

Press Release

February 24, 2022 - N° 4

2021 Annual Results

SCOR demonstrates its shock-absorbing capacity with a net income of EUR 456 million and proposes a dividend of EUR 1.80 per share

- **Gross written premiums** of EUR 17,600 million in 2021, up 9.8%¹ compared with 2020
- **Net income** of EUR 456 million in 2021, up 94.9% compared with 2020
- **Return on equity** of 7.2% in 2021, 680 bps above the risk-free rate²
- **Shareholders' equity** of EUR 6,402 million at the end of December 2021, implying a **book value per share** of EUR 35.26, up +6.8% from 2020 (EUR 33.01)
- **Estimated solvency ratio** of 226%³ at the end of December 2021, above the optimal solvency range of 185% - 220% as defined in the "Quantum Leap" strategic plan
- **Attractive dividend policy pursued, with a dividend of EUR 1.80 per share proposed for 2021**
- **Completion of the announced EUR 200 million share buy-back on track** for the end of March 2022, with EUR 164 million⁴ completed to date

SCOR SE's Board of Directors met on February 23, 2022, under the chairmanship of Denis Kessler, to approve the Group's 2021 financial statements.

Key highlights:

2021 was marked by the continuation of the Covid-19 pandemic, with the emergence of new variants and the prolongation of government policies introduced to prevent the virus from spreading. For the fifth year in a row, a high frequency of natural catastrophes was also observed. At the same time, the year was marked by the rise of inflation across both Europe and the United States, increasing the pressure on central banks to raise interest rates.

In this challenging context, SCOR continued to accomplish its mission, honoring all its commitments to its clients and demonstrating its shock-absorbing capacity. The Group is very well capitalized with a 226% solvency ratio, and profitability has significantly improved with a net income of EUR 456 million, resulting in a return on equity (ROE) of 7.2%. These solid results were achieved against a backdrop of heavy cat activity (EUR 838 million of claims net of retrocession and before tax) and the ongoing impact of Covid-19 (EUR 575 million net of retrocession and before tax for the Group for 2021 alone).

In 2022, several encouraging signs of improvement can however be observed:

- The rapid deployment of Covid-19 vaccination programs around the world should enable Covid-19 related mortality to significantly decrease (even though the virus could remain endemic);
- Although we are carefully monitoring the effects of climate change – which led SCOR to increase its cat budget from 7% to 8% of its P&C premiums – the frequency of natural catastrophe claims in the last few years remains historically exceptional;
- After years of very low interest rates, their likely increase will have a positive effect on the Group's return on invested assets.

This perspective of a more favorable environment should enable SCOR to successfully pursue the implementation of its strategic plan "Quantum Leap", launched in September 2019 and extended until

¹ At constant exchange rates

² Based on a 5-year rolling average of 5-year risk-free rates (42 bps in the last quarter of 2021)

³ Solvency ratio estimated after EUR 200 million share buy-back launched in October 2021 and after the proposed dividend of EUR 1.80 per share for the fiscal year 2021

⁴ As of February 18th, 2022

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December 31, 2022, and to look ahead with new ambitions, which will be unveiled in the course of the year. The Group will thus continue to build on 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, and recognized technical expertise.

