IFRS 17 SCOR CAMPUS
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Highlights on IFRS 17

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SCOR The Art & Science of Risk | P&C

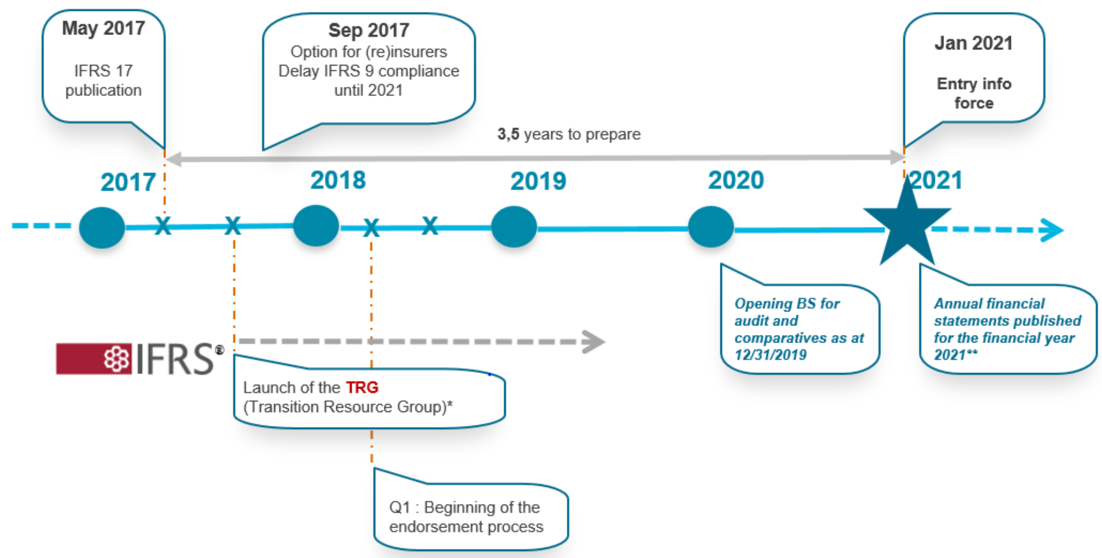
Positions and standards interpretation as of 2nd October 2018

AGENDA

1 - IFRS 17 : background & timeline

What IFRS 17 is expected to address

- ❑ Comprehensive international accounting model to address recognition, measurement, presentation and disclosure requirements for insurance contracts in order to improve comparability
- ❑ Currently : non-uniform reporting within groups; lack of comparability between insurance companies around the world; and lack of comparability with other parts of the financial industry (such as treatment of deposits, discounting, revenue recognition, etc.)
- ❑ IFRS 17 was # 20 years in development and will replace the current standard IFRS 4



- ❑ The Standard was issued by the IASB in May 2017 for a **January 1st 2021** implementation
- ❑ Following EFRAG full and simplified case studies performed by insurers in 2018 :
  - July 3rd 2018 : EFRAG (***) Board meeting : CFO forum presented its summary of the outcome of their members' findings from the case studies. 12 topical issues were presented.
  - July 16th 2018 : CFO Forum Chairman sent a letter to EFRAG regarding those IFRS 17 testing results
  - September 3rd 2018 : EFRAG Board decided to bring the concerns of European constituents to the IASB's attention and formally sent a letter to the IASB
  - Next IASB TRG meetings : 26/27 September + 4th December

* The **TRG** is a temporary working group from the IASB during the implementation phase of IFRS
** Full IFRS 17 statements for FY21 and transition elements (restated balance sheets at FY19 and FY20 and income statement at FY20)
*** the European Financial Reporting Advisory Group advises the European Commission as to whether the IFRS meet the International Accounting Standards regulation endorsement criteria for use in the preparation of financial statements in the EU.

1 - Why IFRS 17 ???

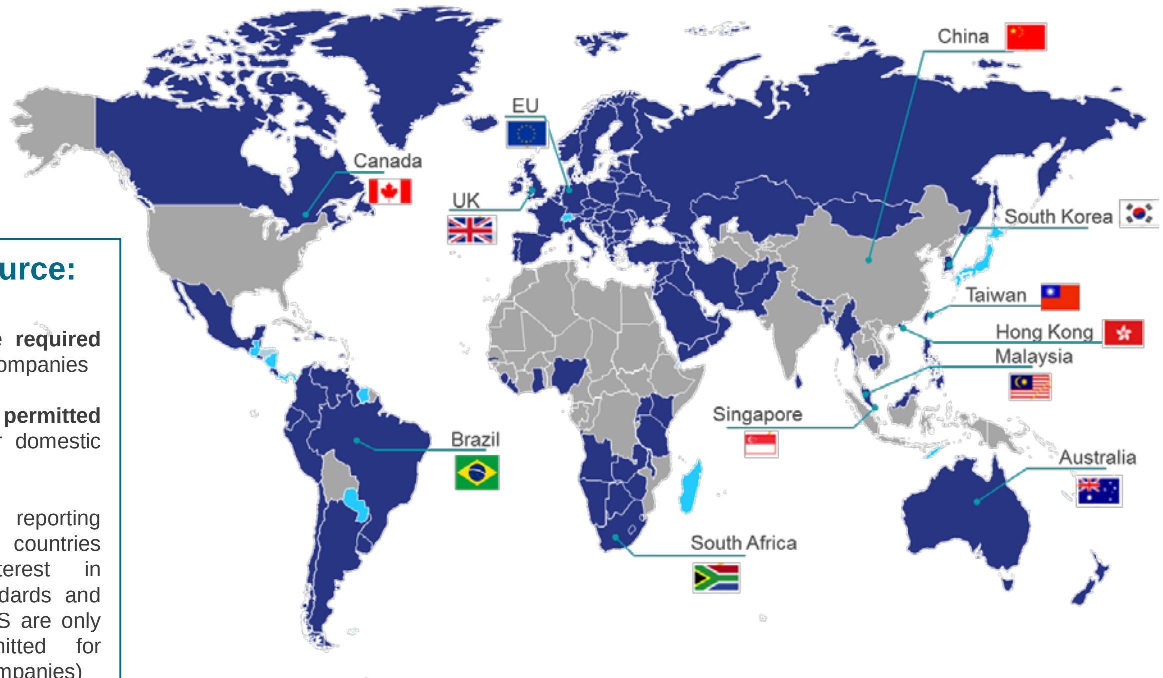
Existing issues with IFRS 4	How IFRS 17 is expected to improve accounting
Variety of treatments depending on type of contract and company leading to lack of **comparability and transparency**	Consistent accounting for all insurance contracts by all companies
Estimates for long-duration contracts not updated	Estimates updated to reflect current market-based information
Discount rate based on estimates does not reflect economic risks	Discount rate reflects characteristics of the cash flows of the contract
Lack of discounting for measurement of some contracts	Measurement of insurance contract reflects time value where significant
Little information on economic value of embedded options and guarantees	Measurement reflects information about full range of possible outcomes
Lacking relevant and transparent information	More transparency on management judgement and prudence

But today significant challenges lie ahead in :

- Understanding IFRS 17 (clarifications/modifications pending)
- Regulatory (will we be ready ? When ? How much does it cost ? What are our challenges ?)
- Transparency (decrease in transparency on earnings / profitability ?)
- Systems & infrastructure changes (cost / timeline to implement / IFRS 9 at the same time)

