believes that Covid-19 is helping to create the conditions for stronger reinsurance growth along with a positive pricing dynamic. Covid-19 is driving a general increase in risk aversion which in turn is driving higher demand for risk coverage throughout the world. On the P&C side, Covid-19 reinforces the general market hardening observed across all lines and all regions with the low yield environment an additional catalyst. SCOR took full advantage of these favorable conditions and the depth of its franchise to produce an excellent outcome in the January 2021 renewals. Covid-19 is also creating the conditions for an epochal transformation of Life reinsurance based not only on higher awareness of the importance of Life & Health coverage, but also upon the acceleration of its use of new technologies, from underwriting to claims management.

SCOR is well-placed in this beneficial reinsurance industry environment. The Group will continue to scale its global platform and expertise to seize market opportunities, leveraging its strong Tier 1 credentials based upon the consistent execution of a clear and proven strategy, a recognized market leading position with a high-quality franchise, a very strong financial profile, a recognized technical expertise and no legacy issues.

- **Gross written premiums** of EUR 16,368 million in 2020, are up 1.8% at constant exchange rates compared with 2019 (up 0.2% at current exchange rates).

¹ Please refer to the press releases from Moody’s (published on May 7, 2020), S&P (published on June 18, 2020), Fitch (published on September 15, 2020) and A.M. Best (published on September 25, 2020). AM Best’s Financial Strength Rating of “A+” (different scale from the other rating agencies) and Long-term Issuer Credit Rating (ICR) of “aa -” (same scale as the other rating agencies)
² 2020 dividend subject to approval of the 2021 shareholders’ Annual General Meeting, pursuant to the decision of the Board of Directors at its meeting of February 23, 2021, to adopt the Group’s accounts and consolidated financial statements as of December 31, 2020

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- **SCOR Global P&C** gross written premiums are up 2.4% at constant exchange rates compared with 2019 (up 0.2% at current exchange rates). SCOR Global P&C absorbs the impact of Covid-19 with a net combined ratio of 100.2%. Excluding Covid-19 costs, the net combined ratio stands at 95.5%, in line with “Quantum Leap” assumptions.
- **SCOR Global Life** gross written premiums are up 1.4% at constant exchange rates compared with 2019 (up 0.2% at current exchange rates). SCOR Global Life absorbs the shock of Covid-19 and demonstrates the resilience of its business model. SCOR Global Life maintains a robust performance, recording a technical margin of 5.8%, with Covid-19 claims accounting for 3.7% points.
- **SCOR Global Investments** delivers a solid return on invested assets of 2.8%.
- **The Group cost ratio**, which stands at 4.5% of gross written premiums, is more favorable than the “Quantum Leap” assumption of ~5.0%.
- **The Group net income** stands at EUR 234 million for 2020. The annualized **return on equity** (ROE) stands at 3.8%, 327 bps above the risk-free rate³. The normalized⁴ return on equity for the year stands at 10.6%, 1,014 bps above the risk-free rate³, exceeding the “Quantum Leap” target.
- The Group generates **high operating cash flows** of EUR 988 million in 2020. The Group’s total liquidity is very strong, standing at EUR 1,989 million as at December 31, 2020.
- **The Group shareholders’ equity** stands at EUR 6,177 million as at December 31, 2020, down EUR 197 million compared with December 31, 2019, mainly due to the weakening of the U.S. dollar with a currency translation adjustment of EUR -523 million. This results in a book value per share of EUR 33.01, compared to EUR 34.06 as at December 31, 2019.
- **The Group financial leverage** stands at 28.5% on December 31, 2020, +2.1% points compared to December 31, 2019, mainly driven by the lower level of shareholders’ equity impacted by changes in exchange rates.
- **The estimated Group solvency ratio** stands at 220% on December 31, 2020, at the upper end of the optimal solvency range of 185% - 220% defined in “Quantum Leap”. This elevated solvency level is driven by strong capital generation and efficient capital management. It includes the upcoming dividend of EUR 1.80 per share.

Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: *“Covid-19 is a historic shock. Pandemic risk is obviously well known to reinsurers. Infectious diseases figure prominently in the risk maps SCOR draws up each year. The study and modeling of risk was an integral part of our risk management when Covid-19 struck. With hindsight, we underestimated the truly global reach of such a phenomenon, as well as the critical impact of the various – unmodelable – decisions taken by governments to contain the spread of the virus, which ultimately had a major impact on the (re)insurance industry’s exposure to this crisis. The measures taken to contain Covid-19, particularly lockdowns, have affected all areas of economic and social life. This has become a multi-faceted crisis – health-related, social, economic, financial and even geopolitical. It has therefore impacted reinsurers, in terms of both assets and liabilities, on both the Life and P&C sides. The Group has successfully passed this real-life stress test by absorbing this major shock. SCOR ended 2020 profitably and solvently. The Group’s fundamentals remain very strong, as demonstrated by the excellent results we would have recorded in the absence of Covid-19 – which cost the Group EUR 640 million in 2020 – as well as by the level of solvency achieved at the end of December. This enables the Group to pursue its active shareholder remuneration policy, with a dividend of EUR 1.80 per share for 2020 to be proposed at the Annual General Assembly. SCOR is very well positioned to benefit from the general market hardening in P&C reinsurance, as demonstrated by the excellent renewals recorded at January 1, 2021. Similarly, the Group is pursuing its development in Life reinsurance, particularly in Asia. SCOR continues to implement*

³ Based on a 5-year rolling average of 5-year risk-free rates (48 bps in the fourth quarter of 2020)

⁴ Normalized for natural catastrophes (7% budget cat ratio) and the cost of Covid-19 (excluding equity impairments)

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its “Quantum Leap” strategic plan with determination. I would like to express my warmest thanks to the Group’s employees for having kept the company running and for delivering for all our clients during this very challenging time.”

Update on Covid-19

SCOR is successfully managing and absorbing the impact of Covid-19 both operationally and financially.

In 2020, SCOR has been proactive in taking immediate actions to contribute to help stop the spread of Covid-19. The Group adopted early and strict prevention measures to protect the health of its employees and was active in regularly sharing its knowledge and expertise on Covid-19.

SCOR has applied its modeling expertise to conduct a thorough assessment of all its exposures to the health, economic and financial crisis from Covid-19. Based on data currently available, information received from cedants to date and the results of the models used, SCOR has recorded a total cost of Covid-19 in 2020 for Life, P&C and Investments at EUR 640 million⁵.

The situation is as follows:

- **On the Life side**, SCOR estimates the impact of Covid-19 on its Protection book to be manageable, with an impact booked in 2020 at EUR 314 million⁵. Within this amount, the actual Covid-19 related claims paid as at December 31, 2020 stand at EUR 196 million.
 - The main exposure arises in the United States, where SCOR estimates that Covid-19 related claims as at December 31, 2020 result in an impact for the year of EUR 283 million⁵.
 - A further EUR 31 million of Covid-19 related claims⁵ have been booked in other markets in 2020.
 - Covid-19 is estimated to have a manageable impact on SCOR Global Life’s portfolio over the next 12 months, even though uncertainty remains. The ultimate outcome is still subject to significant variation, partly due to the development of the virus with new strains, combined with the level of respect of containment measures and roll-out of vaccinations, particularly in the U.S. The outcome on SCOR Global Life’s portfolio will also be affected by any divergence in the impact of the virus on lives reinsured with SCOR Global Life, including the infection fatality rate, compared to the impact on the general population, particularly in the U.S. SCOR is continually monitoring the situation using a detailed proprietary epidemiological model.
- **On the P&C side**, SCOR estimates Covid-19 claims to be manageable with an impact booked in 2020 at EUR 284 million⁶ (including reserves for potential claims), coming mainly from Credit, Surety & Political risks and from Property Business Interruption. Within this amount, the actual Covid-19 related claims paid are limited, standing at a total of EUR 30 million as at December 31, 2020. The January 2021 renewals led to a clarification of terms and conditions, i.e. to exclude Covid-19 from the events insured.
- **On the investment side**, SCOR benefited from the defensive nature and high quality of its investment portfolio when Covid-19 struck. The level of impairment charges is limited in 2020 at EUR 42 million before tax. The level of unrealized gains on invested assets increased by EUR 179 million between December 31, 2019, and December 31, 2020, in spite of EUR 197 million of realized gains in 2020.

