FINANCIAL CONDITION REPORT 2019

SCOR SWITZERLAND AG

SCOR
The Art & Science of Risk

CONTENTS

01

MANAGEMENT SUMMARY

MANAGEMENT SUMMARY

SCOR Switzerland AG (hereinafter "the Company") is the legal operating entity of SCOR, an independent global tier-1 reinsurance company, in Switzerland. It is licensed and supervised by the Swiss Financial Market Supervisory Authority ("FINMA") and operates in the Property & Casualty (P&C) reinsurance segment.

The Company reports a profit for the financial year 2019 of EUR 89.2 million as compared to EUR 74.9 million in 2018. The overall results are backed by a solid technical result from reinsurance operations, with premium growth from cession increases and a largely stable net loss ratio compared to the previous year. The investment portfolio showed a positive performance in 2019 and includes realised gains from disposal of investments.

The shareholders' equity reached EUR 1'214.4 million at 31 December 2019, which represents an increase of EUR 9.3 million compared to the previous year, after an extraordinary dividend payment of EUR 80.0 million.

The Company reports a solvency ratio of 191% according to the Swiss Solvency Test (SST), representing an increase of 10%-pts compared to the previous year, mainly driven by the elimination or reduction of regulatory charges and the change in new business volume, partly off-set by higher prior year reserve risk and an increased dividend payment.

The continuous assessment and control of the various risks the Company is exposed to is an important management objective. Several processes and tools for identifying and assessing risk have been implemented at SCOR Switzerland AG as well as at SCOR Group level to approach risk from different perspectives and to manage them in an exhaustive manner.

The outbreak of COVID-19 is a major global event that will have health, societal, and economic impacts. Even with appropriate macroeconomic policies through well-targeted stimulus and public policies with efficient containment measures, the damage to overall economic growth will be significant.

There is considerable uncertainty about the potential impact of the pandemic on the company based upon current information. The company will continue to regularly assess the COVID-19 impact on its business. With respect to insurance business investments, the recent decline in stock prices and other market indices is also being closely monitored.

As regards operational risks, SCOR has globally taken steps to lower the risk of infection for its employees, including office closures in affected countries. Furthermore, the management has business continuity plans in place that allow operations to continue even if the office location is not accessible. Specifically, SCOR has put in place infrastructure and tools that ensure that employees can work remotely from home.

02

BUSINESS ACTIVITIES

BUSINESS ACTIVITIES

SCOR Switzerland AG is part of the SCOR Group, a tier-1 reinsurance group that provides insurance companies with a diversified and innovative range of solutions and services to control and manage risk, serving more than 4'000 clients in the Americas, EMEA and APAC. The Group's subsidiaries, branches and offices are connected through a central network of applications and data exchange platforms, which allow local access to centralized risk analysis, underwriting or pricing databases and also gives access to information on local market conditions.

SCOR Switzerland AG is the regulated legal operating entity of the SCOR Group in Switzerland and operates in the Property & Casualty (P&C) reinsurance segment. Since 2001, the Company is fully licensed and supervised by the Swiss Financial Market Supervisory Authority ("FINMA").

The Company plays an important role in the SCOR Group, carrying prior underwriting year business as well as being the carrier of a significant amount of internal retrocession business from various entities of the SCOR Group. The assumed underwriting business focus is on selected reinsurance and insurance risks, mostly mainstream risks covered in P&C. SCOR Switzerland is targeting a diversified portfolio in terms of business and geography covering various lines of business such as Property, Property Cat, Motor, Credit & Surety, Casualty, Engineering, Marine and Offshore and other smaller portfolios.

The portfolio of assumed reinsurance business from other entities of the SCOR Group is slightly increasing in 2019 as the Company has entered into reinsurance contracts with new SCOR Group entities and / or assumes higher shares from existing ceding entities.

SCOR Switzerland AG buys reinsurance from its parent company to mitigate peak risk and protect its capital. In addition, the Company grants loans to other SCOR Group entities and receives such loans from other entities of the SCOR Group. For further details we refer to the respective chapter in the Annual Report.

The Company was formerly fully owned by SCOR Holding (Switzerland) AG. As a consequence of the cross-border merger between SCOR Holding (Switzerland) AG and its French parent company, SCOR SE, with effect as of 1 October 2019, all shares in the Company are now held directly by SCOR SE, the ultimate parent company of the SCOR Group, listed on the Euronext stock exchange, Paris. The Company holds a participation in SCOR Services UK Ltd. (formerly SCOR Holding (UK) Ltd.). It hasn't had any branches for the last two years.

The annual financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) and have been audited by Mazars SA, Herostrasse 12, 8048 Zurich.

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PERFORMANCE

PERFORMANCE

The Company reports a profit for the financial year 2019 of EUR 89.2 million as compared to EUR 74.9 million in 2018. The main contributors to the net income in 2019 were the technical result from reinsurance operations as well as the positive contributions from investment activities.

3.1 TECHNICAL RESULT

Gross premium written in 2019 amounted to EUR 1'641.4 million, which represents an increase of EUR 402.3 million or 32.5% compared to 2018. Almost all premium written by the Company in 2019 and 2018 was related to reinsurance business accepted from other entities of the SCOR Group. The increase in premium is driven by new and / or higher cessions of business from other SCOR entities. The variation of foreign exchange rates had a positive effect on the gross premium written of EUR +24.0 million compared to the previous year. SCOR Switzerland AG is also a buyer of reinsurance to mitigate risk and to protect its capital. In 2019, it recorded ceded premium to reinsurers of EUR 54.6 million as compared to EUR 33.9 million in 2018.

The Miscellaneous line, which includes Engineering, Credit & Surety and Agriculture, reports an increase in premium volume of EUR 195 million which represent almost 50% of the total increase, followed by the Casualty line with EUR 70 million increase. The Property line, as well as Marine, Aviation and Transport increase by EUR 60 million and EUR 65 million respectively. The only decrease in premium compared to the previous year was recorded in the line Personal Accident.

The overall technical result amounts to EUR 49.8 million. This is mainly driven by the Property line which contributes EUR 184 million due to low cat activity during the year. The Casualty line contributes with EUR 42 million mainly driven by positive development of the prior years. In contrast, Miscellaneous lines, in particular Aviation and Agriculture are partially offsetting the positive result by EUR -89 million due to higher loss activity. Overall, the net loss ratio for the year 2019 is 58.5% compared to 54.8% one year ago. The result in the year 2018 was impacted by natural catastrophes such as the hurricanes Michael and Florence as well as the wildfires in California partially offset by positive development in the casualty book.

The acquisition costs and administration expenses are slightly higher than one year ago at 36.0% of the net premium earned as compared to 34.5% in 2018. The increase of acquisition costs is driven by new business assumed in 2019 including portfolio transfers, whereas the slight increase of administration expenses relates to higher costs for services rendered by other SCOR entities.

Overall, the technical result from reinsurance operations recorded by the Company, which comprises technical income, net claims expenses and technical expenses, resulted in a gain for the year 2019 of EUR 49.8 million compared to a gain of EUR 75.6 million in 2018.

3.2 NET INVESTMENT INCOME

Net income from investments amounts to EUR 76.0 million in 2019, an increase of EUR 48.6 million compared to 2018. The total net realized and unrealized gains and losses on investments amounted to a gain of EUR 20.8 million in 2019 as compared to a loss of EUR 11.4 million in the previous year. The increase is mainly driven by the positive development of the shares and fund portfolios and includes realized gains from disposal of investments.

In addition, the Company received dividends from its participation SCOR Services UK Ltd. (formerly SCOR Holding (UK) Ltd.) of EUR 17.2 million in 2019, whereas the dividend from that same participation amounted to EUR 4.0 million in 2018.

All gains or losses are posted through Income Statement and no gain or loss was recorded directly in Shareholders' Equity.

The following tables show a detailed breakdown of investment income and expenses:

Investment income as per	2019				2018			
In EUR million	Investment income	Realised gains	Unrealised gains	Total	Investment income	Realised gains	Unrealised gains	Total
Participations	17.2	-	-	17.2	4.0	-	-	4.0
Bonds	24.1	6.4	-	30.5	25.9	2.7	-	28.6
Loans	5.5	-	-	5.5	5.2	-	-	5.2
Shares	0.1	-	0.2	0.3	-	4.3	1.8	6.1
Other investments	10.2	19.8	-	30.0	5.1	0.1	-	5.2
INVESTMENT INCOME	**57.1**	**26.2**	**0.2**	**83.5**	**40.2**	**7.1**	**1.8**	**49.1**

Investment expenses as per	2019				2018			
In EUR million	Investment expenses	Realised losses	Unrealised losses	Total	Investment expenses	Realised losses	Unrealised losses	Total
Participations	-	-	-	-	-	-	-	-
Bonds	(1.5)	(1.8)	-	(3.3)	(1.1)	(1.5)	-	(2.6)
Loans	-	-	-	-	-	-	-	-
Shares	-	(1.7)	(0.4)	(2.1)	-	(18.8)	-	(18.8)
Other investments	(0.4)	-	(1.6)	(2.0)	(0.2)	(0.1)	-	(0.3)
INVESTMENT EXPENSES	**(1.9)**	**(3.5)**	**(2.0)**	**(7.4)**	**(1.3)**	**(20.4)**	**-**	**(21.7)**

3.3 OTHER INCOME AND EXPENSES

In 2019, other financial income of EUR 0.6 million comprises interests on cash, cash equivalents and fixed-term deposits, whereas other financial expenses of total EUR -9.6 million include the net result from foreign exchange of EUR -7.1 million and financial charges of EUR -2.5 million which are mainly fees for Letters of Credit. In 2018, other financial income of EUR 1.0 million mainly consisted of the positive result from foreign exchange of net EUR 1.4 million, whereas other financial expenses of EUR -3.1 million solely comprised financial charges, mainly fees for Letters of Credit.

Interest expenses of 3.8 million (2018: 3.6 million) are mainly related to annual interest payments for the perpetual subordinated loan of CHF 125 million granted by SCOR Holding (Switzerland) AG. Following the cross-border merger between SCOR Holding (Switzerland) AG and SCOR SE, Paris, with effect as of 1 October 2019, the loan was transferred automatically to SCOR SE as new lender by operation of law.

Income Tax expenses increased by EUR 1.5 million from 19.8 million in 2018 to an amount of EUR 21.3 million in 2019 due to higher profit in the current year.

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CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE AND RISK MANAGEMENT

4.1 CORPORATE GOVERNANCE

The Board of Directors and the Executive Management are composed as follows:

BOARD OF DIRECTORS

Name	Nationality	Date appointed		Term expires
Denis Kessler (Chairman)	French	23 March 2009	Re-elected 18 April 2019	2020
Peter Eckert (Vice-Chairman)	Swiss	23 March 2009	Re-elected 18 April 2019	2020
Paolo De Martin	Italian	19 March 2008	Re-elected 18 April 2019	2020
Georges Chodron de Courcel	French	23 March 2009	Re-elected 18 April 2019	2020
J. Friedrich Sauerländer	Swiss	23 March 2009	Re-elected 18 April 2019	2020
Jean-Claude Seys	French	23 March 2009	Re-elected 18 April 2019	2020
Frieder Knüpling	German	22 May 2013	Re-elected 18 April 2019	2020
Umberto Gavazzi	Italian	18 April 2019		2020

MEMBERS OF THE BOARD OF DIRECTORS WHO STEPPED DOWN IN 2019

Name	Nationality	Date appointed	Date resigned
n.a.			

EXECUTIVE MANAGEMENT

Name	Nationality	Effective date of appointment
Andreas Frank (Chief Executive Officer and Chief Financial Officer)	German / Swiss	Chief Executive Officer: 1 April 2018 Chief Financial Officer: 25 August 2011
Patrick Brunner (Chief Risk Officer)	Swiss	1 October 2014
Thomas Haegin (Chief Technical Officer)	Swiss	23 August 2018

EXECUTIVES WHOSE TERM OF OFFICE ENDED IN 2019

Name	Nationality	Effective date of appointment	End of term of office
n.a.			

4.2 RISK MANAGEMENT

The Company has consistently implemented, based on the principle of proportionality, SCOR's Risk Management system which comprises:

- The risk appetite framework which defines the quantity and types of risks SCOR is willing to accept and its risk tolerance.
- The Enterprise Risk Management (ERM) framework composed of various risk management mechanisms which help to ensure that the Risk Appetite Framework is respected.

The Company's risk appetite is aligned to SCOR Group's risk appetite (regarding all risks with the exception of Life risks) and targets contributing to the Group's upper mid-level risk profile, by closely monitoring and mitigating its exposure to extreme tail events. The volatility is controlled through diversification of assumed underwriting risk and capital shield mechanisms.

As part of its risk appetite framework the Company has implemented risk tolerances. These tolerances are subdivided into a solvency range and a system of limits on more granular risk metrics.

The continuous assessment and control of the various risks is an important management objective. Several processes and tools for identifying and assessing risk have been implemented at the Company as well as at the level of SCOR Group to approach risk from different perspectives and to manage them in an exhaustive manner. Specifically, tailored entity processes include:

- A risk information process: every quarter, the Executive Management and Board of Directors review the Risk Dashboard, which describes and assesses the major risks the Company is exposed to. This dashboard assembles various risk assessments from different identification and assessment processes for all risk categories.
- A process for the monitoring of risk exposures compared to risk tolerances, i.e. the limits established in order to ensure that the Company's risk profile remains aligned with the risk appetite.
- Processes with relevance for the reliability of financial reporting are identified within the Internal Control System and appropriate key controls are defined to mitigate the financial reporting risk.

4.2.1 KEY CONTROL FUNCTIONS

Risk Management Function

The Risk Management Function is responsible for the monitoring and reporting of the Company's risk profile, in line with the Company's Risk Appetite Statement, and for the effectiveness of the Risk Management system. The Risk Management Function regularly reports and advises the Board of Directors, Executive Committee and / or related committees on these and other Risk Management matters through the use of regular and ad-hoc risk analyses.

The Risk Management team, led by the Company's Chief Risk Officer, undertake this role, with the support of other teams. The Company's CRO is appointed by the Board of Directors and is a member of the Executive Committee.

Compliance Function

The Compliance Function performs compliance activities to identify, assess, mitigate, and report compliance risks and matters. The Head of the Compliance Function is appointed by the Company's Board of Directors and advises the Audit and Risk Committee and management on compliance matters.

The Company's compliance plan defines the compliance activities to be undertaken during each upcoming year. The plan as well as an independent assessment of key compliance risks is presented to the Audit and Risk Committee for review.

Actuarial Function

The Actuarial Function is the owner of the Company's reserving process and is required to carry out timely completion of reserve analyses and actuarial reserve reports. In addition to ensuring adequate technical reserves, the Responsible Actuary is responsible for ensuring proper pricing principles are used and that the solvency ratio is calculated correctly. The Responsible Actuary is required to report to both the Executive Committee and the Audit and Risk Committee of the Board of Directors.

The Responsible Actuary is appointed by the CEO of the Company as per the Organisational By-Laws, subject to FINMA's accreditation.

Internal Audit Function

Internal Audit assists the Board of Directors in providing independent, objective assurance and consulting services designed to assess the adequacy, effectiveness and efficiency of the Company's governance, policies and guidelines, Risk Management, and Internal Control System, as well as compliance of operations with applicable policies and guidelines.

The Company's Board of Directors appoints the Head of Internal Audit. The Audit and Risk Committee defines the responsibilities of the Head of Internal Audit and its teams regarding the Company matters. The Head of Internal Audit reports on a regular basis to the Audit and Risk Committee.

4.2.2 INTERNAL CONTROL SYSTEM (ICS)

The ICS forms an integral part of the Company's Enterprise Risk Management (ERM) Framework. The ICS contributes to ensuring compliance with laws and regulations, as well as accessibility and reliability of financial and non-financial information.

It is being deployed on various business and support areas such as Underwriting, Pricing, Technical and Financial Accounting, Claims, Reserving, Investment & Asset Management, Financial and Non-Financial Valuation & Reporting, IT, Human Resources and Risk Management.