+ more generally dependencies with other in-flight projects

1 - SGP&C entities that will need to apply IFRS 17 for statutory purposes



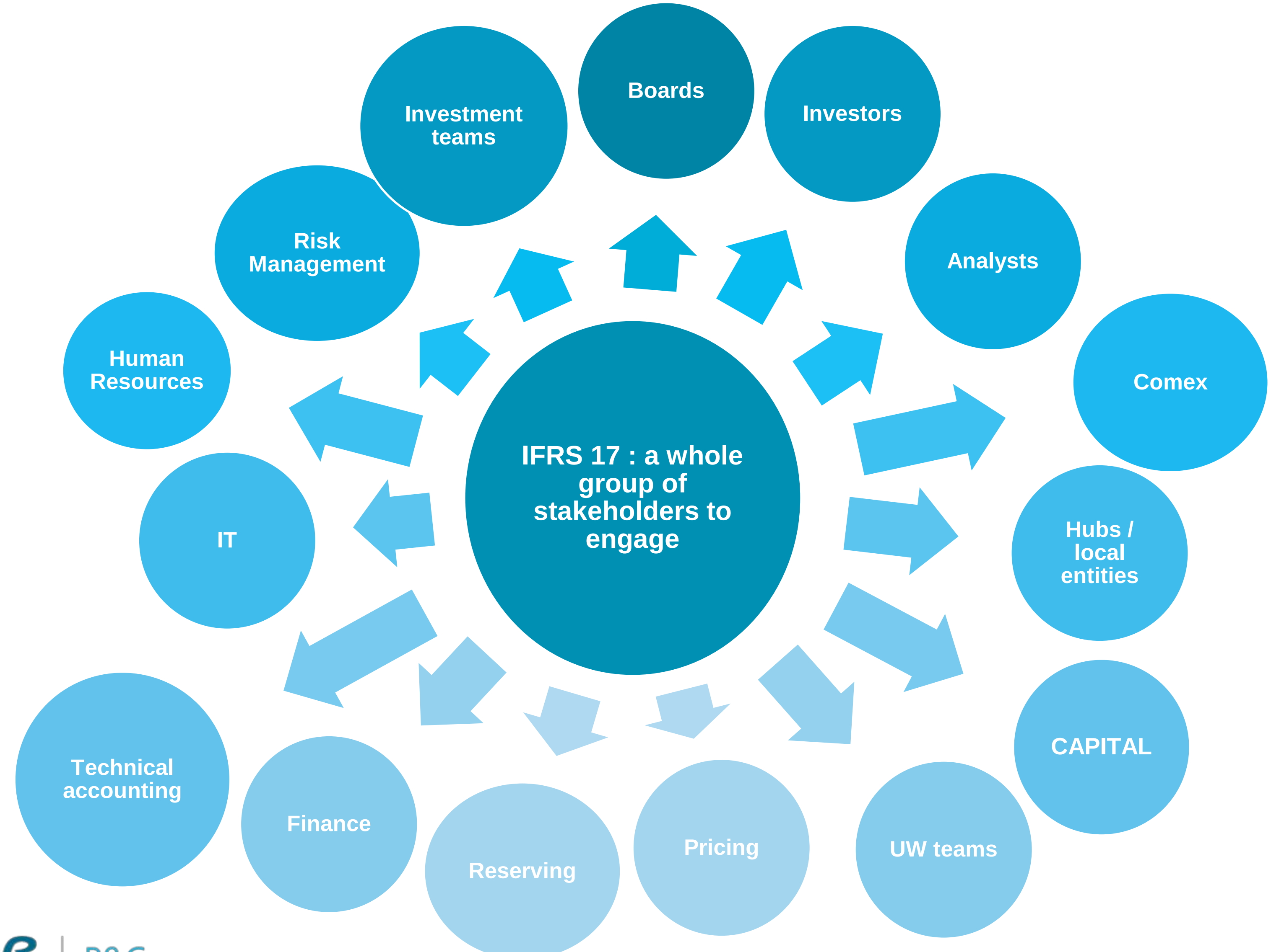
Legend (Source: IASB)

- IFRS Standards are **required** for domestic public companies
- IFRS Standards are **permitted** but not required for domestic public companies
- Local statutory reporting standards (including countries that express interest in adopting IFRS standards and those for which IFRS are only required or permitted for listings by foreign companies)

- Branches :
  - South Korean (SRAP)
  - Malaysian (SRAP)
  - Australian (SRAP)
  - Canadian (SCOR UK)
  - Chinese (SCOR SE)
  - India (SCOR SE)
- Lloyd's, especially Channel 2015
- Legal entities :
  - SCOR UK
  - SCOR Re ASIA Pacific
  - SCOR Re Hong Kong
  - SCOR Canada
  - SCOR Africa Limited
  - SCOR Brazil
  - ESSOR

- 144 of 166 jurisdictions (87%) require the use of IFRS Standards for all or most publicly accountable companies. Indeed, in many countries, the use of IFRS :
  - Is mandatory for consolidated financial statements for domestic companies whose securities trade in a regulated market
  - May be optional for unlisted companies that set consolidated financial statements
- Some countries may use IFRS as their local GAAP for reporting at solo level
- US will not be adopting IFRS 17 and continue with US GAAP insurance accounting model

1 – an impact much winder than accounting, actuarial, or IT



1 – some additional uncertainties ….

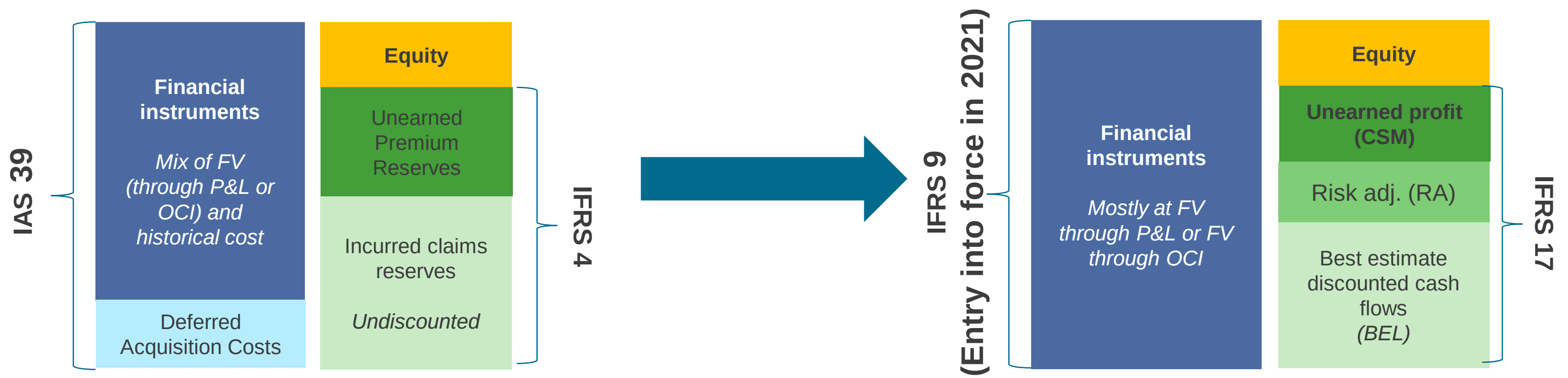
Issues	CFO Forum Issues	EFRAG Issues Sept 3rd 2018
Acquisition cash flows	✓	✓
CSM amortisation	✓	✓
Discount rates	✓	
Multi component contracts	✓	
Reinsurance	✓	✓
Scope of hedging adjustment	✓	
Scope of the VFA model Vs general model and PAA	✓	
Transition	✓	✓
Business combinations	✓	
Level of aggregation	✓	✓
Presentational issues	✓	✓
Timeline	✓	

AGENDA

2. What is changing ?

Balance sheet moving closer to fair value

Insurers will measure insurance contract liabilities at **current value**, reflecting the time value of money and uncertainty.
In the P&L, profits are recognised as insurance services are delivered.