⁵ Net of retrocession and before tax

⁶ Net of retrocession and reinstatement premiums, and before tax

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SCOR full-year and Q4 2020 key financial details

In EUR millions (at current exchange rates)	YTD			QTD		
	2020	2019	Variation	Q4 2020	Q4 2019	Variation
Gross written premiums	16,368	16,341	+0.2%	4,085	4,286	-4.7%
Group cost ratio	4.5%	4.7%	-0.2 pts	4.8%	4.6%	+0.2 pts
Annualized ROE	3.8%	7.0%	-3.2 pts	6.5%	1.3%	+5.2 pts
Net income*	234	422	-44.5%	99	21	+371.4%
Shareholders' equity	6,177	6,374	-3.1%	6,177	6,374	-3.1%

* Consolidated net income, Group share.

SCOR Global P&C's delivers strong fundamentals in 2020, in line with "Quantum Leap" assumptions, while absorbing the impact of Covid-19

In 2020, SCOR Global P&C delivers a growth of 2.4% at constant exchange rates (+0.2% at current exchange rates) with gross written premiums reaching EUR 7,160 million. Excluding the negative impact of Covid-19 on premiums⁷, growth would be 5.6% at constant exchange rates, in line with "Quantum Leap" assumptions⁸.

SCOR Global P&C key figures:

In EUR millions (at current exchange rates)	YTD			QTD		
	2020	2019	Variation	Q4 2020	Q4 2019	Variation
Gross written premiums	7,160	7,147	+0.2%	1,795	1,883	-4.7%
Net combined ratio	100.2%	99.0%	+1.2 pts	98.7%	108.8%	-10.1 pts

SCOR Global P&C delivers a combined ratio of 100.2% in 2020, including an impact of 4.7% related to Covid-19 claims.

- The nat cat ratio stands at 6.8%, slightly below the budget of 7.0%, despite a high cat activity in H2 2020, especially in the United States (Hurricanes Laura and Sally, Midwest Derecho);
- The net attritional loss and commission ratio stands at 87.4%. Excluding the impact of Covid-19 claims, the net attritional loss and commission ratio would be 82.7%, 2.2 points above 2019 which benefited from reserve releases of EUR 110 million before tax (-1.9 points);
- The management expense ratio (6.0%) is lower than last year (6.9%).

The normalized⁹ net combined ratio stands at 95.7%, in line with "Quantum Leap" assumptions⁸ and

⁷ The gross written premiums decreased by EUR 225 million in 2020 due to Covid-19, essentially on Global Lines (Aviation, Marine and Credit, Surety & Political risks) and MGA business

⁸ See page 50 of the Q4 2020 Earnings Presentation for details

⁹ For nat cat and Covid-19-related impacts

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improving compared to 2019 (96.1%).

SCOR Global Life absorbs the shock of Covid-19, demonstrating the resilience of its business model

In 2020, SCOR Global Life's gross written premiums stand at EUR 9,208 million, up 1.4% at constant exchange rates (up 0.2% at current exchange rates) compared to 2019. This volume increase is driven by continued strategic franchise development, particularly in Asian markets. Excluding targeted market exits, growth would stand at 3.9% at constant exchange rates. It is a fact that Covid-related delays have impacted the completion of large transactions.

SCOR Global Life key figures:

In EUR millions (at current exchange rates)	YTD			QTD		
	2020	2019	Variation	Q4 2020	Q4 2019	Variation
Gross written premiums	9,208	9,194	+0.2%	2,290	2,403	-4.7%
Life technical margin	5.8%	7.5%	-1.7 pts	5.6%	8.3%	-2.7 pts

The net technical result stands at EUR 480 million. The business outside the U.S. is achieving the "Quantum Leap" assumption, with Covid-19 impact largely limited to the U.S. market.

The total Covid-19 claims booked in 2020 (including IBNR¹⁰) stand at EUR 314 million¹¹, of which EUR 283 million¹¹ come from the U.S. mortality portfolio and EUR 31 million¹¹ come from all other markets.

Overall, Covid-19 claims for 2020 are tracking in line with expectations. The Covid-19 impact is offset by an active in-force book management and a strong reserving position, with a positive impact from reduced flu claims in the U.S. Lower claims than expected from the earlier months of Covid-19 allowed for the build-up of reserve margins, offsetting higher claims experienced in the later part of the year.