- **Gross written premiums** of EUR 17,600 million in 2021 are up 9.8% at constant exchange rates compared with 2020 (up 7.5% at current exchange rates)
- **SCOR P&C** (Property and Casualty) gross written premiums are up 17.6% at constant exchange rates compared with 2020 (up 14.9% at current exchange rates), following strong 2021 renewals in Reinsurance and Specialty Insurance. The net combined ratio stands at 100.6%, including 12.8% of natural catastrophes, well above the cat budget
- **SCOR L&H** (Life and Health) gross written premiums are up 3.6% at constant exchange rates compared with 2020 (up 1.8% at current exchange rates). Over the period, SCOR L&H delivers a technical margin of 10.3%, driven by the Life in-force transaction executed in H1 2021
- **SCOR Investments** delivers a return on invested assets of 2.3%^{5 6} in 2021
- **The Group cost ratio**, which stands at 4.4% of gross written premiums in 2021, is more favorable than the “*Quantum Leap*” assumption of ~5.0%
- **The Group net income** stands at EUR 456 million in 2021. The **return on equity** (ROE) stands at 7.2%, 680 bps above the risk-free rate⁷
- The Group generates **high operating cash flows** of EUR 2,406 million in 2021, of which EUR 860 million relate to the Life in-force transaction. The Group’s total liquidity is very strong, standing at EUR 2.3 billion as of December 31, 2021
- **The Group shareholders’ equity** stands at EUR 6,402 million as of December 31, 2021. This results in a book value per share of EUR 35.26, compared to EUR 33.01 as of December 31, 2020
- **The Group financial leverage** stands at 27.8% as of December 31, 2021, down 0.7% points compared to December 31, 2020
- **The Group solvency ratio** is estimated at 226%⁸ on December 31, 2021, above the optimal solvency range of 185% - 220% as defined in the “*Quantum Leap*” strategic plan

Well-defined and attractive dividend policy pursued, with a dividend of EUR 1.80 per share proposed for 2021

SCOR’s dividend policy is unchanged: SCOR continues to favor dividends as a way to remunerate its shareholders and pursues the attractive dividend policy that it has implemented over the past years.

With its strong capital position, SCOR is proposing a dividend of EUR 1.80 per share for the fiscal year 2021. This dividend will be submitted to the approval of the shareholders at the 2022 Annual General Meeting, to be held on May 18, 2022. The board recommends to set the coupon date at May 20, 2022 and the payment date at May 24, 2022.

⁵ Return on invested assets excludes the EUR 89 million capital gain realized in Q3 2021 on the Doma transaction, which is a venture investment not held for investment purposes

⁶ As of December 31, 2021, fair value through income on invested assets excludes EUR 41 million related to the option on own shares granted to SCOR

⁷ Based on a 5-year rolling average of 5-year risk-free rates (42 bps in the last quarter of 2021)

⁸ Solvency ratio estimated after EUR 200 million share buy-back launched in October 2021 and after the proposed dividend of EUR 1.80 per share for the fiscal year 2021

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This comes on top of the EUR 200 million share buyback announced in October – decided on the basis of the Group’s high solvency ratio – of which EUR 164 million is already completed⁹ and which will be fully executed by the end of March 2022. The buyback and the proposed dividend imply a combined capital return to shareholders of EUR 523 million.

At the end of 2021, the solvency ratio stands at 226%, above the upper end of the optimal solvency range. Prior to capital return initiatives (dividend and buyback), the solvency ratio stands at 237%. The main drivers for the change in solvency at the end of 2021 compared to the end of 2020 include: i) Life in-force retrocession transaction (+27% pts), ii) operating capital generation excluding Covid-19 (+8% pts), capital deployment (-8% pts), Covid-19 impact (-17% pts), market variances (+18% pts) and other movements (-11% pts).

Denis Kessler, Chairman of SCOR, comments: *“By executing the “Quantum Leap” strategic plan, SCOR has successfully demonstrated its shock-absorbing capacity throughout the Covid-19 crisis. The Life in-force retrocession transaction concluded at the end of H1 2021 also allowed the Group to demonstrate the value of its Life reinsurance portfolio, providing strong optionality to optimally allocate its capital. Although 2021 was quite a challenging year, SCOR delivered a strong profitability and its solvency position is now more robust than it was a year ago, even after taking into account the EUR 200 million share buyback to be fully executed by the end of March 2022, and the strong dividend of EUR 1.80 per share that will be proposed at the Annual General Meeting for 2021. This bears witness to the Group’s very strong financials and its ability to create value, even in a challenging environment.”*