Advantages

- Increased comparability between (re)insurers, and therefore transparency
- Fair value approach to assess market impact
- More transparency on insurance contracts pricing is expected in the disclosure
- Increased visibility on management judgement / prudence

Disadvantages

- Comparability reduced by discretion on assumptions
- Potential source of P&L volatility
- Asymmetry in recognition of improvement vs deterioration
- Not necessarily a better guide to dividend capacity
- Loss of historical reference points (e.g. profit driver analysis)
- US GAAP not changing

2. Three methods for liabilities accounting

General Model Building Block Approach (BBA)	Simplified approach Premium Allocation Approach (PAA)	Dedicated approach for Life Variable Fee Approach (VFA)
▪ General valuation model for liabilities, based on three blocks : • **Present Value of Future Cash Flows** • **Risk Adjustment** • **Contractual Service Margin**	▪ **Optional simplified approach** under conditions • Most GI direct business is expected to be able to use this simplification	▪ **Adapted from BBA model**, this approach is **mandatory** for **direct participating contracts.** ▪ This approach is mostly relevant to life insurance

PAA :

- Simplified approach allowed for the measurement of the insurance contracts for the remaining coverage period (pre-claims).
- But the general model remains applicable for the measurement of incurred claims.
- The PAA is conceptually similar to current practice and generally provides a workable solution for P&C insurers
- Eligibility criteria for PAA: “Reasonable approximation of BBA”

2. Overview of Income Statement

Income Statement (Currently)
- Gross premiums written
- Change in unearned premiums
Gross earned premiums
Other income and expense
Investment income
Total Income from ordinary activities
Gross benefits and claims paid
Gross commission on earned premiums
Net results of retrocession
Investment management expenses
Acquisition and administrative expenses
Other current operating expenses
Total other current operating income and expenses
Current Operating Result
Other operating expenses
Other operating income
Acquisition related expenses
Operating Result
Financing expenses
Share in results of associates
Corporate income tax
Consolidated Income

Income Statement (New)
Insurance contract revenue***
Insurance contract revenue ceded to reinsurers***
Insurance contract expenses***
Insurance contract expenses ceded to reinsurers***
Insurance Service Result
Insurance Finance Income or Expense
Insurance Finance Income or Expense related to ceded business
Insurance Finance Income or Expense
Other costs
…
Profit or Loss
Changes in insurance contract liabilities due to discount rate
Changes in FVOCI assets
Other comprehensive income
Total comprehensive income

*** excluding non-distinct components (investment and service component)

Main differences compared to IFRS 4

- **Fixed commission are deducted from revenue** (reduction of the top line) - The effect is neutral on P&L as the expenses are reduced simultaneously.
- **Management expenses** (included in “Other items” in IFRS 4 Income Statement) **are split between:**
  - o Attributable expenses that are allocated to the insurance service result;
  - o Non attributable expenses that are left in "Other costs“ item of IFRS 17 Income Statement

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2. The General Model

Balance sheet comparison – IFRS 4 vs IFRS 17 BBA

IFRS 4

Assets	Liabilities
	Undiscounted Loss Reserves **OSL + IBNR**
Deferred Acquisition Costs (DAC)	**Unearned Premium Reserves UPR**

IFRS 17

Liabilities

Present Value of Future Cash Flows (PVFCF)
Discounted probability weighted estimate of future cash flows

Future cash flows
Premiums, claims, expenses

Discounting
Adjustment in order to get present value

Risk adjustment
Reflect compensation for uncertainty. Quantifies the value difference between certain and uncertain liability

Contractual Service Margin (CSM)
Expected gross profits recognised over coverage period.

- The liabilities valuation is based on the **Present Value of Future Cash Flows (PVFCF)**
  - Probability-Weighted
  - Discounted
- In order to account for the uncertainty of future cash flows, the PVFCF is completed with a **Risk Adjustment**
- The **Contractual Service Margin** prevents initial recognition of future profits in P&L
  - At inception, the CSM is the present value of probable future profits
  - It is released along the coverage period of contracts
  - **A loss at inception is immediately recognised in P&L**

2. The Premium Allocation Approach model

PAA Approach – Comparison with IFRS 4 / BBA

	Current IFRS/GAAP	General model BBA	PAA	
Unexpired risk Premium Reserve	**UPR less DAC**	**Contractual Service Margin** **Risk adjustment for non financial risks** **Best estimate of fulfilment cash flows (discounted)**	**Liabilities for Remaining Coverage** **LFRC** (Unearned premium (less acquisition CFs – *unless onerous*)	Liabilities for remaining coverage
Expired risk Claims Reserve	**Undiscounted reserves for past claims** **OSL + IBNR**	**Risk adjustment for non financial risks** **Best estimate of fulfilment cash flows (discounted)**	**Risk adjustment for non financial risks** **Best estimate of fulfilment cash flows (discounted (*))**	Liabilities for incurred claims

(*) unless the entity is permitted and chooses not to adjust the future cashflows for the time value of the money

2. BBA – the three blocks

Expected future cash flows

Liabilities

Present Value of Future Cash Flows (PVFCF)

Future cash flows

Discounting

Risk adjustment

Contractual Service Margin (CSM)

The Present Value of Future Cash Flows (PVFCF) is an explicit, unbiased, probability-weighted estimate (expected value) of future cash outflows less future cash inflows that will arise as insurer fulfils the insurance contract.

- Market variables consistent with observable prices
- Based on the (re)insurers perspective for other cash flow estimates
- Relate directly to the fulfilment of contracts

All cash flows that arise as contracts are fulfilled are included :

- Future premiums (-)
- Future claims (+)
- Attributable expenses* (+)
- Fixed and variable commissions (+)
- Brokerage costs (+)
- Potential cash inflows from recoveries (such as salvage and subrogation) (-)
- Transaction based taxes and levies (+)
- Others (as relevant)

* Attributable expenses: Management expenses directly attributable to the contract origination or services provided to the (re)insured are allocated to the contract cash flow fulfilment.