The Covid-19 claims are projected to remain at elevated levels in the first half of 2021, reducing by the end of Q3 2021. The underlying business performance remains strong with a technical margin, excluding Covid-19 claims, projected to achieve the "Quantum Leap" assumption range of 7.2% to 7.4% for 2021. Based on the current assumptions and still subject to significant volatility, SCOR Global Life estimates the U.S. general population deaths toll from Covid-19 at approximately 280,000 deaths for 2021. The impact from the potential variants is the main driver of the Q1 2021 and Q2 2021 uncertainty, and reported deaths are projected to recede by the end of Q3 2021. SCOR Global Life confirms the significantly lower exposure to Covid-19 deaths from its reinsured portfolio compared to the general population and continues to see the positive impact from reduced flu claims.

Including Covid-19 projected claims, the technical margin for 2021 is projected at around 5.0%, with a technical margin anticipated to return to the "Quantum Leap" assumption range of 7.2% to 7.4% by Q4 2021.

¹⁰ Due to typical reporting delays with claims, this amount includes an estimate in respect of incurred-but-not-reported (IBNR) claims for U.S. deaths prior to December 31, 2020. The ultimate cost of the IBNR claims may differ from the Q4 estimated IBNR for various reasons, including notably the extent to which mortality rates from Covid-19 in SGL's U.S. portfolio are lighter than among the general U.S. population, and the volatility in the profile of claims amounts per death

¹¹ Net of retrocession and before tax

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SCOR Global Investments delivers a solid return on invested assets of 2.8% while maintaining prudent portfolio positioning

Total investments reach EUR 28.6 billion, with total invested assets of EUR 20.5 billion and funds withheld¹² of EUR 8.1 billion.

Following the suspension of its reinvestment activity from March to May 2020, SCOR resumed its investment strategy in June 2020.

The prudent asset allocation reflects the current environment and a cautious positioning of the fixed income portfolio:

- Liquidity stands at 9% at Q4 2020 (compared to 13% at Q2 2020) of total invested assets;
- Corporate bonds account for 43% at Q4 2020 (compared to 41% at Q2 2020) of total invested assets;
- The fixed income portfolio is of very high quality, with an average rating of A+, and a duration of 3.3 years¹³.

The investment portfolio remains highly liquid, with financial cash flows¹⁴ of EUR 8.4 billion expected over the next 24 months.

SCOR Global Investments key figures:

In EUR millions (at current exchange rates)	YTD			QTD		
	2020	2019	Variation	Q4 2020	Q4 2019	Variation
Total investments	28,611	28,854	-0.8%	28,611	28,854	-0.8%
▪ of which total invested assets	20,522	20,571	-0.2%	20,522	20,571	-0.2%
▪ of which total funds withheld by cedants and other deposits	8,089	8,283	-2.3%	8,089	8,283	-2.3%
Return on investments ^(*)	2.4%	2.4%	+0.0 pts	2.9%	2.5%	+0.4 pts
Return on invested assets ^(**)	2.8%	3.0%	-0.2 pts	3.8%	3.1%	+0.7 pts

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

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

The investment income on invested assets stands at EUR 582 million in 2020, with realized gains of EUR 197 million, mainly coming from the real estate portfolio in Q1 2020, and from the fixed income portfolio in Q3 2020 and in Q4 2020. This translates into a return on invested assets of 2.8% in 2020.

The income yield stands at 2.1% in 2020 with limited impairments of -0.2%¹⁵, demonstrating the resilience of the fixed income portfolio in the current environment.

¹² Funds withheld & other deposits

¹³ Compared to a duration on the fixed income portfolio of 3.1 years in Q2 2020 (duration on total invested assets of 3.4 years vs. 3.2 years in Q2 2020)

¹⁴ As of December 31, 2020. Investable cash includes current cash balances, and future coupons and redemptions

¹⁵ Impairment charge excluding regular IFRS amortization of real estate assets

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The reinvestment yield stands at 1.2% at the end of 2020¹⁶, reflecting the very low interest rate environment (notably in the U.S.) and the continued tightening of credit spreads.

SCOR continues its progress towards sustainability and strictly adheres to the best practice corporate governance rules

SCOR actively integrates environmental, social and governance considerations across all its operations.

