

Investor Day 2016
7 September 2016, Paris



SCOR puts its vision into action

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Why is the reinsurance industry attractive: six reasons (1/2)

1

Rapidly expanding risk universe

- Expansion in nature and size of the “raw material” of reinsurance
- Risks appearing due to general economic growth, globalization and concentration of populations in the most exposed areas
- New risks emerging and developing (new technologies, reconfiguration of the world)

2

Expanding demand for (re)insurance cover

- Increasing aversion to risk as populations become wealthier
- Gradual withdrawal of state welfare (crisis of social security, public deficit)
- Companies are bearing higher risks (e.g. environmental and social risks) which they are ceding
- Reinsurers to contribute to bridge the protection gap

3

Benefiting from technological and financial revolution

- Development of Insurance-Linked Securities has enlarged the overall reinsurance capacity
- Complementarity between alternative capital and reinsurance has outweighed substitutability
- Technological revolution (cyber, connected objects, big data, automation) will benefit the reinsurance industry



The reinsurance industry creates value for its clients and the economy while contributing to the common good

Why is the reinsurance industry attractive: six reasons (2/2)

4

Exceptional economic and financial conditions to normalize

- Strong negative impact of financial repression on reinsurance: low interest rates, quantitative easing
- Economic stagnation reducing reinsurance demand
- Financial cycles to eventually turn: normalization in central banks' policy increasing the return on invested asset
- Return to a sustainable recovery increasing reinsurance demand

5

Strong potential for innovation

- Reinsurance to benefit from a stream of innovations: on products, processes and modelling
- Reinsurance to displace the limits of insurability
- Innovation to improve risk knowledge and modelling
- Technology to offer a vast playing field for future optimization of reinsurance covers (cyber risk coverage to deepen...)

6

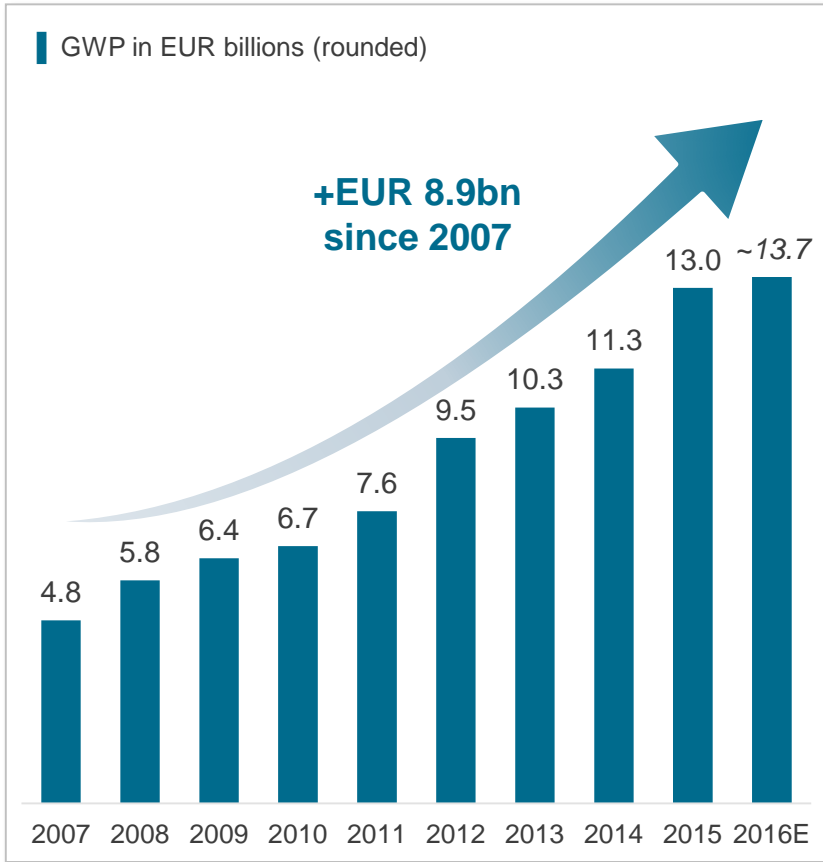
Resilience to the most extreme events

- Strong ability of the European reinsurance to historically absorb the most extreme shocks (historical cats, terrorist attacks, financial crises, worldwide wars, etc.)
- Resilience of the reinsurance model demonstrated over time

