ONE VISION

2018
REGISTRATION DOCUMENT
INCLUDING **THE ANNUAL FINANCIAL REPORT**

ONE GROUP

SCOR
The Art & Science of Risk

CONTENTS

2018 REGISTRATION DOCUMENT

INCLUDING **THE ANNUAL FINANCIAL REPORT**

SCOR
The Art & Science of Risk

A European Company with share capital of EUR 1,520,931,435.11
Registered Office: 5 avenue Kléber – 75116 Paris
Trade and Company register (RCS) Paris No. 562 033 357

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed on March 4, 2019 with the French financial markets authority (Autorité des marchés financiers – AMF) in accordance with Article 212-13 of its General Regulation. It can be used as a support document for a financial transaction only if presented together with a securities information note (note d'opération) approved by the AMF. This Registration Document was prepared by the issuer and is the responsibility of the person whose signature appears therein.

Pursuant to Article 28 of Regulation (EC) 809/2004 of April 29, 2004 of the European Commission implementing the Directive 2003/71/EC (the "Regulation (EC) 809/2004"), the following information is included by reference in this Registration Document (the "Registration Document"):

- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2017 and the report of the Statutory Auditors regarding said financial statements as presented in SCOR SE's Registration Document filed with the AMF on February 23, 2018 under number D.18-0072;
- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2016 and the report of the Statutory Auditors regarding said financial statements as presented in SCOR SE's Registration Document filed with the AMF on March 3, 2017 under number D.17-0123.

Parts of this or these documents which are not expressly included herein are of no concern to the investor.

01
SCOR GROUP

A TIER 1 REINSURER GLOBAL POSITION

WHAT IS REINSURANCE

Reinsurance is at the heart of risk management, it enables insurers to cover their risks by ceding part of them, in order to mutualize them worldwide. SCOR covers major Non-Life risks including large catastrophe risks (both natural and man-made catastrophes: hurricanes, floods, volcanic eruptions, explosions, fires, plane crashes, etc.), and Life biometric risks (mortality, longevity and lines, both long term and short term). The challenge for reinsurance professionals consists of identifying, selecting, assessing and pricing risks, in order to be able to absorb them.

15.3
BILLION EUROS OF PREMIUM INCOME IN 2018

5TH
LARGEST REINSURER IN THE WORLD

2,887
EMPLOYEES (EXCLUDING REMARK) OF 65 NATIONALITIES ACCROSS 30 COUNTRIES, EQUALLY DISTRIBUTED (48% WOMEN / 52% MEN)

+4,000
CLIENTS THROUGHOUT THE WORLD

Rating agencies

S&P Global	AA-	Stable outlook	AM BEST	A+	Stable outlook
FitchRatings	AA-	Stable outlook	MOODY'S	Aa3	Stable outlook

1.1. SELECTED FINANCIAL INFORMATION

1.1.1. GROUP KEY FIGURES

SCOR SE ("the Company") and its consolidated subsidiaries (referred collectively as "SCOR" or the "Group"), form the world's fifth largest reinsurer[1] serving more than 4,000 clients. The Group is organized in three divisions, SCOR Global P&C, SCOR Global Life and SCOR Global Investements, and three regional management platforms (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

In a year marked by a significant series of natural catastrophes which occurred mostly in the second part of the year, SCOR's strong underlying results demonstrate its resilience and the effectiveness of its business model, based on extensive business and geographical diversification, while focusing on traditional reinsurance activities.

In EUR millions	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Consolidated SCOR Group			
Gross written premiums	15,258	14,789	13,826
Net earned premiums	13,611	13,281	12,462
Operating result	658	491	951
Consolidated net income – Group share	322	286	603
Consolidated net income – Group share – before US tax reform(1)	390	286	603
Net investment income(2)	615	764	670
Group cost ratio(3)	5.0%	5.0%	5.0%
Return on invested assets(3)	2.8%	3.5%	2.9%
Return on equity(3)	5.5%	4.5%	9.5%
Return on equity – before US tax reform(1)	6.6%	4.5%	9.5%
Basic earnings per share *(in EUR)*(4)	1.72	1.53	3.26
Book value per share *(in EUR)*(3)	31.53	33.01	35.94
Share price *(in EUR)*(5)	39.40	33.55	32.83
Operating cash flow	891	1,144	1,354(6)
Total shareholders' equity	5,828	6,225	6,695
SCOR Global P&C			
Gross written premiums	6,175	6,025	5,639
Net combined ratio(3)	99.4%	103.7%(7)	93.1%
SCOR Global Life			
Gross written premiums	9,083	8,764	8,187
Life technical margin(3)	7.0%	7.1%	7.0%

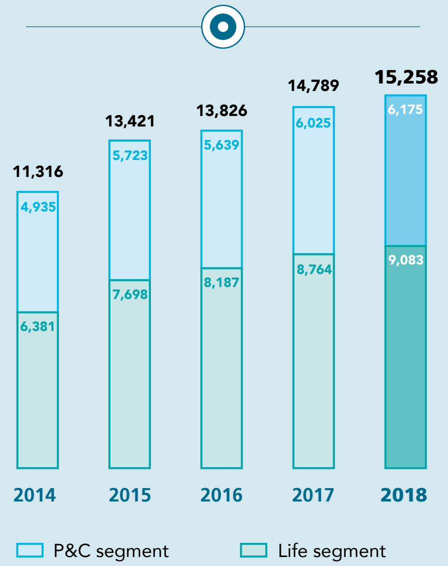
(1) Refer to Section 1.3.3 – Significant events of the year for detailed information on the US tax reform (Tax Cuts and Jobs Act, the "TCJA").
(2) See Section 1.3.5.4 – Net investment income and investment income on invested assets.
(3) See Section 1.3.9 – Calculation of financial ratios, for detailed calculation.
(4) Earnings per share are calculated as net income divided by the number of ordinary shares, which includes the average number of shares over the reporting period, shares issued during the period and time-weighted treasury shares. See Section 4.6.21 – Earnings per share for detailed calculation.
(5) Closing stock price on December 31, 2018 (December 29, 2017 and December 30, 2016).
(6) Includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.
(7) In 2017, the net combined ratio calculation has been refined to exclude some immaterial non-technical items that were previously included. Considering their potential growth, these items have been excluded to ensure they do not distort the net combined ratio in the future. The impact on the previously reported ratio was +0.26% pt as at December 31, 2016.

(1) By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2018".

1.1.2. OVERVIEW

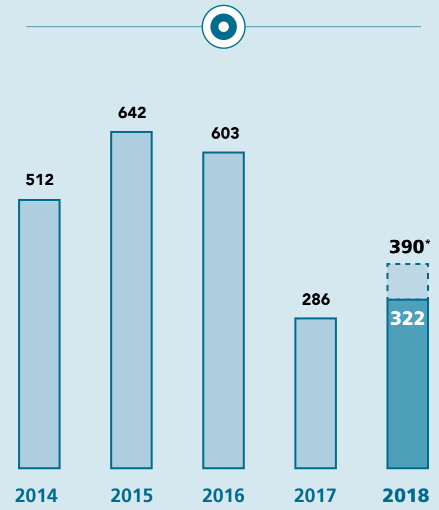
GROSS WRITTEN PREMIUM

In EUR millions



CONSOLIDATED NET INCOME – GROUP SHARE

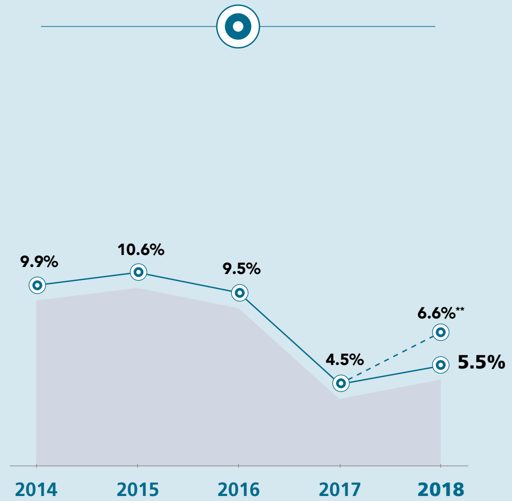
In EUR millions



* *Excluding the impact of US tax reform*

RETURN ON EQUITY*

In %

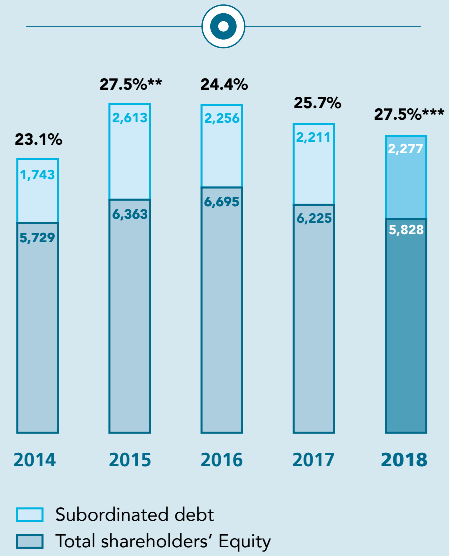


* *Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period using a prorata temporis method). The ROE calculation method was adjusted in 2014 to take into account material foreign exchange rates movements that do not occur evenly throughout the reporting period. A daily weighted average is used for the currency or currencies that experienced such movements and simple weighted average is used for the other currencies.*

** *Excluding the impact of US tax reform, return on equity would have been 6.6%.*

SHAREHOLDERS' EQUITY, DEBT AND LEVERAGE RATIO*

(In %) In EUR millions



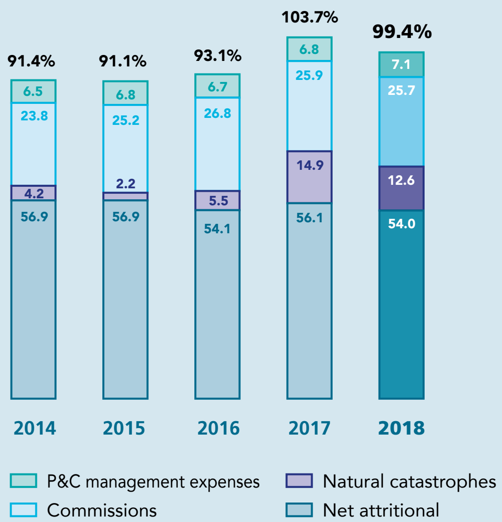
* *The leverage ratio is calculated by dividing the subordinated debt by the sum of shareholders' equity and subordinated debt. The calculation excludes accrued interest and includes the impact of swaps related to subordinated debt issuances. This ratio is expressed as a percentage. It is used to determine how much lenders are financing the Group's activities over shareholders.*

** *In September 2014 and December 2015, SCOR issued two subordinated notes for EUR 250 million and EUR 600 million, respectively, with the intention to refinance through the proceeds of these two notes the optional redemptions of the outstanding balance of the 6.154% undated deeply subordinated EUR 350 million notes callable in July 2016 and of the 5.375% fixed to floating-rate undated subordinated CHF 650 million notes callable in August 2016. The proceeds of these notes were also meant to be used for general corporate purposes. Had these redemptions been effective on December 31, 2015, the leverage ratio would have amounted to 20.6%. These redemptions occurred on the expected dates.*

*** *In March 2018, SCOR placed a perpetual note in the amount of USD 625 million. In June and November 2018, SCOR redeemed the CHF 315 million and CHF 250 million undated subordinated notes line, using the proceeds of the new instrument.*

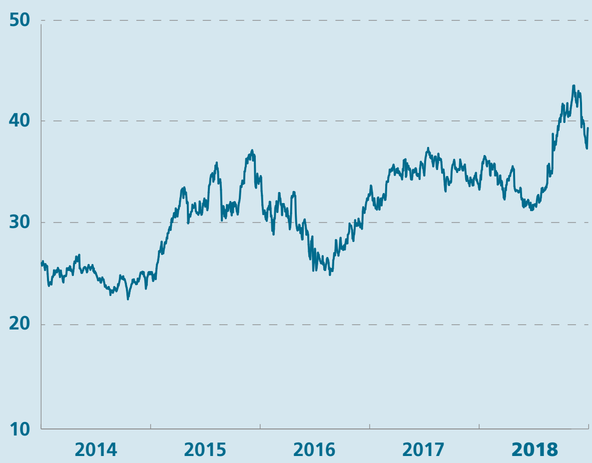
NET COMBINED RATIO*

In %



SHARE PRICE

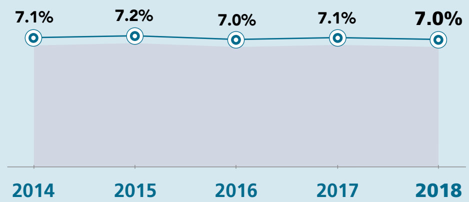
In EUR



* *The net combined ratio is calculated by taking the sum of incurred losses, commissions and management expenses net of retrocession, divided by earned premiums net of retrocession. The net combined ratio calculation has been refined in 2017 to exclude some immaterial non-technical items that were previously included. Considering their potential growth, these items have been excluded to ensure they do not distort the net combined ratio in the future. The impact on the previously reported ratios is +0.26% pt and +0.22% pt as at December 31, 2016 and December 31, 2015, respectively.*

LIFE TECHNICAL MARGIN*

In %



* *The Life technical margin is calculated as the percentage of net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums. The net technical result represents the result of the net reinsurance operations of SCOR Global Life division including income and expenses either implied in the reinsurance and retrocession arrangements or fully related to these arrangements.*

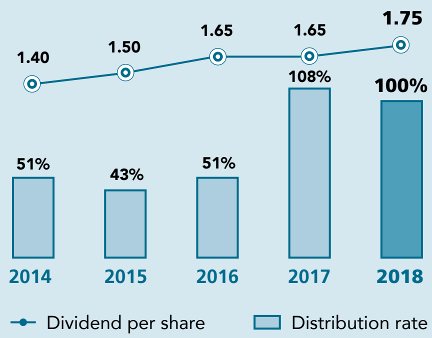
1.1.3. DIVIDEND DISTRIBUTION POLICY

DIVIDEND PER SHARE AND DISTRIBUTION RATE

In EUR

A resolution will be presented to the Annual Shareholders' Meeting held during the first half of 2019, to approve the financial statements for the financial year 2018, proposing the distribution of a dividend of EUR 1.75 per share for the financial year 2018.

The statute of limitations for dividends is five years. Unclaimed dividends will be paid over to the French Treasury. See also Section 4.6 – Notes to the consolidated financial statements, Note 21 – Earnings per share.



1.2. INFORMATION ABOUT THE SCOR GROUP

1.2.1. INTRODUCTION

Legal name and commercial name of the issuer

Legal name: SCOR SE

Commercial name: SCOR

Place and registration number of the issuer

R.C.S. number: Paris 562 033 357

A.P.E. Code: 6520Z

LEI Code: 96950056ULJ4JI7V3752

Date of incorporation and term of the issuer

The Company was incorporated on August 16, 1855, as a limited partnership *(société en commandite)*, under the name Compagnie Impériale des Voitures de Paris. In 1866, the Company was converted into a joint stock company *(société anonyme)* under the name Compagnie Générale des Voitures de Paris. The Company changed its name to SCOR SA on October 16, 1989 and in 1990, absorbed Société Commerciale de Réassurance, created in 1970, and took over the reinsurance business of the latter. On May 13, 1996, SCOR SA changed its name to SCOR. On June 25, 2007, SCOR changed its legal form to a European Company (Societas Europaea) and became SCOR SE. In 2012, the Company relocated from Paris-La Défense to Paris. On April 25, 2013, the Company's term was extended for 99 years by decision of the Extraordinary Shareholders' Meeting and will expire on April 25, 2112 unless extended or previously dissolved.

Domicile and legal form of the issuer, legislation governing its activities, country of incorporation, address and telephone number of its registered office

Registered office and contact information of issuer

SCOR SE
5, avenue Kléber
75116 Paris

France
Tel.: +33 (0) 1 58 44 70 00
Fax: +33 (0) 1 58 44 85 00
www.scor.com
E-mail: scor@scor.com

Listing

In 1989, the Company and UAP Réassurances, a subsidiary of the state-owned Société Centrale de l'Union des Assurances de Paris, combined their Property and Casualty and Life reinsurance businesses. Following a reverse merger with Compagnie Générale des Voitures, the Company listed its ordinary shares on the Paris stock exchange and changed its name to SCOR SA and to SCOR in 1996. In the same year, UAP Réassurances sold its 41% stake in SCOR through an IPO. SCOR's American depositary shares were also listed on the New York stock exchange at that time. They were delisted in 2007 and the Company's securities were deregistered with the US Securities and Exchange Commission (SEC) on September 4, 2007.

As at the date of this Registration Document, SCOR SE's shares are listed on the Eurolist of Euronext Paris SA and on the SIX Swiss Exchange (formerly SWX Swiss Exchange) in Zurich, where they were admitted for trading on August 8, 2007.

The ordinary shares are included on the following indices: SBF TOP 80, SBF 120, CAC Next 20, CAC Large 60, CAC Large 60 EW, CAC All-Shares, CAC All Tradable, CAC Financials, Euronext FAS IAS, Euronext 100, Euronext France Next 40 EW, Euronext Europe Sustainable 100 EW, Euronext France Energy Transition Leaders 40 EW, Euronext Vigeo® Europe 120, Euronext Vigeo® Eurozone 120, Ethibel® Sustainability Index Excellence Europe (ESI Europe), SBFT 50 ESG EW and CAC® Large 60 Responsible Investment SW.

The SBF TOP 80 index is made up of 80 French stocks which are the most traded on the continuous segments not included in the CAC 40 index. The SBF 120 index consists of the 120 most actively traded French stocks. The CAC Next 20 index includes the most representative stocks in terms of free float-adjusted capitalization and share turnover not included in the CAC 40 index. The CAC Large 60 index is composed of the constituents of the CAC 40 and CAC Next 20 indices. The CAC Large 60 Equal Weight is an equal weighted index that reflects the performance of the 60 largest and most actively traded shares listed on Euronext Paris. The CAC All-shares index is composed of all the stocks listed on Euronext Paris with an annual velocity ratio of over 5%. The CAC All Tradable index includes all the stocks of the Euronext Paris market with a free float of at least 20%. The CAC Financials index is composed of the stocks included in the CAC All Tradable index belonging to the financial sector. The Euronext FAS IAS index is composed of the stocks included in the CAC All Tradable index that fulfill the following conditions:

at least 3% of the capital is controlled by employees, a minimum of 25% of the workforce in France should own shares of the Company and a minimum of 15% of the overall workforce should own shares of the Company. The Euronext 100 index comprises the 100 largest and most liquid stocks traded on Euronext. The Euronext France Next 40 EW is composed of companies ranked from 41 to 80 in the SBF 120 index in terms of free float market capitalization. The Euronext Europe Sustainable 100 EWis an equal weighted index that reflects the performance of the top 100 stocks based on their traded value, ESG performance and 1 year drawdown, out of the 500 Largest stocks in terms of free float market capitalization, admitted to listing on the main markets of Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and of the United Kingdom. The Euronext France Energy Transition Leaders 40 EW, is an equal weighted index that reflects the performance of the top 40 stocks, based on their performance in term of transition to a low-carbon economy, out of the CAC Large 60 Index. Euronext Vigeo indices are composed of the highest-ranking listed companies as evaluated by the Vigeo-Eiris agency in term of their performance in corporate responsibility. The ESI Europe indices universe is composed of companies included in the Russell Developed Europe Index that display the best performance in the field of Corporate Social Responsibility. The Ethibel family (ESI) consists of two variants: one regular and one "Multiplier" version whereby a factor between 0.5 and 1.5 is applied in order to align the sector weights of the ESI Europe index with the sector distribution of the Russell Developed Europe. Inclusion in the regular ESI Europe index means automatic inclusion in the 'Multiplier' version. The SBFT 50 ESG EW is an equal weighted index that contains the 50 highest-ranking companies in term of their ESG performance, as evaluated by the Vigeo-Eiris agency, out of the 80 highest ranking companies in term of free float market capitalisation that are expected to be included in the SBF120. The CAC® Large 60 Responsible Investment SW. The index consists of all the companies that are expected to be included in the CAC Large 60, whereby the weighting is based on the Responsible Investment score as provided by Mirova/ISS-oekom.

Applicable law and regulation

General

The Company was converted into a European Company *(Societas Europaea)* in 2007. As such, SCOR SE is governed by the provisions of Council Regulation (EC) No. 2157/2001 (the "SE Regulation") and those of European Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees, and by the provisions of French law relating to European Companies, as well as for all other matters partially covered or not covered by the SE Regulation, by French legal provisions applicable to sociétés anonymes, subject that they do not contrary the specific provisions applicable to European Companies.

The Group's divisions' business activities of insurance, reinsurance and asset management are subject to comprehensive regulation and supervision in each of the jurisdictions where the Group operates. Given that the Group is headquartered in Paris (France), this supervision is based, to a significant extent, on European Union directives and on the French regulatory system. The Group's principal regulators in France are the financial markets authority (Autorité des marchés financiers – AMF), and the French insurance and reinsurance regulator (Autorité de contrôle prudentiel et de résolution – ACPR). While the extent and nature of regulation varies from country to country, most jurisdictions in which SCOR's insurance and reinsurance subsidiaries operate have laws and regulations governing solvency standards, levels of reserves, permitted types and concentrations of investments, and business conduct to be respected by insurance and reinsurance companies. The supervisory authorities with jurisdiction over the Group's operations may conduct regular or unexpected examinations of the insurers'/reinsurers' or asset managers' operations and accounts and request specific information from the insurer or reinsurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer or reinsurer. These holding company legislations typically require periodic disclosure concerning the corporate entity that controls the licensed insurer and other affiliated companies, including prior approval of transactions between the insurer, the reinsurer and other affiliated companies such as intragroup asset transfers and dividend payments by the authorized insurer or reinsurer. In general, these regulations are designed to protect the interests of insureds rather than shareholders.

Under the directive No. 2009/138/EC of November 25, 2009 named "Solvency II" transposed in French law in 2015 and entered into force on January 1, 2016, French companies, whose exclusive business is reinsurance, can only carry on said business after having obtained an official authorization, issued by the ACPR. Registered reinsurers in France can operate under certain conditions in the European Economic Area (EEA) under the freedom to provide services and/or the freedom of establishment (branch).

Prudential regulations

SCOR SE and its insurance and reinsurance subsidiaries are subject to regulatory capital requirements in the jurisdictions where they do business, which are designed to monitor capital adequacy and to protect insureds. While the specific regulatory capital requirements (including the definition of admitted assets and methods of calculation) vary between jurisdictions, an insurance or reinsurance company's required capital can be impacted by a wide variety of factors including, business mix, product design, sales volume, invested assets, liabilities, reserves and movements in the capital markets, including interest rates and equity markets.

SCOR Group is regulated by the "Solvency II" European directive which applies since January 1, 2016, having been transposed into national law in all relevant European jurisdictions over the last years.

The Solvency II regulation covers, among other matters, valuation of assets and liabilities, the treatment of insurance and reinsurance groups, the definition of capital and the overall level of required capital. A key aspect of Solvency II is that assessment of the Group's risks and capital requirements is aligned more closely with economic capital methodologies.

SCOR Group is subject to supervision by the ACPR which has extensive oversight authority as Group supervisor but also as local supervisor for each French insurance or reinsurance company.

Since January 1, 2016, the regulatory solvency position of the Group has been assessed using SCOR's internal model, which was approved in November 2015 by the relevant supervisory authorities.

For additional information on the impact of regulatory changes on the Group's operations and financial position, see Section 3.2.3.

For a detailed description of new governance requirements, see Section 2.

Asset management regulations

SCOR Investment Partners SE (formerly known as SCOR Global Investments SE) is subject to extensive regulation in the various jurisdictions in which it operates. These regulations are generally designed to safeguard client assets and ensure the adequacy of disclosures concerning investment returns, risk characteristics of invested assets in various funds, suitability of investments for client investment objectives and risk tolerance, as well as the identity and qualifications of investment managers. These regulations generally grant supervisory authorities broad administrative powers, including the power to limit or restrict the performance of business activities for failure to comply with such laws and regulations.

Reform of the European data protection rules

The reform of the rules of personal data protection, contained in the General Data Protection Regulation (GDPR) (EU 2016/679) of April 27, 2016, applicable since May 25, 2018, has updated within the European Union the principles of personal data The main objectives of the reform are (i) the strengthening of individuals' rights, to grant them more control over their personal data and facilitate them the relevant access, (ii) the harmonization of the applicable laws within the European Union as well as a system of one-stop shop resulting in closer cooperation between the Data protection authorities, and finally (iii) a stricter regime of application according to which the Data protection authorities can pronounce fines up to 4% of the global turnover of a company infringing the European regulation. The Group has terminated its project aiming to comply globally with the Regulation and closely monitor the various local regulations that are currently being developed.

The Group is also looking into the e-privacy reform, as the European Commission has precised its position by publishing its formal proposal on January 10, 2017.

In line with the GDPR, this draft regulation aims at completing the upgrade of personal data regulation.

Evolution of the regulatory and compliance environment

The legislative, regulatory and litigation environment in which the Group operates is constantly changing. In continental Europe, reinsurers, insurers, asset managers and other financial institutions could face a danger of increasing the number of legal dispute and associated costs, as a result of the introduction of class action.

Furthermore, complexity and extraterritorial scope of many legislations on the fight against financial criminality (fight against money laundering, financing of terrorism and corruption, compliance with national and international financial sanctions) create serious risks of significant penalties in case of non-compliance. As examples, see the French Law of December 9, 2016 on transparency, fight against corruption and modernization of the economic life (called "Law Sapin II") and the European Market Abuse Regulation (called "MAR Regulation") which came into force on July 3, 2016.

This complexity is likely to continue and could lead to increased costs of compliance incurred by financial institutions like SCOR.

1.2.2. HISTORY AND DEVELOPMENT OF SCOR

SCOR became a reinsurance company in 1970, at the initiative of the French government and with the participation of insurers on the Paris market, to create a reinsurance company of international stature under the name of Société Commerciale de Réassurance. SCOR rapidly developed in various world markets, building up a substantial international portfolio.

At the beginning of the 1980s, the French government's stake in the Company's share capital, held through the Caisse Centrale de Réassurance, was progressively reduced in favor of insurance companies that were active on the French market (for more details, see Section 1.2.1 – Introduction).

In 2003, the Group reorganized its Life reinsurance business. The Group transferred all of the Group's Life reinsurance business throughout the world to SCOR Vie and its subsidiaries. SCOR Vie, whose corporate name was changed to SCOR Global Life in 2006, and which became a European Company (*Societas Europaea*) in 2007, and its subsidiaries, are all directly or indirectly wholly owned by SCOR SE.

On May 16, 2006, SCOR transferred all of its Non-Life reinsurance business in Europe, comprising Property & Casualty Treaties (including Credit and Surety business), large Corporate Accounts and Construction reinsurance to Société Putéolienne de Participations, a French subsidiary wholly owned by SCOR, whose corporate name was changed to SCOR Global P&C, with retroactive effect from January 1, 2006. In 2007, SCOR Global P&C adopted the European Company status (*Societas Europaea*) via a merger by absorption of SCOR Deutschland Rückversicherungs AG and SCOR Italia Riassicurazioni SpA.

On November 21, 2006, SCOR completed the acquisition of Revios Rückversicherung AG (Revios), enabling it to become a leading worldwide Life reinsurer. Based in Cologne (Germany), Revios was the former Life reinsurance unit of Gerling Global Re Group and had successfully developed on a stand-alone basis from 2002 onward to become one of the leading European reinsurers specializing in Life reinsurance, with operations in 17 countries. The combination of Revios and SCOR Vie created

SCOR Global Life SE, which is now one of SCOR's three primary operational subsidiaries (along with SCOR Global P&C SE and SCOR Global Investments SE, which became SCOR Investment Partners SE, described below), with responsibility for the Life reinsurance business.

SCOR's American Depositary Receipts (ADRs) have not been listed on the New York Stock Exchange (NYSE) since June 5, 2007. The American Depositary Receipt Facility program managed by The Bank of New York Mellon has been maintained as a sponsored level 1 facility. The ADR securities are now traded on the US over-the-counter market. SCOR's obligations to report to the US Securities and Exchange Commission (SEC) ended at the same time.

In August 2007, SCOR acquired Converium (which became SCOR Holding (Switzerland) AG (SCOR Holding Switzerland)). SCOR's shares were also admitted to trading in Swiss Francs on the SWX Swiss Exchange (which later became the SIX Swiss Exchange) in Zurich.

Following the acquisition of Revios and Converium, SCOR restructured its operations around several regional management platforms, or "Hubs", which were phased in gradually.

For more information on the Hub structure, see Section 1.2.3.1 – Brief description of the Group and of the position of the issuer.

On October 29, 2008, SCOR announced its decision to create SCOR Global Investments SE (which became SCOR Investment Partners SE), its asset management company (société de gestion de portefeuille) and third operational entity within the Group along with SCOR Global P&C SE and SCOR Global Life SE. This new company, incorporated on February 2, 2009, manages SCOR's investment portfolio and implements the investment strategy determined by the Group's Investment Committee chaired by the Group Chairman and Chief Executive Officer. SCOR Global Investments SE (which became SCOR Investment Partners SE) was approved by the AMF as a portfolio management company with effect from May 15, 2009. As a regulated portfolio management company, SCOR Investment Partners SE carries out its activities on an arms-length basis and with the operational independence required under Article L. 214-9 of the French Monetary and Financial Code (Code monétaire et financier).

On December 4, 2009, SCOR Global Life US Reinsurance Company, a wholly-owned subsidiary of the Group, acquired XL Re Life America Inc., a subsidiary of XL Capital Ltd, for an amount of EUR 31 million. The acquisition strengthened SCOR Global Life's services in the mortality protection field and reinforced its position in the US Life reinsurance market.

In 2011, the Lloyd's Market Franchise Board approved the creation of the Channel Syndicate 2015. SCOR is the sole capital provider for the Channel Syndicate. Underwriting by the Channel Syndicate began on January 5, 2011. The portfolio of the syndicate focuses on direct insurance business in markets, including property, marine, accident and health, financial institutions and professional civil liability.

On August 9, 2011, SCOR acquired the mortality portfolio of Transamerica Re, a division of AEGON N.V., for USD 919 million. The transaction also included the acquisition of an Irish entity, which underwrote certain Transamerica Re's business risks. SCOR Global Life and Transamerica Re were merged into a new entity in North America: SCOR Global Life Americas Reinsurance Company (SCOR Global Life Americas).

On May 29, 2013, SCOR acquired a 59.9% stake in the capital of MRM, a listed real estate company subject to the French REIT régime (Régime des sociétés d'investissements immobiliers cotées or SIIC), as part of a cash capital increase, after the restructuring of MRM group's banking and bond debts. This investment amounted to EUR 53.3 million.

On October 1, 2013, SCOR acquired Generali's life reinsurance operations in the US (Generali US Holdings, Inc. or Generali US) for total consideration of EUR 573 million (USD 774 million).

On April 1, 2014, SCOR announced that it had obtained approval from Lloyd's, the Financial Conduct Authority and the Prudential Regulatory Authority in the UK to create a Managing Agent at Lloyd's. The new Managing Agency, "The Channel Managing Agency Limited", has acted as Managing Agent for SCOR's own Lloyd's syndicate, Channel 2015, since April 1, 2014.

On September 1, 2014, SCOR announced the creation of a local entity in Brazil, SCOR Brasil Resseguros SA (SCOR Brasil Re), following the granting of a license to operate as a Local Reinsurer beside the Brazilian insurance authority SUSEP on August 26, 2014.

On August 27, 2015, the English subsidiary SCOR UK Company Limited created a Canadian branch (SCOR Insurance – Canadian branch) whose activities started at the beginning of 2016.

In 2016, SCOR SE opened a Composite Branch office in India to conduct Life and P&C reinsurance business. This branch started underwriting business in 2017.

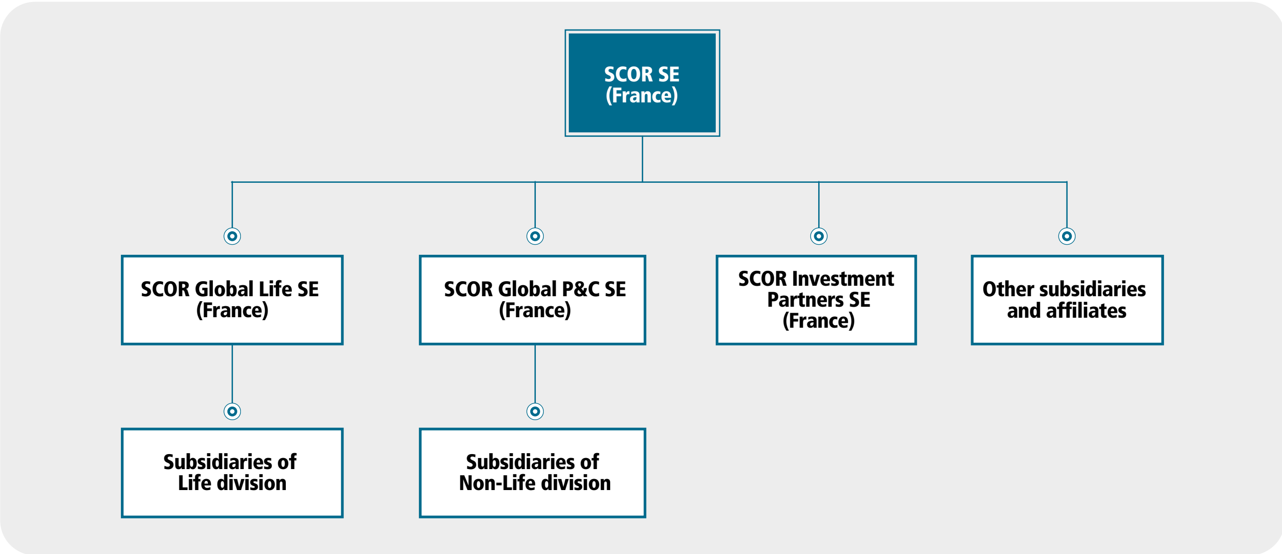
On January 3, 2018, SCOR has completed the increase of its stake in MutRé SA up to 100%. This acquisition has enabled SCOR to strengthen its Life & Health reinsurance offering to the French mutual insurance industry. On March 31, 2018, MutRé SA was merged into SCOR Global Life SE.

On May 31, 2018, in the Brexit context, SCOR SE created a new wholly owned subsidiary, SCOR Europe SE, an IARD insurance company, to ensure the continuity of shield and services provided to its clients after the Brexit effective date. Its business purpose is mainly direct insurance of major industrial risks across Europe. This subsidiary started its activities on January 1, 2019.

On March 23, 2018, the Blockchain Insurance Industry Initiative (B3i) announced the incorporation of B3i Services AG in Zurich, Switzerland. The company was formed by the founders of B3i, a consortium created in late 2016 by 15 global insurers and reinsurers to explore and test the potential of blockchain in the insurance industry. B3i Services AG's purpose is to provide insurance solutions on a blockchain platform that substantially improves efficiency across the value chain of the re/insurance industry. SCOR SE is one of the 13 founders and shareholders of the Swiss company B3i Services AG and holds, 7.94% of its registered share capital and voting rights of the Company.

1.2.3. ORGANIZATIONAL STRUCTURE OF SCOR

The main operational entities of the Group are presented in the chart below[1]:



1.2.3.1. BRIEF DESCRIPTION OF THE GROUP AND OF THE POSITION OF THE ISSUER

Group operating companies

The Group parent company whose stock is listed on the Euronext Paris regulated market is SCOR SE.

The Group is a three-engine group driven by SCOR Global Life, SCOR Global P&C and SCOR Global Investments. The Group's organizational choices were guided by the principles of mobilization of skills and expertise, operating efficiency, structural simplicity, clear reporting lines and balance between teams from the Group's different entities.

SCOR Global P&C, the Group's Non-Life division, operates worldwide through two of the three main global reinsurance companies of the Group (SCOR Global P&C SE and SCOR SE) and their insurance and reinsurance subsidiaries and branches in the EMEA region, including Spain, Italy, Switzerland, the UK, Germany, Kenya, South Africa, Russia, the America region and the Asia-Pacific region, including Australia, China, India, South Korea, Hong Kong and Singapore.

SCOR Global Life, the Group's Life division, operates worldwide through two of the three main global reinsurance companies of the Group (SCOR Global Life SE and SCOR SE) as well as their insurance and reinsurance subsidiaries and branches in the EMEA region including Germany, the UK, Ireland, Italy, Spain, Switzerland, the Netherlands, Sweden, Belgium, Russia, South Africa, in the Americas region including Canada, the US, Latin America, and the Asia-Pacific region including Australia, New Zealand, China, Hong Kong, Japan, Singapore, Malaysia, South Korea and India and, in relation to its distribution and distribution solutions, through its specialized subsidiary of SCOR Global Life SE.

SCOR Global Investments, the third division of the Group, manages the investment portfolio of the Group's legal entities. It is composed of the Group Investment Office, a Strategic Planning and Investments Department and SCOR Investment Partners SE, a portfolio management company, approved by the AMF. The Group Investment Office manages the interaction between the SCOR Group and SCOR Investment Partners in managing the risk appetite, monitoring investment risks and setting investment guidelines. The Department Strategic Planning and Investments is in charge of financial planning and investments in Private Equity. SCOR Investment Partners manages directly the assets of many SCOR Group subsidiaries and manages also the funds on the behalf of the Group and third party clients.

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, to be shared among the Group's subsidiaries, branches and offices. In addition, by regularly rotating personnel between the various locations of the Group, the Group encourages its underwriters, actuaries, modelers, claims experts and risk controllers to share and exchange experience across its various geographic markets and business lines.

SCOR SE wholly owns its operating subsidiaries.

SCOR SE also makes loans to its subsidiaries and issues them guarantees so that they can underwrite under favorable conditions, particularly by benefiting from its credit ratings. SCOR SE provides actuarial, accounting, legal, administrative, IT, internal audit, investment, and human resources support to Group subsidiaries. Finally, SCOR SE acts, as needed, as retrocessionaire for its two operational subsidiaries through annually renewed proportional and non proportional treaties which constitute the Group's internal steering instrument through which it annually allocates capital

(1) The full organizational chart is available on SCOR's website www.scor.com.

to the operating subsidiaries based on the profitability expected from their underwriting activity. The contracts that formalize the relationships between SCOR SE and its subsidiaries are presented in Appendix C – 5.2.9 – Transactions with subsidiaries, affiliates and others.

The Group's restructuring

SCOR launched and completed several major restructuring projects, notably between 2005 and 2010, in order to simplify the legal structure of the Group and clearly differentiate between the operations of Life reinsurance subsidiaries and Non-Life reinsurance subsidiaries, with a view to optimizing the annual allocation of capital between operations under the Solvency I regime. In the context of Solvency II, SCOR announced in September of 2016 that it was considering merging its three reinsurance SE entities (SCOR SE, SCOR Global P&C SE and SCOR Global Life SE) as a way to optimize its legal entities' structure. At the date of this Registration Document, the merger is on track and is expected to be completed in 2019.

The Hub structure

SCOR has structured its operations around three regional management platforms, or Hubs: the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

Each Hub has local, regional[(1)] and Group responsibilities, with the heads of each Hub reporting to the Group Chief Operating Officer, COO. Each Hub typically includes the following functions: Legal and Compliance, Information technology support, Finance, Human Resources and General Services. This organization enables:

- SCOR's operational structures and support functions to be optimized by creating service platforms in charge of managing pooled resources, including information technology, human resources, legal and others in the Group's main locations;
- several Group functions to be carried out and managed in geographical locations other than Paris in order to benefit fully from the competencies within different Hubs; and
- the Group to develop a global culture while keeping local specificities.

The Hubs are not responsible for generating revenues or for underwriting or claims management. The local underwriting and claims management teams have direct reporting lines within the respective P&C and Life divisions. Hub-shared service costs are then allocated to the divisions.

Management reviews the operating results of the Non-Life and Life operating segments individually to assess the operational performance of the business and to allocate resources. For more information on SCOR's operating segments, see Section 4.6 Note 4 – Segment information.

The Hub structure is designed to facilitate access to local markets through a network of local subsidiaries, branches and representative offices, to better identify profit centers in each major reinsurance market, obtain a deeper understanding of the specific features of local risks and develop local management and underwriting expertise, and thereby improve customer service and maintain proximity relationships with ceding companies.

1.2.3.2. LIST OF ISSUER'S SIGNIFICANT SUBSIDIARIES AND BRANCHES

See:

- Section 1.2.3 – Organizational structure of SCOR;
- Appendix C – 5.2.1 – Investments;
- Section 4.6 Note 22 – Related party transactions;
- Section 4.6 Note 2.1 – Significant subsidiaries, investments in associates and joint ventures;
- Section 4.7 – Information on holdings;
- Section 1.2.3.1 – Brief description of the Group and of the position of the issuer (regarding the role of SCOR towards its subsidiaries);
- Section 4.6 Note 3 – Acquisitions and disposals;
- Section 2.1.2 – Board of Directors (regarding the duties carried out in the subsidiaries by the managers of the Company);
- Section 2.1.4 – Executive Committee (regarding the duties carried out in the subsidiaries by the managers of the Company); and
- Section 2.3.3 – Special report of the Statutory Auditors on related party agreements and commitments.

(1) EMEA Hub: European countries including Russia, Middle East and Africa; Asia-Pacific Hub: Asia and Australia; Americas Hub: North America and latin America.

1.2.4. RATINGS INFORMATION

The Company and some of its insurance subsidiaries are rated by recognized rating agencies.

At December 31, 2018, the relevant ratings for the Company were as follows[1]:

	Financial Strength	Senior Debt	Subordinated Debt
A.M. BEST	A+ stable outlook	aa-	a
FitchRatings	AA- stable outlook	A+	A-
Moody's	Aa3 stable outlook	N/A	A2 (hyb)
S&P Global	AA- stable outlook	AA-	A

On December 6, 2018, Fitch Ratings affirmed SCOR's insurer financial strength rating at "AA-" and long-term issuer default Rating at "A+", as in the previous year. Fitch Ratings also affirmed the ratings of SCOR's main subsidiaries. The outlooks remain stable.

On September 19, 2018, SCOR was informed of A.M. Best's decision to affirm the Group's Financial Strength Rating of "A+ (Superior)" and its Long-Term Issuer Credit Ratings of' "aa-".

On September 6, 2018, SCOR was informed of the decision by Standard & Poor's (S&P) to affirm the financial strength rating for the Group and its main subsidiaries at "AA-", with a "stable outlook", as in the previous year, and to maintain the counterparty credit ratings at "AA-/A-1+".

On September 23, 2016, Moody's upgraded SCOR's insurance financial strength rating to "Aa3" from "A1", and its subordinated debt rating to "A2" (hyb) from "A3" (hyb). According to Moody's, this decision reflects the "Group's improved franchise, its diversified business profile and lower exposure than peers to the segments currently under the most pricing pressure, a continued high stability of profits and strong and stable capitalization."

For more information on risks arising from credit ratings, please see Section 3.2.4 – Downgrade risk.

1.2.5. BUSINESS OVERVIEW

Since 2002, SCOR has defined its strategy and principle orientations through the creation of six successive three-year plans: "Back on Track" (2002-2004), "Moving Forward" (2004-2007), "Dynamic Lift" (2007-2010), "Strong Momentum" (20102013), "Optimal Dynamics" (2013-2016) and "Vision in Action" (2016-2019). The success of its various plans, along with the Group's acquisitions of Revios (in 2006), Converium (in 2007), Transamerica Re (in 2011) and Generali US (in 2013), has contributed to the diversification strategy by balancing the proportion of the consolidated premiums written between its Non-Life and Life segments and has enabled the Group to preserve both its solvency and its profitability.

In September 2016, SCOR launched its current three-year strategic plan, "Vision in Action". This plan covers the period from mid-2016 to mid-2019. It respects SCOR's four strategic cornerstones, which are:

- a strong franchise, achieved by:
  - deepening its presence in the local Non-Life and Life markets in which SCOR operates by strengthening client relationships through best-in-class services and product innovation, and
  - further developing the Non-Life US franchise and expanding in fast-growing Asia-Pacific Life markets through organic growth;
- a high degree of diversification of Non-Life and Life business and geographical presence, providing more stable results and robust capital diversification benefits;
- a controlled risk appetite on both sides of the balance sheet; and
- a robust capital shield policy (see Section 3.3.5 – Retrocession and other risk mitigation techniques).

With "Vision in Action", SCOR continues to focus on its two equally weighted strategic targets, profitability and solvency:

- a ROE above 800 basis points above the five-year rolling average of five-year risk-free rates over the cycle;
- an optimal solvency ratio in the 185-220% range (percentage of SCR, according to the internal model)[2].

It also affirms the Group's consistent shareholder compensation policy set by SCOR's Board of Directors. SCOR aims to remunerate shareholders through cash dividends, and if relevant, does not exclude special dividends or share buy-backs. Overall, the Board will aim to maintain a minimum dividend payout of 35% over the cycle, while pursuing low variation in the dividend per share from year to year.

(1) Sources: www.standardandpoors.com; www.ambest.com; www.moodys.com and www.fitchratings.com.
(2) Ratio between the Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

SCOR's risk appetite framework

SCOR's risk appetite framework is an integral part of the Group's strategic plan. It is approved by the Board of Directors upon the review of new strategic plans, based on recommendations from the Group's Executive Committee and the Risk Committee of the Board of Directors. The Board of Directors may vary the amount and the composition of risk that the Group is prepared to take.

SCOR's risk appetite framework encompasses four concepts: risk appetite, risk preferences, risk tolerances, and footprint scenarios:

Risk appetite

Risk appetite defines the quantity of risk that SCOR is willing to accept to achieve a desired level of profitability. This determines where the Group wishes to position itself on the assumed risk-expected return spectrum, between extremely risk averse (low risk-low return) and extreme risk taker (high risk-high return). SCOR uses a target solvency ratio as well as a target expected profitability. These two components provide a comprehensive definition of its risk appetite. The Group actual solvency ratio and profitability profile are regularly reported to the Board of Directors via the Risk Committee.

Risk preferences

Risk preferences are qualitative descriptions of the risks which SCOR is willing to accept. The Group aims to cover a wide range of reinsurance risks and geographical areas. On the other hand, it has no desire to take operational, legal, regulatory, tax or reputational risks. This does not mean that the Group is immune to these risks. These risk preferences determine the risks to be included in the Group's underwriting guidelines.

Risk tolerances

Risk tolerances are the limits required by SCOR's stakeholders (e.g. clients, shareholders, regulators, etc.). The Board of Directors defines and approves risk tolerance limits for the Group in terms of solvency by risk driver, and extreme scenario in order to ensure that the Group's risk profile remains aligned with its risk appetite framework. SCOR uses various risk assessment measures to verify that its exposures remain within these limits. These measures can take several forms depending on the technical constraints or the level of information available and are based on either internal model outputs, scenarios or expert opinions.

Footprint scenarios

Footprint scenarios are an innovative and complementary risk management tool. Whereas risk drivers and extreme scenarios are probability-based, the footprint approach consists of carrying out an impact assessment on the Group under a deterministic scenario. This approach is complementary to a probability-based view.

Taking into account SCOR's current exposure and all risk mitigation instruments, footprint scenarios provide impact assessments of past events on the Group's actual solvency ratio, liquidity, and current operations. SCOR regularly produces and evaluates footprint scenarios, providing comfort that the impact of such events on the Group's current solvency would be limited.

1.2.5.1. THE REINSURANCE BUSINESS

Principles

Reinsurance is a contract under which a company, the reinsurer, agrees to indemnify an insurance company, the ceding company, against all or part of the insurance risks underwritten by the ceding company under one or more insurance contracts. Reinsurance differs from insurance, primarily because of its higher level of mutualization by geography and by line of business.

Functions

Reinsurance has four essential functions:

- it offers the direct insurer greater security for its capital and solvency, as well as protection against the potentially high volatility of results when abnormally high frequency or severity of losses or events occur, by covering the direct insurer above certain contractually set amounts per event or in the aggregate;
- it allows insurers to increase the maximum amount they can insure for a given loss or series of losses by enabling them to underwrite a greater number of risks, or larger risks, without excessively raising their need to cover their solvency margin and, therefore, to increase their capital base;
- it gives insurers access to substantial available liquidity in the event of major loss events; and
- it provides insurers with efficient alternative capital solutions.

Reinsurance, however, does not discharge the ceding company from its liability to policyholders. Reinsurers themselves may feel the need to transfer some of the risks underwritten and/or some of the accumulated exposures derived from such risks to other reinsurers (known as retrocessionaires).

In addition, reinsurers may also provide advisory services to ceding companies by:

- helping them define their reinsurance needs and devise the most effective reinsurance program to better plan their capital needs and solvency margin;
- supplying a wide panel of support services, particularly in terms of knowledge sharing, best practices and risk assessment, modeling and management tools;
- providing expertise in certain highly specialized areas such as complex risk analysis and pricing; and
- enabling ceding companies to build up their business, particularly when launching new products requiring significant upfront investment or financing or when investing in new markets by starting their own operations or acquiring portfolios or companies.

Reinsurers, including SCOR, are usually compensated for the provision of such advisory services through the cedents' reinsurance premiums, rather than through fee-based compensation.

Types of reinsurance

Treaty and facultative

The two basic types of reinsurance arrangements are treaty and facultative reinsurance.

In treaty reinsurance, the ceding company is contractually bound to cede and the reinsurer is bound to assume a specified, contractually defined portion of a type or category of risks insured by the ceding company. Treaty reinsurers, including SCOR, do not separately evaluate each of the individual risks assumed under their treaties and, consequently, after a review of the ceding company's underwriting practices, they are dependent on the original underwriting decisions made by the ceding company's primary policy writers.

In facultative reinsurance, the ceding company cedes and the reinsurer assumes all or part of the risks covered by a particular specified insurance policy or by insurance policies covering a specific ultimate group insured as part of the same program. Facultative reinsurance is negotiated separately for each insurance policy that is reinsured. Facultative reinsurance is normally purchased by ceding companies for individual risks not covered by their reinsurance treaties, for amounts in excess of the monetary limits of their reinsurance treaties or for unusual risks. Underwriting expenses and, in particular, personnel costs, are higher relative to premiums written on facultative business because each risk is individually underwritten and administered. The ability to separately evaluate each risk reinsured, however, increases the probability that the underwriter can price the contract more accurately to reflect the risks involved.

Proportional and non-proportional reinsurance

Both treaty and facultative reinsurance can be written on (i) a proportional (or quota share) basis and/or (ii) a non-proportional (or excess of loss or stop loss) basis.

With respect to proportional (or quota share) reinsurance, the reinsurer, in return for a predetermined portion or share of the insurance premium charged by the ceding company, indemnifies the ceding company against the same portion of the losses under the covered insurance contract(s). In the case of reinsurance written on a non-proportional basis, through an excess of loss or a stop loss contract basis, the reinsurer indemnifies the ceding company against all or a specified portion of the loss sustained, on a claim by claim basis or for amounts incurred, in excess of a specified amount, known as the ceding company's retention or reinsurer's attachment point, and up to a negotiated reinsurance contract limit.

Although the frequency of losses under a quota share reinsurance contract is usually greater than on an excess of loss contract, it is generally simpler to predict the losses on a quota share basis and the terms and conditions of a quota share contract can be structured to limit the indemnity offered under the contract. A quota share reinsurance contract therefore does not necessarily imply that a reinsurance company assumes greater risk exposure than on an excess of loss contract.

Excess of loss reinsurance is often written in layers. One or a group of reinsurers accepts a tranche or layer of risk above the ceding company's retention up to a specified amount, at which point another reinsurer or a group of reinsurers accepts the next layer of liability. The stacked layers protecting the same underlying portfolio are called a program, and after protection from the upper layer is exhausted liability reverts to the ceding company. The reinsurer taking on the risk immediately above the ceding company's retention layer is said to write primary or working layer or low layer excess of loss reinsurance. A loss just above the ceding company's retention will create a loss for the lower layer reinsurer, but not for the reinsurers on the higher layers. Loss activity in lower layer reinsurance tends to be more predictable than in higher layers due to greater historical frequency, and therefore, like quota share reinsurance, underwriters and actuaries have more data to price the underlying risks with greater confidence.

Premiums payable by the ceding company to a reinsurer for excess of loss reinsurance are not directly proportional to the premiums that the ceding company receives because the reinsurer does not assume a direct proportion of the risk. In contrast, premiums that the ceding company pays to the reinsurer for quota share reinsurance are proportional to the premiums that the ceding company receives, consistent with the proportional sharing of risk. In addition, in quota share reinsurance, the reinsurer generally pays the ceding company a ceding commission. The ceding commission is usually based on the ceding company's cost of acquiring the business being reinsured, including commissions, premium taxes, assessments and miscellaneous administrative expenses, and also may include a partial repayment of profit for producing the business.

Breakdown of the Group's business

The Group is organized into three divisions (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which there are two reportable operating segments, and one corporate cost center referred to as "Group Functions". The reportable operating segments are: the SCOR Global P&C business, with responsibility for property and casualty insurance and reinsurance (also referred to in this Registration Document as "Non-Life"); and the SCOR Global Life business, with responsibility for Life reinsurance (also referred to in this Registration Document as "Life"). These two businesses represent SCOR's two "operating segments" for purposes of IFRS 8 – Operating segments, and are presented as such in its consolidated financial statements, included in Section 4 – Consolidated financial statements. Each operating segment underwrites different types of risks and offers different products and services, which are marketed via separate channels; responsibilities and reporting within the Group are established on the basis of this structure. SCOR Global Investments is the asset management division of the Group. Its role is complementary to the two operating segments as it manages SCOR Global P&C's and SCOR Global Life's investment assets associated with the contract liabilities. SCOR Global Investments also manages assets on behalf of third parties although these activities are currently not considered material. Therefore, SCOR Global Investments is not considered as a separate reportable operating segment for purposes of IFRS 8 – Operating segments.

The Group organizes its operations around three regional management platforms, or "Hubs" named EMEA Hub, Asia-Pacific Hub and Americas Hub. Each main location of the Hubs has local, regional and Group responsibilities, with the managing directors of each Hub reporting to the Group Chief Operating Officer. Each Hub includes the following functions: Legal and Compliance, Information Technology support, Finance, Human Resources and General Services. Hub shared service costs are allocated to the segments based on allocation keys. For a description of the Hub structure, see Section 1.2.3 – Organizational structure of SCOR.

The SCOR Global P&C segment carries out its global operations through the subsidiaries and branches of its two main global reinsurance entities (SCOR Global P&C SE and SCOR SE). Through those entities, their subsidiaries and branches, SCOR Global P&C is represented in three business regions, EMEA, the Americas and Asia-Pacific and operates in three business areas: Specialty Insurance (large corporate accounts underwritten through facultative insurance contracts, direct insurance and through the participation in Lloyd's syndicates' Channel 2015 for which SCOR is the sole capital provider), Reinsurance (including Property, Casualty, Credit and Surety, Decennial Insurance, Aviation, Space, Marine, Engineering, Agricultural risks and Natural Catastrophes); and P&C Partners. For a description of products and services, see Section 1.2.5.2 – Non-Life reinsurance.

The SCOR Global Life segment operates worldwide through the subsidiaries and branches SCOR Global Life SE and SCOR SE. Via this network SCOR Global Life is represented in three business regions Americas, EMEA and Asia-Pacific reinsuring Life and Health insurance risks along the three product lines Protection, Longevity and Financial Solutions with a strong focus on biometric risks. In order to achieve this, SCOR Global Life manages and optimizes the in-force book, deepens the franchise and aims at having the best team, organization and tools. The franchise strategy is composed of three elements, which are the expansion of the footprint in protection to defend and strengthen market presence around the world, the diversification of the risk profile by growing health and longevity, and growth of consumer demand by supporting clients with unique distribution solutions. SCOR Global Life aims to achieve diversification, both from a geographical and a product lines perspective. For a description of products and services, see Section 1.2.5.3 – Life reinsurance.

SCOR's cost center is referred to in this Registration Document as "Group Functions". Group Functions is not an operating segment and does not generate revenues. The costs in Group Functions are Group-related and are not directly attributable to either the P&C or Life segment, but those costs that are indirectly attributable are allocated to the operating segments based on suitable allocation keys. Group Functions includes the cost of departments fulfilling duties for the benefit of the whole Group, such as Group Internal Audit, Group Finance departments (Tax, Accounting, Consolidation and Reporting, Financial Communication, Treasury and Capital Management, Financial Planning and Analysis), Group Chief Operating Officer departments (Legal and Compliance, Communication, Human Resources, Information Technology, Cost Controlling and Budgeting) and Group Chief Risk Officer departments (Actuarial, Risk Management, Prudential Affairs, Internal Modeling).

SCOR Global P&C and SCOR Global Life, through their respective legal entities, are leading global reinsurers, executing an underwriting policy focused on profitability, developing value-added services and adhering to a cautious financial policy. As at December 31, 2018, the Group served more than 4,000 clients throughout the world. SCOR's strategy of offering both P&C and Life products provides it with the benefits of balanced diversification (in terms of risks, geography and markets), which is a cornerstone of its strategy.

1.2.5.2. NON-LIFE REINSURANCE

SCOR's Non-Life segment is divided into three business areas:

- Reinsurance;
- Specialties Insurance;
- P&C Partners.

Reinsurance

SCOR's P&C Reinsurance business area provides proportional and non-proportional reinsurance in many forms across:

- Property: covering damage to underlying assets and direct or contingent business interruption losses caused by fire or other perils, including natural catastrophes.
- Motor: covering original risks of motor property damage and bodily injury.
- Casualty treaties: covering general liability, product liability and professional indemnity.

The teams underwrite on the basis of sophisticated risk evaluation, seeking flexibility and innovative approaches for their clients, working closely with the following global business line experts:

Credit and Surety

SCOR has been a global leader reinsuring Credit, Surety and Political risks for more than 40 years, providing underwriting capacity for:

- Domestic and Export Credit Insurance on short-term underlying trade credit periods and underlying policies.
- Surety: various products to guarantee the completion of commitments, whether these are legal or contractual (obligation to perform), or relate to the payment of a certain sum (obligation to pay).
- Political Risks: including single policy and Confiscation Expropriation Nationalization Deprivation (CEND).

Our clients and partners appreciate our consistent and longstanding approach to underwriting/pricing, along with our ability to share knowledge and expertise on a global basis throughout business, credit and financial cycles.

The team draws its expertise from an unparalleled local presence in the Americas (Miami), Europe (Paris, Zurich) and Asia (Singapore), combined with longstanding experience in the actual risk industry.

Decennial Insurance

Committed to a consistent underwriting approach over the past 40 years, SCOR's leading global position enables the team to be involved in most IDI (Inherent Defect Insurance) initiatives launched by insurers, governments, professional organizations and financial bodies across the world, and to keep up to date with and reinsure almost all new IDI schemes.

SCOR provides customized products and solutions tailored to local situations:

- Basic cover of construction damage caused by inherent defects in structural works;

- Tailored cover, including material damage caused by inherent defects in waterproofing works and/or in other specific parts of construction;
- Additional extensions to IDI policies such as waiver of subrogation against builders and consequential third party liability.

SCOR offers to its clients a global market vision on both established and emerging markets, from small residential to large industrial, as well as commercial buildings and public constructions such as hospitals, bridges, viaducts and tunnels.

Aviation

SCOR provides reinsurance and insurance solutions, from traditional insurance covers to bouquet multi-line structures, in all sectors of the Aviation market: airlines, aerospace, space treaty and general aviation.

With a consistent and long-term underwriting philosophy, SCOR manages business cycles and takes a sustainable approach to both attritional / frequency risks and severity / catastrophe risks. SCOR is committed to creating a mutually beneficial relationship with its clients and brokers in order to provide appropriate cover on a worldwide basis.

Marine and Energy

SCOR's dedicated Marine & Energy team combines local knowledge with global insights, in a line of business that requires constant monitoring of a rapidly changing global environment. SCOR offers flexible adequate solutions to protect its clients across a broad range of Marine and Energy risks: hull and cargo as well as marine liability, upstream energy, yacht, pleasure craft.

SCOR's broad range of reinsurance solutions provides significant and stable capacity to cover standalone, specialized Marine and Energy risks and risks forming part of broader composite covers.

Engineering

With a consistent underwriting approach and substantial capacity, SCOR's engineering team offers a broad and flexible range of reinsurance and insurance cover: Construction All Risks (CAR) and Erection All Risks (EAR) insurance, also advance loss of profits or delay in start-up following a CAR or EAR loss, contractors' plant and machinery, electronic equipment, machinery, machinery loss of profits and combined machinery/electronic equipment and property.

Agricultural Risks

With a consistent, long-term approach to underwriting and pricing, SCOR's dedicated Agriculture team offers a broad and flexible range of reinsurance cover, underpinned by a strong natural catastrophe modelling and analytics infrastructure. SCOR P&C provides customized risk transfer solutions and innovative approaches in the field of crop/crop hail, aquaculture, forestry, greenhouse and livestock/bloodstock insurance.

Property Catastrophes

For more than 15 years, SCOR's Property Cat team has provided non-proportional reinsurance and occasionally cat-driven proportional reinsurance. SCOR provides clients and brokers with flexible solutions and platforms in order to cover US and global Property Cat risks and manage accumulation issues.

Specialties Insurance

The Group has announced in September 2018 the grouping of its existing insurance units under a newly formed Specialties Insurance division. It is composed of SCOR Business Solutions, Channel 2015 SCOR's Lloyd's syndicate and MGAs.

SCOR Business Solutions (SBS)

It is SCOR's large corporate risk insurance and facultative reinsurance unit. Taking a consistent and long-term approach, SBS combines risk management expertise and advanced technology with creativity and flexibility to support the strategies and needs of its clients, particularly in Energy, Construction, Property, Liability and Financial lines.

The Channel syndicate

The Channel Syndicate 2015 is SCOR's Lloyd's syndicate, offering a full suite of insurance products, from core lines of business to specialist lines such as Political and Credit risks, Cyber and Environmental Impairment Liability.

SCOR is the sole capital provider of the Channel Syndicate 2015.

Managing General Agencies (MGA)

MGAs are a specialized type of insurance agent/broker vested with underwriting authority from an insurer. Accordingly, MGAs perform certain functions ordinarily handled only by insurers, such as underwriting, pricing and settling claims. MGAs are mainly involved with specialty lines of business in which specialized expertise is required.

SCOR has a very targeted approach, focused on North America, the London Market and Brazil (through Essor).

P&C Partners

To address the evolving needs of its clients and to reinforce its Tier 1 position in a rapidly changing risk ecosystem, P&C Partners, a global technical and expertise center, facilitates business development as well as synergies between underwriting teams.

Its dedicated decision-making committee provides rapid responses, promotes consistency and clear pathways for innovative ideas. It includes:

- Alternative Solutions focuses on the development of customized, non-traditional, and new products / solutions;
- Cyber Solutions helps corporate and insurance clients to develop Cyber insurance cover;
- Alternative Capital explores innovative retrocession tools and sourcing adequate capacity with optimal conditions;
- P&C Ventures and Strategic Partnership focuses on InsurTech investments, technical partnerships and expertise sharing.

1.2.5.3. LIFE REINSURANCE

SCOR's Global Life segment underwrites Life reinsurance business in the following product lines:

- Protection;
- Financial Solutions;
- Longevity.

Protection

Protection encompasses traditional Life reinsurance business on living and death benefits. The main risks undertaken are mortality, morbidity and behavioral risks for individuals and groups of individuals. Protection is predominantly underwritten in the form of proportional treaties (quota share, surplus basis or a combination of both). Quota share treaties include structures whereby SCOR Global Life's exposure is identical to those of its clients, and risk-based premium structures whereby treaty conditions differ from those of the underlying policies. A minority of the portfolio is underwritten in the form of non-proportional contracts: excess of loss per person, catastrophe excess of loss or stop loss.

The Protection reinsurance market, as well as SCOR Global Life's Protection portfolio, is characterized by the dominance of long-term contractual relationships. SCOR Global Life also writes short-term Protection business, in markets and product lines in which this is common practice.

Protection covers the following products and risks in reinsurance arrangements:

Mortality

Mortality protection represents 55% of the SCOR Global Life portfolio based on gross written premiums for the year ended December 31, 2018. SCOR Global Life actively underwrites mortality risk in all the geographical markets in which it operates.

Disability

Disability insurance mitigates the loss of income when the insured is totally or partially unable to continue his or her professional occupation or any occupation for which he or she is suited due to sickness or accident.

Long-Term Care

Long-Term Care (LTC) insurance covers the inability of the insured to perform predefined activities of daily living, resulting in the insured needing constant assistance from another person.

Critical Illness

Critical Illness (CI) insurance typically pays a lump sum benefit, to be used at the policyholder's discretion, if the insured suffers from a serious condition and survives a defined period.

Medical

Medical insurance covers medical and surgical expenses incurred by the insured person.

Personal Accident

Personal Accident insurance pays a lump sum benefit, if the insured person dies or is seriously injured as a result of an accident.

Financial Solutions

Financial Solutions combine traditional Life reinsurance with financial components providing liquidity, balance sheet, solvency and/or income improvements to the client. This type of reinsurance treaty is typically used by cedents to fund growth, stabilize earnings or optimize their solvency position (capital relief).

Longevity

Longevity products cover the risk of negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing of the cover provided by insurers or pension funds.

1.2.5.4. UNDERWRITING, DISTRIBUTION, CATASTROPHE RISK, CLAIMS AND RESERVES

For information on underwriting, catastrophe risk, claims and reserves, see Section 3.3.1.4 – Management of underwriting risks related to the P&C business and Section 3.3.2.7 – Management of underwriting risks related to the Life reinsurance business.

Distribution by production source

Reinsurance can be written through professional reinsurance brokers or directly from ceding companies. The involvement of a broker in the placement of a reinsurance contract is a decision belonging to the ceding insurance company, which depends on local market practices, the cedent's worldwide reinsurance market knowledge, the complexity of the risks the cedent intends to transfer and the corresponding available reinsurance capacity in the market, as well as the cedent's capability and resources to structure market submission data, place risks and manage the placements. In most of the cases, reinsurance programs are syndicated to several reinsurers, which follow a leader, and in some instances a co-leader.

The proportion of brokered and direct business written by the Group's subsidiaries varies according to market and cedent practices. For the year ended December 31, 2018, Non-Life wrote approximately 62% of gross written premiums through brokers and 38% through direct business, while Life wrote approximately 6% through brokers and approximately 94% through direct business.

For the year ended December 31, 2018, SCOR's largest brokers for the Non-Life division were MMC with approximately 21% of the Group's Non-Life gross written premiums, Aon Group with approximately 18% and Willis Group with approximately 12%. SCOR's largest brokers for the Life division were Aon Group with approximately 2% of the Group's Life gross written premiums and Willis Group with less than 1%.

The direct reinsurance market remains an important distribution channel for reinsurance business written by the Group. Direct placement of reinsurance enables SCOR to access clients who prefer to place their reinsurance partly or in totality directly with reinsurers based upon the reinsurer's in-depth understanding of the ceding company's needs.

1.2.5.5. CAPITAL SHIELD STRATEGY

The Group reconciles its strategic objectives with the protection of its capital via its "Capital Shield Strategy", which articulates the Group's risk appetite. This strategy is based on an economic approach and aims to protect the Group against potential shock losses. The policy builds on the following four concepts: traditional retrocession, capital market solutions, the solvency scale and the contingent capital facility.

For more information on the capital, refer to Section 1.3.6.1 – Capital. For more information on the Capital Shield Strategy, refer to Section 3.3.5 – Retrocession and other risk mitigation techniques. For information on the Group's solvency scale, refer to Section 1.3.7 – Solvency and Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves. For information on the Atlas structured entities used in the Capital Shield Strategy, refer to Section 4.6 – Notes to the consolidated financial statements, Note 2 – Scope of consolidation.

1.2.5.6. INVESTMENTS

Investment philosophy and process

In 2008, SCOR decided to internalize the management of its insurance business investment portfolio, in order to implement its investment strategy centrally and globally, with strict monitoring of the risk appetite and a dynamic positioning according to an enhanced asset liability management (ALM) process, integrating economic and market expectations.

The investment portfolio is positioned dynamically in order to optimize the financial contribution from the investment portfolio to the Group's results and capital allocation. SCOR follows a capital-driven investment process, ensuring through a very strict ALM process that the tactical asset allocation is aligned with the Group's risk appetite. Meanwhile, the Group has set very stringent risk limits (value at risk "VaR", investment guidelines) that enable permanent monitoring of limits to protect the Group from extreme market events and severe loss scenarios.

SCOR has set up a rigorous governance process and an ERM-focused organizational structure:

- the Board of Directors approves risk appetite, risk limits and as a consequence, the capital allocated to insurance business investments on the basis of the Risk Committee's recommendations;
- the Executive Committee approves the overall investment strategy and the macro-positioning of the investment portfolio on the basis of the Group Investment Committee's recommendation.

The Group's asset management mandate, assigned to SCOR Global Investments, consists of:

- proposing the macro-positioning of the invested assets portfolio in line with the approved risk appetite and risk limits, respecting a strict ALM process, economic and market expectations, accounting rules and a strict foreign exchange congruency matching between assets and liabilities;
- implementing the investment strategy;
- optimizing the absolute return on invested assets and focusing on the recurrence of yields while controlling their volatility. This objective is achieved through active and dynamic management of the portfolio, the identification of cycles and market opportunities and strict qualitative and quantitative risk management.

Group Investment Committee

The Group Investment Committee is chaired by the Group's Chairman and Chief Executive Officer and is composed of the Group Chief Financial Officer, the Group Chief Risk Officer, the Chief Economist, the Chief Executive Officer of SCOR Global P&C, the Chief Executive Officer of SCOR Global Life, the Chief Executive Officer of SCOR Investment Partners and other representatives of SCOR Global Investments. The Group Investment Committee meets at least each quarter and defines the strategic and tactical asset allocation as well as the risk appetite of the Group.

SCOR Global Investments

SCOR Global Investments is the SCOR Group's asset management division and consists of two entities: (i) the Group Investment Office and (ii) a regulated asset management company, SCOR Investment Partners.

Group Investment Office

The Group Investment Office manages the interaction between the SCOR Group and SCOR Investment Partners in managing the risk appetite, monitoring investment risks and setting investment guidelines. It is also responsible for portfolio monitoring and reporting, development of the Group's strategic and operating plans, financial forecasts, performance analysis of SCOR's investments, and for defining policies, governance and reporting on Environmental, Social and Governance matters within the investment portfolio.

SCOR Investment Partners

SCOR Investment Partners centralizes the management of all the assets of the Group entities, however in some jurisdictions, such management is delegated to external asset managers. The SCOR Investment Partners investment team is organized around six asset management desks:

- Aggregate, focusing on rates, covered bonds and investment grade credit;
- credit, focusing on high yield debt and on leveraged loans;
- equities and convertible bonds;
- infrastructure loans;
- Insurance-Linked Securities (ILS); and
- direct real estate investments and real estate loans.

Based on the expertise initially developed for the management of the SCOR Group's invested assets, SCOR Investment Partners decided in 2012 to open some of its investment strategies to third-party investors. Third-party assets under management stood at EUR 3.7 billion as at December 31, 2018 (including undrawn commitments).

SCOR Investment Partners benefits from third-party asset management through management fees on the assets under management. SCOR Investment Partners has seven investment strategies which are open to third parties with funds in key products such as High Yield, Private Debt (corporate, infrastructure and real estate loans) and ILS.

1.2.5.7. DEPENDENCY OF THE ISSUER WITH RESPECT TO PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS AND NEW MANUFACTURING PROCESSES

See Sections 3 – Risk factors and risk management mechanisms and 1.2.6.2 – Research and development, patents and licenses.

1.2.6. SCOR INVESTMENTS IN TANGIBLE AND INTANGIBLE ASSETS

1.2.6.1. PROPERTY, PLANT AND EQUIPMENT

Major existing or planned property, plant and equipment

SCOR owns offices in Paris (France), Cologne (Germany), London (UK), Singapore and Madrid (Spain), where its local subsidiaries and branches have their corporate offices. Any surplus space is leased to third parties as part of SCOR's investment management business. The Group leases office space for its other business locations. The Group believes that the Group's offices in each country in which it operates are adequate for its current needs.

SCOR owns a 5,100 m^2 office and retail leasehold building at 10 Lime Street in London. As at December 31, 2018, the building was occupied at 79% by SCOR for its London Hub office. The remaining space was rented to third parties. SCOR owns a second building in London at 32 Lime Street with a surface area of 1,800 m^2 and fully occupied for its London Hub office.

SCOR owns an office building in Paris, with a surface area of more than 20,000 m^2, located at 5, avenue Kléber. The building is held by its OPCI (French real estate UCIT) SCOR-Properties, and occupied at 85% by SCOR, the remaining area being rented to third parties. In November 2016, a second building at 50 rue La Pérouse with a surface area of 1,500 m^2 was acquired. The building was delivered in January 2017 and SCOR employees moved in in May 2017.

In 2018, the Group vacated the floor in SCOR's former headquarters (La Défense, Paris), which had been leased mainly for teams working on IT projects. From December 2018 these teams moved in to a recently renovated building located at 3-5 rue Maurice Ravel in Levallois, owned by SCOR Group. SCOR occupies 3,300 m^2 of office space in this building, which is 86% of the total surface area.

In Cologne, since 2012 SCOR fully occupies an office building with a surface area of more than 6,000 m^2 located at Goebenstrasse 1, held by the German branch of SCOR SE "SCOR Rückversicherung Direktion für Deutschland, Niederlassung der SCOR SE".

SCOR Reinsurance Asia-Pacific PTE LTD owns several floors in a leasehold building in Singapore. The SCOR Singapore team occupy this office space.

SCOR owns an office area of 1,600 m^2 in Madrid which is occupied by SCOR Global Life SE Iberica Sucursal for its operational needs.

SCOR also holds additional property investments as part of its asset management strategy.

For more information on the Group's real estate, see Section 4.6 – Notes to the consolidated financial statements, Note 9.2 – Tangible assets and related commitments and Note 7.4 – Real estate investments.

Environmental issues that may affect the utilization of property, plant and equipment

See the social and environmental report in Appendix D, Note 2 – Environmental impact of SCOR's activity.

1.2.6.2. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Research and development activities

In order to ensure that the Life division is continually up-to-date with biometric trends and scientific developments, the expertise of eight dedicated Research & Development (R&D) Centers is used to analyze and assess the key factors underlying mortality, longevity, morbidity and policyholder behavior. Biometric risks such as mortality, longevity, disability and long-term care are at the heart of underwriting in Life reinsurance. Since these risks are subject to shocks and various trends, SCOR Global Life closely monitors their developments in:

- R&D Center for Mortality Insurance: carrying out mortality studies on life portfolios, enhancing modeling for pricing, reserving and capital modeling and providing support in setting assumptions for new business, in particular new products, and reserving;
- R&D Center for Longevity Insurance: carrying out mortality studies on pension and annuity portfolios, enhancing risk modeling for pricing, reserving and capital modeling and providing support in setting assumptions for new business, in particular new products, and reserving;
- R&D Center for Long-Term Care (LTC) Insurance: providing support in the development of LTC products (definitions, pricing, guidelines) and the monitoring of the corresponding portfolios;
- R&D Center for Disability Insurance: providing support in the development of disability products (definitions, pricing, guidelines), the understanding of the experience and the impact of claims management;
- R&D Center for Critical Illness: dedicated to the analysis of critical illness risks; complex risks due to multiple definitions, cover types and socio-economic environments;
- R&D Center for Medical Underwriting and Claims Management: evaluating the impact on insurance of new medical advances, for both known pathologies and the most recently discovered ones; advising clients on the pricing of substandard risks; and
- R&D Center for Policyholder Behavior: providing support mainly in modeling and pricing lapse behavior within protection products;.
- R&D Center for Medical Expenses: carrying out studies on portfolios, enhancing risk modeling for pricing, and providing support in setting assumptions for new business, in particular new products.

Supporting research and teaching is a core feature of the Group's corporate responsibility policy. SCOR has for many years developed relationships with different kinds of institutions (foundations, associations, schools and universities, research centers), in various forms (corporate sponsorship, scientific research partnerships) and in a number of fields linked to risk, uncertainty, and reinsurance, both in France and abroad.

The Centers have entered into many scientific partnerships over the years, the active ones in 2018 being with the Assmann Foundation on cardiovascular diseases (EUR 100,000 annually) which ended in June 2018, the ADERA (Association pour le Développement de l'Enseignement et des Recherches auprès des universités, des centres de recherche et des entreprises d'Aquitaine – INSERM) on LTC (EUR 100,000 annually) and the Pierre et Marie Curie University at the Pitié-Salpêtrière Hospital on HIV developments (EUR 30,000 annually).

The R&D Centers are part of SCOR Global Life's range of services: analyses and risk projections produced by the Centers are used by SCOR Global Life's teams to advise their clients on the implementation and monitoring of their life and health insurance products.

The Centers provide input at the product development stage, giving advice on definitions, underwriting standards, pricing and reserving. They contribute to the monitoring of biometric risks by carrying out experience studies on portfolio data and by undertaking prospective risk modeling.

The R&D Centers are part of the Knowledge Department of SCOR Global Life. Their employees are based in Paris, Cologne, Dublin, Charlotte, Kansas City, Chicago and Singapore and are active worldwide, responding to requests from the local teams in charge of business development and client relationships.

At the forefront of risk modeling, particularly extreme risks in Life and Non-Life businesses, the Group devotes considerable resources to fundamental research and the promotion of scientific risk management techniques in various disciplines. As well as prize-winning internal research projects, conducted with the assistance of students from renowned schools and universities, SCOR Foundation for Science has signed partnership agreements with the following institutions:

- a Research Chair on Risk, in cooperation with the the Risk Foundation and Toulouse School of Economics of Toulouse University is dedicated to the risk market and to value creation, with a research program specially focused on Long-Term Care. For SCOR, this implies costs of EUR 0.9 million spread over three years;
- a Research Chair in Finance, in cooperation with the Toulouse School of Economics of Toulouse University, focuses on risk management, long-term investment, corporate governance and the links between insurance and financial markets. For SCOR, the related cost is EUR 1.5 million spread over five years;
- a Research Chair on Macroeconomic Risk in cooperation with the Paris School of Economics (PSE), is dedicated to the macroeconomic modeling of tail events, the consequences of uncertainty on the macroeconomic equilibrium and the contagion of extreme macroeconomic risks and crises. For SCOR, the related cost is EUR 900,000 spread over three years; and

- SCOR Foundation for Science also supports research in key areas of risk analysis: climate risks and their insurability, coastal flood forecasting, natural risks to crops, modeling risks in general, Alzheimer's disease, pandemics, emerging infectious diseases, genetic treatment of tuberculosis, modeling of life expectancy and mortality at extreme ages, the risks of meteorites, car insurance, pension funds, best practices in risk management, predictability of earthquakes, mathematics of extreme events, building of economic and financial expectations, international financial imbalances. The Foundation also participates in the development of actuarial practice in Tunisia and within the CIMA (Conférence Interafricaine des Marchés d'Assurance) zone.

SCOR also finances the Insurance Risks and Finance Research Center in cooperation with Nanyang Business School (Singapore), whose aim is to promote research in the field of risk management. For SCOR, the related cost is SGD 2.5 million spread over five years.

Alongside these partnership agreements, the Group works to further scientific research in the field of risks through sponsorship initiatives (see Appendix D) conducted by its corporate foundation, the SCOR Corporate Foundation for Science.

SCOR and the SCOR Foundation for Science also organize Actuarial Awards in Europe (Germany, France, Italy, Spain and Portugal, Sweden, Switzerland and the United Kingdom), and in Asia (Singapore). The Group places great importance on the development of actuarial science and each year awards prizes for the best academic papers in the field of actuarial science. These prizes are designed to promote actuarial science, develop and encourage research in this field and contribute to the improvement of risk knowledge and management. The SCOR Actuarial Awards are recognized as a mark of excellence in the insurance and reinsurance industries. The winning papers are selected on the basis of criteria including an excellent command of actuarial concepts, the use of high-quality analysis instruments, and subjects that could have a practical application in the world of risk management.

Since 2015, SCOR has also been organizing, with the partnership of the French Institut of Actuaries, an actuarial symposium in Paris. In November 2015, the theme was centered around "Actuarial and Data Science", in December 2016, the theme was "Scientific laws and mathematical models: from physics to actuarial science", in December 2017, the theme was "Will Artificial Intelligence revolutionize actuarial science?", and in December 2018, the theme was "Macroeconomic and Financial instabilities".