2. BBA – the three blocks

Discounting

Liabilities

Present Value of Future Cash Flows (PVFCF)

Future cash flows

Discounting

Current rate

Risk adjustment

Current rate

Contractual Service Margin (CSM)

Locked-in rate

Top down discount rate (*)	
Actual or expected reference portfolio rate	7.0%
Duration mismatches	0.3%
Market risk premium for expected credit losses	-1.0%
Market risk premium for unexpected credit losses	-0.6%
Insurance contract discount rate	**5.7%**

Difference between the two methods not required to be reconciled

Bottom up discount rate (*)	
Insurance contract discount rate	**5.5%**
Liquidity premium	1.5%
Risk free rate of return	4.0%

* Figures for illustration purposes only

2. BBA – the three blocks

Risk Adjustment - Principles

Liabilities

Present Value of Future Cash Flows (PVFCF)

Future cash flows

Discounting

Risk adjustment

Contractual Service Margin (CSM)

Risk Adjustment for non-financial risks

- Compensation for bearing uncertainty
- Makes entity indifferent between :
  - Range of possible outcomes
  - Fixed cash flows with same expected value
- Gross of reinsurance (assumed business) ; a ceded RA is also computed for retrocession
- Excludes risk not directly attributable to the contracts (e.g. Operational risk)

Variation drivers :

- Change in assumptions
- Release of the Risk Adjustment into P&L

High level comparison to the risks included in the Risk Margin (S2) calculation :

Risk	Solvency 2	IFRS 17
UW	Included	Included
Operational	Included	General op risk excluded
Credit	Included	Excluded
Expense	Included	Included (attributable)

2. BBA – the three blocks

Risk Adjustment – Calculation & disclosure

Liabilities

Present Value of Future Cash Flows (PVFCF)

Future cash flows

Discounting

Risk adjustment

Contractual Service Margin (CSM)

- No method prescribed by the standard
- Current rates must be used
- Risk adjustment must be re-evaluated at each reporting date
- If quantiles method not used, the notes must present the confidence level corresponding to the results of that technique

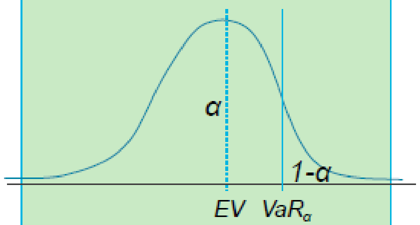
Cost of Capital approach

Possibility to leverage SII Risk Margin process noting differences including:

- Cost of Capital under IFRS allows for group diversification; SII is based on legal entities
- Risk Adjustment is measured separately for gross and ceded business, and must be allocated to a group of contracts
- For BBA, the Risk Adjustment must be measured as at contract inception, in addition to the financial statement date
- Only risk related to the fulfilment of the insurance contracts are considered (e.g. premium and reserve risk included, fx risk excluded if hedgeable)

Quantile approaches

- Risk Adjustment is defined as the VaR or tVaR that corresponds to a certain quantile, e.g. $\alpha = 70\%$.



- Due to diversification effects, the sum of VaR across Divisions (or any other segmentation) does not correspond to the VaR at the same quantile.

Other approaches

- The Standard does not prescribe a method. The entity can choose any method that has certain characteristics, e.g. contracts with higher variability should be allocated a higher Risk Adjustment
- The method used must be disclosed
- The quantile that corresponds to the Risk Adjustment must be disclosed

2. BBA – the three blocks

Liabilities

Present Value of Future Cash Flows (PVFCF)

Future cash flows

Discounting

Risk adjustment

Contractual Service Margin (CSM)

What is the CSM?

- CSM is a component of the liability that **quantifies the unearned profit** a group of contracts will generate and that the entity will **recognise** as it provides services **over the coverage period**.
- **CSM cannot be negative**, so losses will be recognised immediately in P&L (onerous contracts)
- CSM is calculated **at Unit of Account level**.

What are the main changes with current accounting?

- CSM **ensures no gains at initial recognition** ; instead, the gain is recognised over time as the entity satisfies its obligation to provide service over the coverage period
- IFRS 17 ensures that **onerous contracts are not aggregated with profitable contracts**
- If a previously onerous contract becomes profitable, previous losses have to be reversed before reinstating the CSM

How is CSM measured?

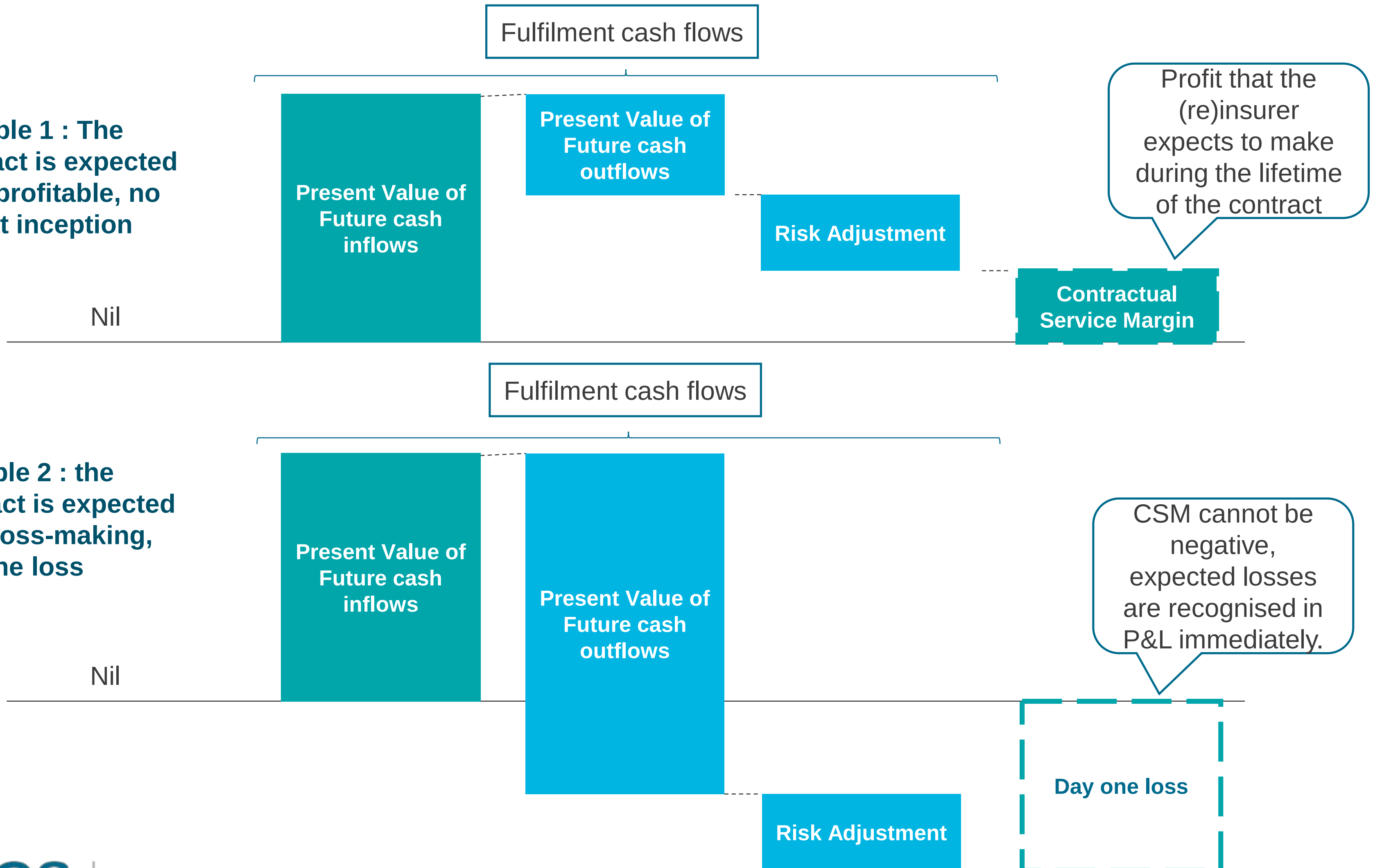
- The CSM is measured at the level of the group of contracts (Unit Of Account).
- The CSM is then amortised, for each group, based on the "coverage units" for the period