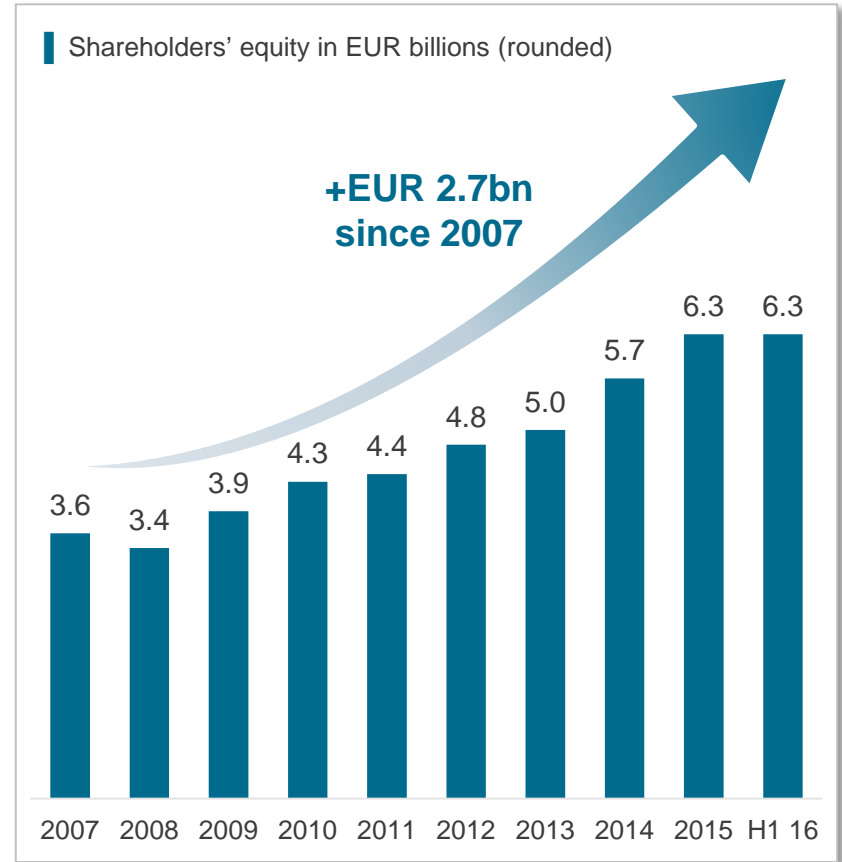


Over the medium to long term, the reinsurance industry generates a high level of profitability

SCOR almost triples its gross written premiums and doubles its shareholders' equity over the last 10 years