In addition to the above, scientific risk management techniques are promoted, and knowledge shared, via the involvement in collective studies through the Geneva Association and the teaching of insurance and scientific risk management techniques in schools and universities (e.g. the 218 Master's at Paris Dauphine, the Zurich ETH, the University Ca'Foscari in Venice Italy and the graduations, the masters and the Executive MBA supplied by the Ecole Nationale d'Assurance (ENASS) of the Paris Conservatoire National des Arts et Métiers (CNAM)).

Information technologies

SCOR was one of the first reinsurers to implement a global information system. This strategy is reaffirmed during the integration process after a new acquisition, when SCOR aims to rapidly reestablish a global integrated information system. In accounting, consolidation and financial reporting, SCOR has delivered its global solution based on SAP, embedding a unique chart of accounts and standard processes in all its Hubs throughout the Group. This solution has been reinforced by the introduction of Hana technology to extend its real-time analytical capabilities.

The Group's Life and Non-Life reinsurance global back-office operates on a custom software package known as "Omega." Omega was designed to allow the tracking of brokers and ceding companies within the Group, manage premiums and claims, analyze the technical profitability of contracts, and perform quarterly closings based on the latest estimated results. The Omega databases reflect the reinsurance risk of SCOR Global P&C and SCOR Global Life's portfolios worldwide. Fully modernized in 2016, OMEGA has since been enriched every year, especially by the addition of analytical features powered by a big data solution – "Reinsurance Analytics".

The focus in 2018 was again on strengthening SCOR's front office applications to improve risk selection, anticipation and reactivity in markets and products, and simulations of results. Several of projects have been launched in recent years which will continue through 2019 through division specific solutions fully integrated with the core back-office, OMEGA. Among these projects, to start with the P&C division, the ForePlan tool provides capability to build the underwriting plan and follow its execution. Non-Life pricing is closely managed using xAct, the global in-house standard P&C treaty pricing tool, which uses standardized models, and profitability analysis, to provide full visibility of proportional and non-proportional business. The underwriting and pricing process of large industrial or specialty risks is now supported by new in-house solutions like ForeWriter and specific modules in different expertise fields such as space, agriculture, cybersecurity… Control of exposure to natural catastrophes and pricing is under improvement through the development of the SCOR Cat Platform which monitors all liabilities and accumulations through use and calibration or the model combination deemed as most efficient. A first version of a platform to monitor the MGA book of business in the US through automatic underwriting controls has been rolled-out. Its development continues in 2019. Norma, the P&C internal model, combines the risk assessment produced by these front-office tools to produce an overall P&C risk measure. Life Division has developed an IT roadmap which aims at preparing SCOR Global Life for the future by increasing its competitiveness, providing high level of service to clients, complying with all regulatory requirements (ie. IFRS 17, GDPR) and increasing the understanding of Life business. Other front-office solutions have been developed for SCOR Global Life to harmonize and further enhance the underwriting of substandard risks and develop tele-underwriting in different countries. The introduction of Artificial Intelligence completes these solutions. Underwriting solutions like Velogica are proposed to SCOR's Life clients, notably in the US market. The integration of Life Individual policy management systems is now completed in the US, and will now be extended to the rest of the world by the development of a new platform, named hElios, which will provide an even more accurate knowledge of the risks. These individual data are the basis for enhanced actuarial modeling, in which SCOR Global Life is also investing, targeting to unify pricing and reserving in one single technical platform and through the roll-out of a new experience analysis solution.

At the Group level, and in the frame of an integrated architecture, the various risk modeling tools are feeding the entreprise internal model which has been key in the Solvency II compliance process.

In all areas, the modeling and analysis methods are getting gradually richer in Machine Learning & Artificial intelligence innovative technologies that actuaries can test through a test platform "Sandbox" which is made available to them to assess their new algorithms.

In the asset management area, SCOR Investment Partners is now equipped with a global front-office solution, Bloomberg AIM, reinforcing the real-time monitoring of all investments. The record keeping of the portfolio managed by SCOR Global Investment and the investment accounting are managed through an integrated platform, Simcorp Dimension. A global Treasury management platform, Trace, has been rolled out in all European sites, before the finalization of the worldwide deployment in 2019. All this asset management information is now available through global analytical platforms powered by strong market solutions: Markit EDM and SAP Hana.

The Group is promoting a paperless environment. Internally, global document management and sharing processes have been set up for the Life and Non-Life divisions. With its clients, SCOR can automatically process claims, reinsurance and financial accounts received electronically in the standard formats defined by ACORD, an association created for the development of e-processing in insurance and reinsurance, without having to re-enter them. SCOR is also actively participating to the B3i initiative which aims at exploiting the power of the Blockchain technology to ease exchanges between actors of the insurance value chain.

The SCOR technical environment is based on a secured international network, a cloud-based global data center with a fully replicated dual site, and a standard workstation deployed everywhere in the world. SCOR has also implemented an ambitious security plan based on stronger physical and logical access controls, cyber security reinforcement, large program for data protection, and recovery in the event of any type of disaster. Such capabilities are key enablers that allowed SCOR to reach the GDPR compliance level in May 2018.

SCOR's IT Department is playing a key role in implementing the Group's "Green SCOR" policy, and drives several elements of this multi-year plan, including data center consolidation, server virtualization, the purchase of new low-energy desktops and laptops, and reductions in printing. Mobility is still being enhanced through ongoing developments in line with technological progress and business needs that require a more permanent connection with the company, while complying with security standards.

Finally, the IT strategy is aligned with the SCOR business objectives and especially those defined through the strategic plan, "Vision in Action". A new IT strategy has been developed, jointly by the Group IT and businesses, and validated by the Group Executive Committee. This strategy defines a framework for the development of the Group information system, with a focus on the digital transformation of SCOR, steered by the Business Divisions in close partnership with Group IT. Innovation areas have been defined and will enable SCOR to obtain maximum leverage from the new capabilities offered by new technology like Big Data, Artificial intelligence, Cloud or Robotics.

1.2.6.3. INVESTMENTS

Principal investments made over the past three financial years

See Section 3.4.2 – Management of market risks, for a description of risk management connected with SCOR investments in debt instruments and equity securities as well as with investments it owns.

See Section 1.2.2 – History and development of SCOR, and Section 4.6 Note 3 – Acquisitions and disposals.

See Section 1.2.5.6 – Investments.

See Section 1.2.6 – SCOR investments in tangible and intangible assets.

Principal investments in progress

None.

Principal future investments

SCOR's success relies on the consistent implementation of the four principles on which its strategic plans, "Dynamic Lift", "Strong Momentum", "Optimal Dynamics" and now "Vision in Action" are based: a strong franchise, extensive diversification, a controlled risk appetite and a robust capital shield. Success in implementing such a strategy requires that, at regular intervals, the Group assesses whether opportunities which may present themselves relating to the optimization of its business portfolio via acquisitions and disposals and which would be likely to deliver value for its shareholders are in line with this consistent set of principles.

1.3. MARKET AND FINANCIAL REVIEW

1.3.1. REINSURANCE MARKET DEVELOPMENTS

The global reinsurance industry comprises Life and Non-Life reinsurance.

Life reinsurance is a concentrated industry with significant regulatory and operational barriers to entry. Most global Life reinsurers are based in established markets with rigorous regulatory frameworks suitable for long-term business. Global Life reinsurers have developed strong underwriting, pricing, actuarial, claims management and product development capabilities, as well as long-term relationships with their clients. Because of the long-term nature of some Life risks, the Life reinsurance market historically has been less cyclical than Non-Life.

Non-Life reinsurance is a cyclical market estimated by various analysts at USD 160 to 170 billion of premium globally, covering property, casualty, financial, and specialty lines. The sector is exposed to volatility in the form of development of past reserves and large natural and man-made losses. Losses from natural disasters were above historical averages in both 2017 and 2018, which particularly affected property reinsurance. Demand for reinsurance has risen as a result of recent disasters and other factors, while the supply of reinsurance capital has risen slower than demand because reinsurers paid losses from their capital and some providers exited lines of business or reduced their risk appetite. Thus, on average, reinsurance pricing has risen for contracts incepting in 2018 and 2019. Generally benign macroeconomic conditions over the past year have helped the sector.

1.3.2. FINANCIAL MARKET DEVELOPMENTS

The year was marked by a shift, in the last quarter, in market expectations and in the development of financial asset prices. During the first part of the year, the economic cycle remained virtuous, with a sharp rise in corporate earnings (+20% in the US) and a progressive exit from accommodative monetary policies on the back of controlled inflation. Against this backdrop, financial asset volatility was low, with equity indices posting positive returns, rates rising gradually in the US and virtually stable credit spreads. Thus, the US Federal Reserve, relying in particular on the very low unemployment rate (3.8%) and on a rising trend towards endogenous inflation, gradually raised its key policy rates from 1.5% to 2.5%, while conducting a programmed reduction in the size of its balance sheet. The European Central Bank left its rates unchanged at -0.4% but resolutely began to reduce its asset purchase program.

By contrast, in the last quarter of the year, the increase in political and commercial uncertainties led to a downward revision in terms of economic outlook, leaving an impression of insufficiently accommodative monetary policies. The correction was therefore relatively violent, with equities falling by almost 20% and a flight-to-quality movement to risk-free assets such as government bonds.

Over the year, the 10-year rates in the United States rose from 2.53% to 3.23% before ending at 2.68%. In Europe, the rates fell constantly, ending at 0.24% for the 10-year German rate, compared to 0.47% at the beginning of the year. The interest rate differential between the two zones thus remains historically very high, due to growth dynamics that are still very different. The Euro continued to fall against the US dollar, with an exchange rate that fell from 1.20 to 1.15, while the annualized cost of hedging dollars to euros rose from 2.3% to 3.1%.

In this environment, the main equity indices posted negative returns over the year with, including dividends, -4.4% for the S&P 500, -10.7% for the Stoxx Europe 600 and -10.4% for the Japanese Nikkei.

Linked to these movements, the credit markets suffered from a general widening of spreads, with the global investment grade index spreads against government securities rising from 0.97% to 1.58%, while global high-yield index spreads against government securities rose from 3.49% to 5.40%.

1.3.3. SIGNIFICANT EVENTS OF THE YEAR

US Tax reform

On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was enacted, reducing the statutory rate of US federal corporate income tax to 21% effective January 1, 2018. This reduction resulted in the remeasurement of US deferred taxes at 21% recognized in 2017.

In 2018, SCOR has assessed the TCJA implications, in particular with respect to certain complex provisions including the Base Erosion and Anti-Abuse Tax («BEAT»). SCOR has implemented an alternate business structure to adapt to the new environment by establishing a new Irish entity, SCOR Life Ireland, which is treated as a US taxpayer.

The execution of this implementation was subject to certain standard regulatory approvals which have been obtained before the end of 2018. The TCJA implications including the implementation of the new business structure resulted in an expense of USD 81 million (EUR 68 million) which has been recognized in SCOR's 2018 result. The overall impact of the TCJA on the Group's solvency ratio is not material.

SCOR reaffirms its independence and acknowledges Covéa's decision to withdraw its proposal on a potential combination

On August 24, 2018, Covéa sent a letter to SCOR proposing to initiate discussions relating to an unsolicited project of Covéa to acquire a majority stake in SCOR's share capital and voting rights, by way of a tender offer. The conditions for the implementation of this project set forth in Covéa's letter included notably the favorable recommendation by the Board of Directors of SCOR and the execution of a business combination agreement with SCOR. On August 30, 2018, SCOR's Board of Directors reviewed the terms and conditions of this unsolicited proposal in detail and determined that it reflected neither the intrinsic value nor the strategic value of SCOR and it would be put into question SCOR's independence which is a key factor in SCOR's status as a Tier 1 reinsurer with its clients and the financial strength and flexibility which has been acknowledged by its AA ratings. SCOR's Board of Directors also noted that this project was met with unanimous opposition from SCOR's Executive Committee. Consequently, the Board of Directors of SCOR unanimously decided not to initiate discussions with Covéa and reaffirmed its complete trust in SCOR's management to continue to create value.

On September 4, 2018, SCOR acknowledged Covéa's decision to withdraw its proposal on a potential combination with SCOR, as announced by Covéa in its press release of the same day.

On September 21, 2018, following in particular Covéa's renewed expressions of interest in an unsolicited proposed combination with SCOR, SCOR's Board of Directors unanimously decided to reaffirm in all respects its decision of August 30, 2018 not to enter into discussions with Covéa, and noted that the procedure and methods used by Thierry Derez and Covéa to prepare, submit and make public this proposed combination, as well as their renewed expressions of interest, could only be considered as hostile, unfriendly and disruptive to the functioning of SCOR.

On September 27, 2018, Covéa announced that it would comply with its standstill undertaking dated April 8, 2016 prohibiting it from exceeding, directly or indirectly, the threshold of 10% of the share capital of SCOR until April 7, 2019, at midnight.

On November 13, 2018, Thierry Derez resigned from SCOR's Board of Directors following multiple reminders by SCOR of the situation of conflicts of interests that affected him and the opinion rendered on October 30, 2018 by the Haut Comité de Gouvernement d'Entreprise, which confirmed SCOR's position in all respects.

On January 29, 2019, SCOR announced that it had decided to initiate legal actions against in particular Thierry Derez and Covéa in relation to the misconduct committed to the detriment of SCOR, in the context of the preparation and submission by Covéa of its unsolicited proposed combination with SCOR. These legal proceedings are described in Section 4.6 – Notes to the consolidated financial statements, Note 26 – Subsequent events.

On January 29, 2019, Covéa announced that a transaction with SCOR was no longer part of its strategic options.

SCOR announces the creation of SCOR Europe SE

In November 2018, SCOR announced the creation of SCOR Europe SE, its new Paris-based P&C specialty insurance company, which has been approved by the French supervisory authority, the ACPR (Autorité de Contrôle Prudentiel et de Résolution). This license enables SCOR Europe SE to operate within the European Economic Area (EEA) with effect from January 1, 2019. As announced on September 6, 2017, this enables the Group to ensure the continuity of the services offered to its insured clients in view of Brexit.

With effect from January 1, 2019, SCOR Europe SE, a 100%-owned subsidiary of SCOR SE, will underwrite all new and renewed business relating to risks located in the EEA that can no longer be accepted by SCOR UK Company Ltd. after the Brexit date. SCOR Europe SE will also take over all commitments from policies previously issued by SCOR UK Company Ltd. if the latter can no longer honor these following Brexit, the terms of which remain uncertain at this stage.

SCOR Europe SE benefits from the SCOR Group's financial strength, which is recognized by the rating agencies. S&P in particular has assigned SCOR Europe SE an AA- rating.

New catastrophe bond Atlas Capital UK 2018 PLC

On June 1, 2018, as part of its policy of diversifying its capital protection tools, SCOR sponsored a new catastrophe bond ("catbond"), Atlas Capital UK 2018 PLC, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against named storms in the US, earthquakes in the US and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2018 will run from June 1, 2018, to May 31, 2022.

With this transaction, SCOR became the first reinsurer to use the new UK "ILS" ("Insurance-Linked Securities") regime to issue a cat bond. This transaction received the approval of the PRA and the UK regulatory authorities.

The contract has been accounted for as a reinsurance contract, in accordance with IFRS 4 – Insurance Contracts.

Issuance of innovative deeply subordinated Tier 1 notes

On March 6, 2018, SCOR placed a perpetual deeply subordinated notes issue on the "Regulation S" USD market in the amount of USD 625 million. This was the first transaction for a restricted Tier 1 instrument with a principal write-down feature in USD, which provides the Group with the greatest financial flexibility and strongest quality of capital for a debt instrument.

The coupon for this new USD placement has been set at 5.25%, until the first call date of March 13, 2029, and resets every 5 years thereafter at the prevailing 5-year US Treasury yield plus 2.37% (no step-up). The notes were swapped into EUR for an 11-year period providing an effective yield cost to SCOR of 2.95%, corresponding to a 177-basis point spread over the 11-year EUR mid-swap rate.

The proceeds from the notes are eligible for inclusion in SCOR's Tier 1 regulatory capital, in accordance with applicable rules and regulatory standards, and as equity credit in the rating agency capital models.

Redemption of CHF 315 million undated subordinated notes

In June 2018, SCOR redeemed the CHF 315 million undated subordinated notes, using the proceeds of the newly issued deeply subordinated Tier 1 Notes.

Redemption of the CHF 250 million undated subordinated notes

On November 30, 2018, SCOR redeemed the CHF 250 million undated subordinated notes callable in November 2018.

Acquisition of MutRé S.A.

SCOR has been a 33% shareholder and a major technical and commercial partner of MutRé S.A. since the company was created in 1998. In January 2018, SCOR completed the increase of its stake in MutRé S.A. to 100%. The control of MutRé S.A. by SCOR was obtained on the same date.

The acquisition of MutRé S.A., which will have an accretive impact on SCOR's return on equity and earnings per share, is in line with the strategic plan "Vision in Action" and its profitability and solvency targets. This acquisition fully respects SCOR's close historical relationships with its mutual insurance partners. The acquisition of MutRé S.A. will enable SCOR to strengthen its Life & Health reinsurance offering to the French mutual insurance industry.

1.3.4. INFORMATION ON SCOR'S COMPETITIVE POSITION

SCOR competes for business in the European, American, Asian and other international markets with numerous international and domestic reinsurance and insurance companies, some of which have a larger market share than its own, greater financial resources and, in certain cases, higher ratings from the rating agencies. Competition in the types of reinsurance and insurance that the Group underwrites is based on many factors, including financial strength as perceived by the rating agencies, customers and their brokers, underwriting expertise, reputation and experience in the lines of reinsurance and insurance written, country of operation, premiums charged, the quality of the proposed reinsurance structures, the services offered and the speed at which claims are paid.

SCOR's competitors include independent and state-owned reinsurance companies, subsidiaries or affiliates of established worldwide insurance companies, and reinsurance departments of certain primary insurance companies. Among the Group's major competitors are European reinsurers (for example, Swiss Re, Munich Re and Hannover Re) and US/Bermudian reinsurers (for example, Partner Re, RGA, Chubb, Axis Capital, TransRe, Odyssey Re, GenRe and Everest Re). Moreover, Lloyd's syndicates (where SCOR is also represented as a sole capital provider of the Channel Syndicate 2015) are recognized as competitors.

SCOR SE and its consolidated subsidiaries formed the world's fifth largest reinsurer[1] serving more than 4,000 clients.

(1) By Net Reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2018".

1.3.5. REVENUES & EARNINGS SUMMARY

The Group's financial data are presented in Section 1.1 – Selected financial information and in Section 4 – Consolidated financial statements. The commentary below is based on the financial data presented in the aforementioned sections.

See also Section 4.6 – Notes to the consolidated financial statements, Note 1 – Accounting principles and methods, Note 15 – Net contract liabilities and Note 24 – Insurance and financial risks.

1.3.5.1. OPERATING RESULT

SCOR is characterized by its strategic positioning aimed at diversifying its exposures. To this end, the Group seeks to preserve:

- the diversification of its business by maintaining a broadly balanced split between its Life and Non-Life reinsurance activities. The business volume split for the year ended December 31, 2018 was approximately 60% for Life reinsurance and 40% for Non-Life reinsurance based on gross written premiums;
- the geographic diversification of the Group's business by:
  - operating in a large number of countries, both mature and emerging,
  - maintaining its policy of being positioned on strong-growth markets such as Asia-Pacific and Latin America,
  - operating as a mixed Non-Life and Life reinsurer in China using the license received in 2011, enabling SCOR to add Life reinsurance services to the existing Non-Life activities; and
- the diversification of underwritten risks by product lines in Life reinsurance (Protection, Financial Solutions, Longevity) and in Non-Life reinsurance (Specialties Insurance, Reinsurance and P&C Partners).

Gross written premiums

Gross written premiums for the financial year ended December 31, 2018 amounted to EUR 15,258 million, an increase of 3.2% compared to EUR 14,789 million in 2017. At constant exchange rates the growth is 7.1%. The overall increase in gross written premiums of EUR 469 million in 2018 is composed of an increase of EUR 150 million for SCOR Global P&C and of EUR 319 million for SCOR Global Life.

Gross written premiums for the financial year ended December 31, 2017 amounted to EUR 14,789 million, an increase of 7.0% compared to EUR 13,826 million in 2016. At constant exchange rates the growth was 8.6%. The overall increase in gross written premiums of EUR 963 million in 2017 was composed of an increase of EUR 386 million for SCOR Global P&C and of EUR 577 million for SCOR Global Life.

Breakdown of gross written premiums by segment

In EUR millions	2018		2017		2016	
By operating segment						
SCOR Global P&C	6,175	40%	6,025	41%	5,639	41%
SCOR Global Life	9,083	60%	8,764	59%	8,187	59%
TOTAL	**15,258**	**100%**	**14,789**	**100%**	**13,826**	**100%**
Non-Life reinsurance						
Specialties Insurance(1)	1,516	25%	1,393	23%	1,221	22%
Reinsurance(1)	4,659	75%	4,632	77%	4,418	78%
TOTAL SCOR GLOBAL P&C	**6,175**	**100%**	**6,025**	**100%**	**5,639**	**100%**
Life reinsurance						
Protection	6,865	75%	6,756	77%	6,460	79%
Financial Solutions	1,354	15%	1,243	14%	1,038	13%
Longevity	864	10%	765	9%	689	8%
TOTAL SCOR GLOBAL LIFE	**9,083**	**100%**	**8,764**	**100%**	**8,187**	**100%**

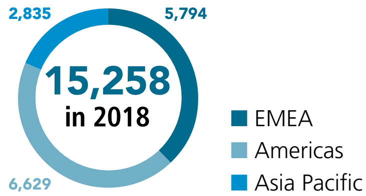
(1) P&C partners is a business unit supporting the development of Reinsurance and Specialties Insurance.

See Section 4.6 – Notes to the consolidated financial statements, Note 4 – Segment information, for further details on the results of the reportable segments.

Distribution by geographical area

In 2018, SCOR generated approximately 38% of its gross written premiums in Europe, Middle East and Africa (EMEA) (2017: 37%), with significant market positions in France, Germany, Spain and Italy, 43% of its gross written premiums in the Americas (2017: 46%) and 19% in Asia (2017: 17%).

GROUP GROSS WRITTEN PREMIUMS BY GEOGRAPHICAL AREA *(In EUR millions)*



The following table shows the breakdown by volume of Life and Non-Life gross premiums written by geographical area based on market responsibility, taking into account the country in which the ceding company operates for treaty business and location of the insured for facultative business:

	Total			SCOR Global Life			SCOR Global P&C		
In EUR millions	2018	2017	2016	2018	2017	2016	2018	2017	2016
EMEA	5,794	5,492	5,355	2,980	2,733	2,677	2,814	2,759	2,678
Americas	6,629	6,736	6,318	4,375	4,567	4,429	2,254	2,169	1,889
Asia-Pacific	2,835	2,562	2,153	1,728	1,464	1,081	1,107	1,098	1,072
TOTAL	**15,258**	**14,790**	**13,826**	**9,083**	**8,764**	**8,187**	**6,175**	**6,025**	**5,639**

Net earned premiums

Net earned premiums for the year ended December 31, 2018 amounted to EUR 13,611 million as compared to EUR 13,281 million and EUR 12,462 million for the years ended December 31, 2017 and 2016, respectively. The overall increase in net earned premiums of EUR 330 million from 2017 to 2018 and EUR 819 million from 2016 to 2017 is consistent with the evolution in gross written premiums.

Net investment income

Net investment income[(1)] for the year ended December 31, 2018 amounted to EUR 615 million as compared to EUR 764 million and EUR 670 million for the years ended December 31, 2017 and 2016, respectively. The net return on investments in 2018 was 2.3% compared to 2.9% in 2017 and 2.5% in 2016. The evolution of investment income is essentially driven by higher investment revenues and by the active portfolio management strategy implemented by SCOR Global Investments. The Group recorded a lower realized capital gains of EUR 123 million in 2018 compared to 2017 (EUR 272 million), mostly achieved on the equity portfolio and to a lesser extent on the real estate portfolio, which had in 2017 benefited from higher realized gain on sale.

The return on invested assets in 2018 was 2.8% as compared to 3.5% in 2017 and 2.9% in 2016.

Gross benefits and claims paid

Gross benefits and claims paid were EUR 11,168 million, EUR 11,963 million and EUR 9,848 million in 2018, 2017 and 2016, respectively. The level of gross benefits and claims paid for SCOR Global P&C decreased to EUR 3,942 million during 2018 from EUR 4,564 million in 2017 (2016: EUR 3,164 million). For SCOR Global Life the level of gross benefits and claims paid also decreased to EUR 7,226 million in 2018 from EUR 7,399 million in 2017 (2016: EUR 6,684 million).

Net retrocession result

The net result of the Group's retrocession program was a net cost of EUR (264) million in 2018 as compared to a net gain of EUR 398 million and a net cost EUR (388) million in 2017 and 2016, respectively.

The impact of alternative retrocession coverage, Atlas IX 2015 and 2016 catastrophe bonds (SCOR Global P&C) and Atlas IX mortality risk transfer contract (SCOR Global Life) (see Section 3.3.5 – Retrocession and other risk mitigation techniques) are not included in the net cost of retrocession as the products are accounted for as derivatives.

The total amount recorded under «other operating expenses» in 2018 is an expense of EUR 24 million (vs 2017: EUR 38 million; 2016: EUR 35 million) mainly linked to the Atlas CAT bonds' depreciation.

Other "operating income" includes a recovery of EUR 23 million on Atlas IX 2015-1 related to 2017 HIM's events (hurricanes Harvey, Irma and Maria).

(1) See Section 1.3.9 – Calculation of financial ratios.

Expenses

The Group cost ratio calculated as the total of all management expenses less certain non-controllable expenses (e.g. bad debts), legal settlements, acquisition expenses and amortization, divided by gross written premiums, was 5.0% for the year ended December 31, 2018, unchanged from 5.0% in 2017 and 2016. Management expenses for the years ended December 31, 2018, 2017 and 2016 were EUR 893 million, EUR 858 million, and EUR 815 million respectively, on a comparative basis.

Operating result

Operating result before impact of acquisitions for the year ended December 31, 2018 amounted to EUR 632 million as compared to EUR 491 million in 2017 and EUR 951 million in 2016. The increase between 2017 and 2018 is notably due to the lower severity of natural catastrophes. For the year ended December 31, 2018, the operating segment SCOR Global Life contributed EUR 371 million (EUR 342 million and EUR 396 million in 2017 and 2016, respectively) and SCOR Global P&C EUR 393 million (EUR 265 million and EUR 680 million in 2017 and 2016, respectively) to the operating result. In 2018, 2017 and 2016, EUR (132) million, EUR (116) million and EUR (125) million respectively, related to Group functions. A gain from bargain purchase of EUR 26 million related to the acquisition of MutRé was recognized in 2018.

2016 operating income benefited from the strong technical performance of SCOR Global Life and the robust profitability of SCOR Global P&C.

Consolidated net income – Group share

SCOR generated a consolidated net income of EUR 322 million in 2018, compared to EUR 286 million and EUR 603 million for the years ended December 31, 2017 and 2016, respectively.

In a year marked by a significant series of natural catastrophes which occurred mostly in the second part of the year, the results benefited from a positive underlying performance of SCOR Global P&C and SCOR Global Life and a prudent asset management policy which safeguarded shareholders' interests whilst delivering solid returns.

The consolidated net income was also impacted by a tax expense of USD 81 million (EUR 68 million) resulting from the the Tax Cuts and Jobs Act (the "TCJA"). Excluding the impact of the US tax reform, SCOR's group net income for 2018 would have amounted to EUR 390 million. See Section 1.3.3 – Significant events of the year.

In 2018, the effective tax rate was 34.7% compared to 16.3% in 2017 mainly due to the US tax reform which had a negative impact of EUR 68 million. See Section 4, Note 17 – Income taxes, for explanations on the effective tax rate.

In 2016, SCOR benefited from a strong performance from both operating segments, and an active portfolio management strategy implemented by SCOR Global Investments which safeguarded shareholders' interests while delivering solid returns. In 2016, the effective tax rate was 21.7%.

Return on equity was 5.5%, 4.5% and 9.5% for the years ended December 31, 2018, 2017 and 2016 respectively. Basic earnings per share were EUR 1.72, EUR 1.53 and EUR 3.26 for the years ended December 31, 2018, 2017 and 2016, respectively.

1.3.5.2. SCOR GLOBAL P&C

SCOR Global P&C is a leading P&C reinsurer with a worldwide footprint.

The business comprises: Specialities Insurance and Reinsurance. SCOR Global P&C capitalizes on a long-standing franchise, experience, and an extensive data base comprising multi-line expertise.

SCOR Global P&C has had a strong growth in 2018, supported by renewals in line with the Group's strategic plan "Vision In Action", benefiting from improved pricing for its reinsurance programs as well as improvements in the insurance market environment through its Reinsurance and Specialties Insurance activities. Despite a year marked by natural catastrophes, SCOR Global P&C confirms its position as a leading reinsurer, in particular thanks to an efficient portfolio management policy.

2017 has been marked by an exceptional series of large natural catastrophes that occurred during the 2nd half of the year. The in-force retrocession programs have responded as expected, bearing witness to the SCOR Global P&C efficient capital shield policy. Despite these events and an increasing competition in the market since last year, the "Vision in Action" objectives are confirmed thanks notably to January 2017 renewals and strengthening of initiatives undertaken in 2016.

The January 2016 renewals were characterized by a market environment that shows some signs of levelling out for certain types of contracts and exposures, but where competition regained some momentum since the very end of 2015. SCOR Global P&C continued to find pockets of profitable new business, counterbalancing the premium reductions caused by increased selectivity and heightened portfolio management, thereby maintaining overall expected profitability. This has been made possible by a combination of several factors, such as the successful deployment of the client-focused initiative in the US, and having developed the right culture and the right tools to manage global client relationships and steer business in real time.

Gross written premiums

In 2018, gross written premiums increased by 2.5% compared to 2017 from EUR 6,025 million to EUR 6,175 million. At constant exchange rates the growth is 6.7% and is consistent with the trend indicated after January 2018 renewals.

In 2017, gross written premiums increased by 6.9% compared to 2016 from EUR 5,639 million to EUR 6,025 million. At constant exchange rates the growth was 8.8% and was consistent with the trend indicated after January 2017 renewals, driven by Property and Casualties treaties.

In 2016, gross written premiums decreased by 1.5% compared to 2015 from EUR 5,723 million to EUR 5,639 million. At constant exchange rates the growth was 1.2%. Compared to 2015, growth at constant exchange rates was driven by the performance of the Property and Casualty Treaties (mainly in the Casualty and Natural Catastrophes portfolios).

Net combined ratio

SCOR Global P&C achieved a net combined ratio[1] of 99.4% in 2018 against 103.7% in 2017 and 93.1% in 2016.

In 2018, the net combined ratio reflects severe and extended natural catastrophes that occurred, especially in Japan and the Americas, partially absorbed by 1.9 percentage points of reserve releases (EUR 100 million). The natural catastrophe ratio stands at 12.6% compared to 14.9% in 2017 and 5.5% in 2016.

In 2017, the net combined ratio reflected the severity of higher natural catastrophes that occurred compared to previous years, especially the American hurricanes, earthquake and wildfires. The natural catastrophe ratio stands at 14.9% compared to 5.5% in 2016 and 2.2% in 2015. The net combined ratio was also negatively impacted by 1.4 percentage points (EUR 71 million) due to the change in the Ogden discount rate, partially balanced by a 0.9 percentage points of reserve releases (EUR 45 million).

In 2016, the net combined ratio reflected very strong technical results, with a decreasing net attritional loss ratio (54.1% compared to 56.9% in 2015) despite higher natural catastrophes compared to 2015. Natural catastrophes had a 5.5% impact on the Group net combined ratio for year-end 2016 compared to a 2.2% impact in 2015 and a 4.2% impact in 2014.

Impact of natural catastrophes

SCOR defines a catastrophe as a natural event involving several risks and causing pre-tax losses, net of retrocession, totaling EUR 3 million or more.

(1) See Section 1.3.9.5 – Net Combined ratio.

The following table highlights losses due to natural catastrophes for the years 2018, 2017 and 2016:

	As at December 31		
	2018	2017	2016
CURRENT FINANCIAL YEAR EVENTS			
Number of catastrophes occurred during the financial year	24[3]	17[5]	18[7]
In EUR millions			
Losses and loss adjustment expenses due to catastrophes, gross	901	1,363	355
Losses due to catastrophes, net of retrocession	681	768	307
PREVIOUS FINANCIAL YEAR EVENTS INCLUDED IN CURRENT LOSS RATIO			
Number of catastrophes occured during previous financial year	7[4]	2[6]	14[8]
In EUR millions			
Losses and loss adjustment expenses due to catastrophes, gross	4[4]	12[6]	(32)[8]
Losses due to catastrophes, net of retrocession	(25)[4]	11[6]	(33)[8]
TOTAL OF EVENTS INCLUDED IN CURRENT LOSS RATIO			
Number of catastrophes occured during current and previous financial years	31[4]	19[6]	32[8]
In EUR millions			
Losses and loss adjustment expenses due to catastrophes, gross	906[4]	1,374[6]	323[8]
Losses due to catastrophes, net of retrocession[2]	656[4]	779[6]	274[8]
Group net loss ratio[1]	66.6%[4]	71.0%[6]	59.6%[8]
Net attritional ratio	54.0%[4]	56.1%[6]	54.1%[8]

(1) The net loss ratio is calculated by dividing Non-Life claims (including claims arising from natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession (See Section 1.3.9.5 – Net combined ratio). The natural catastrophe ratio is determined by dividing the losses due to catastrophes (net of retrocession) by the net earned premiums (see Section 1.3.9.5 – Net combined ratio); i.e. for 2018: EUR 656 million divided by EUR 5,216 million, equaling a ratio of 12.6%.

(2) Net of retrocession and reinstatement premiums (assumed and retrocession).

(3) Including Typhoons Jebi, Trami, Mangkhut and Yutu in Saipan and Tinian, Hurricanes Michael, Florence and Leslie, Camp Califnornia Fire and Woolsey California Fire, Friederike storm, Papua New Guinea Earthquake, Ituango heavy rains, Italian Storms, Kilauea vulcanic eruption in Hawai, floods in Japand and Kerala, Cyclone Mekunu, Northern Osaka Earthquake, US storms in May and July, Carr Wildfire in California and Swedish wildfires, Ontatio windstorm and Sydney hailstorms.

(4) Including developments on Hurricane Harvey, Irma, Maria, Mexico Earthquakes, Northern and Southern California wildfires and Flash Flood N. Italia (Brescello). These figures do not take into account the late information received on typhon Jebi and that do not have any impact on the Group financial statements as mentioned in Section 4.6 – Notes to the consolidated financial statements, Note 15.1 – Net contract liabilities, SCOR Global P&C.

(5) Including Hurricane Harvey, Irma, Maria, Mexico Earthquakes, Northern and Southern California wildfires, Cyclone Debbie, South Africa climatic events, Typhoon Hato, Peru El Nino Costero events, Newcrest Mining Earthquake loss, US April and May Winds, Mumbai Floods, Portuguese Fires.

(6) Including development on Hurricane Matthew and Kaikoura Earthquake.

(7) Including Hurricane Matthew, Fort McMurray Wildfires, Earthquakes in Ecuador, in Taiwan, in Kaikoura and in Italy, floodings in Europe, in Sri Lanka, in Texas, in Louisiana, in Johannesburg and in United Arab Emirates, Typhoon Meranti and Cyclone Winston.

(8) Including developments on UK Flooding, Chennai Floods (India), US Northeast Winterstorms, Storm Niklas, US South and Midwest Weather, Chile Earthquake 2015, Typhoon Rainbow/Mujigae, Italy Snow & Windstorm, South Carolina Floods, Chilean Storm and Mudslides and Texas and Oklahoma Heavy Rain.

In 2018, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 681 million as at December 31, 2018:

In EUR millions **Cat losses**	**Date of loss**	**Estimated loss net of retrocession as at December 31, 2018**
Typhoon Jebi[(1)]	September 2018	167
Hurricane Michael	October 2018	125
Camp California Wildfire	November 2018	110
Hurricane Florence	September 2018	60
Woolsey California Wildfire	November 2018	34
Typhoon Trami	September 2018	31
Friederike Storm	January 2018	26
Typhoon Mangkhut	September 2018	22
Papua New Guinea EQ	February 2018	18
Ituango heavy rain	April 2018	11
Italian Storms	October 2018	10
Other natural catastrophes (less than EUR 10 million)		68
TOTAL		**681**

(1) These figures do not take into account the late information received on typhon Jebi and that do not have any impact on the Group financial statements as mentioned in Section 4.6 – Notes to the consolidated financial statements, Note 15.1 – Net contract liabilities, SCOR Global P&C.

In 2017, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 768 million as at December 31, 2017:

In EUR millions **Cat losses**	**Date of loss**	**Original estimated loss net of retrocession as at December 31, 2017**	**Adjusted Estimated loss net of retrocession as at December 31, 2018**
Hurricane Irma	September 2017	245	270
Hurricane Harvey	August 2017	209	197
Hurricane Maria	September 2017	113	98
California wildfire	October 2017	73	44
Earthquake in Mexico	September 2017	24	18
Cyclone Debbie	March 2017	21	17
Southern California Wildfires	December 2017	18	28
Western Cape Storm & Fire	June 2017	15	13
Typhoon Hato	August 2017	12	12
Flash Flood N. Italy (Brescello)	December 2017	-	2
Other natural catastrophes (less than EUR 10 million)		37	56
TOTAL		**768**	**755**

In 2016, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 307 million as at December 31, 2016:

In EUR millions **Cat losses**	**Date of loss**	**Original estimated loss net of retrocession as at December 31, 2016**	**Adjusted estimated loss net of retrocession as at December 31, 2017**	**Adjusted estimated loss net of retrocession as at December 31, 2018**
Hurricane Matthew	October 2016	55	47	47
Fort McMurray Wildfire	May 2016	51	47	44
Kumamoto Earthquake	April 2016	31	26	23
European Hailstorm	June 2016	30	27	27
European Floods	June 2016	26	27	25
Ecuador Earthquake	April 2016	23	23	23
Taiwan Earthquake	February 2016	22	21	20
Sri Lanka Flooding	May 2016	12	11	11
Texas Hail	April 2016	11	12	12
Kaikoura Earthquake	November 2016	10	28	22
Other natural catastrophes (less than EUR 10 million)		36	41	44
TOTAL		**307**	**310**	**298**

1.3.5.3. SCOR GLOBAL LIFE

SCOR Global Life operates through its unified global organization with a specialized market approach in three regions: Americas, EMEA (Europe, Middle East and Africa) and Asia-Pacific. It underwrites Life reinsurance business in the following product lines:

- Protection;
- Financial Solutions;
- Longevity.

Protection encompasses traditional Life reinsurance business for living and death benefits. The main risks undertaken are mortality, morbidity and behavioral risks for individuals and groups of individuals. Financial Solutions combine traditional Life reinsurance with financing components providing liquidity, balance sheet, solvency and/or income improvements to the client. Longevity products cover the risk of negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing of insurance cover provided by insurers or pension funds.

In 2018, SCOR Global Life continued to grow profitably in a competitive Life reinsurance market. The solid operating profitability of SCOR Global Life was maintained thanks to a robust flow of new business and expansion of franchise in various key regions and product lines, including the acquisition of MutRé SA. The US in-force book contributed with a robust performance given the strong reserve position set up at the time of the Transamerica Re and Generali US acquisitions and the successful repricing of individual reinsurance treaties, despite underlying US mortality claim experience being higher than expected. Both claim expenses and in-force management actions may vary over time.

Gross written premiums by product line

SCOR Global Life ranks among the top four life reinsurers worldwide[(1)] and has grown by 3.6% in gross written premiums from EUR 8,764 million in 2017 to EUR 9,083 million in 2018 (a 7.3% increase at constant exchange rates[(2)]). SCOR Global Life has increased its new business premiums from new clients and with existing clients in all three regions and across all three product lines. Growth was recognized in the Protection product line in Americas, in the Financial Solutions product line in Asia-Pacific and in the Longevity product line in Europe.

Protection

The Protection business accounts for 75% of total gross written premiums in 2018 and remains the main driver for premium growth (5.7% growth in gross written premiums in 2018 at constant exchange rates[(2)]). SCOR Global Life has maintained its leadership in the US Life reinsurance market[(3)], the largest life reinsurance market in the world. In the EMEA region, SCOR Global Life reinforced its franchises in key European markets such as France (including acquired business of MutRé SA), the UK, and Nordic countries.

Asia-Pacific remains a region with significant growth opportunities both in terms of premiums and profitability. Premiums development in Asia-Pacific was driven by higher business volumes for Protection and Financial Solutions mainly in China, Australia, South Korea and India.

(1) Based on 2017 gross written premiums.
(2) At December 31, 2018 exchange rates.
(3) Source: 2017 SOA/Munich Re survey of US life reinsurance, published in 2018.

Within the Protection product line, mortality was the main risk underwritten.

- Mortality protection: 55% of SCOR Global Life's portfolio is traditional mortality reinsurance business, based on 2018 gross written premiums. SCOR Global Life developed a strong position in Mortality in the US, as well as in the major European markets.
- Long-Term Care: SCOR Global Life has been pioneering LTC reinsurance solutions in the French market for twenty years, and has acquired a sound practical experience in the underwriting and the management of LTC risks.
- Disability: SCOR Global Life has established strong market positions in disability in many continental Europe markets and Canada.
- Critical Illness: SCOR Global Life is a market leader in the UK. It also leverages its experience and expertise from the UK to expand into selected Asian markets and South Africa.
- Although Medical represents a rather small portion of SCOR Global Life's portfolio, it was a key growth driver within the Protection product line in 2018 due to new business volume in Asia and in France (due to the MutRé SA acquisition).
- Personal Accident also represents a small proportion of SCOR Global Life's portfolio. A main source of Personal Accident business for SCOR Global Life is obtained through its distribution services company, ReMark, which provides direct marketing of life insurance products to insurers, financial institutions and affinity partners.

Through its Global Distribution Solutions (GDS), SCOR Global Life has successfully deployed a number of innovative and tailored client services which aim to help insurers expand and develop their own client bases (ReMark, Velogica and SCOR Telemed). SCOR Global Life has leadership positions in many markets in the EMEA and Asia-Pacific regions.

Financial Solutions

In the Financial Solutions product line, accounting for 15% of 2018 gross written premiums, SCOR Global Life has built a recognized position in providing capital and solvency solutions. Since 2013, SCOR Global Life has signed landmark transactions in Southern Europe, the US, Asia and Latin America. In 2018 SCOR Global Life expanded its footprint in the Asia-Pacific region and in the US market.

Longevity

SCOR Global Life has established itself as a recognized provider for longevity reinsurance, focusing on longevity risk transfer transactions for large in-payment pension portfolios, creating a new business pipeline with growth opportunities. The Longevity product line accounts for 10% of SCOR Global Life's gross written premiums in 2018 and is one of the main drivers of premium growth (14.4% increase in gross written premiums in 2018 at constant exchange rate[(1)]). The main active market to date for SCOR Global Life is UK with a portfolio from recent years and new business signed in 2018.

Life technical margin

Overall, the Life technical margin in 2018 was 7.0% compared to 7.1% in 2017 and 7.0% in 2016.

1.3.5.4. NET INVESTMENT INCOME AND INVESTMENT INCOME ON INVESTED ASSETS

Net investment income for the year ended December 31, 2018 amounted to EUR 615 million compared to EUR 764 million and EUR 670 million for the years ended December 31, 2017 and December 31, 2016, respectively.

The return on invested assets in 2018 was 2.8% as compared to 3.5% in 2017 and 2.9% in 2016. The evolution of investment income in 2018 is essentially driven by higher investment revenues and by the active portfolio management strategy implemented by SCOR Global Investments, which translated into substantial realized capital gains of EUR 123 million, mostly achieved on the equity portfolio and to a lesser extent on the real estate portfolio, which had in 2017 benefited from a higher realized gain on sale.

The following table presents a reconciliation of these figures with the IFRS figures as presented in Section 4.6 – Notes to the consolidated financial statements, Note 18 – Investment income.

(1) At December 31, 2018 exchange rates.

	As at December 31		
In EUR millions	2018	2017	2016
Investment revenues on invested assets[(1)]	**463**	**403**	**374**
Realized gains/(losses) on fixed income	5	66	125
Realized gains/(losses) on loans	-	-	-
Realized gains/(losses) on equities	107	-	5
Realized gains/(losses) on real estate[(2)]	10	192	58
Realized gains/(losses) on other investments	1	14	19
Realized gains/(losses) on invested assets[(2)]	**123**	**272**	**207**
Impairment of fixed income	(2)	-	(2)
Impairment of loans	(1)	(1)	-
Impairment of equities[(3)]	-	-	(8)
Impairment/depreciation of real estate[(4)]	(22)	(20)	(21)
Impairment of other investments	(1)	(5)	-
Impairment/amortization on invested assets[(3) (4)]	**(26)**	**(26)**	**(31)**
Fair value through income on invested assets[(5)]	(24)	11	5
Financing costs on real estate[(6)]	(4)	(4)	(5)
TOTAL INVESTMENT INCOME ON INVESTED ASSETS	**532**	**656**	**550**
Net interest income on funds withheld and contract deposits	151	177	182
Investment management expenses	(68)	(69)	(62)
TOTAL NET INVESTMENT INCOME	**615**	**764**	**670**
Foreign exchange gains/(losses)	(13)	(27)	11
Income from other consolidated entities[(7)]	12	(12)	-
Income/(expenses) on technical items[(8)]	1	(1)	1
Financing costs on real estate	4	4	12
IFRS INVESTMENT INCOME NET OF INVESTMENT MANAGEMENT EXPENSES	**619**	**728**	**694**
Average invested assets	19,041	18,757	18,677
Return on invested assets *(ROIA as a %)*	**2.8%**	**3.5%**	**2.9%**

(1) Investment revenues on invested assets are presented net of EUR 2 million real estate revenues attributable to 3rd parties and net of EUR 2m revenues related to investments not held for investment purposes.
(2) Realized gains/(losses) on invested assets is net of EUR 4 million realized gain attributable to 3rd parties, included in realized capital gains/losses on investments under IFRS.
(3) Net of EUR (2) million impairments on certain types of equities not held for investment management purposes.
(4) Impairment/depreciation of real estate is presented net of EUR (5) million impairment/depreciation attributable to 3rd parties.
(5) Fair value through income on invested assets includes EUR (12) million investment income from other consolidated entities.
(6) Real estate financing expenses relate to real estate investments (buildings owned for investment purposes) only, net of financing expenses attributable to 3rd parties.
(7) Includes (5).
(8) Income/(expenses) on technical items include (1), (2), (3) and (4) amongst other technical items.

During 2018, invested assets increased to EUR 19,153 million from EUR 18,580 at December 31, 2017, mainly as a result from positive FX impacts and positive income generated by the invested assets portfolio in 2018, partially offset by negative mark-to-market development net of realized gains. The negative mark-to-market development primarily results from the increase in interest rates that impacted the valuation of the fixed-income portfolio.

SCOR announced its current investment strategy in September 2016, as part of its "Vision in Action" strategic plan. During the three-year period covered by the strategic plan SCOR intends to achieve higher investment returns through a normalization of its asset management policy, consisting in (i) reducing liquidity to 5%, (ii) closing the duration gap by the end of the strategic plan by increasing invested assets' duration and (iii) providing additional degrees of freedom in the Strategic Asset Allocation.

Consistent with "Vision in Action", SCOR Global Investments has finalized the repositioning of the investment portfolio in 2018, according to objectives defined for the strategic plan. Liquidity, defined as SCOR's share of cash and cash equivalents and short-term government bonds (with maturities above three months and below twelve months) and bank overdrafts, was kept at the target level of 5% of invested assets as at December 31, 2018, stable compared to 5% as at December 31, 2017.

Meanwhile, SCOR further rebalanced its invested assets portfolio towards its target asset allocation, and increased its exposure to corporate bonds, representing 49% of invested assets at the end of 2018 compared to 46% at the end of 2017. Over the same period, government bonds and assimilated were kept at 24% of invested assets and covered bonds and Agency MBS decreased from 10% to 8%. The fixed income portfolio continues to represent a significant portion of SCOR's invested assets with 82% invested within this asset class (as at year end 2017: 81%), and an average rating at "A+" at the end of 2018. The duration of the fixed income portfolio stood at 4.3 years at the end of 2018 compared to 4.6 years at the end of 2017.

SCOR's exposure to loans increased to EUR 878 million as at December 31, 2018 and stands at 5% of invested assets (as at December 31, 2017: EUR 724 million, representing 4% of invested assets).

SCOR's exposure to equity securities decreased to EUR 355 million as at December 31, 2018, representing 2% of invested assets (as at December 31, 2017: EUR 645 million, representing 3% of invested assets). This exposure is essentially composed of convertible bonds and listed equities.

The real estate portfolio increased marginally to EUR 699 million as at December 31, 2018, and stands at 3% of invested assets (as at December 31, 2017: EUR 680 million, 4% of invested assets).

Other investments, comprising mainly Insurance-Linked Securities (ILS), private equity and infrastructure funds and non-listed equities slightly decreased to EUR 486 million as at December 31, 2018 and represent 3% of invested assets (as at December 31, 2017: EUR 494 million, 3% of invested assets).

The following table presents a reconciliation of these figures with the IFRS amounts as presented in Section 4 – Consolidated financial statements:

As at December 31, 2018

IFRS classification / Management classification	Cash	Fixed income	Loans	Equities	Real estate	Other invest-ments	Total invested assets	Funds withheld and other	Total invest-ments	Accrued interests	Technical items[1]	Total IFRS classi-fication
Real estate investments	**-**	**-**	**-**	**-**	**685**	**-**	**685**	**-**	**685**	**-**	**-**	**685**
Equities	-	46	61	137	117	110	471	41	512	-	-	512
Debt securities	-	15,821	1,142	-	-	-	16,963	-	16,963	136	-	17,099
Available-for-sale financial assets	**-**	**15,867**	**1,203**	**137**	**117**	**110**	**17,434**	**41**	**17,475**	**136**	**-**	**17,611**
Equities	-	-	-	266	-	979	1,245	-	1,245	-	-	1,245
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through income	**-**	**-**	**-**	**266**	**-**	**979**	**1,245**	**-**	**1,245**	**-**	**-**	**1,245**
Loans and receivables[2]	**-**	**39**	**874**	**-**	**-**	**3**	**916**	**8,060**	**8,976**	**2**	**-**	**8,978**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**67**	**67**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**15,906**	**2,077**	**403**	**802**	**1,092**	**20,280**	**8,101**	**28,381**	**138**	**67**	**28,586**
Cash and cash equivalents	1,175	-	-	-	-	-	1,175	-	1,175	-	-	1,175
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,175**	**15,906**	**2,077**	**403**	**802**	**1,092**	**21,455**	**8,101**	**29,556**	**138**	**67**	**29,761**
Less third parties' interests[3]	(195)	(124)	(1,199)	(48)	(64)	(879)	(2,509)	-	(2,509)	-	-	-
Other consolidated entities[4]	-	5	-	-	-	273	278	-	278	-	-	-
Direct real estate unrealized gains and losses[5]	-	-	-	-	179	-	179	-	179	-	-	-
Direct real estate debt[6]	-	-	-	-	(218)	-	(218)	-	(218)	-	-	-
Cash payable/receivable	(32)	-	-	-	-	-	(32)	-	(32)	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**948**	**15,787**	**878**	**355**	**699**	**486**	**19,153**	**8,101**	**27,254**	**-**	**-**	**-**

(1) Including Atlas CAT bonds and foreign exchange derivatives.
(2) Loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months.
(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.
(4) Certain consolidated entities held for investment purposes have been included in the scope of Invested Assets in Q3 2017.
(5) Fair value less carrying amount of real estate investments excluding EUR 5 million attributable to third-party investors.
(6) Real estate financing related to real estate investments (buildings owned for investment purposes) excluding EUR 30 million attributable to third-party investors.

As at December 31, 2017													
Management classification / IFRS classification	Cash	Fixed income	Loans	Equities	Real estate	Other invest-ments	Total invested assets	Funds withheld and other	Total invest-ments	Accrued interests	Technical items[(1)]	Total IFRS classi-fication
Real estate investments	**-**	**-**	**-**	**-**	**701**	**-**	**701**	**-**	**701**	**-**	**-**	**701**
Equities	-	58	45	430	125	129	787	-	787	-	-	787
Debt securities	-	15,141	1,043	-	-	-	16,184	-	16,184	118	-	16,302
Available-for-sale financial assets	**-**	**15,199**	**1,088**	**430**	**125**	**129**	**16,971**	**-**	**16,971**	**118**	**-**	**17,089**
Equities	-	-	-	266	-	891	1,157	-	1,157	-	-	1,157
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through income	**-**	**-**	**-**	**266**	**-**	**891**	**1,157**	**-**	**1,157**	**-**	**-**	**1,157**
Loans and receivables[(2)]	**-**	**8**	**782**	**-**	**3**	**3**	**796**	**8,501**	**9,297**	**2**	**-**	**9,299**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**114**	**114**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**15,207**	**1,870**	**696**	**829**	**1,023**	**19,625**	**8,501**	**28,126**	**120**	**114**	**28,360**
Cash and cash equivalents	1,001	-	-	-	-	-	1,001	-	1,001	-	-	1,001
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,001**	**15,207**	**1,870**	**696**	**829**	**1,023**	**20,626**	**8,501**	**29,127**	**120**	**114**	**29,361**
Less third parties' interests[(3)]	(145)	(132)	(1,146)	(51)	(73)	(768)	(2,315)	-	(2,315)	-	-	-
Other consolidated entities[(4)]	-	45	-	-	-	239	284	-	284	-	-	-
Direct real estate unrealized gains and losses[(4)]	-	-	-	-	152	-	152	-	152	-	-	-
Direct real estate debt[(5)]	-	-	-	-	(228)	-	(228)	-	(228)	-	-	-
Cash payable/receivable	61	-	-	-	-	-	61	-	61	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**917**	**15,120**	**724**	**645**	**680**	**494**	**18,580**	**8,501**	**27,081**	**-**	**-**	**-**

(1) Including Atlas CAT bonds, mortality swap and FX derivatives.
(2) Other loans and receivables excluded from invested assets are certificates of deposit (CDs) maturing in more than three months and less than twelve months included in short-term investments as well as infrastructure loans and real estate loans.
(3) Assets invested by third parties in mutual funds and non-controlling real estate investments fully consolidated by SCOR.
(4) Fair value less carrying amount of real estate investments excluding EUR 9 million attributable to third-party investors.
(5) Real estate financing related to real estate investments (buildings owned for investment) excluding EUR 30 million attributable to third-party investors.

1.3.6. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

The strength of the 2018 results and balance sheet demonstrates the effectiveness of SCOR's strategy which is based on extensive business and geographical diversification, focusing on traditional reinsurance activity with reinsurance liabilities with very limited exposure to economic activity risks, and no material off balance sheet exposure.

1.3.6.1. CAPITAL

Shareholders' equity

Shareholders' equity stood at EUR 5,828 million at December 31, 2018 compared to EUR 6,225 million at December 31, 2017 and EUR 6,695 at December 31, 2016. See Section 4.5 – Consolidated statement of changes in shareholders' equity for a description of this change.

Book value per share[1] stood at EUR 31.53 at December 31, 2018 compared to EUR 33.01 and EUR 35.94 at December 31, 2017 and 2016, respectively.

On December 15, 2016, SCOR arranged a contingent capital facility with BNP Paribas. Under this EUR 300 million arrangement, SCOR raised its level of protection by EUR 100 million. On June 29, 2018 BNP Paribas transferred all the warrants to UBS in agreement with SCOR. UBS has thus fully substituted BNP Paribas in relation to all the rights and obligations arising from the contingent capital facility. For more information on contingent capital, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

On July 26, 2017, SCOR launched a share buy-back program commencing on July 27, 2017, for an amount of up to EUR 200 million over 24 months, subject to market conditions. This share buy-back has been fully executed in the course of 2018. For more information on the share buy-back program, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

Capital Shield Strategy

The Group reconciles its strategic objectives with the protection of its capital via its "Capital Shield Strategy", which articulates the Group's risk appetite. This policy is based on an economic approach and aims to protect the Group against potential shock losses. The policy is built on the following four concepts: traditional retrocession, capital market solutions, solvency buffer and contingent capital facility.

For more information on the Capital Shield Strategy, refer to Section 3.3.5 – Retrocession and other risk mitigation techniques.

For information on the Group's solvency scale, refer to Section 1.3.7 – Solvency and Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

For information on the Atlas special purpose vehicles used in the Capital Shield Strategy, see Section 4.6 – Notes to the consolidated financial statements, Note 2 – Scope of consolidation.

Restrictions on the use of capital

Some of the letters of credit granted by SCOR to cedents require 100% collateral coverage in case of non-compliance with financial covenants or in case of a decrease in the Group's financial strength rating. For example, the Group and its companies are subject to minimum net worth requirements and maximum debt levels under the terms of certain stand-by letter of credit agreements. Non-respect of these covenants could lead to an increase in the percentage of required collateralization.

However, SCOR makes every effort to limit collateral requirements related to financial covenants or to the Group's financial strength rating in its financial agreements.

For information on collateral requirements, see Section 3.6 – Liquidity risks and Section 4.6 – Notes to the consolidated financial statements, Note 23 – Commitments received and given.

For more information on regulatory restrictions on the use of capital, see Section 1.2.1 – Introduction, and Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

1.3.6.2. BORROWING CONDITIONS AND FINANCING STRUCTURE

Debt is a key component of the Group's financing strategy. It is essentially composed of subordinated debt used to optimize its cost of capital. Subordinated debt provides long-term financial resources as well as financial flexibility.

The total level of financial liabilities which includes subordinated debt, real estate financing and other financial liabilities increased to EUR 2,831 million from EUR 2,702 million in 2017 (2016: EUR 2,758 million).

For information on financial liabilities, including their related covenants, see Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

For a description of the derivatives used to hedge the risks related to financial liabilities, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

(1) See Section 1.3.9 – Calculation of financial ratios.

Subordinated debt and leverage ratio

The total amount of subordinated debt increased to EUR 2,277 million from EUR 2,211 million in 2017 (2016: EUR 2,256 million).

On March 6, 2018, SCOR placed a perpetual deeply subordinated notes issue on the "Regulation S" USD market in the amount of USD 625 million.

On June 8, 2018, SCOR redeemed the CHF 315 million undated subordinated notes (issued in 2012), and on November 30, 2018, SCOR redeemed the CHF 250 million undated subordinated notes callable in November 2018. The proceeds of the newly issued deeply subordinated Tier 1 Notes issued in 2018 were used to redeem those two subordinated CHF notes.

On May 24, 2016, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 500 million. On July 28 and August 2, 2016 respectively, SCOR completed the calls of the remaining balance of its EUR 350 million (issued in 2006) and CHF 650 million (issued in 2011) perpetual subordinated note lines.

On June 2, 2015, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 250 million. SCOR also called the balance of the USD subordinated step-up floating-rate notes due 2029, and of the EUR subordinated step-up floating-rate notes due 2020, on June 25 and July 6, 2015 respectively. On December 2, 2015, SCOR successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 600 million.

On September 24, 2014, SCOR successfully placed perpetual subordinated notes on the Swiss franc market, with a first call date on October 20, 2020, for an amount of CHF 125 million. On September 25, 2014, SCOR successfully placed perpetual subordinated notes on the Euro market, with a first call date on October 1, 2025, for a total amount of EUR 250 million.

The Group has a leverage ratio of 27.5% at December 31, 2018, as compared to 25.7% at December 31, 2017 and 24.4% at December 31, 2016. This ratio is calculated as the percentage of subordinated debt compared to total shareholders' equity plus subordinated debt. The calculation of the leverage ratio excludes accrued interest from debt.

Real estate debt and other financial liabilities

SCOR uses real estate debt and other financial liabilities mainly to finance real estate investments and for general corporate purposes. Real estate debt are non-recourse, the debtors' claims are limited to assets underlying the financing, and there is an asset and liability matching with little to no risk that the assets will be insufficient to service and settle the liabilities. They meet the conditions for operational leverage and can be classified as operational debts, and therefore excluded by the rating agencies from financial leverage calculations. As at December 31, 2018, real estate financing and other financial liabilities amounted to EUR 510 million and EUR 44 million, respectively (December 31, 2017: EUR 479 million and EUR 12 million, respectively). This includes the real estate debt of MRM for the amount of EUR 75 million (EUR 74 million as at December 31, 2017).

Credit facilities

The Group has been granted credit facilities from several companies of the banking sector to guarantee the reinsurance activities of various subsidiaries for a global issued amount of USD 3.7 billion as at December 31, 2018. These credit facilities are stand-by letters of credit that the banking counterparty agrees to issue in the form acceptable to the American National Association of Insurance Commissioners (NAIC) or other appropriate regulatory body.

1.3.6.3. LIQUIDITY

The Group's total liquidity, defined as cash and cash equivalents (including cash and cash equivalents from third parties)[1], short-term government bonds with maturities above three months and below twelve months and bank overdrafts, which is well diversified across a limited number of banks, stood at EUR 1.2 billion at the end of 2018 (2017: EUR 1.0 billion and 2016: EUR 2.3 billion) supported by strong operating cash flow generation. The Group executed its strategy of redeployment of liquidity as described by the "Vision in Action" asset management policy.

See Section 4.6 – Notes to the consolidated financial statements, Note 11 – Cash and cash equivalents.

Total investments, including cash and cash equivalents, amounted to EUR 29.8 billion at December 31, 2018 compared to EUR 29.4 billion and EUR 29.8 billion at December 31, 2017 and 2016, respectively.

(1) See Section 1.3.5.4 – Net investment income and investment income on invested assets.

1.3.7. SOLVENCY

The Group is regulated by the "Solvency II" European Directive which applies since January 1, 2016. For more details on solvency regulations, see Section 1.2.1 – Introduction.

SCOR's internal model

Since January 1, 2016, the regulatory solvency position of the Group has been assessed using SCOR's internal model, which was approved in November 2015 by the relevant supervisory authorities.

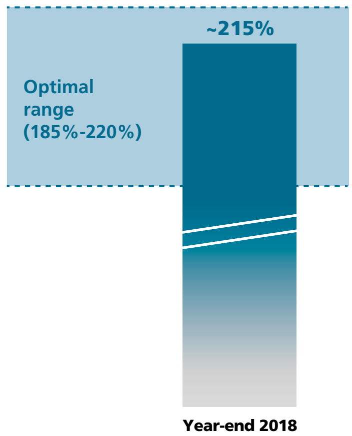
This comprehensive and holistic model was developed internally, on the basis of SCOR's experience and expertise. It covers all known material quantifiable risks to which the Group is exposed (Life and Non-Life underwriting risk, market and credit risk, operational risk) and reflects SCOR's risk profile and strategy. This model is based on the highest scientific standards, systematically applying stochastic simulations and modeling dependencies across risks and using cutting-edge methodologies.

SCOR's internal model is used extensively to help to prepare management decisions which involve risk management or solvency considerations. The solvency position of the Group is monitored on SCOR's dynamic solvency scale which defines SCOR's solvency target – the "optimal range" being between 185% and 220% – as well as the various management actions to be taken depending on the solvency position, as shown below. The Solvency scale is well established and has been confirmed by the strategic plan Vision in Action.

Solvency ratio

At year-end 2018, SCOR's solvency ratio stood at 215%(1), in the upper part of the optimal solvency range of 185%-220% as defined in the "Vision in Action" plan.

Estimated solvency ratio *(in %)*



Solvency II places great emphasis on the robustness of the risk management system of (re)insurance companies. SCOR has an established and robust ERM framework covering existing and emerging risks.

For further information on risk management mechanisms, see Section 3 – Risk factors and risk management mechanism and Appendix A – Internal control and risk management procedures.

1.3.8. CASH FLOWS

Positive operating cash flows amounted to EUR 891 million in 2018 (2017: EUR 1,144 million and 2016: EUR 1,354 million, respectively). In 2018, SCOR Global P&C provided strong operating cash flows globally in line with 2017. The decrease of technical operating cash flows in 2018 compared to 2017 for SCOR Global Life is mainly due to positive one-off impacts in 2017. In 2017, SCOR Global P&C provided strong cash flow in line with expectations, despite of having commenced payments on Q3 2017 cat events. SCOR Global Life showed elevated technical business cash flow in the last quarter of 2017 due to two large transactions. In 2016, strong recurring cash flows were generated and one exceptional item occurred: SCOR Global P&C received a non-recurring funds withheld settlement of approximately EUR 301 million.

Cash flow used in financing activities amounted to EUR (638) million in 2018, (EUR (467) million in 2017 and EUR (895) million in 2016). This figure mainly includes dividend payments, the share buyback and treasury shares program, the issuance of a perpetual subordinated note of USD 625 million and the redemption of two subordinated notes of CHF 250 million and CHF 315 million.

Net investing cash flow amounted to EUR (101) million in 2018, (EUR (1,280) million in 2017 and EUR (368) millon in 2016). In 2018 cash flows used in investing activites were mainly composed of acquisitions of tangible and intangible assets, while in 2017 they were mainly composed of acquisitions and disposals of other business investments.

The Group's total liquidity, defined as cash and cash equivalents (including cash and cash equivalents from third parties)(2), short-term government bonds with maturities above three months and below twelve months and bank overdrafts, which is well diversified across a limited number of banks, stands at EUR 1.2 billion at the end of 2018 (2017: EUR 1.0 billion and 2016: EUR 2.3 billion), supported by a very strong operating cash flow generation. The Group executed its strategy of redeployment of liquidity as described by the "Vision in Action" asset management policy.

See Section 4.4 – Consolidated statement of cash flows and Section 4.6 – Notes to the consolidated financial statements, Note 4 – Segment information for an analysis of the main cash flow statement items and Note 11 – Cash and cash equivalents, for a reconciliation between consolidated net income and operating cash flows, and between cash and cash equivalents and Group's total liquidity.

(1) Solvency ratio based on Solvency II requirements. The Group solvency final results are to be filed to supervisory authorities by June 2019, and may differ from the estimates expressed or implied in this Registration Document. The overall impact of the Tax Cuts and Jobs Act enacted in United Stat on the Group's solvency ratio is not material.
(2) See Section 1.3.5.4 – Net investment income and investment income on invested assets.

1.3.9. CALCULATION OF FINANCIAL RATIOS

1.3.9.1. BOOK VALUE PER SHARE

In EUR millions	As at December 31, 2018	As at December 31, 2017	As at December 31, 2016
Group shareholders' equity	**5,800**	**6,195**	**6,661**
Shares issued as at closing date	193,085,792	193,500,317	192,534,569
Treasury shares as at closing date	(9,137,286)	(5,866,249)	(7,203,282)
Basic number of shares	**183,948,506**	**187,634,068**	**185,331,287**
BASIC BOOK VALUE PER SHARE	**31.53**	**33.01**	**35.94**

1.3.9.2. RETURN ON INVESTMENTS AND RETURN ON INVESTED ASSETS

The return on investments (ROI) is used to assess the profitability of the Group's investments, including funds withheld by cedents and other deposits less cash deposits. This percentage return is calculated by dividing the total net investment income by the average investments (calculated as the quarterly averages of the total investments).

The return on invested assets (ROIA) is used to assess the return on the Group's invested assets excluding funds withheld by cedents. This percentage return is calculated by dividing the total investment income on invested assets by the average invested assets (calculated as the quarterly averages of the total invested assets).

In EUR millions	As at December 31, 2018	As at December 31, 2017	As at December 31, 2016
Average investments[1]	26,770	26,468	26,921
Total net investment income	615	764	670
Return on investments (ROI)	**2.3%**	**2.9%**	**2.5%**
Average invested assets[1]	19,041	18,757	18,677
Total investment income on invested assets	532	656	550
Return on invested assets (ROIA)	**2.8%**	**3.5%**	**2.9%**

(1) Average investments are the quarterly averages of the total investments as per the "Invested assets" reconciliation table included in Section 1.3.5.4 – Net investment income and investment income on invested assets, adjusted for ceded funds withheld.

1.3.9.3. GROUP COST RATIO

In EUR millions	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Total expenses as per profit & loss account[1]	(831)	(801)	(761)
Unallocated loss adjustment expenses (ULAE)[2]	(62)	(57)	(54)
Total management expenses	**(893)**	**(858)**	**(815)**
Investment management expenses	68	69	62
Total expense base	**(825)**	**(789)**	**(753)**
Corporate finance	12	2	1
Amortization	43	42	37
Non controllable expenses	14	10	18
Total management expenses (for cost ratio calculation)	**(756)**	**(735)**	**(697)**
Gross written premiums	**15,258**	**14,789**	**13,826**
GROUP COST RATIO	**5.0%**	**5.0%**	**5.0%**

(1) Total expenses are investment management expenses, acquisition and administrative expenses and other current operating expenses as presented in Section 4.2 – Consolidated statement of income.

(2) Unallocated loss adjustment expenses are part of gross benefits and claims paid.

1.3.9.4. RETURN ON EQUITY

Return on equity (ROE) is based on the Group’s share of net income divided by average shareholders’ equity (calculated as time weighted average shareholders’ equity).

In EUR millions	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Consolidated net income – Group share	**322**	**286**	**603**
Consolidated net income – Group share – before US tax reform impact[(1)]	**390**	**286**	**603**
Opening shareholders' equity – Group share	6,195	6,661	6,330
Weighted consolidated net income[(2)]	161	143	301
Payment of dividends[(3)]	(208)	(204)	(185)
Weighted increase in capital[(3)]	(23)	5	(8)
Effect of changes in foreign exchange rates[(4)]	47	(261)	(90)
Revaluation of assets available-for-sale and others[(2)]	(261)	32	(31)
Weighted average shareholders' equity	**5,911**	**6,376**	**6,317**
Weighted average shareholders' equity – before US tax reform impact[(1)]	**5,945**	**6,376**	**6,317**
ROE	**5.5%**	**4.5%**	**9.5%**
ROE – BEFORE US TAX REFORM IMPACT[(1)]	**6.6%**	**4.5%**	**9.5%**

(1) Refer to Section 1.3.3 – Significant event of the year on the US tax reform (Tax Cuts and Jobs Act, the “TCJA”).
(2) Pro-rata of 50%: linear acquisition throughout the period.
(3) Considers time weighted transaction based on transaction dates.
(4) A daily weighted average is applied used for the currency or currencies that experienced material foreign exchange rates movements, and simple weighted average is applied used for the other currencies.

1.3.9.5. NET COMBINED RATIO

The loss ratio is calculated by dividing Non-Life claims (including natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

The commission ratio is calculated by dividing Non-Life reinsurance commissions by Non-Life premiums earned. This ratio is net of retrocession.

The technical ratio is a Non-Life indicator and is calculated as the sum of the loss ratio and commission ratio. This ratio is net of retrocession and is used to assess the net performance of reinsurance transactions excluding P&C management expenses.

The P&C management expense ratio is calculated by dividing management expenses incurred for Non-Life reinsurance operations by Non-Life premiums earned. This ratio is net of retrocession.

In EUR millions	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Gross earned premiums	6,014	5,860	5,553
Ceded earned premiums	(798)	(618)	(587)
Net earned premiums	**5,216**	**5,242**	**4,966**
Gross benefits and claims paid	(3,942)	(4,564)	(3,164)
Ceded claims	472	844	210
Total Net claims	(3,470)	(3,720)	(2,954)
Loss ratio	**66.6%**	**71.0%**	**59.6%**
Gross commission on earned premiums	(1,454)	(1,422)	(1,404)
Ceded commissions	112	62	71
Total Net commissions	(1,342)	(1,360)	(1,333)
Commission ratio	**25.7%**	**25.9%**	**26.8%**
Total technical ratio	**92.3%**	**96.9%**	**86.4%**
Acquisition and administrative expenses	(262)	(256)	(226)
Other current operating expenses	(44)	(45)	(52)
Other income and expense from reinsurance operations	(64)	(54)	(56)
Total P&C management expenses	**(370)**	**(355)**	**(334)**
Total P&C management expense ratio	**7.1%**	**6.8%**	**6.7%**
TOTAL NET COMBINED RATIO	**99.4%**	**103.7%(1)**	**93.1%**

(1) In 2017, the net combined ratio calculation has been refined to exclude some immaterial non-technical items that were previously included. Considering their potential growth, these items have been excluded to ensure they do not distort the net combined ratio in the future. The impact on the previously reported ratio is +0,26%pt as at December 31, 2016.

1.3.9.6. LIFE TECHNICAL MARGIN

The Life technical margin is calculated as a percentage of the net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums.

In EUR millions	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Gross earned premiums	9,041	8,738	8,172
Ceded earned premiums	(646)	(699)	(676)
Net earned premiums	**8,395**	**8,039**	**7,496**
Net technical result	**444**	**406**	**361**
Interest on deposits	145	162	165
Technical result	**589**	**568**	**526**
LIFE TECHNICAL MARGIN	**7.0%**	**7.1%**	**7.0%**

1.3.10. EVENTS SUBSEQUENT TO DECEMBER 31, 2018

To SCOR's knowledge, and except for any event mentioned under Section 4.6 – Notes to the consolidated financial statements, Note 26 – Subsequent events, there were no significant changes in the Group's financial performance since the end of the 2018 financial year.

1.3.11. DOCUMENTS ON DISPLAY

Throughout the period of validity of the Registration Document, the bylaws and any other document required by law may be consulted and are freely available upon request from the registered office of the Company at 5 avenue Kléber, 75116 Paris, France.

The information published by SCOR within the last 12 months from February 23, 2018 to March 4, 2019 is available for downloading from the following sites:

- Autorité des marchés financiers (AMF): http://www.amf-france.org;
- Bulletin des Annonces Légales Obligatoires (BALO): http://www.journal-officiel.gouv.fr/balo;
- SCOR: https://www.scor.com/;
- L'info financière: http://info-financiere.fr.

02

REPORT ON CORPORATE GOVERNANCE

2.1. CORPORATE GOVERNANCE PRINCIPLES, SHAREHOLDERS' MEETINGS, CORPORATE OFFICERS, EXECUTIVES, EMPLOYEES, INFORMATION REQUIRED BY ARTICLE L. 225-37-5 OF THE FRENCH COMMERCIAL CODE

2.1.1. CORPORATE GOVERNANCE PRINCIPLES

SCOR SE's shares are listed on the Eurolist from Euronext Paris SA and on the Six Swiss Exchange (previously SWX Swiss Exchange) in Zürich since August 8, 2007.

The provisions relating to corporate governance applicable to SCOR SE include French legal provisions, as well as rules laid down by the French financial markets authorities. SCOR believes that its application of corporate governance principles is appropriate and in compliance with best corporate governance practices in effect in France as per AMF recommendations.

In application of the Act of July 3, 2008 implementing European Union Directive 2006/46/EC of June 14, 2006, SCOR SE refers to the AFEP-MEDEF corporate governance code in preparing the report to be issued in accordance with Article L. 225-37 of the French Commercial Code.

The AFEP-MEDEF corporate governance code can be referred to on the Company's website (www.scor.com) or on the AFEP's website (www.afep.com).

SCOR decided to adapt a provision of the AFEP-MEDEF corporate governance code as follows:

- Section 8.5.1 of the AFEP-MEDEF corporate governance code related to the independence of the directors of the Company who hold a term in a Group subsidiary.

SCOR indeed considers that a director of SCOR SE who holds a term in a Group's subsidiary can be qualified as independent provided he does not participate in the decisions of the Board of Directors of SCOR SE in the event of a conflict of interest with the subsidiary in which he/she has the term. SCOR considers that it is useful, in terms of corporate governance, that SCOR SE's independent directors also have a seat in significant subsidiaries, notably in other countries than France, in order for them to complement their vision on the Group's activities.

2.1.2. SHAREHOLDERS' MEETINGS

The terms and conditions for the participation of the shareholders at Shareholders' Meetings and, more specifically, the mode of operation, the main powers of the Shareholders' Meetings, the description of the shareholders' rights as well as the methods of exercising the voting rights are set forth by the Article 19 of the Company's bylaws, an electronic version of which is available on SCOR's web site (www.scor.com).

2.1.3. BOARD OF DIRECTORS

2.1.3.1. MISSION OF THE BOARD OF DIRECTORS

In accordance with European law governing European Companies and applicable French law, the principal responsibility of the Board of Directors is to define the strategic orientations of the Company, to ensure their implementation and to monitor management's performance. The Chairman and Chief Executive Officer *(Président et Directeur Général)* of SCOR SE has authority to manage the business of the Company, subject to the prior authorization of the Board of Directors or the Shareholders' Meeting for certain decisions as required by law and by the Company's bylaws *(statuts)* and subject to the *Code des assurances* which prescribes that at least two persons shall effectively run the Company.

2.1.3.2. INFORMATION CONCERNING THE MEMBERS OF THE BOARD OF DIRECTORS

Denis Kessler

Chairman and Chief Executive Officer

Chairman of the Strategic Committee

Member of the Crisis Management Committee

Date of first appointment: November 4, 2002
Expiration of term: 2021

Independence: No
Attendance rate at the Board meetings: 100%

French – Age: 66 – SCOR SE, 5, avenue Kléber, 75116 Paris, France

MAIN POSITION

- Chairman and Chief Executive Officer of SCOR SE (France)

OTHER POSITIONS

- Director of BNP Paribas SA (France)*
- Director of Invesco Ltd (US)*

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Dassault Aviation SA (France)*
- Member of the Supervisory Board of Yam Invest N.V. (Netherlands)

Denis Kessler, a French citizen, is a graduate of HEC business school (École des Hautes Études Commerciales), holds a PhD in economics and advanced degrees in economics and social sciences, and is a Fellow of the French Institute of Actuaries. He was Chairman of the Fédération Française de l'Assurance (FFA), Senior Executive Vice-President and member of the Executive Committee of the AXA Group and Executive Vice-President of MEDEF (Mouvement des Entreprises de France). He joined SCOR as Chairman and Chief Executive Officer on November 4, 2002. In January 2016, he was elected to join the Academy of Moral and Political Sciences of the Institut de France.

* Companies whose shares are listed on a regulated or organized market.

Augustin de Romanet

Lead Independent Director

Chairman of the Compensation and Nomination Committee and Crisis Management Committee

Member of the Strategic Committee and Corporate Social and Societal Responsibility and Environmental Sustainability Committee

Date of first appointment: April 30, 2015
Expiration of term: 2019

Independence: Yes
Attendance rate at the Board meetings: 100%

French – Age: 57 – Aéroports de Paris 1, rue de France, 95931 Roissy – Charles de Gaulle, France

MAIN POSITION

- Chairman and Chief Executive Officer of Aéroports de Paris (France)*

OTHER POSITIONS

- Chairman and Director of Média Aéroports de Paris (France)
- Director of Régie Autonome des Transports Parisiens (RATP) (France)
- Member of the Board of Directors of Société de Distribution Aéroportuaire (SDA) (France)
- Member of the Executive Committee of Relay@ADP (France)
- Member of the Supervisory Board of Le Cercle des économistes SAS (France)
- Chairman of the Fondation d'Entreprise Groupe ADP (France)
- Chairman of the Association Paris Europlace (France)
- Chairman of the Board of Directors of Établissement public du domaine national de Chambord (France)
- Member of the Board of Directors of Airport Council International (ACI) Europe (Belgium)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director and Vice-Chairman of the Board of Directors of TAV Havalimanlari A.S. (TAV Airports) (Turkey)
- Director and Vice-Chairman of the Board of Directors of TAV Yatirim Holding A.S. (TAV Investment) (Turkey)
- Director and Vice-Chairman of the Board of Directors of TAV Tepe Akfen Insaat Ve Isletme A.S. (TAV Construction) (Turkey)
- Chairman of the Board of Directors of ACI Europe (Belgium)
- Member of the Supervisory Board of NV Luchthaven Schiphol (Netherlands)

Augustin de Romanet, a French citizen, is a graduate of the Institut d'Études Politiques in Paris and a former student of the École Nationale d'Administration. He was previously Chief Executive Officer of Caisse des dépôts et consignations, between 2007 and 2012, and chaired the Fonds Stratégique d'Investissement between 2009 and 2012. Prior to that, he was Deputy Finance Director at Crédit Agricole S.A. and a member of the Executive Committee. Before taking up that position, Augustin de Romanet served as Deputy Secretary General to the Presidency of the Republic of France, between June 2005 and October 2006, and held positions in various ministerial offices. In particular, between 2002 and 2005, he was Chief of Staff to Alain Lambert, Minister Delegate for the Budget, Deputy Chief of Staff to Francis Mer, Minister for the Economy, Finance and Industry, Chief of Staff to Jean-Louis Borloo, Minister for Employment, Labor and Social Cohesion, and lastly, Deputy Chief of Staff to Prime Minister Jean-Pierre Raffarin. Awarded the Légion d'honneur in 2007, Augustin de Romanet has received a number of awards, notably "Capitalist of the Year" awarded by the Nouvel Économiste magazine in 2008 and "Financier of the Year" awarded by Minister of the Economy in 2012. Augustin de Romanet has been Chairman and Chief Executive Officer of Aéroports de Paris since 2012 and Chairman of Paris Europlace since July 2018.