05

RISK PROFILE

RISK PROFILE

The Company seeks to maintain a portfolio of business risks that is strategically diversified by geography, by line and class of business and over time (short and long-tail). Diversification aims to reduce the accumulation of risks which may produce risk concentrations along with volatility and reduces the aggregate risk of the Company. The material risks, which are quantified using the Company's Internal Model, are as follows:

- Insurance Risk
- Market Risk
- Credit Risk

The following table provides a breakdown of the SST one-year change, respectively capital requirement. The Company is predominantly exposed to Insurance Risk. A detailed breakdown of these risks and an explanation of year-on-year changes is provided in Chapter 8.2.

SST One-Year Change breakdown: Diversified risk figures	SST 2020 in MEUR	in %	SST 2019 in MEUR	in %
Insurance Risk	701	85%	610	70%
Market Risk	223	27%	185	21%
Credit Risk	89	11%	130	15%
SST Scenarios & Other Impacts	68	8%	95	11%
Diversification effects	-259	-31%	-153	-18%
One-Year Change	**822**	**100%**	**867**	**100%**

As shown in the table above, the overall risk profile is stable with the increase in Insurance Risk reflecting offsetting impacts of improved modelling and a decrease in business volume. In absolute terms, there is a decrease in one-year change compared to the previous year.

In addition to these risks, the Company is also exposed to Operational, Strategic, Liquidity, Group and Emerging risks, which are all managed through a variety of mechanisms. These risks are not expected to have an immediate impact on the solvency over a one-year time horizon and are monitored and managed through specific processes.

Risk concentrations arising from dependencies within and across underwriting, investing or lending activities are analysed within their respective risk categories. Risk concentrations are monitored and aims to strike an appropriate balance between risk, capital adequacy and return, while respecting key stakeholder expectations.

5.1 INSURANCE RISK

The main risks linked to the P&C reinsurance business underwritten by the Company are P&C long-tail, natural and man-made catastrophes, including terrorism.

P&C Long-Tail

This is the risk that the P&C claims inflation is higher than assumed in the calculation of the Best Estimate Liabilities (BEL) and mostly affects the long-tail lines of business. Claims inflation is influenced by, but not directly linked to general inflation.

For SCOR's Casualty business, the frequency and severity of claims and the related amounts of indemnity paid can be affected by several factors. The most significant factors are the changing legal and regulatory environment including changes in civil liability law and jurisprudence.

Natural and Man-Made Catastrophes

The Company is exposed to multiple insured losses arising from single or multiple events, which can be catastrophic, being either caused by nature (e.g. hurricane, typhoon, windstorm, flood, hail, severe winter storm, earthquake) or man-made (e.g. explosion, fire at a major industrial facility, act of terrorism). Any such catastrophic event can generate insured losses in one or several lines of business.

The most material catastrophes in the Company's risk profile are related to natural events mainly tropical cyclones, windstorms, earthquakes and floods arising worldwide, and affecting property, engineering and possibly other lines of business. The natural catastrophe portfolio is geographically well diversified and effective retrocession protection is in place. The peril-regions to which the Company's natural catastrophe portfolio has the largest exposure to, are North American Hurricane and European Windstorm.

The Company is exposed to insured losses, arising from single or multiple events, which can be catastrophic, caused by the occurrence of a man-made event, defined as negligent or deliberate human actions, e.g. conflagration, a large explosion and fire at a major industrial site, and terrorism.

Risk Management

Insurance risks are assessed and controlled in accordance with the underwriting plan and underwriting and pricing guidelines, which specify the underwriting capacities delegated to each underwriter in each entity as well as the underwriting rules and principles to be complied with.

Business opportunities going beyond the stipulations of the guidelines are subject to special referral procedures. The quality of the underwriting, pricing and claims handling is assessed through underwriting cross reviews and regular reviews of technical results by business area and region together with a close monitoring of the utilization of capacities and accumulation of Natural Catastrophe and per-risk events.

The adequacy of the Company's liabilities is controlled based on specific procedures. An annual written actuarial function report is provided to the Board of Directors by the Company's Responsible Actuary. The Company maintains strong quarterly and annual reserving processes with regular oversight by the Company's Responsible Actuary.

5.2 MARKET RISK

Market Risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of change in market prices or macroeconomic variables. This includes interest rate and currency risk, as well as equity risk, to which the Company is exposed through its investments. Market risk also includes credit spread risk on these invested assets.

The investment strategy is prudent with the majority of assets held in cash and fixed income securities. It is defined in line with the risk appetite and tolerances and considers the economic and market environment and the asset liability durations.

Limits exist for asset class exposures and are set by the Company's Board of Directors and form an integral part of the strategic asset allocation process and investment roadmap. Additional investment restrictions are defined by asset class, asset concentration, cash exposure by issuer, and fixed income rating.

5.3 CREDIT RISK

The Company is subject to Credit Risk on its invested assets, receivables from retrocessionaires and receivables and deposits from cedants. The Company has a low appetite for counterparty Credit Risk and hence it has set a strategy in its investment guidelines to mitigate this risk.

Its main retrocessionaires are SCOR Group entities, which themselves employ outward reinsurance and other risk mitigating techniques.

5.4 OPERATIONAL RISK

Operational Risks are inherent to all businesses, including SCOR's, and may be split into four broad categories.

- **Staff:** Failure to attract or retain key personnel, incidents due to mistakes or non-compliance with instructions, guidelines or policies, internal fraud and intentional damage to the Company's assets, including data, by personnel.
- **Systems or facilities:** Malfunction or a major breakdown, outage or disruption due to viruses, attacks by hackers and theft or data breaches of IT systems leading to the loss of data or delays in service or in a loss of efficiency of teams. The interruptions of these services could damage commercial activities, in addition, the facilities in which the Company operates, might be impacted by natural or man-made perils.
- **Processes:** The Company's risk management policies, procedures and controls may not be appropriate or sufficient, including inadequate level of service and breaches of contracts and other commitments, including processes from outsourced activities.
- **External events:** The Company may be exposed to an unfavourable business environment, such as evolving or additional regulatory constraints as well as external fraud and misappropriation of the Company's assets by third parties, including cyber-attacks.

Within SCOR's Internal Control System (ICS) process owners design, implement and operate appropriate key controls and maintain the net risk exposure at or below an acceptable level of possible damage for the processes assigned to their area of responsibility.

Operational risks, net of mitigation, are assessed to be non-material for the Company. This assessment is based on the Company's position within the Group and the business model. On risks which may develop rapidly, such as external fraud, risk mitigation is adapted frequently.

5.5 RISK CONCENTRATIONS

Concentration Risks mainly impact 3 categories of risk individually or collectively:

- Insurance Risks, in particular through catastrophes and other accumulation risks across lines of business or within certain geographical areas.
- Market Risks, particularly in case of major events impacting specific types of assets to which SCOR is exposed.
- Credit Risks, in case of major events impacting certain types of counterparties or certain individual counterparties to which the Company is exposed.

Insurance risk concentrations are monitored utilizing catastrophe modelling technological solutions and regular exposure reporting to underwriters and Underwriting Management. Exposures to specific lines of business and geographies are limited within the underwriting guidelines. Monitoring against compliance with underwriting guidelines is ensured via on-site ongoing oversight exercised by Underwriting Management and periodic reviews.

As described above, Market and Credit Risks, including risk concentrations related to these, are managed and monitored according to pre-defined exposure limits. The investment objectives, limits and restrictions are defined in the Company's investment guideline.

5.6 REINSURANCE AND RISK MITIGATING TECHNIQUES

Reinsurance Program

The Company has put in place a reinsurance program, which protects the Company from large events in line with the risk profile.

The retrocession structure in place provides efficient and comprehensive protection against large losses. The Company is protected both on a per risk basis and a per event basis. Overall, the Company is adequately protected against adverse developments of its capital base due to the occurrence of one or multiple catastrophic losses.

Currency Fluctuation Risk

Exchange rate fluctuations can have an adverse effect on the Company's Net Asset Value. The Company hedges its monetary balance sheet position against FX fluctuations, but not the solvency ratio. This may give rise to potential fluctuations in the SST ratio over time.

5.7 OTHER RISK

The Company has neither exposure nor membership in a Special Purpose Vehicle (SPV). Other off-balance sheet commitments are limited to pledged assets and letters of credit.

Pledged assets and letters of credit are inherent to conducting reinsurance business in compliance with local regulations and help ensure the liquidity of clients.

Based on the assessment of free assets, these balances pose no material risk to the Company. For details, see the respective note section in the SCOR Switzerland AG Annual report.

06

VALUATION

VALUATION

The following table outlines the components of SSAG's SST Balance Sheet year-on-year:

(in EUR million)	SST 2020	SST 2019
1.1 Investments		
1.1.1 Real estate	0	0
1.1.2 Participations	117	111
1.1.3 Fixed-income securities	1'686	2'003
1.1.4 Loans	205	252
1.1.5 Mortgages	0	0
1.1.6 Equities	15	149
1.1.7 Other investments	786	76
Total investments	**2'809**	**2'591**
Other assets		
1.2 Financial investments from unit-linked life insurance	0	0
1.3 Receivables from derivative financial instruments	5	1
1.4 Deposits made under assumed reinsurance contracts	1'350	1'099
1.5 Cash and cash equivalents	75	54
1.6 Share of technical provisions from reinsurance	55	30
1.7 Fixed assets	0	0
1.8 Deferred acquisition costs	0	0
1.9 Intangible assets	0	0
1.10 Receivables from insurance business	191	111
1.11 Other receivables	102	18
1.12 Other assets	0	289
1.13 Unpaid share capital	0	0
1.14 Accrued assets	3	1
Total other assets	**1'780**	**1'604**
1.15 Total Assets	**4'589**	**4'195**
Liabilities		
2.1 Technical provisions: gross	2'695	2'356
2.2 Insurance reserves for unit-linked life insurance: gross	0	0
2.3 Non-technical provisions	0	0
2.4 Interest-bearing liabilities	0	0
2.5 Liabilities from derivative financial instruments	10	12
2.6 Deposits retained on ceded reinsurance	-1	-1
2.7 Liabilities from insurance business	47	42
2.8 Other liabilities	2	5
2.9 Accrued liabilities	2	0
2.10 Subordinated debts	116	113
Total Liabilities	**2'871**	**2'527**
Total Asset – Liabilities	**1'718**	**1'668**
Expected dividend payment	-130	-80
Supplementary Capital	116	113
Risk Bearing Capital	**1'704**	**1'701**

The SST Balance Sheet is established according to the Swiss Solvency Test and is the basis for determining the Risk-Bearing Capital considering the economic value of the Balance Sheet, expected dividends and supplementary capital.

The presented SST balance sheet granularity has been aligned to the economic balance sheet format of other SCOR legal entities based on the Solvency II framework. In this context, the premium estimates net of commissions are not shown on the assets side of the SST balance sheet but are integrated into the liabilities and considered against the economic future cashflow positions. As of this year, the balance sheet layout is fully aligned to the layout provided by FINMA within the fundamental data sheet.

Key SST Balance sheet movements compared to the previous year:

- Fixed income securities decrease to EUR 1’686 million from EUR 2’003 million mainly due to a mapping change. Investment funds newly shown under other investment were allocated across fixed income securities, loans equities and other assets last year. Deposits made under assumed reinsurance contracts increase from EUR 1’099 million to EUR 1’350 million. The increase is in relation to higher cessions from other SCOR entities.
- Share of technical provisions from reinsurance contracts increase from EUR 30 million to EUR 55 million following a new proportional retrocession contract with another SCOR entity.
- Receivables from insurance business increase by EUR 80 million from EUR 111 million to EUR 191 million also driven by the higher cessions from other SCOR entities.
- The total liabilities increase by EUR 343 million driven by the technical provisions which increase due to the higher business assumed from other SCOR entities as well as by the decrease in discount benefit due to lower interest rates.
- The Risk-Bearing Capital increases by EUR 3 million compared to last year. The increase in Risk Bearing Capital is stemming mainly from the increase in the Shareholders’ equity partially offset by a reduction of the discount benefit as well as an expected dividend payment of EUR 130 million in 2020.

The Company’s investments are largely traded in deep and liquid markets and therefore booked mark to market, or their prices are reproducible by generally accepted valuation models and therefore booked close-to-market.

The valuation of all other positions is based on models using observable market parameters wherever possible and unbiased best-estimates for all other parameters. Those positions, predominantly obligations from insurance contracts, are therefore booked on a mark-to-model basis. The major assumption underlying the economic valuation of liabilities is related to the replacement of unearned premium reserves by their economic expected loss, the discounting of all future cash flows of premiums, losses and reserves using risk-free yield curves and to some extent also the consideration of reserve adequacy adjustments.

The following table outlines the differences between the SST Balance Sheet and the statutory accounts of SSAG:

(in EUR million)			SST 2020	Local Stat 2019	Variance	Of which: Mapping	Valuation change
1.1	**Investments**						
1.1.1	Real estate		0	0	0		0
1.1.2	Participations		117	87	30		30
1.1.3	Fixed-income securities	1	1’686	1’590	96	-14	82
1.1.4	Loans		205	201	4		4
1.1.5	Mortgages		0	0	0		0
1.1.6	Equities		15	15	0		0
1.1.7	Other investments		786	752	34		34
Total investments			**2'809**	**2’645**	**164**	**-14**	**150**
Other assets							
1.2	Financial investments from unit-linked life insurance		0	0	0		0
1.3	Receivables from derivative financial instruments		5	5	0		0
1.4	Deposits made under assumed reinsurance contracts		1'350	1’350	0		0
1.5	Cash and cash equivalents		75	75	0		0
1.6	Share of technical provisions from reinsurance		55	59	-5		-5
1.7	Fixed assets		0	0	0		0
1.8	Deferred acquisition costs		0	0	0		0
1.9	Intangible assets		0	0	0		0
1.10	Receivables from insurance business	2	191	1'005	-814	814	0
1.11	Other receivables		102	102	0		0
1.12	Other assets		0	0	0		0
1.13	Unpaid share capital		0	0	0		0
1.14	Accrued assets	1	3	17	-14	14	0
Total other assets			**1'780**	**2'613**	**-833**	**828**	**-5**
1.15	**Total Assets**		**4'589**	**5'258**	**-669**	**814**	**145**
Liabilities							
2.1	Technical provisions: gross	2	2'695	3'748	-1'053	698	-355
2.2	Insurance reserves for unit-linked life insurance: gross		0	0	0		0
2.3	Non-technical provisions		0	0	0		0
2.4	Interest-bearing liabilities		0	0	0		0
2.5	Liabilities from derivative financial instruments		10	10	0		0
2.6	Deposits retained on ceded reinsurance	2	-1	115	-116	116	0
2.7	Liabilities from insurance business		47	51	-4		-4
2.8	Other liabilities		2	4	-2		-2
2.9	Accrued liabilities		2	2	0		0
2.10	Subordinated debts		116	114	2		2
Total Liabilities			**2'871**	**4'044**	**-1'173**	**814**	**-359**
Total Asset – Liabilities			**1'718**	**1'214**	**504**	**0**	**504**
Expected dividend payment			-130				
Supplementary Capital			116				
Risk Bearing Capital			**1'704**				

[1] reclass bonds interests accruals

[2] reclass related to Best estimate liabilites

The total difference between excess of Total Assets over Total Liabilities in the SST Balance Sheet of EUR 1'718 million and the statutory shareholders' equity amounts to EUR 504 million, of which EUR 145 million result from asset revaluations and EUR 359 million from revaluation of liabilities. For reconciliation purposes please note that EUR 814 million are reclassed from Assets to Liabilities as part of the best estimate liability calculation.

The impact of asset revaluations on the Risk-Bearing Capital as compared to statutory account is driven by:

Total investments valuation increases of EUR 150 million due to different valuation principles, of which:

- Participations EUR 30 million at modelled fair market value in SST versus at cost in statutory accounts.
- Fix income securities EUR 82 million at fair market value versus amortized cost.
- Loans EUR 4 million at fair market value versus nominal value.
- Other investments EUR 34 million at fair market value versus at cost.

Total *other assets valuation* decreases of EUR -5 million as part of the Best estimate valuation. In statutory accounts other assets are valued at cost.

The liability valuation impact is a decrease of EUR -359 million driven by:

- Liability revaluations related to discounting and other Economic Risk valuation considerations, including UPR, of EUR -355 million, mainly consisting of future premium and future claims EUR -302 million and discounting EUR -53 million.
- Liabilities from insurance business -EUR 4 million related to the BEL calculation for ceded business
- The Subordinated Debt valuation at fair value EUR 2 million

All other valuations are identical between the SST Balance Sheet and the statutory accounts.