Laurent Rousseau, Chief Executive Officer of SCOR, comments: *“In a year marked by a high level of natural catastrophes and Covid-19, SCOR has demonstrated its ability to create value for clients, communities, and shareholders. Our objectives are clear: reducing volatility, increasing profitability, growing the franchise, optimally allocating capital and embarking on the transformation of the Group. These strong results are testimony to the hard work of our teams whom I would like to thank. We are now actively preparing the next phase of our strategy and will provide an update on our situation and outlook to shareholders on March 29th, 2022. This should further highlight SCOR’s efforts to support sustainable and profitable growth while reinforcing its franchise and capital position.”*

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⁹ As of February 18th, 2022

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SCOR full-year and Q4 2021 key financial details

In EUR millions (at current exchange rates)	YTD			QTD		
	2021	2020	Variation	Q4 2021	Q4 2020	Variation
Gross written premiums	17,600	16,368	+7.5%	4,553	4,085	+11.5%
Group cost ratio	4.4%	4.5%	-0.1 pts	5.0%	4.8%	+0.2 pts
Annualized ROE	7.2%	3.8%	+3.4 pts	7.6%	6.5%	+1.1 pts
Net income*	456	234	+94.9%	118	99	+19.2%
Shareholders' equity**	6,402	6,177	+3.6%	6,402	6,177	+3.6%

* Consolidated net income, Group share.

** As of December 31.

SCOR P&C delivers strong profitable growth in a heavy nat cat year

In 2021, SCOR P&C delivers strong growth of 17.6% at constant exchange rates (14.9% at current exchange rates), with gross written premiums reaching EUR 8,228 million. The significant increase in gross written premiums follows successful 2021 renewals for both Reinsurance and Specialty Insurance businesses. The impact of the exchange rate reflects the weakening of the USD vs. the EUR.

SCOR P&C key figures:

In EUR millions (at current exchange rates)	YTD			QTD		
	2021	2020	Variation	Q4 2021	Q4 2020	Variation
Gross written premiums	8,228	7,160	+14.9%	2,216	1,795	+23.5%
Net combined ratio	100.6%	100.2%	+0.4 pts	95.0%	98.7%	-3.7 pts

SCOR P&C records a net combined ratio of 100.6% in 2021, including:

- Nat cat ratio at 12.8%, of which 8.3% comes from European floods, as well as severe winter storms and Hurricane Ida in the U.S.;
- Net attritional loss and commission ratio of 79.8%, excluding Covid-19, down 2.9 points compared to 2020, as a result of the management actions implemented in 2020 and 2021;
- Covid-19-related estimated claims (pre retrocession) increased in Q4, with no net additional impact on technical income thanks to an adequate retrocession strategy. The net impact is stable compared to H1 2021 (EUR 109 million¹⁰);
- Management expenses of 6.3%, (up compared to 2020 where positive one-offs were recognized);
- Pursuit of third-party capital strategy, with USD 300 million sidecar capacity secured as of January 2022.

¹⁰ Net of retrocession and reinstatement premiums, and before tax

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SCOR L&H delivers a strong performance for FY 2021, driven by the Life in-force transaction

In 2021, SCOR's L&H gross written premiums stand at EUR 9,372 million, up 3.6% at constant exchange rates (up 1.8% at current exchange rates) compared to 2020. Gross written premium growth is driven by continued franchise development, as healthy growth is recorded in all regions, particularly in Asia. The Life in-force retrocession transaction improves regional diversification, with the share of net written premiums (NWP) attributable to the U.S. business now standing at 42% for 2021 (compared to 48% for 2020).

SCOR L&H key figures:

In EUR millions (at current exchange rates)	YTD			QTD		
	2021	2020	Variation	Q4 2021	Q4 2020	Variation
Gross written premiums	9,372	9,208	+1.8%	2,337	2,290	+2.1%
Life technical margin	10.3%	5.8%	+4.5 pts	7.2%	5.6%	+1.6 pts

The net technical margin is impacted by both the significant positive one-off impact of the Life in-force retrocession transaction and the cost of Covid-19 claims.