* Companies whose shares are listed on a regulated or organized market.

Marguerite Bérard

Director

Member of the Strategic Committee and Audit Committee

Date of first appointment: April 30, 2015
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 100%

French – Age: 41 – BNP Paribas, 20, avenue Georges-Pompidou, 92300 Levallois-Perret, France

MAIN POSITION

- Head of French Retail Banking – BNP Paribas* (France)

OTHER POSITIONS

- Director of Havas (France)
- Director of BNP Paribas Cardif (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Member of the Management Board in charge of the Group finance, strategy, legal affairs and Group company secretary of BPCE Group (France)
- Permanent representative of BPCE, director of Natixis (France)*
- Permanent representative of BPCE, director of Crédit Foncier de France (France)
- Deputy Chief Executive Officer and Permanent representative of BPCE, director of CE Holding Participations (France)
- Director of Maisons France Confort (France)*
- Director of Natixis Coficine (France)
- Director of BPCE IOM (France)
- Permanent representative of BPCE, director of Banque Palatine (France)
- Permanent representative of BPCE, director of COFACE (France)*
- Chairman of the SAS and Chairman of the Board of Directors of ISSORIA (France)
- Chairman of the SAS S-Money (France)
- Chairman of the Board of Directors of S-Money (France)
- Permanent representative of CE Holding Promotion, director of Nexity (France)*
- Permanent representative of BPCE, Chairman of the SAS and Chairman of the Board of Directors of BPCE Domaines (France)
- Chairman of Meilleurtaux (France)
- Chairman of Oterom Holding (France)
- Chairman of ISSORIA International Trading (France)
- Permanent representative of BPCE, Chairman of ISSORIA (France)
- Permanent representative of BPCE, Chairman of ISSORIA International Trading (France)
- Permanent representative of BPCE, member of the Supervisory Board of FLCP (France)
- Permanent representative of GCE Participations, director of Demain SA (France)

Marguerite Bérard, a French citizen, is a graduate of the Institut d'Études Politiques de Paris, of Princeton University (Woodrow Wilson School of International and Public Affairs), and a former student at the École Nationale d'Administration (ENA). She began her career in 2004 as an auditor at the French Treasury in the Inspection Générale des Finances. From 2007 to 2010, she was an advisor to the President of the French Republic on employment and social affairs. From November 2010 to May 2012, she was the Chief of Staff of the French Minister for social affairs. Then, she joined BPCE Group and was appointed Deputy Chief Executive Officer, member of the General Management Committee in charge of Strategy, Legal Affairs, the Group Company Secretary's Office and Compliance. In May 2016, she was appointed member of the Management Board of BPCE, in charge of the Finance, Strategy, Legal Affairs and Group Company Secretary of BPCE Group. Marguerite Bérard joined the management team of BNP Paribas in January 2018. After an interim period, she is now in charge of the French retail banking and is a member of the Group Executive Committee. She is member of the Steering Committee of Institut Montaigne.

* Companies whose shares are listed on a regulated or organized market.

Vincent Foucart

Employee representative

Member of the Compensation and Nomination Committee and Corporate Social and Societal Responsibility and Environmental Sustainability Committee

Date of first appointment: April 26, 2018
Expiration of term: 2020

Independence: No
Attendance rate at the Board meetings: 100%

French – Age: 40 – SCOR SE, 5, avenue Kléber, 75116 Paris, France

MAIN POSITION

- Deputy CEO of P&C Partners

OTHER POSITIONS

- Director of Crédit Logement Assurance (France)
- Director of l'Association pour la promotion de la retraite et de l'épargne des français (PERF) (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Remark Group BY (Netherlands)
- Director of Asefa SA (Spain)
- Director of SCOR Perestrakhovaniye (Russia)
- Director of SCOR Africa Ltd (South Africa)
- Director of SCOR Asia-Pacific (Singapore)

Vincent Foucart, a French citizen, is graduated from ENSTA, HEC and CHEA. He is also a certified Financial Analyst and Actuary. After having contributed to Société Générale's Asian operations reorganization, he joined in 2001 the French insurer AGF as an Investor Relations Officer. As of 2005, he was responsible for the management of the AGF Chairman's Office. He then became in charge of the Alternative Equity Strategies portfolio in 2006, and of Tocqueville Finance asset management in 2007. Since he joined SCOR in 2009 at the Chairman's Office, he worked as General Secretary until 2014. More recently, he contributed to the development of ILS Strategies for SCOR and in May 2014, he became the Chief Underwriting Officer of the Alternative Solutions Specialty Line. In 2018, he was appointed Deputy CEO of SCOR Global P&C Partners.

Vanessa Marquette

Director

Member of the Strategic Committee, Risk Committee, Audit Committee, Compensation and Nomination Committee and Corporate and Social Responsibility and Environmental Sustainability Committee

Date of first appointment: April 30, 2015
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 100%

Belgian – Age: 47 – Simont Braun SCRL, Avenue Louise, 149/20, 1050 Brussels, Belgium

MAIN POSITION

- Partner and member of the Executive Committee of the law firm Simont Braun SCRL (Belgium)

OTHER POSITIONS

- Director of Érasme Hospital (Belgium)
- Teacher at the Université Libre de Bruxelles (Belgium)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- N/A

Vanessa Marquette, a Belgian citizen, holds a law degree and an economic law degree from the Université Libre de Bruxelles. She also studied law at the University of Michigan Law School as well as at Davis University and Berkeley University. She has practiced as a lawyer of the Brussels Bar since 1995. She specializes in Banking Law and Financial Law and has particular expertise in the areas of Corporate Law, Insolvency Law and Security Interests and Private International Law. She is the partner and member of the Executive Committee of the business law firm Simont Braun, which she joined in 2005 after having practised law at the Brussels offices of Stibbe Simont Monahan Duhot and Freshfields Bruckhaus Deringer. Vanessa Marquette is an independent director of the Érasme Hospital. She is also a lecturer at the Université Libre de Bruxelles where she teaches International Financial Law.

Bruno Pfister

Director

Chairman of the Risk Committee

Member of the Strategic Committee, Audit Committee, Compensation and Nomination Committee, Crisis Management Committee and Corporate and Social Responsibility and Environmental Sustainability Committee

Date of first appointment: April 27, 2016
Expiration of term: 2021

Independence: Yes
Attendance rate at the Board meetings: 100%

Swiss – Age: 59 – SCOR SE 5, avenue Kléber 75116 Paris, France

MAIN POSITION

- N/A

OTHER POSITIONS

- Chairman of the Board of Directors of Rothschild & Co Bank AG (Switzerland)*
- Chairman of the Board of Directors of Crédit Suisse Asset Management (Switzerland) Ltd (Switzerland)
- Director of Assura (Switzerland)
- Director of Assepro AG (Switzerland)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Gottex Fund Management Holdings Limited (Guernsey)
- Chairman of AWD Holding AG (Germany)
- Vice-Chairman of the Swiss Insurance Association (Switzerland)
- Advisor of the Foundation Avenir Suisse (Switzerland)
- Director of the Swiss-American Chamber of Commerce (Switzerland)
- Executive Chairman of the "Wealth Management & Trust" of Rothschild & Co Group

Bruno Pfister, a Swiss citizen, lawyer at the Geneva Bar and MBA graduate from UCLA Anderson School of Management, is, since December 2014, Chairman of the Board of Directors of Rothschild & Co Bank AG. He was Vice-Chairman of the Swiss Insurance Association, Group Chief Executive Officer and Chairman of Swiss Life AG, member of the Executive Committee of Crédit Suisse Banking and Chief Financial Officer and member of the Executive Board of LGT Groupe AG.

* Companies whose shares are listed on a regulated or organized market.

Jean-Marc Raby

Director

Member of the Strategic Committee

Date of first appointment: April 30, 2015
Expiration of term: 2019

Independence: Yes
Attendance rate at the Board meetings: 100%

French – Age: 60 – MACIF, 17-21, place Étienne-Pernet,75015 Paris, France

MAIN POSITION

- Chief Executive Officer of Macif Group (France)

OTHER POSITIONS

- Chief Executive Officer of Macif Sgam (France)
- Chief Executive Officer of UMG Macif Santé Prévoyance (France)
- Chief Executive Officer of Macif SAM (France)
- Chief Executive Officer of GIE Macif Finance Épargne (France)
- Chairman and director of Foncière de Lutèce (France)
- Director of Compagnie Foncière Macif (Permanent representative of Macif) (France)
- Director of Macif Participations (France)
- Member of the Supervisory Board of OFI Asset Management (France)
- Director of OFI Holding (permanent representative of Macif) (France)
- Member of the Supervisory Board of Inter Mutuelles Assistance (permanent representative of Macif) (France)
- Non-voting director of Macifilia (France)
- Non-voting director of Mutavie (France)
- Non-voting director of Socram Banque (France)
- Non-voting director of Ofivalmo Partenaires (France)
- Member of the Executive Committee of Siem (France)
- Member of the Steering Committee of Macifimo (France)
- Ex officio member at the Board of Directors of Campus (GIE), as an observer (France)
- Member of the Executive Board and Vice-Chairman of *Association des Assureurs Mutualistes* (AAM) (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Vice-Chairman and member of the Supervisory Board of Macifimo ADB, formerly GPIM (France)
- Member of the Executive Board and member of the Board of Macif and Vice-Chairman of Gema (France)
- Chairman of Inter Mutuelles Solutions ex Macifilia Courtage (France)
- Chief Executive Officer of Macifilia (France)
- Chief Executive Officer of Sferen (France)
- Member of the Management Board of Macifin' (France)
- Member of the Management Board of Mutavie (France)
- Director of Sferen (France)
- Director of Macif Mutavie Finance (GIE) (France)
- Director of Socram Banque (France)
- Director of BPCE Assurances (permanent representative of Macif) (France)
- Director of OFI Asset Management (France)
- Director of Ofivalmo Partenaires (permanent representative of Macif) (France)
- Member of the Executive Committee of Siil (France)
- Member of the Steering Committee of Sipemi (permanent representative of Macif) (France)
- Director of Thémis (permanent representative of Macifilia) (France)
- Director of Euresa Holding (Luxembourg)
- Manager of GEIE Euresa (Belgium)

Jean-Marc Raby, a French citizen, holds a degree in economics as well as an MBA from HEC. He has spent his entire professional career at the Macif group. He became Regional Director of Macif Centre (a regional Macif entity) in 2000, and was subsequently appointed Deputy Chief Executive Officer of the Macif group, in charge of Economic Management, alongside the Chief Executive Officer, Roger Iseli. In 2012, he was appointed Chief Executive Officer of the Macif Group.

Malakoff Médéric Assurances Représenté par Thomas Saunier

Director

Member of the Strategic Committee

Date of first appointment: April 27, 2017
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 100%

French – Age: 52 – Malakoff Médéric Assurances, 21, rue Laffitte, 75317 Paris Cedex 09, France

MAIN POSITION

- Chief Executive Officer of Malakoff Médéric Group and Humanis Group (France)

OTHER POSITIONS

- Chief Executive Officer of Malakoff Médéric Assurances (France)
- Chairman of SAS Totem MM3 (France)
- Chairman of SAS Totem MM4 (France)
- Director of Quatrem (France)
- Director of Auxia (France)
- Director of Auxia Assistance (France)
- Permanent Representative of Malakoff Médéric Prévoyance at the Board of Directors of OPPCI Vivaldi (France)
- Permanent Representative of Malakoff Médéric Assurances at the Supervisory Board of La Foncière Hospi Grand Ouest (France)
- Sole director of GIE SI2M (France)
- Chief Executive Officer of SGAM Malakoff Médéric (France)
- Chief Executive Officer of La Caisse Mutuelle Assurance sur la Vie "CMAV" (France)
- Chief Executive Officer of Malakoff Médéric Prévoyance (France)
- Chief Executive Officer of Institution Nationale de Prévoyance des Représentants "INPR" (France)
- Chief Executive Officer of Capreval (France)
- Chief Executive Officer of Malakoff Médéric Retraite AGIRC (France)
- Chief Executive Officer of Malakoff Médéric Retraite ARRCO (France)
- Chief Executive Officer of Malakoff Médéric Mutuelle (France)
- Chief Executive Officer of Énergie Mutuelle (France)
- Chief Executive Officer of Malakoff Médéric Groupement Assurantiel de Protection Sociale (France)
- Chief Executive Officer of l'AS2M (France)
- Chief Executive Officer of l'Association Sommitale Malakoff Médéric Humanis (France)
- Chief Executive Officer of l'Association de Moyens Assurances (France)
- Chief Executive Officer of l'Association de Moyens Retraite (France)
- Chief Executive Officer of Malakoff Médéric Innovation Santé (France)
- Chief Executive Officer of l'UGM Agilis (France)
- Chief Executive Officer of SGAM Malakoff Médéric Humanis (France)
- Chief Executive Officer of SGAPS Humanis Développement Solidaire (France)
- Chief Executive Officer of Humanis Prévoyance (France)
- Chief Executive Officer of Caisse de retraite pour la France et l'extérieur (France)
- Chief Executive Officer of the Institution de retraite des cadres et assimilés de France et de l'extérieur (IRCAFEX) (France)
- Chief Executive Officer of Humanis retraite Arrco (France)
- Chief Executive Officer of Humanis retraite Agirc (France)
- Operational Manager of Mutuelle Humanis Nationale (France)
- Chief Executive Officer of l'Association Sommitale du Groupe Humanis (France)
- Chairman and Chief Executive Officer of l'Association Totem 1 (France)
- Chairman and Chief Executive Officer of l'Association Totem 2 (France)
- Chairman and Chief Executive Officer of l'Association Totem 3 (France)
- Director of La Fondation Malakoff Médéric Handicap (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Chairman of the Board of Directors of Quatrem SA (France)
- Chairman of the Board of Directors of Viamedis SA (France)
- Chairman of the Board of Directors of Auxia SA (France)
- Chairman of the Board of Directors of Auxia Assistance SA (France)
- Director of Viamédis (France)
- Director of GIE Karéo Services (France)
- Member of the Executive Committee of Cofifo SAS (France)
- Chairman of SAS Totem MM 1, now SA MM Retraite Supplémentaire (France)
- Chairman of SAS Totem MM 2, now MM INNOV' (France)
- Permanent Representative of Malakoff Médéric Assurances at the Board of Directors of La Banque Postale Asset Management (France)

Thomas Saunier, a French citizen, is a graduate of the École Polytechnique, ENSAE and the French Institute of Actuaries. Actuarial Director and Director of Steering and Management Control at CNP Assurances from 2000 to 2003, he spent more than 10 years at Generali France, initially as Deputy Chief Executive Officer in charge of products, operations and information and finance systems. In 2005, he was promoted to Chief Executive Officer in charge of the individuals market, IT and services, before taking charge of the companies, professionals and individuals markets in 2011. Appointed CEO of the Malakoff Médéric group in an environment characterized, for all players in the social protection sector, by unprecedented challenges in the management of supplementary pensions and in the development of life and health insurance business, he took up his post within the group on June 1, 2016.

Kory Sorenson

Director

Chairman of the Audit Committee

Member of the Strategic Committee, Risk Committee and Crisis Management Committee

Date of first appointment: April 25, 2013
Expiration of term: 2019

Independence: Yes
Attendance rate at the Board meetings: 100%

British – Age: 50 – SCOR SE, 5, avenue Kléber, 75116 Paris, France

MAIN POSITION

- N/A

OTHER POSITIONS

- Director of Pernod Ricard (France)*
- Director of Phoenix Group Holdings (UK)*
- Director of Uniqa Insurance Group AG (Austria)*
- Director of Prometic (Canada)*
- Member of the Supervisory Board of Bank Gutmann AG (Austria)
- Member of the Supervisory Board of Château Mondot (France)**
- Director of SCOR Global Life Americas Reinsurance Company (US)**
- Director of SCOR Global Life USA Reinsurance Company (US)**
- Director of SCOR Reinsurance Company (US)**

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Institut Pasteur (France)
- Director of Aviva Insurance Limited (UK)

Kory Sorenson, a British citizen, was born in the US. She speaks fluent French and has a DESS degree in corporate finance from the Institut d'Études Politiques de Paris, a master's degree in applied economics from the University of Paris Dauphine, a bachelor's degree in econometrics and political science from the American University in Washington, D.C. and a certificate in governance from Harvard Executive Education and another one from INSEAD. Kory Sorenson has over twenty-five years of experience in financial services, most of which has been focused on insurance and banking. She was Managing Director, Head of Insurance Capital Markets of Barclays Capital and also held senior positions in the insurance capital markets and debt capital markets divisions of Credit Suisse, Lehman Brothers and Morgan Stanley. She began her career in the treasury department of Total SA in Paris. Kory Sorenson is currently a non-executive director of several major companies.

* Companies whose shares are listed on a regulated or organized market.
** Companies of the SCOR Group.

Claude Tendil

Director

Member of the Strategic Committee, Risk Committee, Compensation and Nomination Committee and Corporate and Social Responsibility and Environmental Sustainability Committee

Date of first appointment: May 15, 2003
Expiration of term: 2021

Independence: No
Attendance rate at the Board meetings: 86%

French – Age: 73 – Generali France, 2, rue Pillet-Will, 75009 Paris, France

MAIN POSITION

- Chairman of the Board of Directors of GENERALI IARD (France)

OTHER POSITIONS

- Director of Europ Assistance Holding (France)
- Director of Generali France (France)
- Director of Generali Vie (France)
- Director of Generali IARD (France)
- Director of Eramet (France)*
- Chairman of RVS (association) (France)
- Member of the Executive Committee of MEDEF (France)
- Chairman of the Institut pour l'innovation économique et sociale (2IES) (France)
- Chairman of the Foundation ARC contre le cancer (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Chairman of the Board of Directors of Generali Vie (France)
- Chairman of the Board of Directors of Generali France Assurances (France)
- Chairman of the Board of Directors of Generali France (France)
- Chairman of the Board of Directors of Europ Assistance Holding (France)
- Chief Executive Officer of Generali France (France)
- Chief Executive Officer of Generali Vie (France)
- Chief Executive Officer of Generali IARD (France)
- Director of Assicurazioni Generali SpA (Italy)*
- Member of the Supervisory Board of Generali Investments SpA (Italy)
- Chairman of the Board of Directors of Europ Assistance Italie (Italy)
- Permanent representative of Europ Assistance Holding on the Board of Directors of Europ Assistance (Spain)

Claude Tendil, a French citizen, began his career at the Union des Assurances de Paris (UAP) in 1972. He joined the Drouot Group in 1980 as Chief Operating Officer. He was promoted in 1987 to Chief Executive Officer, before being appointed Chairman and Chief Executive Officer of Présence Assurances, a subsidiary of the AXA Group. In 1989, he was appointed Director and Chief Executive Officer of AXA-Midi Assurances, Chief Executive Officer of AXA from 1991 to 2000, then Vice-Chairman of the Management Board of the AXA Group until November 2001. During this same period, he was also Chairman and Chief Executive Officer of the AXA Group's French insurance and assistance companies. Claude Tendil was appointed Chairman and Chief Executive Officer of the Generali Group in France in April 2002 until October 2013, when he became the Chairman of the Board of Directors, holding this position until June 2016.

* Companies whose shares are listed on a regulated or organized market.

Zhen Wang

Director

Member of the Strategic Committee and Risk Committee

Date of first appointment: April 26, 2018
Expiration of term: 2020

Independence: Yes
Attendance rate at the Board meetings: 80%

Chinese – Age: 62 – SCOR SE, 5, avenue Kléber, 75116 Paris, France

MAIN POSITION

- N/A

OTHER POSITIONS

- Director of Bank of China Insurance Company (China)
- Director of Trust Mutual Life Insurance Company (China)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Munich Re Greater China Advisory Board (China)

Wang Zhen, a Chinese citizen, holds a BA degree from the Beijing Normal University, and is a Fellow of the Chartered Insurance Institute (FCII). She began her insurance career in 1982 by joining PICC, the insurance monopoly then, and became the General Manager of International Department in 1996 upon PICC becoming PICC Group. From 1997 to 2016, she worked for Munich Re, was the Chief Representative of MR Beijing, the Chief Executive of MR Beijing Branch, the Board member of MR Greater China Advisory Board respectively. From 2014, she has been the Independent Director of Bank of China Insurance Company in China. From 2017, she is also the Independent Director of Trust Mutual Life Insurance Company in China.

Fields Wicker-Miurin

Director

Chairman of the Corporate and Social Responsibility and Environmental Sustainability Committee

Member of the Strategic Committee, Audit Committee, Risk Committee, Compensation and Nomination Committee and Crisis Management Committee

Date of first appointment: April 25, 2013
Expiration of term: 2019

Independence: Yes
Attendance rate at the Board meetings: 100%

American and British – Age: 60 – Leaders' Quest Ltd, 11/13 Worple Way, Richmond Upon Thames, Surrey – TW 10 6DG, United Kingdom

MAIN POSITION

- Partner of Leaders' Quest Ltd (UK)

OTHER POSITIONS

- Director of BNP Paribas (France)*
- Director of SCOR UK (UK)**
- Non-executive Member of the Board of the Department of Digital, Culture, Media and Sport of the UK Government (UK)
- Director of Prudential plc (UK)*

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Control Risks International Ltd (UK)
- Director of CDC Group Plc (UK)
- Member of the Board of HMG Ministry of Justice (UK)
- Director of Ballarpur Industries (India)
- Director of BILT Paper (India)
- Member of the Board of the Batten School of Leadership, University of Virginia (US)

Fields Wicker-Miurin, an American and British citizen, studied in France at the Institut d'Études Politiques de Paris, in the United States and Italy. She graduated from the University of Virginia (BA) and the School of Advanced International Studies of the Johns Hopkins University (MA). Fields Wicker-Miurin began her career in banking, before joining Strategic Planning Associates (now Oliver Wyman Consulting) as a senior partner where she was the main advisor to Lloyd's of London. In 1994, she became Chief Financial Officer and Head of Strategy of the London Stock Exchange. She was a member of the Nasdaq Technology Advisory Council and advised the European parliament on financial markets harmonization. In 2002, she was one of the founders of Leaders' Quest, a social enterprise that works with leaders from all sectors and across the globe who want to make a responsible, positive difference through their leadership. In 2007 she was awarded the OBE (Officer of the British Empire) and in 2011 she was awarded Fellow of King's College London. She is also a director of BNP Paribas and of Prudential plc and is a non-executive Member of the Board of the Department of Digital, Culture, Media and Sport of the UK Government where she chairs the Audit and Risk Committee.

* Companies whose shares are listed on a regulated or organized market.
** Companies of the SCOR Group.

	Personal information				Position on the Board					Participation in Board Committees
	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations (excluding SCOR)	Indepen-dence	Initial date of appointment	Term of office expires	Length of service on the Board	
Denis KESSLER (Chairman and Chief Executive Officer)	66	Male	French	1,564,790	2	No	November 4, 2002	2021	16 years	◆ Chairman of the Strategic Committee ◆ Member of the Crisis Management Committee
Augustin DE ROMANET (Lead independent director)	57	Male	French	1,203	1	Yes	April 30, 2015	2019	3 years	◆ Chairman of the Compensation and Nomination Committee ◆ Chairman of the Crisis Management Committee ◆ Member of the Strategic Committee ◆ Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
Marguerite BERARD	41	Female	French	1,203	1	Yes	April 30, 2015	2020	3 years	◆ Member of the Strategic Committee ◆ Member of the Audit Committee
Vanesse MARQUETTE	47	Female	Belgian	1,203	0	Yes	April 30, 2015	2020	3 years	◆ Member of the Strategic Committee ◆ Member of the Risk Committee ◆ Member of the Audit Committee ◆ Member of the Compensation and Nomination Committee ◆ Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
Bruno PFISTER	59	Male	Swiss	893	1	Yes	April 27, 2016	2021	2 years	◆ Chairman of the Risk Committee ◆ Member of the Strategic Committee ◆ Member of the Audit Committee ◆ Member of the Compensation and Nomination Committee ◆ Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee ◆ Member of the Crisis Management Committee
Jean-Marc RABY	60	Male	French	853	0	Yes	April 30, 2015	2019	3 years	◆ Member of the Strategic Committee
Malakoff Médéric Assurances, represented by Thomas SAUNIER	52	Male	French	5,484,767	0	Yes	April 27, 2017	2020	1 year	◆ Member of the Strategic Committee

	Personal information				Position on the Board					Participation in Board Committees
	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations (excluding SCOR)	Indepen-dence	Initial date of appointment	Term of office expires	Length of service on the Board	
Kory SORENSON	50	Female	British	3,393	4	Yes	April 25, 2013	2019	5 years	◆ Chairman of the Audit Committee ◆ Member of the Strategic Committee ◆ Member of the Crisis Management Committee
Claude TENDIL	73	Male	French	5,260	1	No	May 15, 2003	2021	15 years	◆ Member of the Strategic Committee ◆ Member of the Risk Committee ◆ Member of the Compensation and Nomination Committee ◆ Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
Zhen WANG	62	Female	Chinese	246	0	Yes	April 26, 2018	2020	< 1 year	◆ Member of the Strategic Committee ◆ Member of the Risk Committee
Fields WICKER-MIURIN	60	Female	American and British	1,985	2	Yes	April 25, 2013	2019	5 years	◆ Chairman of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee ◆ Member of the Strategic Committee ◆ Member of the Audit Committee ◆ Member of the Risk Committee ◆ Member of the Compensation and Nomination Committee ◆ Member of the Crisis Management Committee
Vincent FOUCART (employee director)	40	Male	French	28,010	0	No	April 26, 2018	2020	< 1 year	◆ Member of the Compensation and Nomination Committee ◆ Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee

The mandates of four of the twelve directors on the Board will expire at the end of the Annual General Meeting which will be held in 2019.

On the basis of proposals made by the Compensation and Nomination Committee, the Board of Directors has established a number of guiding principles including, in particular maintaining the Board's broad expertise, its international character, the diversity of the director profiles and genders and a predominant share of independent directors. These guiding principles, similar to those that led to the appointment of Mr. Jean-Marc Raby, Mr. Augustin de Romanet, Mrs. Kory Sorenson and Mrs. Fields Wicker-Miurin as directors, governed the Board's decision, on the proposal of the Compensation and Nomination Committee on January 31, 2019, to propose the renewal of their mandates. These four directors have also been re-assessed regarding their skills, honorability and independence. As part of its decision, the Board also noted that these four directors had an attendance rate close to 100% since their respective first appointments.

At the 2019 Annual General Meeting, it will be proposed to renew the mandates of Mr. Jean-Marc Raby, Mr. Augustin de Romanet, Mrs. Kory Sorenson and Mrs. Fields Wicker-Miurin as directors of SCOR SE.

As at December 31, 2018, the skills represented on the Board of Directors were as follows:

	Insurance and reinsurance market	Financial markets	SCOR's strategy and economic model	System of governance	Financial and actuarial analysis	Legislative and regulatory requirements applicable to insurance and reinsurance companies	Accounting	Risk management	Governance
Denis KESSLER (Chairman and Chief Executive Officer)	X	X	X	X	X	X	X	X	X
Augustin DE ROMANET (Lead independent director)	X	X	X	X	X	X	X	X	X
Marguerite BERARD	X	X	X	X	X	X	X	X	X
Vanessa MARQUETTE	-	X	-	X	-	X	-	-	X
Bruno PFISTER	X	X	X	X	X	X	X	X	X
Jean-Marc RABY	X	X	X	X	X	X	-	-	-
Malakoff Médéric Assurances, represented by Thomas SAUNIER	X	X	X	X	X	X	X	X	X
Kory SORENSON	X	X	X	X	X	X	X	X	X
Claude TENDIL	X	X	X	X	-	X	-	X	X
Zhen WANG	X	-	-	X	-	X	-	X	X
Fields WICKER-MIURIN	X	X	X	X	X	X	X	X	X
Vincent FOUCART (employee director)	X	X	X	X	X	X	X	X	X

2.1.3.3. COMPOSITION OF THE BOARD OF DIRECTORS

Number of directors

SCOR SE's bylaws provide that the Board of Directors shall comprise no fewer than nine and no more than eighteen members.

Under SCOR SE's bylaws, each director must own at least one ordinary share for the duration of his or her entire term of office, and under the Board Internal Charter, each director shall agree to acquire shares with a value of at least EUR 10,000 and to hold them throughout his or her term as director. Under French law, a director may be a natural person or a corporate entity for which an individual is appointed as permanent representative, except for the Chairman, who must be an individual. Pursuant to Article L. 225-20 of the French Commercial Code, the permanent representative of a corporate entity is subject to the same conditions, obligations and civil and criminal liabilities as if he or she was director in his or her own name, without prejudice to the joint and several liability of the corporate entity he or she represents. Of the twelve members of the Board of Directors, eleven are natural persons and one, Malakoff Médéric Assurances, is a corporate entity (represented by Thomas Saunier as permanent representative).

Composition principles

The Board of Directors' composition is guided by the following principles:

- application of best-in-class corporate governance practices;
- appropriate number of Board members in order to allow meaningful individual participation;
- majority of independent directors, pursuant to criteria adopted by the Board of Directors;
- diversity of expertise;
- professional experience;
- diversity of nationalities;
- high proportion of female Board members.

As of December 31, 2018, the membership of the Board of Directors is as follows:

- 81.8% are independent directors (excluding the employee director) (72.7% as at December 31, 2017). The Audit Committee is fully composed of independent directors, the Risk Committee is composed of 83.3% of independent directors and the Compensation and Nomination Committee is composed of 80.0% of independent directors (excluding the employee director) such as the Corporate Social and Societal Responsibility and Environmental Sustainability Committee;
- 58.3% are directors with past experience in the insurance or reinsurance industry, same as at December 31, 2017. The other directors work in the financial sector, banking, legal advisory services and other services;
- 41.7% are non-French directors (33.3% as at December 31, 2017) with directors who are American, British, Belgian, Swiss and Chinese; and
- 45.4% are women (41.7% as at December 31, 2017). The composition of the Board of Directors is therefore compliant with applicable law.

Thus, for several years now, SCOR has been complying with the legal requirements and those of the AFEP-MEDEF Code in terms of diversity. Indeed, in its composition, the Board of Directors of SCOR makes sure to maintain a balanced representation between men and women, as well as a balance between age and seniority of the members on the Board. It also ensures, on the basis of a skills matrix, that directors have varied and complementary experience and skills. This allows a great openness during debates and a better quality in the decision-making process at the Board level. Given the global dimension of the Group, a strong diversity of nationalities is also sought.

At the Shareholders' Meeting held on April 27, 2017, SCOR changed its bylaws in order to introduce new rules for the election of the employee director, pursuant to articles L. 225-27-1-V and L. 225-27 of the French commercial Code. The employee director is now elected by the employees of SCOR SE and its direct and indirect subsidiaries whose head office are in France. The mandate of the employee director elected pursuant to these new rules began at the end of the Ordinary and Extraordinary Shareholders' Meeting held in April 2018.

Changes in the composition of the Board of Directors during the year

The following table displays the changes in the composition of the Board of Directors, during the year:

Name	1st nomination	Renewal	Departure	Sex	Nationality	Reason of the change
Michèle Aronvald	April 27, 2016		April 26, 2018	F	French	End of mandate
Thierry Derez	April 25, 2013	April 27, 2017	November 13, 2018	M	French	Resignation
Vincent Foucart	April 26, 2018			M	French	Start of mandate
Bruno Pfister	April 27, 2016	April 26, 2018		M	Swiss	Renewal
Zhen Wang	April 26, 2018			F	Chinese	Start of mandate

Thierry Derez resigned from SCOR's Board of Directors on November 13, 2018. This resignation came in response to (i) the multiple reminders by SCOR to Thierry Derez regarding the situation of conflicts of interests that affected him and his commitment to resign from SCOR's Board of Directors pursuant to the provisions of the latter's Internal Charter, due to Covéa's unsolicited proposed combination with SCOR and (ii) the opinion rendered on October 30, 2018 by the *Haut Comité de Gouvernement d'Entreprise* consulted by SCOR's Lead Independent Director regarding the situation of Thierry Derez, which confirmed SCOR's position in all respects and unequivocally.

Terms of office duration

The term of office of the directors appointed or renewed, as set forth in SCOR SE's bylaws, shall not exceed four years. Under SCOR SE's bylaws, directors may hold office until the age of 77. A director who reaches the age of 77 while in office has to retire at the expiration of his or her term of office, as determined at the Shareholders' Meeting. Except the employee director, the directors are elected by the shareholders and serve until the expiration of their respective term, or until their resignation, death or removal, with or without cause, by the shareholders. Vacancies on the Board of Directors may, under certain conditions, be filled by the Board of Directors, pending the next Shareholders' Meeting. The appointment is then submitted for ratification at the next Shareholders' Meeting.

Directors are required to comply with applicable law and SCOR SE's bylaws. Under French law, directors are liable for violations of French legal or regulatory requirements applicable to European Companies, violation of a Company's bylaws or mismanagement *(faute de gestion)*. Directors may be held liable for such actions both individually and jointly with other directors.

2.1.3.4. FUNCTIONING OF THE BOARD OF DIRECTORS

Internal Regulations of the Board of Directors

The Board of Directors' meeting held on March 31, 2004 adopted a Board Internal Charter (the "Board Internal Charter") in order to enhance or specify the rules governing the Board. This Board Internal Charter was amended by successive decisions of the Board of Directors with the last one being dated February 19, 2019. It is available on the website of the Company (www.scor.com). The main provisions of the Board Internal Charter are provided below:

Functioning and duties of the Board of Directors of the Company

The Board of Directors defines the strategic orientations of the Company's business activities and ensures their implementation. Without prejudice to the powers expressly invested in Shareholders' Meetings, and within the objects of the Company, the Board of Directors deals with all matters relating to the conduct of the Company's business and decides all pertinent issues through its deliberations. It takes part in the sound and prudent management of the Company. It endeavours to promote long-term value creation by the Company by considering the social and environmental aspects of its activities. If applicable, it proposes any statutory change that it considers appropriate. It regularly reviews, in relation to the strategy it has defined, the opportunities and risks, as well as the measures taken accordingly. To this end, the Board of Directors receives all of the information needed to carry out its tasks, notably from the executive officers. It is informed each quarter by the management of the financial situation, cash position and commitments of the Company. It is informed about market developments, the competitive environment and the most important issues at hand, including in the field of corporate social and environmental responsibility. It takes into account the Own Risk and Solvency Assessment ("ORSA") when it makes a decision likely to have a significant impact on the Company. The Board also carries out the verifications and controls it deems necessary.

The Board meets at least four times a year. In accordance with legal provisions, it approves the financial statements, proposes dividends and makes investment and financial policy decisions. The Board examines and takes decisions on major operations, possibly after review by an ad-hoc committee. Beyond the cases provided by law, some operations are subject to the prior approval of the Board: any major organic growth investments or internal restructuring operations, any significant operation falling outside of the strategy announced by the Group and any project regarding a sale or acquisition, merger or asset contribution higher than one hundred million Euros (EUR 100 million). The Board's duties and responsibilities beyond those set forth by applicable laws and regulations are set out in SCOR SE's bylaws.

Independence of directors

The independence of the directors is assessed on the basis of the following criteria. Accordingly, an independent director:

1. must not currently be or have been within the last five (5) years, an employee or a corporate officer of SCOR or an employee or a director of a company consolidated by the Company. However, a director may be deemed to be independent provided that he abstains from taking part in Board decisions in the event of conflict of interest with the subsidiary concerned;
2. must not have received, in any form, compensation greater than EUR 100,000 from the Company within the last five years, excluding that received as directors' fees;
3. must not be an executive corporate officer of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or an executive corporate officer of the Company (current or in the last five years) holds a directorship;
4. must not be a significant customer, supplier, investment or commercial banker, consultant of SCOR or its Group, or for whom SCOR or its Group represent a significant part of such person's business activities. For the quantitative assessment, a business relationship is deemed significant if it amounts to an annual sum of more than 5% of SCOR's consolidated revenues, or more than 5% of the turnover, consolidated as necessary, of the director or the company with which he is affiliated. For the qualitative assessment, the criteria to qualify that a business relationship is deemed significant will be notably duration and continuity, economic dependence, exclusivity. The evaluation of how significant the relationship is with SCOR or its Group must be debated by the Board in consideration of the Compensation and Nomination Committee's report;
5. must not have a close family relationship with one of the Company's corporate officers;

6. must not have been an auditor for the Company within the last five years;
7. must not have been a director of the Company for more than twelve (12) years (the loss of independent director status in this regard will occur on the date at which this period of twelve years is reached);
8. must not represent a significant shareholder of the Company with the stipulation that:
   - a shareholder is deemed significant if he holds more than 5% of the shares or voting rights (calculation consolidating his various holdings),
   - below this threshold, the Board, based on a report of the Compensation and Nomination Committee, systematically takes into account the structure of the Company's capital and the existence of a potential conflict of interest when evaluating independence.

These criteria are consistent with the AFEP-MEDEF corporate governance code, excluding the provision included in the criterion 1 above according to which a director may be deemed to be independent provided that he abstains from taking part in Board decisions in the event of conflict of interest with the subsidiary concerned.

The table below presents the results of the detailed review, criterion by criterion, of the independence of each director carried out by the Board of Directors in February 2019, based on the proposal of the Compensation and Nomination Committee, with regard to the criteria stated above:

Criteria	1	2	3	4	5	6	7	8	Independent
Denis Kessler, Chairman of the Board	No	No	No	Yes	No	Yes	Yes	Yes	No
Marguerite Bérard	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vincent Foucart	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Vanessa Marquette	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bruno Pfister	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Jean-Marc Raby	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Augustin de Romanet	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Thomas Saunier(1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kory Sorenson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Claude Tendil	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Zhen Wang	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fields Wicker-Miurin	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(1) Representing Malakoff Médéric Assurances, director.

The Board of Directors, upon the recommendation of the Compensation and Nomination Committee, has especially studied the criteria relating to any significant business ties that directors might have with the Company as a customer, supplier, investment or commercial banker or consultant. In particular, it has checked that none of the current directors have business activities with SCOR that generate revenues greater than the threshold indicated in the Board Internal Charter.

Moreover, the three following directors are either a shareholder (Malakoff Médéric Assurances) or directly related to a shareholder of SCOR:

- Malakoff Médéric Group (3.04% of SCOR's capital and 3.14% of voting rights as of December 31, 2018), represented by Thomas Saunier;
- Jean-Marc Raby, Chief Executive Officer of Macif Group (1.48% of SCOR's capital and 1.52% of its voting rights as of December 31, 2018);
- Claude Tendil, Chairman of the Board of Directors of Generali IARD, Generali Group (0.75% of SCOR's capital and 0.77% of its voting rights as of December 31, 2018).

They hold less than 5% of SCOR's capital and the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, stated that:

- Malakoff Médéric Assurances, represented by Thomas Saunier, and Jean-Marc Raby can be considered as independent;
- Claude Tendil cannot be considered as independent. Although Generali Group holds less than 5%, Claude Tendil has been a director of the Company for more than twelve years and for this reason cannot be deemed independent since the Shareholders' Meeting held on April 27, 2017.

Role of the Lead Independent Director

The Lead Independent Director is appointed from the independent directors by the Board of Directors upon a proposal by the Compensation and Nomination Committee. He assists the Chairman and Chief Executive Officer in his duties, in particular in organizing the Board and its Committees and ensuring they function properly, and in supervising corporate governance and internal control.

He is also in charge of assisting the Board concerning the smooth operation of the Company's corporate governance and advising the Board on the operations on which the Board is convened to deliberate. He may include any subject he deems necessary on the agenda of the Board of Director's meetings.

He convenes the non-executive directors as often as needed. The Lead Independent Director of the Company chairs the non-executive directors' session.

He advises the directors when they are concerned that they may be involved in a conflict of interest.

He can contact shareholders or answer their questions, on behalf of the Board of Directors, on corporate governance topics. These meetings or contacts will be conducted in close coordination with the Chairman and Chief Executive Officer or his staff in charge of investor relations. He shall report to the Board of Directors on this mission.

Rights and obligations of directors

Directors may receive training, if they feel it is necessary, on the specific aspects of the Company, its lines of business, its area of activity and its challenges in terms of social and environmental responsibility. They agree to regularly attend meetings of the Board of Directors' Committees of which they are members, and Shareholders' Meetings. Lastly, they are obliged to express their opposition when they believe that a decision of the Board of Directors is likely to be harmful to the Company.

Accumulation of positions as director

In accordance with the recommendations of the AFEP-MEDEF corporate governance code, the executive corporate officer should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with the SCOR Group. Moreover, he shall also seek the opinion of the Board before accepting a new directorship in a listed company.

Directors undertake to hold no more than four other corporate officer positions in listed companies, including foreign companies, outside of the Group. They are required to consult the Lead Independent Director and the Chairman of the Compensation and Nomination Committee prior to their prospective appointment date as Director, Chairman and Chief Executive Officer, Chairman of the Board of Directors, Chief Executive Officer, member of a Supervisory Board or Management Board or Chairman of an Executive Board of other companies, whether the head office of such companies is located in France or abroad, so that the Board of Directors assisted by the Compensation and Nomination Committee, can verify that the directors are in compliance with applicable limits imposed on multiple offices and that any potential conflict of interest has been dispelled.

Limitations and restrictions on trading in SCOR securities

The Board Internal Charter sets out the main recommendations of the market authorities with regard to directors trading in the securities of the Company.

First and foremost, the Board Internal Charter sets out the legal and regulatory provisions requiring confidentiality with regard to privileged information of which directors could have knowledge while performing their duties.

Then, the Board Internal Charter requires directors to register all SCOR shares that they themselves or their minor children hold at the time they enter office or those acquired subsequently. In addition, the Board Internal Charter lays down certain restrictions on trading in SCOR's securities:

- first, it is forbidden to trade in SCOR's securities while in possession of information which, when made public, is likely to have a significant influence on the stock market price. In this regard, any director must refrain from (a) performing or attempting to perform insider dealing, in particular by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates or by cancelling or amending orders already placed concerning a financial instrument to which the information relates; (b) recommending, inducing or attempting to recommend or induce that another person engage in insider dealing on the basis of a privileged information; (c) unlawfully disclosing or attempting to disclose privileged information to another person, except where the disclosure is made in the normal exercise of an employment, a profession or duties;
- in addition, it is forbidden to directly or indirectly conduct any transaction with regard to SCOR's securities during certain sensitive periods that the Group notifies to the directors or during any period preceding an important event affecting SCOR and likely to influence the stock market price. In all cases, the following periods are considered sensitive: the thirty (30) calendar days before the publication of semi-annual and annual results; the fifteen (15) calendar days before the publication of quarterly results and the announcement of the dividend.

Lastly, directors are required to inform the Company and the AMF, in accordance with the procedure in force, of all transactions conducted with regard to its securities, directly or by an intermediary, on their behalf or on behalf of a third party, by their spouse, or by a third party holding a power of attorney. The declaration also applies to the transactions carried out by the persons closely associated with the directors, as defined by applicable laws and regulations.

2.1.3.5. PREVENTION OF RISKS OF CONFLICT OF INTERESTS

Each director has a loyalty obligation towards the Company. He or she shall not act in his or her own interest, against SCOR's interests, and must avoid any situation with risks of conflict of interests.

Pursuant to the Board Internal Charter, each director undertakes not to seek or accept any function, benefit or situation from the Company or from the Group, directly or indirectly, that could jeopardize his or her independence of analysis, judgment or action, during the performance of his or her duties as director. He or she will also dismiss any direct or indirect pressure from other directors, specific groups of shareholders, creditors, suppliers or other third parties.

The Board of Directors of SCOR SE decided, in order to protect the Company's interests, to implement an internal control program to prevent risks of conflict of interest through:

1. a review by the Audit Committee of related party transactions;
2. an annual review of each director's situation, in order to analyze his or her independent status and the existence of any potential existing conflicts of interests;
3. its Board Internal Charter, according to which any director in a situation involving a risk of conflict of interest undertakes to resign from his or her position if the conflict situation is not solved;
4. the adoption of a Code of Conduct communicated to all employees. This Code establishes reinforced requirements as regards the prevention of situations with risks of conflict of interests. It is complemented by a policy defining the alert procedures ("whistleblowing") available for employees, which are reported to the Audit Committee.

Should there be any doubt as to the existence of a conflict of interest, Directors may consult with the Lead Independent Director, the Chairman of the Compensation and Nomination Committee or the General Secretary, who shall advise them.

In the event a characterized punctual conflict of interest should arise on a specific topic submitted for discussion at a Board of Directors meeting, the Director in question shall (i) disclose the conflict to the Board prior to the meeting and (ii) abstain from taking part in the Board's debate or decision on the topic (in this case, he/she shall be excluded from quorum and voting calculations); it being specified that any Director also director of a consolidated company must abstain from taking part in the decisions of the Board in the event of a conflict of interest because of his/her quality of director with the concerned subsidiary.

In the event of characterized general conflict of interest, each Director must immediately notify the Chairman of the Compensation and Nomination Committee and if the situation has not been cured within one (1) month following the notification, resign from the Board of Directors.

Any Director may, in the event a conflict of interest is likely to continue beyond the time period mentioned above, ask to be heard by the Compensation and Nomination Committee.

2.1.3.6. MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board of Directors held seven meetings in 2018 and they lasted on average two hours and a half.

During its meetings in 2018, the main topics which were discussed were:

- financial and compliance matters: approval of the quarterly, half-year and annual financial statements, impact of the US tax reform on SCOR, approval of the half-year interim report, hybrid debt issuance, 2018 budget and operating plan, review of the 2017 Registration Document, annual review of the system of governance and of the Group Policies;
- risk matters: quarterly review of the risk dashboard, approval of the regulatory reports (RSR and SFCR), update on Solvency II and update on the prudential developments, review of the Group internal model results, approval of the 2018 ORSA report, annual review of the Group Policies, hearing of the actuarial key function report;
- governance and human resources matters: review of the Group compensation policy, and of the related recommendations of the Compensation and Nomination Committee, approval of stock option and free share allocation plans, compensation of the executive corporate officer, review of the "say on pay", human resources briefing and outlook, assessment of the Board of Directors, annual review of the independence, fitness and properness of directors and persons effectively running the Company, employee director appointment terms, director's fees, composition of the Board of Directors and of the specialized Committees, failure of the participants to Covéa's unsolicited project (in particular Thierry Derez) to comply with applicable legal and governance rules;
- review of the corporate and social responsibility matters: annual deliberation on professional gender equality and equal pay;
- shareholders' Meeting: convening of the annual Shareholders' Meeting and approval of the related reports;
- strategic matters: review of and position to be taken concerning a strategic project (i.e., Covéa's unsolicited proposed combination with SCOR);
- business matters: 2018 investment strategy, SCOR Global P&C development in the United States;
- other various topics: annual review and authorization of related party agreements, approval of the modifications made to the Board Internal Charter, planned merger of SCOR SE, SCOR Global P&C SE and SCOR Global Life SE, Brexit consequences for SCOR, approval of the Company's statement with regard to the UK Modern Slavery Act, creation by SCOR SE of a new subsidiary in Brazil.

The average attendance rate of the members of the Board was 97%[(1)]. The following table displays the attendance of the members of the Board of Directors during 2018:

Board members	Attendance rate *(%)*
Denis Kessler, Chairman of the Board	100
Michèle Aronvald*	100
Marguerite Bérard	100
Thierry Derez**	100
Vincent Foucart***	100
Vanessa Marquette	100
Bruno Pfister	100
Jean-Marc Raby	100
Augustin de Romanet	100
Thomas Saunier	100
Kory Sorenson	100
Claude Tendil	86
Zhen Wang***	80
Fields Wicker-Miurin	100

* *Director whose term ended at the Shareholders' Meeting on April 26, 2018.*
** *Thierry Derez was included in the calculation until the date of his resignation, November 13, 2018, taking into account the conflicts of interests situation that preceded it.*
*** *Director appointed by the Shareholders' Meeting on April 26, 2018 or director whose term of office began at the end of the Sharerholders' Meeting on April 26, 2018.*

Moreover, two training sessions were held in 2018 for Board members on the following topics:

- SCOR activities in Asia-Pacific, focusing on China, India and Japan on July 25, 2018;
- economic valuation on October 23, 2018.

During the 2018 financial year, the Chairman of the Board of Directors participated in numerous national and international events during which he represented the company. Thus, he spoke on the extreme events and climate risk topic, and then led a round table of experts on the same topic at the Geneva Association's General Meeting which gathered more than 70 Chairmen and CEOs of (re)insurance companies from all over the world in June. At the Monte Carlo Rendez-vous, in September, he spoke about strengths, balances and imbalances affecting the reinsurance industry, in particular the protection gap and the regulatory developments. He also promoted the development of Blockchain technology at this annual gathering of the (re)insurance sector. In October, during SCOR's annual conference, he shared with nearly 150 clients of the Group his vision of insurability evolution resulting from scientific progress and technological developments. He also spoke twice in London: in September he expressed himself at the annual conference organized by a major investment bank and recalled the significant development of the Group, in terms of business, financial rating, solvency, market capitalization and valuation. Then, in November he spoke at the opening of the S&P conference dedicated to the insurance sector and gave an overview of the developments that had an impact on the reinsurance sector over the past fifteen years. Moreover, the Chairman of the Board of Directors has also spoken on several occasions in the national and international media. In addition, he met with many of the Group's clients, investors and shareholders.

2.1.3.7. ASSESSMENT OF THE BOARD OF DIRECTORS

Pursuant to the recommendations stated by the AFEP-MEDEF corporate governance code and in the Board Internal Charter of SCOR SE, an assessment of the Board of Directors and of its Committees was conducted at the end of 2018/beginning of 2019.

Fields Wicker-Miurin, member of the Compensation and Nomination Committee and independent director, managed this assessment by sending a questionnaire to the directors and by leading in-depth individual interviews with them. The questionnaire was about the composition of the Board, its organization, its functioning and the composition and functioning of its Committees. All the directors completed this questionnaire. Fields Wicker-Miurin presented her report during the meetings of the Compensation and Nomination Committee held on January 31, 2019, the non-executive directors' session and the Board of Directors held on February 19, 2019.

The directors expressed their very high level of satisfaction with the composition of the Board, its organization, its functioning and with the composition of its Committees. They are satisfied with the compliance of the governance practiced by SCOR with the requirements of the AFEP-MEDEF Code and with the AMF recommendations. They considered that the Board of Directors of SCOR SE functions better than the other Boards in which they participate and that the new Corporate Social and Societal

(1) The attendance rate does not take into account the directors whose term ended on April 26, 2018.

Responsibility and Environmental Sustainability Committee works well. Following the evaluation of the previous years, they appreciate that SCOR's management has drawn up action plans to respond to the suggestions for improvement made by the directors and implemented them. In particular, they welcomed that requests to allocate more time to certain meetings and to strengthen the international dimension of the Board were considered, in particular by the arrival of a female Board member with Chinese nationality in 2018. The ratings are at a high level and increasing compared to the previous year.

Covéa's unsolicited offer in August 2018 had a significant impact on how directors perceive the governance system and their own responsibilities within it. On this occasion, the directors acknowledged the strength of SCOR's governance practices, and in particular the Internal Regulations of the Board of Directors, as well as the value of the work of the Crisis Management Committee, whose members, who met for the first time and on several occasions in 2018 on this topic, welcomed the functioning of the Committee. This event also highlighted the key role of the Lead Independent Director, the importance of the absolute requirement of confidentiality and the importance of preventing conflicts of interest of directors, these concepts being recognized by the Board members as being well defined within SCOR.

2.1.3.8. NEGATIVE DISCLOSURES ABOUT MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

As at the issuance date of the Registration Document, and to SCOR's knowledge, there are no family relationships between the directors or between a director and a member of the Executive Committee.

To SCOR's knowledge, during the last five years:

- no director and no member of the Executive Committee has been convicted of fraud;
- no director and no member of the Executive Committee has been associated with a bankruptcy, sequestration, or liquidation;
- no director and no member of the Executive Committee has been the subject of an incrimination or official public sanction issued by statutory or regulatory authorities;
- no director and no member of the Executive Committee has ever been prohibited by a court from acting as a member of an administrative, management, or supervisory body of an issuer or from participating in the management or business of an issuer.

2.1.3.9. BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE CONFLICTS OF INTEREST

No loans or guarantees have been granted or established in favor of the directors by SCOR or by any other Group company.

There is no arrangement or agreement concluded with shareholders, clients, suppliers or others pursuant to which any member of the Board of Directors or any member of the Executive Committee has been appointed.

To SCOR's knowledge, with exception of the case mentioned below, there are no conflicts of interest between the duties of the directors and Executive Committee members to SCOR and their own private interests.

Pursuant to the provisions of the Internal Regulations of SCOR's Board of Directors, Bruno Pfister mentioned to the Chairman of the Board and to the Lead Independent Director, in August 2018, the situation resulting from his mandates as Chairman of the Board of Directors of Rothschild & Co Bank AG and Chairman of the Board of Directors of Credit Suisse Asset Management (Switzerland) Ltd. He considered that his position vis-à-vis Rothschild and Credit Suisse was not such as to impair his independence of analysis, of judgement and of action in the performance of his duties on SCOR's Board of Directors and did not put him in a conflict of interest situation. The Chairman of the Board and the Lead Independent Director of SCOR acknowledged it and agreed with Bruno Pfister to regularly review his situation in order to prevent any risk in that regard. He could therefore be in a situation to have to abstain from taking part in the Board's discussions and any decisions of the Board of Directors of SCOR and its specialized Board Committees in relation to the legal actions announced by SCOR on January 29, 2019.

Pursuant to the provisions of the Internal Regulations of SCOR's Board of Directors, Marguerite Bérard informed the Chairman of the Board and the Lead Independent Director, on February 18, 2019, of a potential punctual conflict of interest situation due to private interests with one of the financial institutions against which SCOR announced the launch of legal actions on January 29, 2019. She will therefore abstain from taking part in the Board's discussions and any decisions of the Board of Directors of SCOR and its specialized Board Committees in relation to these legal actions.

It is reminded that Thierry Derez resigned from SCOR's Board of Directors on November 13, 2018. This resignation came in response to (i) the multiple reminders by SCOR to Thierry Derez regarding the situation of conflicts of interests that affected him and his commitment to resign from SCOR's Board of Directors pursuant to the provisions of the latter's Internal Charter, due to Covéa's unsolicited proposed combination with SCOR and (ii) the opinion rendered on October 30, 2018 by the Haut Comité de Gouvernement d'Entreprise consulted by SCOR's Lead Independent Director regarding the situation of Thierry Derez, which confirmed SCOR's position in all respects and unequivocally.

See also Section 2.3.2 – Related party transactions and agreements.

2.1.3.10. INFORMATION ON SERVICE CONTRACTS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

To SCOR's knowledge, there are no service agreements involving the members of the Board of Directors or the Executive Committee and the Company or one of its subsidiaries providing for benefits upon termination of such agreement.

2.1.4. BOARD OF DIRECTORS' COMMITTEES

SCOR's Board of Directors has established six Committees in order to examine specific topics, to prepare the Board's proceedings and to make recommendations to it.

Moreover, the non-executive directors' session is composed of all voting directors, with the exception of the Chairman and Chief Executive Officer and the employee director.

2.1.4.1. THE STRATEGIC COMMITTEE

The Strategic Committee is composed of Denis Kessler (Chairman), Marguerite Bérard, Vanessa Marquette, Bruno Pfister, Jean-Marc Raby, Augustin de Romanet, Thomas Saunier (as representative of Malakoff Médéric Assurances), Kory Sorenson, Claude Tendil, Zhen Wang and Fields Wicker-Miurin.

The Committee's mission is to examine the Group's development strategy, including investments in organic growth and major internal restructuring operations, plus any significant operation falling outside of the strategy announced by the Group and to examine any acquisition, merger, asset contribution or disposal in an amount in excess of EUR 100 million.

The Strategic Committee may call upon outside experts.

The Strategic Committee met on five occasions in 2018, each meeting lasting approximately two hours.

Its work dealt with various aspects of the strategy of the Group, including in particular the exploratory analysis of a potential combination with another reinsurer and the in-depth review and position to be taken concerning Covéa's unsolicited proposed combination with SCOR.

The average attendance rate of the Committee members was 97%. The following table states the attendance rates of the members of the Strategic Committee in 2018:

Board members	**Attendance rate** *(%)*
Denis Kessler, Chairman	100
Marguerite Bérard	100
Thierry Derez*	100
Vanessa Marquette	100
Bruno Pfister	100
Jean-Marc Raby	100
Augustin de Romanet	100
Thomas Saunier**	80
Kory Sorenson	100
Claude Tendil	80
Zhen Wang***	100
Fields Wicker-Miurin	100

* *During its meeting held on October 23, 2018, after having examined the unanimous opinion of the Compensation and Nomination Committee and noted that the situation of Thierry Derez disturbed the proper functioning of SCOR's governing bodies of which he was a member, the Board of Directors unanimously decided that Thierry Derez was no longer, with immediate effect, a member of the Strategic Committee, the Risk Committee, the Compensation and Nomination Committee and the Corporate Social Responsibility Committee. Thierry Derez was included in the calculation of the attendance to the meetings of the Committees until October 23, 2018, taking into account the situation of conflicts of interests which preceded it.*

** *Representing Malakoff Médéric Assurances, director.*

*** *Member of the Strategic Committee from April 26, 2018.*

2.1.4.2. THE AUDIT COMMITTEE

The Audit Committee is composed of Kory Sorenson (Chairman), Marguerite Bérard, Vanessa Marquette, Bruno Pfister and Fields Wicker-Miurin. Each of its members is independent.

Due to the experience and positions held by its members during their career, the Committee has a high level of financial expertise (for further detail, see Section 2.1.2.1 – Information concerning the members of the Board of Directors).

The Audit Committee has two main missions:

- accounting, financial and non-financial responsibilities, including the analysis of periodic financial statements, the review of the relevance of choices and correct application of accounting standards, the review of the accounting treatment of any material transaction, the review of the scope of consolidation, the review of significant off-balance sheet commitments, the control of the selection of Statutory Auditors, the review of any accounting and financial reporting documents before they are made public. The Group audit fees for services rendered during the year are subject to a quarterly review and approval by the Audit Committee, with a specific review for the services other than audit services. The Audit Committee approves the non-core audit fees to ensure that the auditors' independence is not impaired;

- ethical, internal control and compliance responsibilities: the Audit Committee is responsible for ensuring that internal procedures relating to the collection and auditing of data guarantee the quality and reliability of the Group's financial statements. The Audit Committee is also in charge of reviewing agreements with related parties *(conventions réglementées),* analyzing and responding to questions from employees with regard to internal controls, the preparation of financial statements and the treatment of internal accounting books and records. It gives its opinion on the organization of Internal Audit, examines its annual work program, receives internal audit reports and stays informed regarding the implementation of recommendations. Finally, it examines the annual compliance plan and stays informed regarding the Company's compliance activities.

If applicable, the Audit Committee ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all of the information needed for this purpose and reports, if applicable, to the Board of Directors. The Committee may consult the Chief Financial Officer, the Head of Internal Audit, the Heads of the actuarial and compliance functions and the Statutory Auditors on these issues, including in the absence of the Chairman and CEO. It may also call upon outside experts. During the 2018 financial year, and for each meeting, it met with the Statutory Auditors and the Group Chief Financial Officer (during the review of the financial statements), in the absence of the Chairman and CEO. The review of the financial statements was completed by a presentation made by the Statutory Auditors highlighting the main results of their work and the accounting methods used, as well as by a presentation made by the Group Chief Financial Officer describing risk exposure and material off-balance sheet liabilities.

The Audit Committee met on four occasions in 2018, each meeting lasting approximately two hours and a half. The Chairman and Chief Executive Officer attended all the meetings in 2018.

The discussions focused primarily on the following matters:

- accounting and financial responsibilities: the review of the quarterly, half-year and annual financial statements, the impact of the US tax reform on SCOR, the review of the half-year interim report, the hybrid debt issuance, the review of the 2018 budget and operating plan, the review of the Statutory Auditors' report, the review of the 2017 Registration Document, the review of the financial resolutions for the Annual Shareholders' Meeting, the review of some authorisations prior to their submission to the Board, the 3SE merger and Brexit consequences for SCOR;
- ethical, internal control and compliance responsibilities: the review of the quarterly internal audit reports and of the 2018 internal audit plan, the annual review of the Group Policies (especially those required by Solvency II), the actuarial key function report, the 2018 compliance plan and the annual review of compliance activities, the annual review of related party agreements, the review of the work of the Audit Committees of the main subsidiaries, the review of the quarterly legal and compliance dashboard, the control of the selection of the auditors and the review of the Company's statement with regard to the UK Modern Slavery Act.

The attendance rate of the Committee members was 100%. The following chart states the attendance of the Audit Committee's members in 2018:

Board members	Attendance rate *(%)*
Kory Sorenson, Chairman	100
Marguerite Bérard	100
Vanessa Marquette	100
Bruno Pfister	100
Fields Wicker-Miurin	100

2.1.4.3. THE RISK COMMITTEE

The Risk Committee is composed of Bruno Pfister (Chairman), Vanessa Marquette, Kory Sorenson, Claude Tendil, Zhen Wang and Fields Wicker-Miurin. Each of its members is independent except Claude Tendil.

The Committee is responsible for examining, notably based on the Own Risk and Solvency Assessment (ORSA), the major risks with which the Company is confronted, both on the assets and liabilities side, and for ensuring that tools for monitoring and controlling these risks are in place. It examines SCOR's risks and its Enterprise Risk Management (ERM) policy. It studies the Group's strategic risks (including emerging risks) as well as the Group's main technical and financial commitments (underwriting, reserving, market, concentration, counterparty, asset-liability management, liquidity and operating risks as well as relating to changes in prudential regulations).

The Risk Committee may call upon outside experts.

The Risk Committee met four times in 2018, each meeting lasting approximately two hours and a half.

The Committee mainly discussed the following matters: the quarterly review of the main exposures risks of the Group, the Group's risk appetite, the capital shield policy and its effectiveness, Solvency II compliance the review of RSR and SFCR regulatory reports, the review of the Group Policies required by Solvency II, the internal model results of the Group, the review of the 2018 ORSA report, and the changes in prudential regulations.

The average attendance rate of the Committee Members was 93%. The following chart states the attendance of the members of the Risk Committee in 2018:

Board members	Attendance rate *(%)*
Bruno Pfister, Chairman	100
Thierry Derez*	100
Vanessa Marquette	100
Kory Sorenson	75
Claude Tendil	75
Zhen Wang	100
Fields Wicker-Miurin	100

* *During its meeting held on October 23, 2018, after having examined the unanimous opinion of the Compensation and Nomination Committee and noted that the situation of Thierry Derez disturbed the proper functioning of SCOR's governing bodies of which he was a member, the Board of Directors unanimously decided that Thierry Derez was no longer, with immediate effect, a member of the Strategic Committee, the Risk Committee, the Compensation and Nomination Committee and the Corporate Social Responsibility Committee. Thierry Derez was included in the calculation of the attendance to the meetings of the Committees until October 23, 2018, taking into account the situation of conflicts of interests which preceded it.*

2.1.4.4. THE COMPENSATION AND NOMINATION COMMITTEE

The Compensation and Nomination Committee is composed of Augustin de Romanet (Chairman), Vincent Foucart (employee director), Vanessa Marquette, Bruno Pfister, Claude Tendil and Fields Wicker-Miurin.

Except the employee director, and Claude Tendil, the other members are independent.

The Committee reviews the compensation of the executive corporate officer and members of the Executive Committee of the Group, share allocation plans and stock option plans and examines proposals related to the composition, organization and functioning of the Board of Directors and its Committees. Its missions are described in the Board Internal Charter.

The Chairman and Chief Executive Officer attends the sections of the Compensation and Nomination Committee's meetings dealing with appointments and those dealing with compensation matters not related to him.

The Compensation and Nomination Committee may call upon outside experts.

The Compensation and Nomination Committee met four times in 2018, each meeting lasting approximately two to three hours.

The Committee mainly discussed the following matters:

- compensation matters: updating of the Group compensation policy, share and stock option allocation plans, compensation of the Chairman and Chief Executive Officer and of the other members of the Executive Committee, severance indemnities, review of the "say on pay", HR review and outlook and directors' fees for the directors;
- governance matters: renewal of the Board of Directors of SCOR SE, annual review of the independence, fitness and properness of the directors and of the persons effectively running SCOR SE, review of the succession plan of the key executives of the Group, assessment of the Board and its Committees, review of the composition of the specialized Committees of the Board of Directors, review of the cost of the governance within the Group in 2017 and review of the Board Internal Charter.

The attendance rate of the Committee members was 100%. The following chart states the attendance of the members of the Compensation and Nomination Committee in 2018:

Board members	Attendance rate *(%)*
Augustin de Romanet, Chairman	100
Michèle Aronvald*	100
Thierry Derez**	100
Vincent Foucart***	100
Vanessa Marquette	100
Bruno Pfister	100
Claude Tendil	100
Fields Wicker-Miurin	100

* *Member of the Compensation and Nomination Committee until April 26, 2018.*
** *During its meeting held on October 23, 2018, after having examined the unanimous opinion of the Compensation and Nomination Committee and noted that the situation of Thierry Derez disturbed the proper functioning of SCOR's governing bodies of which he was a member, the Board of Directors unanimously decided that Thierry Derez was no longer, with immediate effect, a member of the Strategic Committee, the Risk Committee, the Compensation and Nomination Committee and the Corporate Social Responsibility Committee. Thierry Derez was included in the calculation of the attendance to the meetings of the Committees until October 23, 2018, taking into account the situation of conflicts of interests which preceded it.*
*** *Member of the Compensation and Nomination Committee from April 26, 2018.*

2.1.4.5. THE CORPORATE SOCIAL AND SOCIETAL RESPONSIBILITY AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE

The Corporate Social and Societal Responsibility and Environmental Sustainability Committee is composed of Fields Wicker-Miurin (Chairman), Vincent Foucart (employee director), Vanessa Marquette, Bruno Pfister, Augustin de Romanet and Claude Tendil.

Except the employee director and Claude Tendil, the other members are independent.

Its mission is to:

- examine the main corporate social, societal responsibility and environmental sustainability issues faced by the Company;
- examine the corporate social and societal responsibility and environmental sustainability strategy and actions plans, including commitments made by the Company in this regard, to monitor their implementation and to propose any actions in this respect;
- submit to the Board of Directors any proposals designed to take the corporate social and societal responsibility and environmental sustainability issues faced by the Company into consideration when determining its business orientations;
- examine the corporate social and societal responsibility and environmental sustainability related reports submitted to the Board of Directors in accordance with applicable laws and regulations, particularly the extra-financial performance declaration referred to in Article L. 255-102-1 of the French Commercial Code;
- study the extra-financial ratings obtained by the Company and to define, if necessary, objectives in this area;
- ensure that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies and reports to the Board of Directors.

The Corporate Social and Societal Responsibility and Environmental Sustainability Committee may call upon outside experts.

The Corporate Social and Societal Responsibility and Environmental Sustainability Committee met four times in 2018, each meeting lasting approximately two hours.

The Committee mainly discussed the following matters: review of the 2017 integrated activity and CSR report, review of the ESG report on investments, the implementation of the CSR action plan, a project study to develop forest in an emerging country, the position of the Group regarding coal and tobacco, protection of world heritage sites and gender equality.

The attendance rate of the Committee members was 100%. The following chart states the attendance of the members of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee in 2018:

Board members	Attendance rate *(%)*
Fields Wicker-Miurin, Chairman	100
Michèle Aronvald*	100
Thierry Derez**	100
Vincent Foucart***	100
Vanessa Marquette	100
Bruno Pfister	100
Augustin de Romanet	100
Claude Tendil	100

* *Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee until April 26, 2018.*
** *During its meeting held on October 23, 2018, after having examined the unanimous opinion of the Compensation and Nomination Committee and noted that the situation of Thierry Derez disturbed the proper functioning of SCOR's governing bodies of which he was a member, the Board of Directors unanimously decided that Thierry Derez was no longer, with immediate effect, a member of the Strategic Committee, the Risk Committee, the Compensation and Nomination Committee and the Corporate Social Responsibility Committee. Thierry Derez was included in the calculation of the attendance to the meetings of the Committees until October 23, 2018, taking into account the situation of conflicts of interests which preceded it.*
*** *Member of the Corporate Social and Societal Responsibility and Environmental Sustainability Committee from April 26, 2018.*

2.1.4.6. THE CRISIS MANAGEMENT COMMITTEE

The Crisis Management Committee is composed of Augustin de Romanet (Chairman), Denis Kessler, Bruno Pfister, Kory Sorenson and Fields Wicker-Miurin.

The Crisis Management Committee meets only when necessary and as many times as it deems necessary.

Its mission is to assist and advise the Board of Directors and propose to the Board any necessary measures and decisions in the event of a crisis affecting the Company, the Group or one of its members, as well as following up on such measures and decisions.

Depending on the agenda, the Lead Independent Director, who chairs this Committee, may exclude the Chairman and Chief Executive Officer from the discussions of the Crisis Management Committee. Moreover, the Chairman and Chief Executive Officer must be disqualified from such discussions if the crisis is linked to a subject that personally concerns him.

The Crisis Management Committee may call upon outside experts.

The Crisis Management Committee meeting met three times in 2018, each meeting lasting approximately two hours.

The Committee mainly analyzed the consequences of Covéa's unsolicited proposed combination with SCOR as well as the failure of the participants to Covéa's unsolicited project (in particular Thierry Derez) to comply with applicable legal and governance rules.

The attendance rate of the Committee members was 100%. The following chart states the attendance of the members of the Crisis Management Committee in 2018:

Board members	Attendance rate *(%)*
Augustin de Romanet, Chairman	100
Denis Kessler	100
Bruno Pfister	100
Kory Sorenson	100
Fields Wicker-Miurin	100

2.1.4.7. NON-EXECUTIVE DIRECTORS' SESSION

The non-executive directors' session involves all the directors, with the exception of the employee director and the executive corporate officer of the Company.

It brings together the non-executive directors so that they can exchange ideas outside the context of the Board of Directors' meetings. It may be called in case of a conflict of interest between the Board and the management team, a non-adherence to the corporate governance code, an inability of the corporate officer to carry out his duties as a result of an accident or his death or a proven breach of the Code of Ethics on the part of the corporate officer.

This session met three times in 2018, under the chairmanship of the Lead Independent Director. On this occasion, non-executive directors discussed of possible follow-up actions to the annual evaluation of the Board as well as to Covéa's unsolicited proposed combination with SCOR and the situation of conflicts of interests affecting Thierry Derez pursuant to the Board of Directors' Internal Charter. The session was also informed of the deliberations of the Compensation and Nomination Committee regarding the performance of the executive corporate officer.

2.1.5. CORPORATE OFFICERS AND THEIR POWERS

2.1.5.1. CORPORATE OFFICERS

At its meeting on April 18, 2002 and in compliance with Article L. 225-51-1 of the French Commercial Code and Article 16 of SCOR's bylaws ("Executive Management"), the Board of Directors of the Company decided that the management of the Company would be carried out under its responsibility by the Chairman of the Board of Directors, with the title of Chairman and Chief Executive Officer, who may be assisted by a Deputy Chief Executive Officer.

Denis Kessler joined the Group on November 4, 2002, with the objective of turning the Company around in the face of a very difficult financial situation. The Board of Directors considered that, in order to achieve this, it was preferable to entrust him with the powers of Chairman of the Board of Directors and of Chief Executive Officer. When his term was renewed in May 2011, the Board of Directors considered that Denis Kessler had demonstrated the benefit of combining the offices of Chairman of the Board of Directors and Chief Executive Officer during the turnaround period experienced by SCOR between 2003 and 2007, and then during the economic crisis between 2007 and 2011. The Board of Directors thus felt it was in the best interests of SCOR, its shareholders and all its employees, for Denis Kessler to be re-appointed as Chairman and Chief Executive Officer and to continue the development of the Group. By combining the roles of Chairman and Chief Executive Officer, the Company benefits from a faster decision-making process and strategic alignment in terms of its governance bodies. Since 2011, SCOR's results have demonstrated the success of this form of governance. On April 27, 2017, the Shareholders' Meeting renewed Denis Kessler's director term for a four-year duration and the Board of Directors held on April 27, 2017 re-appointed him as the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer has executive authority to manage SCOR's business, subject to the prior authorization of the Board of Directors or the Shareholders' Meeting for certain decisions as required by law and by the Company's bylaws, and subject to compliance with the French Insurance Code according to which SCOR must be effectively run by at least two persons. The Chairman and Chief Executive Officer has the authority to act on behalf of and in the name of SCOR and to represent SCOR in dealings with third parties, subject only to those powers expressly reserved by law to the Board of Directors or the shareholders. The Chairman and Chief Executive Officer determines, and is responsible for, the implementation of SCOR's goals, strategies and budgets, which are reviewed and monitored by the Board of Directors.

The Board of Directors has the power to appoint and remove, at any time and with or without cause, the Chairman and Chief Executive Officer, as well as to appoint separate persons to hold the positions of Chairman of the Board (Président du Conseil d'administration) and Chief Executive Officer (Directeur Général). Upon a proposal made by the Chairman and Chief Executive Officer, the Board of Directors may also appoint a Deputy Chief Executive Officer (Directeur Général Délégué) to assist the Chief Executive Officer in managing the business.

2.1.5.2. POWERS OF THE CORPORATE OFFICERS

The Board of Directors of the Company also limited the powers of the Chairman and Chief Executive Officer by stipulating in the Board's Internal Charter the need for prior Board approval for the following operations:

- organic growth investments and major internal structuring operations;
- any significant operation falling outside of the scope of the strategy announced by the Group;
- any project regarding a sale or acquisition, merger or asset contribution higher than one hundred million Euros. In addition, any project regarding a sale, in one or more transactions, concerning at least half of the Company's assets must be submitted to the Shareholders' Meeting, as recommended by the AFEP-MEDEF corporate governance code.

Furthermore, in addition to the Chairman and Chief Executive Officer of SCOR SE, two other persons effectively running SCOR SE and the Group have been appointed. Thereby, since January 1, 2016, the effective management of the Company and the Group has been overseen by at least two persons, pursuant to the requirements of the French Insurance Code.

Moreover, several other elements of SCOR's governance enable it to ensure a good balance of powers.

Thus, in 2018, all of the directors were independent, except the Chairman and Chief Executive Officer, the employee director, Thierry Derez since Covéa crossed the 5% shareholding threshold in April 2016 (being specified that Thierry Derez resigned from the Board of Directors on November 13, 2018) and Claude Tendil who has been a director for over 12 years.

The Board of Directors of SCOR also has a Lead Independent Director who may include any subject he deems necessary on the agenda of the Board of Directors' meetings and can convene a Non-Executive Directors' session as often as is required.

Furthermore, according to the Board's Internal Charter, the directors may ask that the Company's principal executives attend meetings of the Board of Directors in order to hear them, if necessary, on topics related to the performance of their functions in the absence of the Chairman and Chief Executive Officer.

Lastly, as per the French Insurance Code and to requirements of the Solvency 2 directive, four key functions holders (compliance, risk management, actuarial, internal audit) have been appointed for SCOR SE and the Group. They are heard at least annually by the Board or one of its Committees, and may raise any issues directly to the Board.

2.1.6. EXECUTIVE COMMITTEE

The Executive Committee is composed of executives of the Company and of its subsidiaries. It is responsible for implementing the strategy defined by the Board of Directors, under the Chief Executive Officer's authority.

See Section 2.1.1.1 – Powers of the corporate officers.

2.1.6.1. BIOGRAPHICAL INFORMATION ON THE MEMBERS OF THE EXECUTIVE COMMITTEE

Denis Kessler

See Section 2.1.2.1 – Information concerning the members of the Board of Directors.

Paolo De Martin

Paolo De Martin, an Italian citizen, graduated from Ca' Foscari University, Italy, with a degree in Business Economics. He subsequently spent two years in the optical business as founder and managing partner of an eyewear manufacturer. He joined General Electric Company (GE) in 1995 as a finance trainee in London. In 1997, he joined GE's internal auditing & consulting Group, charged with assignments in multiple GE businesses in the Americas, Europe and the Asia-Pacific region. In 2001, Paolo De Martin was promoted to Executive Manager for GE Capital Europe, before joining GE Insurance Solutions as Financial Planning and Analysis Manager for Global Property and Casualty Reinsurance. In 2003, he was appointed Chief Financial Officer of GE Frankona Group before becoming Chief Financial Officer of Converium Holding AG in July 2006. In September 2007, Paolo De Martin was appointed Group Chief Financial Officer of SCOR. In January 2014, Paolo De Martin was appointed Chief Executive Officer of SCOR Global Life.

Frieder Knüpling

Frieder Knüpling, a German citizen, holds degrees in mathematics and physics from the Universities of Göttingen and Freiburg. He worked as a lecturer and research assistant at the University of Freiburg and several other colleges, until he received a PhD in economics based on research into the econometric modeling of macroeconomic and financial data. From 1999 to 2002, he worked for Gerling-Konzern Globale Rückversicherungs-AG and its UK Life Reassurance subsidiary, dealing with pricing and valuation. As at 2003, he headed the Corporate Actuarial & Treasury department of the Revios Group. In 2007, Frieder Knüpling headed SCOR's Corporate Actuarial Department, reporting to the Chief Risk Officer. He was appointed Deputy Chief Risk Officer of SCOR in December 2008. In July 2010, he was appointed Deputy Chief Executive Officer of SCOR Global Life and member of the SCOR Group Executive Committee. On October 1, 2012, he was appointed Deputy Group Chief Risk Officer and on January 17, 2014, he was appointed Group Chief Risk Officer. Frieder Knüpling holds degrees in Mathematics and Physics and a PhD in Economics. He is a fellow of the *Deutsche Aktuarvereinigung* (DAV) and a Chartered Enterprise Risk Analyst (CERA).

Mark Kociancic

Mark Kociancic, a dual citizen of Canada and the USA, is a graduate of the University of Toronto and holds a Bachelor of Commerce degree. He also holds a Chartered Professional Accountant (CPA) designation and a Chartered Financial Analyst (CFA) designation. Upon graduation in 1992, Mark joined Ernst & Young within its Life and P&C insurance practice and has subsequently held successively senior positions within the insurance industry with St Paul Guarantee, Avalon Risk Associates and Tokio Marine, prior to joining SCOR US as Senior Vice-President and Chief Financial Officer in May 2006. He was appointed SCOR Americas Hub Chief Financial Officer in June 2008 and was promoted to Executive Vice-President in July 2010. He was appointed Deputy Chief Financial Officer of SCOR Group in October 2012 before being appointed Group Chief Financial Officer of SCOR SE and joining the SCOR Group Executive Committee on May 15, 2013.

Romain Launay

Romain Launay, a French citizen, is a graduate of the École Polytechnique, of the École des Mines de Paris and of the Centre des Hautes Études de l'Assurance. Having occupied various positions at the French Ministry for the Economy and Finance between 2004 and 2009, he became Technical Advisor to the Prime Minister in 2009. He joined SCOR in February 2012 as Senior Advisor to the Chairman and Chief Executive Officer, before being appointed Group General Secretary in May 2014. In February 2016, he became Group Chief Operating Officer.

Brona Magee

Brona Magee, an Irish citizen, holds a Bachelor of Actuarial and Financial Studies degree from University College Dublin. From 2006 to 2011 she worked for Transamerica International Reinsurance Ireland, which was acquired by SCOR in 2011. She became CFO for SCOR Global Life Reinsurance Ireland from 2011 to 2013. In 2013, Brona moved to the United States to take the position of Chief Financial Officer, Americas at SCOR Global Life and in 2015 was promoted to Deputy Chief Executive Officer, Americas. In February 2017 she returned to Dublin and became Chief Actuary for SCOR Global Life. She was appointed Head of Client Solutions and a member of SCOR Global Life's Executive Leadership Team in November 2017. Brona is a Fellow of the Society of Actuaries in Ireland. In September 2018, she became Deputy Chief Executive Officer of SCOR Global Life.

Victor Peignet

Victor Peignet, a French citizen, is a Marine & Offshore Engineer and graduate of the École Nationale Supérieure des Techniques Avancées (ENSTA), who joined SCOR's Facultative Department in 1984 from the offshore Oil & Gas contracting industry. He has more than 15 years' underwriting and management experience in Energy & Marine insurance at SCOR. He has been at the head of the Group's Corporate Business Division (Business Solutions) since its creation in 2000, first as Executive Vice-President and as Managing Director from April 2004. Since July 5, 2005, he has been the Chief Executive Officer of SCOR Global P&C.