The Market Value Margin of EUR 138 million is defined via the Cost of Capital approach multiplying the total of the discounted risks that cannot be hedged otherwise on the market over the remaining runoff-years at risk with the cost of capital rate of 6%.

07

CAPITAL MANAGEMENT

CAPITAL MANAGEMENT

Capital Management is at the core of the Company's strategy. The Company's goal is to manage its capital in order to maximize its profitability, while meeting its solvency target range, in line with its risk profile as defined by the Company's risk appetite and tolerances and its operating plan.

The capital planning is based on the financial operating plan. The Company also performs 3-year capital projections, considering IFRS and regulatory capital projections, in the context of the Own Risk and Solvency Assessment (ORSA).

Shareholders' Equity

The equity increased in 2019 by EUR 9.3 million from EUR 1'205.1 million to EUR 1'214.4 million. The following table shows a detailed breakdown:

In EUR million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2018	**332.8**	**446.8**	**166.4**	**259.1**	**1'205.1**
Dividend paid to shareholders	-	-	-	(80.0)	(80.0)
Profit / (loss) of the year	-	-	-	89.2	89.2
Balance as of 31 December 2019	**332.8**	**446.8**	**166.4**	**268.3**	**1'214.4**

Valuation differences between the shareholders' equity position of EUR 1'214.4 million and the SST Balance Sheet are explained in detail in Chapter 6. Valuation. In addition, SST Risk-Bearing Capital allows for hybrid debt capacity and requires the estimation of expected dividend payments during 2020.

08

SOLVENCY

SOLVENCY

8.1 INTERNAL MODEL

The Company uses its internal model to adequately assess the solvency capital requirement as of end of year 2019. The internal model is a stochastic model with a strong modular approach. Modelling the risk at the sources is one of the general principles which determined the architecture of the Company's internal model. Therefore, the Company's internal model framework consists of several sub-modules covering different risk categories: An economic scenario generator (ESG) generates scenarios for economic variables; modules for modelling Life and P&C insurance risks; a consolidation module which centrally aggregates data from the various sub-models, and which additionally models invested assets, Credit and Operational Risk, and allows for further dependencies between the risks not taken into account in the sub-models, produces results at defined level of granularity, and eventually calculates the one-year change and market value margin.

The Company's internal model follows a full Balance Sheet approach where future cash flows from rights and obligations of the modelled entity are valued as positions in the modelled SST Balance Sheet. Uncertainty is quantified by stochastically projecting the start year modelled SST Balance Sheet one year forward into the future. This projection allows for risks such as forecasted changes in the financial markets, losses and catastrophes, and dependencies between the different risk factors.

A stochastic distribution of the change in economic value over a one-year horizon is generated which is used for determining the solvency capital requirement and reporting of other risk quantities for the Company.

The necessity to use the internal model for the adequate quantification of the Company's risk is related to the complex risk structure the Company is exposed too: the portfolio comprises proportional, non-proportional and facultative reinsurance as well as Lloyd's Syndicates. The Company reinsures world-wide subsidiaries of SCOR Group thereby optimizing the diversification of the various portfolios. The Company owns SCOR Services (UK) Ltd. (formerly SCOR Holding (UK) Ltd.) and a diverse spectrum of asset classes in various currencies, containing equities, bonds, and real estate investments.

As standard models do capture only in part the complexity of the Company's world-wide exposed diversified risk profile related to Reinsurance, Market, and Credit Risk, the use of the internal model is required for proper risk assessment and capital management.

In summary, the internal model values the various risks (including their dependencies) the Company is exposed to on an economic basis.

With the ordinance issued on 24 March 2019, FINMA approved the internal model and allows the Company its unconditional use except for the parts of the model that relate to Credit Risk.

8.2 TARGET CAPITAL

The results of the target capital year-on-year are displayed in the following table, including the market value margin and the one-year change, split by standalone major risks and their diversification effect:

One-Year change and MVM by Risk Category (in EUR million)		2020	2019
Property & Casualty	P&C Current Underwriting Year	337	337
	P&C Prior Year Business	174	141
	P&C Reserves	284	242
	P&C Other	11	0
	P&C Total	**701**	**610**
Market	Credit spread	113	0
	FX-Risk	70	137
	Interest Rate Risk	89	46
	Participation	22	25
	Market Other	56	48
	Market Risk Total	**223**	**185**
Credit	Credit Risk	89	130
Scenarios & Other	FINMA & Own Scenarios, Other	68	95
Total	P&C, Market, Credit and Scenarios	1081	1020
Diversification Effect		-259	-153
Target Capital	**One-Year Change**	**822**	**867**
	Market Value Margin	138	134
	Target Capital	**960**	**1001**

Reporting granularities have been adapted during the year 2019.

- For SST 2020, the following main risk categories have been redefined:
  - P&C Total newly includes P&C Other (internal costs, income from Funds Withheld and any revaluation on premium & commission estimates, receivables during the projection year).
  - Market Risk contains credit spread risk, the subcategory Market Other consists of valuation changes from equities, hedge funds, real estate, ILS, MBS, cash, internal loans, debt, dividends and own shares revaluation.
  - Credit Risk includes newly migration and default only, no credit spread risk.

- Participation represents the risk of SCOR Services (UK) Ltd.
- Scenarios & Other contain capital requirements resulting from predefined scenarios by FINMA and the Company as well as additional capital requirements related to the company's P&C risk (for 2019) and Credit risk (for 2020, in 2019 implicitly part of "diversification effect").
- The diversification effect reflects the difference between the total of the risks for P&C, Market, Credit and Scenarios versus the diversified one-year change.

The one-year change decreased year-on-year primarily due to the reduced or eliminated FINMA-charges following improved modelling and the reduction of renewed business. Increases in reserve risk and prior year risk as well as other model changes partly offset these decreasing effects in one-year change.

The increase in diversification for 2020 is largely due to the reduction in credit risk charge and the reclassification of the remaining credit risk charge in "Scenario & Other".

The standalone capital results for P&C Total and Market Risk Total in the table above are uncentered. They include the expected insurance result and the expected financial (market) result, respectively:

Expected results (in EUR million)	2020	2019
Economic financial result	12	-7
Insurance result	67	90

*new reporting granularity

For 2019, the market risk recategorization would include expected credit spread return of EUR 30 million and reduced costs on EUR 3 million for insurance result.

The reduction in economic financial result is primarily driven by model changes, partly mitigated by improved returns following changes in exposure at YE 2019. The reduction of NatCat exposure for 2020 is a key driver of the decrease in expected insurance result.

The Market Value Margin of the Company did not materially change year-on-year.

8.3 RISK-BEARING CAPITAL

The Risk-Bearing Capital and its major components are given below for SST 2020 and SST 2019:

Risk-Bearing Capital (in EUR million)	**SST 2020**	**SST 2019**
Investments	2'579	2'593
Other Assets	2'010	1'602
Total Assets	**4'589**	**4'195**
Technical Provisions	2'579	2'240
Other Liabilities	292	288
Total Liabilities	**2'871**	**2'527**
Total Assets - Total Liabilities	1'718	1'668
Expected Dividend Payments	-130	-80
Supplementary Capital	116	113
Risk-Bearing Capital	**1704**	**1701**

Around 56% of total assets are investments, the technical provisions account for 90% of the total liabilities. Further details of the SST Balance Sheet accounts and their valuation principles can be found under Chapter 6.

8.4 SOLVENCY RATIO

For SST 2020, the company's solvency ratio amounts to 191%, which represents an increase of 10%-pts compared to the previous year.

SST Results (in EUR million)	**SST 2020**	**SST 2019**
A. Risk-Bearing Capital	1'704	1'701
B. Market Value Margin	138	134
C. One-Year Change	822	867
Solvency Ratio (A. - B.) / C.	**191%**	**181%**

The increase in solvency ratio is driven on the risk side by the decrease in one-year change stemming from the elimination or reduction of regulatory charges following the improvements of the internal model during 2018 and 2019. The effect was partly offset by other model changes as well as by the increase in reserve and prior year risk.

The Market Value Margin of the Company remained stable year-on-year.

The Risk-Bearing Capital remains stable (marginal increase by EUR 3 million), impacted by capital market revaluations and generally positive economic value creation during the year 2019. The expected dividend payment of EUR 130 million basically transfers this value creation to the shareholder of the Company.

Despite these changes, neither the assumed business nor the investment assets portfolio experienced material structural changes during the year.

The disclosed figures have been submitted to FINMA in the context of the SST 2020 and are pending regulatory approval.

09

APPENDICES

A I B

A ANNUAL REPORT 2019 SCOR SWITZERLAND AG INCLUDING THE REPORT OF THE STATUTORY AUDITORS

B QUANTITATIVE TEMPLATES

09

APPENDIX - A

ANNUAL REPORT 2019
SCOR SWITZERLAND AG
INCLUDING THE REPORT OF THE
STATUTORY AUDITORS

ANNUAL REPORT 2019

SCOR Switzerland AG

SCOR

The Art & Science of Risk

CONTENTS

01 MANAGEMENT REPORT

1.1 HISTORY AND BACKGROUND

SCOR Switzerland AG (the "Company") was officially incorporated in Zug on 19 June 2001 under the name of Converium AG with an initial share capital of CHF 10 million. It is now registered in Zurich with a share capital of CHF 400 million. The name change to SCOR Switzerland AG became effective on 21 September 2007 following the successful conclusion of the public tender offer of Converium Holding AG by the European reinsurer SCOR SE.

The Company was formerly fully owned by SCOR Holding (Switzerland) AG. As a consequence of the cross-border merger between SCOR Holding (Switzerland) AG and its French parent company, SCOR SE, with effect as of 1 October 2019, all shares in the Company are now held directly by SCOR SE, the ultimate parent company of the SCOR Group, listed on the Euronext stock exchange, Paris.

The Company is the legal operating entity of the SCOR Group in Switzerland and operates in the Property & Casualty (P&C) reinsurance segment. It is subject to the supervision by the Swiss Financial Market Supervisory Authority ("FINMA") pursuant to the Swiss Insurance Supervisory Act.

In 2009, SCOR Group has restructured certain of its markets. This was implemented by way of various portfolio transfers, which SCOR Switzerland AG agreed with SCOR Group entities to realign market responsibility within the P&C business. By decree dated 24 September 2010, FINMA approved the sale of the Company's third party renewal rights for the P&C reinsurance business to SCOR Global P&C SE, Paris, Zurich Branch with effect from 1 January 2011. As of that date, the new risk carrier for new third party P&C reinsurance business is SCOR P&C SE, Paris, Zurich Branch (as of 1 April 2019 "SCOR SE, Paris, Zurich Branch"), whereas the Company currently carries on the run-off for the P&C business written prior to 1 January 2011. In addition, new internal quota share retrocession agreements have been set up between the Company and certain entities of the SCOR Group whereby reinsurance risks are ceded to the Company. The background for this operational measure was the harmonization and simplification of the risk-carrying structure within the SCOR Group.

As full-fledged subsidiary under FINMA's supervision, the Company plays an important role in the SCOR Group, carrying prior underwriting year business as well as being the carrier of a significant amount of internal retrocession business from various entities of the SCOR Group. The assumed underwriting business focus is on selected reinsurance and insurance risks, mostly mainstream risks covered in P&C. The Company is targeting a diversified portfolio in terms of business and geography covering various lines of business such as Property, Property Cat, Motor, Credit & Surety, Casualty, Engineering, Marine and Offshore and other smaller portfolios.

Under the framework of the introduction of the Hub concept at SCOR Group in 2010, all staff formerly employed directly by the Company as well as by other operating entities of the SCOR Group in Switzerland were transferred first to SCOR SE, Paris, Zurich Branch, and subsequently, in 2011, to SCOR Services Switzerland AG as the service providing entity for all entities and branches of SCOR in Switzerland. Therefore, SCOR Services Switzerland AG concluded service agreements with the operating entities to make available personnel for the necessary service provision as determined in the service agreements. Consequently, the Company has no direct employees as of today.

The Company's articles of association have been partially revised as of 19 December 2016, mainly due to changes in the Swiss accounting law.

1.2 RESULTS OF THE YEAR AND FINANCIAL SITUATION

The Company reports a profit in 2019 of EUR 89.2 million as compared to EUR 74.9 million in 2018.

Gross premium written in 2019 amounted to EUR 1'641.4 million, which represents an increase of EUR 402.3 million or 32.5% compared to 2018. Almost all premium written by the Company in 2019 and 2018 was related to reinsurance business accepted from other entities of the SCOR Group. The increase in premium is driven by new and/or higher cessions of business from other SCOR entities. The variation of foreign exchange rates had a positive effect on the gross premium written of EUR +24.0 million compared to the previous year. SCOR Switzerland AG is also a buyer of reinsurance to mitigate risk and to protect its capital. In 2019, it recorded ceded premium to reinsurers of EUR 54.6 million as compared to EUR 33.9 million in 2018.

The year 2019 was impacted by various losses on the aviation and agriculture book as well as natural catastrophes, mainly windstorms in Italy, partially offset by the positive development of the casualty book. Overall, the net loss ratio for the year 2019 is 58.5% compared to 54.8% one year ago. The result in the year 2018 was impacted by natural catastrophes such as the hurricanes Michael and Florence as well as the wildfires in California partially offset by positive development in the casualty book.

The acquisition costs and administration expenses are slightly higher than one year ago at 36.0% of the net premium earned as compared to 34.5% in 2018. Whilst the acquisition costs increased compared to 2018 driven by new business at a lower cost ratio, the administration expenses slightly increased due to higher costs for services rendered by other SCOR entities.

Overall, the technical result from reinsurance operations recorded by the Company, which comprises technical income, net claims expenses and technical expenses, resulted in a gain for the year 2019 of EUR 49.8 million compared to a gain of EUR 75.6 million in 2018.

Net income from investments amounts to EUR 76.0 million in 2019, an increase of EUR 48.6 million compared to 2018. The total net realized and unrealized gains and losses on investments amounted to a gain of EUR 20.8 million in 2019 as compared to a loss of EUR 11.4 million in the previous year. The increase is mainly driven by the positive development of the shares and funds portfolios and includes realized gains from disposal of investments. In addition, the Company received dividends from its participation SCOR Services UK Ltd. (formerly SCOR Holding (UK) Ltd.) of EUR 17.2 million in 2019, whereas the dividend from that same participation amounted to EUR 4.0 million in 2018.

SCOR Switzerland AG follows a very prudent investment strategy. Investments in high quality fixed-income securities represent by far the highest exposure. Only smaller portions of the total investments under management are allocated to shares, loans or other investment classes. The total amount of assets under management of EUR 2.6 billion is largely stable compared to the previous year. The main changes in the asset allocation compared to 2018 are relating to a reduction in the allocation to bonds following the sale of various positions. The proceeds have been reinvested mainly in bond funds and other funds.

The Company's shareholders' equity reached EUR 1'214.4 million at 31 December 2019, which represents an increase of EUR 9.3 million after extraordinary dividend payment of EUR 80.0 million compared to an ordinary dividend payment of EUR 150.0 million in 2018. In addition to equity, the Company was granted by its parent, SCOR Holding (Switzerland) AG, a perpetual subordinated loan over CHF 125 million which can be credited as upper supplementary capital in the context of the Swiss Solvency Test (SST). As a consequence of the cross-border merger between SCOR Holding (Switzerland) AG and SCOR SE, Paris, with effect as of 1 October 2019, the loan was transferred to SCOR SE as new lender by operation of law.

The liquidity situation of the Company continues to be very strong. As of 31 December 2019, it holds cash and cash equivalents of total EUR 74.5 million compared to EUR 121.7 million at the end of 2018. Additional liquidity can be generated if needed through sales of investments, which are characterized by a generally high liquidity. The net negative cash flow of the year 2019 of EUR 47.2 million includes negative operating cash flow of EUR 72.2 million, positive cash flow from investing activities of EUR 112.5 million and negative cash flow from financing activities of EUR 85.4 million which is mainly resulting from the payment of dividend.

The Board of Directors will propose to the Annual General Meeting a dividend for 2019 of EUR 130 million.