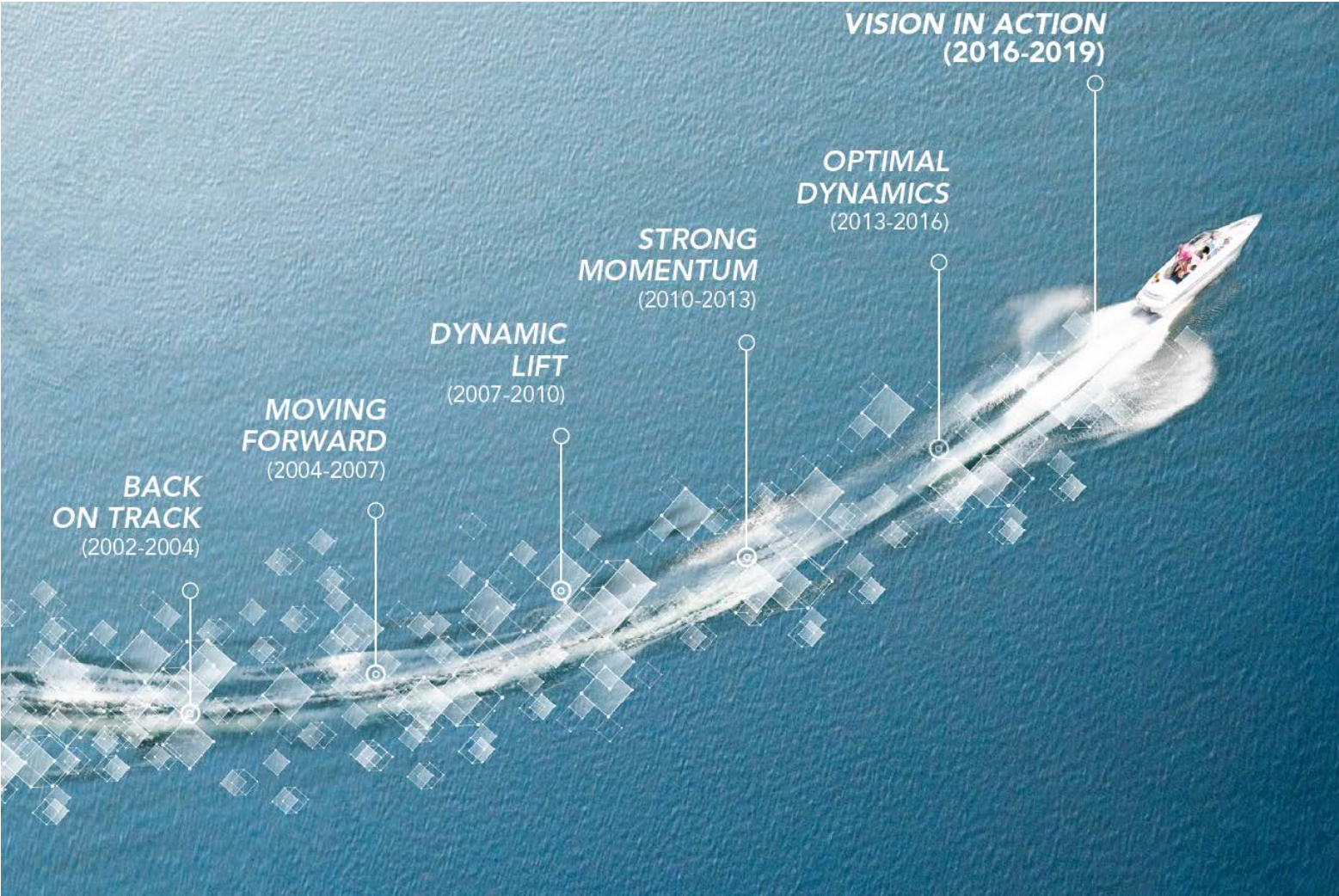


Since 2013, gross written premiums have increased by EUR 3.4 billion or +34%



Over “Optimal Dynamics”, shareholders' equity increased by ~EUR 1.5 billion or +33%







SCOR has an outstanding track record of successfully achieving the targets of its strategic plans



SCOR further enhances its Tier 1 positioning thanks to the perfect execution of “Optimal Dynamics”



Global Tier 1 reinsurer

					
Market Leader	Global Player	Tools & Processes Developer	Strong Technical Profitability	Industry Trendsetter	Independent Group

All rating agencies give a positive assessment of SCOR’s current financial strength and capitalization, confirming its Tier 1 position

STANDARD & POOR’S
AA-
Stable outlook

FitchRatings
AA-
Stable outlook


A
Positive outlook

MOODY’S
A1
Positive outlook

SCOR's new strategic plan "Vision in Action" builds on its successful strategy to expand profitably

"VISION IN ACTION" 2016-2019

SCOR values its principles

1 Build on continuity and consistency

- Leverage on proven principles and cornerstones
- Pursue a twin-engine strategy, combining Life and P&C reinsurance
- Focus on reinsurance
- Controlled risk appetite and robust capital shield

2 Expand and deepen the franchise

- Deepen franchise through organic growth development
- Leverage existing and new platforms

3 Normalize the asset management policy

- Maintain an upper mid-level risk appetite
- Align investment risk appetite to the Group's overall risk appetite
- Reduce the very high level of prudence

4 Profitability and solvency: two equally-weighted targets

- RoE \geq 800 bps above 5-year risk-free rate over the cycle¹⁾
- Solvency ratio in the optimal 185% - 220% range

“Vision in Action” provides two equally weighted targets: Profitability and Solvency

Profitability (RoE) target

RoE \geq 800 bps above 5-year risk-free rate over the cycle¹⁾

- A challenging target for management in both a normal and administered interest rate environment
- RoE target principle maintained in “Vision in Action” with a more flexible benchmark adapted to market conditions:
 - A **minimum RoE** to reflect current environment and potential upside turn in the cycle
 - **5-year risk-free rates** are consistent with the duration of SCOR’s liabilities
 - 5-year **rolling average of risk-free rate** better manages the volatility of financial markets

Solvency target

Solvency ratio in the optimal 185%-220% range

- SCOR’s solvency scale outlined in “Optimal Dynamics” is unchanged for “Vision in Action”
- SCOR continues to provide an upper mid-level risk appetite
- SCOR continues to provide an attractive level of profitability while maintaining solvency in the optimal range

“Vision in Action” assumptions demonstrate continuity with regard to “Optimal Dynamics”

Profitability (RoE) target

RoE \geq 800 bps above 5-year risk-free rate over the cycle¹⁾

Solvency target

Solvency ratio in the optimal 185%-220% range

**Flexible assumptions reflecting the uncertain environment
Management will adapt its execution to achieve its two targets**

P&C

GWP growth

8% p.a. (modest market recovery)

-

3% p.a. (flat market)

Combined ratio

~95%-96%

Life

GWP growth

5.0% - 6.0% p.a.

Technical margin

6.8% - 7.0%

Investments

Return on invested assets

3.2% (strong recovery)

-

2.9% (gradual recovery)

-

2.5% (convergence to a low speed regime with low interest rates)

SCOR

GWP growth

~4% - 7% p.a.