Laurent Rousseau

Laurent Rousseau, a French citizen, is a graduate of HEC (École des Hautes Études Commerciales). He started his career in 2001 as an equity analyst at Credit Suisse First Boston in London, covering European insurers and reinsurers. In 2005, he joined J.P. Morgan in the insurance Investment Banking team, executing M&A, capital raising and restructuring transactions for European insurers and reinsurers. He joined SCOR in 2010 as Advisor to the CEO, and became Head of SCOR Global P&C's Strategy and Business Development in 2012. In July 2015, Laurent became Chief Underwriting Officer of SCOR Global P&C's treaty business in Europe, Middle East & Africa. In April 2018, he was appointed Deputy Chief Executive Officer of SCOR Global P&C, member of the Group's Executive Committee and since September 2018, CEO for Specialty Insurance (SCOR Business Solutions, the Channel Managing Agency and MGAs).

François de Varenne

François de Varenne, a French citizen, is a graduate of the École Polytechnique and a civil engineer of the Ponts et Chaussées. He holds a PhD in finance and graduated as an actuary from the Institut de Science Financière et d'Assurances (ISFA). François de Varenne joined the Fédération Française des Sociétés d'Assurances (FFSA) in 1993 as Manager of Economic and Financial Affairs. In London, beginning in 1998, he served successively as Insurance Strategist with Lehman Brothers, Vice-President for asset management solutions and structured transactions specialist in insurance and reinsurance companies at Merrill Lynch and then at Deutsche Bank. In 2003, he became Managing Partner of Gimar Finance & Cie. He joined the Group in 2005 as Director of Corporate Finance and Asset Management. On September 3, 2007, he was named Group Chief Operating Officer. On October 29, 2008, he was appointed Chief Executive Officer of SCOR Global Investments.

2.1.7. NUMBER OF EMPLOYEES

The total number of employees of the Group (including Essor) increased from 2,801 as at December 31, 2017 to 2,887 as at December 31, 2018. The distribution of personnel covers the various geographical areas to meet the strategic principles of the Group.

The following table sets forth the distribution of employees at the dates indicated:

Distribution by Hub(1)

	2018	2017	2016
EMEA(2)	1,694	1,695	1,616
Americas(3)	725	727	702
Asia-Pacific(4)	392	379	335
Total excluding Essor	**2,811**	**2,801**	**2,653**
Essor(5)	76	-	-
TOTAL	**2,887**	**2,801**	**2,653**

Distribution by division

	2018	2017	2016
SCOR Global P&C(6)	981	972	904
SCOR Global Life(7)	960	959	876
SCOR Global Investments	78	81	70
Group Functions and Support(8)	792	789	803
Total excluding Essor	**2,811**	**2,801**	**2,653**
Essor(5)	76	-	-
TOTAL	**2,887**	**2,801**	**2,653**

(1) Each Hub covers a region and may have employees in several countries.
(2) The EMEA Hub covers employees in France, Spain, Italy, Belgium, the Netherlands, Russia, South Africa, Kenya, the United Kingdom, Ireland, Sweden, Switzerland, Israel and Germany.
(3) The Americas Hub covers employees in the United States, Mexico, Brazil, Canada, Chile, Colombia and Argentina.
(4) The Asia-Pacific Hub covers employees in China, Hong Kong, India, Japan, South Korea, Malaysia, Singapore, Taiwan and Australia.
(5) From 2018, Essor (76 employees at December 31, 2018) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.
(6) During the period covered, the Lloyd's Channel Syndicate (132 employees at December 31, 2018) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.
(7) During the period covered, Remark (150 employees at December 31, 2018), Réhalto (28 employees at December 31, 2018) and Telemed (38 employees at December 31, 2018), wholly-owned subsidiaries of SCOR Global Life SE are managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.
(8) The "Group Functions and Support" division includes the departments reporting to the CFO, CRO and COO of the Group as well as the departments directly managed by the Chairman and Chief Executive Officer. SCOR SE controls 59.9% of the capital of MRM (5 employees at December 31, 2018), Château Mondot SAS (22 employees at December 31, 2018) and Les Belles Perdrix de Troplong Mondot EURL (9 employees at December 31, 2018). Due to their specific activities, their business models and their organizations,they are managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.

By the end of 2018, women held about 18% of the 10% of positions with the highest responsibilities (based on the highest levels of the Partners program). The policy to build a more mixed talent pool as well as the related 2018 achievements, are described in Section 2.1.2 of Appendix D – Non financial performance declaration.

2.1.8. INFORMATION REQUIRED BY ARTICLE L. 225-37-5 OF THE FRENCH COMMERCIAL CODE

The information referred to in Article L. 225-37-5 of the French Commercial Code is made public in the Report on corporate governance which is included in this Registration Document (refer to Section 2).

2.2. EXECUTIVE COMPENSATION AND SHARE OWNERSHIP

2.2.1. COMPENSATION OF THE EXECUTIVE CORPORATE OFFICER AND DIRECTORS

2.2.1.1. PRINCIPLES AND RULES STATED FOR THE DETERMINATION OF COMPENSATION AND IN-KIND BENEFITS ATTRIBUTABLE TO MR. DENIS KESSLER AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR THE 2018 REPORTING PERIOD

For the principles and rules stated for the determination of the compensation and in-kind benefits attributable to Mr. Denis Kessler as Chairman and Chief Executive Officer for the 2018 reporting period, please refer to the 2018 Shareholder's Meeting brochure to the Combined General Meeting.

2.2.1.2. APPROVAL OF THE COMPENSATION ITEMS ATTRIBUTABLE TO MR. DENIS KESSLER AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

In accordance with article L. 225-37-3 of the French Commercial Code, the compensation elements due or attributed to the executive corporate officer for the financial year ended December 31, 2018 are presented below. Those compensation items are compliant with the principles and rules stated for the determination of compensation and in-kind benefits attributable to Mr. Denis Kessler, Chairman and Chief Executive Officer for the 2018 reporting period and as approved by the 2018 Shareholders' Meeting.

In accordance with Article L. 225-100-II of the French Commercial Code, at the 2019 Shareholders' Meeting, the shareholders will vote on the aforementioned compensation items (fixed, variable and exceptional elements) paid or awarded to Mr. Denis Kessler in respect of the financial year ended December 31, 2018.

The following table presents a summary of the total compensation including gross compensation, shares and stock options granted to the executive corporate officer for financial years 2018, 2017 and 2016:

	2018		2017		2016	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Variable compensation(1)	1,184,400	1,120,020	1,120,020	1,419,600	1,419,600	1,683,000
Director's fees	70,000	70,000	55,000	55,000	55,000	55,000
Additional benefits	0	0	0	0	0	0
Gross compensation	**2,454,400**	**2,390,020**	**2,375,020**	**2,674,600**	**2,674,600**	**2,938,000**
Value of shares granted(2)	3,878,750		3,545,000		5,235,250	
Value of stock options granted(2)	188,000		400,000		49,500	
TOTAL	**6,521,150**		**6,320,020**		**7,959,350**	

(1) The variable annual compensation related to the 2018 financial year has been determined by the Board of Directors based on a percentage of achievement for the objectives of 98.7%. This variable annual compensation amount is paid in one instalment, pending the approval of the Shareholders' Meeting.

(2) It should be noted that the figures stated above do not represent paid compensation but correspond to actuarial estimates in line with the AFEP-MEDEF corporate governance code. The value is calculated according to the same assumptions as those used for the Group financial statements (IFRS 2). Since 2009, 100% of shares and stock options granted are subject to performance conditions.

The benchmark study conducted by Mercer in 2018 on behalf of the Compensation and Nomination Committee concludes that the compensation package of the Chairman and Chief Executive Officer (all compensation items included) is aligned with market practice. More specifically, the Chairman and Chief Executive Officer's 2017 total compensation was equal to 104% of the median (among a list of peers including the main global reinsurers selected by premium income and for which information on the pay of top management is available, i.e. Alleghany, Arch Capital Group, Axis Capital Holdings Limited, Everest Re, Great West Life Co, Hannover Re, Munich Re, Reinsurance Group of America, Swiss Re, Validus Holdings and XL Group).

In accordance with the recommendations stated in the AFEP-MEDEF corporate governance code (Section 24.3) and pursuant to its implementation guide, the compensation elements due or attributed to the executive corporate officer for the financial year ended December 31, 2018 are presented below.

Those compensation items are compliant with the principles and rules stated for the determination of compensation and in-kind benefits attributable to Mr. Denis Kessler, Chairman and Chief Executive Officer for the 2018 reporting period and as approved by the 2018 Shareholders' Meeting.

Annual variable and exceptional compensation items are subject to the approval of the Shareholders' Meeting. In accordance with article L. 225-37-2 of the French Commercial Code, their payment needs to be approved by the Shareholders' Meeting.

Compensation elements due or attributed for the financial year ended December 31, 2018	Amounts or accounting valuation	Description
Fixed gross annual compensation	EUR 1,200,000	Following the recommendation of the Compensation and Nomination Committee on its meeting of February 20, 2018, the Board of Directors on February 21, 2018 decided that the Chairman and Chief Executive Officer would receive a fixed gross annual compensation of EUR 1,200,000, payable in 12 monthly instalments. The fixed compensation of the Chairman and Chief Executive Officer has not changed since January 1, 2008.
Variable annual compensation - This item is submitted to the shareholders for approval	EUR 1,184,400 (amount paid or payable)	Following the recommendation of the Compensation and Nomination Committee at its February 20, 2018 meeting, the Board of Directors at its February 21, 2018 meeting decided that the Chairman and Chief Executive Officer would receive a target variable annual compensation of EUR 1,200,000 (100% of his fixed gross annual amount), unchanged from last year. This variable annual compensation is determined as follows: ◆ 50% on the basis of the achievement of financial objectives, set at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee; and ◆ 50% on the basis of the achievement of personal objectives, set at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee. In accordance with the Group compensation policy applicable to all Partners within the Group, the variable annual compensation of the Chairman and Chief Executive Officer may benefit, in the event of outperformance, from a multiplier applied to financial objectives (capped at a maximum of 130% of the target of the financial objectives portion) and personal objectives (capped at a maximum of 150% of the target of the personal objectives portion) which may increase the variable annual compensation of the Chairman and Chief Executive Officer up to a ceiling of 140% of his target variable annual compensation. Moreover, the Group policy states that, for participation and strong contribution to the success of specific strategic projects, an additional and exceptional bonus ("Exceptional Contribution Bonus" – ECB) may be granted; the ECB can reach a maximum of 25% of the target variable annual compensation of the Chairman and Chief Executive Officer. The total variable annual compensation of the Chairman and Chief Executive Officer may not exceed 165% of his target variable annual compensation of EUR 1,200,000, and consequently cannot exceed 165% of his fixed annual compensation. The variable compensation for any given year is paid in year y+1, after the financial statements of the Company for such given year are approved by the Board of Directors and is subject, as of 2019 for the variable compensation relating to 2018, to the approval of the Shareholders' Meeting. For 2018, the variable compensation of the Chairman and Chief Executive Officer has been determined according to the following objectives: ◆ 50% based on the achievement of a financial objective: ROE level achieved by SCOR, with a target of 800 bps above the five-year risk-free-rate ("Vision In Action" target); ◆ 50% based on the achievement of personal objectives: maintaining a solvency ratio equal or higher than the lower limit of the optimal range defined in the strategic plan, achievement of the strategic plan "Vision in Action", preparation of the Group to the Brexit, adaptation of the Group to the new fiscal, competitive and regulatory context, preparation of the merger of SCOR SE, SCOR Global Life SE and SCOR Global P&C SE, ensure a high level of protection for the Group against cyber risk, develop a cyber risk coverage offer, implement the Group Climate Policy, brodening and deepening of the Group's talent pool, including the development of SCOR's employer brand, conduct a policy of active career and skill management. The Board of Directors determined, on the proposal of the Compensation and Nomination Committee a percentage of achievement for the objectives of 98.7%. The objectives, their respective assessment and achievement rate are detailed in a table below. In addition, the Board of Directors, on the proposal of the Compensation and Nomination Committee, decided not to attribute to the Chairman and Chief Executive Officer any Exceptional Contribution Bonus (ECB). This variable annual compensation shall be paid in one instalment.
Variable deferred compensation	NA	The Group compensation policy does not provide for variable deferred compensation.
Multi-year variable compensation	NA	The Group compensation policy does not provide for multi-year variable compensation.
Exceptional compensation	EUR 0	No exceptional compensation granted during the year, as in previous years.

Compensation elements due or attributed for the financial year ended December 31, 2018	Amounts or accounting valuation	Description
Stock option and free share allocation plans or other long-term compensation	Stock options EUR 188,000 Shares EUR 3,878,750 (accounting valuation under IFRS)	In accordance with the authorization by the Shareholders' Meeting on April 27, 2017 in its 21st resolution, the Board of Directors decided at its February 21, 2018 meeting, on a proposal from the Compensation and Nomination Committee at its February 20, 2018 meeting, to allocate on March 8, 2018, stock options to the Chairman and Chief Executive Officer and to the other members of the Executive Committee. On this plan, 100,000 stock options have been granted to the Chairman and Chief Executive Officer. These stock-options are 100% subject to performance conditions. The performance conditions are defined as follows and are assessed and validated annually by the Compensation and Nomination Committee: Half of the options will be exercisable from March 9, 2022, provided: (1) that the conditions set out in the Plan of March 8, 2018 are fulfilled and in particular that he remains a corporate officer of SCOR Group until March 8, 2022 inclusive, except as otherwise stated by the Plan; (2) that the Group's ethical principles as described in its Code of Conduct are respected; therefore, in case of actual misconduct as per the Code of Conduct, for instance in the event of fraud, the beneficiary will lose all of his/her stock options (clawback policy); (3) that the training obligation in terms of corporate social responsibility (CSR) is met; (4) that the average SCOR ROE over three years (from January 1, 2018 to December 31, 2020) is equal to the average of SCOR ROE strategic target (the "Target ROE") over the period. Aside from the mandatory conditions (1), (2) and (3), if the observed average ROE (condition (4)) is lower or higher than the Target ROE, the options will be exercisable according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options that can be exercised via this criterion
From 125%	150%
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	100%
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	0%

In any case, if the average ROE is lower than 5%, the portion of options that could be exercised based on this criterion would be at 0%.

The other half of options will be exercisable from March 9, 2022, provided:

(1) that the conditions set out in the enclosed Plan of March 8, 2018 are fulfilled and in particular that he remains a corporate officer of SCOR Group until March 8, 2022 inclusive, except as otherwise stated by the Plan;

(2) that the Group's ethical principles as described in its Code of Conduct are respected; therefore, in case of actual misconduct as per the Code of Conduct, for instance in the event of fraud, the beneficiary will lose all of his/her stock options benefits (clawback policy);

(3) that the training obligation in terms of corporate social responsibility (CSR) is met;

(4) that the average solvency ratio over three years (from January 1, 2018 to December 31, 2020) is at least equal to the average of the SCOR Solvency strategic target over the period (the «Target Solvency Ratio»).

Compensation elements due or attributed for the financial year ended December 31, 2018	Amounts or accounting valuation	Description
		Aside from the mandatory conditions (1), (2) and (3), if the observed average solvency ratio (condition (4)) is lower than the "Target Solvency Ratio"(1), the options will be exercisable according to the sliding scale set out in the table below: **Difference between the average solvency ratio and the "Target Solvency Ratio"(1)** — **Proportion of the options that can be exercised in line with this criterion** higher than or equal to 0 percentage point — 100% between 0 and up to - 35 percentage points — linear sliding scale lower than or equal to -35 percentage points — 0% *(1) If the strategic plan sets a target or «optimal» range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.* The achievement of performance conditions is assessed by the Compensation and Nomination Committee and the Board of Directors. In accordance with the authorization by the Shareholders' Meeting on April 27, 2016 in its 19th resolution, the Company's Board of Directors decided at its February 21, 2018 meeting, on a proposal from the Compensation and Nomination Committee of February 20, 2018, to grant performance shares to the Chairman and Chief Executive Officer and to the other members of the Executive Committee. On this plan, The Chairman and Chief Executive Officer was granted 125,000 performance shares. These performance shares will be acquired on February 22, 2021, provided that he remains a corporate officer of SCOR Group until February 21, 2021 inclusive, except as otherwise stated by the Plan, and are 100% subject to the same performance conditions as those for the stock options with the exception of the requirement for training in corporate social responsibility (CSR). The stock options and performance shares granted to the executive corporate officer in 2018 represent 0.117% of the share capital, 8.84% of the total allocations in 2018, and 63% of his overall compensation. It should be noted that SCOR is committed to the neutral impact of each stock option and performance share allocation in terms of dilution. In particular, SCOR's policy is to systematically neutralize, as far as possible, the potential dilutive impact that could result from the issuance of new ordinary shares following the exercise of stock options, by covering the exposure resulting from the issuance of stock options through the purchase of ordinary shares under its share buy-back program and by cancelling the treasury shares thus acquired as the options are exercised. Moreover, performance share allocation plans are covered through the allocation of existing shares taken from the treasury shares held by the Company in the context of its share buy-back program, and not via the creation of new shares. Thus, there is no capital dilution due to the granting of stock options and performance shares. Finally, in compliance with the recommendations of the AFEP-MEDEF corporate governance code applicable to the executive corporate officer, he made a formal commitment not to use hedging instruments on the stock options and/or performance shares granted to him for the whole duration of the term of his office.
Directors' fees	EUR 70,000	In 2018, the Chairman and Chief Executive Officer received directors' fees in a fixed amount of EUR 28,000 and a variable amount equal to EUR 3,000 per Board meeting and Committee meeting in which he participated. In 2018, he attended seven Board meetings (a single amount of EUR 3,000 was paid for the two Board meetings held on April 26, 2018), five Strategic Committee meetings and three Crisis Management Committee meetings, leading to a variable amount of EUR 42,000.

Compensation elements due or attributed for the financial year ended December 31, 2018	Amounts or accounting valuation	Description
Benefits of any kind	EUR 5,277 In addition to the deferred amount, an amount of EUR 107,182 was paid by the Company in 2018 with regard to social security schemes and individual health coverage	As the Company representative, the Chairman and Chief Executive Officer is granted a Company car with a shared driver. The insurance, maintenance, fuel and all costs related to the driver are paid by the Company. The Chairman and Chief Executive Officer benefits also from a health insurance policy under the terms of a contract dated September 16, 1988. Moreover, in accordance with the decision taken by the Board of Directors on March 21, 2006, repeated on December 12, 2008, May 4, 2011 and July 30, 2014, the Chairman and Chief Executive Officer benefits from specific life insurance in an amount equivalent to three years of fixed and variable compensation; this insurance policy is taken out by the Company. To this end, an individual insurance policy has been underwritten to complement the "all causes" death or permanent disability insurance policy for senior executives, dated June 30, 1993, as renewed or renegotiated annually, and for which the latest version is compliant with the collective compulsory welfare plan, specific to SCOR, which benefits to an objective category of employees who have an annual gross base compensation equal to or exceeding three times the social security ceiling. It is specified that these individual and collective "all causes" death insurance policies are renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing ones. Moreover, the Chairman and Chief Executive Officer benefits from a death or permanent disability insurance in case of an accident, also underwritten for the senior executives of the Company, on January 1, 2006. It is specified that this collective insurance is renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing one.
Severance pay*	No amount is payable in respect of the financial year ended	The Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018, in its 5th resolution, approved, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the commitments made by the Board of Directors for the benefit of the Chairman and Chief Executive Officer.
Non-competition indemnity*	NA	There is no non-competition clause.
Supplementary pension plan*	No amount is payable in respect of the financial year ended	The Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018, in its 4th resolution, approved, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the following commitments made by the Board of Directors in favor of the Chairman and Chief Executive Officer: Like all the Group's senior executives based in France and employed by the Group as at June 30, 2008, the Chairman and Chief Executive Officer is entitled to a guaranteed pension plan of 50% of his reference revenue, less any pension benefits acquired under other collective and mandatory pension schemes. Moreover, this amount may under no circumstances exceed 45% of the benchmark compensation, pursuant to the AFEP-MEDEF corporate governance code. It should be noted that, given his seniority within the Company, the Chairman and Chief Executive Officer reached the ceiling of 45% set by the plan. In this context, the legal provision which limits the annual increase in potential rights to 3% of the compensation of the beneficiary has no practical implications in his case. This guarantee is calculated according to a reference revenue based on his average compensation received over the last five years within the Group considered as *"traitements et salaires"* under French tax laws. The Chairman and Chief Executive Officer is entitled to this supplementary pension plan, subject to still being in the Company as a corporate officer or an employee of the Company when the benefits are granted. The commitments made by SCOR concerning the defined benefit supplementary pension scheme of its Chairman and Chief Executive Officer represent, as at December 31, 2018, an estimated annual gross pension amount of EUR 1,142,573, based on seniority as at December 31, 2018. This amount represents 44.7% of the Chairman and CEO's reference compensation, which corresponds to the average of the compensation over the five last years, including the base salary and the variable salary. No retirement benefit (or commitment) has been paid to the Chairman and Chief Executive Officer in 2018. The total pension benefits provision relating to the Chairman and CEO amounts to EUR 22.5 million based on his reference compensation. This amount breaks down as follows: 18.1 million euros excluding employer social contributions and 4.3 million euros corresponding to employer social contributions. The provision has decreased by EUR 0.9 million from December 31, 2017. This decrease mainly reflects the evolution of demographic assumptions, the acquisition of an additional year of rights, as well as the revision of assumptions relating to reversion.

* *Compensation, indemnities or benefits due or awarded in respect of the financial year which are or have been submitted to the Company's Shareholders' Meeting in accordance to the rules applicable to related party agreements and commitments.*

Table of the objectives of the Chairman and Chief Executive Officer

Category	2018 Objectives description	Achieved result	Achievement rate
Profitability (Weight: 50%)	Achieving profitability in line with the objective defined in the strategic plan	The 2018 ROE is 5.45%. The 2018 target ROE is equal to 800 bps above the 5-year risk-free rate, i.e. 8.73%. Thus, the 2018 ROE/2018 target ROE amounts to 62.4%.	62.4%
Solvency (Weight: 5%)	Solvency ratio equal to or higher than the lower limit of the optimal range defined in the strategic plan (185%)	SCOR's solvency ratio, as defined by the internal model, is estimated at 215% at the end of 2018, i.e. 30 bps above 185%.	130%
Strategy (15%)	Achievement of strategic plan "Vision in Action" Preparation of the Group to the Brexit Adaptation of the Group to new (i) fiscal, (ii) competitive and (iii) regulatory context Preparation of the merger of SCOR SE, SCOR Global Life SE and SCOR Global P&C SE	The Group's results are in line with the objectives of the "Vision in Action" plan: ◆ P&C: gross premium growth: +6.7% at constant exchange rates/ normalized net combined ratio: 94.7%; ◆ Life: premium growth: +7.3% at constant exchange rates / technical margin: 7.0%, ◆ Investment: return on invested assests of 2.8%. In addition, the business initiatives planned as part of the strategic plan are in line with the plan, or even beyond (e.g. development of SCOR Global Life in Asia-Pacific). On the Brexit, a P&C specialty insurance company, SCOR Europe SE, was specifically created and business continuity is ensured. The project to adapt to the consequences of the US tax reform has limited the total impact on SCOR to EUR 68 million, compared to a maximum impact of USD 350 million communicated to the market in early 2018. The merger of SCOR SE, SCOR Global Life SE and SCOR Global P&C SE was decided by their respective Boards of Directors in February 2019, in accordance with the timetable initially set. The solvency capital benefits of this merger are expected to be in the order of EUR 200 million. The Board of Directors notes that the various strategic objectives have been achieved or significantly exceeded.	130%
Risk Management (10%)	Ensure a high level of protection for the Group against cyber risk Develop a cyber risk coverage offer	The Group has ensured compliance with the General Data Protection Regulation (GDPR) in strict compliance with regulatory deadlines and with a budget lower than that assigned to this project. Several information systems have been adapted for this purpose and a major effort has been made to raise awareness and mobilize employees. In addition, the security of the Group's information systems has been significantly strengthened, in particular through the implementation of a new Security Operation Center and access rights management software. The Group has also made significant progress in building a cyber risk coverage offer. The corresponding actions were structured around the following axes: development of a tool for assessing the cyber risk of companies (Cyrus), development of models for underwriting and construction and sharing of risk knowledge by supporting customers, training and raising the awareness of local teams and active participation in market research, particularly in the context of the CYRIM project (CYber RIsk Management) in Singapore. The Board of Directors notes the very significant progress made by the Group in 2018 both in strengthening its protection against cyber risk and in developing an offer to cover this risk.	140%

(1) The normalized net combined ratio (94.7%) is equal to the net combined ratio (99.4%) plus reserve release (+1,9%) and minus natural catastrophe ratio delta from budget (-6.6%).

Category	2018 Objectives description	Achieved result	Achievement rate
Corporate Social and Environmental Responsibility/ Fight against climate change (10%)	Implement the Group Climate Policy	On the basis of the Climate Policy defined last year, the Chairman and Chief Executive Offiicer continued the Group's actions in the fight against climate change. Many systems have been successfully deployed such as: ◆ 25% reduction in carbon intensity by the end of 2018 (baseline: 2014), compared to a 15% reduction target by 2020; ◆ multiplication by 2.5 of the carbon emissions offset by the acquisition of certified credits; ◆ extension of the coal disinvestment policy to the 120 largest developers (Global Coal Exit List); ◆ implementation of a sectoral coal exclusion policy for P&C underwriting; ◆ implementation of a sectoral exclusion policy related to tobacco, both in terms of investments and P&C underwriting, in line with the Group's support for Tobacco-Free Finance Pledge; ◆ adherence to the PSI/WWF/Unesco Declaration on the Protection of the World Heritage of Humanity and implementation of associated policies for both investment and P&C underwriting. The Board of Directors notes the very significant progress made by the Group in terms of climate policy, beyond the objectives set, in line with the strong involvement of the President and Chief Executive Officer.	135%
Corporate Social and Environmental Responsibility/ Human Capital Management (10%)	Broadening and deepening of the Group's talent pool, including the development of SCOR's employer brand Conduct a policy of active career and skill management	Under the leadership of the Chairman and CEO, the Group pursued an active employee development policy with 98.5% of employees having received training during the year. In addition, more than 85% of employees will have been covered by the internal process of Strategic Talent Workforce Review (STWR), allowing management to have a broad view of everyone's skills and aspirations, to prepare succession plans and to promote internal promotion. Thus, the Group has experienced 8 internal promotions at the top management level (EGP-SGP) against only one external recruitment, attesting to the depth of its talent pool. Finally, the Group successfully deployed its employer brand, with the deployment of a proactive communication campaign between late 2018 and early 2019 using internal and external social networks. This campaign has made it possible to significantly increase the number of SCOR followers on social networks. The Board of Directors notes the high quality of the Group's human capital management and the fact that it has exceeded its objectives.	140%

Stock options and performance shares

In accordance with the AFEP-MEDEF corporate governance code, the following tables present for the executive corporate officer the stock options granted and exercised during the financial year as well as the performance shares granted and the performance shares that became available during the financial year.

Stock subscription and purchase options granted to the executive corporate officer by the issuer or by another company of the Group

	Date of plan	Type of options (purchase or subscription)	Number of options granted during the period	Valuation of options as per method used in the consolidated financial statements *(in EUR)*	Exercise price	Period of exercise
Denis Kessler	March 8, 2018	Subscription	100,000	188,000	35.10	March 9, 2022 March 10, 2028

Stock options exercised by the executive corporate officer

	Number of options exercised during the period	Date of plan	Exercise price
Denis Kessler	125,000	March 23, 2009	14.92
Denis Kessler	125,000	March 18, 2010	18.40

Performance shares granted to the executive corporate officer by the issuer or by another company of the Group

	Date of plan	Number of shares granted during the period	Valuation of shares as per method used in the consolidated financial statements *(in EUR)*	Vesting date	Date of ownership transfer
Denis Kessler	February 21, 2018	125,000	3,878,750	February 22, 2021	February 22, 2021

Performance shares becoming available for the executive corporate officer

	Number of shares becoming available during the period	Date of plan	Vesting conditions
Denis Kessler	125,000	March 4, 2014	Presence condition until March 4, 2016 and performance conditions

Each of the performance conditions related to the plan dated March 4, 2014 set out below was fully met, bringing the share acquisition rate to 100%. In addition to the performance conditions described below (three out of four needing to be satisfied), the strict compliance with the Group's ethical principles as described in the Code of Conduct of SCOR Group was met.

Performance conditions – March 4, 2014 plan

	Achieved result	Achievement
Solvency ratio at the end of each quarter ≥ 150% in 2014 and 2015	✓	Yes
SCOR Global P&C's net combined ratio < 100% on average in 2014 and 2015	91.25%	Yes
SCOR Global Life's technical margin ≥ 3% on average in 2014 and 2015	7.15%	Yes
SCOR Group's ROE > 1,000 points above the risk-free rate on average in 2014 and 2015	1,014.5 bps	Yes

The Chairman and Chief Executive Officer did not acquire any performance share in 2018.

2.2.1.3. DIRECTORS' FEES AND NUMBER OF SHARES HELD BY DIRECTORS

The Shareholders' Meeting of the Company held on April 26, 2018 resolved that the annual maximum aggregate amount of directors' fees shall not exceed EUR 1,400,000. Upon the proposal of the Compensation and Nomination Committee and within the limit of this amount, the Board of Directors' meetings held on February 21, 2017 and October 23, 2018 set the terms and conditions of the allocation so as to encourage the attendance of the directors and to be compliant with the AFEP-MEDEF corporate governance code which stipulates that directors' compensation should include a significant variable portion. In accordance with the AFEP-MEDEF corporate governance, the directors should be shareholders themselves and hold a significant number of shares in relation to the directors' fees. According to the Board's Internal Charter, this significant number of shares corresponds to an amount of EUR 10,000 at the time of purchase of the shares.

The Board of Directors decided to allocate the directors' fees as follows:

- partly in one fixed sum of EUR 28,000 annually payable at the end of each quarter. For non-French directors, an additional EUR 10,000 per year is allocated;
- partly based on the effective presence of directors at the meetings of the Board of Directors and of its Committees, in an amount equal to EUR 3,000 per Board or per Committee meeting they attend, except for the Chairmen of the Audit Committee, Risk Committee, Compensation and Nomination Committee, Corporate Social and Societal Responsibility and Environmental Sustainability Committee and Crisis Management Committee, who receive an amount equal to EUR 6,000 for each meeting of the Committee that they chair.

Moreover, natural persons being members of the Board except the Chairman and Chief Executive Officer and the employee director received EUR 10,000 in SCOR shares on December 13, 2018.

Except the Chairman and Chief Executive Officer and the employee director, members of the Board are not entitled to Company stock option plans or free share allocation plans, nor to any variable compensation other than the directors' fees attributable to their attendance to meetings.

No pension contribution (or commitment) has been paid to the directors, except for the Chairman and Chief Executive Officer.

Directors' fees

Fees paid to directors in 2018 and 2017 are broken down as follows:

In EUR	2018	2017
Mr. Denis Kessler(1)	70,000	55,000
Mrs. Marguerite Bérard	83,000	74,000
Mr. Vincent Foucart(2)	48,000	N/A
Mrs. Vanessa Marquette	129,000	102,000
Mr. Bruno Pfister	150,000	117,000
Mr. Jean-Marc Raby	71,000	62,000
Mr. Augustin de Romanet	125,000	74,000
Malakoff Médéric Assurances, represented by Mr. Thomas Saunier	58,000	52,000
Mrs. Kory Sorenson	118,000	111,000
Mr. Claude Tendil	98,000	83,000
Mrs. Zhen Wang(2)	68,500	N/A
Mrs. Fields Wicker-Miurin	150,000	105,000
Mrs. Michèle Aronvald(3)	32,000	46,000
Mr. Thierry Derez(4)	69,347	83,000
TOTAL	**1,269,847**	**964,000**

(1) Pursuant to the decision made by the Board of Directors on March 21, 2006, the Chairman and Chief Executive Officer receives directors' fees along with the other members of the Board of Directors of the Company, based on the same conditions for distribution.
(2) Directors appointed by the Shareholders' Meeting on April 26, 2018 or director whose term of office began at the end of the Shareholders" Meeting on April 26, 2018.
(3) Director whose term of office ended at the Shareholders' Meeting on April 26, 2018.
(4) Thierry Derez has been a director of SCOR SE until November 13, 2018.

Moreover, some of the directors in place are, or have been, members of the Boards of Directors of subsidiaries of the Group and they have received directors' fees for 2018 and/or 2017 as follows:

		2018		2017
SCOR UK Company Ltd				
Fields Wicker-Miurin	GBP	35,000	GBP	27,500
SCOR Reinsurance Company				
Kory Sorenson	USD	27,000	USD	27,000
SCOR Global Life Americas Reinsurance Company				
Kory Sorenson	USD	27,000	USD	27,000
SCOR Global Life Usa Reinsurance Company				
Kory Sorenson	USD	27,000	USD	27,000

Number of shares held by directors

Article 10 ("Administration") of SCOR SE's bylaws requires that directors own at least one share of the Company during the term of their directorship.

Directors and Officers	Number of shares as at 12/31/2018
Mr. Denis Kessler	1,564,790
Mrs. Marguerite Bérard	1,203
Mr. Vincent Foucart	28,010
Mrs. Vanessa Marquette	1,203
Mr. Bruno Pfister	893
Mr. Jean-Marc Raby	853
Mr. Augustin de Romanet	1,203
Malakoff Médéric Assurances, represented by Thomas Saunier	5,484,767
Mrs. Kory Sorenson	3,393
Mr. Claude Tendil	5,260
Mrs. Zhen Wang	246
Mrs. Fields Wicker-Miurin	1,985
TOTAL	**7,093,806**

2.2.1.4. PRINCIPLES AND CRITERIA FOR THE DETERMINATION, THE ALLOCATION AND THE GRANT OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS COMPRISING THE TOTAL COMPENSATION AND IN-KIND BENEFITS ATTRIBUTABLE TO MR. DENIS KESSLER AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR THE 2019 REPORTING PERIOD

Set out below is the compensation policy regarding the Chairman and Chief Executive Officer of SCOR SE for the 2019 reporting period, submitted for approval to the shareholders in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code.

In accordance with the law, the payment of the Chairman and Chief Executive Officer's variable and exceptional compensation is subject to approval by an Ordinary Shareholders' Meeting, under the conditions set out in Article L. 225-100 of the French Commercial Code.

Governance

The Board of Directors of SCOR SE decided, at its December 12, 2008 meeting, to apply the AFEP (Association of French Private-sector Companies) and MEDEF (French Business Confederation) recommendations of October 6, 2008 on the compensation of executive corporate officers of listed companies to the compensation of the executive corporate officer of SCOR, considering that these are in line with SCOR's corporate governance principles.

Pursuant to the July 3, 2008 Act implementing the European Union Directive 2006/46/EC of June 14, 2006, SCOR shall refer to the AFEP-MEDEF Corporate Governance Code in preparing the report to be issued in accordance with Article L. 225-37 of the French Commercial Code.

Every year, the conditions of compensation for the executive corporate officer and directors are made public through the documents released for the Shareholders' Meeting.

In compliance with the AFEP and MEDEF recommendation applicable to the Chairman and Chief Executive Officer, there is no employment contract between Denis Kessler and the Company.

Principles and rules for determining the compensation and benefits of the Chairman and Chief Executive Officer

The compensation policy for the Chairman and Chief Executive Officer is set by the Board of Directors and is subject to an annual review in light of the recommendations made by the Compensation and Nomination Committee.

This compensation policy rests on the principles set out below, which are consistent with SCOR Group compensation policy principles in general and rigorously applied by the Compensation and Nomination Committee as part of its work, both in the creation and development of the compensation policy submitted to the Board with regard to the Chairman and Chief Executive Officer and in its attribution proposals:

Exhaustiveness

Each element composing the compensation and benefits is analyzed individually and then collectively, in order to reach the appropriate balance between fixed and variable, individual and collective, short- and long-term components, including the post-employment benefit resulting from the supplementary pension scheme.

Compliance

The compensation policy was established in accordance with the recommendations of the AFEP-MEDEF Code as revised in June 2018.

Talent management and alignment of interests

The compensation policy constitutes a tool that enables the Group to attract, motivate and retain talent at the highest level, and to meet the expectations of shareholders and other stakeholders, notably in terms of transparency and the link between compensation and performance.

Comparability and competitiveness

The Board of Directors has decided that the evolution of the Chairman and Chief Executive Officer's compensation would be determined in the light of benchmark analysis.

Consequently, market studies are regularly conducted by an external company for the Compensation and Nomination Committee, in order to put into perspective the amount and structure of the Chairman and Chief Executive Officer's compensation compared to a panel of peers made up of the main global reinsurers selected by premium income and for which information on the pay of top management is available (Alleghany, Arch Capital Group, Axis Capital Holdings, Everest Re, Great West Lifeco, Hannover Re, Munich Re, Reinsurance Group of America, Swiss Re, Validus Holdings and XL Group).

Structure of the Chairman and Chief Executive Officer's compensation

The structure of the Chairman and Chief Executive Officer's compensation is in line with market practice and is mainly composed of cash compensation, including a fixed part and an annual variable part, as well as variable long-term compensation and a supplementary pension scheme.

Fixed compensation

Determination

The fixed compensation of the Chairman and Chief Executive Officer, payable in 12 monthly installments, is determined on the basis of:

- the level and complexity of his responsibilities;
- his career path, professional experience and expertise;
- market analyses with regard to comparable functions (external competitiveness);
- consistency with regard to other Group functions (internal equality).

Evolution

The Board of Directors has decided that the fixed compensation of the Chairman and Chief Executive Officer may only evolve in the event of a significant development in his scope of responsibility, or a discrepancy in terms of his positioning on the market. In these specific situations, any adjustment to the fixed compensation, along with the motives behind such adjustment, will be made public.

For the financial year 2019, the Board of Directors decided at its February 19, 2019 meeting that the fixed compensation would remain unchanged at EUR 1,200,000.

Recruitment

The Board of Directors has decided that, should a new Chief Executive Officer be appointed, these same principles will apply.

Directors' fees

As a director of SCOR SE, the Chairman and Chief Executive Officer receives directors' fees. These fees are attributed under the conditions set out in the Section 2.2.1.3 – Directors' fees and number of shares held by directors of the present document.

Variable annual compensation

Objective

This variable compensation is designed to encourage the Chairman and Chief Executive Officer to achieve the annual performance objectives fixed by the Board of Directors on the proposal of the Compensation and Nomination Committee, in line with the Company's strategy. In accordance with the AFEP-MEDEF Code, the potential amount of variable compensation is expressed as a percentage of the fixed compensation.

More specifically, this variable portion depends on objectives applicable to financial and personal parameters representing expected performance, and there is no minimum guaranteed amount.

Structure of the variable remuneration

The target variable annual portion of the Chairman and Chief Executive Officer rests on transparent and demanding objectives tailored to the Group's activity sector.

This variable annual compensation is determined as follows:

- 50% on the basis of the achievement of financial objectives, defined at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee; and
- 50% on the basis of the achievement of personal objectives (quantitative or qualitative), defined at the beginning of each year by the Board of Directors on the recommendation of the Compensation and Nomination Committee.

The personal objectives are essentially defined on the basis of the following categories:

- Solvency;
- Strategy;
- Risk management;
- Corporate Social Responsibility.

Each year, the Board of Directors examines, and then validates, the number, nature and weight of the personal objectives.

At the end of each year, and for each objective, the level of the achieved result compared to the expected target is communicated.

Performance thresholds

The target variable annual compensation represents 100% of the fixed compensation.

In accordance with the Group compensation policy applicable to all Partners within the Group, the variable annual compensation of the Chairman and Chief Executive Officer may benefit, in the event of outperformance, from a multiplier applied to financial objectives (capped at a maximum of 130% of the target of financial objectives portion) and personal objectives (capped at a maximum of 150% of the target of the personal objectives portion) which may increase the variable annual compensation of the Chairman and Chief Executive Officer up to a ceiling of 140% of his variable annual target compensation.

Moreover, the Group policy states that, for participation in and strong contribution to the success of specific strategic projects, an additional and exceptional bonus ("Exceptional Contribution Bonus" – ECB) may be granted; the ECB can reach a maximum of 25% of the target variable annual compensation of the Chairman and Chief Executive Officer.

The total variable annual compensation of the Chairman and Chief Executive Officer may not exceed 165% of his target variable annual compensation, and consequently it cannot exceed 165% of his fixed annual compensation.

Payment conditions

The variable compensation for year "Y" is paid during the year "Y+1". Applying the applicable regulatory provision, the payment of the variable annual compensation is subject to the approval of the Shareholders' Meeting.

Termination of duties

Should the Chairman and Chief Executive Officer leave during the current year:

- his variable compensation relating to the previous year will be payable during the current year;
- in addition, in the event of dismissal, the amount of his variable compensation for the current year will be determined on the basis of the variable compensation for the prior year and prorated on the basis of the departure date for the current year.

Recruitment

The Board of Directors has decided that, in the event that a new Chief Executive Officer is appointed, these same principles will apply, it being specified that if the appointment is made during the current year, the amount due will be prorated based on presence. Nevertheless, if an appointment is made during the second half of the year in question, performance will be assessed at the discretion of the Board of Directors on the proposal of the Compensation and Nomination Committee.

Moreover, the Board of Directors may also decide to award an amount designed to compensate the new executive corporate officer for the loss of the variable annual compensation linked to his/her departure from his/her previous employer, bearing in mind that the payment of such compensation may only take place with the approval of shareholders, in accordance with Article L. 225-37-2 of the French Commercial Code.

Exceptional compensation

No exceptional remuneration of this sort has been paid by the Company over the past few years.

The Board of Directors has decided that the Chairman and Chief Executive Officer may not benefit from exceptional compensation for the fiscal year ended on December 31, 2019.

Long-term variable compensation

The Board of Directors considers that long-term variable compensation, which is a significant component of the remuneration of all Group Partners (around 25% of the workforce), is particularly well suited to the function of Chairman and Chief Executive Officer, given the expected level of his direct contribution to the long-term, overall performance of the Company. This compensation policy favors stock options and performance shares over variable cash compensation, thereby promoting a strong alignment of the interests of beneficiaries with those of shareholders, both during the performance measurement period and beyond, through holding those shares.

At its February 19, 2019 meeting, the Board of Directors decided to grant the Chairman and Chief Executive Officer 125,000 performance shares and 100,000 stock options in 2019.

The performance shares require a vesting period of three years after the grant date and are subject to performance conditions over three calendar years, i.e. 2019, 2020 and 2021 for the plans granted in 2019.

The stock options can be exercised at the earliest four years after the grant date and are subject to performance conditions over three calendar years, i.e. 2019, 2020 and 2021 for the plans granted in 2019.

Performance conditions

The Board of Directors has decided to subject all stock option and performance share allocations made to the Chairman and Chief Executive Officer to performance conditions, in line with the main strategic objectives of SCOR SE as set out below.

Identical to those applicable to other Group beneficiaries, these performance conditions rest on demanding levels and full transparency, the results being based on public data.

Each year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, confirms or determines the performance conditions, their weighting, their targets and their achievement levels, based on the authorizations granted by the Shareholders' Meeting. All of these conditions are made public every year in this Registration Document.

Performance conditions used for the 2019 allocations

For 50% of the allocation:

- Achievement over the period used to measure the performance conditions (three years), of a level of average return on equity ("ROE") equal to the average of SCOR's strategic target ROE for the period (the "Target ROE").
- If the observed average ROE is lower or higher than the Target ROE, the shares will be acquired/the stock options may be exercised based on the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares definitively acquired / options that could be exercised via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

In any case, if the average ROE is lower than 5%, the portion of shares definitively acquired/the portion of stock options that could be exercised based on this criterion would be at 0%.

For the remaining 50%:

- Achievement, during the period used to measure the performance criteria (three years), of an average solvency ratio that is at least equal to the average of SCOR's strategic target solvency ratio over the period (the "Target Solvency Ratio")*.
- If the observed average solvency ratio is lower than the "Target Solvency Ratio"*, the shares will be acquired/the stock options may be exercised according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio*	Proportion of the shares definitively acquired / options that could be exercised via this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

* *If the strategic plan sets a target or "optimal" range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.*

In no case the application of these performance conditions may lead to an acquisition of more than 100% of the original grant.

In addition, notwithstanding the total or partial achievement of the two conditions described above, the definitive acquisition of shares and the right to exercise the stock-options would be subject, in any event, to strict compliance by all the beneficiaries with the Group's ethical principles as set out in the Group's code of conduct (the "Group Code of Conduct"). The Group Code of Conduct covers mandatory aspects of corporate responsibility, including: integrity, data protection and privacy protection, combating corruption, strict compliance with sanctions and embargos, prevention of money laundering, transparency, promoting equal opportunities in all areas of employment, encouraging the notification of ethical issues via an alerts procedure, together with the promotion of and respect for the principles of the United Nations Global Compact. In the event of a breach of the Code of Conduct, for instance in the event of fraud, no shares will be definitively acquired and no stock options could be exercised (clawback policy).

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the definitive acquisition of the shares and the right to exercise all or some options would be subject, in any event, to the fulfilment of the corporate social responsibility (CSR) training obligation.

Presence condition

Other than in specific cases[(1)], the definitive acquisition of performance shares and the right to exercise stock options by the Chairman and Chief Executive Officer are subject to a presence condition until the end of the acquisition period.

Allocation ceiling

In accordance with the authorizations by the Shareholders' Meetings, the stock options and performance shares granted to the Chairman and Chief Executive Officer cannot exceed 10% of the total allocations.

Holding shares

The Board of Directors has decided that the Chairman and Chief Executive Officer is required to hold as registered shares at least 10% of the shares resulting from the exercise of stock options granted and at least 10% of the performance shares, during the entire duration of his mandate.

Moreover, the Chairman and Chief Executive Officer has made a formal commitment not to use hedging instruments on the stock options and/or performance shares that have been granted to him, for the entire duration of his mandate.

Recruitment

The Board of Directors has decided that, in the event that a new Chief Executive Officer is appointed, these same principles will apply, bearing in mind that a specific allocation may be made to compensate the new executive corporate officer for the loss of the variable long-term compensation linked to his/her departure from his/her previous employer.

Multi-year compensation

The Board of Directors has decided not to use this type of long-term compensation system with a cash payment, preferring to focus instead on share-based instruments that strengthen the alignment of interests with shareholders.

Nevertheless, such a system may be envisaged if regulatory developments or any other circumstance make it too restrictive or impossible for the Company to use a share-based instrument.

Severance Pay

The Chairman and Chief Executive Officer benefits from a severance pay scheme decided by the Board of Directors at its meeting on July 27, 2011 and approved by the Combined General Meeting of May 3, 2012.

Following the Shareholders' Meeting of April 27, 2017, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, decided to renew the terms of office of Denis Kessler as Chairman of the Board of Directors and Chief Executive Officer of the Company. On February 21, 2018, the Board of Directors authorized the modification of the severance pay commitment, as follows. This new commitment has been approved during the 2018 Shareholders' Meeting (5th resolution).

In the event of the termination of the Chief Executive Officer's term of office, the benefits he may be allocated would be determined according to the following situations:

(i) in the event of dismissal for misconduct, non-renewal of the term of office of the Chief Executive Officer, resignation (other than for the purposes of paragraphs (ii) and (iii) below) or following a notably negative performance of the Company (non-achievement of the performance condition (C_n) as described below) no severance pay will be due;

(ii) in the event of a forced departure or dismissal prior to the twelve (12) months preceding the end of his term of office as Chief Executive Officer, typically for divergent views on the Group's strategy, the Chief Executive Officer would then benefit from severance pay equal to the sum of the fixed and variable components of his gross annual compensation paid in the twenty-four (24) months preceding the date of his departure from the Group. No severance pay would be due if the performance condition (C_n) defined below is not fulfilled.

In the event of forced departure or dismissal during the twelve (12) months preceding the end of his term of office, no severance pay would be due.

(iii) in the event of forced departure or dismissal resulting from an unsolicited offer or not recommended by the Board of Directors of the Company resulting in a change of control of the Group, the Chief Executive Officer would receive severance pay equal to the sum of the fixed and variable elements of his annual gross compensation paid in the twenty-four (24) months preceding the date of his departure from the Group. No severance pay would be due in case of non-fulfillment of the performance condition (C_n) defined below.

Moreover, in the cases referred to in paragraphs (ii) and (iii) above, and excluding the case referred to in paragraph (i), the rights to the performance shares and options that would have been granted to him before his departure would be maintained by remaining subject, in their entirety, to the performance conditions of each of the plans as approved by the Board of Directors at the time of the award.

(1) Death, Disability, Retirement or in the event of a forced departure resulting from other reasons than fault or negative performance.

The performance condition (C_n), approved by the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, will be met if both criteria below are fulfilled:

(A) SCOR's average return on equity «ROE» for the three financial years preceding the date of departure of the Chief Executive Officer exceeds 50% of the average of the strategic objective of ROE (defined in the strategic plan) of SCOR calculated on the same period (the «Target ROE»);

(B) the average solvency ratio of SCOR for the three financial years preceding the date of departure of the Chief Executive Officer exceeds the average of the strategic solvency ratio target (defined in the strategic plan) of SCOR calculated over the same period (the «Target Solvency Ratio»); it being specified that in the event that the strategic plan sets a target or «optimal» range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

The Board of Directors, upon the recommendation of the Compensation and Nomination Committee, will assess whether or not the performance conditions have been met.

Finally, in the event of the termination of the Chairman and Chief Executive Officer's duties, there is no non-competition clause.

Recruitment

The Board of Directors has decided that, in the event of the nomination of a new CEO, the conditions of his/her severance pay will not be more favorable than those currently in force.

Supplementary pension plan

Like all the Group's senior executives based in France and employed by the Group as at June 30, 2008, the Chairman and Chief Executive Officer is entitled to a guaranteed pension plan of 50% of his benchmark compensation, less any pension benefits acquired under other collective and mandatory pension schemes. Moreover, this amount may under no circumstances exceed 45% of the benchmark compensation, pursuant to the AFEP-MEDEF Corporate Governance Code. It should be noted that, given his seniority within the Company, the Chairman and Chief Executive Officer has reached the ceiling of 45% set by the plan. In this context, the legal provision which limits the annual increase in potential rights to 3% of the compensation of the beneficiary has no practical implications in his case.

This guarantee is calculated based on his average compensation received over the last five years within the Group. The Chairman and Chief Executive Officer is entitled to this supplementary pension, subject to still being in the Company as a corporate officer or an employee of the Company at the time the benefits are granted.

Benefits of any kind

As the Company representative, the Chairman and Chief Executive Officer is granted a Company car with a shared driver. The insurance, maintenance, fuel and all costs related to the driver are paid by the Company. The Chairman and Chief Executive Officer also benefits from a health insurance policy under the terms of a contract dated September 16, 1988.

Moreover, in accordance with the decision taken by the Board of Directors on March 21, 2006, repeated on December 12, 2008, May 4, 2011 and July 30, 2014, the Chairman and Chief Executive Officer benefits from specific life insurance in an amount equivalent to three years of fixed and variable compensation; this insurance policy is taken out by the Company.

To this end, an individual insurance policy has been underwritten to complement the "all causes" death or permanent disability insurance policy for senior executives, dated June 30, 1993, as renewed or renegotiated annually, and whose last version is compliant with the collective and compulsory welfare plan, specific to SCOR which benefits on an objective category of employees who have an annual gross base compensation equal to or exceeding three times the social security ceiling. It is specified that these individual and collective "all causes" death insurance policies are renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing ones.

Moreover, the Chairman and Chief Executive Officer benefits from death or permanent disability insurance in case of an accident, also underwritten for the senior executives of the Company, on January 1, 2006. It is specified that this collective insurance is renewed or renegotiated on an annual basis so that the Chairman and Chief Executive Officer will benefit from any policies that may replace the existing one.

Deputy Chief Executive Officer

In the event of the appointment of one or more Deputy Chief Executive Officers *(Directeurs Généraux Délégués),* the remuneration components, principles and criteria set out in the Compensation Policy and the benefits granted to the Chairman and Chief Executive Officer would also apply to them. It would be the responsibility of the Board of Directors, on the recommendation of the Compensation and Nomination Committee, to adapt the objectives, performance levels, parameters and structure, bearing in mind that the target amounts expressed as percentages of the fixed compensation may not be higher than those of the Chairman and Chief Executive Officer.

Non-Executive Chairman

In the event of the appointment of a Non-Executive Chairman, the remuneration principles set out in the Remuneration and Benefits Policy granted to the Chairman and Chief Executive Officer would be used as a reference. It would be the responsibility of the Board of Directors, on the recommendation of the Compensation and Nomination Committee, to adapt the structure to align it with market practices and the recommendations of the AFEP-MEDEF Code (Article 24.2). It is mentioned in particular that the Non-Executive Chairman may not be awarded variable compensation, performance shares or stock options.

2.2.2. COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

2.2.2.1. PRINCIPLES AND RULES STATED FOR THE DETERMINATION OF COMPENSATION AND IN-KIND BENEFITS FOR THE EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

Governance

The Compensation and Nomination Committee is informed about the compensation policy of the members of the Executive Committee and proposes to the Board of Directors the conditions, the amount and the allocation of the stock-options programs and of the performance shares grant programs of the members of the Executive Committee. Regarding the variable portion of the compensation, it depends, on one hand, on the achievement of the Group's earnings objective, which is based on return on equity (or ROE), and the other hand on the achievement of individual objectives.

The members of the Executive Committee do not receive directors' fees in respect of their directorships in companies in which SCOR holds more than 20% of the capital.

Each member of the Executive Committee benefits from the use of a vehicle (or equivalent car allowance) for business purposes.

If within a 12 month period following a change of control, a member of the Executive Committee were dismissed (except for serious or gross misconduct (faute grave ou lourde)) or decided to resign, he/she would benefit from an indemnity equal to the sum of fixed and variable compensation elements and non-exceptional cash benefits paid by the Group during the two years preceding his/her departure. However this indemnity shall not be payable if SCOR's average solvency ratio over the three financial years preceding the date of departure is less than SCOR's strategic solvency ratio target average (defined in the strategic plan), calculated over the same period (the "Target Solvency Ratio") (it being specified that, if the strategic plan defines a target or "optimum" range, the lower end of this range shall be considered the Target Solvency Ratio for the purposes of the calculation). Moreover, the rights to the performance shares and options granted before the departure would be maintained whilst remaining subject, in their entirety, to the performance conditions of each of the plans as approved by the Board of Directors at the time of the award.

Pension benefits

Like all senior executives employed in France, the members of the Executive Committee who joined SCOR before June 30, 2008 and are employed in France, are entitled to a guaranteed pension plan conditional notably upon a minimum five years of service with the Group, the payment of which is based on their average compensation over the last five years. This pension plan was closed to employees hired after June 30, 2008.

Executive Committee members that are not employed in France benefit from the collective pension schemes in place in their entity and do not have any specific plan except for the member with Swiss contract who benefits from a specific guaranteed pension plan similar to the one granted to the Executive Committee members employed in France and hired before June 30, 2008.

For Executive Committee members under French contracts and hired before June 30, 2008 or under Swiss contracts, the amount of the additional pension guaranteed by the Group varies from 5% to 50% (with a maximum growth of 5% per year) of the average compensation over the last five years, depending on seniority acquired in the Group at retirement, less any pension benefits acquired under other collective and mandatory pension schemes. Moreover, this amount may under no circumstances exceed 45% of the benchmark compensation.

The total commitment of the Group for defined benefit pension plans in France, Germany, the United States and Switzerland for the Executive Committee members (including the Chairman and Chief Executive Officer) amounts to EUR 57 million as at December 31, 2018, i.e. 13% of the total commitment of the Group for pension plans of EUR 450 million.

2.2.2.2. COMPENSATION OF THE EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER) FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The following table presents the aggregate gross compensation in respect of financial years 2018, 2017 and 2016 due and paid to the members of the Executive Committee (including and excluding the executive corporate officer):

	2018		2017		2016	
In EUR	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	4,674,450	4,632,784	4,861,319	4,861,319	4,774,814	4,774,814
Variable compensation	3,861,159	3,486,675	3,777,102	4,853,222	4,852,734	4,651,568
Allowances	65,106	65,106	154,417	154,417	159,770	160,971
Gross compensation of the Executive Committee members excluding the executive corporate officer(1)	**8,600,715**	**8,184,565**	**8,792,838**	**9,868,958**	**9,787,318**	**9,587,353**
Denis Kessler	2,454,400	2,390,020	2,375,020	2,674,600	2,674,600	2,938,000
TOTAL EXECUTIVE COMMITTEE	**11,055,115**	**10,574,585**	**11,167,858**	**12,543,558**	**12,461,918**	**12,525,353**

(1) Compared to 2017, the compensation of Executive Committee members includes Laurent Rousseau et Brona Magee in 2018. Benjamin Gentsch and Simon Pearson left the Executive Committee in 2018.

For information on stock options and performance shares held by the members of the Executive Committee, see Section 2.2.3 – Stock options and performance shares.

2.2.3. STOCK OPTIONS AND PERFORMANCE SHARES

2.2.3.1. STOCK OPTIONS HELD BY THE EXECUTIVE CORPORATE OFFICER AND THE MEMBERS OF THE EXECUTIVE COMMITTEE AS AT DECEMBER 31, 2018

The table below presents the stock option plans granted to the Executive Committee and the executive corporate officer as at December 31, 2018:

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Denis Kessler	75,000	05/22/2008	15.63	1,172,250	05/22/2012	to	05/21/2018	75,000
	125,000	03/23/2009	14.92	1,864,625	03/23/2013	to	03/22/2019	125,000
	125,000	03/18/2010	18.40	2,300,000	03/19/2014	to	03/18/2020	125,000
	125,000	03/22/2011	19.71	2,463,750	03/23/2015	to	03/22/2021	-
	125,000	03/23/2012	20.17	2,521,250	03/24/2016	to	03/23/2022	-
	100,000	03/21/2013	22.25	2,225,000	03/22/2017	to	03/21/2023	-
	100,000	03/20/2014	25.06	2,506,000	03/21/2018	to	03/20/2024	-
	100,000	03/20/2015	29.98	2,998,000	03/21/2019	to	03/20/2025	-
	25,000	03/10/2016	31.58	789,500	03/11/2020	to	03/10/2026	-
	100,000	03/10/2017	33.78	3,378,000	03/11/2021	to	03/10/2027	-
	100,000	03/08/2018	35.10	3,510,000	03/09/2022	to	03/08/2028	-
Total	**1,100,000**			**25,728,375**				**325,000**
Frieder Knüpling	15,000	09/10/2008	15.63	234,450	09/10/2012	to	09/09/2018	15,000
	15,000	03/23/2009	14.92	223,755	03/23/2013	to	03/22/2019	15,000
	32,000	03/18/2010	18.40	588,800	03/19/2014	to	03/18/2020	32,000
	40,000	03/22/2011	19.71	788,400	03/23/2015	to	03/22/2021	40,000
	40,000	03/23/2012	20.17	806,800	03/24/2016	to	03/23/2022	28,000
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	40,000	03/20/2015	29.98	1,199,200	03/21/2019	to	03/20/2025	-
	50,000	03/10/2016	31.58	1,579,000	03/11/2020	to	03/10/2026	-
	50,000	03/10/2017	33.78	1,689,000	03/11/2021	to	03/10/2027	-
	40,000	03/08/2018	35.10	1,404,000	03/09/2022	to	03/08/2028	-
Total	**402,000**			**10,405,805**				**130,000**
Mark Kociancic	7,500	09/10/2008	15.63	117,225	09/10/2012	to	09/09/2018	7,500
	7,500	03/23/2009	14.92	111,878	03/23/2013	to	03/22/2019	7,500
	7,500	03/18/2010	18.40	138,000	03/19/2014	to	03/18/2020	7,500
	7,000	03/22/2011	19.71	137,970	03/23/2015	to	03/22/2021	7,000
	13,000	03/23/2012	20.17	262,210	03/24/2016	to	03/23/2022	-
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	-
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	60,000	03/20/2015	29.98	1,798,800	03/21/2019	to	03/20/2025	-
	50,000	03/10/2016	31.58	1,579,000	03/11/2020	to	03/10/2026	-
	60,000	03/10/2017	33.78	2,026,800	03/11/2021	to	03/10/2027	-
	40,000	03/08/2018	35.10	1,404,000	03/09/2022	to	03/08/2028	-
Total	**332,500**			**9,468,283**				**29,500**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Paolo De Martin	36,000	05/22/2008	15.63	562,680	05/22/2012	to	05/21/2018	36,000
	48,000	03/23/2009	14.92	716,016	03/23/2013	to	03/22/2019	48,000
	48,000	03/18/2010	18.40	883,200	03/19/2014	to	03/18/2020	-
	48,000	03/22/2011	19.71	946,080	03/23/2015	to	03/22/2021	-
	48,000	03/23/2012	20.17	968,160	03/24/2016	to	03/23/2022	-
	48,000	03/21/2013	22.25	1,068,000	03/22/2017	to	03/21/2023	-
	60,000	03/20/2014	25.06	1,503,600	03/21/2018	to	03/20/2024	-
	60,000	03/20/2015	29.98	1,798,800	03/21/2019	to	03/20/2025	-
	60,000	03/10/2016	31.58	1,894,800	03/11/2020	to	03/10/2026	-
	60,000	03/10/2017	33.78	2,026,800	03/11/2021	to	03/10/2027	-
	48,000	03/08/2018	35.10	1,684,800	03/09/2022	to	03/08/2028	-
Total	**564,000**			**14,052,936**				**84,000**
Victor Peignet	36,000	05/22/2008	15.63	562,680	05/22/2012	to	05/21/2018	36,000
	48,000	03/23/2009	14.92	716,016	03/23/2013	to	03/22/2019	48,000
	48,000	03/18/2010	18.40	883,200	03/19/2014	to	03/18/2020	48,000
	48,000	03/22/2011	19.71	946,080	03/23/2015	to	03/22/2021	48,000
	48,000	03/23/2012	20.17	968,160	03/24/2016	to	03/23/2022	48,000
	48,000	03/21/2013	22.25	1,068,000	03/22/2017	to	03/21/2023	48,000
	60,000	03/20/2014	25.06	1,503,600	03/21/2018	to	03/20/2024	-
	60,000	03/20/2015	29.98	1,798,800	03/21/2019	to	03/20/2025	-
	60,000	03/10/2016	31.58	1,894,800	03/11/2020	to	03/10/2026	-
	60,000	03/10/2017	33.78	2,026,800	03/11/2021	to	03/10/2027	-
	48,000	03/08/2018	35.10	1,684,800	03/09/2022	to	03/08/2028	-
Total	**564,000**			**14,052,936**				**276,000**
Romain Launay	10,000	03/23/2012	20.17	201,700	03/24/2016	to	03/23/2022	-
	5,000	03/21/2013	22.25	111,250	03/22/2017	to	03/21/2023	-
	3,750	03/20/2014	25.06	93,975	03/21/2018	to	03/20/2024	-
	6,000	03/20/2015	29.98	179,880	03/21/2019	to	03/20/2025	-
	40,000	03/10/2016	31.58	1,263,200	03/11/2020	to	03/10/2026	-
	40,000	03/10/2017	33.78	1,351,200	03/11/2021	to	03/10/2027	-
	32,000	03/08/2018	35.10	1,123,200	03/09/2022	to	03/08/2028	-
Total	**136,750**			**4,324,405**				**-**
François de Varenne	24,000	05/22/2008	15.63	375,120	05/22/2012	to	05/21/2018	24,000
	32,000	03/23/2009	14.92	477,344	03/23/2013	to	03/22/2019	32,000
	40,000	03/18/2010	18.40	736,000	03/19/2014	to	03/18/2020	40,000
	40,000	03/22/2011	19.71	788,400	03/23/2015	to	03/22/2021	40,000
	40,000	03/23/2012	20.17	806,800	03/24/2016	to	03/23/2022	40,000
	40,000	03/21/2013	22.25	890,000	03/22/2017	to	03/21/2023	40,000
	40,000	03/20/2014	25.06	1,002,400	03/21/2018	to	03/20/2024	-
	40,000	03/20/2015	29.98	1,199,200	03/21/2019	to	03/20/2025	-
	40,000	03/10/2016	31.58	1,263,200	03/11/2020	to	03/10/2026	-
	40,000	03/10/2017	33.78	1,351,200	03/11/2021	to	03/10/2027	-
	40,000	03/08/2018	35.10	1,404,000	03/09/2022	to	03/08/2028	-
Total	**416,000**			**10,293,664**				**216,000**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Laurent Rousseau	7,500	03/18/2010	18.40	138,000	03/19/2014	to	03/18/2020	7,500
	4,000	03/22/2011	19.71	78,840	03/23/2015	to	03/22/2021	4,000
	4,000	03/23/2012	20.17	80,680	03/24/2016	to	03/23/2022	-
	4,000	03/21/2013	22.25	89,000	03/22/2017	to	03/21/2023	-
	3,000	03/20/2014	25.06	75,180	03/21/2018	to	03/20/2024	-
	3,750	03/20/2015	29.98	112,425	03/21/2019	to	03/20/2025	-
	3,750	03/10/2016	31.58	118,425	03/11/2020	to	03/10/2026	-
	2,814	03/10/2017	33.78	95,057	03/11/2021	to	03/10/2027	-
	25,026	12/22/2018	40.81	1,021,311	12/23/2022	to	12/22/2028	-
Total	**57,840**			**1,808,918**				**11,500**
Brona Magee	4,500	03/20/2015	29.98	134,910	03/21/2019	to	03/20/2025	-
	5,628	03/10/2016	31.58	177,732	03/11/2020	to	03/10/2026	-
	3,978	03/10/2017	33.78	134,377	03/11/2021	to	03/10/2027	-
	14,320	12/22/2018	40.81	584,399	12/23/2022	to	12/22/2028	-
Total	**28,426**			**1,031,418**				**-**
GRAND TOTAL	**3,601,516**			**91,166,740**				**1,072,000**

The annual reports published by the company on previous years show the information related to the plans for which the exercise period ended before 2018.

2.2.3.2. FREE ALLOCATION OF SHARES TO THE MEMBERS OF THE EXECUTIVE COMMITTEE AND THE EXECUTIVE CORPORATE OFFICER AS AT DECEMBER 31, 2018

The table below presents the share award rights granted to the Executive Committee and the executive corporate officer as at December 31, 2018:

	Plan	Share award rights	Price per share at transfer date *(in EUR)*	Potential allocation value at transfer date *(in EUR)*	Effective vested value at transfer date *(in EUR)*	Transfer date
Denis Kessler	2011-2019 Long Term Incentive Plan	125,000	-	-	-	02/09/2019
	2016 Plan	125,000	-	-	-	02/24/2019
	2016-2022 Long Term Incentive Plan	75,000	-	-	-	02/24/2022
	2017 Plan	125,000	-	-	-	02/22/2020
	2018 Plan	125,000	-	-	-	02/22/2021
Total		**575,000**		**-**	**-**	
Frieder Knüpling	2011-2019 Long Term Incentive Plan	40,000	-	-		09/02/2019
	2013-2021 Long Term Incentive Plan	40,000	-	-	-	03/06/2021
	2014 Plan	40,000	33.40	1,336,000	1,336,000	03/05/2018
	2015 Plan	40,000	-	-	-	03/05/2019
	2016 Plan[1]	50,000	-	-	-	02/24/2019
	2017 Plan[1]	50,000	-	-	-	02/22/2020
	2017-2023 Long Term Incentive Plan[1]	50,000	-	-	-	02/22/2023
	2018 Plan[1]	50,000	-	-	-	02/22/2021
	2018 Plan[1][2]	30	-	-	-	12/24/2021
Total		**360,030**		**1,336,000**	**1,336,000**	
Mark Kociancic	2011-2019 Long Term Incentive Plan	7,000	-	-	-	09/02/2019
	2013-2021 Long Term Incentive Plan	40,000	-	-	-	03/06/2021
	2014 Plan	40,000	33.40	1,336,000	1,336,000	03/05/2018
	2015 Plan	60,000	-	-	-	03/05/2019
	2016 Plan[1]	50,000	-	-	-	02/24/2019
	2017 Plan[1]	60,000	-	-	-	02/22/2020
	2018 Plan[1]	50,000	-	-	-	02/22/2021
	2018 Plan[1][2]	30	-	-	-	12/24/2021
Total		**307,030**		**1,336,000**	**1,336,000**	

	Plan	Share award rights	Price per share at transfer date *(in EUR)*	Potential allocation value at transfer date *(in EUR)*	Effective vested value at transfer date *(in EUR)*	Transfer date
Paolo De Martin	2011-2019 Long Term Incentive Plan	48,000	-	-	-	09/02/2019
	2013-2021 Long Term Incentive Plan	48,000	-	-	-	03/06/2021
	2014 Plan	60,000	33.40	2,004,000	2,004,000	03/05/2018
	2015 Plan	60,000	-	-	-	03/05/2019
	2016 Plan(1)	60,000	-	-	-	02/24/2019
	2017 Plan(1)	60,000	-	-	-	02/22/2020
	2018 Plan(1)	60,000	-	-	-	02/22/2021
	2018 Plan(1)(2)	30	-	-	-	12/24/2021
Total		**396,030**		**2,004,000**	**2,004,000**	
Victor Peignet	2013-2021 Long Term Incentive Plan	48,000	-	-	-	03/06/2019
	2015 Plan	60,000	38.50	2,310,000	2,194,500	12/19/2018
	2016 Plan	60,000	-	-	-	02/24/2019
	2017 Plan	60,000	-	-	-	02/22/2020
	2018 Plan	60,000	-	-	-	02/22/2021
	2018 Plan(2)	30	-	-	-	12/24/2021
Total		**288,030**		**2,310,000**	**2,194,500**	
Romain Launay	2014-2022 Long Term Incentive Plan	5,000	-	-	-	03/05/2020
	2015 Plan	8,000	38.50	308,000	292,600	12/19/2018
	2016 Plan	40,000	-	-	-	02/24/2019
	2017 Plan	40,000	-	-	-	02/22/2020
	2018 Plan	40,000	-	-	-	02/22/2021
	2018 Plan(2)	30	-	-	-	12/24/2021
Total		**133,030**		**308,000**	**292,600**	
François de Varenne	2015 Plan	40,000	38.50	1,540,000	1,463,000	12/19/2018
	2016 Plan	40,000	-	-	-	02/24/2019
	2016-2022 Long Term Incentive Plan	40,000	-	-	-	02/24/2022
	2017 Plan	40,000	-	-	-	02/22/2022
	2018 Plan	50,000	-	-	-	02/22/2021
	2018 Plan(2)	30	-	-	-	12/24/2021
Total		**210,030**		**1,540,000**	**1,463,000**	

	Plan	Share award rights	Price per share at transfer date *(in EUR)*	Potential allocation value at transfer date *(in EUR)*	Effective vested value at transfer date *(in EUR)*	Transfer date
Laurent Rousseau	2013-2021 Long Term Incentive Plan	4,000	-	-	-	03/06/2019
	2015 Plan	5,000	38.50	192,500	182,875	12/19/2018
	2016 Plan	5,000	-	-	-	02/24/2019
	2016-2022 Long Term Incentive Plan	5,000	-	-	-	02/24/2022
	2017 Plan	3,752	-	-	-	12/02/2020
	2017-2023 Long Term Incentive Plan	1,250	-	-	-	02/12/2023
	2018 Plan	31,252	-	-	-	12/22/2021
	2018 Plan(2)	30	-	-	-	12/24/2021
Total		**55,284**		**192,500**	**182,875**	
Brona Magee	2014 Plan	6,000	33.40	200,400	200,400	03/05/2018
	2014-2022 Long Term Incentive Plan	6,000	-	-	-	03/05/2022
	2015 Plan	6,000	38.50	231,000	219,450	12/19/2018
	2016 Plan(1)	7,504	-	-	-	02/24/2019
	2017 Plan(1)	5,304	-	-	-	12/02/2020
	2017-2023 Long Term Incentive Plan(1)	1,500	-	-	-	02/12/2023
	2018 Plan(1)	17,870	-	-	-	12/22/2021
	2018 Plan(1)(2)	30	-	-	-	12/24/2021
Total		**50,208**		**431,400**	**419,850**	
GRAND TOTAL		**2,374,672**		**9,457,900**	**9,228,825**	

(1) Shares allocated in non-qualified plans.
(2) Shares allocated in a collective plan.

The annual reports published by the company on previous years show the information related to the plans covering shares delivered before 2018.

2.2.3.3. POTENTIAL VOLUME OF NEW SHARES FROM OUTSTANDING SHARE-BASED COMPENSATION PLANS AS OF DECEMBER 31, 2018

The potential volume of new shares from outstanding share-based compensation plans stood at 5,768,655 shares as of December 31, 2018, broken down as follows:

Potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments	**5,768,655**
◆ of which number of potential new shares from outstanding stock option plans (options allocated but not vested + options vested but not exercised)	4,459,993
◆ of which number of potential new shares from outstanding free share plans (free shares allocated but not vested)(1)	0
◆ of which number of potential new shares from outstanding warrants	0
◆ of which unused authorizations still outstanding(2)	1,308,662

(1) The free share allocation plans currently in force only allocate outstanding shares.
(2) Authorization granted by the Shareholders' Meeting of April 26, 2018 in its 23rd resolution (stock options).

Notably, no new shares can be issued in relation to outstanding share-based compensation in the form of free shares, as these shares are derived exclusively from the purchase of existing shares and not from the issuance of new shares.

If, nonetheless, free shares were taken into account in the calculation of the potential volume of new shares from outstanding share-based compensation, this theoretical volume (which corresponds to outstanding shares or new shares to be issued) would stand at 14,265,171 on December 31, 2018, due to the addition of (i) outstanding free share allocation plans (shares allocated but not vested on December 31, 2018, i.e. 5,917,627 shares) and, (ii) the unused part of the authorization granted by the Shareholders' Meeting of April 26, 2018 in its 24th resolution concerning the free allocation of outstanding shares (2,578,889 shares).

The Company's fully diluted issued share capital, as defined below, stood at 216,743,829 shares as of December 31, 2018, broken down as follows:

Fully diluted issued share capital	216,743,829
◆ of which total shares comprising the share capital	193,085,792
◆ of which number of potential new shares from outstanding options	4,459,993
◆ of which number of potential new shares from outstanding free shares(1)	0
◆ of which number of potential new shares from outstanding warrants	0
◆ of which potential shares from other securities convertible or redeemable into new shares(2)	19,198,044

(1) The free share allocation plans currently in force only allocate outstanding shares.
(2) 19,198,044 shares underlying the warrants issued on December 16, 2016 under the contingent capital facility with an exercise period starting on January 1, 2017 and expiring on May 1, 2020.

If, despite the absence of the dilutive effect mentioned above, free shares were taken into account in the calculation of the potential volume of new shares from outstanding share-based compensation plans, the fully diluted share capital would stand at 225,240,345 on December 31, 2018.

As of December 31, 2018, the potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments stands at 2.66% of the fully diluted share capital.

If the free shares were taken into account in the calculation of the potential volume of new shares from outstanding share based compensation plans and in the calculation of the fully diluted share capital, this theoretical volume (which corresponds to outstanding shares or new shares to be issued) would stand at 6.58% of the fully diluted share capital on December 31, 2018.

2.2.3.4. PLANS PROVIDING EMPLOYEE PROFIT SHARING

See Section 4.6 – Notes to the consolidated financial statements, Note 14 – Employee benefits and other provisions and Appendix C – 5 – Notes to the corporate financial statements, Section 5.3.6 – Employee share ownership plans.

Stock option plans

Pursuant to provisions of Article L. 225-184 of the French Commercial Code, information provided in this section constitutes the special report of the Board of Directors on the allocation of stock options in order to inform the Shareholders' Meeting of transactions completed under the provisions of Articles L. 225-177 to L. 225-186-1 of the same code.

On April 27, 2017, the Shareholders' Meeting authorized the Company's Board of Directors, in its 21st resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the Commercial Code, upon proposal of the Compensation and Nomination Committee, on one or more occasions, to grant employees of the Company and related companies or groups in terms of Article L. 225-180 of the Commercial Code, as well as the executive corporate officer, options giving the right to the subscription of new shares of the Company to be issued to increase the capital, as well as options giving the right to purchase shares of the Company repurchased by the Company as authorized by the law and within the limits of a number of options giving right to a maximum of one million five hundred thousand (1,500,000) shares. This authorization was given for a period of 24 months from April 27, 2017 and cancelled and replaced, for the unused portion thereof, the previous authorization of April 27, 2016.

On April 26, 2018, the Shareholders' Meeting authorized the Company's Board of Directors, in its 23rd resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the Commercial Code, upon proposal of the Compensation and Nomination Committee, on one or more occasions, to grant employees of the Company and related companies or groups in terms of Article L. 225-180 of the Commercial Code, as well as the executive corporate officer, options giving the right to the subscription of new shares of the Company to be issued to increase the capital, as well as options giving the right to purchase shares of the Company repurchased by the Company as authorized by the law and within the limits of a number of options giving right to a maximum of one million five hundred thousand (1,500,000) shares. This authorization was given for a period of 24 months from April 26, 2018 and cancelled and replaced, for the unused portion thereof, the previous authorization of April 27, 2017.

Moreover, it should be noted that SCOR is committed to the neutral impact of each stock option allocation in terms of dilution. To achieve this, SCOR's policy is to systematically neutralize, as far as possible, the potential dilutive impact that could result from the issuance of new ordinary shares following the exercise of stock options, by covering the exposure resulting from the issuance of stock options through the purchase of ordinary shares under its share buyback program, and by cancelling the treasury shares thus acquired as the options are exercised. Therefore, there is no dilution of capital related to the grant of stock options.

March 8, 2018 stock option plan

Following the authorization by the combined Shareholders' Meeting on April 27, 2017 and on the proposal of the Compensation and Nomination Committee meeting of February 20, 2018, the Board of Directors' meeting of February 21, 2018, decided to allocate, on March 8, 2018, stock options to the Chairman and Chief Executive Officer and to the other members of the Executive Committee.

The Board of Directors' meeting of February 21, 2018, on the proposal of the Compensation and Nomination Committee meeting of February 20, 2018, decided to allocate 100,000 stock options to the Chairman and Chief Executive Officer and 280,000 stock options to the other members of the Executive Committee on March 8, 2018.

Refer to Section 2.2.3.1 of this document for the details of the stock options allocated to the members of the Executive Committee.

Those options can be exercised at the earliest four years after the grant date, if the presence condition (four years) is respected. The exercise price is calculated without a discount, based on the weighted average opening price of SCOR's shares on Euronext Paris over the 20 trading days preceding the grant date. The stock options can be exercised on one or more occasions from the beginning of the exercise period on March 9, 2022 until March 8, 2028 inclusive. After this date, the purchase right shall expire.

The exercise of all of the stock options allocated in 2018 is subject to performance conditions.

The exercise of half of the options granted is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan are fulfilled and in particular that the beneficiary remains an employee or a corporate officer of the SCOR Group until March 8, 2022 inclusive, except as otherwise provided by the Plan;

(2) that the average SCOR ROE over three years (from January 1, 2018 to December 31, 2020) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

Aside from the mandatory conditions (1), if the observed average ROE (condition (2)) is lower or higher than the Target ROE, the options will vest in accordance with the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the options that can be exercised via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

In any case, if the average ROE is lower than 5%, the portion of stock options that could be exercised based on this criterion would be at 0%.

The exercise of the remaining half of the options is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan are fulfilled and in particular that the beneficiary remains an employee or a corporate officer of the SCOR Group until March 8, 2022 inclusive, except as otherwise provided by the Plan;

(2) that the average solvency ratio over three years (from January 1, 2018 to December 31, 2020) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio"[(1)]).

(1) If the strategic plan sets a target or «optimal» range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

Aside from the mandatory conditions (1), if the observed average solvency ratio (condition (2)) is lower than the Target Solvency Ratio, the options will vest in accordance with the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the options that can be exercised via this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

In no case the application of these performance conditions may lead to an acquisition of more than 100% of the original grant.

The achievement of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the right to exercise all or some options would be subject, in any event, to strict compliance with the Group's ethical principles as set out in the Group's Code of Conduct and to the fulfilment of the corporate social responsibility (CSR) training obligation.

December 22, 2018 stock option plan

In accordance with a decision taken by the Board of Directors on October 23, 2018 following a proposal from the Compensation and Nominations Committee at its October 23, 2018 meeting, in accordance with the authorisation granted to it by the Combined General Meeting of April 26, 2018, 191,338 stock options were granted on December 22, 2018 to 56 Partners (Executive Global Partners and Senior Global Partners), including two members of the COMEX.