The technical result stands at EUR 756 million, including a day-1 impact of the Life in-force retrocession transaction of EUR 313 million¹¹.

The total Covid-19 claims booked in 2021 stand at EUR 466 million¹², of which:

- EUR 357 million (net of retrocession, before tax) comes from the U.S. portfolio and;
- EUR 109 million (net of retrocession, before tax) from all other markets.

The underlying Life technical result achieved in 2021 remains strong.

The Life in-force transaction is being operationalized, with an active flow of information between the parties.

Excluding Covid-19 claims and the one-off impact of the Life in-force retrocession transaction, the revised "Quantum Leap" range of ~8.2% to 8.4% for the technical margin is exceeded.

SCOR Investments executes the planned reinvestment of excess liquidity into corporate bonds in H2 2021 while generating a return on invested assets of 2.3%^{13 14} in 2021

Total investments reach EUR 31.6 billion, with total invested assets of EUR 22.7 billion and funds withheld¹⁵ of EUR 8.9 billion.

The reinvestment of excess liquidity into corporate bonds, including the EUR 860 million received from

¹¹ Impact of EUR 346 million from the Life in-force transaction on H1 2021 net technical result included a Day-1 impact of EUR 313 million and EUR 33 million of retrocession technical result for H1 (excl. Day 1)

¹² Net of reduced flu claims in the U.S., net of retrocession and before tax, including IBNR

¹³ Return on invested assets excludes the EUR 89 million capital gain realized in Q3 2021 on the Doma transaction, which is a venture investment not held for investment purposes

¹⁴ As of December 31, 2021, fair value through income on invested assets excludes EUR 41 million related to the option on own shares granted to SCOR

¹⁵ Funds withheld & other deposits

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the recent Life in-force transaction, is complete at the end of Q4 2021:

- Liquidity at 9% of invested assets and corporate bonds at 44%;
- Fixed income portfolio of very high quality: average rating of A+, and a duration at 3.3 years¹⁶.

Additional investments into accretive value-creation assets are on track.

The invested assets portfolio remains highly liquid, with financial cash flows¹⁷ of EUR 9.6 billion expected over the next 24 months.

SCOR Investments key figures:

In EUR millions (at current exchange rates)	YTD			QTD		
	2021	2020	Variation	Q4 2021	Q4 2020	Variation
Total investments	31,600	28,611	+10.4%	31,600	28,611	+10.4%
▪ of which total invested assets	22,734	20,522	+10.8%	22,734	20,522	+10.8%
▪ of which total funds withheld by cedants and other deposits	8,866	8,089	+9.6%	8,866	8,089	+9.6%
Return on investments*	1.9%	2.4%	-0.5 pts	1.8%	2.9%	-1.1 pts
Return on invested assets**	2.3%	2.8%	-0.5 pts	2.2%	3.8%	-1.6 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 stands at EUR 482 million in 2021, with realized gains of EUR 134 million, mainly coming from the fixed income portfolio in H1 2021, generating an overall return on invested assets of 2.3%^{18 19} in 2021.

The income yield stands at 1.7% in 2021, driven by the low yield environment and with no material impairments, demonstrating the resilience and the quality of the invested assets portfolio.

The reinvestment yield stands at 2.1% at the end of 2021²⁰.

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¹⁶ Compared to a duration on the fixed income portfolio of 3.0 years in Q3 2021 (duration on total invested assets of 3.3 years vs. 3.0 years in Q3 2021)

¹⁷ As of December 31, 2021. Investable cash includes current cash balances, and future coupons and redemptions.