2. Onerous contracts

Measurement on initial recognition

Example 1 : The contract is expected to be profitable, no gain at inception

Example 2 : the contract is expected to be loss-making, Day one loss



2. Onerous contracts

Zoom on Disclosures – roll forward 2

Liabilities for remaining coverage beginning of period

Excl. Loss component | **Loss component**

Liabilities for incurred claims BoP

Insurance revenue
- Insurance revenue

Insurance service expenses

Incurred claims
- **Amortisation of loss component** (ie the part of expected incurred non funded by premiums)
- Incurred claims

Changes that relate to past service
- Change in fulfilment cash-flows relating to incurred claims

Changes that relate to future service
- Losses on onerous contracts and reversal of such losses

Acq. costs
- Amortisation of insurance acquisition cash flows

Réconciliation with Insurance Service Result in the P&L

- **Insurance Finance expenses**
  - ✓ Unwinding of the discount rate → *P&L*
  - ✓ Changes in discount rates & economic environment → *P&L and OCI (option)*

Insurance finance expenses (P&L and OCI)

- **Cash-flows** (premiums, Acquisition cash flows, Incurred claims paid and other insurance service expenses)

Liabilities for remaining coverage end of period

Liabilities for incurred claims EoP

BoP: beginning of period
EoP: end of period

2. Recognition date

Recognition of an insurance contract

- The **“recognition date”** indicates **when** an insurance contract should first be measured / accounted for
- It is the earliest between the three following dates :

Typical recognition

1. The beginning of the coverage period
2. When first payment due from a policyholder

Early recognition

3. When a contract becomes onerous

Contract boundary

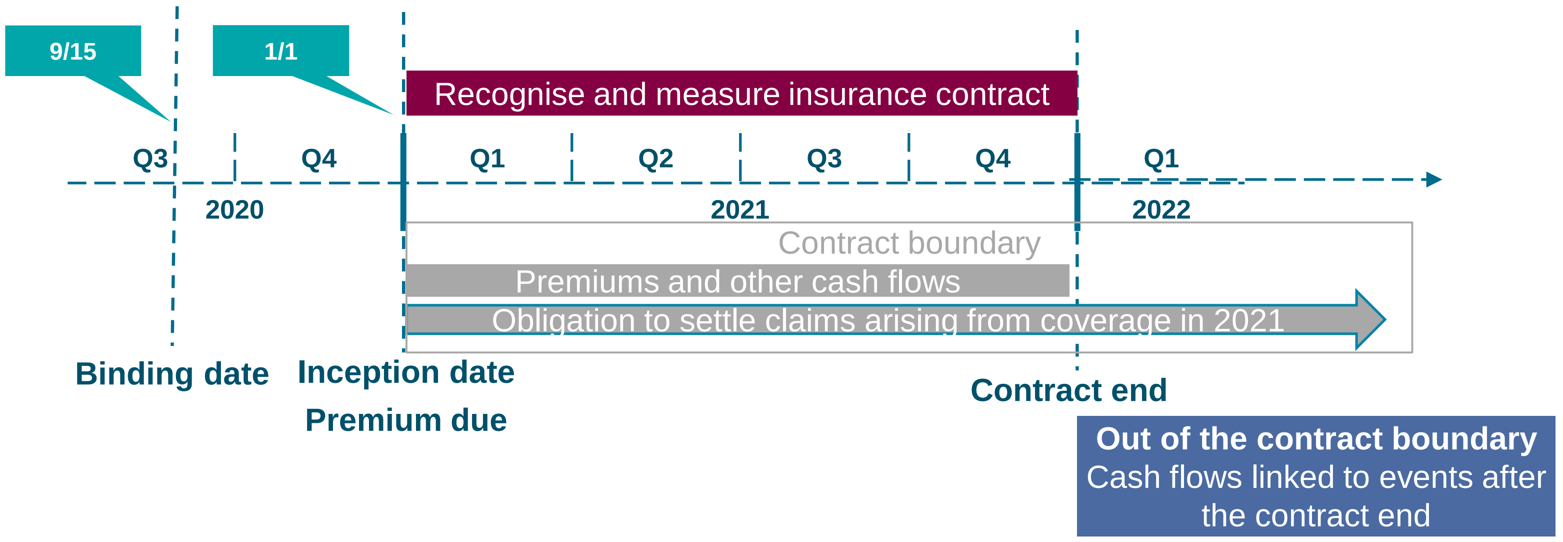
- The **contract boundary** indicates which cash flows should be taken into account for the calculation of the PVFCF related to a specific contract
- Cash flows are within the boundary of an insurance contract if they arise from rights and obligations that exist during the period in which :
  - The policyholder is obliged to pay premiums,
  - The (re)insurer has a substantive obligation to provide the policyholder with (re)insurance coverage or other services, without being able to re-price the contract.

2. Recognition date

Example – Profitable 1Y contract

- 1Y contract bound on 9/15/2020 for which the inception date and first premium due are 1/1/2021 (One premium instalment)

- **The contract is profitable :** it will be recognised at inception date (1/1/2021) and first accounted for in the 2021 Q1 reporting, until the end of the coverage period (2021 Q4 reporting)



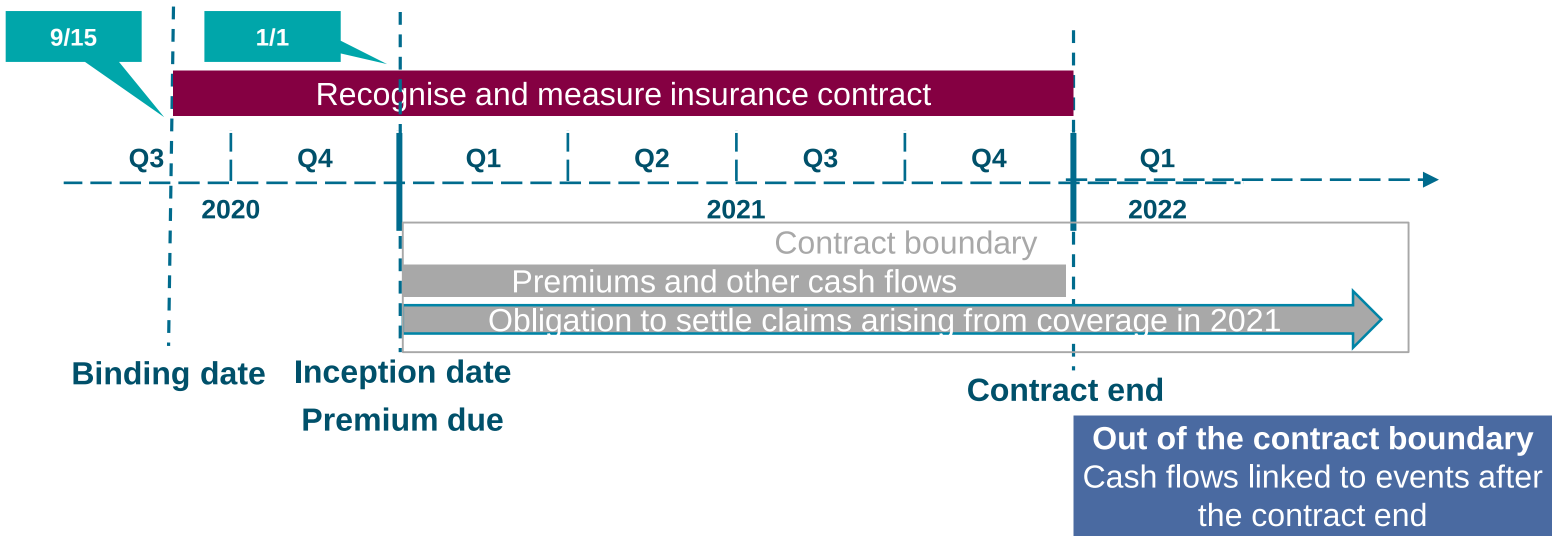
- **The insurer has an obligation to provide coverage until 12/31/2021,** and the contract ends afterwards