The Partners are key executives, managers, experts, and high potential employees formally identified across the Group. Partners are given specific responsibilities in terms of significant achievements, high impact project management and/or leadership. Therefore, they benefit from a specific and selective program in terms of information sharing, career development and compensation schemes. Partners represent approximately 25% of the total number of employees in the Group.

Those options can be exercised four years after the grant date at the earliest, if the presence condition (four years) is respected. The exercise price is calculated without a discount, based on a twenty-day average opening share price of SCOR SE's shares before the grant date. The stock options can be exercised on one or more occasions from the beginning of the exercice period on December 23, 2022 until December 22, 2028 inclusive. After this date, purchase rights shall expire.

All the options awarded are subject to the satisfaction of performance conditions (for the description of performance conditions, refer to the sectin related to March 8, 2018 stock option plan.

The table below presents the total number of stock options allocated in 2017 and 2018 by category of beneficiary within the Group:

	Total number of stock options allocated in 2018	Total number of beneficiaries in 2018	Total number of stock options allocated in 2017	Total number of beneficiaries in 2017
Corporate officer[1]	100,000	1	100,000	1
Members of the Executive Committee	319,346	9	380,000	7
Partners	151,992	54	145,410	56
TOTAL	**571,338**	**64**	**625,410**	**64**

(1) Chairman and Chief Executive Officer.

A table showing features of the SCOR stock option plans can be found in Section 4.6 – Notes to the consolidated financial statements, Note 16.2 – Stock options and share allocations.

Achievement of the performance conditions observed in 2018

The validation of performance conditions has been performed for no plan in 2018.

Stock option plans currently in force within the Group

The options granted during the financial year ended December 31, 2005 and thereafter are stock subscription option plans.

No options have been granted by a related company as defined by Article L. 225-180 of the French Commercial Code.

The exercise of stock options allocated since 2008 is subject, as applicable, to the satisfaction of performance conditions. Thus, a third of the number of options awarded under the May 22, 2008 plan, half of the options awarded under the March 23, 2009 plan and all the options awarded since the March 18, 2010 plan are subject to the satisfaction of performance conditions. However, all the options allocated since the March 23, 2009 plan to the Chairman and Chief Executive Officer are subject to the satisfaction of performance conditions.

It should be noted that it is not possible to exercise these stock options during the 30 days before publication of the annual or half-year financial statements, or during the 15 days before the publication of SCOR's quarterly financial results.

Stock options granted to the top ten non-officer employees and exercised by them	Number of shares underlying stock ptions granted/stock options subscribed or purchased	Weighted average exercised price *(in EUR)*	Plans
Number of shares underlying the stock options granted during the financial year by the issuer and by any company included in the scope of allocation of the options to the ten employees of the issuer and of any company included in such scope, whose number of shares thus purchased or granted is the highest (aggregate information)	329,804	35.96	March 8, 2018 December 22, 2018
Number of shares underlying the stock options of the issuer and of the companies referred to above and exercised during the financial year by the ten employees of the issuer or these companies, whose number of options thus purchased or subscribed is the highest (aggregate information)	426,750	19.37	May 22, 2008 September 10, 2008 March 23, 2009 March 18, 2010 March 22, 2011 September 1, 2011 March 23, 2012 March 21, 2013 October 2, 2013 March 20, 2014

For additional information on the stock options plans currently in force within the Group see Appendix C – 5. Notes to the corporate financial statements, Section 5.3.5 – Stock options.

Free share allocation plans

Pursuant to provisions of Article L. 225-197-4 of the French Commercial Code, information provided in this section constitutes the special report of the Board of Directors on the allocation of existing free shares in order to inform the Shareholders' Meeting of transactions completed under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the same code.

On April 27, 2016, the Shareholders' Meeting of the Company, in its 25th resolution, authorized the Company's Board of Directors, under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, upon a proposal of the Compensation and Nomination Committee, on one or more occasions, to grant employees of the Company and related companies or groups pursuant to Article L. 225-197-2 of the French Commercial Code, as well as to corporate officers as described by Article L. 225-197-1-II of the French Commercial Code, free allocations of existing, already issued and fully paid up ordinary shares of the Company.

Moreover, the Shareholders' Meeting also decided that (i) the total number of free shares granted under the conditions and, if applicable, subject to the fulfillment of the performance conditions set by the Board of Directors further to a proposal from the Compensation and Nomination Committee, pursuant to this authorization may not exceed 3,000,000 shares (ii) the allocation of shares to their beneficiaries will be definitive only after a vesting period of a minimum set at three years (iii) the beneficiaries will no longer be subject to an obligation to hold the shares, that the Shareholders' meeting decided to delete.

This authorization was given for a period of 24 months from April 27, 2016, and canceled and replaced the previous authorization of December 18, 2015 for the unused portion thereof.

On April 27, 2017, the Shareholders' Meeting of the Company, in its 22nd resolution, authorized the Company's Board of Directors, under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to grant, upon a proposal of the Compensation and Nomination Committee, on one or more occasions, in favor of employees of the Company and of companies or groups affiliated with it pursuant to Article L. 225-197-2 of the French Commercial Code, as well as in favor of the corporate officers as defined under Article L. 225-197-1-II of the French Commercial Code, free allocations of existing or yet-to-be-issued shares of the Company and resolved that the Company's Board of Directors would determine the identity of the beneficiaries of the allocation as well as the rights and conditions attached to the conditional entitlement to receive the shares.

The Ordinary and Extraordinary Shareholders' Meeting also decided that (i) the total number of free shares granted under the conditions and, if applicable, subject to the fulfillment of the performance conditions set by the Board of Directors further to a proposal from the Compensation and Nomination Committee, pursuant to this authorization may not exceed 3,000,000 shares, (ii) the allocation of shares to their beneficiaries will be definitive only after a vesting period of a minimum set at three years.

This authorization was given for a period of 24 months from the day of shareholder's meeting, i.e. until April 26, 2019.

On April 26, 2018, the Shareholders' Meeting of the Company, in its 24th resolution, authorized the Company's Board of Directors, under the provisions of Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to grant, upon a proposal of the Compensation and Nomination Committee, on one or more occasions, in favor of employees of the Company and of companies or groups affiliated with it pursuant to Article L. 225-197-2 of the French Commercial Code, as well as in favor of the corporate officers as defined under Article L. 225-197-1-II of the French Commercial Code, free allocations of existing or yet-to-be-issued shares of the Company and resolved that the Company's Board of Directors would determine the identity of the beneficiaries of the allocation as well as the rights and conditions attached to the conditional entitlement to receive the shares.

The Ordinary and Extraordinary Shareholders' Meeting also decided that (i) the total number of free shares granted under the conditions and, if applicable, subject to the fulfillment of the performance conditions set by the Board of Directors further to a proposal from the Compensation and Nomination Committee, pursuant to this authorization may not exceed 3,000,000 shares, (ii) the allocation of shares to their beneficiaries will be definitive only after a vesting period of a minimum set at three years.

This authorization was given for a period of 24 months from the day of shareholder's meeting, i.e. until April 26, 2020 and renders ineffective, for its unused part, the previous authorization granted on April 27, 2017 in its twenty-second resolution.

Moreover, these resolutions set forth that each performance share allocation should have a neutral impact in terms of dilution. To achieve this, performance share allocation plans have to be covered through the allocation of existing shares taken from the treasury shares held by the Company under its share buy-back program, and not via the creation of new shares. Thus, there is no capital dilution related to the grant of performance shares.

February 21, 2018 performance shares plans

Following the authorization given by the Extraordinary Shareholders' Meeting on April 27, 2016, the Company's Board of Directors' meeting of February 21, 2018, on the proposal of the Compensation and Nomination Committee meeting of February 20, 2018, decided to grant performance shares to the Chairman and Chief Executive Officer and to the French tax resident members of the Executive Committee.

The Company's Board of Directors' meeting of February 21, 2018, on the proposal of the Compensation and Nomination Committee meeting of February 20, 2018, decided to allocate 125,000 performance shares to the Chairman and Chief Executive Officer and 150,000 performance shares to the French tax resident members of the Executive Committee.

At the same time, 200,000 performance shares were awarded on February 21, 2018 to the non-French tax resident members of the Executive Committee as part of a so-called non-qualified plan.

Refer to Section 2.2.3.2 of the present Registration Document for the details of the performance shares granted to the members of the Executive Committee.

The provisions of the plan provide for a vesting period of three years for all beneficiaries.

All the shares awarded to the Chairman and Chief Executive and to the Executive Committee members, are subject to the satisfaction of the conditions set out in the Plan of February 21, 2018 and in particular that the beneficiary remains an employee or a corporate officer of the SCOR Group until February 21, 2021 inclusive, except as otherwise stated by the Plan.

The final vesting of the shares is also subject performance conditions.

The final vesting of half of the shares is subject to the fact that the average SCOR ROE over three years (from January 1, 2018 to December 31, 2020) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period. If the observed average ROE is lower or higher than the Target ROE, the shares will vest according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares finally vested in line with this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

The final vesting of half of the shares granted is subject to the fact that the average solvency ratio for three years (from January 1, 2018 to December 31, 2020) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio"[1]). If the observed average solvency ratio is lower than the Target Solvency Ratio, the shares will vest according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the shares finally vested in line with this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

In no case the application of these performance conditions may lead to an acquisition of more than 100% of the original grant.

The achievement of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the right to exercise all or some options would be subject, in any event, to strict compliance with the Group's ethical principles as set out in the Group's Code of Conduct.

December 22, 2018 performance shares plans

In accordance with the authorization given by the Extraordinary Shareholders' Meeting on April 26, 2018, the Company's Board of Directors' meeting of October 23, 2018, on the proposal of the Compensation and Nomination Committee meeting of October 23, 2018, decided to grant on the December 22, 2018 performance shares to Partners and specific Non Partners.

Following the Company's Board of Directors' meeting of October 23, 2018, 315,702 performance shares were awarded on the December 22, 2018 to French tax residents Partners and specific Non Partners employees of the Group (274 employees).

In the meantime, 525,380 performance shares were awarded on the December 22, 2018 to Non-French tax residents Partners and specific Non Partners employees of the Group (514 employees) as part of a so-called non-qualified plan. The provisions of the plan provide for a vesting period of three years for all beneficiaries.

All the shares awarded to Executive Global Partners and Senior Global Partners, and half of the shares awarded to other Partners (below Senior Global Partners) are subject to the satisfaction of performance conditions. The performance conditions include those of the performance share plan of February 21, 2018, in addition to the following two conditions:

- The acquisition of all shares is subject to the fulfilment of the corporate social responsibility (CSR) training obligation,
- in the event of an average ROE of less than 5%, the portion of stock options that could be exercised based on this criterion would be at 0%.

December 23, 2018 free shares plans as part of a collective plan

In accordance with the authorization given by the Extraordinary Shareholders' Meeting on April 26, 2018, the Company's Board of Directors' meeting of October 23, 2018, on the proposal of the Compensation and Nomination Committee meeting of October 23, 2018, decided to grant on the December 23, 2018 free shares to all employees of the Group.

Following the Company's Board of Directors' meeting of October 23, 2018, 75,455 free shares were awarded on December 23, 2018 to all French tax resident employees of the Group (835 employees).

In the meantime, 174,468 free shares were awarded on the December 23, 2018 to all Non-French tax residents of the Group (2,061 employees) as part of a so-called non-qualified plan.

The provisions of the plan provide for a vesting period of three years for all beneficiaries.

The final vesting of the shares granted is subject to the fulfilment of the terms and conditions set out in the Plan, and in particular that the beneficiary remains employee or corporate officer of the SCOR Group until December 23, 2021 inclusive, except as otherwise stated by the Plan, and to the respect of the Group's ethical principles as described in its Code of Conduct.

December 22, 2018 Long Term Incentive Plan

In accordance with the authorization by the Shareholders' Meeting on April 26, 2018, the Company's Board of Directors' meeting of October 23, 2018, on the proposal of the Compensation and Nomination Committee meeting of October 23, 2018, decided to allocate performance shares to Partners and specific Non Partners in a Long Term Incentive Plan (LTIP).

Following the Company's Board of Directors' meeting of October 23, 2018, 29,954 performance shares were awarded on December 22, 2018 to French tax residents Partners and specific Non Partners employees of the Group (39 employees) in a qualified Long Term Incentive Plan (LTIP).

(1) If the strategic plan sets a target or «optimal» range, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

In the meantime, 66,642 performance shares were awarded on the December 22, 2018 to Non-French tax residents Partners and specific Non Partners employees of the Group (57 employees) in a non qualified Long Term Incentive Plan (LTIP).

The provisions of the plan provide for a vesting period of six years for all beneficiaries.

The final vesting of the shares granted is subject to the fulfilment of the terms and conditions set out in the Plan, and in particular that the beneficiary remains employee or corporate officer of the SCOR Group until December 22, 2024 inclusive, except as otherwise stated by the Plan.

The final vesting of the shares granted is also subject to the fulfilment of performance conditions.

The final vesting of half of the shares granted is subject to the fact that the average SCOR ROE over six years (from January 1, 2018 to December 31, 2023) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period. If the observed average ROE is lower or higher than the Target ROE, the shares will vest according to the sliding scale set out in the table below:

Ratio between the observed average ROE and the Target ROE	Proportion of the shares finally vested via this criterion
From 125%	**150%**
Between 120% and 124.99%	140%
Between 110% and 119.99%	120%
Between 100% and 109.99%	**100%**
Between 80% and 99.99%	90%
Between 70% and 79.99%	70%
Between 60% and 69.99%	50%
Between 50% and 59.99%	25%
Below 50%	**0%**

In any case, if the average ROE is lower than 5%, the portion of stock options that could be exercised based on this criterion would be at 0%.

The final vesting of the remaining half of the shares is subject to the fact that the average solvency ratio over six years (from January 1, 2018 to December 31, 2023) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio"[(1)]). If the observed average solvency ratio is lower than the Target Solvency Ratio, the shares will vest according to the sliding scale set out in the table below:

Difference between the average solvency ratio and the Target Solvency Ratio	Proportion of the shares finally vested in line with this criterion
Higher than or equal to 0 percentage point	100%
Between 0 and up to -35 percentage points	Linear sliding scale
Lower than or equal to -35 percentage points	0%

In no case the application of these performance conditions may lead to an acquisition of more than 100% of the original grant.

The achievement of these performance conditions will be assessed and validated annually by the Compensation and Nomination Committee.

In addition, notwithstanding the total or partial achievement of the performance conditions described above, the right to exercise all or some options would be subject, in any event, to strict compliance with the Group's ethical principles as set out in the Group's Code of Conduct and to the fulfilment of the corporate social responsibility (CSR) training obligation.

(1) If the strategic plan sets a target or «optimal» interval, the lower end of this range is considered for calculation purposes as being the Target Solvency Ratio.

The table below presents the total number of shares allocated in 2017 and 2018 by category within the Group, all types of plans included:

	Total number of LTIP shares allocated in 2018	Total number of beneficiaries of LTIP in 2018	Total number of shares allocated in 2018 (excluding LTIP)	Total number of beneficiaries in 2018 (excluding LTIP)	Total number of LTIP shares allocated in 2017	Total number of beneficiaries of LTIP in 2017	Total number of shares allocated in 2017 (excluding LTIP)	Total number of beneficiaries in 2017 (excluding LTIP)
Corporate officer(1)	0	0	125,000	1	0	0	125,000	1
Members of the Executive Committee	0	0	399,362	9	50,000	1	380,000	8
Partners	92,460	71	854,083	791	245,182	435	709,264	541
Non-Partners	4,136	25	187,560	2,111	5,928	42	19,348	63
TOTAL	**96,596**	**96**	**1,566,005**	**2,912**	**301,110**	**478**	**1,233,612**	**613**

(1) Chairman and Chief Executive Officer.

Achievement of the performance conditions acknowledged in 2018

In 2018, the Compensation and Nomination Committee acknowledged the partial validation of all the performance conditions attached to the December 18, 2015 performance share plan as defined in the 2015 Registration Document, bringing the share acquisition rate to 95%. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance condition	Achieved result	Achievement
Ratio between the observed average ROE over 2015 – 2017 and the target ROE	87.6%	90%
Difference between the average Solvency Ratio over 2015 – 2017 and the average Target Solvency Ratio	+31 bps	100%

In 2018, the Compensation and Nomination Committee acknowledged the partial validation of all the performance conditions attached to the July 26, 2012 Long Term Incentive Plan, bringing the share acquisition rate to 95%. In addition to the performance conditions described below, the strict compliance with Group's ethical principles as described in the Code of Conduct of SCOR Group was required.

Performance condition	Achieved result	Achievement
Ratio between the observed average ROE over 2015 – 2017 and the target ROE	94%	90%
Difference between the average Solvency Ratio over over 2015 – 2017 and the average Target Solvency Ratio	+31 bps	100%

The following table shows the free shares plans currently in force within the Group.

It should be noted that the source of shares to be allocated to these plans is treasury stock.

The plans for which shares have finally vested and for which the holding period ended before December 31, 2017, are not presented below.

Date of Shareholders' Meeting	Date of Board of Directors meeting	Total number of shares allocated	Of which to corporate officers	Date of share acquisition	End of the holding period	Number of shares vested as of December 31	Number of shares cancelled as of December 31	Number of shares oustanding as of December 31
April 26, 2018	October 23, 2018	75,455 (2)	-	12/24/2021	12/24/2021	-	-	75,455
		174,468 (1) (2)	-	12/24/2021	12/24/2021	-	-	174,468
		29,954 (2)	-	12/23/2024	12/22/2024	-	-	29,954
		66,642 (1) (2)	-	12/23/2024	12/22/2024	-	-	66,642
		315,702 (2)	-	12/23/2021	12/22/2021	-	-	315,702
		525,380 (1) (2)	-	12/23/2021	12/22/2021	-	-	525,380
April 27, 2016	February 21, 2018	275,000 (2)		02/22/2021	02/21/2021	-	-	275,000
		200,000 (1) (2)	-	02/22/2021	02/21/2021	-	-	200,000
April 27, 2016	October 24, 2017	84,842 (2)	-	12/02/2023	12/01/2023	-	914	83,928
		150,346 (1) (2)	-	12/02/2023	12/01/2023	-	3,692	146,654
		266,868 (2)	-	12/02/2020	12/01/2020	-	6,348	260,520
		469,404 (1) (2)	-	12/02/2020	12/01/2020	-	17,588	451,816
April 27, 2016	February 21, 2017	50,000 (1) (2)	-	02/22/2023	02/21/2023	-	-	50,000
		265,000 (2)		02/22/2020	02/21/2020	-	-	265,000
		240,000 (1) (2)	-	02/22/2020	02/21/2020	-	70,000	170,000
April 27, 2016	October 26, 2016	16,700 (2)	-	12/02/2019	12/01/2019	-	300	16,400
		23,364 (1) (2)	-	12/02/2019	12/01/2019	-	1,752	21,612
December 18, 2015	February 23, 2016	181,060 (2)	75,000	02/24/2022	02/23/2022	-	752	180,308
		76,672 (1) (2)	-	02/24/2022	02/23/2022	-	4,004	72,668
		673,260 (2)	125,000	02/24/2019	02/23/2019	-	11,220	662,040
		997,328 (1) (2)	-	02/24/2019	02/23/2019	-	140,680	856,648
December 18, 2015	December 18, 2015	30,752 (2)	-	12/19/2021	12/18/2021	-	-	30,752
		75,680 (1) (2)	-	12/19/2021	12/18/2021	-	-	75,680
December 18, 2015	December 18, 2015	549,224 (2)	-	12/19/2018	12/18/2018	471,745	77,479	-
		808,014 (1) (2)	-	12/19/2018	12/18/2018	682,526	122,488	3,000
		42,105	-	12/19/2018	12/18/2018	35,645	6,460	-
		112,320 (1)	-	12/19/2018	12/18/2018	86,750	25,570	-
May 6, 2014	March 4, 2015	125,000 (2)	125,000	03/05/2017	03/04/2019	125,000	-	-
		240,000 (2)	-	03/05/2019	03/04/2019	-	-	240,000
		40,000 (2)	-	03/05/2021	03/04/2023	-	40,000	-
May 6, 2014	November 5, 2014	7,000 (2)	-	12/02/2017	12/01/2019	6,000	1,000	-
		26,000 (2)	-	12/02/2019	12/01/2019	-	9,000	17,000
		27,500 (2)	-	11/06/2018	11/05/2018	25,000	2,500	-
		7,500 (2)	-	11/06/2016	11/05/2018	7,500	-	-
May 6, 2014	July 30, 2014	3,490	-	07/31/2016	07/30/2018	3,485	5	-

Date of Shareholders' Meeting	Date of Board of Directors meeting	Total number of shares allocated	Of which to corporate officers	Date of share acquisition	End of the holding period	Number of shares vested as of December 31	Number of shares cancelled as of December 31	Number of shares oustanding as of December 31
April 25, 2013	March 4, 2014	88,500 (2)	-	03/05/2022	03/04/2022	-	8,500	80,000
		31,500 (2)	-	03/05/2020	03/04/2022	-	2,000	29,500
		147,965	-	03/05/2018	03/04/2018	133,975	13,990	-
		51,785	-	03/05/2016	03/04/2018	48,575	3,210	-
		1,115,730 (2)	-	03/05/2018	03/04/2018	1,054,680	61,050	-
		589,550 (2)	125,000	03/05/2016	03/04/2018	587,000	2,550	-
April 25, 2013	December 18, 2013	28,000 (2)	-	12/19/2018	12/18/2018	4,000	24,000	-
		9,500 (2)	-	12/19/2016	12/18/2018	8,000	1,500	-
May 3, 2012	March 5, 2013	232,500 (2)	-	03/06/2021	03/05/2021	-	14,500	218,000
		85,500 (2)	-	03/06/2019	03/05/2021	-	5,000	80,500
May 3, 2012	July 26, 2012	57,500 (2)	-	07/27/2018	07/26/2020	54,625	2,875	-
		51,000 (2)	-	07/27/2020	07/26/2020	-	10,000	41,000
May 4, 2011	July 27, 2011	415,500 (2)	125,000	09/02/2017	09/01/2019	304,475	111,025	-
		297,500 (2)	-	09/02/2019	09/01/2019	-	55,500	242,000

(1) These shares are allocated under non-qualified plans.

(2) The acquisition of these shares is subject to performance conditions. The performance shares granted before the Extraordinary Shareholders' Meeting of December 18, 2015 are subject, for half of the grant or all of the grant, depending on the employee's level within the organization, to performance conditions relating to the solvency ratio, the net combined ratio of SCOR SE, the technical margin of SCOR Global life and the ROE. Since the Extraordinary Shareholders' Meeting of December 18, 2015, the performance conditions relate to the ROE and the Solvency Ratio. All the performance shares granted since 2011 as part of LTIP plans are subject to ROE and Solvency ratio performance conditions. The performance conditions are assessed after a two-year vesting period for performance shares granted before the Extraordinary Shareholders' Meeting of December 18, 2015, after a three-year vesting period for performance shares granted as of the Extraordinary Shareholders' Meeting of December 18, 2015, and after a six-year vesting period for all LTIP performance shares.

See also Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations.

Since the implementation of free share plans in 2004, 22,805,019 shares have been allocated, all types of plans included.

During 2018, the rights vested by the ten employees of the Company and of any company included in the scope of consolidation with the highest number of shares thus obtained represent 412,500 shares. Those rights relate, for non-French tax residents, to the performance share plans of March 4, 2014 and December 18, 2015 whose transfer occurred on March 5, 2018 and December 19, 2018, and for French tax residents to the performance plan of December 18, 2015 whose transfer occurred on December 19, 2018.

Employee savings plan

The employees with a French work contract (excluding corporate officers) may invest in the employee savings plan. An agreement specifies the principle, financing, and conditions of the plan. The employee savings plan has five mutual investment funds, one of which is entirely dedicated to SCOR employees. An employer's contribution is provided for on two funds. Sums may be transferred into the funds in several different ways: sums received from profit-sharing plans, collective incentive plans, or any other voluntary contributions.

On April 26, 2018, the Shareholders' Meeting of the Company, in its 25th resolution, delegated its authority to the Company's Board of Directors in order to increase the share capital by issuing shares reserved for employees of the Company and of French and foreign companies affiliated with it pursuant to Article L. 225-180 of the French Commercial Code, who are participants in savings plans and/or mutual funds. This new authorization replaces the authorization granted by the Shareholders' Meeting of April 27, 2017.

As at the date of the Registration Document, the Company's Board of Directors has not exercised this delegation of authority. This authorization was granted for a period of 18 months as from the date of the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018.

2.2.4. SUMMARY OF TRANSACTIONS IN SECURITIES BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED PURSUANT TO ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

The table below presents the acquisitions, sales, subscriptions or exchanges of SCOR SE shares as well as transactions involving securities linked to SCOR SE carried out by directors, executive corporate officer and persons discharging managerial responsibilities in 2018.

	Transactions made in 2018 for an amount greater than EUR 20,000
Mr. Denis Kessler	Exercise of stock options for a total amount of EUR 4,164,625
Mrs. Marguerite Bérard	N/A
Mr. Paolo De Martin	Exercise of stock options for a total amount of EUR 1,278,696 Sale of shares resulting from the exercise of stock options for a total amount of EUR 2,928,156 Sale of shares for a total amount of EUR 1,677,465.27 Acquisition of shares for a total amount of EUR 2,004,000
Mr. Thierry Derez*	N/A
Mr. Vincent Foucart	Exercise of stock options for a total amount of EUR 160,210 Sale of shares resulting from the exercise of stock options for a total amount of EUR 273,011 Acquisition of shares for a total amount of EUR 109,725
Mrs. Vanessa Marquette	N/A
Mr. Victor Peignet	Exercise of stock options for a total amount of EUR 2,036,161 Sale of shares resulting from the exercise of stock options for a total amount of EUR 3,378,630,14 Sale of shares for a total amount of EUR 3,069,380.96 Acquisition of shares for a total amount of EUR 2,194,500
Mr. Bruno Pfister	N/A
Mr. Jean-Marc Raby	N/A
Mr. Augustin de Romanet	N/A
Malakoff Médéric Assurances represented by Mr. Thomas Saunier	N/A
Mrs. Kory Sorenson	N/A
Mr. Claude Tendil	N/A
Mrs. Zhen Wang	N/A
Mrs. Fields Wicker-Miurin	N/A

* *Thierry Derez has been a director of SCOR SE until November 13, 2018.*

2.3. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

2.3.1. CAPITAL OWNERSHIP

2.3.1.1. SIGNIFICANT SHAREHOLDERS KNOWN TO SCOR

Every quarter, SCOR conducts «TPI» (titres aux porteurs identifiables) searches to find out the number and identity of its bearer shareholders.

As of December 31, 2018, SCOR's shareholders are mainly institutional as they represent 75% of SCOR's share capital. Institutional shareholders come mainly from Europe (72%), the United States (25%) and Asia (3%). The rest of the share capital is split between treasury shares (5%), employees (4%), retail (2%), brokerage (4%) and others (10%).

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 2.5% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors (on the basis of a study of identifiable share bearers (TPI) conducted by the Company as at December 31, 2018):

As at December 31, 2018	Number of shares	% of capital	% voting rights(1)
Groupe Covea (France)	15,767,803	8.17%	8.57%
Allianz Global Investors GmbH (Germany)	10,415,245	5.39%	5.66%
Tweedy, Browne Company LLC (United States)	8,048,975	4.17%	4.38%
Alecta Kapitalförvaltning AB (Sweden)	8,000,000	4.14%	4.35%
BlackRock Fund Advisors (United States)(2)	6,829,791	3.54%	3.71%
Malakoff Médéric (France)(3)	5,875,506	3.04%	3.19%
Treasury shares	9,137,286	4.73%	0.00%
Employees(4)(5)	6,217,368	3.22%	3.38%
Others	122,793,818	63.60%	66.75%
TOTAL	**193,085,792**	**100.00%**	**100.00%**

(1) The percentage of voting rights is determined on the basis of the number of shares at year-end, excluding the Company's own treasury shares.
(2) BlackRock Inc.'s aggregated number of shares, including BlackRock Fund Advisors, amounted to 15,111,779 representing 7.83% of the capital and 8.22% of the voting rights.
(3) Member of the Board of Directors.
(4) Overall number of shares held by employees (including performance shares granted prior to the publication of Law No. 2015-990 of August 6, 2015).
(5) As at December 31, 2018, employee shareholdings, as defined in Article L. 225-102 of the French Commercial Code, amount to 0.93% of the capital.
Source: TPI and CMi2i.

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 2.5% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors (on the basis of a study of identifiable share bearers (TPI) conducted by the Company as at December 31, 2017):

As at December 31, 2017	Number of shares	% of capital	% voting rights[1]
Groupe Covea	15,767,803	8.15%	8.40%
Allianz Global Investors GmbH	8,582,641	4.44%	4.57%
Tweedy, Browne Company LLC	8,238,348	4.26%	4.39%
Alecta Kapitalförvaltning AB	8,000,000	4.13%	4.26%
BlackRock Fund Advisors[2]	6,316,715	3.26%	3.37%
Malakoff Médéric[3]	5,875,506	3.04%	3.13%
Treasury shares	5,866,249	3.03%	0.00%
Employees[4][5]	6,934,545	3.58%	3.70%
Others	127,918,510	66.11%	68.17%
TOTAL	**193,500,317**	**100.00%**	**100.00%**

(1) The percentage of voting rights is determined on the basis of the number of shares at year-end, excluding the Company's own treasury shares.
(2) BlackRock Inc.'s aggregated number of shares, including BlackRock Fund Advisors, amounted to 11,355,866 representing 5.87% of the capital and 6.05% of the voting rights.
(3) Member of the Board of Directors.
(4) Employee shares carrying voting rights, excluding sold or transferred employee shares.
(5) This shareholding notably includes performance shares granted in accordance with the authorizations of the SCOR SE Shareholders' Meeting, prior to the publication of Law No. 2015-990 of August 6, 2015 and held as registered shares by employees as at December 31, 2017. Employee shareholdings, as defined in Article L. 225-102 of the French Commercial Code, amount to 0.36% of the capital and 0.37% of voting rights.
Source: TPI and CMi2i.

Distribution of capital (number of shares, % of capital and voting rights) – (i) shareholders with more than 2.5% of the registered capital and/or voting rights and (ii) shareholders who are members of the Board of Directors (on the basis of a study of identifiable share bearers (titres aux porteurs identifiables – «TPI») conducted by the Company as at December 31, 2016):

As at December 31, 2016	Number of shares	% of capital	% voting rights[1]
Groupe Covea	15,767,803	8.19%	8.53%
Tweedy, Browne Company LLC	9,271,104	4.82%	5.02%
Alecta Kapitalförvaltning AB	8,000,000	4.16%	4.33%
Malakoff Mederic[2]	5,875,506	3.05%	3.18%
Allianz Global Investors GmbH	5,807,265	3.02%	3.14%
BlackRock Institutional Trust Company[3]	5,739,523	2.98%	3.11%
Norges Bank Investment Management	4,832,929	2.51%	2.61%
Treasury shares	7,679,482	3.99%	0.00%
Employees[4][5]	6,861,616	3.56%	3.71%
Others	122,688,682	63.73%	66.37%
TOTAL	**192,523,910**	**100.00%**	**100.00%**

(1) The percentage of voting rights is determined on the basis of the number of shares at year-end, excluding the Company's own treasury shares.
(2) Member of the Board of Directors.
(3) BlackRock Inc.'s aggregated number of shares, including BlackRock Institutional Trust Company, amounted to 10,545,559 representing 5.48% of the capital and 5.71% of the voting rights.
(4) Employee shares carrying voting rights, excluding sold or transferred employee shares.
(5) This shareholding notably includes performance shares granted in accordance with the authorizations of the SCOR SE Shareholders' Meeting, prior to the publication of Law No. 2015-990 of August 6, 2015 and held as registered shares by employees as at December 31, 2016. Employee shareholdings, as defined in Article L. 225-102 of the French Commercial Code, amount to 0.36% of the capital and 0.38% of voting rights.
Source: TPI and Nasdaq.

Pursuant to the shareholders' notifications received by SCOR, there was no shareholder other than those indicated in the table above holding, directly or indirectly, alone or in concert, more than 2.5% of the share capital and/or voting rights of the Company as at December 31, 2018, December 31, 2017 and December 31, 2016.

According to the CMi2i share analysis on December 31, 2018, and Nasdaq's share analysis on December 31, 2017 and December 31, 2016, some of these companies are, in addition, shareholders via mutual funds and other investment funds.

The results of the TPI study conducted as at December 31, 2018 are presented in the following table:

TPI Date	December 2015	December 2016	December 2017	December 2018
Number of shareholders	17,682	27,879	20,986	26,284

There is no covenant stipulating preferential terms for the sale or purchase of ordinary shares eligible for trading on a regulated market, or for which an application is pending, and representing 0.5% or more of the share capital or voting rights that has been notified to the AMF. No ordinary shares have been pledged.

To SCOR's knowledge, there is no shareholder agreement, or other agreement, among Company shareholders pursuant to which they act in concert. To the Group's knowledge, there have been no transactions between executives, corporate officers, or shareholders holding more than 2.5% of the Company's share capital (or of the company controlling them) and the Company on terms other than market terms.

To its knowledge, except as disclosed above, the Company is not directly or indirectly owned or controlled by any other corporation, foreign government or any other natural or legal person jointly or severally and it is not aware of any contractual arrangements that may at a subsequent date result in a change of control of the Company.

To SCOR's knowledge, the percentages of share capital and voting rights held by its directors and Executive Committee members were 4.17% of the capital and 4.37% of the voting rights as at December 31, 2018 (December 31, 2017: 3.97% of the capital and 4.09% of the voting rights).

SCOR discloses below the threshold declarations sent by the significant shareholders in 2018. SCOR is not responsible for ensuring the completeness of these declarations.

On October 5, 2018, Allianz Global Investors GmbH declared to have exceeded the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,644,644 shares or 5.01% of the capital and 9,644,644 voting rights or 5.01% of the voting rights in SCOR SE.

On October 24, 2018, Allianz Global Investors GmbH declared that it went below the registered threshold of 5.0% of the capital and voting rights in SCOR SE and that it held 9,583,623 shares or 4.97% of the capital and 9,583,623 voting rights or 4.97% of the voting rights in SCOR SE.

2.3.1.2. STATEMENT AS TO THE ABSENCE OF DIFFERENCES BETWEEN THE VOTING RIGHTS OF VARIOUS SHAREHOLDERS

Until January 3, 2009, pursuant to Article 8 of the bylaws ("Rights attached to each share"), for two years after the Company's reverse stock split, as decided by the Company's Ordinary and Extraordinary Shareholders' Meeting on May 16, 2006 in its 17th resolution, each share with a par value of EUR 0.78769723 entitled the holder to one vote and each share with a par value of EUR 7.8769723 entitled the holder to ten votes, so that the number of votes attached to the shares remained proportional to the percentage of share capital they represented.

Since January 3, 2009 and the completion of the Company's reverse stock split, no further shares with a par value of EUR 0.78769723 are in existence and each share with a par value of EUR 7.8769723 entitles the holder to one vote subject to the applicable legal provisions.

Pursuant to Article 8 of the bylaws ("Rights attached to each share"), amended by the Company's Ordinary and Extraordinary Shareholders' Meeting on April 30, 2015 in its 28th resolution, each share entitles its holder to one vote at Shareholders' Meetings and the voting rights attached to shares of the Company are in direct proportion to the proportion of the capital thereby represented and no double voting rights, as described by Article L. 225-123 of the French Commercial Code, can be allocated or attached, in any manner whatsoever, to any share. Therefore, the shareholders of the Company do not currently have different voting rights.

2.3.1.3. DIRECT OR INDIRECT CONTROL BY ONE SHAREHOLDER

Not applicable.

2.3.1.4. AGREEMENT WHICH COULD RESULT IN A SUBSEQUENT CHANGE IN CONTROL

Not applicable.

2.3.1.5. AGREEMENT THAT ARE SUBJECT TO TERMINATION IN THE EVENT OF A CHANGE OF CONTROL

None.

2.3.1.6. SHARE CAPITAL

Changes in the share capital

The table below provides for the evolution of SCOR SE's share capital since the beginning of the financial year 2015:

Operation	Date of the authorization of the Shareholders' Meeting	Date of operation	Number of shares issued/ cancelled	Nominal value of the issued/ cancelled shares *(in EUR)*	Amount of the increase/ decrease of the share capital *(in EUR)*	Cumulated amount of the share capital further to the operation *(in EUR)*	Cumulated number of shares composing the share capital further to the operation
Increase of the share capital resulting from the exercise of stock-options as from January 1 to March 31, 2015	◆ May 18, 2004 ◆ May 31, 2005 ◆ May 16, 2006 ◆ May 24, 2007 ◆ May 7, 2008 ◆ April 15, 2009 ◆ April 28, 2010	Situation on March 31, 2015 acknowledged by the Board of Directors on April 30, 2015	549,205	7.8769723	4,326,073	1,522,151,515.10	193,240,684
Reduction of the share capital by cancellation of treasury shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 30, 2015	Situation on April 30, 2015 according to the decision of the Board of Directors on April 30, 2015	1,260,227	7.8769723	9,926,773	1,512,224,741.93	191,980,457
Increase of the share capital resulting from the exercise of stock-options as from April 1 to December 31, 2015	◆ May 31, 2005 ◆ May 16, 2006 ◆ May 24, 2007 ◆ May 7, 2008 ◆ April 15, 2009 ◆ April 28, 2010 ◆ May 4, 2011	Situation on December 31, 2015 acknowledged by the Board of Directors on February 23, 2016	672,638	7.8769723	5,298,350.89	1,517,523,092.82	192,653,095
Reduction of the share capital by cancellation of self-owned shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 27, 2016	Situation on April 27, 2016 according to the decision of the Board of Directors on April 27, 2016	672,638	7.8769723	5,298,350.89	1,512,224,741.93	191,980,457
Increase of the share capital resulting from the exercise of stock-options as from January 1 to December 31, 2016	◆ May 16, 2006 ◆ May 24, 2007 ◆ May 7, 2008 ◆ April 15, 2009 ◆ April 28, 2010 ◆ May 4, 2011	Situation on December 31, 2016 acknowledged by the Board of Directors on February 21, 2017	554,112	7.8769723	4,364,724.88	1,516,589,466.80	192,534,569

Operation	Date of the authorization of the Shareholders' Meeting	Date of operation	Number of shares issued/ cancelled	Nominal value of the issued/ cancelled shares *(in EUR)*	Amount of the increase/ decrease of the share capital *(in EUR)*	Cumulated amount of the share capital further to the operation *(in EUR)*	Cumulated number of shares composing the share capital further to the operation
Reduction of the share capital by cancellation of self-owned shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 27, 2017	Situation on April 27, 2017 according to the decision of the Board of Directors on April 27, 2017	554,112	7.8769723	4,364,724.88	1,512,224,741.93	191,980,457
Increase of the share capital resulting from the exercise of stock-options as from January 1 to December 31, 2017	◆ May 24, 2007 ◆ May 7, 2008 ◆ April 15, 2009 ◆ April 28, 2010 ◆ May 4, 2011 ◆ May 3, 2012 ◆ April 25, 2013	Situation on December 31, 2017 acknowledged by the Board of Directors on February 21, 2018	1,519,860	7.8769723	11,971,895.12	1,524,196,637.05	193,500,317
Reduction of the share capital by cancellation of self-owned shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 26, 2018	Situation on April 26, 2018 according to the decision of the Board of Directors on April 26, 2018	1,692,602	7.8769723	13,332,579.07	1,510,864,057.98	191,807,715
Increase of the share capital resulting from the exercise of stock-options as from January 1 to December 31, 2018	◆ May 7, 2008 ◆ April 15, 2009 ◆ April 28, 2010 ◆ May 4, 2011 ◆ May 3, 2012 ◆ April 25, 2013 ◆ May 6, 2014	Situation on December 31, 2018 acknowledged by the Board of Directors on February 19, 2019	1,278,077	7.8769723	10,067,377.13	1,520,931,435.11	193,085,792

Given the exercise of 72,150 options for the subscription of shares since January 1, 2019, on the date of the Registration Document, SCOR SE's existing share capital amounts to EUR 521,499,759 divided into 193,157,942 shares with a nominal value of EUR 7.8769723 each.

To the Company's knowledge, there is no significant pledge on the SCOR SE's shares.

See Section 4.6.23 – Notes to the consolidated financial statements, Note 23 – Commitments received and given.

Number of shares authorized under convertible securities and stock option plans

Issuance of warrants	As at December 31, 2017	As at December 31, 2018	On the date of the Registration Document	Date of availability of the warrants	Expiration date
December 16, 2016	19,198,044	19,198,044	19,198,044	January 1, 2017	May 1, 2020
TOTAL	**19,198,044**	**19,198,044**	**19,198,044**		

Stock option plans	As at December 31, 2017	As at December 31, 2018	On the date of the Registration Document	Date of availability of options	Expiration date
05/22/2008	36,000	-	-	05/22/2012	05/22/2018
09/10/2008	204,590	-	-	09/10/2012	09/10/2018
03/23/2009	442,000	162,450	104,300	03/23/2013	03/23/2019
11/25/2009	7,000	7,000	7,000	11/25/2013	11/25/2019
03/18/2010	589,202	301,465	290,965	03/18/2014	03/19/2020
10/12/2010	8,500	6,800	6,800	10/12/2014	10/13/2020
03/22/2011	367,000	254,500	254,500	03/22/2015	03/23/2021
09/01/2011	62,000	51,000	51,000	09/01/2015	09/02/2021
03/23/2012	555,500	407,000	407,000	03/23/2016	03/24/2022
03/21/2013	550,500	396,500	394,500	03/21/2017	03/22/2023
10/02/2013	85,000	77,000	77,000	10/02/2017	10/03/2023
11/21/2013	5,000	-	-	11/21/2017	11/22/2023
03/20/2014	643,125	604,375	602,875	03/20/2018	03/21/2024
12/01/2014	6,000	2,250	2,250	12/01/2018	12/02/2024
03/20/2015	650,381	559,881	559,881	03/21/2019	03/21/2025
12/18/2015	3,750	3,750	3,750	12/19/2019	12/19/2025
03/10/2016	625,368	535,240	535,240	03/10/2020	03/11/2026
12/01/2016	750	750	750	12/01/2020	12/02/2026
03/10/2017	480,000	410,000	410,000	03/11/2021	03/11/2027
12/01/2017	145,410	140,694	140,694	12/02/2021	12/03/2027
03/08/2018	-	348,000	348,000	03/09/2022	03/09/2028
12/22/2018	-	191,338	191,338	12/23/2022	12/23/2028
TOTAL	**5,467,076**	**4,459,993**	**4,387,843**		

See paragraph of this Section 2.3.6.1 – Amount of convertible securities, exchangeable securities or securities with subscription warrants for a description of the warrants issued on December 16, 2016.

Number of shares initially authorized at the date of the Shareholders' Meeting and number of outstanding shares authorized at the date of the Registration Document

Resolutions	Number of shares initially authorized at the date of the Shareholders' Meeting of April 26, 2018	Number of shares authorized at the date of the Registration Document	Duration of authorization and expiration date
DELEGATIONS OF AUTHORITY GRANTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 26, 2018			
13th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding upon the incorporation of profits, reserves or premiums into the share capital)	25,390,466 shares	25,390,466 shares	26 months June 25, 2020
14th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance of shares and/or of securities granting access to the capital or giving entitlement to debt instruments, with pre-emptive subscription rights)	77,400,126 shares	77,400,126 shares	26 months June 25, 2020
15th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance, in the context of a public offering, of shares and/or of securities granting access to the capital or giving entitlement to debt instruments, without pre-emptive subscription rights)	19,350,031 shares	19,350,031 shares	26 months June 25, 2020
16th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance, in the context of an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code, of shares and/or of securities granting access to the capital or entitling the holder to debt instruments, without pre-emptive subscription rights)	19,350,031 shares	19,350,031 shares	26 months June 25, 2020
17th resolution (Delegation of authority granted to the Board of Directors for the purpose of deciding on the issuance of shares and/or securities granting access to the capital or entitling the holder to debt instruments, as compensation for shares contributed to the Company in the context of any public exchange offer launched by the Company, without pre-emptive subscription rights)	19,350,031 shares	19,350,031 shares	26 months June 25, 2020
18th resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or securities granting access to the capital or entitling the holder to debt instruments, as compensation for shares contributed to the Company in the context of contributions in kind within a limit of 10% of the share capital, without pre-emptive subscription rights)	19,350,031 shares	19,350,031 shares	26 months June 25, 2020
20th resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing warrants for the issuance of ordinary shares of the Company, with cancellation of shareholders' preferential subscription rights to the benefit of one or several investment services providers authorized to provide underwriting investment services)	19,350,031 shares	19,350,031 shares	18 months October 25, 2019
21st resolution (Delegation of authority granted to the Board of Directors for the purpose of issuing warrants for the issuance of ordinary shares of the Company, with cancellation of shareholders' preferential subscription rights to the benefit of a category of entities meeting specific characteristics)	19,350,031 shares	19,350,031 shares	18 months October 25, 2019
25th resolution (Delegation of authority granted to the Board of Directors in order to issue shares reserved for the members of savings plans *(plans d'épargne)*, without pre-emptive subscription rights)	3,000,000 shares	3,000,000 shares	18 months October 25, 2019

Resolutions	Number of shares initially authorized at the date of the Shareholders' Meeting of April 26, 2018	Number of shares authorized at the date of the Registration Document	Duration of authorization and expiration date
AUTHORIZATIONS GRANTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 26, 2018			
19th resolution (Authorization granted to the Board of Directors for the purpose of increasing the number of shares issued in accordance with the 14th, 15th and 16th resolutions in the event of over-subscription to the share capital increase, with or without cancellation of pre-emptive subscription rights)	This resolution can only be used with the 14th, 15th and 16th resolutions and is in any case capped by the 26th resolution		26 months June 25, 2020
23rd resolution (Authority to issue shares for stock option plans)	1,500,000 shares	1,308,662 shares	24 months April 25, 2020
24th resolution (Authorization granted to the Board of Directors to grant shares under free share allocation plans)	The authorization is limited to existing shares(1)		24 months April 25, 2020
26th resolution (Aggregate ceiling of the capital increases)	101,250,157 shares	101,058,819 shares	-
TOTAL	**126,640,623 SHARES**	**126,449,285 SHARES**	**-**

(1) The authorisation of the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018 is limited to 3,000,000 existing shares (the remaining amount being on December 31, 2018 2,578,953 shares).

The total number of new shares authorized at the date of the Registration Document, including the shares that could be issued in connection with the implementation of (i) stock option plans, (ii) securities granting access to the capital and (iii) the current delegations and authorizations is 150,035,172.

Existence of non-equity shares

Not applicable.

Acquisition by the Company of treasury shares

Stock buyback program in force on the date of filing this Registration Document (program authorized by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018)

On April 26, 2018, the Shareholders' Meeting, in its 12th resolution, authorized the Board of Directors, with the option to sub-delegate, to trade on the Company's shares in the framework of the 2018-2019 annual share repurchase program. The program allows to buy, sell and transfer Company shares pursuant, inter alia, to the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Articles L. 225-209 et seq. of the French Commercial Code and to the General Regulation (Règlement général) of the French Financial Markets Authority (Autorité des marchés financiers).

The maximum number of shares that may be bought back under this authorization was set at 10% of the number of shares comprising the Company share capital as of the date of such purchases, it being specified that (i) when the shares are purchased to enhance liquidity of shares in the conditions set forth by applicable laws and regulations, the number of shares taken into account for calculation of the 10% limit shall correspond to the number of shares purchased less the number of shares resold during the period covered by the authorization, and (ii) the number of treasury shares shall be taken into account so that the Company never holds shares in excess of 10% of its share capital.

Such transactions on securities can be carried out for any purposes permitted or which would become authorized under applicable laws and regulations, including for purposes of the following objectives:

- stimulation of the secondary market or provision of liquidity to the Company's shares by an investment service provider through a liquidity contract in accordance with a code of practice recognized by the regulation;
- setting-up, implementation or hedging of any stock option plans, other plans for allocation of shares and, generally, any form of allocation to employees and/or corporate officers (mandataires sociaux) of the Company and/or of affiliated companies, including hedging of any Company stock option plan pursuant to the provisions of Articles L. 225-177 et seq. of the French Commercial Code, allocation of free shares of the Company in conjunction with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, allocation of Company shares pursuant to a profit sharing scheme (participation aux fruits de l'expansion de l'entreprise) or allocation or transfer of Company shares within the framework of any employee savings plan (plan d'épargne salariale), including in conjunction with the provisions of Articles L. 3321-1 et seq., and L. 3332-1 et seq., of the French Labor Code;
- purchase of Company shares for retention and subsequent remittance in exchange or as payment, in particular in conjunction with financial or external growth transactions, without exceeding the limit set by paragraph 6 of Article L. 225-209 of the French Commercial Code in conjunction with a merger, spin-off or contribution;
- compliance with all obligations related to the issuance of securities granting access to capital;
- cancellation of any shares repurchased, within the limits established by law, in conjunction with a reduction in share capital approved or authorized by the Shareholders' Meeting.

Such transactions are carried out, under the conditions authorized by the stock exchange authorities, by any means, including on a regulated market, on a multilateral trading facility, via a systematic internalizer or over-the-counter, including, inter alia, by buying or selling blocks, by applying derivative financial instruments, listed on a regulated stock exchange or over-the-counter, or by the implementation of optional strategies and, if applicable, by any third party authorized for such purpose by the Company.

Such transactions are be carried out in accordance with applicable regulations, at any time, in one or several times. By way of exception, the Board of Directors shall not, unless previously authorized by the Shareholders' Meeting, use this authorization during any public bid initiated by a third party on Company shares until the end of the offer acceptance period; it is however specified in this respect that the Company shall remain authorized to carry out the transactions covered by this resolution (i) if the public offering in question is to be completed entirely in cash and (ii) for the strict requirement of compliance with any undertakings made by the Company prior to the filing of the public offering in question, concerning the servicing or coverage of all stock options, other share allocations and, generally speaking, all forms of allocation in favor of employees and/or corporate officers (mandataires sociaux) of the Company and/or of any companies related thereto. Regarding the authorization granted under the conditions set out at (i) and (ii) above, it is also specified that should the transactions in question be liable to cause the public offering considered to fail, their implementation must be the subject of authorization or confirmation from the Shareholders' Meeting.

The 2018 Shareholders' Meeting set the maximum purchase price at 1.33 times the consolidated book net asset value per share (excluding acquisition fees).

It granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, all powers to implement this resolution.

The authorization described above, still in force on the filing date of this Registration Document, will expire at the time of the next Annual Shareholders' Meeting held for the approval of the financial statements without, however, exceeding a maximum term of eighteen (18) months with effect from the date of the April 26, 2018 Ordinary and Extraordinary Shareholders' Meeting, i.e. until October 25, 2019.

Summary of the transactions carried out by SCOR SE on its own shares in the course of the financial year 2018

In the context of the abovementioned buyback program, SCOR carried out, between January 1, 2018 and December 31, 2018:

- the purchase of 9,976,509 treasury shares;
- the sale of 2,459,170 treasury shares;
- the transfer of 2,548,311 treasury shares;
- the cancellation of 1,692,602 treasury shares.

On December 31, 2018, SCOR held 9,142,675 shares compared with 5,866,249 shares at December 31, 2017. The par value of these treasury shares is EUR 72,016,597.72 and their book value is EUR 337,921,305.37. The average purchase price was EUR 37.53. The average sale price was EUR 34.95. The amount of fees was EUR 1,150,762.08.

Objectives of the transactions carried out in the course of the financial year 2018 and allocation of the treasury shares

As at December 31, 2018, the treasury shares owned by SCOR SE represented 4.74% of the share capital. On such date, the portfolio of treasury shares was allocated as follows:

- 108,796 treasury shares allocated to the stimulation of the secondary market or provision of liquidity to the Company's shares;
- 2,262,543 treasury shares allocated to the hedging of any form of allocation to employees and/or corporate officers (mandataires sociaux) of the Company and/or of affiliated companies;
- 0 treasury shares allocated to the retention and subsequent remittance in exchange or as payment;
- 0 treasury shares allocated to the compliance with all obligations related to the issuance of securities granting access to capital;
- 6,771,336 treasury shares allocated to the cancellation of the shares repurchased.

Description of the new share repurchase program 2019/2020 submitted for authorization to the Ordinary and Extraordinary Shareholders' Meeting to be held on April 26, 2019

The stock buyback authorization described in the above paragraph will expire on October 25, 2019 at the latest, unless the Shareholders' Meeting convened on April 26, 2019 approves the resolution described below, in accordance with the provisions of articles L. 225-209 and subsequent of the French Commercial Code.

This resolution is intended to authorize a new share repurchase program under the following conditions:

This authorization would allow the Board of Directors, with the option to sub-delegate under the conditions provided for by applicable regulation, to buy, sell and transfer Company shares pursuant, inter alia, to the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Articles L. 225-209 et seq. of the French Commercial Code and to the General Regulation (Règlement général) of the French Financial Markets Authority (Autorité des marchés financiers).

The maximum number of shares that could be bought back under this authorization would be set at 10% of the number of shares comprising the Company share capital as of the date of such purchases, it being specified that (i) when the shares are purchased to enhance liquidity of shares in the conditions set forth by applicable laws and regulations, the number of shares taken into account for calculation of the 10% limit shall correspond to the number of shares purchased less the number of shares resold during the period covered by the authorization, and (ii) the number of treasury shares shall be taken into account so that the Company never holds shares in excess of 10% of its share capital.

Such transactions on securities would be carried out for any purposes permitted or which would become authorized under applicable laws and regulations, including for purposes of the following objectives:

- stimulation of the secondary market or provision of liquidity to the Company's shares by an investment service provider through a liquidity contract in accordance with a code of practice recognized by the regulation;

- setting-up, implementation or hedging of any stock option plans, other plans for allocation of shares and, generally, any form of allocation to employees and/or corporate officers (mandataires sociaux) of the Company and/or of affiliated companies, including hedging of any Company stock option plan pursuant to the provisions of Articles L. 225-177 et seq. of the French Commercial Code, allocation of free shares of the Company in conjunction with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, allocation of Company shares pursuant to a profit sharing scheme (participation aux fruits de l'expansion de l'entreprise) or allocation or transfer of Company shares within the framework of any employee savings plan (plan d'épargne salariale)*,* including in conjunction with the provisions of Articles L. 3321-1 et seq., and L. 3332-1 et seq., of the French Labor Code;
- purchase of Company shares for retention and subsequent remittance in exchange or as payment, in particular in conjunction with financial or external growth transactions, without exceeding the limit set by paragraph 6 of Article L. 225-209 of the French Commercial Code in conjunction with a merger, spin-off or contribution;
- compliance with all obligations related to the issuance of securities granting access to capital;
- cancellation of any shares repurchased, within the limits established by law, in conjunction with a reduction in share capital approved or authorized by the Shareholders' Meeting.

Such transactions would be carried out, under the conditions authorized by the stock exchange authorities, by any means, including on a regulated market, on a multilateral trading facility, via a systematic internalizer or over-the-counter, including, inter alia, by buying or selling blocks, by applying derivative financial instruments, listed on a regulated stock exchange or over-the-counter, or by the implementation of optional strategies and, if applicable, by any third party authorized for such purpose by the Company.

Such transactions would be carried out in accordance with applicable regulations, at any time, in one or several times. By way of exception, the Board of Directors shall not, unless previously authorized by the Shareholders' Meeting, use this authorization during any public bid initiated by a third party on Company shares until the end of the offer acceptance period; it is however specified in this respect that the Company shall remain authorized to carry out the transactions covered by this resolution (i) if the public offering in question is to be completed entirely in cash and (ii) for the strict requirement of compliance with any undertakings made by the Company prior to the filing of the public offering in question, concerning the servicing or coverage of all stock options, other share allocations and, generally speaking, all forms of allocation in favor of employees and/or corporate officers (mandataires sociaux) of the Company and/or of any companies related thereto. Regarding the authorization granted under the conditions set out at (i) and (ii) above, it is also specified that should the transactions in question be liable to cause the public offering considered to fail, their implementation must be the subject of authorization or confirmation from the Shareholders' Meeting.

The maximum purchase price would be EUR 60 (excluding acquisition fees). Based on the shares representing the Company's share capital on December 31, 2018 as established by the Board of Directors on February 19, 2019 (without taking into account the number of treasury shares held by the Company), the theoretical maximum number of shares which may be acquired amounts to 19,308,579 and the theoretical maximum amount allocated to the share buy-back program pursuant to this resolution amounts to EUR 1,158,514,752 (excluding acquisition fees).

All powers would be granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, in order to carry out all adjustments to the maximum price, including in the event of a capital increase by capitalization of reserves and the allocation of free shares, as well as in the event of a split or a reverse stock split of Company shares.

All powers would be granted to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to implement this resolution including to carry out all stock exchange orders, enter into any agreements with a view, inter alia, to keeping share purchase and sale records, to establish all documents, including information documents, to proceed with any adjustments anticipated by this resolution, to carry out all declarations and formalities with the French Financial Markets Authority *(Autorité des marchés financiers)* and others and, more generally, to do whatever may be necessary.

This authorization would be granted for a period expiring at the time of the next Annual Shareholders' Meeting held as from the Shareholders' Meeting dated April 26, 2019 without, however, exceeding a maximum term of eighteen (18) months with effect from the date of such General Meeting, i.e. until October 25, 2020. It would supersede the unused portion of the authorization granted by the shareholders at the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018, in its 12th resolution.

Amount of convertible securities, exchangeable securities or securities with subscription warrants

As part of the implementation of a contingent capital facility program, SCOR issued, on December 16, 2016, 9,599,022 Warrants for the benefit of BNP Paribas, (which transferred them to UBS during the year), each allowing UBS to subscribe, as from January 1, 2017 and no later than May 1, 2020, to two new SCOR shares (within the limit of an aggregate amount of subscription of EUR 300 million – issuing premiums included, without exceeding 10% of SCOR's share capital) when the aggregated amount of (i) the estimated ultimate net losses resulting from eligible natural catastrophes incurred by the Group (in its capacity as an insurer/reinsurer) between January 1, 2017 and December 31, 2019 or (ii) the ultimate net claims amount recorded by SCOR Group Life segment (in its capacity as an insurer/reinsurer) over two consecutive semesters over the period from July 1, 2016 and December 31, 2019 reaches certain contractual thresholds. In addition, subject to no drawdown having already been conducted under the facility, if SCOR's daily volume-weighted average share price falls below EUR 10 an individual tranche of EUR 150 million will be drawn down out of the EUR 300 million facility.

Information about and terms and conditions of any acquisition rights and/or obligations oversubscribed but unissued capital or an undertaking to increase the capital

See:

- Section 2.2.3 – Stock options and performance shares;
- Section 2.3.1.6 – Share capital;
- Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves;
- Section 4.6 – Notes to the consolidated financial statements, Note 14 – Provisions for employee benefits;
- Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations;
- Appendix C – Notes to the corporate financial statements, 5.3.5 – Stock options; and
- Appendix C – Notes to the corporate financial statements, 5.2.3 – Shareholders' equity.

Information about the capital of any member of the Group which is under option or is to be put under option and characteristics of such options

See:

- Section 2.2.3 – Stock options and performance shares;
- Section 2.3.1.6 – Share capital;
- Section 4.6 – Notes to the consolidated financial statements, Note 14 – Provisions for employee benefits;
- Section 4.6 – Notes to the consolidated financial statements, Note 16 – Stock options and share allocations; and
- Appendix C – Notes to the corporate financial statements, 5.3.5 – Stock options.

The shares of Group companies other than SCOR SE are neither under option nor agreed to be put under option.

2.3.2. RELATED PARTY TRANSACTIONS AND AGREEMENTS

Related party transactions

Transactions with related parties as required by the regulations adopted under EC regulation No. 297/2008, entered into by the Group appear in Section 4.6.22, Note 22 – Related party transactions.

Regulated agreements

Regulated agreements within the meaning of Articles L. 225-38 et seq. of the French Commercial Code appear in the Statutory Auditors' special report in Section 2.3.3 – Special report of the Statutory Auditors on related party agreements and commitments.

Related party agreements

In accordance with Article L. 225-37-4 of the French Commercial Code, no agreements were concluded during the year 2018 directly or through a third party between, on the one hand, SCOR SE Chief Executive Officer, one of SCOR SE directors or one of its shareholders holding a fraction of the voting rights greater than 10% and, on the other hand, another company in which SCOR SE owns directly or through a third party more than half of the capital unless such agreements were ordinary transactions carried out under arm's length conditions.

2.3.3. SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the annual General Meeting of SCOR SE,

In our capacity as statutory auditors of your Company, we hereby report on certain related party agreements and commitments referred to in article L. 225-38 of the French commercial code (Code de commerce) and on the information referred to in article R. 322-7 of the French insurance code (Code des assurances).

We are required to inform you, on the basis of the information provided to us, of the terms, the conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code (Code de commerce) concerning the implementation, during the year ended December 31st, 2018, of the agreements and commitments already approved by the Annual General Meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that we have not been notified of any agreements or commitments previously authorized during the year ended December 31, 2018 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (Code de commerce) and R. 322-7 of the French Insurance code (Code des assurances).

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

We have also been informed of the execution, during the past financial year, of the following agreements and commitments, already approved by the Mixed Shareholders' Meeting of April 26, 2018, on Statutory auditors' report on related party agreements and commitments of February 21, 2018

Supplementary retirement plan

Concerned person

M. Denis Kessler, Chairman and Chief Executive Officer of your Company

Nature and purpose

Amendment to the SCOR SE regulation on the supplementary retirement plan of article 39 of the French General Tax Code.

Conditions

On its March 18, 2008 meeting, the Board of Directors authorized, in accordance with Article L. 225-38 of the French Commercial Code, the signature of the supplementary corporate retirement plan. This agreement was definitively concluded on May 15, 2008.

The purpose of this plan is to define the conditions of application of the supplementary retirement plan put in place by the Company for the benefit of:

- all the managers, within the meaning of the professional agreement of March 3, 1993, who worked in the Group on the day the plan came into effect;
- executives of the Group who do not hold a contract of employment who, under their mandate, are covered by the general social security system ARRCO and AGIRC supplementary pension plans, who are employed by the Company on the day of the effective date of this plan.

The salary taken into account for the calculation of the depending rights is the average of the remuneration of the last five years of activity (or professional activity, if any), revalued on the date of departure according to the evolution of the average annual INSEE consumer prices index.

The participant who leaves the Group to retire will be entitled to an additional pension if, at the time of his departure, he meets the conditions set by the regulations, which includes having acquired a seniority of at least five years at the time of said departure and having liquidated all pension benefits from mandatory retirement plans.

On July 27, 2011, the Board of Directors authorized an amendment to the Supplementary Retirement Plan Regulations relating to the age condition and retirement age requirement (minimum age of 62 or full pension, compared to the age of 60 before).

On November 5, 2014, the Board of Directors authorized an amendment to the Supplementary Retirement Plan Regulations providing for:

- a cap at 45% of the beneficiary's reference income the amount of the pension that may be received under that plan; and
- the gradual increase of the beneficiaries' rights to 5% of the reference salary per year, as is put forth by the AFEP-MEDEF code.

On April 27, 2017, the Board of Directors authorized an amendment to the Supplementary Retirement Plan Regulations, notably to bring it into line with the "Macron Law" No. 2015-990 of August 6, 2015 on Growth, Business improvement and Equality of economic opportunities:

- introduction of an annual limit of 3% of the reference income instead of 5% for the increase of the future conditional rights of the Chairman and Chief Executive Officer;
- introduction of conditions related to the performance of the Chairman and Chief Executive Officer for the acquisition of future rights;
- extension of the eligibility for the reversionary pension of the supplementary retirement plan, limited to the married or divorced spouse, to the other legal schemes of joint living, subject to the absence of a spouse or former eligible spouse.

The following paragraphs are added:

- addition of a second paragraph to Article 2 – Title III: "As from January 1, 2017 and concerning the Chief Executive Officer, the acquisition of any additional conditional rights per new year of seniority in the company is limited to 3% of the Reference Income instead of 5%, until a maximum amount of 50% of the Reference Income is reached minus the annuities acquired under the external plans listed in article 5 of the title II, but this amount can in no case exceed 45% of the Reference Income;
- this acquisition of additional contingent rights by new year of seniority in the company is also subject to a condition related to the performance of the beneficiary considered as fulfilled if the variable portion of the remuneration of the Chief Executive Officer, paid in N + 1. in respect of the year N during which the new seniority year was acquired, reaches 100% of the target amount of this variable portion. In the event that the variable portion does not reach 100% of the target amount, the calculation of the newly acquired rights is made pro rata. The acquisition of any additional conditional rights is also subject to absolute compliance with the Group's ethical principles as described in the SCOR Group Code of Conduct";
- addition of a third paragraph to Article 5 – Title III: "In case of absence of any married spouse(s), separated or divorced not remarried, the spouses under another legal regime of cohabitation will be eligible for the survivor's pension according to the same principles".

The modifications of the aforementioned commitment made to the benefit of the Chairman and Chief Executive Officer have been published on the Company's website within five days of their adoption at the Mixed Shareholders' Meeting of April 26, 2018.

Severance pay commitment (in the event of forced departure)

Concerned person

M. Denis Kessler, Chairman and Chief Executive Officer of your Company

Nature and purpose

Amendment concerning the severance pay commitments made to M. Denis Kessler.

Conditions

The Board of Directors, at its meetings of May 4 and July 27, 2011, in accordance with articles L. 225-38 and L. 225-42-1 of the French commercial code (Code de commerce), and upon the recommendation of the Compensations and Nominations Committee, renewed the commitments for the benefit of the Chairman and Chief Executive Officer, which had been decided by the Board of Directors on March 21, 2006 and amended on December 12, 2008. These commitments to the Chairman and Chief Executive Officer have been approved under the fifth resolution adopted at the Mixed Shareholders' Meeting of May 3, 2012.

Pursuant to a decision dated July 26, 2012, taken in accordance with article L. 225-42-1 of the French commercial code and with the provisions of article L. 225-40 of the French commercial code, the Board of Directors of the Company has authorized, based on the recommendations of the Compensations and Nominations Committee of July 25, 2012, and in accordance with the decision of the Board of Directors dated May 3, 2012 and the subsequent commitments made by the Chairman and Chief Executive Officer during the Mixed Shareholders' Meeting of May 3, 2012, the adoption of an amendment to the regulated agreement relating to the commitments made for the benefit of the Chairman and Chief Executive Officer, the terms of which are outlined below, with respect notably to the compensation elements taken into account for the indemnity to be granted to M. Denis Kessler in case of his forced departure from the SCOR Group, as well as the performance conditions which this indemnity is subject to.

Pursuant to a decision dated February 21, 2018, made pursuant to Article L. 225-42-1 of the French Commercial Code and in accordance with the provisions of Article L. 225-40 of the French Commercial Code, the On the basis of the recommendations of the Remuneration and Appointments Committee of January 30, 2018, the Board of Directors authorized the adoption of an amendment to the regulated agreement relating to the commitments made for the benefit of the Chairman and Chief Executive Officer, whose terms below, aiming in particular at aligning the performance conditions to which this allowance is subject to those provided for in the Group's current strategic plan:

In the event of the termination of his duties as Chief Executive Officer, the items likely to be due to him will be determined according to the following situations:

(i) in the case of dismissal for misconduct, non-renewal of the term of office of Chief Executive Officer, resignation (other than as a result of a forced departure referred to in paragraphs (ii) and (iii) below) or following a notoriously negative performance of the Company (failure to meet performance condition (C_n) as described below), no severance pay would be due;

(ii) in the event of a forced departure or dismissal prior to the twelve months preceding the end of his term as Chief Executive Officer, typically for divergent views on the Group's strategy, the Chief Executive Officer would receive severance pay equal to the sum fixed and variable components of his gross annual compensation paid in the twenty-four (24) months preceding his departure from the Group. No severance pay would be payable in the event of non-fulfillment of performance condition (C_n) defined below.

in case of forced departure or dismissal during the twelve (12) months preceding the end of his term as Chief Executive Officer, no severance pay would be due;

(iii) in the event that the Chairman and Chief Executive Officer is dismissed or his departure is imposed due to a hostile offer resulting in a change of control in the SCOR Group, the Chairman and Chief Executive Officer will benefit from an indemnity limited to the amount of fixed and variable compensation paid to him by the Group during the last twenty-four months preceding the date of his departure from the Group. No severance pay would be payable in the event of non-fulfillment of the performance condition (C_n) defined below.

Moreover, in the cases referred to in paragraphs (ii) and (iii) above and excluding the case referred to in paragraph (i), the rights to the performance shares and options that would have been granted to him prior to his departure would be maintained by remaining subject, in their entirety, to the performance conditions of each of the plans as validated by the Board of Directors at the time of the offer.

The performance condition (C_n) set by the Board of Directors on the recommendation of the Compensation and Appointments Committee, will be met if the two criteria below are met:

(A) SCOR's average return on equity "ROE" for the three financial years preceding the date of departure of the Chief Executive Officer exceeds 50% of the average SCOR's strategic objective's ROE (defined in the strategic plan) calculated over the same period (the "Target ROE"); and

(B) SCOR's average solvency ratio for the three financial years preceding the date of departure of the Chief Executive Officer exceeds the average of SCOR's strategic solvency ratio target (defined in the strategic plan) calculated over the same period (the "Target Solvency Ratio"); it is specified that in the event that the strategic plan sets a targeted or «optimal» interval, the lower bound of this interval is considered for calculation purposes as the Target Solvency Ratio.

The Board of Directors will note whether or not the performance condition (C_n) has been met on the recommendation of the Compensation and Appointments Committee.

The changes to the commitment made to the Chairman and Chief Executive Officer have been published on the Company's website within five days of their adoption adopted at the Mixed Shareholders' Meeting of April 26, 2018.

The aforementioned regulated commitments are referred to in section 2.3.2 - Transactions with related parties and regulated agreements in Chapter 2 - Report on Corporate Governance in accordance with Article L.225-37-3 of the French Commercial Code.

Coubevoie and Paris-La Défense, February 19, 2019

The Statutory Auditors – *French original signed by*

Mazars		Ernst & Young Audit	
Jean-Claude Pauly	Guillaume Wadoux	Isabelle Santenac	Patrick Ménard

2.4. AUDIT REPORT ON THE CORPORATE GOVERNANCE REPORT

See Appendix C – Unconsolidated corporate financial statements of SCOR SE – Section 6 – Certification of audit of historical financial information.

03

RISK FACTORS AND RISK MANAGEMENT MECHANISMS

3.1. INTRODUCTION

The information included in this section referring to the nature and extent of risks arising from financial instruments and insurance and reinsurance contracts as required by IFRS 7 – Financial Instruments: Disclosures and IFRS 4 – Insurance Contracts, is an integral part of the consolidated financial statements as at December 31, 2018. As such, the corresponding information is audited.

The Group regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation or its results (or capacity to reach objectives). However, the risks described below are not the only risks that SCOR faces. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations or cash flows. SCOR may also change its view of the relative importance of risk factors at any time, particularly if new external or internal facts come to light. With this in mind, this section outlines the management's current view of SCOR's main risks and main risk management mechanisms currently in place.

The Group has identified the following risk categories:

- strategic risks;
- underwriting risks related to the P&C and Life reinsurance businesses;
- market risks;
- credit risks;
- liquidity risks;
- operational risks.

If the risks disclosed in this section were to occur, they could potentially have a significant impact on SCOR's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

All risks described in Section 3 are managed through a variety of mechanisms in SCOR's ERM (Enterprise Risk Management) Framework and the most important of these are described below.

SCOR's ERM framework is further described in Appendix A – Internal control and risk management procedures which contains a description of the Group risk management procedures as well as the role and function of each administrative and management body and team involved in risk management and related control functions.

Although risk management mechanisms have been designed and rolled out across the Group in order to prevent all risks from having a significant impact, there is no guarantee that these mechanisms achieve their intended objective. Many of SCOR's methods for managing risks and exposures are based on observed historical market behavior, statistics based on historical models, or expert judgment. As a result, these methods may not fully predict future exposures, which may be significantly greater than estimated, particularly in unstable or volatile markets and environments. Other risk management methods depend upon the evaluation of information regarding markets, clients, natural catastrophes or other matters that is publicly available or otherwise accessible to SCOR. This information may not always be accurate, complete, upto-date or properly evaluated.

SCOR may also be exposed to emerging risks, which include new threats or constantly changing current risks with a high degree of uncertainty. They may arise from the numerous changes to the environment in which the Group operates, such as changes in professional practices, or in legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions.

Emerging risks may adversely affect SCOR's reinsurance business due to either a change in interpretation of the contracts leading to extensions of covers beyond what policyholders had expected (e.g. due to the inapplicability or interpretation of certain clauses) or by increasing the frequency and/or severity of claims. Such risks may also lead to higher fluctuations than expected in macroeconomic indicators such as interest rates and price level, or disruptions in financial markets, further impacting SCOR's business. In addition, emerging risks may also have a direct impact on SCOR's operations, for instance by generating unexpected additional expenses.

Therefore, the Group cannot exclude the possibility of exceeding SCOR's risk tolerance limits due to an incorrect estimation of its risks and exposures. This may have an adverse impact on SCOR's business, present and future revenues, net income, cash flows, financial position, and potentially, on SCOR's share price.

3.2. STRATEGIC RISKS

Strategic risks can arise either from the strategy itself (such as the accumulation of risks or development in lines of business or less known markets), from external risks (such as an adverse economic environment), or from internal risks (such as certain causes of operational risk). Therefore, many of the risks discussed throughout Section 3, including emerging risks, could also impact the success of the strategy.

The main strategic risks to which SCOR is exposed are described below.

3.2.1. RISKS RELATED TO THE MACROECONOMIC ENVIRONMENT AFFECTING SCOR'S STRATEGY

The main risks are the uncertain economic recovery that may affect SCOR's growth, in both emerging and advanced economies, and the poor returns on financial markets exacerbating the adverse competitive environment.

3.2.1.1. A DETERIORATION IN THE GLOBAL CAPITAL MARKETS AND GLOBAL ECONOMY FROM PRESENT CONDITIONS COULD HAVE A MATERIAL ADVERSE EFFECT ON SCOR'S BUSINESS AND OPERATING RESULTS

The Group's operating result could be materially affected by the economic and financial situations in France and other countries in continental Europe, the United Kingdom, the United States of America and elsewhere around the world, particularly in Latin America and Asia-Pacific. Any protracted deterioration in macroeconomic trends could have an adverse effect on SCOR's business and operating result. Even though the global economy is expected to continue its expansion in 2019, several imbalances accumulated since the 2008 crisis and escalating trade conflicts pose significant risks. For example, the growing debt of governments in advanced economies and of private companies in emerging countries could generate significant adjustments if the main central banks were to significantly raise interest rates. As a result, financial markets could enter a period of high volatility, which could lead to adverse consequences such as waves of company defaults, significant decreases in the prices of major assets (i.e. bonds, equity, real estate), or a major liquidity crisis. Current trade conflicts could significantly reduce growth rates, spur inflation and destabilize exchange rates and financial systems, especially in vulnerable emerging economies.

Although growth in the Eurozone has become more robust over the years, thanks to both internal and external momentum, its maintenance may become increasingly difficult due to several challenges; for example, the ongoing Brexit negotiations, continuing economic disparities between EU countries and increased political risks. Increases in Eurozone members' sovereign yields or even sovereign defaults by major eurozone members, may result from these challenges. SCOR cannot predict whether any of the government securities that it holds in its investment portfolio will be adversely affected in the future by ratings downgrades or potential sovereign debt market tensions. This uncertain environment and the potential market volatility may have an adverse effect on SCOR, from both an investment and reinsurance business viewpoint. For further information on investments, see Section 1.3.5.4 – Net investment income and investment income on invested assets and Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Impact on SCOR's investment activities

SCOR has a large investment portfolio. In the event of extreme prolonged market events, such as global credit crises, SCOR could incur significant losses in its investment portfolio.

See Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments, which includes analyses of unrealized and realized investment losses.

Even in the absence of a market downturn, SCOR remains exposed to a substantial risk of losses due to market volatility. See Section 3.4 – Market risks.

Impact on SCOR's reinsurance business

SCOR is also dependent upon customer behavior and premium growth. The Group's premiums could decline in the case of an unfavourable macroeconomic environment and its profit margins could erode. In an economic downturn, the demand for SCOR's and its clients' products could be adversely affected. Factors such as government and consumer spending, corporate investment, the volatility and strength of both debt and equity markets, and inflation, all affect the business and economic environment and ultimately, the size and profitability of SCOR's business. In addition, the ongoing low interest rate environment continues to stimulate the inflow of alternative capital, which has been contributing to the current soft market i.e. the reduction in (re) insurance premium rates.

The Group may also experience an elevated incidence of claims or be impacted by a decrease in demand for reinsurance and increased surrenders of policies from the cedents (see paragraph on lapse risk in Section 3.3.2 – Life reinsurance) that could affect the current and future profitability of its business. Although written premiums have seen steady growth in prior years, a prolonged economic crisis could result in lower written premiums in the future.

3.2.1.2. SCOR IS EXPOSED TO SIGNIFICANT AND PROTRACTED DEVIATIONS OF INFLATION FROM ITS TREND

The Group's liabilities are exposed to a significant increase in the rate of inflation (prices and salaries) which would require an increase in the value of reserves, in particular in respect of P&C long-tail business, e.g. general liability (medical among others) and motor bodily injury claims. In addition, SCOR is exposed to claims inflation over and above general inflation and in particular to the inflation of court awards in respect of general liability and bodily injury claims. For further information on P&C long-tail reserve deterioration, refer to Section 3.3.1 – P&C reinsurance.

SCOR's assets are also exposed to increased inflation or inflationary expectations, accompanied by a rise in the yield curve with a subsequent reduction in the market value of its fixed income portfolios. Increased inflation could also have a negative impact on the solvency of bond issuers; a widening of credit spreads would lead to a loss of value for the issuers' bonds. Finally, depending on the macroeconomic environment, an increase in inflation could also reduce the value of SCOR's equity portfolio. Any negative fluctuations in equity values would lead to a similar decrease in shareholders' equity.

Although the risk of inflation is relatively higher in the current context of exceptionally accommodating monetary policies, theoretically, the risk of deflation cannot be excluded. The Group's liabilities could be exposed to a protracted period of deflation which could exert a negative pressure on reinsurance prices and decrease the value of new premiums.

A protracted period of deflation would also induce a decrease in interest rates all along the yield curve and may therefore negatively impact the returns on SCOR's fixed income assets. In addition, the value of SCOR's equity portfolio might be reduced as deflation could reduce the future cash flows of the companies whose stocks are part of the Group's portfolio.

In conclusion, both high inflation and a protracted episode of deflation could have a material adverse effect on SCOR.

3.2.1.3. MANAGEMENT OF RISKS RELATED TO THE MACROECONOMIC ENVIRONMENT

These risks are monitored via a robust strategic planning approach and regular risk reporting mechanisms throughout the Group, including complementary risk analyses on ad-hoc topics, where deemed necessary. Potential impacts on SCOR's risk profile are managed through a variety of dedicated and transversal risk management mechanisms. For more details on risk reporting mechanisms and roles and responsibilities of SCOR's main governance bodies, see Appendix A – Internal control and risk management procedures.

3.2.2. RISKS RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

3.2.2.1. MAIN RISKS RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

SCOR is subject to comprehensive and detailed regulations and to the supervision of the insurance and reinsurance regulatory authorities in all countries in which it operates. Some of these authorities, especially in non-European countries, are considering or may in the future consider enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision and submit them to reinforced measures of control and higher capital requirements. These changes could affect the calculation of the local solvency ratio and have a material adverse impact on the Group. Insurance and reinsurance supervisory authorities have broad administrative power over many aspects of the reinsurance industry and SCOR cannot predict the timing or form of any future regulatory initiatives.

The Solvency II regime applies since January 1, 2016, in the European Union. It was transposed into national laws in all relevant European jurisdictions over recent years. Actual implementation by supervisory and regulatory authorities could vary between these jurisdictions, which could place SCOR at a competitive disadvantage with regard to other European financial services groups. The ongoing Solvency II reviews could lead to additional requirements for insurance and reinsurance undertakings. Furthermore, Solvency II may no longer apply in the United Kingdom after its departure from the European Union and the new regulatory framework could lead to additional requirements for SCOR.