¹⁸ Return on invested assets excludes the EUR 89 million capital gain realized in Q3 2021 on the Doma transaction, which is a venture investment not held for investment purposes

¹⁹ As of December 31, 2021, fair value through income on invested assets excludes EUR 41 million related to the option on own shares granted to SCOR

²⁰ Corresponds to theoretical reinvestment yields based on Q4 2021 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, 2021

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APPENDIX

1 - P&L key figures for 2021 and Q4 2021 standalone

In EUR millions (rounded, at current exchange rates)	YTD			QTD		
	2021	2020	Variation	Q4 2020	Q4 2020	Variation
Gross written premiums	17,600	16,368	+7.5%	4,553	4,085	+11.5%
P&C gross written premiums	8,228	7,160	+14.9%	2,216	1,795	+23.5%
Life gross written premiums	9,372	9,208	+1.8%	2,337	2,290	+2.1%
Investment income	551	665	-17.2%	140	203	-31.2%
Operating results	795	479	+66.0%	207	171	+21.1%
Net income¹	456	234	+94.9%	118	99	+19.2%
Earnings per share (EUR)	2.46	1.26	+95.8%	0.64	0.53	+20.6%
Operating cash flow	2,406	988	+143.5%	388	327	+18.7%

1: Consolidated net income, Group share.

2 - P&L key ratios for 2021 and Q4 2021 standalone

	YTD			QTD		
	2021	2020	Variation	Q4 2021	Q4 2020	Variation
Return on investments¹	1.9%	2.4%	-0.5 pts	1.8%	2.9%	-1.1 pts
Return on invested assets^{1,2}	2.3%	2.8%	-0.5 pts	2.2%	3.8%	-1.6 pts
P&C net combined ratio³	100.6%	100.2%	+0.4 pts	95.0%	98.7%	-3.7 pts
Life technical margin⁴	10.3%	5.8%	+4.5 pts	7.2%	5.6%	+1.6 pts
Group cost ratio⁵	4.4%	4.5%	-0.1 pts	5.0%	4.8%	+0.2 pts
Return on equity (ROE)	7.2%	3.8%	+3.4 pts	7.6%	6.5%	+1.1 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 for P&C business; 4: The technical margin for L&H is the technical result divided by the net earned premiums for L&H business; 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, 2021 (in EUR millions, at current exchange rates)

	As on December 31, 2021	As on December 31, 2020	Variation
Total investments ^{1,2}	31,600	28,611	+10.4%
Technical reserves (gross)	35,832	30,501	+17.5%
Shareholders' equity	6,402	6,177	+3.6%
Book value per share (EUR)	35.26	33.01	+6.8%
Financial leverage ratio	27.8%	28.5%	-0.7 pts
Total liquidity ³	2,286	1,989	+15.0%

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.

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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Contact details

Investor Relations
Yves Cormier
ycormier@scor.com

Media Relations
Nathalie Mikaeloff
media@scor.com

www.scor.com
LinkedIn: [SCOR](#) | Twitter: [@SCOR_SE](#)

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 SCOR's 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 and information is dependent on the circumstances and facts that arise in the future.

No guarantee can be given regarding the achievement of these forward-looking statements and information. Forward-looking statements and information about objectives may be impacted by known or unknown risks, identified or unidentified uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

In particular, it should be noted that the full impact of the Covid-19 crisis on SCOR's business and results can not be accurately assessed, in particular given the uncertainty related to the evolution of the pandemic, to its effects on health and on the economy, and to the possible effects of future governmental actions or legal developments in this context.

Therefore, any assessments and any figures presented in this document will necessarily be estimates based on evolving analyses, and encompass a wide range of theoretical hypotheses, which are highly evolutive.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2020 Universal Registration Document filed on March 2, 2021, under number D.21-0084 with the French Autorité des marchés financiers (AMF) and in the SCOR SE interim financial report for the six months ended June 30, 2021 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.

SCOR does not undertake any obligation to publish changes or updates regarding these forward-looking statements and information.

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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 Appendices of the Q4 2021 presentation (see page 19).

The financial results for the full year 2021 included in the presentation have been audited by SCOR's statutory auditors. Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to December 31, 2021 should not be taken as a forecast of the expected financials for these periods.

The solvency ratio is not audited by the Company's statutory auditors. The Group solvency final results are to be filed to supervisory authorities by May 2022 and may differ from the estimates expressed or implied in this report.