Group cost ratio

4.9% - 5.1%

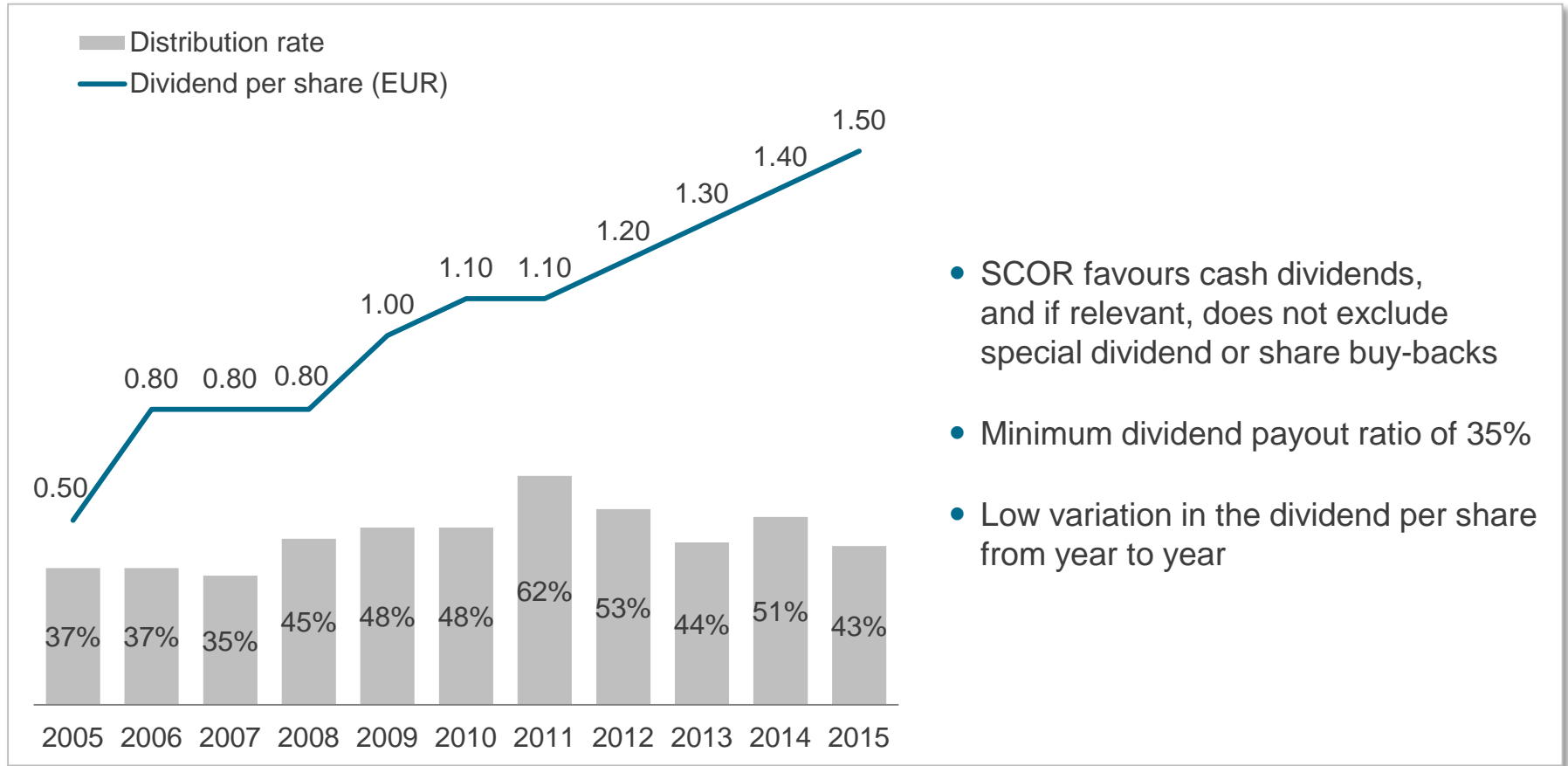
Tax rate

22% - 24%

SCOR reconfirms its consistent and attractive shareholder remuneration policy



More than EUR 2 billion in dividends paid to shareholders, translating into an +11.6% CAGR between 2005 and 2015



- SCOR favours cash dividends, and if relevant, does not exclude special dividend or share buy-backs
- Minimum dividend payout ratio of 35%
- Low variation in the dividend per share from year to year

SCOR's success story will continue with "Vision in Action"



SCOR leverages on the positive prospects that reinsurance offers



SCOR consistently delivers an outstanding track record of success



SCOR's strategic framework builds upon its successful strategy while deepening and expanding the franchise: "Vision in Action"



SCOR combines growth, profitability and solvency to ensure predictable and sustainable shareholder returns



SCOR leverages a global talent pool of human capital to grow the franchise