In addition, the supervisory and regulatory authorities could develop new regulations with the objective of further strengthening the protection of policyholders and/or financial stability, especially in developing countries. These new regulations may then increase solvency margin obligations, thereby restricting SCOR's underwriting capacity.

The International Association of Insurance Supervisors (IAIS) is developing a new approach to evaluating and mitigating systemic risk in the insurance sector and SCOR may be impacted by the revised systemic risk framework scheduled to become effective in 2020. This revised systemic risk framework could result in a higher capital requirement, a Higher Loss Absorbency (HLA) and greater regulatory burdens such as the establishment of resolution plans.

In the meantime, the IAIS has been developing a common framework for internationally active insurance groups (IAIGs), the "ComFrame". It is the IAIS's intention to develop Insurance Capital Standards (ICSs) to be applied by all IAIGs with full implementation in 2025. This development could jeopardize the extent of recognition of diversification effects or the use of internal models and there is a risk that these rules could have an impact on capital management aspects. Moreover, these standards involve risks in terms of competition on a level playing field if they are not implemented simultaneously and consistently across different jurisdictions.

Similarly, changes in tax legislation and regulations, or in their interpretation, may have a negative impact on SCOR's performance, including financial results, and business model (such as unfavorable changes in deferred taxes resulting from the Tax Cuts and Jobs Act enacted in United States). Refer to Section 1.3.3 – Significant events of the year.

3.2.2.2. OTHER LEGAL AND REGULATORY DEVELOPMENTS

The reinsurance sector has been exposed in the past, and may be exposed in the future, to involvement in legal proceedings, regulatory inquiries and actions by various administrative and regulatory authorities, as well as to regulation concerning certain practices used in the insurance sector.

More generally, adverse changes in laws or regulations or an adverse outcome of any legal proceeding could have an adverse impact on SCOR. For further details on SCOR's current litigations, see Section 4.6 – Notes to the consolidated financial statements, Note 25 – Litigation.

For further information on risks related to current legislation and regulations and their impact on SCOR's operations, see Section 3.7.1.4 – Risks related to external events.

3.2.2.3. MANAGEMENT OF RISKS RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

SCOR monitors the legal and regulatory developments which could have an impact on the Group and its entities, ensuring in particular that it takes an active position in relation to the requirements to which it is exposed or could be exposed in the different jurisdictions where it operates and that it prepares in due time for their implementation.

In particular, developments in existing or emerging prudential regulations (such as Solvency II, ComFrame or the regulations on systemic risk) are monitored at Group level by the Prudential and Regulatory Affairs Department. Regulations relating to corporate law and business compliance are monitored by the General Secretariat and, within it, the Legal Department.

3.2.3. THE VALUATION OF SCOR'S INTANGIBLE ASSETS AND DEFERRED TAX ASSETS MAY SIGNIFICANTLY AFFECT ITS SHAREHOLDERS' EQUITY AND THE PRICE OF ITS SECURITIES

3.2.3.1. RISKS RELATED TO THE VALUATION OF SCOR'S INTANGIBLE ASSETS AND DEFERRED TAX ASSETS

A significant portion of SCOR's assets consists of intangible assets, the value of which depends on its expected future profitability and cash flows. The valuation of intangible assets is largely based on subjective and complex judgments concerning items that are uncertain by nature. If a change were to occur in the assumptions underlying the valuation of its intangible assets (including goodwill, value of business acquired and deferred acquisition costs), SCOR would have to reduce their value, in whole or in part, thereby reducing shareholders' equity and its results.

The recognition of deferred tax assets, i.e. the likelihood of recognizing sufficient profits in the future to offset losses, depends on the performance of each entity concerned as well as applicable tax laws, regulatory requirements and accounting methods. The occurrence of events, such as operational earnings lower than currently projected or losses continuing over a longer period than originally planned or changes in tax legislation, regulatory requirements, or accounting methods could lead to the derecognition of part of the deferred tax assets for accounting and/or regulatory purposes.

Details of intangible assets, related impairment testing policy and recent acquisitions are included in Section 4.6 – Notes to the consolidated financial statements, Note 1 – Accounting principles and methods, Note 3 – Acquisitions and disposals, Note 5 – Goodwill, Note 6 – Value Of Business Acquired and Note 17 – Income taxes.

3.2.3.2. MANAGEMENT OF VALUATION RISKS RELATED TO SCOR'S INTANGIBLE ASSETS AND DEFERRED TAX ASSETS

Valuation risks related to SCOR's intangible assets and deferred tax assets are managed through robust processes and controls throughout the Group.

See Section 3.7 – Operational risks for further details on SCOR's Internal control system approach, Appendix A – Internal control and risk management procedures, Section 4.1 – Group functions for a description of some of the departments involved in the management of intangible assets and Appendix A – Internal control and risk management procedures, Section 7 – Financial reporting for further details on the production of SCOR's technical and financial results, including intangible assets.

For further details on the management of valuation risks related to goodwill and Value of Business Acquired, see Section 3.2.6.2 – Risks related to acquisitions.

3.2.4. RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

3.2.4.1. SCOR OPERATES IN A HIGHLY COMPETITIVE SECTOR AND WOULD BE ADVERSELY AFFECTED BY LOSING COMPETITIVE ADVANTAGE OR IF ADVERSE EVENTS HAD AN IMPACT ON THE REINSURANCE INDUSTRY

Reinsurance is a highly competitive sector. As is the case for all other reinsurers, SCOR's position in the reinsurance market is based on several factors, such as its financial strength as assessed by the rating agencies, its underwriting expertise, its reputation and experience in the lines written, the countries in which it operates, the premiums charged, as well as the quality of the proposed reinsurance products and services offered, particularly in terms of claims settlement and payment. The Group competes for business in the European, American, Asian and other international markets with numerous international and domestic reinsurance companies, some of which have a larger market share than SCOR, greater financial resources, state backing, and, in certain cases, higher ratings from the rating agencies.

Therefore, SCOR remains exposed to the risk of losing its competitive advantage. In particular, when available reinsurance capacity via traditional reinsurers or capital markets is greater than the demand from ceding companies. Its competitors, in particular (re)insurers benefiting from higher ratings than SCOR's or other competitors in alternative capital markets, may be better positioned to enter new contracts and gain market shares at SCOR's expense.

Furthermore, the Group's reputation is sensitive to reinsurance sector information. It can be affected by adverse events concerning competitors but also by its own business activity, such as financial difficulties following a major market event. Loss of reputation due to internal risks would also weaken SCOR's competitive position.

3.2.4.2. CONSOLIDATION IN THE INSURANCE AND REINSURANCE INDUSTRIES COULD ADVERSELY IMPACT SCOR

There has been an increase of the M&A activity among (re) insurers in 2018.

Within the insurance industry, these consolidated entities may use their enhanced market power and broader capital base to negotiate price reductions for SCOR's products and services, and reduce their use of reinsurance, and as such, the Group may experience price declines and possibly write less business.

Within the reinsurance industry, such external growth activity could potentially enhance these players' competitive position, e.g. in terms of being able to offer greater capacity or broader product offerings, which could permit them to gain market shares at SCOR's expense.

3.2.4.3. MANAGEMENT OF RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

As for risks related to the macro-economic environment, risks related to the competitive environment are monitored via a robust strategic planning approach and regular risk reporting mechanisms throughout the Group, including complementary risk analyses on ad-hoc topics, where deemed necessary. For more details on risk reporting mechanisms and roles and responsibilities of SCOR's main governance bodies, see Appendix A – Internal control and risk management procedures.

3.2.5. DOWNGRADE RISK

3.2.5.1. OVERVIEW OF SCOR'S DOWNGRADE RISK

Credit ratings are very important to all reinsurance companies, including SCOR, as ceding companies wish to reinsure their risks with companies that have a satisfactory financial position. For more details on the current rating of the Group, see Section 1.2.4 – Ratings information.

Impact on SCOR's reinsurance business

Some of SCOR's cedents' credit models or reinsurance guidelines face regulatory capital requirements or depend on their reinsurers' credit rating. If SCOR's rating deteriorates, cedents could be forced to increase their capital requirement in respect of their counterparty risk on SCOR. This could lead to a loss of competitive advantage for SCOR.

Consequently, the Group's reinsurance activities are sensitive to the way its existing and prospective clients perceive its financial strength, notably through its ratings.

Many of SCOR's reinsurance treaties, notably in the US and in Asia, and also increasingly in Europe, contain clauses concerning the financial strength of the Company and/or its operating subsidiaries, and provide for the possibility of early termination for its cedents if the rating of the Company and/or its subsidiaries is downgraded. Early termination may also occur when the net financial position of the Company falls below a certain threshold, or if it carries out a reduction in share capital.

Impact on the Group's letters of credit

Many of the Group's reinsurance treaties contain a requirement to put in place letters of credit (LOC) as a general requirement or when triggered by a downgrade of SCOR or one of its subsidiaries. In certain circumstances, the cedent has the right to draw down on a LOC issued by a bank in SCOR's name.

Some LOCs issued by banks providing such facilities may be collateralized with securities. The value of the collateral can be different from the amount of the LOC. For some facilities, initial collateral requirements may be increased following a downgrade of SCOR's rating, impacting the Group's liquidity level. In the case of a LOC being drawn by a cedent, the bank has the right to request a cash payment from this collateral, up to the amount drawn by the cedent.

In the case of a large number of LOCs being drawn simultaneously, SCOR could encounter difficulties in providing the total amount of required cash or fungible assets, i.e. exposing itself to a liquidity risk.

Moreover, some of SCOR's facilities contain conditions about its financial situation which, if not met, constitute a default and might result in the suspension of the use of current credit facilities and/or a prohibition on obtaining new lines of credit or result in the need to negotiate new LOC facilities under adverse conditions.

For more details about the Group's lines of credit, see Section 1.3.6 – Financial position, liquidity and capital resources. For more details on liquidity risk, see Section 3.6 – Liquidity risks.

3.2.5.2. MANAGEMENT OF DOWNGRADE RISK

SCOR's current ratings are at the highest levels within the reinsurance sector after Standard & Poor's and Fitch upgraded the Group's ratings to "AA-/Stable" from "A+/Positive" in 2015, followed by a Moody's upgrade to "Aa3/Stable" in 2016 and the recent upgrade by AM Best to "A+/Stable" in 2017. Therefore, a downgrade by one notch would have a limited impact on its future business development, its liquidity position or its capacity to raise funds. For further information on SCOR's current rating, see Section 1.2.4 – Ratings information.

SCOR monitors its ratings assigned by the top four rating agencies via a dedicated team placed under the supervision of the Group Chief Financial Officer.

This team analyses rating agencies' methodologies, reports published on the reinsurance market, on SCOR and on its main competitors, in order to anticipate any potential rating actions. It also monitors specific qualitative and quantitative Key Performance Indicators developed by the four main rating agencies and performs analyses of selected deterministic scenarios (for more details on 'footprint scenarios' process, see Appendix A – Internal control and risk management procedures). The team also monitors the capital adequacy level as measured by the capital models developed by rating agencies.

3.2.6. OTHER STRATEGIC RISKS

SCOR may be exposed to other less significant strategic risks further described below.

3.2.6.1. RISKS RELATED TO CAPITAL

Capital may not be completely fungible between different regulated legal entities, which may have negative consequences

SCOR's regulated legal entities must satisfy local regulatory capital requirements. There could potentially be some local regulatory constraints, which in certain circumstances could affect SCOR's ability to transfer capital from one legal entity to another, and in particular from one subsidiary or branch to another, or to the parent legal entity. This may have negative consequences for the legal entity concerned and could have a material adverse impact on SCOR.

In addition, ongoing regulatory developments and discussions on global standards may impact SCOR in the future.

Adverse capital and credit market conditions may significantly affect SCOR's ability to access capital and/or liquidity and increase the cost of capital

Disruptions, uncertainty or volatility in the capital and credit markets may also limit the Group's access to capital required to operate its business, most significantly its insurance operations. Such market conditions may limit its ability to:

- replace, in a timely manner, maturing debts;
- access the capital needed to grow its business;
- satisfy statutory capital requirements and maintain a solvency ratio in line with its risk appetite framework.

As such, SCOR may be forced to delay raising capital, issue shorter term securities than it prefers, or bear an unattractive cost of capital which could decrease its profitability and significantly reduce its financial flexibility.

Disruptions to financial markets, and more particularly credit market conditions, could also affect SCOR's ability to access liquidity. Please see Section 3.6 – Liquidity risks, for further details.

For further information on changes in the macro-economic environment that could impact SCOR, refer to Section 3.2.1 – Risks related to the macroeconomic environment affecting SCOR's strategy.

Management of risks related to capital

Risks related to capital are managed via specific principles and processes throughout the Group. SCOR ensures maximum capital fungibility within the Group through:

- a reduced number of subsidiaries enhancing fungibility while supporting local business presence. It is facilitated by the "Societas Europaea" (SE) structure supported by an efficient branch set-up in Europe, enabling integrated supervision at Group parent company level through SCOR SE, focusing on communication with a limited number of supervisors with whom SCOR can share its global strategy, while taking advantage of diversification benefits;
- an integrated supervision of regulatory constraints at Group level and an optimal capital allocation.

SCOR efficiently manages its capital allocation and fungibility between subsidiaries within the legal and regulatory constraints. SCOR is continuously leveraging, in its day-to-day activity, on various tools that are core to the reinsurance activity (such as intra-group reinsurance, intra-group financing, portfolio transfer, capital transfer or collateral posting).

3.2.6.2. RISKS RELATED TO ACQUISITIONS

Overview of risks related to acquisitions

SCOR has made a number of acquisitions around the world. Acquisitions involve risks that could adversely affect its operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions. Acquisitions could also result in additional indebtedness, costs, contingent liabilities, impairment and amortization expenses related to goodwill and other intangible assets. In addition, acquisitions may expose SCOR to operational challenges and various risks.

A failure to successfully manage such operational challenges could adversely affect the Group.

The businesses SCOR has recently acquired are described in Section 1.2.2 – History and development of SCOR.

Specific risks relating to the acquired businesses are as follows:

Integration of the acquired activities may prove to be more difficult than expected

Integrations may take longer, be more expensive or more difficult than expected. The success of integrations may depend on operational and commercial planning, execution of systems and procedures, and on the retention of key employees. Difficulties could result in higher integration costs or fewer synergies than expected.

Retaining client relationships and related business volumes

It may be outside the control and influence of SCOR to retain certain client relationships and business volumes related to acquired businesses. Related earnings and efficiencies may be lower than expected, which may dilute the return on such acquisition related investments.

Acquisitions could result in the concentration of business and the reliance on intermediate business relationships

In certain cases, e.g. SCOR's acquisition of Transamerica Re's mortality reinsurance portfolio from Aegon in 2011, SCOR may acquire a reinsurance portfolio from a company (the vendor) where not all underlying reinsurance agreements between cedants and the vendor are immediately novated. In such cases, SCOR could be at risk if the vendor becomes insolvent, since the vendor's cedants could reduce or terminate reinsurance premium payments.

Certain risks relating to acquired companies may not yet be known

Due notably to the size and complexities of acquisitions, and despite pre-acquisition due diligence work carried out, there may be a risk that not all financial elements (including litigation related to prior periods) have been fully and/or correctly evaluated. Unknown or unexpected financial risks could emerge, which may have significant consequences on the initially estimated impact of the relevant acquisition on the combined Group.

Management of risks related to acquisitions

SCOR adheres to high internal standards for acquisition processes, governance and integration, based on an approach approved by its Executive Committee.

SCOR retains outside legal, accounting, tax, actuarial, regulatory and financial counsel for its due diligence, valuation and integration assessments and execution, led by experienced employees in various multi-jurisdictional disciplines, including but not limited to underwriting, structuring, valuation, accounting, tax, actuarial, risk management, legal, audit, strategy, claims management, regulatory, rating agencies, and asset management. SCOR's governance is overseen by a Group Steering Committee, chaired by its Chief Executive Officer and includes various members of SCOR's Executive Committee. All progress, assessments and any offers made to third parties are generally presented and approved by the Strategic Committee of SCOR's Board of Directors.

All planned acquisition projects that may have an impact on SCOR's risk profile are reviewed in collaboration with SCOR's risk management teams. Integration of acquired businesses typically begins during the due diligence phase and is carefully planned between SCOR and the personnel of the acquired companies. SCOR integration plans typically take into account all systems, procedures, commitments and constraints, as well as employees, clients, suppliers and contractual third parties, and focuses on pre-closing, closing day and post-closing objectives. While SCOR has experience in managing acquisitions and takes care in planning and executing such operations, the outcomes may not always meet expectations.

3.3. UNDERWRITING RISKS RELATED TO THE P&C AND LIFE REINSURANCE BUSINESSES

For further details on the terminology used to describe the Group's activity, see Section 1.2.5 – Business overview.

The main risk the Group faces in relation to insurance and reinsurance contracts is that the actual amounts of claims and indemnity payments, or the timing thereof, differ from estimates. The frequency of claims, their severity, the actual payments made, the development of long-tail claims (whether they be litigated or not), and long-term mortality trends as well as external factors such as those listed below, are all beyond the Group's control. Additionally, the Group is dependent on the quality of underwriting of its cedents for certain reinsurance treaties, and on the quality of claims management by these companies and the data provided by them. Under these uncertainties, the Group seeks to ensure that sufficient reserves are available to cover its liabilities.

Generally, SCOR's ability to increase or maintain its portfolios of insurance and reinsurance risks in the P&C and Life divisions may depend on external factors such as professional practices, legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions. These factors create uncertainties and may adversely affect SCOR's business due to either an interpretation of the contracts leading to an extension of coverage (e.g. through inapplicability or interpretation or overriding of treaty clauses) or by increasing the frequency and/or severity of claims beyond what was anticipated at the time of the underwriting.

SCOR mitigates its underwriting risks related to the P&C and Life reinsurance businesses through the purchase of risk-mitigation covers, both on the traditional retrocession market and on the capital markets via alternative risk transfer solutions (e.g. the multi-year securitization of catastrophic risk in the form of Insurance-Linked Securities ("ILS") and the issuance of contingent capital facilities). However, there is a risk that SCOR may not be able to transfer its liabilities through the purchase of such instruments on economically viable terms and conditions in the future. For further details on retrocession and other risk mitigation techniques within SCOR, see Section 3.3.1.4 – Management of underwriting risks related to the P&C business and 3.3.2.7 – Management of underwriting risk related to Life reinsurance business and Appendix A – Internal control and risk management procedures – paragraph on capital shield strategy.

Consistent with the Group's strategy of selective market and business division development, SCOR seeks to maintain a portfolio of business risks that is strategically diversified geographically, by line and class of business and over time (short and long-tail). The Group's insurance risk exposure is mitigated by diversification across a large portfolio of reinsurance contracts. The volatility of risks is reduced by careful business selection, implementation of underwriting guidelines, the use of retrocession and other risk transfer arrangements and proactive claims handling as well as underwriting, claims and administration audits at ceding companies.

SCOR underwrites reinsurance covers in P&C and Life and occasionally in direct P&C and Life insurance.

SCOR writes direct insurance, primarily on a business-to-business basis to cover large corporate risks through the Business Solutions domain of the P&C division and through the participation in Lloyd's syndicates including the Channel Syndicate, for which SCOR is the sole capital provider as well as through some participations in Business Ventures and Partnerships.

3.3.1. P&C REINSURANCE

The main risks linked with the P&C reinsurance business (and direct insurance activity) underwritten by SCOR's P&C division are, natural catastrophes, P&C long-tail reserves deterioration and man-made catastrophes, including terrorism, and other risks beyond its direct control such as systemic crises or the cyclicality of the business.

3.3.1.1. P&C LONG-TAIL RESERVE DETERIORATION

This is the risk that the P&C claims inflation is higher than assumed in the calculation of the reserves and mostly affects the long-tail lines of business, such as all casualty, professional liability and financial lines, inherent defect and construction warranty, medical malpractice, motor (first and third-party liability) and workers' compensation. Claims inflation is influenced by, but not directly linked to general inflation.

For 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.

For further information on risks related to reserves, see Section 3.3.4 – Risks related to reserves.

3.3.1.2. NATURAL AND MAN-MADE CATASTROPHES

SCOR's property business underwritten by the P&C division 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 of SCOR's lines of business.

Natural catastrophes

The most material catastrophes in SCOR's risk profile are related to natural events, mainly tropical cyclones, windstorms, earthquakes and floods arising in North America and Europe and affecting property, engineering and possibly other lines of business.

SCOR manages its gross exposure to catastrophes through a comprehensive risk transfer and capital protection program which combines traditional retrocession and non-traditional solutions, including catastrophe bonds and a contingent capital equity line.

For further information on management of underwriting risks within the P&C division, refer to Section 3.3.1.4 – Management of underwriting risks related to the P&C business. For further information on SCOR's retrocession and other risk mitigation techniques, refer to Section 3.3.5 – Retrocession and other risk mitigation techniques.

Man-made catastrophes

SCOR is exposed to insured losses, arising from single or multiple events, which can be catastrophic, caused by the occurrence of a man-made event. The lines of business mostly exposed to man-made catastrophe are Property (other than natural catastrophe), Marine, Motor, Casualty, Credit and Surety, Aviation and Space.

Property

Man-made catastrophes refer to negligent or deliberate human actions, e.g. conflagration, a large explosion and fire at a major industrial site, and terrorism. These events can cause great damage to property and lives. Malicious man-made events often target large cities and illustrious landmarks such as international airports and governmental facilities.

In particular, SCOR is exposed to single or multiple terrorist attacks through some P&C treaties and national terrorism pools. Terrorism exposures are monitored on a worldwide basis as a fully integrated part of the Underwriting Management Framework. Underwriting guidelines stipulate the rules and procedures for terrorism risk for Reinsurance and Specialty Insurance. SCOR monitors this risk using a very conservative approach.

SCOR's exposure to terrorism arises from participation in the protection of existing national terrorism pools and exposure from some markets that do not permit the exclusion of terrorism from insurance policies due to local regulation, such as in the US, or due to market practice. Furthermore, the US insurance market is exposed to significant risks due to the insurance obligation created by the law. However federal aid is also provided by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA").

A terror event could also have an impact on SCOR's life portfolio. Although in past events the life claims incurred have been relatively small compared to the non-life claims, a terrorist act might claim a large number of insured lives.

Casualty

SCOR is also exposed to man-made casualty catastrophes whose underlying nature and key specificities can vary widely, from commonly used products (with Asbestos as a typical example) or massive product liability losses emanating from items produced by a single manufacturer, to a single disastrous event (e.g. Deepwater Horizon oil rig explosion).

The amount of information available on casualty catastrophes is limited. In contrast to property catastrophes, which are short term in nature (limited number of days between insured event and loss emergence) and for which reasonable estimates of the size of the loss can be calculated, most casualty catastrophes emerge gradually and the full extent of the losses is often not known for decades.

SCOR is engaged in the development of advanced liability catastrophe analytics, and data mining and modeling techniques for improving its prediction capabilities for man-made casualty event losses.

Property and Casualty

The extent of the loss event and the affected lines of business will vary depending on the man-made event. SCOR can be affected from a man-made event simultaneously in the property and the casualty lines of business, e.g. if the explosion at a large industrial site destroys the industrial facility, but also pollutes the environment, given its proximity to vulnerable landscape (e.g. river, lake), and causes property damages and bodily injuries affecting the population.

For further information on management of underwriting risks within the P&C division, refer to Section 3.3.1.4 – Management of underwriting risks related to the P&C business.

3.3.1.3. OTHER RISKS

In addition to the two main underwriting risks of SCOR's P&C division as listed above, other factors could have an adverse impact, such as systemic crises, cyclicality of the business and concentration risks related to its broker business.

Systemic crises

Historically, reinsurers have experienced significant fluctuations in operating income due to volatile and unpredictable developments, many of which are beyond the control of the reinsurer including general economic conditions, levels of capacity offered by the market, and the level of competition with regards to pricing. In particular, some of SCOR's lines of business which are directly linked to financial activities, are more exposed to global economic recessions (e.g. the Global Financial Crisis): as an example, specialty lines such as credit and surety or liability risk such as Errors & Omissions and Directors & Officers Liability.

Cyclicality of the business

P&C insurance and reinsurance businesses are cyclical. The primary consequences of the market softening are a reduction in the volume of P&C reinsurance premiums on the market, an increase in competition within the reinsurance market, and also a preference for those operators who are most attentive to the specific needs of the cedents and the most capable of meeting them. This could potentially lead to a loss of competitive advantage for SCOR.

Beyond the general trends, the premium rate cycle affects certain geographic markets and/or certain lines of business in different ways and different extents, independently of each other.

Concentration risk related to its broker business

SCOR generates its P&C business both through brokers and through direct relationships with insurance company clients. The risk for SCOR is mainly the concentration of premiums written through a limited number of brokers. A significant reduction in the business generated through these brokers could potentially reduce premium volume and net income. For further information, refer to Section 1.2.5.4 – paragraph on Distribution by production source. for a breakdown of SCOR's business though brokers.

3.3.1.4. MANAGEMENT OF UNDERWRITING RISKS RELATED TO THE P&C BUSINESS

The P&C division is organized in order to enable it to assess and control its risks at each level of its business.

- Most of the business underwritten is renewed on agreed dates. This enables SCOR to establish annual underwriting plans, both qualitative (description of the environment) and quantitative (activity budget). These plans are approved by the Executive Committee.
- The Property and Casualty Treaty underwriters manage client relationships and offer reinsurance support after a careful review and assessment of the cedents' underwriting policies, portfolio profiles, exposures and management procedures. They are responsible for writing treaty business as well as associated support on small and medium-size facultative risks in their respective territories within the limits of their individually delegated underwriting authority and the scope of underwriting guidelines.
- Most of SCOR's facultative underwriters work in the Business Solutions domain of Specialty Insurance, which operates worldwide. The Business Solutions area is dedicated to large corporate businesses and is geared to provide clients with solutions for coverage of large conventional risks.
- Underwriting and pricing guidelines, defined by the P&C division, specify the underwriting capacities delegated to each underwriter in each entity, as well as the underwriting rules and principles to be complied with. These guidelines are subject to a regular review and approval process. SCOR's underwriting guidelines are more restrictive regarding certain areas with difficult or uncertain legal environments.
  a. Underwriting guidelines in place within the P&C division specify (i) the underwriting rules and principles to be complied with: (ii) the underwriting capacities individually delegated to the underwriters in each of the markets and lines of business in which the Group operates as well as (iii) the relevant maximum acceptable commitments per risk and per event. They are reviewed and updated annually by Underwriting Management and approved by the Chief Executive Officer and Chief Risk Officer of SCOR's P&C division.
  b. Pricing guidelines and parameters apply to all treaties priced within the P&C division. There are additional guidelines related to Natural Catastrophes and others specific to certain products which include Agriculture and Credit & Surety. These guidelines seek to ensure that the analyses provide: i) best estimate of the costs and profitability of a treaty as well as the uncertainty surrounding estimates; ii) assistance with underwriting decisions and iii) the suitable outputs needed for the risk management process, in particular the internal model, such as probability distributions for losses/Net Present Value (NPV), cash flow patterns for premium/losses, etc. They are set to provide consistency and continuity across the organization but also to take into account differences between markets and lines of business as well as the geographical location of the client and the risks insured. Parameters are revised at least once a year to consider, as the case may be, changing market conditions and environment. Contracts that meet certain risk thresholds are subject to mandatory peer reviews that have to be performed and documented before pricing is completed. SCOR's P&C division uses a data system that allows management to monitor and review the results from pricing tools.

- The underwriting teams are supported by P&C division's Underwriting Management. This function provides worldwide treaty and facultative underwriting guidelines, policies regarding the delegation of capacity, underwriting support to specific lines of business or individual risks when required, ceding company portfolio analysis and risk surveys and is responsible for monitoring and referral of non-standard business and for authorizing exceptions to the underwriting guidelines.
- Business opportunities going beyond the stipulations of the guidelines previously defined are subject to special referral procedures at two levels: (1) by Underwriting Management and, where applicable, by Legal and/or Finance; (2) and for cases which may have a significant impact on the balance sheet (thresholds and/or conditions defined in a procedure or specific guidelines) by Group Risk Management.
- P&C division's Actuarial Pricing is responsible for the pricing of the reinsurance business which is done by individual treaty. Guidelines, methods and tools are set and maintained at the global level which are used by the pricing team across the SCOR offices. Delegation authorities specify criteria under which the underwriters may price certain contracts still subject to the use of the Pricing Guidelines and tools. Pricing results quantify expected underwriting statistics (such as loss and expense ratios), volatility measures, and profitability measures (such as NPV, Return on Risk Adjusted Capital (RORAC), and Profit Excess Targets). The results are also used as criteria for referrals within Underwriting teams. Pricing actuaries, team up with underwriters and modelers by market or by line of business.
- Risk Modeling & Global Natural Hazards is responsible for monitoring accumulations. A "CAT" sub-group of the P&C Risk and Capital Committee meets regularly to review accumulations and decide on or arbitrate the allocation of CAT capacities by country. Earthquake and storm risks gross exposures are measured using proprietary external models from industry-leading catastrophe model suppliers, including Risk Management Solutions RiskLink® ("RMS") and AIR Worldwide Catrader® ("AIR"). These tools enable the Group to quantify its exposure in terms of a probable maximum loss ("PML") at various levels of probability for each peril and geographic location. The overall aggregate annual PML per peril, allowing for potential multiple events, provides the information required to determine the level of retrocession and other alternative risk transfer solutions (e.g. catastrophe bonds) that are needed to ensure that the net aggregate exposure is optimized for the Group's risk appetite and remains within predefined tolerance limits.
- In order to mitigate its property exposure, the Group retrocedes a portion of the risks it underwrites. See 3.3.5 – Retrocession and other risk mitigation techniques for further information on how these instruments are managed.
- The claims handling function is performed by the claims teams, which review, process and monitor reported claims. P&C division's Claims & Commutations is responsible for the implementation and overview of the overall claims handling and commutation management policy for the P&C division, implementing worldwide control and reporting procedures and managing commutation of portfolios and commitments. It supports and controls the day-to-day activity and takes over the direct management of large, litigious, serial and latent claims. In addition, periodic audits are conducted on specific claims and lines of business, and claims processing and procedures are examined at the ceding companies' offices with the aim of evaluating their claims adjustment process, valuation of case reserves and overall performance. When needed, recommendations are given to underwriters and local management.
- The adequacy of the P&C division's reserves is controlled based on specific procedures. For further information on how risks related to reserves are managed, see Section 3.3.4 – Risks related to reserves.
- Risks specific to the administration of contracts are subject to checks performed at the subsidiary and branch level. SCOR's Group Information System includes multiple automatic checks and additional tools.
- A quarterly review of technical results is performed by business area (Reinsurance, Specialty Insurance, Business Ventures and Partnerships) and region. The review enables the analysis of technical results by underwriting year, by nature and by line of business.
- The P&C division's Risk Management organizes the quarterly P&C Risk and Capital Committee, which is responsible for overseeing and guiding the identification, management and monitoring of risks and defined mitigation actions with the P&C division.
- Cross reviews are conducted by P&C division's Risk Management, to assess the quality of underwriting, pricing and claims handling of particular business units or certain lines of business, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk management measures, including mitigating actions.

3.3.2. LIFE REINSURANCE

The main underwriting risks for SCOR's Life division are described below.

3.3.2.1. LONG-TERM MORTALITY DETERIORATION

This risk refers to potential negative deviations in future mortality relative to current best-estimate assumptions, due to a higher-than-anticipated number of deaths (i.e. increased mortality rates) among the portfolio of lives reinsured by SCOR. This could result from inherent volatility, incorrect estimation of the expected claim level or an adverse long-term trend.

SCOR's long term mortality reserves are based on a number of assumptions and information provided by third parties, which, if incorrect and/or incomplete, could have an adverse effect on the Group. For further information on risks related to reserves, see Section 3.3.4 – Risks related to reserves.

3.3.2.2. PANDEMIC

In Life reinsurance, a severe pandemic is a major risk. In the past century, three major outbreaks of influenza occurred and claimed millions of lives. The occurrence of a similar event could cause large losses to SCOR due to an increased mortality far beyond the usual volatility. A lethal virus strain not only of influenza but of any other communicable disease could lead to a material increase in mortality rates and increased medical costs which could significantly affect SCOR's results.

3.3.2.3. LONGEVITY

Longevity risk refers to the risk of a negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing or reserves. This risk could have an impact on longevity swaps, annuity and long-term care covers and on other longevity protection products.

3.3.2.4. POLICYHOLDER BEHAVIOR RISKS

SCOR's Life division is also exposed to risks related to policyholder behavior, including risks such as lapsation and adverse selection.

Lapses refer to either non-payment of premiums by the policyholder or to policies which are terminated by the policyholder before the maturity date of the policy. Depending upon the product design, higher or lower policyholder lapses than assumed in the pricing or reserving may reduce the expected future income of the Life division.

Adverse selection refers to the problem of asymmetry of information between the insured and the insurer. An individual applying for life or health insurance cover usually has better knowledge about his or her own state of health than the insurer.

The risk to the (re)insurer is of policyholders deliberately deciding among other things to:

- take out a policy in the knowledge that either their chance of claiming is high or higher than average;
- terminate a policy in the knowledge that their chance of claiming is low or lower than average; or
- choose and exercise a policy option which increases the policyholder's expected benefit.

This might lead to a portfolio composition which differs from the one assumed during pricing and might imply lowerthanexpected profits for both the direct insurer and the reinsurer.

3.3.2.5. MORBIDITY RISKS

Products such as critical illness, short-term and long-term disability and long-term care, which all contain morbidity risk, are subject to the risk of negative trends in health, as well as to the consequences of improved medical diagnoses capabilities which increase the number of claims due to conditions that otherwise would possibly have remained undetected. Medical progress may in the future enable better treatment, resulting in higher claims, since certain diseases would have otherwise led to a much shorter life expectancy of the insured. Products providing cover for medical expenses are in particular subject to the risk of higher than expected incidence and inflation of medical costs.

3.3.2.6. OTHER RISKS

In addition to the main underwriting risks of SCOR's Life division, as listed above, other factors could have an adverse impact, whether related to policyholder behavior such as resale or purchase of policies by third parties with no insurable interest, or other risk factors such as risks related to product guarantees.

3.3.2.7. MANAGEMENT OF UNDERWRITING RISKS RELATED TO THE LIFE REINSURANCE BUSINESS

In addition to the transversal risk management mechanisms described in the introduction to this section, SCOR's Life division also implements mechanisms to mitigate certain risks specific to the division:

- Claims deterioration risks are mitigated through yearly renewable terms for parts of the mortality business, and through premium adjustment clauses for some Disability, Long-Term Care (LTC) and Critical Illness (CI) products. In the case of LTC, the premium adjustments are designed to offset worsening incidence or increasing longevity of disabled lives. In the case of CI, premium adjustments mitigate potential negative impacts on future claims patterns due to a general deterioration in health and improved medical diagnosis.

- Lapse risks are mitigated through appropriate reinsurance treaty clauses, as well as product, client and market diversification.
- Adverse selection risks are mitigated through careful product design and a well-defined medical and financial underwriting process.

SCOR's Life division is organized in order to be able to assess and control its risks at each level of its business.

- Generally, the Life reinsurance business is underwritten throughout the year. The Life business underwritten is monitored on a quarterly basis against prior year development as well as the business plan and regular updates are provided to the Executive Committee.
- Underwriting of the Life business within the Group is under the worldwide responsibility of SCOR's Life division. Clients are worldwide insurance companies. They are served by SCOR's specialized underwriters and actuaries who are familiar with the specific features of the markets in which they operate, particularly with local lines of business and policy conditions, as well as the technical specifics such as mortality tables, morbidity incidence rates and persistency rates. In the Life underwriting process, consideration is typically given to the quality of the client's medical and financial underwriting standards, the target clientele of the ceding company, as well as past experience to the extent credible data is available.
- The Life business is underwritten following internal underwriting and pricing guidelines. Mandates for underwriting Life reinsurance business are assigned to teams on a mutually exclusive basis.
- In order to ensure that the Life division is continually up-to-date with biometric trends and scientific developments, the expertise of seven dedicated Research & Development centers is used to analyze and assess the key factors underlying mortality, longevity, morbidity and policyholder behavior. These Research & Development Centers provide recommendations for the implementation of the research results into the pricing, underwriting and determination of exposure limits.
- Guidelines and other documents defined by the Life division specify the underwriting rules and principles to be complied with, underwriting capacities delegated to the underwriters and pricing actuaries in each of the markets in which the Group operates, as well as maximum acceptable commitments per risk and per event. These guidelines outline contract types and terms and conditions of acceptance. Furthermore, they set out the level of retention of the Life division for various risks and types of cover (for more information, see Section 3.3.5 – Retrocession and other risk mitigation techniques). Revisions and updates follow a formalized approval process.

  Business opportunities going beyond the stipulations of these guidelines and documents are subject to a special referral process in order to ensure that the business complies with established risk-adjusted return criteria and risk tolerance limits. These cases are examined at the Life division level by the Regional and Global Pricing and Risk Management Departments and, where applicable, the Finance Department. Cases which may have a significant impact on the balance sheet of the Group are additionally reviewed by the Group Risk Management. Thresholds or conditions for a referral to Group Risk Management are outlined in specific guidelines.
- Accumulations of risk particularly exposed to catastrophes in the Life business are regularly assessed in "footprint" scenarios and local catastrophe scenarios. Specific tools are used to monitor known group cover accumulation in selected geographical areas. Specifically, designed retrocession programs aim at protecting the Life reinsurance business. One program protects assumed catastrophe excess of loss acceptances; another one protects the net retained lines in respect of proportional and per risk acceptances. SCOR uses the RMS model for infectious diseases in order to assess the potential exposure to risk arising from global pandemics.
- Maximum underwriting capacities are established to limit the Life division's exposure from various types of treaties underwritten, proportional and non-proportional, covering individual or Group policies. These capacities are reviewed each year, taking into account the capacities obtained by retrocession coverage. The exposure is monitored throughout the year against SCOR's defined risk limits and used for decisions on mitigating measures. Monitoring of peak exposures is included in Life regular risk reporting. See Section 3.3.5 – Retrocession and other risk mitigation techniques for further information on how these instruments are managed.
- Claims handling is performed by local claims teams that handle and monitor claims. Claims exceeding a predefined threshold are reviewed by the Life division's global medical underwriting and claims research center (CREDISS). In addition, where deemed appropriate, audits are conducted on claims or specific lines of business at the ceding companies' offices.
- The adequacy of SGL reserves is monitored based on specific procedures. For further information on how risks related to reserves are managed, see Section 3.3.4.2 – Management of reserving risks.
- Risks specific to the management of contracts are mitigated by specific controls supported by SCOR's IT systems which include numerous automatic controls and additional tools.
- A quarterly review of technical results is performed by region and by business area.
- The Life division's Risk Management Department organizes quarterly meetings of the Life Risk Committee which is responsible for reviewing the main risks to which the division is exposed.
- In addition, cross reviews are commissioned by the Life division's Chief Executive Officer to evaluate, on the one hand, the quality of underwriting, pricing, medical underwriting and claims handling of particular market areas or lines of business and, on the other hand, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk-management actions.

3.3.3. INTERDEPENDENCE AND ACCUMULATION RISKS BETWEEN SCOR'S AREAS OF BUSINESS

3.3.3.1. OVERVIEW OF THE MAIN INTERDEPENDENCE AND ACCUMULATION RISKS BETWEEN SCOR'S AREAS OF BUSINESS

P&C and Life reinsurance activities take place in two different market environments. The two business divisions are subject to a range of external constraints and benefit from a high diversification effect. The overall balance between the two business areas within the Group therefore provides stability. However, in some cases, changes in the P&C and Life activities are linked to each other as well as to those of the financial markets. This exposes SCOR to possible accumulation of risks between its lines of business and/or asset classes.

Unforeseen events, such as natural catastrophes or man-made catastrophes, can make SCOR's claims experience vary significantly from one year to the next, which can have a significant impact on its profitability and financial position. These types of risk primarily affect Non-Life business areas. However, in cases where SCOR faces a large number of casualties, the possibility of the losses also affecting its Life lines of business cannot be excluded. Similarly, unforeseen events such as terrorist attacks may materially impact the P&C business area, but also the Life business area, in the case of attacks resulting in many fatalities. Although in past events the Life claims incurred have been comparatively small in relation to the Non-Life claims incurred, a terrorist act might claim a large number of insured lives.

In the event of a very large natural catastrophe or terrorist attack, the losses generated in the P&C and Life Divisions could potentially accumulate, with losses on financial assets related to the potential reaction of markets (i.e. movements in interest rates, exchange rates, spreads and/or equity market prices). In the same way, a major pandemic event may cause financial market turmoil and/or business interruptions.

In addition, depending on the frequency and nature of losses, the speed with which claims are made and the terms of the policies affected, it may be required to make large claim payments within a short period. SCOR may be forced to fund those obligations by liquidating investments in distressed market conditions, or by raising funds under unfavorable conditions. For further information on such risks, see Section 3.6 – Liquidity risks.

SCOR's ability to grow or maintain its portfolios in the P&C and Life reinsurance divisions may also be subject to external factors which may be interconnected, such as economic and political risks. For instance, slowdowns in economic growth or recessions in the major markets may lead households and companies to take out less insurance, to suspend certain premium payments, or to terminate the insurance policies underlying the existing P&C and Life treaties earlier than anticipated. Similarly, the risk of social and political instability is particularly significant in emerging markets, in which both divisions operate. These risks could lead to significantly reduced business growth in these target markets. See Section 3.2 – Strategic risks for further details.

SCOR is also exposed to insurance risks in its investment portfolio either through publicly traded securities (e.g. CAT bonds), or Over-The-Counter (OTC) contracts (e.g. collateralized reinsurance). Such investments could be impacted by the occurrence of underwriting risks as described in the above paragraphs (e.g. natural catastrophe, mortality etc.) that could significantly result in changes in value, or even the full loss of the amount invested. In the case of publicly traded securities, these risks could also have a significant impact on the liquidity of these instruments.

3.3.3.2. MANAGEMENT OF INTERDEPENDENCE AND ACCUMULATION RISKS BETWEEN SCOR'S AREAS OF BUSINESS

The Group aims at diversifying its business and monitors its main accumulation risks and areas of dependencies across its business through regular risk monitoring and reporting mechanisms, including via its internal model.

SCOR manages its exposure to catastrophes through selective underwriting practices, especially by limiting its exposure to certain events in certain geographic areas, by monitoring risk accumulation on a geographic basis and by retroceding a portion of those risks to other selectively chosen reinsurers.

3.3.4. RISKS RELATED TO RESERVES

3.3.4.1. SCOR'S RISKS RELATED TO RESERVES

The SCOR Group is required to maintain reserves to cover its estimated ultimate liability for losses and loss adjustment expenses with respect to reported and unreported claims, incurred as at the end of each accounting period, net of estimated related recoveries. Its reserves are established based on the information it receives from its cedent insurance companies, including their own reserving levels, as well as on the basis of its knowledge of the risks, the studies it conducts and the trends it observes on a regular basis. As part of the reserving process, SCOR reviews available historical data and tries to anticipate the impact of various factors, such as changes in laws and regulations, judicial decisions, social and political attitudes and trends in mortality and morbidity, and changes in general economic conditions.

If some information were incorrect and/or incomplete, this could have an adverse effect on the Group. Despite the audits it carries out on the companies with which it does business the Group is still dependent on their reserves assessment.

As is the case for all other reinsurers, the inherent uncertainties in estimating reserves are compounded by the significant periods of time that often elapse between the occurrence of an insured loss, the reporting of the loss to the primary insurer and ultimately to SCOR.

Another factor of uncertainty resides in the fact that some of SCOR's activities are long-tail in nature, such as long-term care, whole Life products, longevity, worker's compensation, general liability or medical malpractice, etc. It has, in the past, been necessary for SCOR to revise estimated potential loss exposure on such lines of business.

See Section 3.3.1.1 – P&C long-tail reserve deterioration for further details.

3.3.4.2. MANAGEMENT OF RESERVING RISKS

The adequacy of P&C and Life reserves is checked on a quarterly basis by internal actuaries at division level as well as at the Group level by the Group Chief Actuary who signs off on the adequacy of reserves and reports to the Executive Committee and the Audit Committee.

External consulting firms are mandated to review certain aspects of the reserves calculation and thereby support the internal analysis and validation.

The Chief Reserving Actuaries of the divisions are responsible for overseeing the reserves of their respective divisions, to assure appropriateness in the reserving methods and parameters used and to enhance reserving governance. The Group Chief Actuary is in charge of the independent validation and testing of reserving tools, workflows, assumptions and processes.

A centrally defined and tightly controlled reserving process, strong portfolio diversification, prudent reserving, sound reserving tools and, actuarial methods used by highly skilled professionals and a high level of transparency, both internally and externally, all tend to minimize the risk of inadequate reserves.

P&C business

Within SCOR's P&C division, in order to ensure an adequate and efficient monitoring of the reserves, a report is established on a yearly basis by the Group Actuarial Department, where the Group Chief Actuary, reporting to the Group Chief Risk Officer, gives his opinion on the year-end booked reserves' adequacy. The main objective of this report is to provide SCOR's Executive Committee and Audit Committee with an overall opinion on the adequacy of the P&C division's reserves but also to highlight the inherent uncertainties surrounding this assessment. The monitoring of the reserves by the division's and Group's Actuarial Department is centered on three mechanisms:

- a quarterly follow-up of the claims activity and review of reserves for each segment through adequate reporting procedures;
- an annual internal actuarial analysis, including a review of all segments together with a full analysis of the segments that may have a substantial impact on SCOR's balance sheet. This analysis is performed by the P&C division's reserving actuaries and reviewed by the Group Actuarial Department which performs as well its own full analysis. These analyses are recorded in an annual actuarial report;
- regular external reviews of the P&C division's reserves adequacy are performed including those required by local regulators (Canada, South Africa, Argentina, India, China and SCOR's Lloyd's syndicate).

SCOR regularly reviews its methods for determining outstanding claims reserves and IBNR reserves. However, it is difficult to accurately value the amount of reserves required, especially in view of changes in the legal environment, which could have an impact on reserves development.

When a claim is reported to the ceding company, its claims department establishes a reserve corresponding to the estimated amount of the ultimate settlement for the claim. The estimate is based on the cedent's own evaluation methods. The ceding company reports the claim and its suggested reserve amount to the Group entity with which it concluded its reinsurance contract. The Group records the ceding company's suggested reserve and is free to establish greater or smaller reserves based on the review and analysis by P&C's claims team. Greater or smaller potential reserves are based upon the consideration of many factors, including the level of the commitments, seriousness of the claims and the P&C division's assessment of the ceding company's claims' management.

In compliance with applicable regulatory requirements and in accordance with industry practices, the Group maintains IBNR reserves in addition to outstanding claims reserves. These reserves represent:

- the estimated final amount that may be paid by the Group on losses or events that have occurred, but are not yet reported to the ceding company or to the SCOR entity concerned; and
- the estimated cost variation on claims already reported to the Group.

In determining the amount of its reserves, the Group generally uses actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. The reserves are also adjusted to reflect reinsurance treaty terms and conditions, and any changes in claims processing that may potentially affect the Group's commitment over time.

A table showing historical changes in reserves for P&C claims is provided in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

The Group continues to pursue the active commutations policy of its portfolios initiated in 2003, the main goals being to reduce the volatility of claims reserves and administrative costs, particularly of the oldest reserves, and to allow the reallocation of capital. This policy will be continued by focusing efforts on the US run-off activities and on some treaties written by the former Converium company acquired by SCOR in 2007.

Life business

Within SCOR's Life division, in order to ensure an adequate and efficient monitoring of the reserves, a report is established on a yearly basis by the Group Actuarial Department where the Group Chief Actuary gives his opinion on the year-end booked reserves' adequacy. The main objective of this report is to provide SCOR's Executive Committee and Audit Committee with an overall opinion on the adequacy of the Life division's reserves but also to highlight the inherent uncertainties surrounding this assessment.

The monitoring of the reserves by the division's and Group's Actuarial Department is centered on three mechanisms:

- a quarterly follow-up of the claims activity and review of reserves for each segment through adequate reporting procedures;
- an annual internal actuarial analysis, including a review of all segments together with a full analysis of the segments that may have a substantial impact on SCOR's balance sheet.

  This analysis is performed by the Life division's reserving actuaries and reviewed by the Group Actuarial Department which also performs its own full analysis. These analyses are recorded in an annual actuarial report;
- regular external reviews of the Life division's reserves adequacy are performed including those required by local regulators.

The Group Actuarial Department does not intend to provide an alternative best estimate but verifies the adequacy of the assumptions and methods and processes used by the teams of the Life division to determine the reserves. In some cases, the Group Actuarial Department applies a global approach and calculates a confidence range in order to check that the reserves booked are within said confidence range.

For its Life business, SCOR is required to maintain adequate reserves to reflect the liability for future claims and benefit payments resulting from Life reinsurance treaties, mainly mathematical reserves and claim reserves.

The mathematical reserves are generally calculated as the present value of projected future payments to cedents less the present value of projected premiums still payable by cedents. The calculation includes assumptions relating to mortality, morbidity, disability, lapses and expected future interest rates.

The mathematical reserves are established on initial recognition of a contract on the basis of best estimate assumptions and allow for an adequate safety margin for the risks of change, error and random fluctuation. They are subject to a liability adequacy test.

In determining its best estimates, the Group takes into consideration its past experience, current internal data, external market indices and benchmarks and other relevant information. The contracts' liabilities established by the Group with respect to individual risks or classes of business may be greater or less than those established by ceding companies due to the use of different mortality tables or other assumptions.

Claim reserves for losses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and IBNR. SCOR regularly reviews and updates its methods for determining outstanding claims reserves and IBNR Reserves.

A table showing changes in the mathematical reserves in Life reinsurance is provided in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

3.3.5. RETROCESSION AND OTHER RISK MITIGATION TECHNIQUES

Reinsurers typically purchase reinsurance to cover their own risk exposures. Reinsurance of a reinsurer's business is called retrocession. SCOR remains primarily liable to the direct insurer on all risks reinsured although the retrocessionaire is liable to the Group to the extent of the cover limits purchased.

The level of retrocession is selected each year to ensure that SCOR's retained risk profile respects the specific Group risk appetite framework and to help the Group achieve its return on capital and solvency objectives.

SCOR aims to diversify its retrocession and risk mitigation instruments as well as counterparties in order to take advantage of all different sources of capacities on the market. This enables the retrocession and risk mitigation program to be constructed with complementary mitigation effects offering optimal efficiency and also to avoid overdependence on a limited number of counterparties.

Beyond traditional retrocession, purchased for all main lines of business, SCOR has implemented a Capital Shield Strategy, which combines the following solutions:

- traditional retrocession (proportional or non-proportional);
- capital markets solutions and alternative risk transfer solutions (collateralized retrocession, Insurance-Linked Securities including catastrophe bonds);
- solvency buffer; SCOR has set out a solvency scale with clear and well-defined buffers safeguarding the Group's franchise;
- contingent capital facilities, designed as tools of last resort, to partially replenish the Group's capital base in case of very remote pre-defined events. The current contingent capital guaranteed equity line is providing the Group with EUR 300 million coverage. It is innovative in that it protects the Group against both natural catastrophes and extreme mortality events.

For information on the Atlas Special Purpose Vehicles, used as capital markets solutions and alternative risk transfer solutions in the capital shield policy, see Section 4.6 – Notes to the consolidated financial statements, Note 2 – Scope of consolidation. For information on the contingent capital used in the capital shield policy, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves.

Retrocession procedures are centralized within the retrocession teams of the P&C and Life divisions:

- within the P&C division, the Underwriting Management and Retrocession Department establishes and implements the external retrocession plan for P&C business. This department is responsible for proper application of the plan, for monitoring the solvency of the retrocessionaires, the related counterparty risks and, when necessary, recovery of balances due;
- within the Life division, scenarios are established within the Actuarial & Risk department in order to define the need for retrocession coverage. The retention and the retrocession structure are revised every year.

The availability and efficiency of SCOR's retrocession and risk mitigation program is monitored at Group level on a regular basis in order to ensure that the Group's overall exposure remains within pre-defined risk tolerances.

For further information on how counterparty default risk related to retrocessionaires is managed, see Section 3.5 – Credit risks.

An analysis of the share of retrocessionaires in contract liabilities by rating of the retrocessionaires and collateral from retrocessionaires in favor of SCOR at December 31, 2018 and 2017 is presented in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities and Note 19 – Net retrocession result.

3.4. MARKET RISKS

3.4.1. OVERVIEW OF MARKET RISKS

Market risk is the risk that the fair value or future cash flows of a financial instrument fluctuates because of changes in market prices or macro-economic variables. This includes interest rate risk and currency risk, further described below, as well as equity risk and real estate risk, to which SCOR is exposed through its investments. Market risk also includes credit spread risk on these invested assets. For further information on credit risk (counterparty default), see Section 3.5 – Credit risks.

3.4.1.1. INTEREST RATE RISKS

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in interest rates. Interest rate fluctuations have direct consequences on both the market value and the return on SCOR's investments as the level of unrealized capital gains or losses and the return on securities held in its portfolio both depend on the level of interest rates. Floating-rate instruments expose the Group to cash flow interest rate risk, whereas fixed interest rate instruments expose the Group to fair value interest rate risk.

Interest rates are very sensitive to a number of external factors, including monetary and budgetary policies, the national and international economic and political environment, and the risk aversion of economic actors.

During periods of declining interest rates, income from investments is likely to fall due to investment of net cash flows and reinvestments of redemptions at rates lower than those of the existing portfolio (dilutive effect of new investments). During such periods, there is therefore a risk that SCOR's return on equity objectives are not met. For callable bonds for which the issuer has an option to redeem earlier than the ultimate maturity, the probability of having to reinvest the early proceeds at lower interest rates is increased.

On the other hand, an increase in interest rates could lead to a fall in the market value of fixed income securities that SCOR holds. In the case of a need for cash, SCOR may be obliged to sell fixed income securities, possibly resulting in capital losses.

SCOR's reinsurance business may also be exposed to interest rate risk. The Group has certain Life insurance contracts which are sensitive to fluctuations in interest rates. However, for most discounted Life liabilities there is no accounting impact from a 100 basis point change in the interest rate because valuation interest rates are typically locked-in.

Finally, the interest rate risk depends on the duration mismatch between assets and liabilities. As such, changes in interest rates can affect the shareholders' equity and the solvency ratio of the Group.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to interest rate risk, see Section 3.4.3 – Sensitivity analysis to market risks.

3.4.1.2. CURRENCY RISKS

Currency risk is the risk of loss arising due to adverse changes in or volatility of foreign exchange rates. This would impact the value of SCOR's assets (e.g. through direct investments in assets denominated in various currencies) and liabilities (e.g. reinsurance treaties with liabilities denominated in specific currencies).

The following types of currency risk have been identified by SCOR:

Transaction risk

Fluctuations in exchange rates can have consequences on SCOR's reported net income because of the conversion results of transactions expressed in foreign currencies, the settlement of balances denominated in foreign currencies and the lack of perfect matching between monetary assets and liabilities in foreign currencies. In this case, and to reduce the impact of imperfect matching, SCOR uses derivative financial instruments in order to hedge against currency fluctuations on sensitive currencies, particularly in times of greater volatility on the capital markets. Nevertheless, a perfect matching of monetary assets and liabilities can never be achieved and a potential profit or loss impact due to fluctuations in exchanges rates can arise.

Translation risk

SCOR publishes its consolidated financial statements in Euros, but a significant part of its income and expenses, as well as of its assets and liabilities, are denominated in currencies other than the Euro. Consequently, fluctuations in the exchange rates used to convert these currencies into Euros may have a significant impact on its reported net income and net equity from year to year.

SCOR's main non-French legal entities are located in Ireland, Switzerland, North America, the UK and Asia. The shareholders' equity of these entities is denominated mainly in Euros, US dollars, British pounds and Canadian dollars.

As a result, changes in the exchange rates used to convert foreign currencies into Euros, particularly the fluctuation of the US dollar against the Euro, have had and may have in the future, an adverse effect on the Group's consolidated shareholders' equity. SCOR does not fully hedge its exposure to this risk. The impact of the fluctuation in the exchange rates used to translate foreign currencies into Euros on its consolidated shareholders' equity is described in Section 4.5 – Consolidated statements of changes in shareholders' equity.

SCOR has issued debt instruments in currencies other than the Euro, currently Swiss Francs, and to the extent that these are not used as a hedge against foreign currency investments, it may be similarly exposed to fluctuations in exchange rates. Most debts are fully hedged. For more information on the forward sales and purchases and swaps of currencies used to hedge these risks see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments. For more information on debts issued in different currencies, see Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

Some events, such as catastrophes, can have an impact on the matching of assets and liabilities in a currency, which can generate a temporary unmatched position which is not covered by currency contracts or hedges.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to currency risk, see Section 3.4.3 – Sensitivity analysis to market risks.

3.4.1.3. CREDIT SPREAD RISKS

Credit spread risk on invested assets is the risk of incurring a financial loss arising from the change in the market assessment of the counterparty risk of financial instruments or counterparties. Credit spread variations could have a direct impact on the market value of the fixed-income securities and loans, and as a consequence, on the unrealized capital gains or losses of the fixed-income securities held in the portfolio.

3.4.1.4. EQUITY RISKS

Equity prices are likely to be affected by risks which affect the market as a whole (uncertainty on economic conditions in general, such as anticipated changes in growth, inflation, interest rate fluctuations, sovereign risk, etc.) and/or by risks which influence a single asset or a small number of assets (specific or idiosyncratic risk). This may lead to a decrease in prices of the equity held by SCOR and may impact its unrealized gains and losses. A material or long-lasting decline in the prices of SCOR's equity holdings may also result in the impairment of its equity portfolio which would affect its net income.

The Group's exposure to the equity market results from direct purchases of stocks or investments in equity funds and in convex equity strategies such as convertible bonds.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to currency risk, see Section 3.4.3 – Sensitivity analysis to market risks.

3.4.1.5. REAL ESTATE RISKS

Real estate risks, either for properties owned directly or through funds, are risks arising from a variation in the real estate market valuation or a change in rental market conditions, the two being closely linked.

Rental income from the property portfolio is exposed to the variation in the indices on which the rents are indexed (for instance, the Construction Cost Index in France) as well as risks related to the rental market (changes in supply and demand, changes in vacancy rates, impact on market rental values or rent renewals) and lessee default. On the other hand, the indexation may provide an attractive hedge against inflation.

The value of property assets is exposed to the risk of regulatory obsolescence of properties (regulatory developments related to the accessibility of buildings for people with a disability, on the reduction of energy consumption and the production of carbon dioxide, etc.) which would lead to losses of value in the event of a sale of the assets or to additional expenditure to restore the value of the property.

3.4.2. MANAGEMENT OF MARKET RISKS

The Group's investment strategy is prudent, with the majority of assets held in cash and fixed income securities. It is defined in line with the Group's risk appetite and its risk tolerance limits and considers the economic and market environment, and the ALM process.

Investment Guidelines at Group and local levels outline the investment universe and limits, including concentration limits, in line with the objectives of the strategic plan. They are approved by the Group Board/local Board or Executive management.

SCOR has outsourced the implementation of its investment strategy to its asset management company "SCOR Investment Partners SE" and to external asset managers. They are provided with the Investment Guidelines.

Exposures to major risks are monitored on a weekly basis and stress tests measure the impact of parametric or footprint scenarios on the invested assets portfolio. These scenarios cover changes in interest rates, inflation, equities, credit spreads and real estate market. Portfolio sensitivity analysis to major risks is an important management tool which is used when making portfolio reallocation or hedging decisions.

In currency and geographic terms, SCOR is mainly exposed to the US and especially to US government or government assimilated bonds.

3.4.2.1. MANAGEMENT OF INTEREST RATE RISKS

The Group's aim is to maintain an appropriate mix of fixed and variable rate instruments. It also manages the maturities of interest bearing financial assets.

Interest rate risk is managed within the Group primarily at two levels. At the level of each entity, the Group takes account of regulatory and accounting constraints. At the Group level, SCOR reviews its consolidated investment portfolios in order to identify the overall level of risk and return. It uses analytical tools which guide both its strategic allocation and local distribution of assets. Sensitivity to changes in interest rates is analyzed on a weekly basis.

In addition, SCOR has entered into interest rates swaps to cover its exposure to financial liabilities with variable interest rates. For further details on these swaps, see Section 4.6 – Notes to the consolidated financial statements, Note 7.9 – Derivative instruments.

For further information on the sensitivity of the Group's consolidated income and consolidated equity to interest rate risk, see Section 3.4.3 – Sensitivity analysis to market risks.

3.4.2.2. MANAGEMENT OF CURRENCY RISKS

SCOR has a balance sheet hedging approach whereby there is an objective to match monetary assets and liabilities in each foreign currency so that the fluctuation in the exchange rate has no material impact on the reported net income. The policy is to closely monitor the net monetary currency positions and, where appropriate, execute either cash arbitrages or forward hedges.

The Group has one net investment hedge in place to reduce its exposure to variations in the net assets of a USD functional currency subsidiary.

3.4.2.3. MANAGEMENT OF CREDIT SPREAD RISKS

SCOR applies strict limits in terms of asset concentration by asset class but also within a single asset class and actively diversifies its portfolio (by type of investment, by issuer, by country and by sector). The application of these limits also helps to mitigate the counterparty default risk arising from investments, as described in the Section 3.5.2 – Management of credit risks.

For information on the ratings of the debt securities owned by SCOR, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

3.4.2.4. MANAGEMENT OF EQUITY RISKS

With regards to equity investments, the Group's objective is to develop and manage a high-quality diversified portfolio.

The Group's equity selection is predominantly based on a bottom-up fundamental analysis with the goal to develop a diversified portfolio of stocks and convertible bonds directly or through mutual funds. Due to the inherent volatility of equities, this asset class (direct positions and mutual funds) is monitored on a daily basis, facilitating quick arbitrage or portfolio re-allocation decisions. On a Group level, the equity exposure is set and reviewed at least quarterly by the Group Investment Committee. Equity risk is also monitored by establishing maximum exposures per stock or mutual fund and is reviewed regularly (e.g. exposure to large-cap stocks will generally be greater than exposure to mid-cap stocks). The holding's ratios on mutual funds are also reviewed regularly, based on the mutual fund's portfolio.

3.4.2.5. MANAGEMENT OF REAL ESTATE RISKS

SCOR has adopted an active strategy to select core buildings and takes environmental quality into account during the decision making process.

3.4.3. SENSITIVITY TO MARKET RISKS

The following table summarizes the accounting sensitivity of the Group's consolidated income and consolidated equity to market risks based on reasonably possible movements in key variables with all other variables held constant. The assumptions included are:

Interest rate risks

The interest rate sensitivities for shareholders' equity presented in the table below include movements on the bond portfolio, cash and cash equivalents, structured notes, the impact of changes in interest rates on variable rate financial liabilities and the Guaranteed Minimum Death Benefit business.

The interest rate sensitivities of income presented in the table below show the impact of changes in fair value of financial assets at fair value through income held at closing date, and changes in income on variable rate financial assets held at the closing date, following an increase/decrease in interest rates of 100 basis points. An estimate of the impact on the future income following a change of 100 basis points is therefore included. However, SCOR does not include in this analysis the potential impact of change in interest rates on the reinvestment of future cash flows, as future cash flows of SCOR business are difficult to predict and asset allocations might change over time.

Equity price risks

SCOR conducted an analysis of the sensitivity of net income and shareholders' equity to the price of equity securities. The analysis considers the impact on both equities at fair value through the income statement and on equities classified as available for sale. For equities classified as available for sale, the impact on impairment is computed by applying the accounting policy and application guidance set out in Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments, to theoretical future market value changes. SCOR estimates that, excluding any impairment arising from duration, a further uniform decline of 10% from December 31, 2018 market values would generate no further impairment of equity securities (2017: EUR 0 million; 2016: EUR 0 million). It should be noted that, the potential further impairment should not be scaled up or down as the impairment rules are not a linear function of market value. For example, a scenario with a market value decline of 20% would not double the potential further equity impairment.

Both Life and P&C businesses have minimal sensitivity to equity price movements.

The market sensitivities of the Group are estimated as follows:

In EUR millions	December 31, 2018		December 31, 2017		December 31, 2016	
	Income(2)(3)	Equity(2)(3)	Income(2)(3)	Equity(2)(3)	Income(2)(3)	Equity(2)(3)
Interest +100 basis point	19	(522)	16	(508)	20	(468)
% of Equity	0.3%	(9.0)%	0.3%	(8.2)%	0.3%	(7.0)%
Interest – 100 basis points	(20)	501	(17)	478	(20)	402
% of Equity	(0.3)%	8.6%	(0.3)%	7.7%	(0.3)%	6.0%
Equity markets +10%(1)	5	21	9	42	6	34
% of Equity	0.1%	0.4%	0.1%	0.7%	0.1%	0.5%
Equity markets -10%(1)	(4)	(18)	(8)	(37)	(6)	(34)
% of Equity	(0.1)%	(0.3)%	(0.1)%	(0.6)%	(0.1)%	(0.5)%

(1) Excludes investments in hedge funds which normally do not have a uniform correlation to equity markets and securities where SCOR has a strategic investment including where the Group has a substantial shareholding but does not meet the "significant influence" criteria in IAS 28.
(2) The reduction in equity represents the estimated net asset impact including the additional impairment recognized in the income statement.
(3) Net of tax at an estimated average rate of 21% in 2018 (23% in 2017 and 27% in 2016).

Currency risks

The Group recognized a net foreign exchange loss of EUR 13 million for the year ended December 31, 2018 (2017: loss of EUR 27 million and 2016: gain of EUR 11 million).

For currency translation risk, the following sensitivity analysis[1] considers the impact on equity of a 10% movement in the exchange rates of the Group's two largest translation risk currency exposures, USD and GBP relative to the EUR.

		Equity impact		
In EUR millions	Currency movement	2018	2017	2016
USD/EUR	10%	357	326	365
% of equity		6.2%	5.3%	5.5%
USD/EUR	(10)%	(357)	(326)	(365)
% of equity		(6.2)%	(5.3)%	(5.5)%
GBP/EUR	10%	25	26	30
% of equity		0.4%	0.4%	0.4%
GBP/EUR	(10)%	(25)	(26)	(30)
% of equity		(0.4)%	(0.4)%	(0.4)%

(1) This analysis excludes the impact of hedging activity.

3.5. CREDIT RISKS

3.5.1. OVERVIEW OF CREDIT RISKS

Credit risk is the risk of incurring a loss as a result of an unexpected change in the financial situation of a counterparty.

This includes Credit default risk which is the risk that one party to a financial instrument or other asset will cause a financial loss to the other party by unexpectedly failing to discharge, either partially or fully, an obligation. Credit risk also includes Credit migration risk, which is the risk of incurring a financial loss due to a change in the value of a contractual agreement following unexpected changes in the credit quality of our counterparties.

SCOR is mainly exposed to the following credit risks or the accumulation of such risks in a single counterparty, in the same sector of activity or the same country: from bond and loan portfolios, liabilities retroceded also called share of retrocessionaires in contract liabilities, deposits with cedents, future cash-flows from Life reinsurance treaties, cash deposits at banks and default of members of pools which SCOR is a member of. SCOR may also be exposed to credit risk through its Credit and Surety reinsurance portfolio.

Credit risk is actively monitored and managed. The processes for managing the respective credit risks and the methods used to measure these risks are further described below.

3.5.1.1. CREDIT RISKS RELATED TO CASH AND INVESTED ASSETS

Credit risk related to bond and loan portfolios

A deterioration in the financial situation of an issuer (sovereign, public or private) or borrower can, for example, lead to its insolvency and to the partial or total loss of coupons and of the principal invested or lead to a loss in value.

This risk applies also to loan transactions in which the Group invests. The borrower' solvency deterioration may lead to a partial or total loss of the coupons and the nominal invested by SCOR.

For information on the debt securities portfolio, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investment.

Credit risk related to cash deposits at banks

SCOR is exposed to the risk of losing all or part of any cash deposited with banks in the event that such a bank is no longer able, due to insolvency, to honor its commitments (e.g. following liquidation). The current main risk for the Group is the significant concentration of deposits in a small number of banks. This risk is a direct result of the selection of the most stable banks.

3.5.1.2. CREDIT RISKS RELATED TO REINSURANCE CONTRACTS

Credit risk related to future cash flows of Life reinsurance treaties

Under most of its Life reinsurance contracts, SCOR expects to receive premiums from its cedents over several years. These often exceed expected future payments for claims, commissions, etc., meaning that SCOR expects to receive positive future cash flows.

Credit risk on future cash flows from Life reinsurance policies arises from two risk factors:

- the payment of future cash flows expected under Life reinsurance contracts requires that the cedent is financially sound. Therefore, SCOR risks a reduction in the value of its portfolio of Life contracts in the event of a deterioration in the financial strength of the cedent. This may lead to the impairment of SCOR's intangible assets, i.e. the value of business acquired (VOBA) and deferred acquisition costs (DAC);
- a reduction in the value of future cash flows could arise from material unexpected lapsation of policies following a deterioration of the cedent's credit rating or standing or an event which has a negative effect on the cedent's reputation.

Credit risk related to retroceded liabilities

SCOR transfers part of its risks to retrocessionaires via retrocession programs in exchange for the payment of premiums. The retrocessionaires then assume the losses related to claims covered by the retrocession contracts. If a retrocessionaire defaulted, or its financial situation deteriorated, SCOR could lose part or all of the coverage provided by its retrocessionaire whereas it would retain its liability towards the cedent for the payment of all claims covered under the reinsurance contract.

SCOR could also lose receivables from the defaulting retrocessionaire (receivables are due to a timing difference between statement accounts received and real payment due for positive balances of retrocessionaire accounts).

The retrocessionaires' share in the reserves broken down by retrocessionaires' credit rating is included in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

Credit risk related to deposits with cedents

SCOR may be exposed to credit risk in relation to amounts deposited with ceding companies in respect of reinsurance reserves which cover its liabilities.

However, depositing these amounts does not a priori discharge the Group of its liability towards the cedent in cases where it is not able to recover all or part of these amounts in the event of a cedent default or a deterioration in the financial situation of that cedent. Hence, it is at least in principle, possible that the Group may remain liable for paying claims due under the reinsurance treaty without being able to offset all or part of the corresponding deposits.

3.5.1.3. OTHER CREDIT RISKS

For special, highly-technical risk categories such as terrorism, nuclear, aviation or pollution, SCOR chooses to participate in various market dedicated groups of insurers and reinsurers ("pools") aimed at pooling the relevant risks among the members of each group pools which offer best available expertise and risk sharing at market level. In the event of a total or partial default by one of the members of a group, it could be required to assume, in the event of joint liability of the members, all or part of the liabilities of the defaulting member.

3.5.2. MANAGEMENT OF CREDIT RISKS

3.5.2.1. MANAGEMENT OF CREDIT RISKS RELATED TO CASH AND INVESTED ASSETS

Management of credit risk related to bond and loan portfolios

SCOR mitigates the credit risk related to bond and loan portfolios by careful analysis and selection of issuers, and by a policy of geographic sector diversification. SCOR maintains its investment policy in high-quality assets and in countries with the lowest sovereign risk.

Exposure analyses are performed on a regular basis (sector, geographical area, counterparty and rating) and enables critical risks to be identified and evaluated in order to take appropriate actions.

For details on the debt securities portfolio, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Management of credit risk related to cash deposits at banks

SCOR selects bank counterparties according to their rating and credit quality. Concentration risk from cash deposits at banks is mitigated by setting counterparty exposure limits. SCOR takes into consideration the public assistance (e.g., loans, guarantees of deposits, nationalizations) which certain banks may benefit from during a financial crisis, as they are important in the economy of their respective country.

For further information on how risks related to invested assets are managed, see Section 3.4.2 – Management of market risks.

3.5.2.2. MANAGEMENT OF CREDIT RISKS RELATED TO REINSURANCE CONTRACTS

Management of credit risk related to future cash flows of Life reinsurance treaties

SCOR monitors the development of its cedents financial situation through regular contact, which enables SCOR to take appropriate action when deemed necessary. In addition, credit risk on future cash flows from Life reinsurance policies is mitigated by industry-wide protection solutions in several countries, such as "Protektor" in Germany.

For more details on the impact of the valuation of intangible assets, see Section 3.2.5 – The valuation of SCOR's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities, and Section 4.6 – Notes to the consolidated financial statements, Note 6 – Value of business acquired.

Management of credit risk related to retroceded liabilities

SCOR selects retrocessionaires carefully, taking into account their financial strength, and regularly monitors the Group's exposure to retrocessionaires taking into account all relevant accounting balances (estimated and actual claims, premiums, reserves, deposits and pledges). SCOR typically requires that unrated retrocessionaires pledge assets or provide other forms of collateral (cash deposits or letters of credit) to the value of their maximum potential contract liability, even though the actual retrocessionaire liability to SCOR in the balance sheet is lower.

The retrocessionaires' share in the reserves broken down by retrocessionaires' credit rating is included in Section 4.6, Note 15 – Net contract liabilities.

Management of credit risk related to deposits with cedents

SCOR favors deposit arrangements with the ability to offset liabilities against deposits with high legal certainty.

Deposits with cedents are monitored through a quarterly analysis of exposure and associated risks. Actions aiming at reducing or limiting the exposure (e.g. ad-hoc legal opinions, introduction of offset clauses) can be implemented where needed.

3.5.2.3. MANAGEMENT OF OTHER CREDIT RISKS

In the event of joint liability of the members in pools to which SCOR participates, the risk of default of other pool members is carefully monitored by SCOR:

- through its appointment as director and via the participation of its senior management in dedicated committees such as Audit and Risk Committees and Technical Committees, for the pools in which SCOR's participation is the most significant; and
- via the careful consideration of the financial situation of other pool members. This contributes to the application of sound and robust governance.

3.5.2.4. AGING OF ASSETS

The following table provides an overall analysis of the aging of financial assets and receivables as at December 31, 2018:

In EUR millions	Current	1-12 months	12-24 months	24-36 months	> 36 months	Total
Available-for-sale financial assets	17,611	-	-	-	-	17,611
Financial assets at fair value through income	1,245	-	-	-	-	1,245
Derivative instruments	67	-	-	-	-	67
Loans and receivables	8,978	-	-	-	-	8,978
Insurance receivables	5,833	651	91	12	32	6,619
Tax receivables	188	-	-	-	-	188
Miscellaneous assets – others	216	2	-	-	-	218
Cash and cash equivalents	1,175	-	-	-	-	1,175
TOTAL	**35,313**	**653**	**91**	**12**	**32**	**36,101**

The following table provides an overall analysis of the aging of financial assets and receivables as at December 31, 2017:

In EUR millions	Current	1-12 months	12-24 months	24-36 months	> 36 months	Total
Available-for-sale financial assets	17,089	-	-	-	-	17,089
Financial assets at fair value through income	1,157	-	-	-	-	1,157
Derivative instruments	114	-	-	-	-	114
Loans and receivables	9,299	-	-	-	-	9,299
Insurance receivables	5,619	339	20	9	34	6,021
Tax receivables	193	-	-	-	-	193
Miscellaneous assets – others	305	4	-	-	-	309
Cash and cash equivalents	1,001	-	-	-	-	1,001
TOTAL	**34,777**	**343**	**20**	**9**	**34**	**35,183**

Assets have been categorized within the above aging analysis according to their original due date. The due date for each of these instruments may vary depending on the type of asset. insurance and reinsurance receivables business credit terms are typically based on normal terms of trade, as specified within contracts. Insurance and reinsurance receivables include estimates, which are presented as current. The available-for-sale investments and fair value through income categories presented above include fixed income securities and equity securities. For fixed income securities, amounts are only presented as non-current if the security has not been redeemed on the date of maturity and therefore the amount receivable is past due. For equity securities, due to the absence of a contractual date of redemption, these instruments are presented as current. Other assets presented in the above aging analysis, including derivative instruments, loans and receivables, cash and cash equivalents and other accounts receivable, are presented in a similar manner as those instruments described above, depending on the existence of a redemption date.

Impairment information relating to financial assets is included in Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments, Note 8 – Accounts receivable from and payable on assumed and ceded insurance and reinsurance transactions and Note 18 – Investment income.

3.6. LIQUIDITY RISKS

3.6.1. OVERVIEW OF LIQUIDITY RISKS

Liquidity risk arises when available liquidity is not sufficient to meet liquidity needs. Liquidity risk can result either from:

- a deviation from planned liquidity needs over either the short term, or the medium/long term;
- a deviation from estimated liquidity capacities, e.g. due to adverse business conditions.

3.6.1.1. LIQUIDITY NEEDS

SCOR needs liquidity to pay claims, operating expenses, interest payments and redemptions on its debts and declared dividends on its share capital. Without sufficient liquidity, the Group may be forced to curtail its operations, and business will suffer. In the case of catastrophe claims, in particular, it may need to settle amounts which exceed the amount of available liquidity in a reduced timeframe. SCOR's liquidity needs to cover catastrophe exposures is calibrated using the Group's gross (before retrocession) Nat Cat annual loss distributions, on top of other regular liquidity needs as listed above.

Liquidity needs may also arise from increased collateral requirements. Some facilities SCOR uses to grant letters of credit to cedents require 100% collateral in case of non-compliance with financial covenants or in case of a decrease in the Group's financial strength rating, which would result in a deterioration of the Group's liquidity level. Collateral arrangements are also used by SCOR when operating business in jurisdictions that demand a higher level of reserves than under IFRS in other jurisdictions. This is especially the case in the US for business falling under the NAIC Model Regulation XXX or Valuation of Life Insurance Policies Model Regulation, commonly referred to as Regulation XXX (or Triple X). Letters of Credit carry the risk of a duration mismatch, i.e. that short-term Letters of Credit are covering long-term business and might have to be renewed as less favorable conditions, creating additional cost.

Information on SCOR's letter of credit facilities, including related financial covenants, is included in Section 4.6 – Notes to the consolidated financial statements, Note 23 – Commitments received and granted.

3.6.1.2. SOURCES OF LIQUIDITY

The principal internal sources of the Group's liquidity are reinsurance premiums, cash flows from its investment portfolio and other assets, consisting mainly of cash or assets that are readily convertible into cash.

External sources of liquidity in normal markets include a variety of short and long-term instruments, such as repurchase agreements, commercial paper, medium and long-term debt, junior subordinated debt securities, capital securities and raising additional funds in the equity markets. For further information on SCOR's debt, including related financial covenants, see Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

SCOR's ability to access external sources of liquidity may be subject to adverse capital and credit market conditions.

Liquidity risks are increased when capital and credit markets experience extreme volatility or disruption, as SCOR may need to sell a significant portion of its assets quickly and on unfavorable terms, particularly if current internal resources do not satisfy its liquidity needs.

This risk may be increased due to the characteristics of certain assets held by SCOR, whose liquidity may be limited due to contractual or regulatory constraints (e.g. investments in corporate, real estate or infrastructure loans).

The availability of additional financing will depend on a variety of factors. These notably include market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, SCOR's credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of SCOR's long- or short-term financial prospects if the Group incurs large investment losses or if the level of SCOR's business activity decreases due to a market downturn. Similarly, access to funds may be impaired if regulatory authorities or rating agencies take negative action that could penalize SCOR. The liquidity of several asset classes owned by SCOR may also be negatively impacted by changes to regulations or by non-conventional monetary policies. If so, these factors could prevent SCOR from successfully obtaining additional financing on favorable terms.

3.6.2. MANAGEMENT OF LIQUIDITY RISKS

Timing and transferability

SCOR's liquidity position is closely monitored from two points of view: timing and transferability.

Timing

SCOR assesses liquidity risks arising from both short-term and long-term liquidity needs. SCOR manages these risks via different mechanisms which consider:

- actions to be taken by the insurance or reinsurance business areas to take into account both short term and long-term liquidity risk (see maturity profiles in Section 3.6.3 – Maturity profiles); and
- the appropriateness of the composition of the assets in terms of their nature, duration and liquidity in order to meet the obligations as they fall due.

Short- term liquidity, or cash management, includes the day-to-day cash requirements under normal business conditions.

Liquidity considerations over the long-term are assessed in a way which takes into consideration the possibility of various unexpected and potentially adverse business conditions where assets may not be sold for current market values. SCOR estimates the level of its immediately tradable assets (i.e. non-pledged assets) which could be sold within a reasonable timeframe.

Transferability

In addition, SCOR monitors the level of transferability of immediately tradable assets between entities, depending on local and regulatory constraints.

The Group has also been granted credit facilities from several banks to support the reinsurance activities of various subsidiaries. The Group regularly adapts and renews these facilities to support its business needs.