- All cash flows arising from events within the coverage period (1/1/2020 – 12/31/2021) are part of the contract boundary
  - e.g brokerage fees, commissions, expenses…
  - Payments arising from claims occurring in 2021 and related recoveries

2. Recognition date

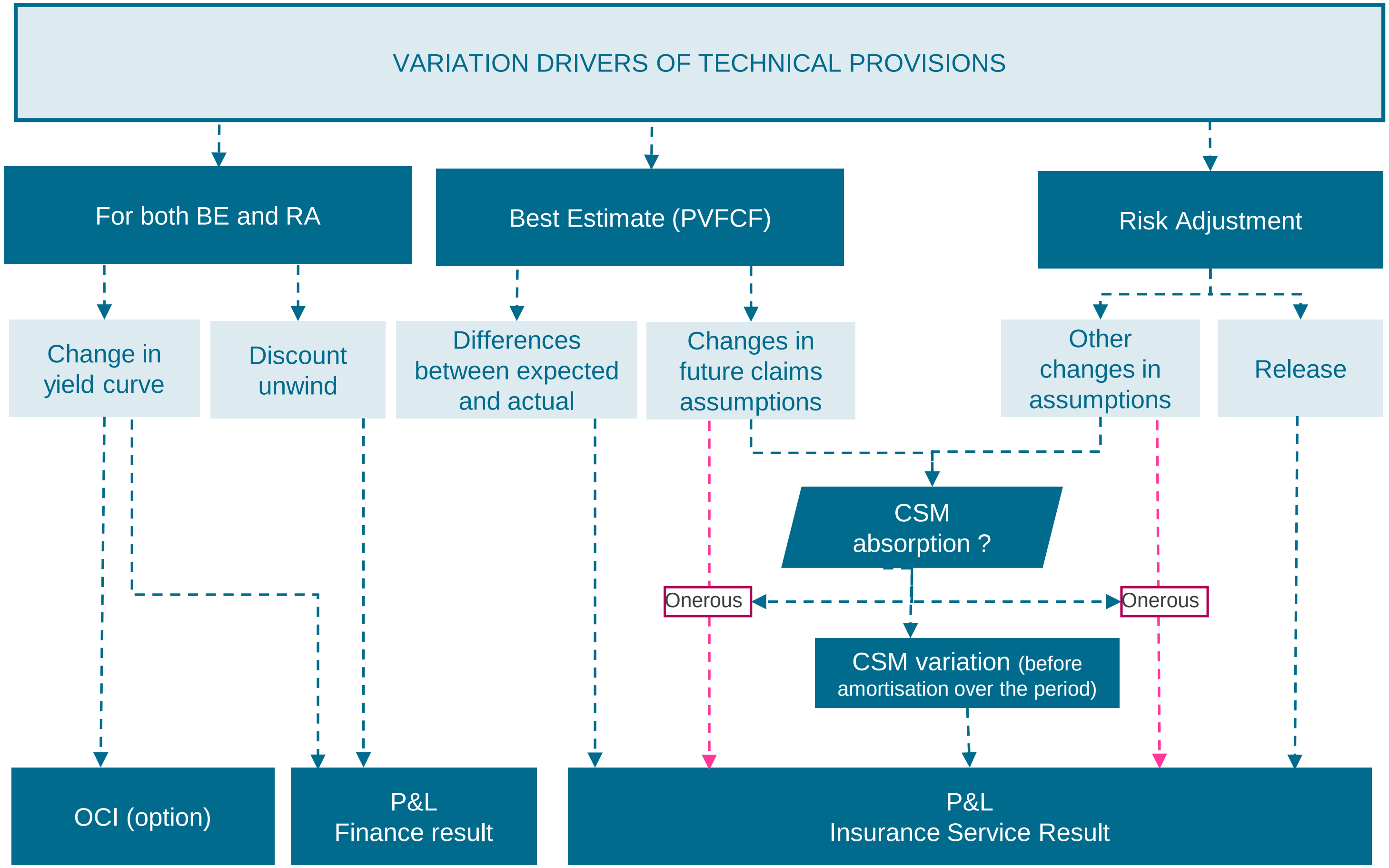
Example – Onerous 1Y contract

- 1Y contract bound on 9/15/2020 for which the inception date and first premium due are 1/1/2021 (One premium instalment)
- **The contract is onerous :** it will be recognised at **binding date** (9/15/2020) and first accounted for in the 2020 Q3 reporting, until the end of the coverage period (2021 Q4 reporting)



- **The contract boundary does not depend on the profitability of the contract**
- The contract boundary is the same as in the profitable case