1.3 OTHER DISCLOSURES REQUIRED BY LAW

1.3.1 FULL-TIME POSITIONS

All personnel of SCOR Switzerland AG is employed by SCOR Services Switzerland AG which makes available the personnel to SCOR Switzerland AG for the necessary service provision as determined in a service agreement concluded between SCOR Switzerland AG and SCOR Services Switzerland AG.

1.3.2 RISK ASSESSMENT

The continuous assessment and control of the risks is an important management objective. Several processes and tools for identifying and assessing risks have been implemented at SCOR Switzerland AG as well as at the level of SCOR Group to approach risk from different perspectives and to manage them in an exhaustive manner. Specifically, tailored entity processes include:

- A risk information process: every quarter, the Executive Management and Board of Directors review the Risk Dashboard which describes and assesses the major risks the Company is exposed to. This report collates various risk assessments from different identification and assessment processes for all risk categories.
- A process for the monitoring of risk exposures against risk tolerances, i.e. the limits established in order to ensure that the Company's risk profile remains aligned with the risk appetite. Various risk measures are used to define these exposures, which are measured based on either the internal model and / or expert opinions.
- For risks which arise from accounting and financial reporting, an annual risk assessment is performed by management. Processes with relevance for the reliability of financial reporting are identified within the Internal Control System and appropriate key controls are defined to mitigate financial reporting risk.

1.3.3 ORDERS AND ASSIGNMENTS

Not applicable to the activity of the Company.

1.3.4 RESEARCH AND DEVELOPMENT

SCOR Switzerland AG has no activity related to research and development.

1.3.5 EXTRAORDINARY EVENTS

No extraordinary events have occurred during the reporting period.

1.3.6 FUTURE PROSPECTS

SCOR Switzerland AG plays an important role in the SCOR Group, carrying prior underwriting year business as well as being the carrier of a significant amount of internal retrocession business from various entities of the SCOR Group. Whilst the business related to underwriting years prior to 2011 will continue to decline given the natural run-off of the portfolio, the business assumed by the Company via internal retrocession from other SCOR entities is expected to remain intact in the years to come.

The portfolio of assumed reinsurance business from other entities of the SCOR Group is decreasing in 2020 as the Company has restructured one existing program with another SCOR entity as of 1 January 2020.

The outbreak of COVID-19 is a major global event that will have health, societal, and economic impacts. Even with appropriate macroeconomic policies through well-targeted stimulus and public policies with efficient containment measures, the damage to overall economic growth will be significant.

There is considerable uncertainty about the potential impact of the pandemic on the company based upon current information. The company will continue to regularly assess the COVID-19 impact on its business. With respect to insurance business investments, the recent decline in stock prices and other market indices is also being closely monitored.

As regards operational risks, SCOR has globally taken steps to lower the risk of infection for its employees, including office closures in affected countries. Furthermore, the management has business continuity plans in place that allow operations to continue even if the office location is not accessible. Specifically, SCOR has put in place infrastructure and tools that ensure that employees can work remotely from home.

Zurich, 23 April 2020

Denis Kessler
Chairman of the Board of Directors

Andreas Frank
Chief Executive Officer / Chief Financial Officer

02 CORPORATE GOVERNANCE

2.1 BOARD OF DIRECTORS

Name	Nationality	Date appointed		Term expires
Denis Kessler (Chairman)	French	23 March 2009	Re-elected 18 April 2019	2020
Peter Eckert (Vice-Chairman)	Swiss	23 March 2009	Re-elected 18 April 2019	2020
Paolo De Martin	Italian	19 March 2008	Re-elected 18 April 2019	2020
Georges Chodron de Courcel	French	23 March 2009	Re-elected 18 April 2019	2020
J. Friedrich Sauerländer	Swiss	23 March 2009	Re-elected 18 April 2019	2020
Jean-Claude Seys	French	23 March 2009	Re-elected 18 April 2019	2020
Frieder Knüpling	German	22 May 2013	Re-elected 18 April 2019	2020
Umberto Gavazzi	Italian	18 April 2019		2020

2.2 MEMBERS OF THE BOARD OF DIRECTORS WHO STEPPED DOWN IN 2019

Name	Nationality	Date appointed	Date resigned
Victor Peignet	French	19 April 2018	1 April 2019

2.3 EXECUTIVE MANAGEMENT

Name	Nationality	Effective date of appointment
Andreas Frank (Chief Executive Officer and Chief Financial Officer)	German / Swiss	Chief Executive Officer: 1 April 2018 Chief Financial Officer: 25 August 2011
Patrick Brunner (Chief Risk Officer)	Swiss	1 October 2014
Thomas Haegin (Chief Technical Officer)	Swiss	23 August 2018

2.4 EXECUTIVES WHOSE TERM OF OFFICE ENDED IN 2019

Name	Nationality	Effective date of appointment	End of term of office
n.a			

03 FINANCIAL STATEMENTS

3.1 BALANCE SHEET – ASSETS

As of 31 December		Note	2019 EUR	2018 EUR
1.1	**Investments**	**1**	**2,645,006,964**	**2,715,286,683**
1.1.2	Participations	2	86,974,918	86,974,918
1.1.3	Bonds		1,590,154,367	1,800,300,039
1.1.4	Loans	3	200,662,263	200,646,934
1.1.6	Shares	4	14,836,950	7,485,819
1.1.7	Other investments		752,378,466	619,878,973
1.3	**Receivables from derivative financial instruments**	**5**	**4,629,845**	**1,492,225**
1.4	**Deposits from assumed reinsurance business**		**1,350,213,769**	**1,099,419,879**
1.5	**Cash and cash equivalents**		**74,518,819**	**121,680,999**
1.6	**Reinsurers' share of technical provisions**	**7**	**59,305,301**	**33,356,322**
1.10	**Insurance receivables**	**6**	**1,004,717,978**	**784,049,479**
1.11	**Other receivables**	**6**	**102,276,098**	**9,629,175**
1.14	**Accrued income and prepaid expenses**	**6**	**16,888,332**	**21,109,881**
1.15	**ASSETS**		**5,257,557,106**	**4,786,024,643**

3.2 BALANCE SHEET – LIABILITIES AND EQUITY

As of 31 December		Note	2019 EUR	2018 EUR
2.1	**Technical provisions**	**7**	**3,748,265,160**	**3,296,781,224**
2.1.1	Unearned premium reserves		749,843,313	568,657,660
2.1.2	Loss reserves		2,998,421,847	2,728,123,564
2.5	**Liabilities from derivative financial instruments**	**5**	**9,675,770**	**11,557,554**
2.6	**Deposits from ceded business**		**114,746,529**	**115,735,444**
2.7	**Insurance liabilities**	**8**	**50,625,647**	**40,762,589**
2.8	**Other liabilities**	**8**	**3,888,750**	**4,588,071**
2.9	**Deferred income and accrued expenses**	**8**	**2,259,467**	**1,104,903**
2.9.1	Other accrued expenses		2,259,467	1,104,903
2.10	**Subordinated liabilities**	**8,9**	**113,744,938**	**110,337,279**
2.11	**Liabilities**		**4,043,206,261**	**3,580,867,064**
2.12	**Share capital**		**332,836,852**	**332,836,852**
2.13	**Legal capital reserves**		**446,837,155**	**446,837,155**
2.13.1	Additional paid-in capital		445,172,971	445,172,971
2.13.2	Organization fund		1,664,184	1,664,184
2.14	**Legal retained earnings**		**166,418,426**	**166,418,426**
2.15	**Voluntary retained earnings**		**268,258,413**	**259,065,147**
2.15.1	Profit / (loss) carried forward		179,065,147	184,203,018
2.15.2	Profit / (loss) of the year		89,193,266	74,862,129
2.17	**Equity**	**10**	**1,214,350,845**	**1,205,157,579**
2.18	**LIABILITIES AND EQUITY**		**5,257,557,106**	**4,786,024,643**

3.3 INCOME STATEMENT

For the year ended 31 December		Note	2019 EUR	2018 EUR
1.	Gross written premium		1,641,423,124	1,239,135,955
2.	Ceded premium to reinsurers		(54,572,890)	(33,920,983)
3.	**Net premium written (1 + 2)**		**1,586,850,234**	**1,205,214,972**
4.	Change in unearned premium reserves	12	(168,707,825)	22,700,058
5.	Change in reinsurers' share of unearned premium reserves	12	290,947	(1,148,877)
6.	**Net premium earned (3 + 4 + 5)**		**1,418,433,356**	**1,226,766,153**
7.	Other technical income	11	41,890,690	10,016,065
8.	**TECHNICAL INCOME (6 + 7)**		**1,460,324,046**	**1,236,782,218**
9.	Gross claims and claims expenses paid	12	(652,002,154)	(941,116,918)
10.	Reinsurers' share of claims and claims expenses	12	5,991,051	4,264,299
11.	Change in technical provisions - Loss reserves	12	(208,707,378)	302,130,945
12.	Change in reinsurers' share of technical provisions - Loss reserves	12	24,876,168	(37,269,064)
14.	**NET CLAIMS AND CLAIMS EXPENSES INCURRED (9 to 12)**		**(829,842,313)**	**(671,990,738)**
15.	**Acquisition costs and administrative expenses**		**(510,940,549)**	**(423,677,555)**
15.1	Commission on earned premium		(492,335,242)	(408,432,419)
15.2	Other administration expenses	13,14,15	(18,605,308)	(15,245,136)
16.	Reinsurers' share of acquisition + administration expenses		159,743	19,092
17.	**Net acquisition costs + administrative expenses (15 + 16)**		**(510,780,806)**	**(423,658,463)**
18.	Other technical expenses	16	(69,947,011)	(65,490,972)
19.	**TECHNICAL EXPENSES (14 + 17 + 18)**		**(1,410,570,131)**	**(1,161,140,173)**
20.	Investment income	17	83,454,232	49,138,474
21.	Investment expenses	18	(7,446,628)	(21,684,290)
22.	**NET INVESTMENT INCOME (20 + 21)**		**76,007,604**	**27,454,184**
24.	Other financial income	19	557,646	1,037,852
25.	Other financial expenses	19	(9,561,699)	(3,141,378)
26.	**OPERATING INCOME (8 + 19 + 22 + 24 + 25)**		**116,757,467**	**100,992,703**
27.	Interest expenses from interest-bearing liabilities		(3,783,593)	(3,641,638)
28.	Other income		26,092	21,320
29.	Other expenses	20	(2,466,289)	(2,705,000)
31.	**PROFIT / (LOSS) BEFORE TAXES (26 + 27 + 28 + 29)**		**110,533,677**	**94,667,385**
32.	Income taxes		(21,340,411)	(19,805,256)
33.	**PROFIT / (LOSS) (31 + 32)**		**89,193,266**	**74,862,129**

3.4 CASH FLOW STATEMENT

For the year ended 31 December	2019 EUR	2018 EUR
NET INCOME	**89,193,266**	**74,862,129**
Realized gains and losses on investment disposals	(41,218,344)	16,403,336
Change in amortization, accruals and impairments	3,356,735	633,788
Net increase in technical liabilities	352,176,341	(409,648,480)
Change in fair value of financial instruments	(5,019,404)	18,397,259
Other non-cash items included in operating results	(89,070,105)	23,042,160
NET CASH FLOW PROVIDED BY / (USED IN) OPERATIONS, EXCLUDING CHANGES IN WORKING CAPITAL	**309,418,488**	**(276,309,808)**
Change in accounts receivables, payables and deposits	(383,207,894)	316,585,741
Cash flow from other assets and liabilities	-	3,734,510
Change in taxes receivables and payables	1,576,539	(1,580,764)
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**(72,212,867)**	**42,429,679**
Acquisitions of investments	(785,605,962)	(654,193,474)
Disposal of investments	898,101,581	772,124,712
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES	**112,495,619**	**117,931,237**
Dividends paid	(80,000,000)	(150,000,000)
Interest paid on financial debts	(5,435,287)	(5,648,705)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES	**(85,435,287)**	**(155,648,705)**
Effect of exchange rate variations	(2,009,645)	313,973
TOTAL CASH FLOW	**(47,162,180)**	**5,026,184**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**121,680,999**	**116,654,815**
Net cash flow provided by / (used in) operating activities	(72,212,867)	42,429,679
Net cash flow provided by / (used in) investing activities	112,495,619	117,931,237
Net cash flow provided by / (used in) financing activities	(85,435,287)	(155,648,705)
Effect of exchange rate variations	(2,009,645)	313,973
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**74,518,819**	**121,680,999**

04
NOTES

4.1 APPLIED PRINCIPLES

4.1.1 FINANCIAL REPORTING STANDARDS

The annual financial statements of the Company have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Title 32, Art. 957 – 962a CO).

In addition, the provisions of the FINMA Insurance Supervision Ordinance (Art. 5 – 6a ISO-FINMA have been applied.

4.1.2 FOREIGN CURRENCY REVALUATION AND TRANSLATION

The functional currency of the Company is EUR since 1 January 2010. Therefore, the annual financial statements are prepared in EUR. The foreign currency items in the balance sheet were revaluated from the respective document currency to the functional currency EUR at the closing date exchange rates, and those in the statement of income at the average exchange rates for each individual quarter. Realized and unrealized FX gains or losses out of the revaluation are recognized through the income statement.

Unrealized FX gains exceeding the nominal value of long-term positions (e.g. loans) are not considered in the income statement.

In accordance with Art. 958d CO, the Company has chosen to present its annual financial statements since 2015 in EUR. In addition, the financial statements are also shown in the national currency CHF in the appendix.

The following table provides an overview of the main currencies and their exchange rates against the Euro:

Exchange rates	Balance sheet 2019	Balance sheet 2018	Statement of income 2019	Statement of income 2018
British Pound	1.16803	1.12069	1.13667	1.13204
Swiss Franc	0.90996	0.88270	0.89664	0.86304
US Dollar	0.90318	0.87982	0.89251	0.84508

4.1.3 VALUATION PRINCIPLES

PARTICIPATIONS

Participations are held on a long-term basis for the purpose of safeguarding business activities.

They are carried at cost less impairment, if any.

INVESTMENTS

Fixed income securities are valued at amortized cost less impairment, if any.

Shares are valued at market value.

Loans are valued at their nominal value less impairment, if any.

Other investments are valued at cost less impairment, if any.

ACQUISITION COSTS

Acquisition costs for non-life business are directly expensed in the year of contract inception.

TECHNICAL PROVISIONS

Technical provisions represent obligations due to insured parties. They are calculated based on the FINMA circular "Provisions in reinsurance".

DEPOSITS FROM ASSUMED AND CEDED REINSURANCE

Deposits from assumed and ceded reinsurance comprise funds withheld and Non-Risk Transfer contracts (in asset and in liability).

Funds held under reinsurance contracts mainly include cash deposits withheld from cedents, which are stated at redemption value.

Contracts that do not meet risk transfer requirements are accounted for as deposit assets. The deposits represent discounted contracts and are adjusted for payments received and made, as well as for amortization and accretion of interest.

4.2 INFORMATION, BREAKDOWNS AND EXPLANATIONS ON BALANCE SHEET ITEMS

4.2.1 NOTE 1 - INVESTED ASSETS

The table below provides an overview of the total invested assets for the respective year ended 31 December, as well as a breakdown of the category "Other investments".

Invested assets In EUR million	Book value 2019	2018
1.1 Investments	**2,645.0**	**2,715.3**
1.1.2 Participations	87.0	87.0
1.1.3 Bonds	1,590.1	1,800.3
1.1.4 Loans	200.7	200.6
1.1.6 Shares	14.8	7.5
1.1.7 Other investments	752.4	619.9
Real estate funds	53.7	53.0
Share funds	1.5	1.5
Bond funds	267.9	210.7
Loans and infrastructure funds	309.2	315.5
Hedge funds	14.9	14.4
Single private equity funds	9.4	24.8
Other funds	95.8	-
TOTAL INVESTED ASSETS	**2,645.0**	**2,715.3**

Investment in shares has increased slightly during the year 2019 due to the sale of bonds. The proceeds have been reinvested mainly in bond funds and other funds.