Additional information on the timing of repayments and liquidity risk is included in Section 3.6.3 – Maturity profiles. For further information on liquid assets of SCOR Group, see Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Additional information on SCOR's letter of credit facilities is included in Section 4.6 – Notes to the financial statement, Note 23 – Commitments received and granted.

3.6.3. MATURITY PROFILES

3.6.3.1. SCOR GLOBAL P&C (NON-LIFE)

The table below includes the estimated maturity profiles of the Non-Life insurance liabilities based on payment patterns derived from historical data.

P&C insurance contract liabilities

In EUR millions	0-1 year	1-3 years	3-7 years	> 7 years	Total
AS AT DECEMBER 31, 2018	**4,488**	**4,804**	**3,437**	**2,582**	**15,311**
As at December 31, 2017	4,035	4,569	3,363	2,621	14,588

The analysis of the balance sheet reserve movements, including net paid losses, is included in Section 4.6 – Notes to the consolidated financial statements, Note 15 – Net contract liabilities.

3.6.3.2. SCOR GLOBAL LIFE

The estimated maturity profile of the assumed contract liabilities for long-term Life reinsurance represents benefit payments that are typically settled net of premiums (for treaties with periodic premium payments). Where contract liabilities require to deposit cash to the cedent as collateral, the settlement normally also includes certain other account items, primarily the release of the deposits. For contracts where funds withheld are used to offset the amounts settled between SCOR and its cedents, funds withheld to cover the life insurance contract liabilities in the table below mature at the same date as the respective Life insurance contract liabilities.

The table below reflects gross cash outflows:

Life insurance contract liabilities

In EUR millions	< 1 year	1-5 years	6-10 years	> 10 years	Total
AS AT DECEMBER 31, 2018	**2,773**	**725**	**1,097**	**10,033**	**14,628**
As at December 31, 2017	2,344	382	1,443	9,994	14,163

3.6.4. FINANCIAL LIABILITIES

Maturity profiles have been based on undiscounted contractual maturities and include contractual interest payments (including those from cross-currency and interest rate swaps). In the case of perpetual debt, or debt which is subject to multiple optional reimbursement dates, the analysis below has been prepared based on the assumption that the Company does not make use of any of the early optional reimbursement dates. Perpetual debts are classified in the column "Over 5 years" (no maturity date).

As at December 31, 2018 *In EUR millions*	Debt maturity profiles				
	Interest rate ranges	< 1 year	1-5 years	> 5 years*	Total**
Subordinated debt	2.98%-5.25%	87	704	3,584	4,375
Real estate debt	0.79%-4.34%	48	242	277	567
Other financial debt	0.07%-0.80%	5	1	37	43
TOTAL		**140**	**947**	**3,898**	**4,985**

As at December 31, 2017 *In EUR millions*	Debt maturity profiles				
	Interest rate ranges	< 1 year	1-5 years	> 5 years*	Total**
Subordinated debt	2.98%-5.25%	80	300	3,573	3,953
Real estate debt	0.77%-4.34%	177	260	69	506
Other financial debt	0.07%-0.80%	9	2	2	13
TOTAL		**266**	**562**	**3,644**	**4,472**

* *Accrued interest on perpetual debt as at December 31, 2018 of EUR 12 million (2017: EUR 12 million).*

** *Of the amounts above, EUR 15 million (2017: EUR 16 million) relate to variable rate debt. These amounts exclude debt which has been swapped from a variable interest rate to a fixed interest rate.*

Details on financial liabilities are presented in Section 4.6 – Notes to the consolidated financial statements, Note 13 – Financial liabilities.

Maturity analyses of financial assets that are held for managing liquidity risk are presented within Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance business investments.

Various entities in the Group rent their office headquarters. The minimum payments relating to these operating leases are presented within Section 4.6 – Notes to the consolidated financial statements, Note 9 – Miscellaneous Assets (Tangible assets and related commitments).

3.7. OPERATIONAL RISKS

3.7.1. OVERVIEW OF OPERATIONAL RISKS

Operational risks are inherent to all businesses including SCOR's. Operational risks may be split into four broad categories further described below: risks related to staff, systems or facilities, processes or external events.

3.7.1.1. RISKS RELATED TO SYSTEMS OR FACILITIES

Risks related to systems or facilities can arise as follows:

- a malfunction or a major breakdown in SCOR's IT systems, outages, disruptions due to viruses, attacks by hackers and thefts or data breaches. This can occur within SCOR's own environment or to a third party providing services or data to SCOR;
- interruption of any of SCOR's IT systems leading to loss of data, delays in service or in a loss of efficiency of teams, which could lead to remediation costs, loss of contracts or damage to the Group's reputation. In addition, these incidents could increase other operational risks such as external fraud or human error (e.g. delay in the recognition of adverse business development). The interruption of these systems could damage commercial activities including underwriting, pricing, reserving, premium and claims payment, commercial support, and asset management;
- in addition, the facilities in which SCOR operates might be impacted by natural or man-made perils. The offices might need to be closed for a period of time potentially resulting in a loss of productivity and business opportunity, as well as remediation costs.

3.7.1.2. RISKS RELATED TO STAFF

Risks related to staff can arise as follows:

- incidents due to mistakes or non-compliance with instructions, guidelines or policies;
- internal staff mandated by SCOR having authorized access to SCOR's offices or systems taking advantage of SCOR's assets for personal gain e.g. through misappropriation of assets, intentional mismarking of positions or bribery;
- the failure to attract or retain key personnel or the loss of crucial information/skills concentrated in a single person, or of a whole team;
- intentional damage to SCOR's assets (including data) required to perform its operations by internal or external staff, which could lead to significant remediation costs (including to rebuild databases or systems).

3.7.1.3. RISKS RELATED TO PROCESSES

SCOR's risk management policies, procedures and controls may not be appropriate or sufficient. In particular, any additional workload to the planned activities could reduce the effectiveness of some processes and controls. For example, the creation of a new entity or development of a new Line of Business may lead to an accumulation of operational risks.

Since SCOR remains responsible for commitments or services contracted, including for outsourced activities, an inappropriate client relationship management or inadequate level of service and/or product quality provided by SCOR to its clients or breach of contract may lead to a loss of profitable business relationships.

In addition, SCOR may be involved in legal and arbitration proceedings due to non-protective terms of a contract, denounced either by third parties or internally which could lead to an unfavorable outcome. For information on this issue, see Section 4.6 – Notes to the consolidated financial statements, Note 25 – Litigation.

Some of SCOR's and SCOR's subsidiaries' processes are partially or fully outsourced. Failed outsourced processes could lead to direct losses and other operational incidents.

3.7.1.4. RISKS RELATED TO EXTERNAL EVENTS

SCOR may be exposed to an unfavorable business environment such as evolving or additional regulatory constraints potentially hindering its business model.

Legal and regulatory risks in SCOR's operating environment

As an international group, SCOR must comply with national and international laws, regulations and applicable accounting standards. This includes all applicable economic sanctions, programs relating to anti-corruption, anti-money laundering, in addition to anti-terrorism laws, and laws and regulations applicable to its operations. Laws and regulations applicable to some of SCOR's operations refer inter alia to the economic trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) and to certain laws administered by the United States Department of State. They also refer to applicable economic trade sanctions laws, regulations and directives of the European Union and its member states. Other directives with which SCOR complies apply to anti-money laundering, corruption, terrorism financing and insider trading (e.g. the European Regulation of April 2014 on market abuses). Regarding anti-corruption laws and regulations, SCOR must comply with the Foreign Corrupt Practices Act (FCPA) and other laws such as the UK Bribery Act that bar corrupt payments or unreasonable gifts to foreign governments or officials. SCOR mus also comply with the provisions of the Sapin II law, which requires large companies (i.e. with revenues exceeding EUR 100 million and with at least 500 employees) to implement programs that prevent corruption, with financial sanctions in case of non-compliance. Additionally, SCOR must comply with regulatory requirements regarding data management (both SCOR's data and that of its clients), in particular the General Data Protection Regulation (GDPR) enacted by the European Union. Any breach to these requirements could lead to regulatory sanctions, including significant fines and expose SCOR to legal proceedings from clients, and reputational damage.

The level of legal, regulatory, tax or accounting requirements depends on several factors, including the type of business (e.g. primary insurance or reinsurance business), the location and the legal structure of SCOR. The large number of different regulatory environments in which SCOR operates, as well as changes in present and future regulations increase the complexity and risks of the related Group processes. Any violation of laws, regulations or accounting requirements could potentially expose SCOR to fines, class actions with compensation payments, accounts reinstatements or business restrictions.

Following Brexit, the direct P&C insurance activities for European Economic Area (EEA) clients currently carried by SCOR UK may need to be carried in the future by a legal entity based in the EEA in case insurers based in the United Kingdom would lose their European passport. In order to prepare for such an event SCOR has created a P&C insurance company in France to serve its continental clients, while maintaining the insurance company SCOR UK for its other clients. Also, SCOR stands ready to ask the Prudential Regulation Authority for any required approvals in order to allow the continuation of the activity of its reinsurance branches in the United Kingdom. For further details on current main regulatory developments which may have an impact on SCOR, see Section 3.2.3 – Risks related to legal and regulatory developments.

Other risks related to external events

SCOR is also exposed to external fraud which is characterized by the theft of certain SCOR assets by third parties. External frauds may be perpetrated by various means including cyber-attacks, and usually target cash or data. Should an act of fraud succeed in bypassing the controls or protection measures in place, this could generate a direct loss for the Group.

SCOR is exposed to cyber-attacks which can be very diverse in their sophistication and execution. The main targets are system functions, data and cash management. Immediate repercussions include:

- systems could be slowed down, corrupted or stopped potentially resulting in loss of productivity, corrupted data and remediation costs;
- funds could be stolen through fraudulent wire transfers;
- data could be stolen, deleted or corrupted, or made public in contradiction with SCOR's regulatory or contractual obligations.

Any of these could generate a reputational risk, give rise to a breach of SCOR's legal responsibility, and may result in regulatory sanctions depending on the level of sensitivity of the data or system that is successfully attacked. The cyberattack could also assist external fraudsters resulting in a financial loss.

3.7.2. MANAGEMENT OF OPERATIONAL RISKS

The two main principles driving the operational risk management approach are:

- exhaustiveness: ensure that a complete and exhaustive identification of all risks within the Group is carried out to the extent possible;
- proportionality: once operational risks are identified, management uses appropriate and proportionate responses, resources and procedures, focusing on key risks.

The process owners are responsible for managing operational risks within the processes. To meet high quality standards, the Group relies on a highly qualified staff to manage processes and the risks within these processes.

In order to support the staff, SCOR has developed Internal Control System (ICS) standards. According to the ICS standards, process owners should be in a position to identify the critical operational risks within the processes assigned to their area of responsibility. The process owners design, implement and operate appropriate key controls and maintain the net risk exposure at or below an acceptable level of possible damage.

At Group level, experienced staff members collect relevant information and analyses on operational risks, on a qualitative and quantitative basis. When relevant, they develop key indicators, with support from Group Risk Management. The Group has also implemented regular risk reporting mechanisms in order to provide an overview of operational risks across the Group.

At legal entity level, depending on local requirements, specific operational risk management processes are implemented, where relevant.

In addition, through its assignments, Group Internal Audit (GIA) contributes to the oversight of operational risk management.

Outsourcing some activities or processes may improve or streamline some aspects of a process, but SCOR is still expected to deliver the same level of service. Principles to properly manage potential operational risks stemming from outsourcing of certain functions are set out in dedicated policies and guidelines.

On risks which may develop rapidly, such as external fraud, SCOR adapts its risk management, for example, by organizing specific training programs and sending regular warnings, and detailed instructions to its employees.

Some of the above operational risks are transferred in whole or in part to direct insurers as follows:

- the properties and other main physical assets of SCOR and its subsidiaries are covered locally through property damage policies;
- risks which are mostly covered at Group level include civil liability risks related to the operation of the Company caused by employees and real estate, professional liability risks, civil liability risks of directors and officers, and cyber risks.

Nevertheless, these insurance covers could prove to be insufficient and some losses could fall into the scope of the exclusion clauses (or interpreted as such by the insurance company).

3.8. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Refer to Appendix A – Internal control and risk management procedures.

04 CONSOLIDATED FINANCIAL STATEMENTS

In application of Article 28 of the EC Commission Regulation No. 809/2004, the following information is incorporated by reference in this Registration Document:

- The consolidated financial statements as at December 31, 2017 are included from pages 153 to 233 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2017 is included from pages 234 to 239 of the Registration Document filed with the AMF on February 23, 2018 under Number D.18-0072 (and from pages 153 to 233 and from pages 234 to 239, respectively, of the free translation into English of the above mentioned Registration Document. The translation is available on SCOR's website www.scor.com).
- The consolidated financial statements as at December 31, 2016 are included from pages 143 to 222 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2016 is included from pages 223 to 224 of the Registration Document filed with the AMF on March 3, 2017 under Number D.17-0123 (and from pages 143 to 222 and from pages 223 to 224, respectively, of the free translation into English of the above mentioned Registration Document. The translation is available on SCOR's website www.scor.com).

The consolidated financial statements for the year ended December 31, 2018 are presented below:

4.1. CONSOLIDATED BALANCE SHEET

ASSETS

In EUR millions		As at December 31 2018	2017
Goodwill arising from insurance activities	**Note 5**	**788**	**788**
Goodwill arising from non insurance activities	**Note 5**	**71**	**71**
Value of business acquired	**Note 6**	**1,471**	**1,412**
Insurance business investments	**Note 7**	**28,586**	**28,360**
Real estate investments		685	701
Available-for-sale financial assets		17,611	17,089
Investments at fair value through income		1,245	1,157
Loans and receivables		8,978	9,299
Derivative instruments		67	114
Investments in associates	**Note 2**	**9**	**75**
Share of retrocessionaires in insurance and investment contract liabilities	**Note 15**	**2,141**	**2,037**
Other assets		**10,142**	**9,490**
Accounts receivable from assumed insurance and reinsurance transactions	Note 8	6,352	5,875
Accounts receivable from ceded reinsurance transactions	Note 8	267	146
Deferred tax assets	Note 17	554	533
Tax receivables		188	193
Miscellaneous assets	Note 9	1,280	1,328
Deferred acquisition costs	Note 10	1,501	1,415
Cash and cash equivalents	**Note 11**	**1,175**	**1,001**
TOTAL ASSETS		**44,383**	**43,234**

SHAREHOLDERS' EQUITY AND LIABILITIES

In EUR millions		As at December 31 2018	2017
Shareholders' equity – Group share	**Note 12**	**5,800**	**6,195**
Share capital		1,521	1,524
Additional paid-in capital		815	839
Revaluation reserves		(145)	156
Consolidated reserves		3,556	3,508
Treasury shares		(338)	(179)
Net Income for the year		322	286
Share-based payments		69	61
Non-controlling interests		**28**	**30**
TOTAL SHAREHOLDERS' EQUITY		**5,828**	**6,225**
Financial liabilities	**Note 13**	**2,831**	**2,702**
Subordinated debt		2,277	2,211
Real estate financing		510	479
Other financial liabilities		44	12
Employee benefits and other provisions	**Note 14**	**224**	**204**
Contract liabilities	**Note 15**	**30,253**	**29,006**
Insurance contract liabilities		29,939	28,751
Investment and financial reinsurance contract liabilities		314	255
Other liabilities		**5,247**	**5,097**
Derivative instruments	Note 7	55	28
Accounts payable on assumed insurance and reinsurance transactions	Note 8	773	757
Accounts payable on ceded reinsurance transactions	Note 8	1,254	1,215
Deferred tax liabilities	Note 17	207	338
Tax payables		52	100
Miscellaneous liabilities		2,906	2,659
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**44,383**	**43,234**

4.2. CONSOLIDATED STATEMENT OF INCOME

In EUR millions		For the year ended December 31 2018	2017	2016
Gross written premiums		15,258	14,789	13,826
Change in unearned premiums reserves		(203)	(191)	(101)
Gross earned premiums	**Note 4**	**15,055**	**14,598**	**13,725**
Other income and expenses		(54)	(42)	(51)
Investment income	Note 18	687	797	756
Total income from ordinary activities		**15,688**	**15,353**	**14,430**
Gross benefits and claims paid		(11,168)	(11,963)	(9,848)
Gross commission on earned premiums		(2,786)	(2,472)	(2,457)
Net retrocession result	Note 19	(264)	398	(388)
Investment management expenses	Note 20	(68)	(69)	(62)
Acquisition and administrative expenses	Note 20	(537)	(535)	(482)
Other current operating expenses	Note 20	(226)	(197)	(217)
Total other current operating income and expenses		**(15,049)**	**(14,838)**	**(13,454)**
CURRENT OPERATING RESULT		**639**	**515**	**976**
Other operating expenses		(35)	(39)	(40)
Other operating income		28	15	15
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)		**632**	**491**	**951**
Acquisition related expenses		-	-	-
Gain from bargain purchase	Note 3	26	-	-
OPERATING RESULT		**658**	**491**	**951**
Financing expenses	Note 13	(153)	(149)	(185)
Share in results of associates		(8)	(1)	6
CONSOLIDATED INCOME, BEFORE TAX		**497**	**341**	**772**
Corporate income tax	Note 17	(107)	(56)	(166)
Impact from the US tax reform	Note 17	(68)	-	-
Total income tax		**(175)**	**(56)**	**(166)**
CONSOLIDATED NET INCOME		**322**	**285**	**606**
Attributable to:				
Non-controlling interests		-	(1)	3
GROUP SHARE		**322**	**286**	**603**
In EUR				
Earnings per share (Basic)	Note 21	1.72	1.53	3.26
Earnings per share (Diluted)	Note 21	1.70	1.51	3.20

4.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended December 31		
In EUR millions		2018	2017	2016
Consolidated net income		**322**	**285**	**606**
Other comprehensive income		**(182)**	**(492)**	**84**
Items that will not be reclassified subsequently to income		**(18)**	**4**	**(30)**
Remeasurements of post-employment benefits		(24)	12	(38)
Taxes recorded directly in equity	Note 17	6	(8)	8
Items that will be reclassified subsequently to income		**(164)**	**(496)**	**114**
Revaluation – Available-for-sale financial assets		(511)	66	(25)
Shadow accounting		125	(35)	47
Effect of changes in foreign exchange rates		145	(521)[(1)]	75
Net gains/(losses) on cash flow hedges		(6)	5	3
Taxes recorded directly in equity	Note 17	90	(10)	(3)
Other changes		(7)	(1)	17[(2)]
COMPREHENSIVE INCOME, NET OF TAX		**140**	**(207)**	**690**
Attributable to:				
Non-controlling interests		-	(1)	3
Group share		140	(206)	687

(1) Largely due to negative impact of USD weakening against EUR.
(2) Mostly relates to the partial sale of ASEFA.

4.4. CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR millions		For the year ended December 31 2018	2017	2016
Net cash flows provided by/(used in) operations	**Note 11**	**891**	**1,144**	**1,354**(1)
Acquisitions of consolidated entities		(75)(2)	(178)(3)	(2)
Disposals of consolidated entities, net of cash disposed of		4(4)	3(4)	8(4)
Change in scope of consolidation (cash and cash equivalents of acquired/disposed companies)		80(2)	1(3)	-
Acquisitions of real estate investments		(36)	(80)	(124)
Disposals of real estate investments		37	327	201
Acquisitions of other insurance business investments(5)		(7,464)	(11,120)	(11,515)
Disposals of other insurance business investments(5)		7,435	9,818	11,135
Acquisitions of tangible and intangible assets		(82)	(51)	(71)
Disposals of tangible and intangible assets		-	-	-
Net cash flows provided by/(used in) investing activities		**(101)**	**(1,280)**	**(368)**
Issuance of equity instruments		23	27	10
Treasury share transactions		(289)	(12)	(106)
Dividends paid(6)		(314)	(310)	(280)
Cash generated by issuance of financial liabilities	Note 13	739(7)	19	620(7)
Cash used to redeem financial liabilities	Note 13	(658)(8)	(30)	(899)(8)
Interest paid on financial liabilities		(137)	(126)	(152)
Other cash flows from financing activities		(2)	(35)	(88)(9)
Net cash flows provided by/(used in) financing activities		**(638)**	**(467)**	**(895)**
Effect of change in foreign exchange rates on cash and cash equivalents		22	(84)	(29)
TOTAL CASH FLOWS		**174**	**(687)**	**62**
Cash and cash equivalents at January 1	**Note 11**	**1,001**	**1,688**	**1,626**
Net cash flows provided by/(used in) operations		891	1,144	1,354
Net cash flows provided by/(used in) investing activities		(101)	(1,280)	(368)
Net cash flows provided by/(used in) financing activities		(638)	(467)	(895)
Effect of change in foreign exchange rates on cash and cash equivalents		22	(84)	(29)
CASH AND CASH EQUIVALENTS AT DECEMBER 31		**1,175**	**1,001**	**1,688**

(1) Includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.
(2) Cash related to the acquisition of the capital voting rights of MutRé and Essor Seguros, see Note 3 – Acquisitions and disposals.
(3) Cash related to the acquisition of 80% of the capital and voting rights of Château Mondot, see Note 3 – Acquisitions and disposals.
(4) Partial disposal of Asefa in 2018 for EUR 4 million (EUR 3 million in 2017 and EUR 8 million in 2016).
(5) Acquisitions and disposals of other insurance business investments also include movements relating to bonds and other short-term investments with a maturity of less than three months, and classified as cash equivalents.
(6) Of which EUR 2 million of dividends paid by MRM to non-controlling interests (EUR 2 million paid in 2017 and EUR 2 million paid in 2016).
(7) Cash generated by issuance of financial liabilities includes net proceeds from subordinated notes issuance of USD 625 million (EUR 497 million in 2016). See Note 13 – Financial liabitilties.
(8) Cash used to redeem financial liabilities includes the redemptions of 2 debts CHF 315 million and CHF 250 million (EUR 350 million and CHF 650 million in 2016). See Note 13 – Financial liabitilties.
(9) Cash paid in respect of margin calls received in 2015 and linked to cross-currency swaps (EUR 88 million) following the CHF 650 million perpetual debt redemption.

4.5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2018	**1,524**	**839**	**156**	**3,508**	**(179)**	**286**	**61**	**30**	**6,225**
Allocation of prior year net income	**-**	**-**	**-**	**286**	**-**	**(286)**	**-**	**-**	**-**
Net income for the year ended December 31, 2018	**-**	**-**	**-**	**-**	**-**	**322**	**-**	**-**	**322**
Other comprehensive income net of tax	**-**	**-**	**(301)**	**119**	**-**	**-**	**-**	**-**	**(182)**
Revaluation – Assets available for sale	-	-	(511)	-	-	-	-	-	(511)
Shadow accounting	-	-	125	-	-	-	-	-	125
Effect of changes in foreign exchange rates	-	-	-	145	-	-	-	-	145
Net gains/(losses) on cash flow hedge	-	-	-	(6)	-	-	-	-	(6)
Taxes recorded directly in equity	-	-	85	11	-	-	-	-	96
Remeasurements of post-employment benefits	-	-	-	(24)	-	-	-	-	(24)
Other changes	-	-	-	(7)	-	-	-	-	(7)
Comprehensive income net of tax	**-**	**-**	**(301)**	**119**	**-**	**322**	**-**	**-**	**140**
Share-based payments	-	-	-	(45)	(159)	-	8	-	(196)
Other changes	-	-	-	-	-	-	-	-	-
Capital transaction(1)	(3)	(24)	-	-	-	-	-	-	(27)
Dividends paid	-	-	-	(312)	-	-	-	(2)	(314)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2018	**1,521**	**815**	**(145)**	**3,556**	**(338)**	**322**	**69**	**28**	**5,828**

(1) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 23 million (EUR 10 million in share capital and EUR 13 million in additional paid-in capital). This resulted in the creation of 1,278,077 shares during the year ended December 31, 2018. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 50 million (EUR 13 million in share capital and EUR 37 million in additional paid-in capital).

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2017	**1,517**	**833**	**134**	**3,761**	**(224)**	**603**	**37**	**34**	**6,695**
Allocation of prior year net income	**-**	**-**	**-**	**603**	**-**	**(603)**	**-**	**-**	**-**
Net income for the year ended December 31, 2017	**-**	**-**	**-**	**-**	**-**	**286**	**-**	**(1)**	**285**
Other comprehensive income net of tax	**-**	**-**	**22**	**(514)**	**-**	**-**	**-**	**-**	**(492)**
Revaluation – Assets available for sale	-	-	66	-	-	-	-	-	66
Shadow accounting	-	-	(35)	-	-	-	-	-	(35)
Effect of changes in foreign exchange rates	-	-	-	(521)	-	-	-	-	(521)
Net gains/(losses) on cash flow hedge	-	-	-	5	-	-	-	-	5
Taxes recorded directly in equity	-	-	(4)	(14)	-	-	-	-	(18)
Remeasurements of post-employment benefits	-	-	-	12	-	-	-	-	12
Other changes	-	-	(5)	4	-	-	-	-	(1)
Comprehensive income net of tax	**-**	**-**	**22**	**(514)**	**-**	**286**	**-**	**(1)**	**(207)**
Share-based payments	-	-	-	(34)	45	-	24	-	35
Other changes	-	-	-	-	-	-	-	(3)	(3)
Capital transaction(1)	7	6	-	-	-	-	-	-	13
Dividends paid	-	-	-	(308)	-	-	-	-	(308)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2017	**1,524**	**839**	**156**	**3,508**	**(179)**	**286**	**61**	**30**	**6,225**

(1) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 27 million (EUR 12 million in share capital and EUR 15 million in additional paid-in capital). This resulted in the creation of 1,519,860 shares during the year ended December 31, 2017. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 14 million (EUR 5 million in share capital and EUR 9 million in additional paid-in capital).

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2016	**1,518**	**838**	**112**	**3,350**	**(172)**	**642**	**42**	**33**	**6,363**
Allocation of prior year net income	**-**	**-**	**-**	**642**	**-**	**(642)**	**-**	**-**	**-**
Net income for the year ended December 31, 2016	**-**	**-**	**-**	**-**	**-**	**603**	**-**	**3**	**606**
Other comprehensive income net of tax	**-**	**-**	**22**	**62**	**-**	**-**	**-**	**-**	**84**
Revaluation – Assets available for sale	-	-	(25)	-	-	-	-	-	(25)
Shadow accounting	-	-	47	-	-	-	-	-	47
Effect of changes in foreign exchange rates	-	-	-	75	-	-	-	-	75
Net gains/(losses) on cash flow hedge	-	-	-	3	-	-	-	-	3
Taxes recorded directly in equity	-	-	-	5	-	-	-	-	5
Remeasurements of post-employment benefits	-	-	-	(38)	-	-	-	-	(38)
Other changes	-	-	-	17[(1)]	-	-	-	-	17
Comprehensive income net of tax	**-**	**-**	**22**	**62**	**-**	**603**	**-**	**3**	**690**
Share-based payments	-	-	-	-	(52)	-	(4)	-	(56)
Other changes	-	-	-	(15)[(1)]	-	-	(1)	(2)	(18)
Capital transaction[(2)]	(1)	(5)	-	-	-	-	-	-	(6)
Dividends paid	-	-	-	(278)	-	-	-	-	(278)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2016	**1,517**	**833**	**134**	**3,761**	**(224)**	**603**	**37**	**34**	**6,695**

(1) Relates to the partial sale of ASEFA.

(2) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 10 million (EUR 4 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 554,112 shares during the year ended December 31, 2016. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 16 million (EUR 5 million in share capital and EUR 11 million in additional paid-in capital).

4.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1. ACCOUNTING PRINCIPLES AND METHODS

NOTE 1.1. GENERAL INFORMATION

SCOR SE ("the Company") is a European Company (Societas Europaea) domiciled in France and governed by the provisions of French law relating to European Companies as well as by the French corporate law provisions applicable to joint stock companies (sociétés anonymes) where this is not contrary to the specific provisions applicable to European Companies. SCOR's shares are publicly traded on the Eurolist by Euronext Paris stock market and on the SIX Swiss Exchange. The principal activities of the Company and its subsidiaries ("the Group" or "SCOR") are Life and Non-Life reinsurance.

The consolidated financial statements were presented by Group Management to the Audit Committee. Management and the Audit Committee report to the Board of Directors, which approved the consolidated financial statements on February 19, 2019.

The consolidated financial statements as at and for the year ended December 31, 2018 will be presented for approval at the 2019 Annual Shareholders' Meeting.

NOTE 1.2. BASIS OF PREPARATION

SCOR's consolidated financial statements for the financial years ended December 31, 2018, 2017 and 2016 have been prepared in compliance with IFRS issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("EU") and effective as at December 31, 2018. The term "IFRS" refers collectively to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and to the interpretations of the Standing Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRIC), mandatorily applicable as at December 31, 2018. See Note 1.3 – IFRS Standards applied for the first time and IFRS Standards published but not yet effective for a detailed overview on the new and amended International Financial Reporting Standards applicable in 2018 that are relevant to SCOR and adopted by the Group as endorsed by the European Union and the standards relevant to SCOR and expected to have a significant impact that were issued by the IASB but have not yet been adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial instruments (including derivative instruments) at fair value through income.

The financial statements of material subsidiaries are prepared for the same accounting period as for the parent company. All material intragroup balances and transactions, including the result of intercompany transactions, are eliminated.

Reclassification of prior year comparatives

Certain reclassifications and revisions have been made to the financial information in respect of the prior year to bring it in line with the current year presentation.

Use of judgments and estimates

The preparation of the consolidated financial statements requires management to make certain judgments, assumptions and estimates. These may affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the reporting date. Management reviews these estimates and assumptions periodically, based on past experience and other factors. The actual outcome and results could differ substantially from estimates and assumptions made. The main material financial statement captions for which the Group uses estimates and assumptions are reinsurance reserves, accounts receivable from and accounts payable on reinsurance transactions, the fair value and impairment of financial instruments, intangible assets, retirement and other defined post-employment benefits and deferred taxes, in particular with respect to the recognition of deferred tax assets and the availability of future taxable income against which tax loss carryforwards can be used.

Consequences of Britain's referendum to leave the European Union

The impact of the referendum on Britain's membership in the European Union has led to heightened financial market volatility and increased political and economic uncertainty. The terms of the Brexit are still uncertain at year end 2018. To prepare for Brexit the Group has set up a new entity, SCOR Europe SE. With effect from January 1, 2019, SCOR Europe SE, a 100%-owned subsidiary of SCOR SE, will underwrite all new and renewed business relating to risks located in the EEA that can no longer be accepted by SCOR UK Company Ltd. after the Brexit date. SCOR Europe SE will also take over all commitments from policies previously issued by SCOR UK Company Ltd. if the latter can no longer honor these following Brexit.

Significant events of the year

Please refer to Section 1.3.3. of the Registration Document for a description of the significant events 2018.

Foreign currency translation and transactions

The Group's consolidated financial statements are presented in euros (EUR) and all values are rounded to the nearest EUR million except where stated otherwise. Percentages and percent changes are calculated on unrounded figures (including decimals), therefore the Notes might contain immaterial differences in totals and percentages due to rounding.

The other key currencies in which the Group conducts business and the exchange rates used for the preparation of the consolidated financial statements are as follows:

EUR per foreign currency unit	Closing rate As at December 31, 2018	Average rate Q4 2018	Q3 2018	Q2 2018	Q1 2018
USD	0.8721	0.8762	0.8599	0.8393	0.8134
GBP	1.1094	1.1272	1.1204	1.1415	1.1323
CNY	0.1268	0.1267	0.1263	0.1315	0.1280

EUR per foreign currency unit	Closing rate As at December 31, 2017	Average rate Q4 2017	Q3 2017	Q2 2017	Q1 2017
USD	0.8330	0.8489	0.8508	0.9078	0.9386
GBP	1.1260	1.1271	1.1130	1.1615	1.1629
CNY	0.1282	0.1284	0.1276	0.1323	0.1362

EUR per foreign currency unit	Closing rate As at December 31, 2016	Average rate Q4 2016	Q3 2016	Q2 2016	Q1 2016
USD	0.9508	0.9136	0.8959	0.8855	0.9060
GBP	1.1716	1.1805	1.1766	1.2712	1.2966
CNY	0.1363	0.1354	0.1344	0.1355	0.1385

Where the functional currency of an entity is not the same as the reporting currency used to present the Group's consolidated financial statements, assets and liabilities of the entity are translated using the exchange rate at the reporting date and the statement of income is translated using the average exchange rate for the period. Translation differences are recognized directly in shareholders' equity in the reserve line denominated "Currency translation adjustment".

Movements in the translation adjustment are primarily due to the translation of financial statements of subsidiaries and branches not using EUR as their functional currency.

As at December 31, 2018, 2017 and 2016, the Group has one net investment hedge in place.

The Group reviews the functional currencies of its entities on an ongoing basis to ensure they appropriately reflect the currency of the primary economic environment in which they operate.

Transactions denominated in foreign currencies (currencies other than the functional currency) are translated into the functional currency at the exchange rate applicable at the date of the transaction (for practical purposes, an average rate is used). These rates may differ from the rates used to translate functional currency into the reporting currency as mentioned above.

At each period end, the entity must translate the items on its balance sheet which are denominated in a foreign currency into the functional currency, using the following procedures:

- monetary items and non-monetary items measured at fair value through income are translated at end of period exchange rates and the resulting gains and losses are recorded in the statement of income;
- other non-monetary items are translated:
  - at the exchange rates in effect on the transaction date for items measured at historical cost, or
  - at the end of period exchange rates if they are measured at fair value, and
  - to the extent that any gains or losses arise, these are directly recorded in shareholders' equity. In particular this affects foreign exchange differences for available for sale equity securities and exchange differences resulting from the conversion of these items which are also directly recorded in shareholders' equity;
- the gains and losses resulting from the translation of net foreign investment hedges are recorded in shareholders' equity. They are recognized in the statement of income upon the disposal of the net investment.

Argentina is considered to be a hyperinflationary economy as from July 2018. The impact of IAS 29 – Financial Reporting in Hyperinflationary Economies – related to SCOR's entity in Argentina is immaterial to the Group's consolidated financial statements.

Accounting principles and methods specific to reinsurance activities

Certain specific reinsurance accounting principles are described directly within Notes 8 – Accounts receivable from and payable on assumed and ceded insurance and reinsurance transactions, 10 – Deferred acquisition costs, 15 – Net contract liabilities, and 19 – Net retrocession result. Further accounting principles and methods related to reinsurance activities are described below:

Classification and accounting of reinsurance contracts

The contracts assumed and retroceded by the Group are subject to different IFRS accounting rules depending on whether they fall within the scope of IFRS 4 – Insurance Contracts or IAS 39 – Financial Instruments: Recognition and Measurement.

Assumed and ceded reinsurance transactions are contracts that transfer significant reinsurance risk at the inception of the contract. Reinsurance risk is transferred when the Group agrees to compensate a cedent if a specified uncertain future event (other than a change in financial variables) adversely affects the cedent. Any contracts that do not meet the definition of a reinsurance contract under IFRS 4 – Insurance Contracts, are classified as investment and financial reinsurance contracts or derivative contracts as appropriate.

Assumed and ceded reinsurance transactions that do not transfer significant reinsurance risk are recognized in accordance with IAS 39 – Financial Instruments: Recognition and Measurement. Premiums collected are not recognized as income, and reserves and deferred acquisition costs are classified as "Investment and financial reinsurance contract liabilities" or "Financial contract assets" on the balance sheet. These liabilities are assessed only on the basis of contractual flows and no longer on the basis of estimated ultimate results as required by accounting principles applicable to insurance transactions. Income from these transactions is equal to SCOR's net fee or spread and is recorded in "Other income and expenses".

Cedent accounts

The reinsurance entities of the Group record accounts transmitted by ceding companies upon receipt. At year end, estimates are made for those accounts not yet received from ceding companies. Under this method, the amounts recorded in the financial statements reflect as closely as possible the actual reinsurance commitments of the Group. This method is applied to the majority of the contracts signed during the year.

Premium estimates

Non-Life gross premiums (both written and earned) are based upon reports received from ceding companies, supplemented by the Group's own estimates of premiums (both written and earned) for which ceding companies' reports have not yet been received. Differences between such estimates and actual amounts are recorded in the period in which the estimates are changed, or the actual amounts are determined. The difference between ultimate estimated premiums, net of commissions, and premiums reported by ceding companies, is recorded under accounts receivable from or accounts payable on assumed reinsurance transactions. Premiums are earned on a basis that is consistent with the risks covered under the terms of the reinsurance contracts, which is generally one to two years. For certain US and Japanese catastrophe risks, agriculture risks in Brazil and certain other risks, premiums are earned commensurate with the seasonality of the underlying exposure.

Unearned premium reserves represent the portion of premiums written that relate to the unexpired terms of contracts and policies in force. Such reserves are computed by pro-rata methods based on statistical data or reports received from ceding companies. Reinstatement premiums are estimated after the occurrence of a significant loss and are recorded in accordance with the contract terms based upon paid losses and case reserves reported in the period. Reinstatement premiums are earned when written.

For Life reinsurance contracts qualifying as "insurance contracts", the estimation method consists of estimating ceding companies' outstanding accounts for the current year in addition to information actually received and recorded.

Shadow accounting

For the measurement of deferred acquisition costs (DAC), value of business acquired (VOBA) and reserves recognized for different insurance portfolios, SCOR applies the shadow accounting principles stipulated in IFRS 4. As the amortization of DAC (for the Life business) and VOBA is calculated using expectations for estimated revenues from investments and the measurement of reserves is based on the discount rate reflecting directly the performance of assets, the corresponding portion of the unrealized gains and losses recorded under available-for-sale financial investments are considered as shadow DAC, shadow VOBA and shadow reserves and offset directly in shareholders' equity.

Impairment of shadow DAC and shadow VOBA for the life business is included within the liability adequacy testing conducted by SCOR Global Life.

Participation in Lloyd's syndicates

Participations in syndicates operating at Lloyd's of London are accounted for on an annual basis with a delay due to the transmission of information from syndicates that the Group does not control. The Group recognizes its proportionate share of the syndicates' insurance and reinsurance premiums as revenue over the policy term, and claims, including an estimate of claims incurred but not reported. At the end of an underwriting year, typically three years after the policy's inception, syndicates reinsure all remaining unsettled liabilities into the following underwriting year, a mechanism known as Re-Insurance To Close ("RITC"). If the Group participates in both accepting and ceding transactions and has increased its participation, RITC paid is reduced, which generates an RITC receivable. This reflects the fact that the Group has assumed a greater proportion of the business of the syndicate. If the Group has reduced its participation from one year of account to the next, the RITC receivable is eliminated, generating an RITC payable. This reflects the reduction in the Group's exposure to risks previously written by the syndicates. The Group recognizes Lloyd's RITC in claims and benefits to ensure consistency with other reinsurance transactions and to present a true and fair view.

NOTE 1.3. IFRS STANDARDS APPLIED FOR THE FIRST TIME AND IFRS STANDARDS PUBLISHED BUT NOT YET EFFECTIVE

The amended International Financial Reporting Standards and Interpretations as adopted by the European Union applicable for the first time for annual periods beginning January 1, 2018, did no materially impact the Financial Statements.

- On January 1, 2018, IFRS 15 – Revenue from contracts with customers became applicable. The IASB issued the Standard in May 2014 and deferred the effective date to January 1, 2018 in September 2015. The EU endorsed IFRS 15 and the amended effective date on September 22, 2016. Clarifications to IFRS 15 were issued in April 2016. This amendment was endorsed by the European Union on October 31, 2017. IFRS 15 replaces IAS 11 – Construction contracts, IAS 18 – Revenue and related interpretations. The new Standard provides a comprehensive framework for recognizing revenue from contracts with customers. Revenues resulting from insurance contracts, financial instruments and leasing contracts are not in scope of IFRS 15 and consequently the impact of IFRS 15 on SCOR is only limited. Based on the Group's analysis of the limited scope of customer contracts to which IFRS 15 must be applied, mainly such as the sale of real estate and fees from asset management for third parties, the implementation of this standard did not have a material impact on the Group's financial position or performance.
- On September 12, 2016, the IASB published an Amendment to IFRS 4 – Insurance contracts, in order to address the temporary consequences of different effective dates of IFRS 9 and IFRS 17. The EU endorsed this amendment on November 3, 2017. Applying IFRS 9 before IFRS 17 would potentially increase volatility in profit or loss. The amendment introduces two independent options to address such additional accounting volatility: a temporary exemption from applying IFRS 9 ("Deferral Approach"), and reclassifying the increased volatility from profit or loss to other comprehensive income ("Overlay Approach"). The Deferral Approach would result in continued application of IAS 39 and some additional disclosures about the fair value of asset meeting the "solely payment of principal and interest" criterion and information about their credit risk exposure until IFRS 17 becomes effective. The deferral option is restricted to companies whose predominant activity is to issue insurance contracts. SCOR has assessed it would meet the predominance criteria and will defer the application of IFRS 9. SCOR's predominant activity is issuing (re)insurance contracts, which is reflected in the significance of liabilities arising from (re)insurance activities representing more than 90% of total liabilities. Liabilities connected to (re)insurance activities amounted to EUR 32.9 billion compared to total liabilities of EUR 35.2 billion as at December 31, 2015. For calculating the predominance ratio, subordinated debt, accounts payable on assumed and ceded reinsurance transactions, pension liabilities and deferred tax liabilities have been considered in addition to the contract liabilities in scope of IFRS 4.

On November 14, 2018, the IASB voted to propose a one-year deferral of the effective date for IFRS 17 to January 1, 2022. The IASB also decided to propose extending to 2022 the temporary exemption for insurers to apply IFRS 9, so that both IFRS 9 and IFRS 17 can be applied at the same time. This proposal is yet to be included in the respective IFRS and to be endorsed by the EU.

During 2018, SCOR performed an impact assessment of classification and measurement of its financial assets under IFRS 9. This initial assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information becoming available in the future. The tables below relate to the additional disclosures required when the IFRS 9 Deferral Approach is applied. Disclosures are based on the current financial assets portfolio and on the initial assessment conducted.

Fair value as of 2018 year-end and the amount of change of fair value during the financial year 2018 for the two groups of financial assets meeting or not meeting the SPPI criteria are the following:

In EUR millions	Fair value as at December 31, 2018	Change in fair value during 2018[(1)]
Financial assets with contractual terms that meet the SPPI test definition	17,393	(346)
Other financial assets	3,935	(101)
TOTAL FINANCIAL ASSETS	**21,328**	**(447)**

(1) The change in fair value during 2018 displays the movement in unrealized gain/loss balances of financial assets held as at December 31, 2018. The change in fair value includes the impact from foreign exchange rate changes and partial reductions in holdings of financial assets still in the portfolio as at December 31, 2018.

The following table presents information about the credit risk exposure related to financial assets that meet the SPPI criteria:

	As at December 31, 2018	
In EUR millions	Gross carrying amount under IAS 39	Fair value
AAA	2,479	2,457
AA	3,996	3,966
A	4,995	4,936
BBB	3,287	3,201
<BBB	751	725
Not rated	2,106	2,109
TOTAL FINANCIAL ASSETS THAT MEET SPPI CRITERIA	**17,615**	**17,393**

The following standards relevant to SCOR and expected to have a significant impact on its consolidated financial statements have been issued by the International Accounting Standards Board but are not yet effective or have not been adopted by the European Union:

- On July 24, 2014, the IASB published IFRS 9 – Financial Instruments. The final version of IFRS 9 replaces the previously published versions of IFRS 9 on classification and measurement and hedge accounting. It also replaces IAS 39 – Financial Instruments: Recognition and Measurement and covers classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The EU endorsed IFRS 9 on November 22, 2016. However, as described above, SCOR opted for the Deferral Approach for IFRS 9 as granted by IFRS 4 and thus can defer application of the standard until January 1, 2022 if such effective date will be confirmed by the IASB and endorsed by the EU.

  IFRS 9 requires financial assets to be classified based on the business model for managing the financial assets and their contractual cash flows characteristics. Based on their classification, financial assets will be measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through P&L. The new impairment model requires recognition of expected credit losses based on available historical, current and forecast information. The hedging model included in IFRS 9 aligns hedge accounting more closely with risk management but does not fundamentally change the types of hedging relationships or the requirements to measure and recognize hedge effectiveness. The adoption of IFRS 9 will affect the classification and measurement of the Group's financial assets as more financial assets are expected to be accounted for at fair value through profit or loss. SCOR's impairment policies will also be affected as impairments will be recognized based on expected credit losses and no longer based on incurred credit losses only. There are no significant changes expected for the hedge accounting as applied by SCOR. The Group is in the process of determining the impacts of IFRS 9 on its financial position and performance as well as on disclosures in more detail.

- On January 13, 2016, the IASB published IFRS 16 – Leases. The Standard will replace the current guidance in IAS 17 – Leases, and is applicable from January 1, 2019. The EU endorsed IFRS 16 on October 31, 2017. IFRS 16 will significantly change the accounting by lessees, who will recognize a lease liability reflecting the present value of future lease payments and a 'right-of-use asset' for lease contracts on the balance sheet. Exemptions are optional for certain short-term leases and leases of low-value assets. Lessees will recognize depreciation of the right-of use asset and interest expense in accordance with the effective interest rate method on the lease liability in their income statement. The accounting for lessors remains broadly unchanged from IAS 17. Transition to the new principles for lease accounting can be done either fully retrospectively or by adopting a simplified approach that includes specified reliefs related to the measurement of the right-of use asset and the lease liability and would not require a restatement of comparative amounts. SCOR is currently finalizing the implementation of IFRS 16. Overall, the impact is expected to be limited and will mainly result from leased office space used by the Group.

- On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts which will replace the current guidance in IFRS 4 – Insurance Contracts. On November 14, 2018, the IASB voted to propose a one-year deferral of the effective date for IFRS 17 to January 1, 2022. The IASB also decided to propose extending to 2022 the temporary exemption for insurers to apply IFRS 9, so that both IFRS 9 and IFRS 17 can be applied at the same time. IFRS 17 will significantly change the accounting for insurance contracts as currently applied. IFRS 17 introduces a current fulfilment measurement approach as the general model for all insurance and reinsurance contracts. Insurance obligations will be the sum of current fulfilment cash flows and the unearned profit for a contract or group of contracts. Current fulfilment cashflows comprise the discounted expected future cash in- and outflows in the boundary of a contract or group of contracts, including a risk adjustment. The unearned profit is called CSM (Contractual Service Margin). Contracts that are onerous on initial recognition require an immediate loss recognition. Insurance contracts will be re-measured based on current market information at each reporting date. Under IFRS 17, the performance of the Group will mainly be depicted through the insurance service result (the profit earned from providing (re)insurance coverage) and the financial result (investment income from managing insurance assets and insurance finance expense from discounting insurance obligations). Gross written premiums will no longer be presented on the face of the income statement. Presentation of balance sheet and income statement will change under IFRS 17 compared to current practice. The new Standard also requires additional disclosures and reconciliations to enable users of the Financial Statements to understand the amounts recognized on the balance sheet and in total comprehensive income as well as the risks embedded in insurance contracts that the Group issues. IFRS 17 is expected to require significant changes in systems and processes at potentially substantial cost. SCOR has worked on the implementation phase of the IFRS 17 project throughout 2018. Developments of potential changes to IFRS 17 are being closely monitored to ensure consequential impacts on the implementation work are timely taken into account. The IASB's tentative decision to postpone the effective date of IFRS 17 by one year has been considered in the overall project planning.

NOTE 2. SCOPE OF CONSOLIDATION

Determining control

All material entities over which SCOR has control are fully consolidated. SCOR controls an entity when it is exposed to, or has rights to, variable returns from its investment in the entity and has the ability to affect those returns through its power to direct the entity's activities.

Critical judgments are sometimes required to determine the consolidation method for certain entities in which the Group holds less than 50% of the voting rights. As such, despite holding less than 50% of its voting rights, the Group determines that it continues to control MRM as it exerts de facto control as defined by IFRS 10 in light of the proportion of voting rights it holds, and of the wide dispersion of the other vote holders.

Subsidiaries are consolidated from the date on which the Group acquires control until the date on which control is transferred outside the Group or control ceases.

Certain subsidiaries have been included within the Group financial statements under the equity method and are not fully consolidated on a line-by-line basis as they are not core business and as they are immaterial to the Group's consolidated financial statements.

Interests in joint arrangements and associates

The Group's investments in associates are accounted for using the equity method. Associates are companies in which the Group exercises significant influence but no control or joint control. Significant influence generally occurs when the Group owns, directly or indirectly, between 20% and 50% of the outstanding voting rights. For certain associates accounted for under the equity method the Group consistently uses provisional financial year-end information and makes adjustments, if necessary, in the following reporting period.

SCOR determined that its Lloyd's participations and reinsurance pools do not constitute joint arrangements as there is no contractually agreed sharing of control requiring unanimous consent for decisions about the relevant activities of those arrangements.

Consolidation of investment funds

The Group, through SCOR Investment Partners, acts as a fund manager for various investment funds. Funds for which SCOR acts as principal are consolidated, even if the Group holds less than 50% of the voting rights.

When determining whether the Group acts as an agent or a principal with respect to investment funds, the power to direct the relevant fund activities, i.e. the scope of the Group's decision-making authority over the funds, as well as the aggregated economic interest, including the returns and fund management compensation generated for the Group are taken into account.

Investment funds and real estate entities are fully consolidated or recorded using the equity method in accordance with the aforementioned principles. Non-controlling interests in fully consolidated investment funds are presented in "Other liabilities" as the third-party holders have an unconditional right to sell their holdings to SCOR. 100% of assets (including insurance business investments and cash and cash equivalents), liabilities, cash flows and income statement of the fully consolidated funds, are therefore reflected in SCOR's consolidated financial statements.

Certain mutual funds that the Group manages and controls are open to external investors. When certain conditions are met, these funds are consolidated under a "short-cut method" under which the total assets of the fund are recognized as investments at fair value through income on the line "Insurance business investments", and the elimination of the third-party share is presented as "Other liabilities".

Structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and relevant business activities are directed by means of contractual arrangements.

The Group sponsors a number of mortality or catastrophe bond ("Cat bond") notes issued by Atlas special purpose vehicles (SPVs). These vehicles are not consolidated by the Group as SCOR does not control them, is not liable for any residual risk or benefit of ownership and has no ability to affect their returns.

SCOR has no interests in consolidated structured entities.

NOTE 2.1. SIGNIFICANT SUBSIDIARIES, INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

		2018 Percentage		2017 Percentage		Consolidation method
	Country	Control	Interest	Control	Interest	
SCOR SE and its subsidiaries						
SCOR SE	France	Parent	Parent	Parent	Parent	Parent
General Security Indemnity Company of Arizona	US	100	100	100	100	Full
General Security National Insurance Company	US	100	100	100	100	Full
SCOR Africa Ltd.	South Africa	100	100	100	100	Full
SCOR Investment Partners SE	France	100	100	100	100	Full
SCOR Services Asia-Pacific Pte Ltd	Singapore	100	100	100	100	Full
SCOR Brazil Reasseguros SA	Brazil	100	100	100	100	Full
SCOR Perestrakhovaniye	Russia	100	100	100	100	Full
SCOR Reinsurance Company	US	100	100	100	100	Full
SCOR US Corporation	US	100	100	100	100	Full
SCOR Brazil Participações Ltda	Brazil	100	100	100	100	Full
SCOR Global LIFE SE and its subsidiaries						
SCOR Global Life SE	France	100	100	100	100	Full
Revios Canada Holding Corp. Ltd.	Canada	100	100	100	100	Full
Revios Canada Ltd.	Canada	100	100	100	100	Full
SCOR Global Life Australia Pty Ltd.	Australia	100	100	100	100	Full
SCOR Global Life USA Holdings Inc.	US	100	100	100	100	Full
SCOR Global Life Americas Holding Inc. (Delaware)	US	100	100	100	100	Full
SCOR Global Life Reinsurance International (Barbados) Ltd.	Barbados	100	100	100	100	Full
SCOR Global Life Reinsurance Ireland dac	Ireland	100	100	100	100	Full
SCOR Life Ireland dac	Ireland	100	100	-	-	Full
SCOR Global Life USA Reinsurance Company	US	100	100	100	100	Full
SCOR Global Life Reinsurance Company of Delaware	US	100	100	100	100	Full
SCOR Life Assurance Company (SLAC)	US	100	100	100	100	Full
SCOR Life Reassurance Company (SLRC)	US	100	100	100	100	Full
Quantitative Data Solutions	US	100	100	100	100	Full
SCOR Global P&C SE and its subsidiaries						
SCOR Global P&C SE	France	100	100	100	100	Full
SCOR Canada Reinsurance Company	Canada	100	100	100	100	Full
SCOR Reinsurance Asia-Pacific Pte Ltd.	Singapore	100	100	100	100	Full
SCOR Reinsurance Company (Asia) Ltd.	Hong Kong	100	100	100	100	Full
SCOR Underwriting Ltd.	UK	100	100	100	100	Full
SCOR UK Company Ltd.	UK	100	100	100	100	Full
SCOR Holding (Switzerland) AG and its subsidiaries						
SCOR Holding (Switzerland) AG	Switzerland	100	100	100	100	Full
SCOR Holding (UK) Ltd.	UK	100	100	100	100	Full
SCOR Services Switzerland AG	Switzerland	100	100	100	100	Full
SCOR Switzerland AG	Switzerland	100	100	100	100	Full
SCOR Asia House Limited Partnership	UK	100	100	100	100	Full
Non insurance entities						
MRM SA	France	48.80	59.90	47.95	59.90	Full
SCOR Auber	France	100	100	100	100	Full
Château Mondot SAS	France	100	100	100	100	Full

NOTE 2.2 INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD

The Group has investments that are accounted for using the equity method and are not individually or in aggregate material to the Group. The following table provides a summary of the aggregate amount of SCOR's share of these investments.

	As at December 31	
In EUR millions	**2018**	**2017**
Aggregate net book value (in SCOR) of individually immaterial associates	9	75
Aggregate amount of the reporting entity's share of net income/(loss)	(8)	(1)
Other comprehensive income	-	(1)
Total comprehensive income/(loss)	(8)	(2)

The table above is based on 2018 and 2017 provisional financial information.

During the first quarter 2018, MutRé and M&S Brazil/Essor ceased being accounted for under equity method, for the carrying value of EUR 45 million and EUR 8 million respectively, and are fully consolidated as SCOR obtained control. (See Note 3 – Acquisitions and disposals).

During the second quarter 2018, the Group sold its remaining participation in Asefa for EUR 4 million. In 2017, the Group had partially sold its participation for EUR 3 million (investment held decreased from 19.97% to 9.97%), but had retained its significant influence.

NOTE 2.3. INFORMATION RELATED TO UNCONSOLIDATED STRUCTURED ENTITIES

The Group sponsors a number of special purpose vehicles (SPVs) designed to reduce SCOR's exposure to catastrophe losses and to extreme mortality events through the transfer of risk to external investors.

Depending on the design of the risk transfer agreement with the SPV, the transaction is classified as either a derivative instrument or an insurance contract. Derivatives are accounted for at fair value through income and are presented in the balance sheet line item "Derivative instruments". Future payments to the SPV scheduled in the risk transfer contract are recognized as "Other liabilities". Assets from the agreements designated as insurance contracts, are recognized in the balance sheet line item "Share of retrocessionaires in insurance and investment contract liabilities". Payments to the SPV are recognized in the income statement as "Retroceded written premiums".

	December 31, 2018		December 31, 2017	
In EUR millions	**Atlas IX Series 2015-1**	**Atlas IX Series 2016-1**	**Atlas IX Series 2015-1**	**Atlas IX Series 2016-1**
Insurance business investments	-	17	8	34
Share of retrocessionaires in insurance and investment contract liabilities	-	-	-	-
Total assets	**-**	**17**	**8**	**34**
Other liabilities	-	20	10	38
Total liabilities	**-**	**20**	**10**	**38**

SCOR's maximum exposure to losses from unconsolidated structured entities is the carrying amount of the assets (such carrying amount varies during the coverage period, in particular if a significant catastrophic event occurs) which cannot exceed the maximum residual cover of the risk transfer agreement. Exposure relates to credit risk which is very limited due to the use of low-risk collateral. Liabilities are settled by SCOR according to the risk transfer agreement.

Atlas IX – Catastrophe bond

In February 2015, SCOR sponsored a catastrophe bond, Atlas IX Series 2015-1, which provides the Group with a multi-year risk transfer capacity of USD 150 million for US Named Storm and US and Canada Earthquake events. This transaction replaced the US tranches of Atlas VI Series 2011-1. The issuer of the cat bond, Atlas IX Capital Limited, is an Irish private limited company, incorporated on August 2, 2013. The risk period for Atlas IX 2015-1 ran from February 11, 2015 to December 31, 2018. The instrument was accounted for as a derivative instrument.

On January 13, 2016, SCOR successfully sponsored a new catastrophe bond, Atlas IX Series 2016-1, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against US Named Storm and US and Canada Earthquake events. The risk period for Atlas IX 2016-1 runs from January 13, 2016 to December 31, 2019. The instrument is accounted for as a derivative instrument.

Following the exceptional series of large natural catastrophes that occurred during the second half of 2017, SCOR was advised in 2018 of a recovery of USD 26 million (EUR 23 million) with regards to Atlas IX 2015-1, which has been recognized in other operating income.

Atlas Capital UK 2018 PLC – Catastrophe bond

On June 1, 2018, as part of its policy of diversifying its capital protection tools, SCOR sponsored a new catastrophe bond , Atlas Capital UK 2018 PLC, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against named storms in the US, earthquakes in the US and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2018 runs from June 1, 2018, to May 31, 2022.

The contract has been accounted for as a reinsurance contract, in accordance with IFRS 4 – Insurance Contracts.

NOTE 3. ACQUISITIONS AND DISPOSALS

Business combinations are accounted for using the purchase method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income.

A gain from bargain purchase is generated when the fair value of the net assets acquired by the Group exceeds the acquisition price and is recognized in the statement of income from the date of acquisition.

Provisions, contingent assets and contingent liabilities are assessed at the acquisition date for the entities acquired. Such positions are subject to revision while the initial accounting is not final. Any revision after the initial accounting is finalized, is recognized in the statement of income in accordance with IFRS 3 – Business Combinations.

In 2018, the Group accounted for the following acquisitions:

MutRé

On July 17, 2017, SCOR signed an agreement with the Fédération Nationale de la Mutualité Française and Matmut with a view to the acquisition of 100% of the shares of MutRé S.A.

The ratification of the agreement by MutRé's other shareholders (which represent approximately 15% of MutRé's capital) was finalised during October 2017.

The transaction, which was subject to the authorization of the ACPR and the relevant competition authorities, received approval from all regulatory bodies.

SCOR has been a 33% shareholder and a major technical and commercial partner of MutRé since the company was created in 1998. Until December 31, 2017, MutRé was accounted for as an equity method investee. It has been fully consolidated in the SCOR Group financial statements since January 1, 2018.

The consideration paid by SCOR for the additional 67% share on January 3, 2018 amounted to EUR 70 million. The control was obtained on the same date. Following agreement between the seller and the buyer, SCOR received a purchase price adjustment of EUR 2 million reducing the total consideration paid to EUR 68 million.

The purchase price has been allocated based on a provisional estimate of the fair value of assets acquired and liabilities assumed at the date of acquisition. The assets acquired and liabilities assumed are recorded at their fair values for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS from January 1, 2018.

The accounting for the acquisition of MutRé resulted in a gain from bargain purchase of EUR 26 million as the fair value of net assets acquired exceeds the consideration transferred after reassessment of the acquired assets and assumed liabilities. The revaluation of shares previously held (step acquisition) resulted in an additional gain of EUR 2 million.

On February 13, 2018, the Boards of Directors of SCOR Global Life SE and MutRé approved the merger of the two entities with a retroactive effect on January 1, 2018. The merger was approved by the ACPR on March 20, 2018.

The provisional fair value of the assets acquired and liabilities assumed as of January 3, 2018 is as follows:

MutRé – Fair value of the assets acquired and liabilities assumed

In EUR millions	**Provisional allocation**
ASSETS	
Value of business acquired	6
Insurance business investments	376
Share of retrocessionaires in insurance contracts	19
Other assets	140
Total assets	**541**
LIABILITIES	
Contract liabilities	374
Other liabilities	26
Total liabilities	**400**
Fair Value of net assets	141
Consideration paid	68
Fair Value of the 33% previously held	47
Gain from bargain purchase (Badwill)	**26**
Step Acquisition – P&L gain/(loss)	**2**
TOTAL P&L IMPACT GAIN/(LOSS)	**28**

Value of business acquired (VOBA)

The VOBA has been estimated based on the best estimate of expected future profits using a discount rate including an appropriate risk premium. This intangible asset will be amortized over the lifetime of the underlying treaties, in line with expected emergence of profits.

Investments

Fair values have been determined for investments based mainly on quoted market prices. If quoted market prices were not available, valuation models were applied.

Share of retrocessionaires in contract liabilities and contract liabilities

Mathematical reserves, claims reserves and share of retrocessionaires in contract liabilities have been recorded based on best estimate assumptions at the time of acquisition.

Other assets and liabilities

Other assets and liabilities have been recorded at their estimated fair value.

Deferred tax has been recognized on the timing differences arising from the purchase price allocation. These balances represent payable and recoverable amounts which the Group expects to realize.

Pro forma information

No pro forma information is required since the financial situation of the Group is not significantly impacted by the consolidation of MutRé.

Impact of MutRé acquisition on consolidated statement of cash flows

The main impact results from the consideration paid (EUR 68 million) and is presented in investment activities.

M&S Brazil/Essor

On July 18, 2017, SCOR Global P&C SE acquired the remaining 51% share of M&S Brazil Participações Ltda ("M&S Brazil"), holding company of Essor Seguros S.A ("ESSOR", a direct insurance company in Brazil) held by La Mutuelle des Architectes Français Assurances ("MAF") and the single share of ESSOR also held by MAF.

This transaction was subject to SUSEP (Brazilian regulatory body) prior and final approvals, respectively received on September 18, 2017 and on January 2, 2018, which led to the effective control of M&S Brazil by the Group.

The company was initially created in 2011 by SCOR and MAF and started its insurance operations in December 2012. The Group held 49% of the company since 2011. Until December 31, 2017 M&S Brazil was accounted for as an equity method investee. It has been fully consolidated in the SCOR Group financial statements since January 1, 2018.

The consideration paid by SCOR for the additional 51% share was BRL 28 million (EUR 7.3 million).

The identifiable assets acquired and liabilities assumed have been recorded at their fair values for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS during the first quarter of 2018. The net assets amounted to BRL 63.8 million (EUR 16.2 million, based on the EUR/BRL exchange rate at the acquisition date).

The purchase price was allocated based on the fair value of assets acquired and liabilities assumed at the date of acquisition, determined in accordance with IFRS 3 – Business Combinations. This resulted in overall loss impact of EUR (1.9) million recognized in the income statement on the acquisition date, including a gain from bargain purchase of EUR 0.9 million, and the revaluation of shares previously held (the step acquisition) of EUR (2.8) million.

In 2017, the Group entered into the following acquisition:

Château Mondot S.A.S.

On April 10, 2017, SCOR exercised an option over 80% of the capital and voting rights of Château Mondot S.A.S., a French company managing a vineyard located in the Bordelais region of France, Château Troplong Mondot (Premier Grand Cru Classé B of Saint-Émilion). This acquisition was subject to the regulatory approval by the SAFER (a French agricultural authority) at the end of a two-month review period, which ended on July 6, 2017. The acquisition of control generated a gain of EUR 13 million on the previously held 20% equity interest, recognized in other operating income.

The consideration paid in cash by SCOR amounted to EUR 178 million.

The purchase price has been allocated based on a provisional estimate of the fair value of assets acquired and liabilities assumed at the date of acquisition determined in accordance with IFRS 3 "Business Combinations".

The assets and liabilities acquired have been recorded at their fair values for purposes of the opening balance sheet and included in the consolidated accounts of SCOR using the Group's accounting principles in accordance with IFRS during the third quarter of 2017.

The fair value of the assets acquired and liabilities assumed as at December 31, 2017 were as follows:

Château Mondot – Fair value of assets acquired and liabilities assumed

In EUR millions	**Allocation**
ASSETS	
Intangible assets (trademark)	136
Tangible assets	113
Other assets	14
Total assets	**263**
LIABILITIES	
Deferred tax liabilities	57
Financial liabilities(1)	52
Other liabilities	2
Total liabilities	**111**
Fair value of net assets	152
Consideration paid	178
Fair value of the 20% previously held interest	45
GOODWILL	**71**

(1) Of which EUR 43 million were related to internal operation with the Group and was eliminated through the intercompany consolidation.

Intangible assets

Fair values have been determined by independent appraisers, having a wide and extensive experience in the valuation of French vineyards, including related trademarks.

Tangible assets

Tangibles assets refer to lands and vineyards, wine inventories and other tangible assets. Their fair values have been determined by an independent appraiser based on comparable transaction method, market prices or independent expert valuation.

Financial liabilities

Financial liabilities (as well as other assets) were valued at their carrying amount, approximating their fair value.

Pro forma information

No pro forma information was required since the financial situation of the Group was not significantly impacted by the consolidation of Château Mondot S.A.S.

Impact of Château Mondot S.A.S acquisition on consolidated statement of cash flows

The main impact resulted from the consideration paid (EUR 178 million) and was presented in investment activities.

The Group did not enter into any acquisition or disposal of consolidated subsidiaries in 2016.

NOTE 4. SEGMENT INFORMATION

For management purposes, the Group is organized into three divisions (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which SCOR Global P&C and SCOR Global Life are considered reportable operating segments, and one corporate cost center: Group Functions.

SCOR Global Investments is the asset management division of the Group. Its role is complementary to the two reportable operating segments as it manages SCOR Global P&C's and SCOR Global Life's investment assets associated with their contract liabilities. SCOR Global Investments also manages third-party assets, however this activity is currently considered not material. Therefore, SCOR Global Investments is not considered a separate reportable operating segment for the purposes of IFRS 8 – Operating segments.

The operating segment SCOR Global P&C is responsible for property and casualty insurance and reinsurance (also referred to as "Non-Life"), and the operating segment SCOR Global Life is responsible for life reinsurance (also referred to as "Life"). Each operating segment underwrites different types of risks. Responsibilities and reporting within the Group are established on the basis of this structure. No operating segments have been aggregated to form the SCOR Global P&C and SCOR Global Life reportable operating segments.

Management reviews the operating results of the SCOR Global P&C and SCOR Global Life segments individually for the purpose of assessing the operational performance of the business and to allocate resources. The amount of inter-segment transactions, primarily in relation to gross written premiums, is not significant. Hub shared service costs are allocated to the divisions using a headcount allocation key.

Group Functions is not an operating segment and does not generate revenues. Costs relating to Group Functions are not directly attributable to either the SCOR Global P&C or SCOR Global Life segments. Group Functions is the corporate cost center which includes the costs of departments fulfilling duties for the benefit of the whole Group, such as the costs for Group Internal Audit, Group Finance Departments (Group Tax, Group Accounting, Group Consolidation and Reporting, Financial Communication, Treasury and Capital Management, Financial Planning and Analysis), Group Chief Operating Departments (Group Legal, Group Communication, Group Human Resources, Information Technology) and Group Chief Risk Officer functions (Group Actuarial, Group Risk Management, Prudential Affairs, Internal Modeling).

The following table sets forth the operating results for the Group's operating segments and its corporate cost center for the financial years ended December 31, 2018, 2017, and 2016.

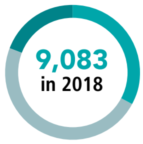
	December 31, 2018			
In EUR millions	SCOR Global Life	SCOR Global P&C	Group Functions	Total
Gross written premiums	9,083	6,175	-	15,258
Change in unearned premiums reserves	(42)	(161)	-	(203)
Gross earned premiums	**9,041**	**6,014**	**-**	**15,055**
Revenues associated with financial reinsurance contracts	11	-	-	11
Gross benefits and claims paid	(7,226)	(3,942)	-	(11,168)
Gross commission on earned premiums	(1,332)	(1,454)	-	(2,786)
GROSS TECHNICAL RESULT[(1)]	**494**	**618**	**-**	**1,112**
Ceded written premiums	(646)	(833)	-	(1,479)
Change in ceded unearned premiums reserves	-	35	-	35
Ceded earned premiums	**(646)**	**(798)**	**-**	**(1,444)**
Ceded claims	549	472	-	1,021
Ceded commissions	47	112	-	159
Net retrocession result	**(50)**	**(214)**	**-**	**(264)**
NET TECHNICAL RESULT[(1)]	**444**	**404**	**-**	**848**
Other income and expense excl. revenues associated with financial reinsurance contracts	**(14)**	**(51)**	**-**	**(65)**
Investment revenues	157	310	-	467
Interests on deposits	145	6	-	151
Capital gains/(losses) on the sale of investments	(2)	129	-	127
Change in fair value of investments	-	(13)	-	(13)
Change in impairment and amortization of investments	(3)	(29)	-	(32)
Foreign exchange gains/(losses)	(6)	(7)	-	(13)
Investment income	**291**	**396**	**-**	**687**
Investment management expenses	(19)	(40)	(9)	(68)
Acquisition and administrative expenses	(256)	(262)	(19)	(537)
Other current operating expenses	(78)	(44)	(104)	(226)
CURRENT OPERATING RESULT	**368**	**403**	**(132)**	**639**
Other operating expenses	-	(35)	-	(35)
Other operating income	3	25	-	28
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)	**371**	**393**	**(132)**	**632**

(1) Technical results are the balance of income and expenses allocated to the insurance and reinsurance business.

December 31, 2017				December 31, 2016			
SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total
8,764	6,025	-	14,789	8,187	5,639	-	13,826
(26)	(165)	-	(191)	(15)	(86)	-	(101)
8,738	**5,860**	**-**	**14,598**	**8,172**	**5,553**	**-**	**13,725**
7	-	-	7	8	-	-	8
(7,399)	(4,564)	-	(11,963)	(6,684)	(3,164)	-	(9,848)
(1,050)	(1,422)	-	(2,472)	(1,053)	(1,404)	-	(2,457)
296	**(126)**	**-**	**170**	**443**	**985**	**-**	**1,428**
(699)	(626)	-	(1,325)	(674)	(575)	-	(1,249)
-	8	-	8	(2)	(12)	-	(14)
(699)	**(618)**	**-**	**(1,317)**	**(676)**	**(587)**	**-**	**(1,263)**
735	844	-	1,579	479	210	-	689
74	62	-	136	115	71	-	186
110	**288**	**-**	**398**	**(82)**	**(306)**	**-**	**(388)**
406	**162**	**-**	**568**	**361**	**679**	**-**	**1,040**
(13)	**(36)**	**-**	**(49)**	**(3)**	**(56)**	**-**	**(59)**
131	275	-	406	123	251	-	374
162	15	-	177	165	17	-	182
22	246	-	268	70	144	-	214
(2)	4	-	2	1	5	-	6
(1)	(28)	-	(29)	(2)	(29)	-	(31)
(21)	(6)	-	(27)	(4)	15	-	11
291	**506**	**-**	**797**	**353**	**403**	**-**	**756**
(19)	(41)	(9)	(69)	(17)	(37)	(8)	(62)
(260)	(256)	(19)	(535)	(233)	(226)	(23)	(482)
(64)	(45)	(88)	(197)	(71)	(52)	(94)	(217)
341	**290**	**(116)**	**515**	**390**	**711**	**(125)**	**976**
(1)	(38)	-	(39)	(4)	(36)	-	(40)
2	13	-	15	10	5	-	15
342	**265**	**(116)**	**491**	**396**	**680**	**(125)**	**951**

NOTE 4.1. GROSS WRITTEN PREMIUMS AND INSURANCE CONTRACT LIABILITIES BY GEOGRAPHIC REGION

The distribution of gross written premiums by geographic region for SCOR Global Life, based on market responsibility, is as follows:

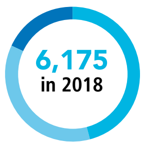


In EUR millions		2018	2017	2016
SCOR Global Life				
33%	EMEA	2,980	2,733	2,677
48%	Americas	4,375	4,567	4,429
19%	Asia-Pacific	1,728	1,464	1,081
TOTAL GROSS WRITTEN PREMIUMS		**9,083**	**8,764**	**8,187**

Contract liabilities and share of retrocessionaires in contract liabilities for SCOR Global Life, allocated on the same basis as gross written premiums, are as follows:

	As at December 31, 2018		As at December 31, 2017	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR Global Life				
EMEA	9,070	341	8,871	391
Americas	4,576	262	4,456	229
Asia-Pacific	982	47	836	82
TOTAL	**14,628**	**650**	**14,163**	**702**

The distribution of gross written premiums by geographic region for SCOR Global P&C, based on the country in which the ceding company operates for treaty business and location of the insured for facultative business, is as follows:



In EUR millions		2018	2017	2016
SCOR Global P&C				
46%	EMEA	2,814	2,758	2,678
36%	Americas	2,254	2,169	1,889
18%	Asia-Pacific	1,107	1,098	1,072
TOTAL GROSS WRITTEN PREMIUMS		**6,175**	**6,025**	**5,639**

For SCOR Global P&C, contract liabilities, allocated on the same basis as gross written premiums, and share of retrocessionaires in contract liabilities, based on the location of the retrocessionaire, are as follows:

	As at December 31, 2018		As at December 31, 2017	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR Global P&C				
EMEA	8,791	862	8,881	878
Americas	4,746	556	4,194	404
Asia-Pacific	2,088	73	1,768	53
TOTAL	**15,625**	**1,491**	**14,843**	**1,335**

NOTE 4.2. ASSETS AND LIABILITIES BY OPERATING SEGMENT

Key balance sheet captions by operating segment, as reviewed by management, are broken down as follows:

	As at December 31, 2018			As at December 31, 2017		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Goodwill arising from insurance activities	45	743	788	49	739	788
Value of business acquired	1,471	-	1,471	1,412	-	1,412
Insurance business investments	12,848	15,738	28,586	12,730	15,630	28,360
Share of retrocessionaires in insurance and investment contract liabilities	650	1,491	2,141	702	1,335	2,037
Cash and cash equivalents(1)	576	599	1,175	509	492	1,001
TOTAL ASSETS	**21,131**	**23,253**	**44,383**	**20,022**	**23,212**	**43,234**
Contract liabilities	(14,628)	(15,625)	(30,253)	(14,163)	(14,843)	(29,006)

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 195 million on December 31, 2018 (December 31, 2017: EUR 145 million).

NOTE 4.3. ASSETS AND LIABILITIES BY GEOGRAPHIC REGION

Assets and liabilities by geographic region are based on the location of the entities and can be broken down as follows:

	As at December 31, 2018				As at December 31, 2017			
In EUR millions	EMEA	Americas	Asia-Pacific	Total	EMEA	Americas	Asia-Pacific	Total
Insurance business investments	21,847	4,718	2,021	28,586	22,344	4,453	1,563	28,360
Share of retrocessionaires in insurance and investment contract liabilities	1,601	506	34	2,141	1,636	370	31	2,037
TOTAL ASSETS	**32,669**	**7,974**	**3,740**	**44,383**	**32,846**	**7,348**	**3,040**	**43,234**
Contract liabilities	(19,848)	(7,604)	(2,801)	(30,253)	(19,726)	(7,004)	(2,276)	(29,006)

NOTE 4.4. CASH FLOWS BY OPERATING SEGMENT

Cash flows by segment are presented as follows:

	For the year ended December 31								
	2018			2017			2016		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Cash and cash equivalents at January 1	**509**	**492**	**1,001**	**682**	**1,006**	**1,688**	**861**	**765**	**1,626**
Net cash flows provided by/(used in) operations	299	592	891	558	586	1,144	250	1,104	1,354
Net cash flows provided by/(used in) investing activities	(93)	(8)	(101)	(356)	(924)	(1,280)	(259)	(109)	(368)
Net cash flows provided by/(used in) financing activities	(145)	(493)	(638)	(330)	(137)	(467)	(158)	(737)	(895)
Effect of changes in foreign exchange rates on cash and cash equivalents	6	16	22	(45)	(39)	(84)	(12)	(17)	(29)
Cash and cash equivalents at December 31(1)	**576**	**599**	**1,175**	**509**	**492**	**1,001**	**682**	**1,006**	**1,688**

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 195 million on December 31, 2018 (December 31, 2017: EUR 145 million).

Net cash flows provided by operating activities amounted to EUR 891 million in 2018 (2017: EUR 1,144 million and 2016: EUR 1,354 million). The decrease of technical operating cash flows in 2018 compared to 2017 for the SCOR Global Life segment is mainly due to positive one-off impacts in 2017.

NOTE 5. GOODWILL

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. It is initially measured at cost which is calculated as the difference between the business combination cost and the fair value of the Group's share at acquisition date. The fair value is the net amount of identifiable assets and assumed liabilities at the acquisition date.

Goodwill arising on companies accounted for under the equity method is included within the carrying amount of those investments.

After initial recognition, goodwill is measured at cost less any accumulated impairment.

At least annually, goodwill is tested for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is allocated by SCOR to the groups of cash generating units that are expected to benefit from the profitability and synergies of the business combination. As part of the impairment testing, SCOR assesses whether the recoverable amount of operating units is at least equal to the total carrying amount of operating units (including goodwill). If it is determined that an impairment exists, the total carrying amount is adjusted to the recoverable amount. Any impairment loss is recorded in income in the period in which it arises.

In EUR millions	Goodwill arising from insurance activities	Goodwill arising from non insurance activities
Gross value at December 31, 2016	**969**	**-**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	-	71[(1)]
Gross value at December 31, 2017	**969**	**71**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	-	-
Gross value at December 31, 2018	**969**	**71**
Cumulative impairment at December 31, 2016	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2017	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2018	**(181)**	**-**
CARRYING VALUE AS AT DECEMBER 31, 2016	**788**	**-**
CARRYING VALUE AS AT DECEMBER 31, 2017	**788**	**71**
CARRYING VALUE AS AT DECEMBER 31, 2018	**788**	**71**

(1) Relates to Château Mondot (See Note 3 – Acquisitions and disposals).

The carrying amount of goodwill allocated to SCOR Global P&C and SCOR Global Life is disclosed in Note 4 – Segment information.

SCOR groups its cash-generating units (CGUs) by operating segment, i.e. SCOR Global P&C and SCOR Global Life. This is consistent with the way SCOR manages and monitors its business and cash flow.

Goodwill arising from non insurance activities is allocated to a separate CGU and tested for impairment at entity level.

In order to estimate the fair value of SCOR Global P&C for the purpose of impairment testing, SCOR uses a discounted cash flow model comprised of an earnings model, which considers forecasted earnings and other financial ratios for the reportable segment over a five-year period. The first year is based on the assumptions from the Vision in Action strategic plan and the last four years are extrapolated using a conservative approach based on past experience. Business plans include assessments of gross and net premium expectations, expected loss ratios and expected expense ratios together with actuarial assumptions such as the coefficient of changes in ultimate net reserves together with assumptions as to the mean time to payment of existing reserves and future business. Future cash flows beyond this period are extrapolated using a growth rate of 5.5%. SCOR uses risk-free interest rates for each currency as well as the Group's estimated cost of capital of 6.19%, as derived from the Capital Asset Pricing Model (CAPM).

The goodwill impairment test for SCOR Global Life compares the carrying amount of the goodwill with the future profits available from the Life reinsurance portfolio of the division. A best estimate of the future profits is represented by the surplus of the contract liabilities for the assumed reinsurance contracts portfolio reduced for the share of retrocessionaires in reinsurance contract liabilities under IFRS over the economic value of the Life technical provisions measured under Solvency II principles as published in the 2017 Solvency and financial condition report of SCOR Group. SCOR's Life technical provisions are calculated as the sum of best estimate liabilities and risk margin. The best estimate liability is valued as the net present value of future cash flows. The risk margin is derived by applying a cost of capital calculation considering the time value of future solvency capital requirements as calculated by the approved internal model.

Management believes that any reasonably possible change in the key assumptions on which SCOR Global P&C and SCOR Global Life recoverable amounts are based, would not cause their carrying amount to exceed their recoverable amount.

The annual goodwill impairment tests conducted show recoverable amounts in excess of the respective total carrying amounts for the financial years ended December 31, 2018, 2017 and 2016. Consequently, no goodwill impairment charges were recognized.

Goodwill (carrying amount as at December 31, 2018: EUR 71 million) and trademark (carrying amount as at December 31, 2018: EUR 136 million, refer to Note 9.1. – Other intangible assets) of the cash generating unit Château Mondot have been tested for impairment at year end 2018, using the value in use approach. The recoverable amount of the cash generating unit has been valued on the basis of the present value of forecast cash flows determined in the context of a long-term business plan to reflect the wine industry specificities and notably the length of the production and distribution cycles of a vintage.