- **Environmental:** SCOR's achievements in 2020 firmly illustrate the Group's policy to contribute to the mitigation of climate change and to adapt its organization to its subsequent effects. SCOR published its inaugural Climate Report¹⁷ in 2020, based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, providing an overview of climate-related risks and opportunities, as well as information on how SCOR's business model and strategy is resilient to climate-related risks. In addition, SCOR has strengthened its sustainable actions towards a low-carbon economy within its investment portfolio by joining the Net-Zero Asset Owner Alliance, an initiative bringing together investors who are committed to transitioning their investment portfolios to carbon neutrality by 2050.
- **Social:** SCOR aims for gender diversity in its governing bodies. Upon the proposal from management, the Board of Directors has decided to set a target of 20% women at the Group Executive Committee in 2021, and 30% by the end of 2025, from 10% today. In order to build a strong pipeline of senior female talent and in line with SCOR's policy implemented in the last few years of ensuring an equitable balance in the number of men and women joining its Partnership program¹⁸, the Board of Directors has also decided to set an additional target of 27% women amongst Global Partners, Senior Global Partners and Executive Global Partners¹⁹ by the end of 2025, from 19% today.
- **Governance:** As part of the succession plan announced on December 16, 2020, upon the nomination committee's recommendation, the Board of Directors has decided to separate the roles of Chairman and Chief Executive Officer, in conditions conducive to a successful transition. The separation will come into effect following the General Meeting in the spring of 2022²⁰.

SCOR accelerates its technological transformation to improve its performance and create long-term value

In line with its strategic plan "Quantum Leap", SCOR continues to deploy new technologies across the organization to innovate, broaden its product and service offering, and improve its efficiency to create long-term value.

SCOR delivered several ambitious digital projects in 2020, notably:

- **CyberCube**²¹: SCOR Global P&C has integrated the cyber risk model developed by CyberCube, a leading data analytics platform for the insurance industry with which it has partnered, using the flexibility of SCOR's Cat Platform and CyberCube's Model Integration Application Programming Interface (APIs). By integrating CyberCube's risk model alongside

¹⁶ Corresponds to theoretical reinvestment yields based on Q4 2020 asset allocation of asset yielding classes (i.e. fixed income, loans and real estate), according to current reinvestment duration assumptions and spreads, currencies, yield curves as of December 31, 2020

¹⁷ [Climate Report](#)

¹⁸ The SCOR Partnership is a selective program aiming at retaining the Group's top contributors. It covers approximately 25% of employees

¹⁹ Global Partners, Senior Global Partners and Executive Global Partners account for 10.7% of employees as of December 31, 2020

²⁰ [Press release of December 16, 2020](#)

²¹ [Press release of January 14, 2021](#)

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other natural catastrophe models within its CAT Platform, SCOR has further expanded its catastrophe modeling capabilities. Fully operational for the January 1, 2021, renewals, this new architecture significantly boosts SCOR's cyber exposure management capabilities.

- **hELIOS:** SCOR Global Life has developed hELIOS, a platform to collect, transform and manage individual policy and insured data from clients in a secured and compliant environment. hELIOS is a key component of the Group's in-force management, providing an accurate knowledge of risks stemming from the portfolio. Combined with data analytics and data science capabilities, it supports business development by allowing innovative solutions for clients.
- **SCOR Automation Factory:** The Group has accelerated its use of robotics to increase operational excellence. At year-end 2020, the SCOR Automation Factory, built around a transversal team composed of Robotic Process Automation and Business Process Modeling experts, had fully automated 61 processes in production through Bots, providing a wide spectrum of solutions, ranging from single task automation to full business process automation, embedding in-house Artificial Intelligence & Machine Learning-based services.

The deployment of the IFRS 17 and IFRS 9 programs is also on track. SCOR is actively preparing for the implementation of these new accounting frameworks, with a go live on January 1, 2022, for IFRS 9 and January 1, 2023, for IFRS 17. This implementation of new accounting standards mainly impacts the Finance, Actuarial and Business Units, and the benefits of the IT assets delivered go beyond just compliance.

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APPENDIX

1 - P&L key figures for 2020 and Q4 2020 standalone

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2020	2019	Variation	Q4 2020	Q4 2019	Variation
Gross written premiums	16,368	16,341	+0.2%	4,085	4,286	-4.7%
P&C gross written premiums	7,160	7,147	+0.2%	1,795	1,883	-4.7%
Life gross written premiums	9,208	9,194	+0.2%	2,290	2,403	-4.7%
Investment income	665	671	-0.9%	203	175	+16.1%
Operating results	479	713	-32.8%	171	46	+271.7%
Net income¹	234	422	-44.5%	99	21	+371.4%
Earnings per share (EUR)	1.26	2.27	-44.6%	0.53	0.11	+372.5%
Operating cash flow	988	841	+17.5%	327	268	+22.0%

1: Consolidated net income, Group share.