4.2.2 NOTE 2 - PARTICIPATIONS

The table below shows the participations as of 31 December:

		2019			2018		
Company	Domicile	Capital	Share in voting rights (in %)	Book value (in thousands of EUR)	Capital	Share in voting rights (in %)	Book value (in thousands of EUR)
SCOR Holding (UK) Ltd.	London	GBP 101	100	86,975	GBP 101	100	86,975
PARTICIPATIONS				**86,975**			**86,975**

The share in voting rights is equal to the share in capital.
On 21 March 2019, SCOR Holding (UK) Ltd. changed the name of the Company to SCOR Services UK Ltd

4.2.3 NOTE 3 - LOANS

As of 31 December 2019, outstanding loans for a total amount of EUR 200.7 million (2018 EUR 200.6 million) were related to other SCOR group entities:

- EUR 189.1 million (2018 EUR 189.1 million) granted to SCOR Switzerland Asset Services AG
- SGD 18.0 million (2018 SGD 18.0 million) granted to SCOR Realty Singapore PTE Ltd.

4.2.4 NOTE 4 - ASSETS THAT HAVE AN OBSERVABLE MARKET PRICE AND WHICH ARE VALUED AT THE MARKET PRICE

At 31 December 2019 SCOR Switzerland AG held investments that have an observable market price, and which are valued at the market price for a total amount of EUR 14.8 million as compared to EUR 7.5 million one year earlier. No other assets were booked at market value.

4.2.5 NOTE 5 - DERIVATIVE INSTRUMENTS

In order to hedge its exposure to foreign currencies, the Company makes use of Foreign Exchange forward contracts. At the end of 2019, the net negative market value of these instruments was EUR 5.1 million (Assets EUR 4.6 million, Liabilities EUR 9.7 million). In the previous year, the net negative market value of these instruments was EUR 10.1 million (Assets EUR 1.5 million, Liabilities EUR 11.6 million).

4.2.6 NOTE 6 - RECEIVABLES

SCOR Switzerland AG had the following outstanding balances with third parties and other entities of the SCOR Group as of 31 December:

Receivables	as of 31 December 2019					as of 31 December 2018				
In EUR million	Third	Partici-pants	Partici-pations	Other SCOR group entities	Total	Third	Partici-pants	Partici-pations	Other SCOR group entities	Total
1.10 Insurance receivables	11.7	0.0	-	993.0	1,004.7	9.5	0.7	-	773.8	784.0
1.10.1 Receivables from reinsureds	11.5	0.0	-	993.0	1,004.5	9.0	0.0	-	773.8	782.8
1.10.2 Receivables from retrocessionaires	0.2	-	-	-	0.2	0.5	0.7	-	-	1.2
1.11 Other receivables	4.9	97.4	-	-	102.3	9.4	0.2	-	0.0	9.6
1.14 Accrued income and prepaid expenses	15.6	0.1	-	1.2	16.9	20.1	1.0	-	(0.0)	21.1
TOTAL RECEIVABLES	**32.2**	**97.5**	**-**	**994.2**	**1,123.9**	**39.0**	**1.9**	**-**	**773.8**	**814.7**

Total insurance receivables of EUR 1’004.7 million as per 31.12.2019 (2018 EUR 784.0 million) include receivables from reinsureds (related to assumed reinsurance business) of EUR 1’004.5 million (2018 EUR 782.8 million) and receivables from retrocessionaires (related to ceded reinsurance) of EUR 0.2 million (2018 EUR 1.2 million.

In 2019, other receivables from participants comprise treasury advances to SCOR SE, Paris in the amount of CHF 107.0 million (EUR 97.4 million).

4.2.7 NOTE 7 - TECHNICAL PROVISIONS

Technical provisions as of December 31	2019			2018		
In EUR million	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)
Unearned premium reserves	749.9	(0.3)	749.6	568.7	-	568.7
Loss reserves	2,998.4	(59.0)	2,939.4	2,728.1	(33.4)	2,694.7
TOTAL	**3,748.3**	**(59.3)**	**3,689.0**	**3,296.8**	**(33.4)**	**3,263.4**

Technical provisions at year end amount to EUR 3’689.0 million net compared to EUR 3’263.4 million in 2018. The movement of EUR 425.6 million is composed of EUR 352.2 million pure change in reserves and EUR 73.4 million exchange rate differences.

4.2.8 NOTE 8 - LIABILITIES

SCOR Switzerland AG had the following outstanding balances with third parties and other entities of the SCOR Group as of 31 December:

Liabilities	as of 31 December 2019					as of 31 December 2018				
In EUR million	Third	Partici-pants	Partici-pations	Other SCOR group entities	Total	Third	Partici-pants	Partici-pations	Other SCOR group entities	Total
2.7 Insurance liabilities	5.5	1.8	-	43.3	50.6	4.4	0.5	-	35.9	40.8
2.7.1 Liabilities to reinsureds	3.6	-	-	43.3	46.9	2.5	0.0	-	35.9	38.4
2.7.2 Liabilities to retrocessionaires	1.9	1.8	-	(0.0)	3.7	1.9	0.5	-	(0.0)	2.4
2.8 Other liabilities	0.1	-	-	3.8	3.9	4.6	-	-	-	4.6
2.9 Deferred income and accrued expenses	0.7	1.6	-	-	2.3	0.4	0.7	-	0.0	1.1
2.10 Subordinated liabilities	-	113.7	-	-	113.7	-	110.3	-	0.0	110.3
TOTAL LIABILITIES	**6.3**	**117.1**	**-**	**47.1**	**170.5**	**9.4**	**111.5**	**-**	**35.9**	**156.8**

Total insurance liabilities of EUR 50.6 million as per 31 December 2019 (2018 EUR 40.8 million) include liabilities to reinsureds (related to assumed reinsurance business) of EUR 46.9 million (2018 EUR 38.4 million) and liabilities to retrocessionaires (related to ceded reinsurance) of EUR 3.7 million (2018 EUR 2.4 million).

4.2.9 NOTE 9 - SUBORDINATED LIABILITIES

In 2014, SCOR Holding (Switzerland) AG granted a perpetual subordinated loan of CHF 125 million (EUR 113.7 million) to the Company at an annual interest rate of 3.375% with a first possible repayment date of 20.10.2020. By decree dated 15 December 2014, FINMA approved the credit for the hybrid loan as upper supplementary capital in the context of the Swiss Solvency Test (SST).

In 2019 the lender of the perpetual subordinated loan changed to SCOR SE, Paris following the cross-border merger of SCOR Holding (Switzerland) AG into SCOR SE, Paris.

4.2.10 NOTE 10 - EQUITY

After the merger of SCOR Holding (Switzerland) AG into SCOR SE, Paris SCOR Switzerland AG is a 100 % subsidiary of SCOR SE, Paris.

The net equity of the Company increased in 2019 by EUR 9.3 million from EUR 1'205.1 million to EUR 1'214.4 million.

The increase is attributable to the profit of the year of EUR 89.2 million, partially offset by the extraordinary dividend payment of EUR 80.0 million approved at the Extraordinary General Meeting of 7 November 2019 based on the available earnings of 2018 and paid to SCOR SE, Paris.

In EUR million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2018	**332.8**	**446.8**	**166.4**	**259.1**	**1,205.1**
Dividend paid to shareholders	-	-	-	(80.0)	(80.0)
Profit / (loss) of the year	-	-	-	89.2	89.2
Balance as of 31 December 2019	**332.8**	**446.8**	**166.4**	**268.3**	**1,214.4**

The share capital is fully owned by SCOR SE, Paris, France.

4.3 INFORMATION, BREAKDOWNS AND EXPLANATIONS ON INCOME STATEMENT ITEMS

4.3.1 NOTE 11 - OTHER TECHNICAL INCOME

Other technical income includes mainly interest received on deposits and funds held by reinsureds as well as income related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

4.3.2 NOTE 12 - CHANGE IN TECHNICAL PROVISIONS

Change in technical provisions as of December 31	2019			2018		
In EUR million	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)
Change in unearned premium reserves	(168.7)	0.3	(168.4)	22.7	(1.1)	21.6
Change in loss reserves	(208.7)	24.9	(183.8)	302.1	(37.3)	264.8
TOTAL	**(377.4)**	**25.2**	**(352.2)**	**324.8**	**(38.4)**	**286.4**

The change in technical provisions in 2019 is an increase of EUR 352.2 million net of retrocession as compared to a decrease of EUR 286.4 million in 2018. The increase in the technical provisions is in line with the increase in cessions from other SCOR group entities as of 2019.

4.3.3 NOTE 13 - OTHER ADMINISTRATION EXPENSES

With the introduction of the Hub concept in the SCOR Group, service entities were founded to account for all administrative expenses including salaries, social costs, consulting fees, depreciation etc. Therefore, SCOR Switzerland AG has almost no direct administration expenses but receives charges from SCOR Services Switzerland AG with whom it has entered into a Service Level Agreement. In addition, it receives charges from other SCOR Group entities in the framework of the Group and divisional cost recharging mechanism, as well as investment management fees.

Direct expenses of SCOR Switzerland AG include audit fees, regulatory charges and other expenses directly attributable to the Company.

Total administration expenses amounted to EUR 18.6 million in 2019 as compared to EUR 15.2 million in 2018. The increase is mainly driven by higher expenses allocated from SCOR Services Switzerland AG for previous year expenses and higher investment management fees charged by SCOR SE, Paris.

4.3.4 NOTE 14 - AUDITOR'S FEES

In 2019, net fees for audit services for the fiscal year 2019 amount to EUR 231 thousand compared to EUR 219 thousand for 2018. No fees were paid to the statutory audit firm for other services neither in 2019 nor in 2018.

4.3.5 NOTE 15 - DEPRECIATION AND AMORTIZATION

All tangible and intangible assets held directly by the Company are fully amortized. Depreciation and amortization included in the 2019 and 2018 income statement amounts to zero.

4.3.6 NOTE 16 - OTHER TECHNICAL EXPENSES

Other technical expenses of total EUR 69.9 million in 2019 (2018 EUR 65.5 million) comprise mainly expenses related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

4.3.7 NOTE 17 - INVESTMENT INCOME

Investment income as per	2019				2018			
In EUR million	**Investment income**	**Realised gains**	**Unrealised gains**	**Total**	**Investment income**	**Realised gains**	**Unrealised gains**	**Total**
Participations	17.2	-	-	17.2	4.0	-	-	4.0
Bonds	24.1	6.4	-	30.5	25.9	2.7	-	28.6
Loans	5.5	-	-	5.5	5.2	-	-	5.2
Shares	0.1	-	0.2	0.3	0.0	4.3	1.8	6.1
Other investments	10.2	19.8	-	30.0	5.1	0.1	-	5.2
INVESTMENT INCOME	**57.1**	**26.2**	**0.2**	**83.5**	**40.2**	**7.1**	**1.8**	**49.1**

4.3.8 NOTE 18 - INVESTMENT EXPENSES

Investment expenses as per	2019				2018			
In EUR million	**Investment expenses**	**Realised losses**	**Unrealised losses**	**Total**	**Investment expenses**	**Realised losses**	**Unrealised losses**	**Total**
Participations	-	-	-	-	-	-	-	-
Bonds	(1.5)	(1.8)	-	(3.3)	(1.1)	(1.5)	-	(2.6)
Loans	-	-	-	-	-	-	-	-
Shares	-	(1.7)	(0.4)	(2.1)	-	(18.8)	(0.0)	(18.8)
Other investments	(0.4)	(0.0)	(1.6)	(2.0)	(0.2)	(0.1)	0.0	(0.3)
INVESTMENT EXPENSES	**(1.9)**	**(3.5)**	**(2.0)**	**(7.4)**	**(1.3)**	**(20.4)**	**0.0**	**(21.7)**

4.3.9 NOTE 19 - OTHER FINANCIAL INCOME / EXPENSES

Other financial income and expenses mainly comprise financial charges, realized and unrealized gains and losses from valuation of foreign currencies on technical and non-technical positions including investments, as well as realized and unrealized gains and losses from forward contracts on foreign currencies that are used to hedge the currency exposures.

In 2019, other financial income of EUR 0.6 million comprises interests on cash, cash equivalents and fixed-term deposits, whereas other financial expenses of total EUR -9.6 million include the net result from foreign exchange of EUR -7.1 million and financial charges of EUR -2.5 million mainly fees for Letters of Credit. In 2018, other financial income of EUR 1.0 million mainly consisted of the positive result from foreign exchange of net EUR 1.4 million, whereas other financial expenses of EUR -3.1 million solely comprised financial charges, mainly fees for Letters of Credit.

The following table shows a breakdown of the result from foreign exchange included in other financial income and expenses:

As of 31 December	2019 EUR	2018 EUR
FX result from technical items	**(30,482,942)**	**(2,487,042)**
Realized technical FX gain / (loss)	(518,765)	413,209
Unrealized technical FX gain / (loss)	(29,964,177)	(2,900,251)
FX result from investments	**31,157,690**	**13,495,197**
Realized investment FX gain / (loss)	17,046,794	(3,208,822)
Unrealized investment FX gain / (loss)	14,110,896	16,704,019
FX result from other items	**(1,031,735)**	**(9,659,785)**
Realized other FX gain / (loss)	1,318,333	(8,846,054)
Unrealized other FX gain / (loss)	(2,350,068)	(813,731)
FX RESULT BEFORE HEDGING	**(356,987)**	**1,348,370**
FX result from forward contracts on foreign currencies	**(6,773,422)**	**70,034**
Realized FX gain / (loss) from forward contracts	(11,792,826)	18,467,293
Unrealized FX gain / (loss) from forward contracts	5,019,404	(18,397,259)
FX RESULT AFTER HEDGING	**(7,130,409)**	**1,418,404**

4.3.10 NOTE 20 - OTHER EXPENSES

SCOR Switzerland AG's financial strength is guaranteed by a parental guarantee issued by SCOR SE. The cost born by SCOR Switzerland AG for this guarantee amounted to EUR 2.5 million in 2019 and to EUR 2.7 million in 2018.

4.4 OTHER NOTES TO THE FINANCIAL STATEMENTS

4.4.1 NOTE 21 - COMPANY NAME AND LOCATION

SCOR Switzerland AG
General Guisan-Quai 26
8002 Zurich
Switzerland

4.4.2 NOTE 22 - DECLARATION OF FULL-TIME POSITIONS

The number of the annual average full-time positions was less than 10 in the years 2019 and 2018.

SCOR Switzerland AG has no own employees. All personnel of the SCOR Group in Switzerland is employed by SCOR Services Switzerland AG as the service provider and costs are recharged through Service Level Agreements to the various SCOR entities and branches including SCOR Switzerland AG.

4.4.3 NOTE 23 - LONG-TERM LEASE AGREEMENTS

As of 1 January 2012, the Company is leasing the building at General Guisan-Quai 26 in Zurich together with SCOR Services Switzerland AG. The lease is a fixed-term agreement until 31 December 2021, however, a right of early termination has been agreed, which the Company exercised with termination date 31 July 2020.

The current rent is linked to the Swiss consumer price index (LIK). Since 2012, the rental expenses for the building are paid and accounted for by SCOR Services Switzerland AG.

For the remaining rental period up to July 2020, total expenses of EUR 5.3 million are expected. The expenses will be charged directly to SCOR Services Switzerland AG to the statement of income.

4.4.4 NOTE 24 - LETTERS OF CREDIT

Some of the Company's reinsurance treaties contain a requirement to put in place letters of credit. SCOR Switzerland AG has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities.

As of 31 December 2019, the total volume of outstanding letters of credit amounted to EUR 331.8 million (2018 EUR 455.5 million):

- EUR 253.8 million (2018 EUR 120.8 million) issued by Citi Bank
- EUR 29.4 million (2018 EUR 277.7 million) issued by Bayern LB
- EUR 22.8 million (2018 EUR 31.6 million) issued by BNP Paribas
- EUR 12.2 million (2018 EUR 12.6 million) issued by Natixis
- EUR 7.4 million (2018 EUR 7.6 million) issued by Deutsche Bank, Luxembourg Branch
- EUR 4.2 million (2018 EUR 3.3 million) issued by Commerzbank
- EUR 2.0 million (2018 EUR 1.9 million) issued by Credit Suisse

Depending on the type of credit facility, banks providing such facilities may ask SCOR Switzerland AG to post collateral.