2. Drivers of changes in TPs

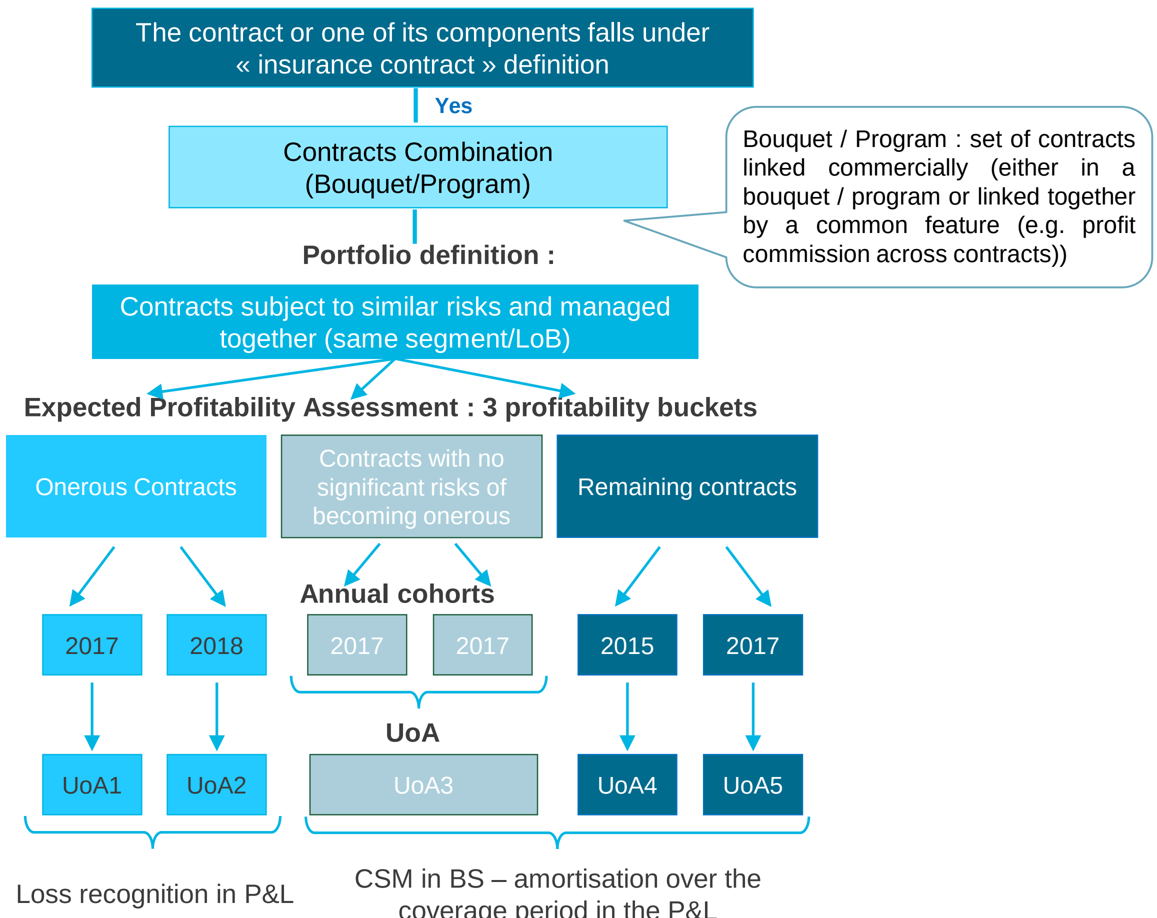


2. Units of Account

IFRS 17 requires to aggregate contracts **at inception** in groups for recognition, measurement, presentation and disclosure. Groups should not be reconsidered after initial recognition. Such groups are called **Units of Account**.

A **group can only include contracts that have been issued within one year of each other.**

- A portfolio of insurance contracts is defined as **insurance contracts subject to similar risks and managed together.**
- It is expected that contracts in different product lines will have different risks.
- Portfolios should be disaggregated into groups of insurance contracts that are, on initial recognition:
  1. *onerous;*
  2. *profitable, with no significant risk of becoming onerous; and*
  3. *profitable, with significant possibility of becoming onerous (remaining contracts).*
- It might not be necessary to assess the profitability of each insurance contract on initial recognition if the entity has reasonable and supportable information to conclude that each contract in a portfolio, a group or a subset of a group/portfolio has the same profitability.
- On the other hand, a group could consist of one contract.



2. Transition

What is the Transition?

- IFRS 17 must be implemented retrospectively with comparatives
- The opening 1 January 2021 balance sheet will require;
    - the PVFCF,
    - Risk adjustment,
    - CSM at that date,
    - along with ***full financial statements for the year ending 31 December 2020***
- As a result, we need to have an opening balance sheet for January 1 2020
- Determining the opening CSM for the Group's inforce business will set the absolute amount of future profits that can be recognized by the Group through P&L
- The effect of transition will be recognized in retained earnings

The opening balance at Jan 1 2020 needs to be determined for P&L Comparison

- Measurement of IFRS 17 liabilities at the transition date: each group of insurance contracts should be reported as the sum of the fulfilment cash flows and the CSM
- The calculation of the opening CSM or loss component should be performed using the full retrospective approach, and if this is impracticable, using the modified retrospective or fair value approaches
- The impact on opening equity – Retained earnings and OCI – will be determined at January 1, 2021

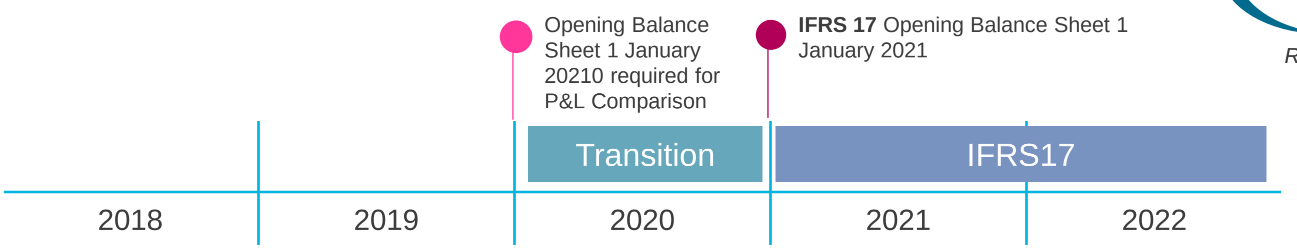
Transition of Financial Statements to IFRS 17

	YE 2019	YE 2020	YE 2021
Balance Sheet	✓	✓	✓
P&L		✓	✓

First publication

Requires the 2019 P&L

Requires comparison to 2020



AGENDA

3. Reinsurance Asymmetry

IFRS 17 introduces several differences in the measurement of assumed business and reinsurance contracts held in the balance sheet. As a consequence, insurers might consider redesigning reinsurance arrangements to optimize the accounting and so reduce mismatches in the income statement.

Direct business & Assumed contracts		Ceded contracts Retrocession
Cannot be negative Losses on onerous contracts are recognised immediately in profit or loss	**Contractual service margin**	Gains and losses on initial recognition are deferred through the CSM over the period reinsurance services are required
Reflects compensation entity requires for uncertainty. Quantifies the value difference between certain and uncertain liability.	**Risk adjustment**	Reflects the amount of risk transferred from the cedent to the reinsurer
PVFCF – explicit, unbiased, probability weighted estimate of FCF	**Present Value of Future Cash Flows**	Assumptions must be consistent with that of underlying contracts Cash flows must include expectation of credit default* losses from reinsurer

*Changes in fulfillment cash flows from reinsurance contracts held that result from changes in the risk on non-performance of the reinsurer shall not adjust the CSM

3. Reinsurance Asymmetry

Other possible mismatches between direct / assumed business and reinsurance held

- **Measurement of an onerous contract:**
  - The assessment of whether a contract or set of contracts is onerous is made without consideration of the impact of reinsurance. **Therefore a contract which is onerous on a gross basis but not onerous net of reinsurance is considered onerous for the purposes of IFRS 17**
  - This can lead to a mismatch between the recognition of losses for an assumed contract (day one recognition of losses) and its offsetting by a reinsurance contract (recognised over the lifetime of the contract)

- **Recognition**
  - There might be a mismatch between **dates of recognition** of insurance contracts and corresponding reinsurance contracts

- **Amortisation period of the CSM**
  - The period for release of the CSM for underlying contracts, and of the negative or positive contractual service margin relating to the day 1 costs/gain for reinsurance contracts held, might be different due to the **different coverage periods**.

- **Calibration of the RA**
  - in practice RA for retro can be directly calculated either considering the inherent risk on the ceded portion or else as the difference between the RA on the gross underlying contracts and the RA for the net risk retained after reinsurance. Results could differ (diversification, YC, expenses,…).