2 - P&L key ratios for 2020 and Q4 2020 standalone

	YTD			QTD		
	2020	2019	Variation	Q4 2020	Q4 2019	Variation
Return on investments¹	2.4%	2.4%	+0.0 pts	2.9%	2.5%	+0.4 pts
Return on invested assets^{1,2}	2.8%	3.0%	-0.2 pts	3.8%	3.1%	+0.7 pts
P&C net combined ratio³	100.2%	99.0%	+1.2 pts	98.7%	108.8%	-10.1 pts
Life technical margin⁴	5.8%	7.5%	-1.7 pts	5.6%	8.3%	-2.7 pts
Group cost ratio⁵	4.5%	4.7%	-0.2 pts	4.8%	4.6%	+0.2 pts
Return on equity (ROE)	3.8%	7.0%	-3.2 pts	6.5%	1.3%	+5.2 pts

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

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3 - Balance sheet key figures as on December 31, 2020 (in EUR millions, at current exchange rates)

	As on December 31, 2020	As on December 31, 2019	Variation
Total investments ^{1,2}	28,611	28,854	-0.8%
Technical reserves (gross)	30,501	31,236	-2.4%
Shareholders' equity	6,177	6,374	-3.1%
Book value per share (EUR)	33.01	34.06	-3.1%
Financial leverage ratio	28.5%	26.4%	+2.1 pts
Total liquidity ³	1,989	1,532	+29.8%

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

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4 - “Quantum Leap” targets

	Targets
Profitability	ROE > 800 bps above 5-year risk-free rate ¹ across the cycle
Solvency	Solvency ratio in the optimal 185% - 220% range

¹ Based on a 5-year rolling average of 5-year risk-free rates.

5 - “Quantum Leap” assumptions

		Assumptions
P&C	Gross written premium growth	~4% to 8% annual growth
	Net combined ratio	~95% to 96%
	Value of New Business ¹	~6% to 9% annual growth
Life	Gross written premium growth	~3% to 6% annual growth
	Net technical margin	~7.2% to 7.4%
	Value of New Business ¹	~6% to 9% annual growth
Investments	Annualized return on invested assets	~2.4% to 2.9% ²
Group	Gross written premium growth	~4% to 7% annual growth
	Leverage	~25%
	Value of New Business ¹	~6% to 9% annual growth
	Cost ratio	~5.0%
	Tax rate	~20% to 24%

¹ Value of New Business after risk margin and tax

² Annualized ROIA on average over “Quantum Leap” under Summer 2019 economic and financial environment

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General

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 document 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.

The full impact of the Covid-19 crisis on SCOR's business and results can still not be accurately assessed at this stage, given the uncertainty related both to the magnitude and duration of the Covid-19 pandemic and to the possible effects of future governmental actions and/or legal developments in this context. This uncertainty follows from the considerable difficulty in working on sound hypotheses on the impact of this crisis due to the lack of comparable events, the ongoing nature of the pandemic and its far-reaching impacts on the global economy, on the health of the population and on our customers and counterparties.

These hypotheses include, in particular:

- the duration of the pandemic, its impact on health on the short and long term,
- the availability, efficacy, effectiveness and take-up rate and effect of the vaccines;
- the response of government bodies worldwide (including executive, legislative and regulatory);
- the potential judicial actions or social influences;
- the coverage and interpretation of SCOR's contracts under these circumstances;
- the assessment of the net claim estimates and impact of claim mitigation actions.

Therefore:

- any assessments and resulting figures presented in this document will necessarily be rough estimates based on evolving analysis, and encompass a wide range of theoretical hypotheses, which are still highly evolutive;
- at this stage, none of these scenarios, assessments, impact analyses or figures can be considered as certain or definitive.

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) and in the SCOR SE interim financial report for the six months ended June 30, 2020 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, combined ratio and life technical margin) are detailed in the Appendices of the Q4 2020 presentation (see page 23).

The financial results for the full year 2020 included in the presentation have been audited by SCOR's independent auditors.

Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to December 31, 2020 should not be taken as a forecast of the expected financials for these periods.

The Group solvency ratio disclosed in this document is not audited. The Group solvency final results are to be filed to supervisory authorities by May 2021, and may differ from the estimates expressed or implied in this report.