4.4.5 NOTE 25 - PLEDGED ASSETS

As of 31 December 2019, SCOR Switzerland AG held investments for an amount of EUR 812.7 million (2018 EUR 559.9 million) that were pledged as collateral to cedents to guarantee reinsurance liabilities or as collateral to companies of the banking sector related to the credit facilities. These pledged assets are recorded on the balance sheet under investments but are not available to the Company as liquid free assets. In addition, cash for EUR 4.9 million (2018 EUR 9.4 million) was pledged as collateral for FX derivatives and is recorded in Other receivables.

The following amounts of assets were pledged as of 31 December 2019:

- EUR 410.1 million (2018 EUR 221.0 million) as collateral for outstanding letters of credit
- EUR 265.5 million (2018 EUR 136.7 million) as deposits for funds at Lloyds
- EUR 125.7 million (2018 EUR 191.7 million) to support the Company's internal reinsurance transactions
- EUR 11.4 million (2018 EUR 10.5 million) as deposits with cedents
- EUR 4.9 million (2018 EUR 9.4 million) as collateral for FX derivatives

4.4.6 NOTE 26 - RELATED-PARTY TRANSACTIONS

As part of the SCOR Group the Company has entered into various transactions with related parties. These include mainly group internal retrocession agreements assumed from and ceded to other SCOR entities.

In addition, SCOR Switzerland AG entered into various non-technical agreements with other SCOR Group entities, such as the Service Level Agreement with SCOR Services Switzerland AG, Investment Management Agreement and Parental Guarantee with SCOR SE, Paris and the Master Service Agreement regarding the Group and Divisional cost recharging with various entities of the SCOR Group.

The Company had provided a loan to SCOR Holding (Switzerland) AG over EUR 189.1 million, which, in the course of a corporate Swiss restructuring in 2019, was transferred to SCOR Switzerland Asset Services AG as new borrower.

Besides, SCOR Holding (Switzerland) AG had granted to the Company a hybrid loan for an amount of CHF 125 million by way of a perpetual subordinated loan agreement with drawdown date 18 December 2014, which as a consequence of the cross-border merger between SCOR Holding (Switzerland) AG and SCOR SE, Paris, with effect as of 1 October 2019, transferred to SCOR SE as new lender by operation of law.

SCOR Switzerland AG entered into foreign exchange forward contracts with SCOR Switzerland Asset Services AG. The net negative market value of these instruments was EUR 5.1 million at the end of 2019 (2018 negative market value of EUR 10.1 million).

In 2019, the Company received a dividend of GBP 15.0 million (EUR 17.2 million) from its participation SCOR Services UK Ltd. (formerly SCOR Holding (UK) Ltd.). The dividend received from that participation in 2018 amounted to GBP 3.5 million (EUR 4.0 million).

SCOR Switzerland AG distributed an extraordinary dividend of EUR 80.0 million (CHF 87.8 million) to its shareholder SCOR SE on 7 November 2019. The dividend paid in the year 2018 to the former shareholder SCOR Holding (Switzerland) AG amounted to EUR 150.0 million (CHF 179.8 million).

4.4.7 NOTE 27 - SIGNIFICANT EVENTS AFTER CLOSING DATE

The outbreak of COVID-19 is a major global event that will have health, societal, and economic impacts. Even with appropriate macroeconomic policies through well-targeted stimulus and public policies with efficient containment measures, the damage to overall economic growth will be significant.

There is considerable uncertainty about the potential impact of the pandemic on the company based upon current information. The company will continue to regularly assess the COVID-19 impact on its business. With respect to insurance business investments, the recent decline in stock prices and other market indices is also being closely monitored.

As regards operational risks, SCOR has globally taken steps to lower the risk of infection for its employees, including office closures in affected countries. Furthermore, the management has business continuity plans in place that allow operations to continue even if the office location is not accessible. Specifically, SCOR has put in place infrastructure and tools that ensure that employees can work remotely from home.

05

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

The Board of Directors will propose to the Annual General Meeting to approve a dividend payment of CHF 136,676,800 equivalent to EUR 130.0 million calculated with SCOR's internal daily exchange rate of 23 April 2020.

Appropriation of retained earnings In EUR	**2019 (proposed)**
Retained earnings carried forward from the previous year	179,065,147
Profit / (loss) for the financial year	89,193,266
Available retained earnings	**268,258,413**
Dividend proposed	(130,000,000)
RETAINED EARNINGS CARRIED FORWARD	**138,258,413**

Appropriation of retained earnings In CHF	**2019 (proposed)**
Retained earnings carried forward from the previous year	216,262,600
Profit / (loss) for the financial year	99,474,573
Profit / (loss) carried forward - translation difference	(118,230,736)
Available retained earnings	**197,506,437**
Dividend proposed	(136,676,800)
RETAINED EARNINGS CARRIED FORWARD	**60,829,637**

A contribution to legal retained reserves was not put into effect because the legal retained and capital reserves already exceed 50% of the share capital.

Zurich, 23 April 2020

Denis Kessler
Chairman of the Board of Directors

Andreas Frank
Chief Executive Officer / Chief Financial Officer

06

APPENDIX – FINANCIAL STATEMENTS IN CHF

6.1 TRANSLATION

In accordance with the accounting law, the Company has chosen to present its annual financial statements from 2015 onwards in EUR. In addition, the financial statements are also shown in the national currency CHF in the appendix.

The method of translation from the functional and presentation currency EUR to the national currency CHF is as follows:

The balance sheet is translated with the closing rate (in 2019: EUR 0.90996 / CHF or CHF 1.09895 / EUR) except for the positions of the equity (without result of the year and results carried forward), which are translated using the historical value of CHF 1.20179 / EUR. The difference between the translation and the historical values is transferred into retained earnings under the position "Profit / (loss) carried forward - translation difference".

The figures in the income statement are translated from the functional currency EUR into national currency CHF with an average rate (in 2019: EUR 0.89664 / CHF or CHF 1.11527 / EUR). The difference between balance sheet and income statement translation is transferred into retained earnings under the position "Profit / (loss) carried forward - translation difference".

The total translation difference transferred into retained earnings in the CHF balance sheet is composed as follows:

Translation difference 31.12.2019	EUR million	Exchange rate	CHF million
Equity excl. profit of the year and retained earnings as of 31.12.2019 @ closing rate 2019	946.1	1.09895	1,039.7
- Equity excl. profit of the year and retained earnings as of 31.12.2019 @ historical rate	(946.1)	1.20179	(1,137.0)
Profit / (loss) carried forward 31.12.2019 @ closing rate 2019	179.1	1.09895	196.8
- Profit / (loss) carried forward 31.12.2019 @ effective rate (2015-2019)	(179.1)	1.20773	(216.3)
Profit 2019, translated @ closing rate 2019	89.2	1.09895	98.0
- Profit 2019, translated @ average rate 2019	(89.2)	1.11527	(99.5)
Total translation difference	**-**		**(118.2)**

6.2 BALANCE SHEET – ASSETS – TRANSLATED INTO CHF

As of 31 December		Note	2019 CHF	2018 CHF
1.1	**Investments**	**1**	**2,906,730,403**	**3,076,121,131**
1.1.2	Participations	2	95,581,086	98,533,015
1.1.3	Bonds		1,747,500,142	2,039,541,911
1.1.4	Loans	3	220,517,794	227,310,905
1.1.6	Shares	4	16,305,066	8,480,610
1.1.7	Other investments		826,826,315	702,254,690
1.3	**Receivables from derivative financial instruments**	**5**	**5,087,968**	**1,690,526**
1.4	**Deposits from assumed reinsurance business**		**1,483,817,422**	**1,245,521,787**
1.5	**Cash and cash equivalents**		**81,892,456**	**137,851,187**
1.6	**Reinsurers' share of technical provisions**	**7**	**65,173,560**	**37,789,044**
1.10	**Insurance receivables**	**6**	**1,104,134,822**	**888,241,814**
1.11	**Other receivables**	**6**	**112,396,318**	**10,908,796**
1.14	**Accrued income and prepaid expenses**	**6**	**18,559,432**	**23,915,173**
1.15	**ASSETS**		**5,777,792,381**	**5,422,039,458**

6.3 BALANCE SHEET – LIABILITIES AND EQUITY – TRANSLATED INTO CHF

As of 31 December		Note	2019 CHF	2018 CHF
2.1	**Technical provisions**	**7**	**4,119,155,997**	**3,734,890,481**
2.1.1	Unearned premium reserves		824,040,309	644,226,576
2.1.2	Loss reserves		3,295,115,688	3,090,663,905
2.5	**Liabilities from derivative financial instruments**	**5**	**10,633,188**	**13,093,437**
2.6	**Deposits from ceded business**		**126,100,698**	**131,115,526**
2.7	**Insurance liabilities**	**8**	**55,635,055**	**46,179,530**
2.8	**Other liabilities**	**8**	**4,273,541**	**5,197,780**
2.9	**Deferred income and accrued expenses**	**8**	**2,483,041**	**1,251,734**
2.9.1	Other accrued expenses		2,483,041	1,251,734
2.10	**Subordinated liabilities**	**8,9**	**125,000,000**	**125,000,000**
2.11	**Liabilities**		**4,443,281,520**	**4,056,728,488**
2.12	**Share capital**		**400,000,000**	**400,000,000**
2.13	**Legal capital reserves**		**537,004,424**	**537,004,424**
2.13.1	Additional paid-in capital		535,004,424	535,004,424
2.13.2	Organization fund		2,000,000	2,000,000
2.14	**Legal retained earnings**		**200,000,000**	**200,000,000**
2.15	**Voluntary retained earnings**		**197,506,437**	**228,306,546**
2.15.1	Profit / (loss) carried forward		216,262,600	217,336,600
2.15.2	Profit / (loss) of the year		99,474,573	86,742,000
2.15.3	Profit / (loss) carried forward - translation difference		(118,230,736)	(75,772,054)
2.17	**Equity**	**10**	**1,334,510,861**	**1,365,310,970**
2.18	**LIABILITIES AND EQUITY**		**5,777,792,381**	**5,422,039,458**

6.4 INCOME STATEMENT – TRANSLATED INTO CHF

For the year ended 31 December		Note	2019 CHF	2018 CHF
1.	Gross written premium		1,830,629,968	1,435,774,440
2.	Ceded premium to reinsurers		(60,863,507)	(39,303,904)
3.	**Net premium written (1 + 2)**		**1,769,766,461**	**1,396,470,536**
4.	Change in unearned premium reserves	12	(188,154,776)	26,302,330
5.	Change in reinsurers’ share of unearned premium reserves	12	324,484	(1,331,192)
6.	**Net premium earned (3 + 4 + 5)**		**1,581,936,169**	**1,421,441,674**
7.	Other technical income	11	46,719,430	11,605,515
8.	**TECHNICAL INCOME (6 + 7)**		**1,628,655,599**	**1,433,047,189**
9.	Gross claims and claims expenses paid	12	(727,158,443)	(1,090,462,762)
10.	Reinsurers' share of claims and claims expenses	12	6,681,639	4,941,001
11.	Change in technical provisions - Loss reserves	12	(232,765,077)	350,076,104
12.	Change in reinsurers' share of technical provisions - Loss reserves	12	27,743,644	(43,183,292)
14.	**NET CLAIMS AND CLAIMS EXPENSES INCURRED (9 to 12)**		**(925,498,237)**	**(778,628,949)**
15.	**Acquisition costs and administrative expenses**		**(569,836,666)**	**(490,910,946)**
15.1	Commission on earned premium		(549,086,725)	(473,246,559)
15.2	Other administration expenses	13,14,15	(20,749,941)	(17,664,387)
16.	Reinsurers' share of acquisition + administration expenses		178,157	22,122
17.	**Net acquisition costs + administrative expenses (15 + 16)**		**(569,658,509)**	**(490,888,824)**
18.	Other technical expenses	16	(78,009,803)	(75,883,734)
19.	**TECHNICAL EXPENSES (14 + 17 + 18)**		**(1,573,166,549)**	**(1,345,401,507)**
20.	Investment income	17	93,074,001	56,936,258
21.	Investment expenses	18	(8,305,001)	(25,125,370)
22.	**NET INVESTMENT INCOME (20 + 21)**		**84,769,000**	**31,810,888**
24.	Other financial income	19	621,926	1,202,549
25.	Other financial expenses	19	(10,663,876)	(3,639,883)
26.	**OPERATING INCOME (8 + 19 + 22 + 24 + 25)**		**130,216,100**	**117,019,236**
27.	Interest expenses from interest-bearing liabilities		(4,219,728)	(4,219,529)
28.	Other income		29,099	24,703
29.	Other expenses	20	(2,750,578)	(3,134,257)
31.	**PROFIT / (LOSS) BEFORE TAXES (26 + 27 + 28 + 29)**		**123,274,893**	**109,690,153**
32.	Income taxes		(23,800,320)	(22,948,153)
33.	**PROFIT / (LOSS) (31 + 32)**		**99,474,573**	**86,742,000**

6.5 CASH FLOW STATEMENT – TRANSLATED INTO CHF

For the year ended 31 December	2019 CHF	2018 CHF
NET INCOME	**99,474,573**	**86,742,000**
Realized gains and losses on investment disposals	(45,296,899)	18,583,176
Change in amortization, accruals and impairments	3,688,884	718,012
Net increase in technical liabilities	387,024,190	(464,086,666)
Change in fair value of financial instruments	(5,516,074)	20,842,070
Other non-cash items included in operating results	(97,883,592)	26,104,232
NET CASH FLOW PROVIDED BY / (USED IN) OPERATIONS, EXCLUDING CHANGES IN WORKING CAPITAL	**341,491,082**	**(311,097,176)**
Change in accounts receivables, payables and deposits	(421,126,315)	358,656,820
Cash flow from other assets and liabilities	-	4,230,789
Change in taxes receivables and payables	1,732,537	(1,790,832)
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**(77,902,696)**	**49,999,601**
Acquisitions of investments	(863,341,672)	(741,129,245)
Disposal of investments	986,968,732	874,732,365
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES	**123,627,060**	**133,603,120**
Dividends paid	(87,816,000)	(179,791,500)
Interest paid on financial debts	(5,973,109)	(6,399,362)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES	**(93,789,109)**	**(186,190,862)**
Effect of exchange rate variations	(7,893,986)	4,064,016
TOTAL CASH FLOW	**(55,958,731)**	**1,475,875**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**137,851,187**	**136,375,312**
Net cash flow provided by / (used in) operating activities	(77,902,696)	49,999,601
Net cash flow provided by / (used in) investing activities	123,627,060	133,603,120
Net cash flow provided by / (used in) financing activities	(93,789,109)	(186,190,862)
Effect of exchange rate variations	(7,893,986)	4,064,016
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**81,892,456**	**137,851,187**

6.6 SELECTED NOTES TO THE FINANCIAL STATEMENTS – IN CHF

6.6.1 NOTE 1 - INVESTED ASSETS

Invested assets In CHF million	Book value 2019	2018
1.1 Investments	**2,906.7**	**3,076.1**
1.1.2 Participations	95.6	98.5
1.1.3 Bonds	1,747.5	2,039.5
1.1.4 Loans	220.5	227.3
1.1.6 Shares	16.3	8.5
1.1.7 Other investments	826.8	702.3
Real estate funds	59.0	60.0
Share funds	1.6	1.7
Bond funds	294.4	238.7
Loans and infrastructure funds	339.8	357.5
Hedge funds	16.4	16.3
Single private equity funds	10.3	28.1
Other funds	105.3	-
TOTAL INVESTED ASSETS	**2,906.7**	**3,076.1**

6.6.2 NOTE 2 - PARTICIPATIONS

		2019			2018		
Company	Domicile	Capital	Share in voting rights (in %)	Book value (in thousands of CHF)	Capital	Share in voting rights (in %)	Book value (in thousands of CHF)
SCOR Holding (UK) Ltd.	London	GBP 101	100	95,581	GBP 101	100	98,533
PARTICIPATIONS				**95,581**			**98,533**

The share in voting rights is equal to the share in capital.
On 21 March 2019, SCOR Holding (UK) Ltd. changed the name of the Company to SCOR Services UK Ltd.