- **Methods**
  - Potentially significant mismatch where measurement model (BBA/PAA) is not applied consistently for underlying insurance contracts and corresponding reinsurance contracts

- **Subsequent measurement**
  - Changes in the FCF adjust the CSM if they relate to future coverage and other future services. However, changes in FCF are recognised in profit or loss if the related changes in the underlying contracts are also recognised in profit or loss when the underlying contracts are onerous.

AGENDA

4. Where do we stand in SCOR iro IFRS 17 implementation ?

❑Aiming for pure compliance with the new accounting standard is not viable; the program, sets a level of ambition consistent with business requirements (“Compliance +”)

Dimensions	Challenges	Opportunities
Financial reporting & communication	• Technical complexity and complete disconnect between the existing and future standard that make current KPIs obsolete • Significant implementation costs • Increasing complexity for external financial communication	• Economic performance measurement that could be calibrated to best suits SCOR (instead of applying regulatory guidelines) • System upgrades for an integrated process and operational efficiency • Economic view certified by external auditors
Business & strategy	• Global strategy, client offering and business developments to be adjusted according to new constraints • Manage the in force business • Capital management when legal entities are subject to IFRS 17 locally	• Better alignment between pricing and measurement of performance • New business opportunities

4. Where do we stand in SCOR iro IFRS 17 implementation ?

- *Change is addressed as an **additional constraint** and results in building **add-ons to existing solution** in order to meet reporting requirements*
- *S2 and IFRS remain two separate frameworks but material differences are analyzed, monitored and standard processes are leveraged for external communication*
- *These add-ons will not be sustainable in the long run (due to lack of automation/embedding) but allow to quickly address new requirements in terms of disclosure at a low cost*

Aiming for reporting compliance only would minimize the initial investment but would result in a competitive not viable long term

- *The new standard is fully embedded in the Company's DNA and becomes the driver of the way business is conducted*
- *Existing systems and process landscape are replaced or undergo significant overhaul*
- *S2 and IFRS are fully integrated as part of a comprehensive multi-gaap approach*

This approach would be very costly for benefits that may not materialize

Compliance only

Revolutionary transformation

Minimal leverage on IFRS 17

Maximal leverage on IFRS 17

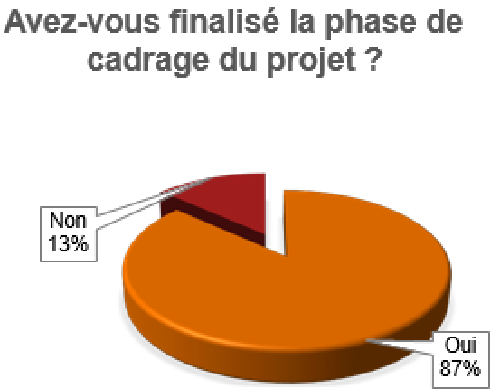
Evolutionary transformation

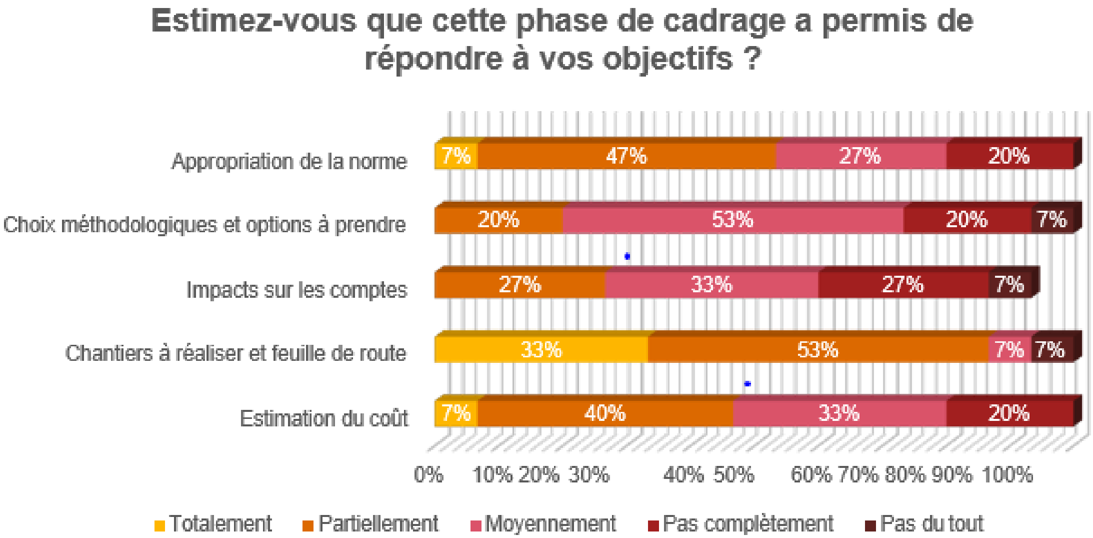
SCOR Position

- *Change is treated as an **opportunity to enhance the way the company conducts and reports on its business** making sure that no imbalance is created against the competition*
- *External disclosures are not the sole driver of the project*
- *Existing systems and process landscape are enhanced, leveraging existing assets to the extent possible to limit costs*
- *S2 and IFRS remain two separate frameworks but material differences are analyzed, monitored and standard processes are leveraged for external communication*

This approach aims at maximizing the return on company resources while not causing undue stress on the project timeline

4. Where do we stand in SCOR iro IFRS 17 implementation ?





Source : PwC IFRS 17 conference September 2018

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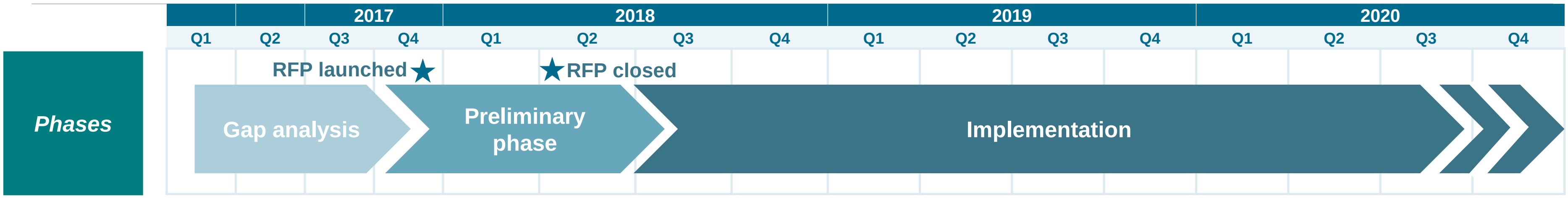

	Main objectives
Gap analysis	• **Identify gaps** over accounting, business and operational requirements and **evaluate the current readiness and the priority for change** of SCOR's current state, against the **future reference model** built based on the strategic working assumptions, considering IFRS 17 business requirements and SCOR's inflight projects. • **Carry out financial modelling** on limited scope to get insights to enrich and enhance the gap assessment analysis. • Develop a high level **implementation roadmap** identifying the WorkStreams of the implementation phase
Preliminary phase	▪ Clarify **program ambition** ▪ Identify **key structuring** and/or **strategic topics** ▪ Refine overall **Budget** ▪ **Preparation, structuring and organization of the IFRS 17 implementation project** (define roles and responsibilities and governance). ▪ **Detailed integrated plan** ▪ Launch **Divisional WorkStreams (for which all the items have been clarified during gap analysis)** ▪ Identify open items for which a deeper analysis is required ▪ Prepare teams to "Step-up" to group wide program