6.6.3 NOTE 3 - LOANS

As of 31 December 2019, outstanding loans for a total amount of CHF 220.5 million (2018 CHF 227.3 million) were related to other SCOR group entities:

- CHF 207.7 million (2018 CHF 214.2 million) granted to SCOR Switzerland Asset Services AG
- CHF 12.8 million (2018 CHF 13.1 million) granted to SCOR Realty Singapore PTE Ltd.

6.6.4 NOTE 4 - ASSETS THAT HAVE AN OBSERVABLE MARKET PRICE AND WHICH ARE VALUED AT THE MARKET PRICE

At 31 December 2019, SCOR Switzerland AG held investments that have an observable market price, and which are valued at the market price for a total amount of CHF 16.3 million as compared to CHF 8.5 million one year earlier. No other assets were booked at market value.

6.6.5 NOTE 5 - DERIVATIVE INSTRUMENTS

In order to hedge its exposure to foreign currencies, the Company makes use of Foreign Exchange forward contracts. At the end of 2019, the net negative market value of these instruments was CHF 5.5 million (Assets CHF 5.1 million, Liabilities CHF 10.6 million). In the previous year, the net negative market value of these instruments was CHF 11.4 million (Assets CHF 1.7 million, Liabilities CHF 13.1 million).

6.6.6 NOTE 6 - RECEIVABLES

Receivables		as of 31 December 2019					as of 31 December 2018				
In CHF million		Third	Partici-pants	Partici-pations	Other SCOR group entities	Total	Third	Partici-pants	Partici-pations	Other SCOR group entities	Total
1.10	Insurance receivables	12.9	0.0	-	1,091.2	1,104.1	10.8	0.8	-	876.6	888.2
1.10.1	Receivables from reinsureds	12.7	0.0	-	1,091.2	1,103.9	10.2	0.0	-	876.6	886.8
1.10.2	Receivables from retrocessionaires	0.2	-	-	-	0.2	0.6	0.8	-	-	1.4
1.11	Other receivables	5.4	107.0	-	-	112.4	10.7	0.2	-	0.0	10.9
1.14	Accrued income and prepaid expenses	17.1	0.1	-	1.4	18.6	22.7	0.1	-	(0.0)	23.9
TOTAL RECEIVABLES		**35.4**	**107.1**	**-**	**1,092.6**	**1,235.1**	**44.2**	**2.2**	**-**	**876.6**	**923.0**

Total insurance receivables of CHF 1’104.1 million as per 31.12.2019 (2018 CHF 888.2 million) include receivables from reinsureds (related to assumed reinsurance business) of CHF 1’103.9 million (2018 CHF 886.8 million) and receivables from retrocessionaires (related to ceded reinsurance) of CHF 0.2 million (2018 CHF 1.4 million).

In 2019, other receivables from participants comprise treasury advances to SCOR SE, Paris in the amount of CHF 107.0 million.

6.6.7 NOTE 7 - TECHNICAL PROVISIONS

Technical provisions as of December 31	2019			2018		
In CHF million	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions (net)
Unearned premium reserves	824.1	(0.3)	823.8	644.2	-	644.2
Loss reserves	3,295.1	(64.9)	3,230.2	3,090.7	(37.8)	3,052.9
TOTAL	**4,119.2**	**(65.2)**	**4,054.0**	**3,734.9**	**(37.8)**	**3,697.1**

Technical provisions at year end amount to CHF 4’054.0 million net compared to CHF 3’697.1 million in 2018. The movement of CHF 356.9 million is composed of CHF 392.8 million pure change in reserves and CHF -35.9 million exchange rate differences.

6.6.8 NOTE 8 - LIABILITIES

Liabilities		as of 31 December 2019					as of 31 December 2018				
In CHF million		Third	Partici-pants	Partici-pations	Other SCOR group entities	Total	Third	Partici-pants	Partici-pations	Other SCOR group entities	Total
2.7	Insurance liabilities	6.0	2.0	-	47.6	55.6	5.0	0.6	-	40.6	46.2
2.7.1	Liabilities to reinsureds	3.9	-	-	47.6	51.5	2.8	0.0	-	40.6	43.4
2.7.2	Liabilities to retrocessionaires	2.1	2.0	-	(0.0)	4.1	2.2	0.6	-	(0.0)	2.8
2.8	Other liabilities	0.1	-	-	4.2	4.3	5.2	-	-	-	5.2
2.9	Deferred income and accrued expenses	0.8	1.7	-	-	2.5	0.5	0.8	-	0.0	1.3
2.10	Subordinated liabilities	-	125.0	-	-	125.0	-	125.0	-	0.0	125.0
TOTAL LIABILITIES		**6.9**	**128.7**	**-**	**51.8**	**187.4**	**10.6**	**126.4**	**-**	**40.6**	**177.6**

Total insurance liabilities of CHF 55.6 million as per 31.12.2019 (2018 CHF 46.2 million) include liabilities to reinsureds (related to assumed reinsurance business) of CHF 51.5 million (2018 CHF 43.4 million) and liabilities to retrocessionaires (related to ceded reinsurance) of CHF 4.1 million (2018 CHF 2.8 million).

6.6.9 NOTE 9 - SUBORDINATED LIABILITIES

In 2014, SCOR Holding (Switzerland) AG granted a perpetual subordinated loan of CHF 125 million to the Company at an annual interest rate of 3.375% with a first possible repayment date of 20.10.2020. By decree dated 15 December 2014, FINMA approved the credit for the hybrid loan as upper supplementary capital in the context of the Swiss Solvency Test (SST).

In 2019 the lender of the perpetual subordinated loan changed to SCOR SE, Paris following the cross-border merger of SCOR Holding (Switzerland) AG into SCOR SE, Paris.

6.6.10 NOTE 10 - EQUITY

After the merger of SCOR Holding (Switzerland) AG into SCOR SE, Paris SCOR Switzerland AG is a 100 % subsidiary of SCOR SE, Paris.

The net equity of the Company decreased in 2019 by CHF 30.8 million from CHF 1’365.3 million to CHF 1’334.5 million.

The decrease is attributable to the profit of the year of CHF 99.5 million, offset by the extraordinary dividend payment of CHF 87.8 million (EUR 80.0 million) approved at the Extraordinary General Meeting of 7 November 2019 based on the available earnings of 2018 and paid to SCOR SE, Paris and the increase of the translation difference of CHF 42.5 million.

In CHF million	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
Balance as of 31 December 2019	**400.0**	**537.0**	**200.0**	**228.3**	**1,365.3**
Elimination of the previous year’s translation difference	-	-	-	75.8	75.8
Dividend paid to shareholders	-	-	-	(87.8)	(87.8)
Profit / (loss) of the year	-	-	-	99.5	99.5
New translation difference	-	-	-	(118.3)	(118.3)
Balance as of 31 December 2019	**400.0**	**537.0**	**200.0**	**197.5**	**1,334.5**

6.6.11 NOTE 11 - OTHER TECHNICAL INCOME

Other technical income includes mainly interest received on deposits and funds held by reinsureds as well as income related to SCOR Switzerland AG’s exposure to various Lloyds’ syndicates via quota-share agreements.

6.6.12 NOTE 12 - CHANGE IN TECHNICAL PROVISIONS

Change in technical provisions as of December 31	2019			2018		
In CHF million	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)	Change in technical provisions (gross)	Reinsurers' share	Change in technical provisions (net)
Change in unearned premium reserves	(188.1)	0.3	(187.8)	26.3	(1.3)	25.0
Change in loss reserves	(232.8)	27.8	(205.0)	350.1	(43.2)	306.9
TOTAL	**(420.9)**	**28.1**	**(392.8)**	**376.4**	**(44.5)**	**331.9**

The change in technical provisions in 2019 is an increase of CHF 392.8 million net of retrocession as compared to a decrease of CHF 331.9 million in 2018. The increase in the technical provisions is in line with the increase in cessions from other SCOR group entities as of 2019.

6.6.13 NOTE 13 - OTHER ADMINISTRATION EXPENSES

With the introduction of the Hub concept in the SCOR Group, service entities were founded to account for all administrative expenses including salaries, social costs, consulting fees, depreciation etc. Therefore, SCOR Switzerland AG has almost no direct administration expenses but receives charges from SCOR Services Switzerland AG with whom it has entered into a Service Level Agreement. In addition, it receives charges from other SCOR Group entities in the framework of the Group and divisional cost recharging mechanism, as well as investment management fees.

Direct expenses of SCOR Switzerland AG include audit fees, regulatory charges and other expenses directly attributable to the Company.

Total administration expenses amounted to CHF 20.7 million in 2019 as compared to CHF 17.7 million in 2018. The increase is mainly driven by higher expenses allocated from SCOR Services Switzerland AG for previous year expenses and higher investment management fees charged by SCOR SE, Paris.

6.6.14 NOTE 14 - AUDITOR'S FEES

In 2019, net fees for audit services for the fiscal year 2019 amount to CHF 257 thousand compared to CHF 254 thousand for 2018. No fees were paid to the statutory audit firm for other services neither in 2019 nor in 2018.

6.6.15 NOTE 15 - DEPRECIATION AND AMORTIZATION

All tangible and intangible assets held directly by the Company are fully amortized. Depreciation and amortization included in the 2019 and 2018 income statement amounts to zero.

6.6.16 NOTE 16 - OTHER TECHNICAL EXPENSES

Other technical expenses of total CHF 78.0 million in 2019 (2018 CHF 75.9 million) comprise mainly expenses related to SCOR Switzerland AG's exposure to various Lloyds' syndicates via quota-share agreements.

6.6.17 NOTE 17 - INVESTMENT INCOME

Investment income as per	2019				2018			
In CHF million	**Investment income**	**Realised gains**	**Unrealised gains**	**Total**	**Investment income**	**Realised gains**	**Unrealised gains**	**Total**
Participations	19.2	-	-	19.2	4.6	-	-	4.6
Bonds	26.8	7.2	-	34.0	30.0	3.2	-	33.2
Loans	6.1	-	-	6.1	6.0	-	-	6.0
Shares	0.1	-	0.2	0.3	0.0	5.0	2.1	7.1
Other investments	11.4	22.1	-	33.5	5.9	0.1	-	6.0
INVESTMENT INCOME	**63.6**	**29.3**	**0.2**	**93.1**	**46.5**	**8.3**	**2.1**	**56.9**

6.6.18 NOTE 18 - INVESTMENT EXPENSES

Investment expenses as per In CHF million	2019 Investment expenses	Realised losses	Unrealised losses	Total	2018 Investment expenses	Realised losses	Unrealised losses	Total
Participations	-	-	-	-	-	-	-	-
Bonds	(1.7)	(2.0)	-	(3.7)	(1.3)	(1.7)	-	(3.0)
Loans	-	-	-	-	-	-	-	-
Shares	-	(2.0)	(0.4)	(2.4)	-	(21.8)	(0.0)	(21.8)
Other investments	(0.4)	(0.0)	(1.8)	(2.2)	(0.2)	(0.1)	0.0	(0.3)
INVESTMENT EXPENSES	**(2.1)**	**(4.0)**	**(2.2)**	**(8.3)**	**(1.5)**	**(23.6)**	**0.0**	**(25.1)**

6.6.19 NOTE 19 - OTHER FINANCIAL INCOME / EXPENSES

Other financial income and expenses mainly comprise financial charges, realized and unrealized gains and losses from valuation of foreign currencies on technical and non-technical positions including investments, as well as realized and unrealized gains and losses from forward contracts on foreign currencies that are used to hedge the currency exposures.

In 2019, other financial income of CHF 0.6 million comprises interests on cash, cash equivalents and fixed-term deposits, whereas other financial expenses of total CHF -10.7 million include the net result from foreign exchange of CHF -8.0 million and financial charges of CHF -2.7 million mainly fees for Letters of Credit. In 2018, other financial income of CHF 1.2 million mainly consisted of the positive result from foreign exchange of net CHF 1.6 million, whereas other financial expenses of CHF -3.6 million solely comprised financial charges, mainly fees for Letters of Credit.

The following table shows a breakdown of the result from foreign exchange included in the income statement:

As of 31 December	2019 CHF	2018 CHF
FX result from technical items	**(33,996,711)**	**(2,881,710)**
Realized technical FX gain / (loss)	(578,563)	478,781
Unrealized technical FX gain / (loss)	(33,418,148)	(3,360,491)
FX result from investments	**34,749,237**	**15,636,749**
Realized investment FX gain / (loss)	19,011,778	(3,718,030)
Unrealized investment FX gain / (loss)	15,737,459	19,354,779
FX result from other items	**(1,150,664)**	**(11,192,696)**
Realized other FX gain / (loss)	1,470,297	(10,249,834)
Unrealized other FX gain / (loss)	(2,620,961)	(942,862)
FX RESULT BEFORE HEDGING	**(398,138)**	**1,562,343**
FX result from forward contracts on foreign currencies	**(7,554,194)**	**81,148**
Realized FX gain / (loss) from forward contracts	(13,152,184)	21,397,867
Unrealized FX gain / (loss) from forward contracts	5,597,990	(21,316,719)
FX RESULT AFTER HEDGING	**(7,952,332)**	**1,643,491**

6.6.20 NOTE 20 - OTHER EXPENSES

SCOR Switzerland AG's financial strength is guaranteed by a parental guarantee issued by SCOR SE. The cost born by SCOR Switzerland AG for this guarantee amounted to CHF 2.8 million in 2019 and to CHF 3.1 million in 2018.

6.6.21 NOTE 21 - COMPANY NAME AND LOCATION

SCOR Switzerland AG
General Guisan-Quai 26
8002 Zurich
Switzerland

6.6.22 NOTE 22 -DECLARATION OF FULL-TIME POSITIONS

The number of the annual average full-time positions was less than 10 in the year 2019 and 2018.

SCOR Switzerland AG has no own employees. All personnel of the SCOR Group in Switzerland is employed by SCOR Services Switzerland AG as the service provider and costs are recharged through Service Level Agreements to the various SCOR entities and branches including SCOR Switzerland AG.

6.6.23 NOTE 23 - LONG-TERM LEASE AGREEMENTS

As of 1 January 2012, the Company is leasing the building at General Guisan-Quai 26 in Zurich together with SCOR Services Switzerland AG. The lease is a fixed-term agreement until 31 December 2021, however, a right of early termination has been agreed, which the Company exercised with termination date 31 July 2020.

The current rent is linked to the Swiss consumer price index (LIK). Since 2012, the rental expenses for the building are paid and accounted for by SCOR Services Switzerland AG.

For the remaining rental period up to July 2020, total expenses of CHF 5.8 million are expected. The expenses will be charged directly to SCOR Services Switzerland AG to the statement of income.

6.6.24 NOTE 24 - LETTERS OF CREDIT

Some of the Company's reinsurance treaties contain a requirement to put in place letters of credit. SCOR Switzerland AG has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities.

As of 31 December 2019, the total volume of outstanding letters of credit amounted to CHF 364.6 million (2018 CHF 516.1 million):

- CHF 278.9 million (2018 CHF 136.9 million) issued by Citi Bank
- CHF 32.3 million (2018 CHF 314.6 million) issued by Bayern LB
- CHF 25.1 million (2018 CHF 35.8 million) issued by BNP Paribas
- CHF 13.4 million (2018 CHF 14.3 million) issued by Natixis
- CHF 8.1 million (2018 CHF 8.6 million) issued by Deutsche Bank, Luxembourg Branch
- CHF 4.6 million (2018 CHF 3.7 million) issued by Commerzbank
- CHF 2.2 million (2018 CHF 2.2 million) issued by Credit Suisse

Depending on the type of credit facility, secured or unsecured, SCOR Switzerland AG has to post collateral.

6.6.25 NOTE 25 - PLEDGED ASSETS

As of 31 December 2019, SCOR Switzerland AG held investments for an amount of CHF 893.1 million (2018 CHF 634.4 million) that were pledged as collateral to cedents to guarantee reinsurance liabilities or as collateral to companies of the banking sector related to the credit facilities. These pledged assets are recorded on the balance sheet under investments but are not available to the Company as liquid free assets. In addition, cash for CHF 5.4 million (2018 CHF 10.6 million) was pledged as collateral for FX derivatives and is recorded in Other receivables.

The following amounts of assets were pledged as of 31 December 2019:

- CHF 450.7 million (2018 CHF 250.4 million) as collateral for outstanding letters of credit
- CHF 291.8 million (2018 CHF 154.9 million) as deposits for fund at Lloyds
- CHF 138.1 million (2018 CHF 217.2 million) to support the Company's internal reinsurance transactions
- CHF 12.5 million (2018 CHF 11.9 million) as deposits with cedents
- CHF 5.4 million (2018 CHF 10.6 million) as collateral for FX derivatives

6.6.26 NOTE 26 - RELATED-PARTY TRANSACTIONS

As part of the SCOR Group the Company has entered into various transactions with related parties. These include mainly group internal retrocession agreements assumed from and ceded to other SCOR entities.

In addition, SCOR Switzerland AG entered into various non-technical agreements with other SCOR Group entities, such as the Service Level Agreement with SCOR Services Switzerland AG, Investment Management Agreement and Parental Guarantee with SCOR SE, Paris and the Master Service Agreement regarding the Group and Divisional cost recharging with various entities of the SCOR Group.

The Company had provided a loan to SCOR Holding (Switzerland) AG over EUR 189.1 million (CHF 207.8 million), which, in the course of a corporate Swiss restructuring in 2019, was transferred to SCOR Switzerland Asset Services AG as new borrower. Besides, SCOR Holding (Switzerland) AG had granted to the Company a hybrid loan for an amount of CHF 125 million by way of a perpetual subordinated loan agreement with drawdown date 18 December 2014, which as a consequence of the cross-border merger between SCOR Holding (Switzerland) AG and SCOR SE, Paris, with effect as of 1 October 2019, transferred to SCOR SE as new lender by operation of law.

SCOR Switzerland AG entered into foreign exchange forward contracts with SCOR Switzerland Asset Services AG. The net negative market value of these instruments was CHF 5.5 million at the end of 2019 (2018 negative market value of CHF 11.4 million).

In 2019, the Company received a dividend of GBP 15.0 million (CHF 19.2 million) from its participation SCOR Services UK Ltd. (formerly SCOR Holding (UK) Ltd.). The dividend received from that participation in 2018 amounted to GBP 3.5 million (CHF 4.6 million).

SCOR Switzerland AG distributed an extraordinary dividend of EUR 80 million (CHF 87.8 million) to its shareholder SCOR SE on 7 November 2019. The dividend paid in the year 2018 to the former shareholder SCOR Holding (Switzerland) AG amounted to EUR 150.0 million (CHF 179.8 million).

6.6.27 NOTE 27 - SIGNIFICANT EVENTS AFTER CLOSING DATE

The outbreak of COVID-19 is a major global event that will have health, societal, and economic impacts. Even with appropriate macroeconomic policies through well-targeted stimulus and public policies with efficient containment measures, the damage to overall economic growth will be significant.

There is considerable uncertainty about the potential impact of the pandemic on the company based upon current information. The company will continue to regularly assess the COVID-19 impact on its business. With respect to insurance business investments, the recent decline in stock prices and other market indices is also being closely monitored.

As regards operational risks, SCOR has globally taken steps to lower the risk of infection for its employees, including office closures in affected countries. Furthermore, the management has business continuity plans in place that allow operations to continue even if the office location is not accessible. Specifically, SCOR has put in place infrastructure and tools that ensure that employees can work remotely from home.

07

REPORT OF THE STATUTORY AUDITORS

7.1 REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the accompanying financial statements of SCOR Switzerland Ltd., which comprise the balance sheet, the income statement, the cash flow statement, change in shareholder's equity and notes to the financial statements (pages 10 to 39) for the year ended 31 December 2019.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law and the company's articles of incorporation.

7.2 REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

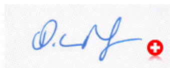
In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

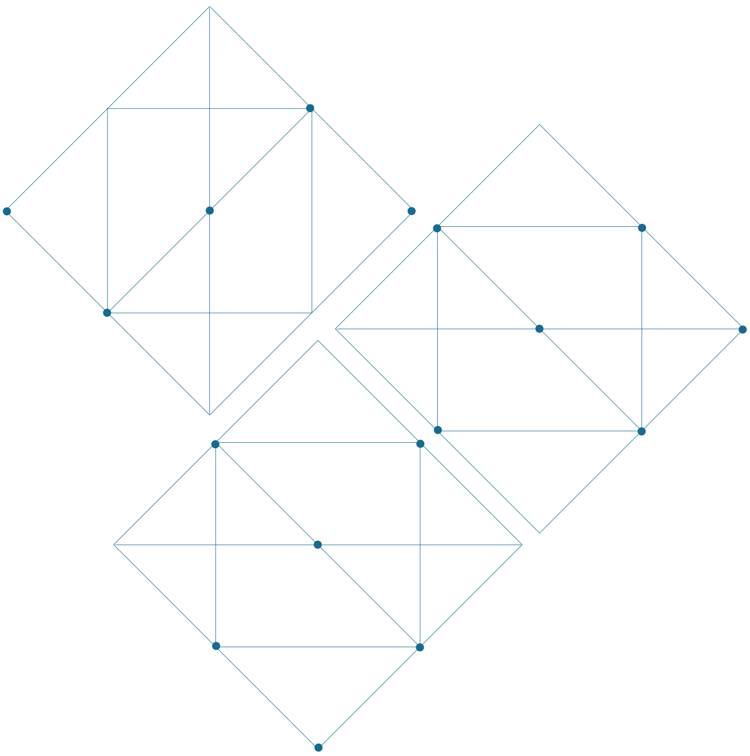
Zurich, 23. April 2020

MAZARS AG

Angelo Accardi
Audit expert
Auditor in charge



Denise Wipf
Audit expert



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APPENDIX - B

QUANTITATIVE TEMPLATES

Bericht über die Finanzlage: Quantitative Vorlage "Unternehmenserfolg Solo RV"

Währung: CHF oder Währung des Geschäftsberichtes
Angaben in Millionen **EUR**

		Total		Personal accident		Health		Motor		Marine, aviation, transport		Property		Casualty		Miscellaneous	
		Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr	Vorjahr	Berichts-jahr
1	Bruttoprämie	1'239.1	1'641.4	35.4	24.8	0.1	0.9	164.4	188.8	130.7	196.5	534.3	594.5	123.2	193.3	251.2	442.7
2	Anteil Rückversicherer an Bruttoprämie	-33.9	-54.6	-	-	-	-	-	-	0.3	0.9	-36.5	-55.5	-	-	2.3	0.0
3	Prämie für eigene Rechnung (1 + 2)	1'205.2	1'586.9	35.4	24.8	0.1	0.9	164.4	188.8	130.9	197.4	497.8	539.0	123.2	193.3	253.5	442.7
4	Veränderung der Prämienüberträge	22.7	-168.7	0.4	1.6	0.0	-0.0	9.5	-2.2	3.3	-17.2	5.6	-50.0	5.5	-34.0	-1.5	-66.9
5	Anteil Rückversicherer an Veränderung der Prämienüberträge	-1.1	0.3								-		0.3		-	-1.1	-0.0
6	Verdiente Prämien für eigene Rechnung (3 + 4 + 5)	1'226.8	1'418.4	35.8	26.4	0.1	0.9	173.8	186.6	134.3	180.2	503.3	489.2	128.6	159.3	250.8	375.8
7	Sonstige Erträge aus dem Versicherungsgeschäft	10.0	41.9	0.2	0.6	-0.0	0.0	3.3	0.4	0.7	2.3	2.7	29.8	0.9	2.8	2.3	5.8
8	**Total Erträge aus dem versicherungstechnischen Geschäft (6 + 7)**	1'236.8	1'460.3	36.0	27.0	0.1	0.9	177.1	187.0	135.0	182.6	506.0	519.1	129.5	162.1	253.1	381.6
9	Zahlungen für Versicherungsfälle brutto	-941.1	-652.0	-35.7	-17.9	-1.4	-1.3	-134.1	-122.9	-128.8	-133.9	-351.6	-62.1	-60.8	-124.5	-228.7	-189.5
10	Anteil Rückversicherer an Zahlungen für Versicherungsfälle	4.0	6.0	-	-	-	-	-	-	2.1	-0.1	1.9	6.0	0.0	-	0.0	0.0
11	Veränderung der versicherungstechnischen Rückstellungen	302.1	-208.7	16.2	-0.1	3.4	2.7	44.5	-17.4	122.5	-50.5	46.5	-96.4	48.7	80.0	20.4	-127.1
12	Anteil Rückversicherer an Veränderung der versicherungstechnischen Rückstellungen	-37.0	24.9							-28.5	-3.1	-2.5	27.9	-0.2	-0.1	-5.9	0.2
13	Veränderung der versicherungstechnischen Rückstellungen für anteilgebundene Lebensversicherung	-	-													-	-
14	**Aufwendungen für Versicherungsfälle für eigene Rechnung (9 + 10 + 11 + 12 + 13)**	-672.0	-829.8	-19.6	-18.0	1.9	1.4	-89.6	-140.2	-32.7	-187.5	-305.7	-124.6	-12.2	-44.5	-214.2	-316.3
15	Abschluss- und Verwaltungsaufwand	-423.7	-510.9	-13.8	-8.8	-0.9	-0.9	-73.9	-55.5	-46.0	-61.2	-171.5	-176.6	-49.0	-60.1	-68.6	-147.8
16	Anteil Rückversicherer an Abschluss und Verwaltungsaufwand	0.0	0.2								0.0		0.1			0.0	
17	Abschluss- und Verwaltungsaufwand für eigene Rechnung (15 + 16)	-423.7	-510.8	-13.8	-8.8	-0.9	-0.9	-73.9	-55.5	-46.0	-61.1	-171.5	-176.5	-49.0	-60.1	-68.6	-147.8
18	Sonstige versicherungstechnische Aufwendungen für eigene Rechnung	-65.5	-69.9	-3.6	-2.8	-0.0	-0.0	-0.0	-0.1	-10.0	-9.8	-32.5	-34.5	-10.2	-15.8	-9.2	-7.0
19	**Total Aufwendungen aus dem versicherungstechnischen Geschäft (14 + 17 + 18) (nur für Schadenversicherung)**	-1'161.1	-1'410.6	-38.3	-29.5	1.1	0.5	-163.9	-195.9	-111.2	-258.5	-547.7	-335.6	-69.1	-120.4	-231.9	-471.1
20	Erträge aus Kapitalanlagen	49.1	83.4														
21	Aufwendungen für Kapitalanlagen	-21.7	-7.4														
22	**Kapitalanlagenergebnis (20 + 21)**	27.5	76.0														
23	Kapital- und Zinserfolg aus anteilgebundener Lebensversicherung	-	-														
24	Sonstige finanzielle Erträge	1.0	0.6														
25	Sonstige finanzielle Aufwendungen	-3.1	-9.6														
26	**Operatives Ergebnis (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)**	101.0	116.8														
27	Zinsaufwendungen für verzinsliche Verbindlichkeiten	-3.6	-3.8														
28	Sonstige Erträge	0.0	0.0														
29	Sonstige Aufwendungen	-2.7	-2.5														
30	Ausserordentlicher Ertrag/Aufwand	-	-0.0														
31	**Gewinn / Verlust vor Steuern (26 + 27 + 28 + 29 + 30)**	94.7	110.5														
32	Direkte Steuern	-19.8	-21.3														
33	**Gewinn / Verlust (31 + 32)**	74.9	89.2														

Bericht über die Finanzlage: Quantitative Vorlage "Marktnahe Bilanz Solo"

Währung: **EUR**
Angaben in Millionen

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
Marktnaher Wert der Kapitalanlagen	Immobilien			
	Beteiligungen	111		117
	Festverzinsliche Wertpapiere	2'003		1'686
	Darlehen	252		205
	Hypotheken			
	Aktien	149		15
	Übrige Kapitalanlagen	76		786
	Kollektive Kapitalanlagen	61		786
	Alternative Kapitalanlagen			
	Strukturierte Produkte			
	Sonstige Kapitalanlagen	15		
	Total Kapitalanlagen	2'591		2'809
Marktnaher Wert der übrigen Aktiven	Kapitalanlagen aus anteilgebundener Lebensversicherung			
	Forderungen aus derivativen Finanzinstrumenten	2		5
	Depotforderungen aus übernommener Rückversicherung			
	Flüssige Mittel	54		75
	Anteil versicherungstechnische Rückstellungen aus Rückversicherung			55
	Direktversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Aktive Rückversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Direktversicherung: Schadenversicherungsgeschäft			55
	Direktversicherung: Krankenversicherungsgeschäft			
	Aktive Rückversicherung: Schadenversicherungsgeschäft			
	Aktive Rückversicherung: Krankenversicherungsgeschäft			
	Direktversicherung: Sonstiges Geschäft			
	Aktive Rückversicherung: Sonstiges Geschäft			
	Direktversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
	Aktive Rückversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
	Sachanlagen			
	Aktivierte Abschlusskosten			
	Immaterielle Vermögenswerte			
	Forderungen aus dem Versicherungsgeschäft	1'530		1'541
	Übrige Forderungen	18		102
	Sonstige Aktiven			
	Nicht einbezahltes Grundkapital			
	Aktive Rechnungsabgrenzungen			3
	Total übrige Aktiven	1'604		1'780
Total marktnaher Wert der Aktiven	Total marktnaher Wert der Aktiven	4'195		4'589

BEL*: Bestmöglicher Schätzwert der versicherungstechnischen Rückstellungen (einschliesslich ALV)	Bestmöglicher Schätzwert der versicherungstechnischen Rückstellungen			
	Direktversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Aktive Rückversicherung: Lebensversicherungsgeschäft (ohne ALV)			
	Direktversicherung: Schadenversicherungsgeschäft			
	Direktversicherung: Krankenversicherungsgeschäft			
	Aktive Rückversicherung: Schadenversicherungsgeschäft	2240		2'579
	Aktive Rückversicherung: Krankenversicherungsgeschäft			
	Direktversicherung: Sonstiges Geschäft			
	Aktive Rückversicherung: Sonstiges Geschäft			116
	Bestmöglicher Schätzwert der versicherungstechnischen Rückstellungen für anteilgebundene Lebensversicherung			
	Direktversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
	Aktive Rückversicherung: Anteilgebundenes Lebensversicherungsgeschäft			
Marktnaher Wert der übrigen Verpflichtungen	Nichtversicherungstechnische Rückstellungen			
	Verzinsliche Verbindlichkeiten	113		116
	Verbindlichkeiten aus derivativen Finanzinstrumenten	12		10
	Depotverbindlichkeiten aus abgegebener Rückversicherung	115		-1
	Verbindlichkeiten aus dem Versicherungsgeschäft	42		47
	Sonstige Passiven	5		2
	Passive Rechnungsabgrenzungen			2
	Nachrangige Verbindlichkeiten			
Summe aus BEL plus marktnaher Wert der übrigen Verpflichtungen	Summe aus BEL plus marktnaher Wert der übrigen Verpflichtungen	2'527		2'871

	Differenz marktnaher Wert der Aktiven abzüglich der Summe aus BEL plus marktnaher Wert der übrigen Verpflichtungen	1'668		1'718

*BEL: Best Estimate of Liabilities

Bericht über die Finanzlage: Quantitative Vorlage

Währung: **EUR**
Angaben in Millionen

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
		in Mio. EUR	in Mio. EUR	in Mio. EUR
Herleitung RTK	Differenz marktnaher Wert der Aktiven abzüglich der Summe aus bestmöglichem Schätzwert der Versicherungsverpflichtungen plus Marktnaher Wert der übrigen Verpflichtungen	1'668		1'718
	Abzüge	-80		-130
	Kernkapital	1'588		1'588
	Ergänzendes Kapital	113		116
	RTK	1'701		1'704

		Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
		in Mio. EUR	in Mio. EUR	in Mio. EUR
Herleitung Zielkapital	Versicherungstechnisches Risiko	610		701
	Marktrisiko	185		223
	Diversifikationseffekte	-153		-259
	Kreditrisiko	130		89
	Mindestbetrag und sonstige Effekte auf das ZK	229		206
	Zielkapital	1'001		960

	Stichtag Vorperiode	Anpassungen Vorperiode	Stichtag Berichtsjahr
	in %	in %	in %
SST-Quotient	181%		191%

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Switzerland

To learn more about SCOR's strategy, goals, commitments and markets, visit our website.

www.scor.com

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