The annual growth rate applied beyond the business plan horizon is 1.50%. Future cash flows after taking into consideration tax have been discounted using a post-tax discount rate of 5.0%. A standard CAPM (Capital Asset Pricing Model) approach is used to determine the adequate weighted average cost of capital (WACC) of Chateau Mondot. Based on these assumptions no impairment charge has been recognized.

As of December 31, 2018, a change of 0.5 point in the post-tax risk adjusted discount rate or in the growth rate applied beyond the plan would not lead to the recognition of an impairment loss.

However, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of these assets.

NOTE 6. VALUE OF BUSINESS ACQUIRED

VOBA relates to Life reinsurance portfolios acquired in a business combination. VOBA is capitalized as the present value of the stream of expected future cash flows for the assumed and the retroceded reinsurance business using estimates of expected profits from future technical results and future investment income, generated by the investments to cover the reinsurance reserves, less deductions for future portfolio administration expenses. The present value calculations of future profits reflect assumptions on mortality, morbidity, policyholder behavior, discount rates and margins for risk relevant at the date of acquisition.

VOBA is amortized over the lifetime of the underlying reinsurance portfolio based on schedules derived from the run-off patterns of expected profits calculated for future closing dates. Cash flow projections for the acquired portfolio and non-economic assumptions are assessed regularly and updated in the actuarial calculations. The review of cash flow projections recognizes changes in the portfolio from special events like withdrawals or recaptures of treaties. The subsequent measurement of VOBA is consistent with the measurement of the related underwriting reserves. VOBA amortization schedules are adjusted consistently. VOBA is subject to impairment testing performed via the liability adequacy test.

VOBA also includes the intangible asset related to the acquisition of the business portfolio of ReMark Group BV ("ReMark") to reflect the stream of expected future profits.

In EUR millions	Value of business acquired
Gross value at December 31, 2016	**2,044**
Foreign exchange rate movements	(156)
Additions	-
Disposals	(7)[1]
Change in scope of consolidation	-
Gross value at December 31, 2017	**1,881**
Foreign exchange rate movements	60
Additions	6
Disposals	(146)[1]
Change in scope of consolidation	-
Gross value at December 31, 2018	**1,801**
Cumulative amortization and impairment at December 31, 2016	**(432)**
Foreign exchange rate movements	26
Amortization for the period	(35)[1]
Impairment for the period	-
Shadow accounting	(28)
Cumulative amortization and impairment at December 31, 2017	**(469)**
Foreign exchange rate movements	1
Amortization for the period	57[1]
Impairment for the period	-
Shadow accounting	81
Cumulative amortization and impairment at December 31, 2018	**(330)**
CARRYING VALUE AS AT DECEMBER 31, 2016	**1,612**
CARRYING VALUE AS AT DECEMBER 31, 2017	**1,412**
CARRYING VALUE AS AT DECEMBER 31, 2018	**1,471**

(1) Disposals and amortization of VOBA in 2018 include EUR 146 million (2017: EUR 6 million) resulting from the derecognition of VOBA due to treaty terminations. Regular amortization related to business in force amounts to EUR (89) million for the year ended December 31, 2018 and EUR (41) million for the year ended December 31, 2017.

The IFRS 4 liability adequacy testing, which includes VOBA recoverability, showed no indicators of impairment for the financial years ended December 31, 2018, 2017 and 2016.

NOTE 7. INSURANCE BUSINESS INVESTMENTS

Financial assets

The Group classifies its financial assets in the following categories: available-for-sale, fair value through income, loans and receivables, derivative instruments and cash and cash equivalents. Currently no assets are classified as held-to-maturity. Sales and purchases of assets are recognized on the trade date. Once a financial asset has been recorded, it is measured according to its asset category, determined according to the methods set forth below. Financial assets are derecognized when the contractual rights to the cash flow of the financial asset expire or are transferred, and the Group has transferred substantially the risks and rewards incidental to the ownership of the financial asset.

Categories of financial assets

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative assets that are either classified as available for sale or not allocated to any another category. They are carried at fair value. Unrealized gains and losses are recorded directly in shareholders' equity. Changes in foreign exchange rates relating to non-monetary available-for-sale assets are recorded directly in shareholders' equity while those relating to monetary available-for-sale assets are recorded in income.

Interest on debt instruments is calculated in accordance with the effective interest rate method, which includes the amortization of any premiums or discounts and is recognized as investment income. Dividends on equity instruments are recognized as investment income on the ex-dividend date. Upon the derecognition of an available-for-sale financial asset, the accumulated unrealized gains and losses included in shareholders' equity are transferred to realized capital gains/(losses) on investments, net of any amounts previously recorded in income.

Financial assets at fair value through income

The fair value through income category includes financial assets held for trading purposes and those designated at fair value through income upon initial recognition. Gains and losses from changes in the fair value of financial assets classified in this category are recognized in the statement of income in the period in which they occur.

Loans and receivables

The loans and receivables category includes funds held by ceding companies as collateral for underwriting commitments measured at cost. Non-derivative financial assets, where payment is fixed or determinable and which are not listed on an active market, are also included within this category and are recognized at amortized cost using the effective interest rate method. Loans and receivables include short-term deposits or investments with a maturity of more than three months but less than twelve months at the date of purchase or deposit. Loans and receivables include a provision for recoverability if deemed necessary.

NOTE 7.1. INSURANCE BUSINESS INVESTMENTS BY VALUATION METHOD

The Group's insurance business investments and cash by nature and level of valuation technique are presented below:

		As at December 31, 2018				
In EUR millions		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**685**	**-**	**-**	**-**	**685**
Equity securities		512	86	355	-	71
Debt securities		17,099	15,693	1,406	-	-
Available-for-sale financial assets		**17,611**	**15,779**	**1,761**	**-**	**71**
Equity securities		1,245	266	979	-	-
Debt securities		-	-	-	-	-
Investments at fair value through income		**1,245**	**266**	**979**	**-**	**-**
Loans and receivables		**8,978**	**40**	**-**	**-**	**8,938**
Derivative instruments		**67**	**-**	**48**	**19**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**28,586**	**16,085**	**2,788**	**19**	**9,694**
Cash and cash equivalents	**Note 11**	**1,175**	**1,175**	**-**	**-**	**-**
INVESTMENTS AND CASH		**29,761**	**17,260**	**2,788**	**19**	**9,694**
Percentage		**100%**	**58%**	**9%**	**0%**	**33%**

		As at December 31, 2017				
In EUR millions		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**701**	**-**	**-**	**-**	**701**
Equity securities		787	167	561	-	59
Debt securities		16,302	15,003	1,299	-	-
Available-for-sale financial assets		**17,089**	**15,170**	**1,860**	**-**	**59**
Equity securities		1,157	266	891	-	-
Debt securities		-	-	-	-	-
Investments at fair value through income		**1,157**	**266**	**891**	**-**	**-**
Loans and receivables		**9,299**	**8**	**-**	**-**	**9,291**
Derivative instruments		**114**	**-**	**70**	**44**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**28,360**	**15,444**	**2,821**	**44**	**10,051**
Cash and cash equivalents	**Note 11**	**1,001**	**1,001**	**-**	**-**	**-**
INVESTMENTS AND CASH		**29,361**	**16,445**	**2,821**	**44**	**10,051**
Percentage		**100%**	**56%**	**10%**	**-**	**34%**

Mutual funds

Total insurance business investments and cash include mutual funds that the Group manages and controls and which are also open to external investors. As at December 31, 2018, the carrying amount of assets under management eliminated in "Other liabilities" for consolidation purposes was EUR 2,439 million (December 31, 2017: EUR 2,210 million). Cash and cash equivalents include cash held on behalf of third parties as part of SCOR's asset management activity for the amount of EUR 195 million as at December 31, 2018 (December 31, 2017: EUR 145 million).

Available-for-sale investments measured at cost

Available-for-sale investments include EUR 71 million of investments which are measured at cost (December 31, 2017: EUR 59 million). These investments primarily include equity securities and funds which are not listed.

In 2018 and 2017 respectively, there were no material gains or losses realized on the disposal of available-for-sale investments which were previously carried at cost.

Impairment losses

Total impairment losses recognized in 2018 amounted to EUR 6 million (2017: EUR 8 million), relating mainly to EUR 4 million on the equity portfolio (2017: EUR 3 million), EUR 0 million on loans and receivables (2017: EUR 4 million) and EUR 2 million on the debt securities portfolio (2017: EUR 0 million).

NOTE 7.2. ACCOUNTING PRINCIPLES FOR VALUATION AND IMPAIRMENT OF FINANCIAL ASSETS

Valuation of financial assets

The fair value of financial instruments that are traded in an active financial market is determined by reference to quoted market bid prices, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations. As the Group is responsible for determining the fair value of its investments, regular analysis is performed to assess whether prices received from third parties are reasonable estimates of fair value. The Group's analysis includes: (i) a review of price changes made in the investment management systems; (ii) a regular review of pricing deviations between dates exceeding predefined pricing thresholds per investment category; and (iii) a review and approval of valuation changes made on an exceptional basis. The Group may conclude that the prices received from third parties are not reflective of current market conditions. In those instances, SCOR may request additional pricing quotes or apply internally developed valuations. Similarly, the Group may value certain derivative investments using internal valuation techniques based on observable market data.

For unlisted equity instruments, fair value is determined according to commonly used valuation techniques.

The fair value of hedge funds managed by third parties is based on their net asset value (NAV) as issued by external asset managers. This NAV is regularly audited, at least annually.

The fair value of floating-rate and overnight deposits with credit institutions is their carrying amount.

If, as a result of a change in intention or ability or in the circumstance that a reliable measure of fair value is no longer available, it becomes appropriate to carry a financial instrument at cost or amortized cost, then the last reliable fair value available is taken as the new cost or amortized cost, as applicable.

Fair value hierarchy

The Group provides disclosures on the measurements of financial instruments held at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement. Assessing the significance of a particular input to the fair value measurement requires judgment, considering factors specific to the asset or liability. At each reporting date, the Group considers the classification relevancy of financial instruments that are measured at fair value. The valuation methodology of financial instruments is regularly monitored to identify potential reclassifications. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

  Included in this level are financial instruments for which quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker. Such instruments comprise listed equities, government, covered and agency bonds, as well as short-term investments. For investments in closed- or open-ended funds, fund shares and units and derivative financial instruments (including real estate, interest rate and mortality swaps, options etc.), fair value is determined by reference to published bid values.

- Level 2: models prepared by internal and external experts using observable market inputs.

  The Group has certain investments which are valued based on models prepared by internal and external experts using observable market inputs. These primarily comprise structured products, other than securities issued by government agencies for which the market is considered active, hybrid tier 1 and tier 2 corporate debt, private placements, inflation-linked government assimilated bonds, specific alternative investments and derivative instruments.

- Level 3: valuation inputs for the asset or liability which are not based on observable market data (unobservable inputs).

  The value of these instruments is neither supported by prices observable on current market transactions in the same instrument nor is it based on available market data. If a fair value measurement uses inputs based significantly on unobservable inputs it is classified within level 3 of the fair value hierarchy. Level 3 instruments consist mainly of derivative instruments primarily relating to the Atlas catastrophe and mortality bonds.

Further detail on the valuation of these derivative instruments is included below within the paragraphs on derivative instruments.

Impairment of financial assets

At each reporting date, the Group assesses whether there is any objective evidence of impairment. The amount of impairment is recorded by asset category, as set forth below.

For available-for-sale equity securities which are listed on an active market, a line-by-line analysis is performed when there has been a decline in fair value as compared to the initial purchase price of more than 30%, or a consistent unrealized loss over a period of more than 12 months. The different factors considered in this analysis include the existence or inexistence of significant adverse changes in the technological, market, economic or legal environment in which the issuer operates. After consideration of these factors, if a security remains unimpaired, the Group ultimately considers objective evidence of impairment, as per IAS 39, by reference to three further key criteria being the existence or not of:

- a consistent decline of more than 30% for 12 consecutive months; or
- a magnitude of decline of more than 50%; or
- a duration of decline of more than 24 months.

For certain investments, in addition to the above impairment guidelines, SCOR takes into consideration other important factors such as:

- the fact that the asset is specifically excluded from any actively traded portfolio;
- its ability and intent to continue to hold the investment for a significantly longer period than a normal investment;
- its business relationship with the investee; and
- the estimated long-term embedded value of the investment.

For unlisted equity instruments, impairment is assessed using a similar approach to listed equities.

For securities not considered to be traded on an active and liquid market, especially investments in closed-end funds, SCOR performs a line-by-line analysis based on the expected lifecycle of these instruments and their business model. A security is considered impaired if:

- there is a magnitude of decline of more than 50%; or
- there is a duration of decline of more than 48 months without recovery in net asset value being observable; and
- the net asset value has not recovered to at least its initial purchase price after an additional 12-month period.

For debt securities and loans and receivables, an objective indicator of impairment relates primarily to proven default credit risk. Different factors are considered to identify those debt securities potentially at risk of impairment, including significant financial difficulty or default in payments, to enable the Group to conclude whether there is objective evidence that the instrument or group of instruments is impaired.

For financial instruments whose fair value cannot be measured reliably and which are measured at cost, a regular analysis is completed to determine if this remains appropriate given the nature of the investment and factors such as amounts realized and the appearance or re-appearance of a market or reliable value. Impairment assessments are completed dependent on the underlying nature of the investment and the expected future cash flows.

If an available-for-sale financial asset is impaired and a decline in the fair value of this asset has been recognized in other comprehensive income, the cumulative loss is reclassified from equity to the statement of income. The cumulative loss is computed as the difference between the cost of the asset (net of any principal repayment and amortization) and its current fair value, less any impairment previously recognized in the statement of income.

A subsequent increase in value of an impaired available-for-sale equity instrument is not recognized in the statement of income. A subsequent increase in value of an impaired available-for-sale debt security is recorded through income as a reversal of impairment if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment losses were recognized.

NOTE 7.3. MOVEMENTS IN FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3 OF THE FAIR VALUE HIERARCHY

The following table shows the reconciliation between the opening and closing balances for assets categorized within level 3:

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount at January 1, 2018	**-**	**-**	**-**	**44**	**44**
Foreign exchange rate movement	-	-	-	-	-
Income and expense recognized in statement of income	-	-	-	(25)[(1)]	(25)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
CARRYING AMOUNT AT DECEMBER 31, 2018	**-**	**-**	**-**	**19**	**19**

(1) Movements in derivative instruments are due to the change in fair value of las IX Series 2015-1 and Atlas IX Series 2016-1 derivatives recorded in other operating expenses, and of the contingent capital facility, recorded in investment income.

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount at January 1, 2017	**-**	**-**	**-**	**91**	**91**
Foreign exchange rate movement	-	-	-	(7)	(7)
Income and expense recognized in statement of income	-	-	-	(38)(1)	(38)
Additions	-	-	-	3(2)	3
Disposals	-	-	-	(5)(3)	(5)
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
CARRYING AMOUNT AT DECEMBER 31, 2017	**-**	**-**	**-**	**44**	**44**

(1) Movements in derivative instruments are due to the change in fair value of Atlas IX Series 2015-1, Atlas IX Series 2016-1 and Atlas IX Series 2013-1 (Extreme Mortality Risk Transfer Contract) derivatives recorded in other operating expenses, and of the contingent capital facility, recorded in investment income.
(2) Additions to derivative instruments include the new contingent capital facility.
(3) Disposals of derivative instruments correspond to the derecognition of Atlas IX Series 2013-1 (Extreme Mortality Risk Transfer Contract). Refer to Note 2.3 – Information related to unconsolidated structured entities.

There were no material transfers between level 1 and level 2 in 2018 and 2017, respectively. There were also no changes in the purpose of a financial asset that subsequently resulted in a different classification of that asset.

NOTE 7.4. REAL ESTATE INVESTMENTS

Investment properties

Real estate held by the Group is classified as investment property when it is held to earn rental income, for capital appreciation or both. Properties are measured at cost, net of accumulated depreciation and impairment losses. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Category	Useful life
Land	Indefinite (not depreciated)
Buildings	
Building structure and exterior	30 – 80 years
Insulation	30 years
Technical installations	20 years
Fixtures and fittings	10 – 15 years

Repair and maintenance costs are charged to the statement of income during the financial period in which they are incurred. All costs directly associated with purchases or construction of property are capitalized. All subsequent value-enhancing capital expenditures are classified as acquisition costs and capitalized when it is probable that the future economic benefits related to the item will flow to the Group.

Every five years, each investment property is subject to an in-depth analysis of its market value by an independent appraiser with recent experience in the location and category of the investment property assessed and approved by the domestic regulators (Autorité de Contrôle Prudentiel et de Résolution in France). Annually, the appraised market value is updated by the same independent appraiser according to changes in the local market and/or the property's rental and technical situation.

At the end of each reporting period, properties are assessed to determine whether there is any indication of impairment. One such indicator is that the building's market-value is below its carrying amount. If any impairment indicator is present, the Group assesses the recoverable amount of the building in question. The recoverable amount is the higher of the property's fair value less cost to sell and its value in use. The value in use is assessed using an internal discounted cash flow model based on current market assumptions and considers rental situation, completeness of construction and renovation work, as well as recent developments within the local real estate market. If the recoverable amount is greater than 20% below the carrying amount, the resulting impairment loss is recognized in the statement of income.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the term of current rental agreements.

The properties held by the Group and considered as investment property are owned either by wholly-owned subsidiaries of SCOR or by MRM (a listed real estate investment company). They consist of office buildings (held by wholly-owned subsidiaries and MRM), and retail buildings (held by MRM). The movements in real estate investments are analyzed as follows:

In EUR millions	Real estate investments	Finance leases	Total
Gross value at December 31, 2016	**914**	**-**	**914**
Foreign exchange rate movement	-	-	-
Additions	80	-	80
Disposals	(169)	-	(169)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value at December 31, 2017	**825**	**-**	**825**
Foreign exchange rate movement	-	-	-
Additions	37	-	37
Disposals	(32)	-	(32)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value at December 31, 2018	**830**	**-**	**830**
Cumulative depreciation and impairment at December 31, 2016	**(144)**	**-**	**(144)**
Depreciation for the period	(21)	-	(21)
Impairment for the period	-	-	-
Other	41	-	41
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2017	**(124)**	**-**	**(124)**
Depreciation for the period	(19)	-	(19)
Impairment for the period	(7)	-	(7)
Other	5	-	5
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2018	**(145)**	**-**	**(145)**
CARRYING VALUE AS AT DECEMBER 31, 2016	**770**	**-**	**770**
CARRYING VALUE AS AT DECEMBER 31, 2017	**701**	**-**	**701**
CARRYING VALUE AS AT DECEMBER 31, 2018	**685**	**-**	**685**

In EUR millions	Real estate investments	Finance leases	Total
Fair value as at December 31, 2016	1,051	-	1,051
Fair value as at December 31, 2017	861	-	861
Fair value as at December 31, 2018	869	-	869

In 2017, increase in real estate investments related to the acquisition of a new building, currently under construction and renovation work on existing buildings for a total of EUR 80 million. Disposals related to sale of one building, resulting in a gain on sale of EUR 192 million.

In 2018, increase in real estate investments related to the costs of existing buildings currently under construction and renovation work for a total of EUR 37 million. Disposals relate to the sale of one building, resulting in a gain on sale of EUR 9 million. Impairments for the period are recognized to reflect the recoverable amount related to two retail buildings for a total of EUR 7 million.

Real estate financing is presented in Note 13.2 – Real estate financing.

Valuation techniques and unobservable inputs

The fair value of real estate investments is categorized within level 3. The valuation techniques and unobservable inputs were as follows as at December 31, 2018 and 2017:

Real estate	Net book value carrying amount 12/31/2018 *(In EUR millions)*	Fair value 12/31/2018 *(excluding transfer taxes and in EUR millions)*	Valuation method	Average rent *(per sqm per annum)*	Average price *(per sqm)*	Average net cap rate *(value including transfer taxes)*	Rent range *(per sqm per annum)*	Net cap rate range *(per sqm per annum)*	Price range *(per sqm)*
Offices portfolio	526	694	Market comparison and income capitalization[1]	342	6,026	5.80%	0 – 490	0% – 10.8%	742 – 10,968
Retail portfolio	159	175	Market comparison and income capitalization[1]	133	1,688	6.90%	18 – 754	4.25% – 8.9%	261 – 5,287

Real estate	Net book value carrying amount 12/31/2017 *(in EUR million)*	Fair value 12/31/2017 *(excluding transfer taxes and in EUR millions)*	Valuation method	Average rent *(per sqm per annum)*	Average price *(per sqm)*	Average net cap rate *(value including transfer taxes)*	Rent range *(per sqm per annum)*	Net cap rate range *(per sqm per annum)*	Price range *(per sqm)*
Offices portfolio	544	687	Market comparison and income capitalization[1]	337	5,509	6.10%	177 – 482	4.3% – 10%	453 – 10,325
Retail portfolio	157	174	Market comparison and income capitalization[1]	133	1,753	6.80%	17 – 803	4.75% – 8%	248 – 7,680

(1) Discounted cash flows (DCF) approach or transaction price (for real estate investments under purchase bids) may also be used for some real estate investments.

Property-related commitments received and granted

Rental income

As part of its real estate investment activities described above, SCOR leases its investment property. The leases generally conform to the local market conditions and have annual indexation clauses for the rental payments. The estimated minimum future rental income is as follows:

In EUR millions		2018 Minimum rental income	2017 Minimum rental income
30%	Less than one year	41	44
63%	From one to five years	84	95
7%	More than five years	10	15
TOTAL MINIMUM RENTAL INCOME		**135**	**154**

The rental income related to investment property was EUR 42 million in 2018 (2017: EUR 48 million) and the related direct operating expenses amounted to EUR 9 million (2017: EUR 14 million).

Property-related commitments

As part of its real estate investment activities the Group committed to purchasing several properties through contracts of sale before completion. As at December 31, 2018, SCOR has off balance sheet commitments of EUR 68 million related to such contracts (December 31, 2017: EUR 87 million).

NOTE 7.5. BREAKDOWN OF SECURITIES AVAILABLE FOR SALE AND AT FAIR VALUE THROUGH INCOME

The following table summarizes the debt and equity securities and unrealized gains/(losses) by class of securities classified as available for sale and at fair value through income:

	As at December 31, 2018		As at December 31, 2017	
In EUR millions	Net book value	Net unrealized gains/(losses)	Net book value	Net unrealized gains/(losses)
Government bonds & similar				
France	91	(1)	106	(2)
Germany	68	-	148	1
Netherlands	22	-	25	-
United Kingdom	225	(1)	209	(1)
Other EU[(1)]	195	(2)	161	(3)
United States	1,816	(23)	1,965	(20)
Canada	284	8	293	11
Japan	11	-	32	-
China	668	1	512	(6)
Supranational	149	-	172	1
Other	1,135	1	883	(2)
Total government bonds & similar	**4,664**	**(17)**	**4,506**	**(21)**
Covered bonds & Agency MBS	**1,600**	**(27)**	**1,824**	**(14)**
Corporate bonds	**9,479**	**(314)**	**8,730**	**48**
Structured & securitized products	**1,356**	**(20)**	**1,242**	**2**
TOTAL DEBT SECURITIES	**17,099**	**(378)**	**16,302**	**15**
Equity securities	**1,757**	**42**	**1,944**	**196**
TOTAL AVAILABLE FOR SALE AND FAIR VALUE THROUGH INCOME	**18,856**	**(336)**	**18,246**	**211**

(1) During 2018 and 2017, SCOR had no exposure to the sovereign debt of Portugal, Ireland, Italy, Greece.

As at December 31, 2018, the net unrealized gain (loss) on debt securities comprised EUR 56 million in unrealized gains and EUR 434 million in unrealized losses (as at December 31, 2017: EUR 144 million in unrealized gains and EUR 129 million in unrealized losses).

The net unrealized gain (loss) on equity securities as at December 31, 2018 comprised EUR 72 million in unrealized gains and EUR 30 million in unrealized losses (as at December 31, 2017: EUR 216 million in unrealized gains and EUR 20 million in unrealized losses).

As at December 2018, revaluation reserves of EUR 145 million (as at December 2017: EUR 156 million) also include:

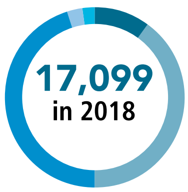
- tax effects on available for sale securities net unrealized gains and losses of EUR 66 million (2017: EUR (48) million);
- net of tax foreign exchange gains and losses of EUR 7 million (2017: EUR (10) million);
- net of tax shadow accounting impacts of EUR 106 million (2017: EUR 7 million);
- elimination of assets under management for external clients net unrealized gains and losses in other liabilities of EUR 16 million (2017: (5) EUR million);
- investments in associates net unrealized gains and losses of EUR 0 million (2017: EUR 1 million);
- net of tax unrealized gains and losses relating to funds withheld of EUR (4) million (2017: EUR 0 million).

NOTE 7.6. DEBT SECURITIES CREDIT RATING STRUCTURE

In EUR millions	As at December 31, 2018		As at December 31, 2017	
AAA	2,536	15%	2,917	18%
AA	3,982	23%	3,981	24%
A	4,991	29%	4,935	30%
BBB	3,366	20%	2,538	16%
<BBB	1,157	7%	977	6%
Not rated	1,067	6%	954	6%
TOTAL DEBT SECURITIES	**17,099**	**100%**	**16,302**	**100%**

NOTE 7.7. DEBT SECURITIES MATURITY SCHEDULE

The table below presents the estimated maturity profiles of financial assets, for which the Group is expected to generate cash inflows to meet cash outflows on financial and reinsurance contract liabilities:



In EUR millions	As at December 31, 2018		As at December 31, 2017	
Less than one year	1,794	10%	2,096	13%
One to five years	6,920	40%	5,846	36%
Five to ten years	7,642	45%	7,520	46%
Ten to twenty years	484	3%	561	3%
More than twenty years	259	2%	279	2%
TOTAL	**17,099**	**100%**	**16,302**	**100%**

NOTE 7.8. LOANS AND RECEIVABLES

In EUR millions	As at December 31, 2018	As at December 31, 2017
Funds held by ceding companies	7,741	7,959
Short term investments	350	537
Loans secured against collateral	2	2
Infrastructure and Real estate loans	878	789
Other loans maturing in more than one year	1	7
Deposits	6	5
TOTAL	**8,978**	**9,299**

Loans and receivables primarily include cash deposits made at the request of ceding companies as collateral for commitments (insurance contract liabilities), short-term investments and related accrued interest. Short-term investments include government bonds, certificates of deposit (CDs) and treasury bills (T-bills) maturing between 3 and 12 months from the date of purchase. CDs and T-bills maturing in more than 12 months from the date of purchase are included in "Other loans maturing in more than one year".

As at December 31, 2018, the decrease in loans and receivables of EUR 321 million compared to year-end 2017 is mainly due to the decrease in funds held by ceding companies (mostly linked to Life business), and one early loan redemption received by SCOR SE.

Short-term investments include EUR 40 million that are carried at fair value at December 31, 2018 (December 31, 2017: EUR 8 million). Other loans and receivables are carried at cost, which approximates their fair value at December 31, 2018 and 2017.

NOTE 7.9. DERIVATIVE INSTRUMENTS

Derivative instruments and hedging instruments

Derivative instruments are recorded and classified at fair value through income unless they are designated as hedging instruments.

All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

The accounting method varies according to whether or not the derivative instrument is designated as a hedging instrument, as described below in "Hedging instruments".

When the Group has not designated the derivative as a hedging instrument, gains and losses resulting from changes in the fair value of the instrument are recorded in the statement of income in the period in which they occur. The Group uses the following derivative instruments to reduce its exposure to various risks: interest rate swaps, foreign currency forward purchase and sale contracts, caps and floors, puts and calls and insurance-linked securities (ILS).

Embedded derivative instruments

An embedded derivative is a component of a hybrid instrument which includes a non-derivative host contract, which causes part of the hybrid instrument's cash flow to vary in the same way as that of a freestanding derivative. The host contract can be a financial instrument or an insurance contract.

A material embedded derivative is separated from the host contract and is recognized as a derivative when:

- its economic features and risks are not closely linked to the economic features of the host contract;
- the embedded instrument has the same conditions as a separate derivative instrument; and
- the hybrid instrument is not measured at fair value through income.

Where an embedded derivative has been separated from its host contract, it is recognized in accordance with the guidance relating to the accounting for derivative financial instruments.

Where the embedded derivative represents a significant part of the instrument and cannot be separated from the host contract, the hybrid instrument is treated as an instrument held for trading. Gains and losses resulting from changes in the fair value of the hybrid instrument are recognized in the statement of income in the period during which they occur.

Hedging instruments

A hedging instrument is a designated derivative instrument or, in the case of a foreign currency hedge, a designated non-derivative asset or liability for which the fair value or cash flows offset changes in the fair value or cash flows of the hedged item.

The hedged item may be an asset, a liability, a firm commitment, a highly probable scheduled transaction or a net investment in a foreign operation exposing the Group to fluctuations in fair value or future cash flows, and which is designated as being hedged.

Hedge effectiveness is monitored periodically by comparing changes in the fair value or cash flows of the hedged item to the changes in the fair value or cash flows of the hedge instrument in order to determine the degree of effectiveness.

A derivative instrument designated as a fair value hedge is initially recognized at fair value on the date on which the derivative contract is entered into. The carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged. The derivative is remeasured at fair value and gains and losses are recognized in the statement of income.

A derivative instrument designated as a cash flow hedge is initially recognized at fair value on the date on which the derivative contract is entered into. The effective portion of gains or losses on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognized in the statement of income. Amounts taken to other comprehensive income are transferred to the statement of income when the hedged transaction is reflected in the statement of income, such as when financial income or financial expenses related to the hedge are recognized or when the forecast sale or purchase occurs.

For hedges of net investments in a foreign operation, the portion of gains or losses on the hedging instrument considered as the effective portion of the hedge is recorded directly in shareholders' equity. Any ineffective portion of the hedge is recognized in the statement of income.

Derivative financial instruments include the following items:

In EUR millions	Derivative assets as at December 31,		Derivative liabilities as at December 31,		Fair value through income		Gains or losses recognized through other comprehensive income	
	2018	2017	2018	2017	2018	2017	2018	2017
Atlas IX 2015-1 & IX 2016-1	17	42	-	-	(25)	(41)	-	-
Atlas IX – extreme mortality risk transfer contract	-	-	-	-	-	(3)	-	-
Interest rate swaps	-	-	1	6	1	-	4	7
Cross currency swaps	34	20	-	-	24	(39)	(10)	(2)
Foreign currency forwards	14	50	54	22	(60)	89	(8)	15
Other	2	2	-	-	-	2	-	-
TOTAL	**67**	**114**	**55**	**28**	**(60)**	**8**	**(14)**	**20**

Catastrophe bonds

Atlas IX 2015 and 2016 catastrophe bond transactions (see Note 2.3 – Information related to unconsolidated structured entities) are recorded as derivative assets recognized at fair value through income and as other liabilities representing the value of interest payments. Atlas IX catastrophe bonds are valued using an expected cumulative loss model that is based on a combination of market inputs, to the extent that trades in these instruments are active, and catastrophe modeling tools developed by third-party companies (AIR/RMS). These assets are disclosed as level 3 investments within insurance business investments (see Note 7.1 above).

The significant unobservable inputs used in the valuation model are:

Unobservable inputs	Atlas IX Series 2016-1
Expected loss US Named Storm based on AIR model:	3.03%
Expected loss US and Canadian Earthquake based on AIR model:	2.59%

A significant catastrophic event (US or Canadian Earthquake or a US Named Storm) covered by Atlas IX Series 2015-1 or Atlas IX Series 2016-1 and occurring during the coverage period of the respective bonds, could lead to an increase in the fair value of the derivative instrument.

Amounts recorded in the statement of income include transaction costs that are expensed at inception as other operating expenses. Changes in fair value through income as presented above are recognized as other operating expenses or other operating income.

SCOR was advised in 2018 of a recovery of USD 26 million (EUR 23 million) with regards to Atlas IX 2015-1, which has been recognized in other operating income. See Note 2.3 – Information related to unconsolidated structures entities.

Mortality bonds

On November 27, 2017, SCOR executed the built-in early redemption option and terminated the Atlas IX mortality risk transfer contract (Series 2013-1) effective on January 1, 2018. With this early termination, the covered risk period ended on December 31, 2017 instead of on December 31, 2018 as originally scheduled. The final payment of interests and an additional termination payment of 1% of the outstanding notional amount of USD 180 million (USD 1.8 million) were made to Atlas IX Capital Limited on December 29, 2017.

Remaining outstanding balances for the derivative asset and the related future interest payable were derecognized with no impact to the statement of income at the reporting date as no other rights and obligations under the transaction existed.

The changes in fair value through income and the early redemption payment expenses and other current administration expenses were recognized as other operating income and other operating expenses.

Interest rate swaps

SCOR has entered into interest rates swaps to cover its exposure to financial liabilities with variable interest rates relating to real estate investments. The fair value of these swaps is obtained from the banking counterparty and is based on market inputs. As part of the usual analysis of accounts processes these third-party valuations are checked for reasonableness against internal models. The total notional amount relating to these swaps is EUR 98 million as at December 31, 2018 (December 31, 2017: EUR 263 million). Net interest paid under these swaps amounted to EUR 4 million in 2018 (2017: EUR 7 million).

Valuation and presentation

Cash-flow hedge accounting is applied when the hedging relationship is determined to be highly effective throughout the term of the hedge. Effectiveness testing is performed at the inception of the hedging relationship and at each reporting date throughout the term of the hedge relationship. Where hedge effectiveness is not attained, the hedging instrument (interest rate swap) is measured at fair value through income from the date the hedge relationship ceases to be effective. As at December 31, 2018, the fair value of the interest rate swaps was a liability of EUR 1 million (December 31, 2017: liability of EUR 6 million). The amount recognized in other comprehensive income in 2018 is EUR 4 million (2017: EUR 7 million). The amount recognized in the statement of income in 2018 is EUR 1 million (2017: not material).

Cross-currency swaps

In order to hedge the foreign exchange risk associated with debt issued in USD (USD 625 million issued in 2018, see Note 13 – Financial debt), SCOR entered into a new cross-currency swap which exchanges principal and coupons on the notes from USD into EUR. The swap matures on March 13, 2029.

SCOR repaid during 2018 perpetual debt issued in 2012 (CHF 315 million) and 2013 (CHF 250 million). The related cross currency swaps matured.

Valuation and presentation

Cash-flow hedge accounting is applied. The fair value of the swaps is obtained from the banking counterparty using market inputs. As part of the usual analysis of accounts processes these third-party valuations are checked for reasonableness against internal models. The total related notional amount is USD 625 million as at December 31, 2018 (December 31, 2017: CHF 565 million). The fair value of cross currency swaps is EUR 34 million as at December 31, 2018 (EUR 20 million as at December 31, 2017). No inefficiency was identified on the remaining swap during 2018.

Forward currency contracts

SCOR purchases and sells forward currency contracts to reduce its overall exposure to balances held in currencies other than the functional currencies of its subsidiaries. The contracts are recorded at their fair value based on valuations provided by banking counterparties using market inputs.

Hedge of a net investment

At December 31, 2018 and 2017, one forward currency contract is designated as a hedge of a net investment (see Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves).

The outstanding contracts at December 31, 2018 and 2017, converted into EUR at the closing rates, were as follows:

	Forward sales		Forward purchases	
In EUR millions	**Notional**	**Fair value**	**Notional**	**Fair value**
December 31, 2018	1,900	(18)	1,191	(20)
December 31, 2017	1,643	35	1,413	(7)

Other

Contingent capital facility

See Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves, for the details on the issuance of warrants to UBS in the context of the contingent capital facility program.

Amounts related to this transaction are recorded in the balance sheet as assets, recognized at fair value through income, and as other liabilities representing the amount of commission payable.

In the absence of observable market inputs and parameters to reliably determine a fair value for these derivative instruments, the best measure of fair value is the expected cost of the instrument, corresponding to the total annual fees payable under the arrangement net of the warrants' subscription amounts received, amortized over the life of the instrument. These assets are disclosed as level 3 investments within insurance business investments (see Note 7.1 above).

The changes in fair value through income as presented above are recognized in investment income.

NOTE 8. ACCOUNTS RECEIVABLE FROM AND PAYABLE ON ASSUMED AND CEDED INSURANCE AND REINSURANCE TRANSACTIONS

A reinsurance asset is recognized to reflect the amount estimated to be recoverable under the reinsurance contracts in respect of the outstanding claims reported under reinsurance liabilities assumed. The amount recoverable from reinsurers is initially valued on the same basis as the underlying claims provision except in the case of non-proportional retrocession whether by risk or by event, where it is SCOR's policy to only recognize recoveries, including IBNR recoveries upon confirmation of the occurrence of a loss booked which triggers the retrocession contract.

The amount recoverable is reduced in the form of a bad debt provision when there is an event arising that provides objective evidence that the Group may not receive all amounts due under the contract and the event has a reliably measurable impact on the expected amount that will be recovered from the reinsurer.

Premiums payable in respect of reinsurance ceded are recognized in the period in which the reinsurance contract is entered into and includes estimates where the amounts are not determined at the reporting date. Retroceded premiums are expensed over the term of the reinsurance contract in the same manner as assumed business.

SCOR contracts with Atlas vehicles which meet the criteria of risk transfer according to IFRS 4 are accounted for as reinsurance ceded.

	As at December 31, 2018			As at December 31, 2017		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Gross receivables from ceding companies	492	475	967	277	410	687
Provision for bad debts	(3)	(8)	(11)	(2)	(8)	(10)
Estimated premiums receivable from cedents, net of commission	2,906	2,490	5,396	2,837	2,361	5,198
Accounts receivable from assumed insurance and reinsurance transactions	**3,395**	**2,957**	**6,352**	**3,112**	**2,763**	**5,875**
Amount due from reinsurers	112	158	270	73	77	150
Provision for bad debts	-	(3)	(3)	-	(4)	(4)
Accounts receivable from ceded reinsurance transactions	**112**	**155**	**267**	**73**	**73**	**146**
Amounts payable on assumed insurance and reinsurance transactions	**(568)**	**(205)**	**(773)**	**(562)**	**(195)**	**(757)**
Liabilities for cash deposits from retrocessionaires	(258)	(311)	(569)	(340)	(334)	(674)
Amount due to reinsurers	(25)	(60)	(85)	(35)	(52)	(87)
Estimated premiums payable to retrocessionaires, net of commission	(317)	(283)	(600)	(249)	(205)	(454)
Accounts payable on ceded reinsurance transactions	**(600)**	**(654)**	**(1,254)**	**(624)**	**(591)**	**(1,215)**

Accounts receivable from and payable to cedents and retrocessionaires are mostly due in less than one year. A complete aging of financial assets is included in the Registration Document in 3.5.2 – Management of credit risks.

NOTE 9. MISCELLANEOUS ASSETS

Miscellaneous assets consist of:

In EUR millions	As at December 31, 2018	As at December 31, 2017
Other intangible assets	344	317
Tangible assets	718	702
Others	218	309
Miscellaneous assets	**1,280**	**1,328**

NOTE 9.1. OTHER INTANGIBLE ASSETS

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition intangible assets are carried at cost less any accumulated amortization and impairment losses.

The useful lives of intangible assets are either finite or indefinite.

Intangible assets with finite useful lives are amortized over the expected useful economic life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of future economic benefits are accounted for prospectively by changing the amortization period or method as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assumption remains appropriate. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Other intangible assets consist primarily of customer-related intangible assets arising from Non-Life business combinations and purchased software or development expenditure related to software.

The Group amortizes its other intangible assets with a finite life using the straight-line method over a one to ten year period.

In EUR millions	Other Intangible assets
Gross value at December 31, 2016	**301**
Foreign exchange rate movements	(6)
Additions	28
Disposals	(11)[(1)]
Change in scope of consolidation	136
Gross value at December 31, 2017	**448**
Foreign exchange rate movements	1
Additions	47
Disposals	(2)
Change in scope of consolidation	-
Gross value at December 31, 2018	**494**
Cumulative amortization and impairment at December 31, 2016	**(126)**
Foreign exchange rate movements	3
Amortization for the period	(8)
Impairment for the period	-
Cumulative amortization and impairment at December 31, 2017	**(131)**
Foreign exchange rate movements	-
Amortization for the period	(19)
Impairment for the period	-
Cumulative amortization and impairment at December 31, 2018	**(150)**
CARRYING VALUE AS AT DECEMBER 31, 2016	**175**
CARRYING VALUE AS AT DECEMBER 31, 2017	**317**
CARRYING VALUE AS AT DECEMBER 31, 2018	**344**

(1) Disposals are mainly related to the scrapping of fully amortized software.

Other intangible assets include all intangible assets except for goodwill and VOBA which are presented on separate balance sheet line items (refer to Note 5 – Goodwill and Note 6 – Value of business acquired).

Other intangible assets with finite useful lives as at December 31, 2018 amounted to EUR 289 million (December 31, 2017: EUR 159 million).

The increase during the year ended December 31, 2018 of EUR 27 million net of amortization mainly comprises the capitalization of software development costs relating to the Group's accounting system and technical accounting system.

The increase during the year ended December 31, 2017 of EUR 142 million net of amortization mainly comprises EUR 136 million for a trademark with indefinite life due to the change in scope relating to Château Mondot (see Note 3 – Acquisitions and disposals).

The Group conducted its annual assessment of the amortization periods and amortization methods of these finite useful life intangible assets and concluded that both the amortization periods and existing amortization methodology are appropriate. The amortization expense recognized for other intangible assets with finite useful life was EUR 19 million, EUR 8 million, and EUR 17 million, for the years ended December 31, 2018, 2017, and 2016 respectively.

Other intangible assets also include indefinite useful life intangible assets associated with Lloyd's syndicate participations acquired through the Converium business combination. The Lloyd's intangible assets with a carrying amount of EUR 9 million as at December 31, 2018 (as at December 31, 2017: EUR 9 million) are deemed to have an indefinite useful life due to the ability to realize cash for these contractual rights through the Lloyd's auction process.

Further intangible assets with an indefinite useful life amounted to EUR 12 million as at December 31, 2018 (December 31, 2017: EUR 13 million).

Intangible assets with an indefinite useful life are tested for impairment at least annually. The prices of the Lloyd's syndicate participations from the Lloyd's auction process are key inputs in the impairment tests conducted, which demonstrated that there was no impairment. The trademark related to Château Mondot's was tested for impairment with the result that no impairment charge needs to be recognized (refer to Note 5 – Goodwill, for details).

NOTE 9.2. TANGIBLE ASSETS AND RELATED COMMITMENTS

Owner-occupied property is classified as tangible assets. Some buildings may be partially occupied by entities of the Group. Properties are recognized at cost, net of accumulated depreciation and impairment losses. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Category	Useful life
Land	Indefinite (not depreciated)
Buildings	
Building structure and exterior	30 – 80 years
Insulation	30 years
Technical installations	20 years
Fixtures and fittings	10 – 15 years

Repair and maintenance costs are charged to the statement of income during the financial period in which they are incurred. All costs directly associated with purchases or construction of property are capitalized. All subsequent value-enhancing capital expenditures are classified as acquisition costs and capitalized when it is probable that the future economic benefits related to the item will flow to the Group.

Owner-occupied property is assessed for impairment whenever there is an indication that it may be impaired. It is considered a corporate asset, which does not generate cash inflows independently. Hence, the assessment is made at the level of the cash generating units (CGU) or groups of CGUs to which the property belongs. Should impairment indicators exist, the Group determines the recoverable amount of the CGU or group of CGUs to which the property belongs and compares it to its carrying amount.

Tangible assets

Tangible assets as at December 31, 2018 amounted to EUR 718 million compared to EUR 702 million as at December 31, 2017 and primarily relate to own use property, office furniture and equipment, and building fixtures and fittings.

In EUR millions	**Tangible Assets**
Gross value at December 31, 2016	**763**
Foreign exchange rate movement	(12)
Additions	24
Reclassification	-
Disposals	(10)
Change in scope of consolidation	96
Other	-
Gross value at December 31, 2017	**861**
Foreign exchange rate movement	3
Additions	42
Reclassification	-
Disposals	(17)
Change in scope of consolidation	1
Other	-
Gross value at December 31, 2018	**890**
Cumulative depreciation and impairment at December 31, 2016	**(142)**
Depreciation for the period	(26)
Impairment for the period	-
Reclassification	-
Disposals	9
Cumulative depreciation and impairment at December 31, 2017	**(159)**
Depreciation for the period	(26)
Impairment for the period	-
Reclassification	-
Disposals	13
Cumulative depreciation and impairment at December 31, 2018	**(172)**
CARRYING VALUE AS AT DECEMBER 31, 2016	**621**
CARRYING VALUE AS AT DECEMBER 31, 2017	**702**
CARRYING VALUE AS AT DECEMBER 31, 2018	**718**

The increase in 2018 is related mainly to an acquisition of EUR 21 million and to improvements to own use properties for a total of EUR 21 million. These increases are partially offset by the disposal of partially amortized tangible assets (furniture and office equipment) for EUR 17 million. The change in scope of consolidation corresponds to the integration of ESSOR SEGUROS S.A for EUR 1 million.

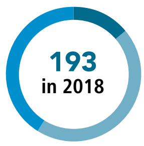
The increase in tangible assets in 2017 is related to improvements to own use properties for a total of EUR 24 million. These increases were partially offset by the disposal of fully amortized tangible assets (furniture and office equipment) for EUR 10 million.

The change in scope of consolidation in tangible assets in 2017 is related to the acquisition of Château Mondot S.A.S. for EUR 96 million (see Note 3 – Acquisitions and disposals).

Property-related commitments received and granted

Operating lease contracts

Payments for operating leases relate primarily to rental payments for offices and business premises of the Group. They include extension options as well as restrictions regarding subleases. In the period under review, lease payments of EUR 29 million (2017: EUR 32 million; 2016: EUR 25 million) were recognized as an expense, net of sublease payments of EUR 4 million (2017: EUR 4 million; 2016: EUR 1 million). The main lease contracts are for the US and Zurich offices. The future minimum payments are as follows:



In EUR millions		2018 Minimum payments	2017 Minimum payments
14%	Less than one year	26	27
45%	From one to five years	87	95
41%	More than five years	80	61
TOTAL MINIMUM LEASE PAYMENTS		**193**	**183**

Property-related commitments and guarantees

SCOR entered into an agreement from October 2013 to acquire 10 office units located on four floors in a building in Singapore. This building has been delivered in 2017 in accordance with the terms of the contract.

SCOR entered into an agremment in November 2016 to purchase a building in Paris.This building has been delivered in 2017 in accordance with the terms of the contract.

NOTE 10. DEFERRED ACQUISITION COSTS

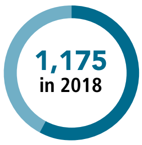
In reinsurance, the costs directly associated with the acquisition of new contracts, mainly comprising commissions, are recorded as assets on the balance sheet, to the extent that the contracts are profitable. They are amortized on the basis of the residual term of the contracts in Non-Life, and on the basis of the expected recognition of future margins for Life contracts.

	2018			2017			2016		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Carrying amount at January 1	**855**	**560**	**1,415**	**825**	**551**	**1,376**	**740**	**536**	**1,276**
Capitalization of new contracts over the period/Change over the year	148	598	746	233	602	835	160	553	713
Change in scope of consolidation and contract portfolio exchanges	-	12	12	-	-	-	-	-	-
Amortization for the year	(171)	(562)	(733)	(149)	(555)	(704)	(94)	(522)	(616)
Impairment losses during the year	-	-	-	-	-	-	-	-	-
Changes in foreign exchange rates	18	7	25	(48)	(38)	(86)	9	(16)	(7)
Other changes (including change in shadow accounting)	36	-	36	(6)	-	(6)	10	-	10
Carrying amount at December 31	**886**	**615**	**1,501**	**855**	**560**	**1,415**	**825**	**551**	**1,376**

NOTE 11. CASH FLOW INFORMATION

Cash and cash equivalents comprise cash, net bank balances and short-term deposits or investments with a maturity less than three months at the date of purchase or deposit. Money market funds are also classified as cash and cash equivalents, though only to the extent that the fund assets qualify as cash equivalents, or there are strict fund management policies and limits that allow the funds to qualify as cash equivalents.

NOTE 11.1. CASH AND CASH EQUIVALENT

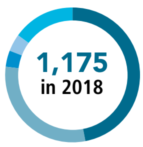


In EUR millions		As at December 31, 2018	As at December 31, 2017
58%	Cash on hand	679	148
42%	Short-term deposits and investments	496	853
CASH AND CASH EQUIVALENT[(1)]		**1,175**	**1,001**

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 195 million on December 31, 2018 (December 31, 2017: EUR 145 million).

The Group's liquidity, defined as cash, cash equivalents, bank overdrafts and short-term government bonds with maturities of more than three months and less than twelve months, which is well diversified across a limited number of banks, amounts to EUR 1,215 million as at December 31, 2018 (December 31, 2017: EUR 1,009 million). It includes EUR 40 million of short-term governments bonds as at December 31, 2018 (December 31, 2017: EUR 8 million).

The table below shows the split by currencies of the Group's cash and cash equivalents balance.



In EUR millions		As at December 31, 2018	As at December 31, 2017
47%	EUR	548	533
30%	USD	359	235
4%	CHF	44	35
4%	GBP	50	74
15%	Others	174	124
TOTAL		**1,175**	**1,001**

NOTE 11.2. NET CASH FLOWS FROM OPERATIONS

The following table reconciles consolidated net income to net cash flows provided by/(used in) operations as presented in the consolidated statement of cash flows:

In EUR millions	2018	2017	2016
Consolidated Group net income	**322**	**286**	**603**
Realized gains and losses on investment disposals	(114)	(214)	(138)
Change in accumulated amortization and other provisions	154	93	36
Changes in deferred acquisition costs	2	(142)	(94)
Net increase in contract liabilities	239	855	1,023
Change in fair value of financial instruments recognized at fair value through income	71	27	118
Other non-cash items included in operating results	66	405	(688)
Net cash flows provided by/(used in) operations, excluding changes in working capital	**740**	**1,310**	**860**
Change in accounts receivable and payable	118	(54)	426[1]
Cash flows from other assets and liabilities	71	(3)	66
Change in taxes receivables and payables	(38)	(109)	2
Net cash flows provided by/(used in) operations	**891**	**1,144**	**1,354**

(1) In 2016, includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.

Dividend and interest cash receipts relating to investments held during the year were EUR 20 million (2017: EUR 23 million and 2016: EUR 24 million) and EUR 551 million (2017: EUR 445 million and 2016: EUR 494 million), respectively.

Tax cash outflows during the year was EUR 252 million (2017: outflow of EUR 93 million and 2016: outflow of EUR 127 million).

NOTE 11.3. CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES

In EUR millions	As at January 1, 2018	Issuance of financial liabilities	Redemption of financial liabilities	Acquisitions	Foreign exchange rate movements	Others	As at December 31, 2018
Long-term debts	**2,702**	**739**	**(658)**	**-**	**48**	**-**	**2,831**

Refer to Note 13 – Financial liabilities for further information.

NOTE 12. INFORMATION ON SHARE CAPITAL, CAPITAL MANAGEMENT, REGULATORY FRAMEWORK AND CONSOLIDATED RESERVES

A breakdown of the movements in the various reserves is provided in Section 4.5 – Consolidated statement of changes in shareholders' equity.

Share capital

Ordinary shares are classified in shareholders' equity when there is no contractual obligation to transfer cash or other financial assets to the holders.

Share issue costs

External costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds of the issue in the line "Additional paid-in capital".

Treasury shares

Treasury shares and any directly related costs are recorded as a deduction from shareholders' equity. When treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity net of any directly related costs and tax effects. Accordingly, there is no related income, gain or loss recognized in the statement of income.

Share-based payments

The caption "Share-based payments" is used to offset the cost of services received in exchange for the granting of shares or stock options to Group employees. As the instruments granted are subordinated to the fulfillment of a vesting period by the employee, the increase in equity is initially recognized at the grant date in the line "Share-based payments". Once the shares are fully vested, they are recognized as ordinary shares under "Share capital" and "Additional paid-in capital".

Dividends

Dividends declared on ordinary shares are recognized as a liability when such dividends have been approved by shareholders at the relevant Annual Shareholders' Meeting.

NOTE 12.1. SHARE CAPITAL

Authorized share capital

The authorized share capital of the Company at December 31, 2018 was 193,085,792 shares with a par value of EUR 7.8769723 each compared with authorized share capital of 193,500,317 shares with a par value of EUR 7.8769723 at the end of 2017 and with authorized share capital of 192,534,569 shares with a par value of EUR 7.8769723 at the end of 2016.

Issued shares

The number of ordinary shares which were issued and fully paid in circulation as at December 31, 2018, 2017 and 2016 was as follows:

	2018	2017	2016
As at January 1	**193,500,317**	**192,534,569**	**192,653,095**
Share capital decrease – decision of the board	(1,692,602)	(554,112)	(672,638)
Share capital increase – exercise of stock options – during the year	1,278,077	1,519,860	554,112
As at December 31	**193,085,792**	**193,500,317**	**192,534,569**
Nominal price per share in EUR	7.8769723	7.8769723	7.8769723
Share capital in EUR	**1,520,931,435**	**1,524,196,637**	**1,516,589,467**

In 2018, the movements are due to the following operations:

- the Board of Directors' meeting held on April 26, 2018 decided to reduce the Group's share capital by cancellation of 1,692,602 treasury shares for EUR 50 million (EUR 13 million in share capital and EUR 37 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 23 million (EUR 10 million in share capital and EUR 13 million in additional paid-in capital). This resulted in the creation of 1,278,077 new shares throughout the year.

In 2017, the movements are due to the following operations:

- the Board of Directors' meeting held on April 27, 2017 decided to reduce the Group's share capital by cancellation of 554,112 treasury shares for EUR 14 million (EUR 5 million in share capital and EUR 9 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 27 million (EUR 12 million in share capital and EUR 15 million in additional paid-in capital). This resulted in the creation of 1,519,860 new shares throughout the year.

In 2016, the movements were due to the following operations:

- the Board of Directors' meeting held on April 27, 2016 decided to reduce the Group's share capital by cancellation of 672,638 treasury shares for EUR 16 million (EUR 5 million in share capital and EUR 11 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 10 million (EUR 4 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 554,112 new shares throughout the year.

The shares issued in 2018, 2017 and 2016 were issued at a par value of EUR 7.8769723 per share.

Treasury shares

The number of shares held as treasury shares by the Group and or its subsidiaries at December 31, 2018 amounted to 9,137,286 shares compared to 5,866,249 shares at the end of 2017. These treasury shares are not entitled to dividends.

Information related to dividend distribution

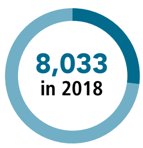
The resolution to be presented to the Annual Shareholders' Meeting called to approve, during the first half of 2019, the financial statements for the financial year 2018, sets out the distribution of a dividend of EUR 1.75 per share for the financial year 2018.

SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 26, 2018 resolved to distribute, for the 2017 financial year, a dividend of one euro and sixty five cents (EUR 1.65) per share, being an aggregate amount of dividend paid of EUR 312 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was April 30, 2018 and the dividend was paid on May 3, 2018.

SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 27, 2017 resolved to distribute, for the 2016 financial year, a dividend of one euro and sixty five cents (EUR 1.65) per share, being an aggregate amount of dividend paid of EUR 308 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was May 2, 2017 and the dividend was paid on May 4, 2017.

NOTE 12.2. CAPITAL MANAGEMENT: OBJECTIVES AND APPROACH

The primary source of capital used by the Group is shareholders' equity and subordinated debt. The leverage ratio as at December 31, 2018 is 27.5%. For a description of the leverage ratio, see Registration Document, Section 1.3.6 – Financial position, liquidity and capital resources.



In EUR millions			As at December 31, 2018 Book value	As at December 31, 2017 Book value
		Subordinated debts	2,277	2,211
	27%	Accrued interest on subordinated debts	(38)	(38)
		Swaps on subordinated debts	(34)	(20)
	73%	Shareholders' equity at book value	5,828	6,225
	CAPITALIZATION AND INDEBTEDNESS		**8,033**	**8,378**

The Group's capital management policy is to optimize the utilization of its shareholders' equity and debt in order to maximize the short-term and long-term profitability for shareholders while at the same time providing its customers with an adequate level of security as measured by internal capital allocation models, rating agencies and national regulators. The realization of the capital management policy objectives is ensured through an integrated supervision of regulatory constraints at Group level, an annual strategic and financial planning process and regular updates of forecasts. The capital management process is ultimately subject to approval by the Board of Directors after a formal presentation to its Audit Committee. The Group's Board of Directors and Executive Committee regularly review the Group's risk profile to ensure that its risk appetite remains aligned with the Group's strategy.

The Groups' capital management objectives are to:

- match the profile of its assets and liabilities, taking into account the risks inherent to the business;
- maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholder value;
- ensure a high degree of capital fungibility;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- allocate capital efficiently and support the development of business by ensuring returns on capital employed meet the requirements of regulators and shareholders; and
- manage exposure to exchange rate fluctuations.

The objective of the Group's overall capital management process is the setting of target risk adjusted rates of return for divisions, which are aligned with performance objectives and promote the creation of shareholder value.

In this regard, and in line with its Group's strategic plan "Vision in Action" for the period from mid-2016 to mid-2019, the Group aims to achieve the following two specific targets:

- a ROE ≥ 800 basis points above the five-year risk-free rate over the cycle[1];
- a solvency ratio[2] in the optimal range between 185% and 220%.

SCOR believes that its working capital is sufficient to meet the requirements of its consolidated companies. The Group reconciles its strategic objectives with the protection of its capital through its "capital shield" policy, which articulates the Group's risk appetite. This policy is based on an economic approach and aims to protect the Group against potential shock losses, some of which are not immediately recognized from a pure accounting view. The policy builds on the following four concepts:

Traditional retrocession

Retrocession used by the Group includes a wide range of protections including Proportional and Non-Proportional covers. The Group selects the level of its retrocession to third parties once a year to ensure that its retained risk profile is in line with its specific risk tolerance limits, to help the Group achieve its return on capital and solvency objectives.

Capital market solution

SCOR uses catastrophe bonds, mortality bonds and side-cars to protect the Group against catastrophic and extreme mortality events.

Solvency scale

SCOR's solvency is actively monitored and managed through a solvency scale coupled with a clear escalation process. The solvency scale includes an optimal solvency range targeted by the Group as a solvency ratio between 185% and 220%, as well as the management responses which could be carried out to steer the solvency position back to the optimal range if need be.

This optimal range enables the Group to absorb a significant amount of the volatility inherent to the reinsurance business, thereby limiting the frequency of turning to the market to maintain the Group's available capital above the SCR.

Contingent capital facility

On December 14, 2016, SCOR arranged a contingent capital facility with BNP Paribas taking the form of a contingent equity line, providing the group with EUR 300 million coverage in case of extreme natural catastrophes or life events impacting mortality. Under this arrangement, SCOR issued 9,599,022 warrants in favor of BNP Paribas; each warrant giving BNP Paribas the right to subscribe to two new SCOR shares. BNP Paribas has undertaken to exercise accordingly the number of warrants necessary for the subscription of up to EUR 300 million (issuing premium included) of new shares, without exceeding 10% of SCOR's share capital, when the aggregate amount of (i) the estimated ultimate net losses resulting from eligible natural catastrophes incurred by the Group (in its capacity as an insurer/reinsurer) between January 1, 2017 and December 31, 2019 or (ii) the ultimate net claims amount recorded by SCOR Group Life segment (in its capacity as an insurer/reinsurer) over two consecutive semesters over the period from July 1, 2016 and December 31, 2019 reaches certain contractual thresholds as reviewed by SCOR's Statutory Auditors. In addition, subject to no drawdown having already been conducted under the facility, if SCOR's daily volume-weighted average share price falls below EUR 10 an individual tranche of EUR 150 million will be drawn down out of the EUR 300 million facility.

On June 29, 2018 BNP Paribas transferred all the warrants to UBS in Agreement with SCOR. UBS has thus been fully substituted to BNP Paribas in relation to all the rights and obligations arising from the contingent capital facility.

UBS is now committed, in lieu of BNP Paribas, to subscribing to the new shares, in case of exercise of the warrants, but does not intend to become a long-term shareholder of SCOR and would therefore resell the shares by way of private placements and/or sales on the open market. In this respect, UBS has also been substituted to BNP Paribas with respect to the profit sharing arrangement put in place in December 2016, whereby 75% of the gain generated by the resale of the new shares, if any, would be retroceded to SCOR. If the resale of the new shares occurs immediately upon exercise through an off-market transaction, the profit share owed to SCOR will be paid in the form of SCOR shares in order to limit the dilutive impact of the transaction for SCOR's shareholders.

In the absence of any extreme triggering event, no shares would be issued under the facility and this facility would therefore remain without any dilutive impact for the shareholders.

Share buy-back program

On July 27, 2017, SCOR announced its intention to buy-back own shares on the basis of robust underlying fundamentals and strong solvency. From that date, SCOR started buying back its own shares with an amount up to EUR 200 million over the next 24 months, subject to market conditions. The buy-back has been conducted within the framework approved by the Annual Shareholders' Meeting held on April 27, 2017, renewed by the 2018 Annual Shareholders' Meeting, which authorizes a share buy-back program capped at 10% of the Group's share capital.

During 2018, SCOR completed its EUR 200 million program with the purchase of 5,267,339 shares at an average purchase price of EUR 36.83 for an aggregated amount of EUR 194 million. The cancellation of these shares will be submitted to the board meeting which will held further to the annual shareholders meeting to be held in 2019.

As part of the entire share buy-back program, SCOR purchased 5,440,081 shares at an average purchase price of EUR 36.76 for a total of EUR 200 million.

(1) Based on a 5-year rolling average of 5-year risk-free rates.
(2) Ratio of Available Capital over SCR (Solvency Capital Requirements) according to the internal model.

NOTE 12.3. REGULATORY FRAMEWORK

Insurance and reinsurance regulators are primarily interested in protecting the interests of policyholders. They ensure that the Group maintains an adequate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The Group is subject to regulatory requirements in each of the jurisdictions in which it conducts business. Local authorities have broad supervisory and administrative powers over many aspects of the insurance and reinsurance industries.

Such regulations not only prescribe approval and monitoring of activities, but also impose obligations related to maintaining a certain level of capital (e.g. capital requirement) to cover the risk of default and insolvency on the part of the reinsurance companies and insurance companies and meet unforeseen liabilities.

The Group actively monitors the regulatory capital requirements of each of its operating subsidiaries within this capital management framework and aims to achieve full compliance in respect of all regulatory and solvency requirements in the countries in which it operates.

Failure of an operating company to meet the local regulatory capital requirements of the jurisdiction in which it operates could lead to supervision or administration of the activities of the operating company by the local regulator.

It should be noted that regulatory filings in the majority of countries in which the Group operates are not prepared on an IFRS basis.

NOTE 13. FINANCIAL LIABILITIES

Interest on the Group's debt is included within financing expenses.

Subordinated debt and debt securities

These items comprise various subordinated debts or unsubordinated bonds issued by the Group. These borrowings are classified as financial liabilities, in accordance with IAS 32 – Financial Instruments: Presentation.

At initial recognition, all borrowings are recorded at fair value less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

Real estate financing

This caption includes debt relating to the acquisition of real estate. At initial recognition, real estate financing is recorded at fair value less directly attributable transaction costs. After initial recognition, it is measured at amortized cost using the effective interest rate method.

Other financial liabilities

At initial recognition, other financial liabilities are recorded at fair value less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

The following table sets out an overview of the debt issued by the Group:

		As at December 31, 2018		As at December 31, 2017	
In EUR millions	Maturity	Net book value	Fair value	Net book value	Fair value
Subordinated debt					
CHF 315 million	Perpetual	-	-	277	282
CHF 250 million	Perpetual	-	-	215	223
CHF 125 million	Perpetual	111	115	107	113
EUR 250 million	Perpetual	250	258	250	285
USD 625 million	Perpetual	553	455	-	-
EUR 250 million	06/05/2047	253	252	252	279
EUR 600 million	06/08/2046	602	600	602	663
EUR 500 million	05/27/2048	508	518	508	576
Total subordinated debt(1)		**2,277**	**2,198**	**2,211**	**2,421**
Investments properties financing		249	249	258	258
Own-use properties financing		261	261	221	221
Total real estate financing(2)		**510**	**510**	**479**	**479**
Other financial debt(2)		**44**	**44**	**12**	**12**
TOTAL FINANCIAL DEBT		**2,831**	**2,752**	**2,702**	**2,912**

(1) Includes EUR 38 million in accrued interest at December 31, 2018 (December 31, 2017: EUR 38 million).
(2) These debts are not publicly traded. Therefore, the carrying amounts are reflective of their fair value.

NOTE 13.1. SUBORDINATED DEBT

SCOR's subordinated debt is classified as financial liabilities as under the terms and conditions of the issuance contracts SCOR does not have an unconditional right to avoid delivering cash to settle contractual obligations and based on projected cash flows the instruments do not have an equity component.

CHF 315 million perpetual subordinated debt

On October 8, 2012, SCOR issued CHF 250 million in perpetual subordinated notes, redeemable by SCOR each quarter on each interest payment date from June 8, 2018. The strong market demand observed prompted the Group to extend its placements from CHF 250 million to a total of CHF 315 million on September 24, 2012. The coupon has been set at 5.25% (until June 8, 2018) and 3-month CHF Libor plus a margin of 4.8167% thereafter.

SCOR has entered into a cross-currency swap which exchanges CHF 250 million of the principal for EUR and exchanges the CHF coupon on the notes for EUR 6.2855% and matures on June 8, 2018. SCOR has entered into a second cross-currency swap which exchanges CHF 65 million of the principal for EUR and exchanges the CHF coupon on the notes for fixed-rate EUR 6.235% and matures on June 8, 2018. See Note 7 – Insurance business investments (Derivative instruments).

On June 8 2018, SCOR redeemed the CHF 315 million undated subordinated debt. The related cross-currency swaps matured.

CHF 250 million perpetual subordinated debt

On September 30, 2013, SCOR issued CHF 250 million in perpetual subordinated notes, redeemable by SCOR each quarter on each interest payment date from November 30, 2018. The coupon has been set at 5.00% until November 30, 2018 and 3-month CHF Libor plus a margin of 4.0992% thereafter.

SCOR has entered into a cross-currency swap which exchanges CHF 250 million of the principal for EUR and exchanges the CHF coupon on the notes for fixed-rate EUR 5.8975% and matures on November 30, 2018. See Note 7 – Insurance business investments (Derivative instruments).

On November 30 2018, SCOR redeemed the CHF 250 million undated subordinated debt. The related cross currency swaps matured.

CHF 125 million perpetual subordinated debt

On October 20, 2014, SCOR issued CHF 125 million in perpetual subordinated notes, redeemable by SCOR on each interest payment date from October 20, 2020. The coupon has been set at 3.375% (until October 20, 2020), and resets every 6 years at the prevailing 6-year CHF mid-swap rate + 3.0275%.

EUR 250 million perpetual subordinated debt

On October 1, 2014, SCOR issued EUR 250 million in perpetual subordinated notes, redeemable by SCOR on each interest payment date from October 1, 2025. The coupon has been set at 3.875% (until October 1, 2025), and resets every 11 years at the prevailing 11-year EUR mid-swap rate + 3.7%.

USD 625 million perpetual subordinated debt

On March 13, 2018, SCOR issued perpetual deeply subordinated notes on the "Regulation S" USD market in the amount of USD 625 million. The coupon has been set at 5.25%, until the first call date of March 13, 2029, and resets every 5 years thereafter at the prevailing 5-year US Treasury yield plus 2.37% (no step-up).

In March 2018, in order to hedge the foreign exchange risk associated with this new debt issued, SCOR entered into cross-currency swaps which exchange the principal and the coupons on the notes into Euro and mature on March 13, 2029. See Note 7 – Insurance business investments (Derivative instruments).

EUR 250 million dated subordinated debt

On June 5, 2015, SCOR issued in EUR 250 million dated subordinated notes on the Luxembourg Euro market, redeemable by SCOR at each interest payment date, from June 5, 2027. The coupon has been set at 3.25% (until June 5, 2027, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.20% (until June 5, 2047, final redemption date).

EUR 600 million dated subordinated debt

On December 7, 2015, SCOR issued EUR 600 million in dated subordinated notes on the Euro market, redeemable by SCOR at each interest payment date, from June 8, 2026. The coupon has been set to 3% (until June 8, 2026, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.25% (until June 8, 2046, final redemption date).

EUR 500 million dated subordinated debt

On May 27, 2016, SCOR issued EUR 500 million in dated subordinated notes on the Euro market, redeemable by SCOR at each interest payment date, from May 27, 2028. The coupon has been set to 3.625% (until May 27, 2028, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.90% (until May 27, 2048, final redemption date).

Early repayment clauses

Some provisions in the terms and conditions of notes allow for early redemption under certain conditions other than the liquidation of the issuer (e.g. tax, accounting and regulatory reasons). However, these early redemption cases are (i) always at the option of the issuer and no reimbursement can be imposed on the issuer by the noteholders; and (ii) always subject to prior approval by the relevant supervisory authority.

NOTE 13.2. REAL ESTATE FINANCING

Real estate financing relates to the acquisition of investment property financed by bank loans of EUR 510 million (December 31, 2017: EUR 479 million), including real estate financing related to MRM property for EUR 75 million (December 31, 2017: EUR 74 million). The main real estate financing amounts to EUR 200 million and is used to finance the Group's head office in Paris, avenue Kléber. This asset was refinanced for EUR 200 million in June 2018 for a term of 10 years at a fixed interest rate of 1.73%.

The other real estate financing is used to finance other property owned by the Group and bears fixed-rate interest or interest indexed to 3-month Euribor covered by interest rate swaps and redeemable between 2019 and 2026. Interest rate swaps related to this financing have been accounted for as cash flow hedges (for further details, see Note 7 – Insurance business investments – Derivative instruments).

Certain real estate financing contracts contain accelerated repayment clauses and other debt covenants. Such covenants define certain ratios to comply with, among which loan to value (LTV) ratios, defined as the relation between the carrying amount of the financing and the market value of the real estate being financed, interest coverage rates (ICR), representing the percentage at which interest expenses are covered by rental income, and debt service coverage ratios (DSCR), representing the percentage at which debt amortization and interest expenses are covered by rental income. Under existing financing contracts LTV ratios vary between 47.3% and 70% and ICR/DSCR between 130% and 300%. As at December 31, 2018, the Group is in compliance with the LTV and ICR/DSCR covenants with respect to its banking partners.

In 2018, the main variation in property debts is due to the refinancing of the head office for EUR 42 million. The increase in other debts corresponds mainly to the new financing of Château Mondot for EUR 32 million.

In 2017, the net decrease of real estate financing is related to the partial reimbursement of several debts for a total amount of EUR 31 million partially offset by new debts for a total amount of EUR 19 million.

NOTE 13.3. OTHER FINANCIAL LIABILITIES

Other financial liabilities relate mainly to deposits and guarantees.

NOTE 13.4. FINANCING EXPENSES

In EUR millions	2018	2017	2016
Interest on subordinated debt	(44)	(44)	(37)
Interest on perpetual subordinated debt	(52)	(40)	(67)
Finance lease	-	-	-
Real estate financing	(14)	(16)	(23)
Other financial costs	(43)	(49)	(58)
TOTAL	**(153)**	**(149)**	**(185)**

The amounts presented in other financial liabilities include certain letter of credit charges, custodian and overdraft fees, amortization of issuance fees and other bank charges (commissions, etc.).

NOTE 13.5. MATURITY

The maturity profile of financial debt is included in the Registration Document, in Section 3.6.4 – Financial debt.

NOTE 14. EMPLOYEE BENEFITS AND OTHER PROVISIONS

Provisions are recognized when the Group has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where the Group expects the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reliably estimated.

The following table summarizes the amounts included in contingency provisions:

In EUR millions	Reserves for post employment benefits	Other reserves	Total
At January 1, 2017	**197**	**65**	**262**
Acquisition of a subsidiary	-	-	-
Current year provision	15	3	18
Used reserves	(12)	(6)	(18)
Reversal of unused reserves	-	(36)	(36)
Foreign exchange rate movements	(6)	(4)	(10)
Adjusted discount rate	(12)	-	(12)
At December 31, 2017	**182**	**22**	**204**
Acquisition of a subsidiary	-	5	5
Current year provision	11	-	11
Used reserves	(17)	(4)	(21)
Reversal of unused reserves	-	(2)	(2)
Foreign exchange rate movements	2	1	3
Adjusted discount rate	24	-	24
AT DECEMBER 31, 2018	**202**	**22**	**224**

NOTE 14.1. PROVISIONS FOR EMPLOYEE BENEFITS

The post-employment benefits granted by the Group vary based on legal obligations and local requirements. Group employees are entitled to short-term benefits, recognized as an expense for the period by the different entities of the Group (paid leave, sick leave and profit sharing), and long-term benefits and post-employment benefits classified as defined benefit or defined contribution plans (pensions).

Pension liabilities

The Group provides retirement benefits to its employees, in accordance with the laws and practices of each country. The main plans are in France, Switzerland, the US and Germany. Group employees in some countries receive additional pension benefits, paid as an annuity or in capital upon retirement. The benefits granted to Group employees are either in the form of defined contribution or defined benefit plans. Plan assets are generally held separately from the Group's assets.

For defined contribution plans the employer pays fixed contributions to an external institution, with no legal or constructive obligation to pay further contributions. As a result, only contributions paid or due for the financial year are charged to the Group's statement of income as overhead expenses. The payments made by the Group are expensed during the period in which the expense was incurred.

Defined benefit plans are those where an amount is paid to the employee upon retirement, which is dependent upon one or several factors such as age, years of service and salary. Defined benefit obligations and contributions are calculated annually by independent qualified actuaries using the projected unit credit method, taking into consideration actuarial assumptions, salary increase, retirement age, mortality, turnover and discount rates. Assumptions defined are based on the macroeconomic environment of each country where the Group operates. Modifications to actuarial assumptions or differences between these assumptions and actual outcomes give rise to actuarial differences which are recorded in other comprehensive income during the period in which they occur, in accordance with Group accounting principles. The obligation recognized on the balance sheet represents the present value of the defined benefit obligation at reporting date, less the market value of any plan assets, where appropriate, both adjusted for actuarial gains and losses and unrecognized past service cost.

In assessing the Group's liability for these plans, the Group uses external actuarial valuations which involve professional judgments and estimates of mortality rates, rates of employee turnover, disability, early retirement, discount rates, future salary increases and future pension increases. These assumptions may differ from actual results due to changing economic conditions, higher or lower departure rates or longer or shorter life spans of participants. These differences may result in variability of pension income or expenses recorded in future years. Actuarial gains and losses arising from experience adjustments and the effects of changes in actuarial assumptions are reflected in shareholders' equity.

Changes in past service costs resulting from the adoption or modification of a defined benefit plan are fully and immediately recorded as income or expense. If a defined benefit plan is not wholly funded, provisions are recognized.

Other long-term benefits

In some countries, the Group rewards employees for length of service by granting them a lump sum after certain periods of service. The primary country providing this benefit is France. For such benefits in France, the present value of the obligation is calculated annually by an independent actuary using the projected unit credit method and is recognized on the balance sheet.

Post-employment and other long-term benefits

Provisions amounted to EUR 202 million and EUR 182 million at December 31, 2018 and 2017 respectively, and include post-employment benefits related to pension plans of EUR 198 million (2017: EUR 177 million) and provisions for other long-term benefits of EUR 4 million (2017: EUR 5 million).

Defined contribution plans

Defined contribution plans include plans whereby an employer makes periodic contributions to an external institution which manages all administrative and financial aspects. These institutions relieve the employer from all future obligations and manage the payment to employees of all amounts due (e.g. statutory pension scheme, complementary pension schemes (AGIRC/ARRCO in France), defined contribution retirement plans).

The amounts paid under defined contribution plans were EUR 29 million, EUR 27 million, and EUR 26 million for the years ended December 31, 2018, 2017, and 2016 respectively.

Defined benefit plans

An employer's obligation under a defined benefit plan is to provide the agreed amount of benefits to current and future beneficiaries.

Split of the obligation by geographical area

The defined benefit pension plans and other long-term benefits are mainly located in Switzerland, North America, France and Germany. These locations represent 42%, 22%, 21% and 11% respectively, as at December 31, 2018, (43%, 24%, 16% and 12%, respectively, as at December 31, 2017), of the Group's obligation under defined benefit plans.

These plans are mostly pre-financed via payments to external organizations which are separate legal entities.

Actuarial assumptions

	US	Canada	Switzerland	UK	Euro zone
Assumptions as at December 31, 2018					
Discount rate	4.15%	3.95%	0.90%	3.00%	1.57%
Salary increase	-	-	1.50%	-	2.50%
Assumptions as at December 31, 2017					
Discount rate	3.83%	3.45%	0.70%	2.60%	1.48%
Salary increase	-	-	1.50%	-	2.50%
Assumptions as at December 31, 2016					
Discount rate	4.32%	3.75%	0.62%	2.70%	1.38%
Salary increase	-	-	1.50%	3.60%	2.50%

Discount rates are defined with reference to high quality long-term corporate bonds with maturities consistent with the duration of the obligations evaluated. Management onsiders "AAA" and "AA" rated bonds to be high quality,

An increase in the discount rate of 0.25% would result in a decrease in the estimated defined benefit obligation of approximately EUR 15 million (2017: EUR 16 million) with the offsetting impact recorded in other comprehensive income.

A decrease in the discount rate of 0.25% would result in an increase in the estimated defined benefit obligation of approximately EUR 16 million (2017: EUR 16 million) with the offsetting impact recorded in other comprehensive income.

The average duration of plans by geographical area is disclosed in the table below:

	Euro Zone	Switzerland	US	UK	Canada	Global
Duration as at December 31, 2018	9 years	18 years	13 years	25 years	8 years	14 years
Duration as at December 31, 2017	11 years	18 years	13 years	27 years	9 years	15 years

Defined benefits pension cost

	2018				2017				2016			
In EUR millions	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America
Service cost, net of plan amendments	7	3	4	-	11	4	7	-	10	4	6	-
Interest cost on obligation	7	2	1	4	7	2	1	4	9	3	1	5
Interest income on plan assets	(4)	(1)	(1)	(2)	(4)	(1)	(1)	(2)	(5)	(1)	(1)	(3)
Amortization of actuarial gains and losses through profit and loss for other long term benefits	-	-	-	-	-	-	-	-	-	-	-	-
Administration expenses recognized in pension expense	1	-	-	1	1	-	-	1	1	-	-	1
Settlement	-	-	-	-	-	-	-	-	(2)	-	-	(2)
Total pension cost	**11**	**4**	**4**	**3**	**15**	**5**	**7**	**3**	**13**	**6**	**6**	**1**

The actual returns on plan assets were EUR (4) million for the year ended December 31, 2018 (2017: EUR 17 million and 2016: EUR 5 million).

Balance sheet amounts

In EUR millions	As at December 31, 2018	As at December 31, 2017	As at December 31, 2016
Defined benefit obligation	450	424	435
Plan assets	248	242	238
Deficit	202	182	197
Asset ceiling limitation	-	-	-

The following table reconciles movements in the balance sheet amounts for the years ended December 31, 2018, 2017 and 2016:

In EUR millions	Total 2018	Europe	Switzer-land	North America	Total 2017	Europe	Switzer-land	North America	Total 2016	Europe	Switzer-land	North America
RECONCILIATION OF DEFINED BENEFIT OBLIGATION												
Obligation as at January 1	**424**	**142**	**182**	**100**	**435**	**140**	**189**	**106**	**408**	**130**	**165**	**113**
Service cost	11	4	7	-	11	4	7	-	10	4	6	-
Interest cost on obligation	7	2	1	4	7	2	1	4	9	3	1	5
Employee contributions	3	-	3	-	3	-	3	-	4	-	4	-
Past service costs	(4)	(1)	(3)	-	-	-	-	-	-	-	-	-
Acquisition/divestiture	-	-	-	-	-	-	-	-	-	-	-	-
Settlement[1]	-	-	-	-	-	-	-	-	(13)	-	-	(13)
Benefit payments	(17)	(6)	(7)	(4)	(9)	(4)	-	(5)	(19)	(12)	(2)	(5)
Actuarial (gains)/losses due to change in assumptions[2]	7	19	(7)	(5)	(4)	1	(10)	5	28	15	10	3
Experience (gains)/losses	9	3	5	1	5	(1)	6	-	10	3	5	2
Effect of foreign exchange	10	1	6	3	(24)	-	(14)	(10)	(2)	(3)	-	1
Obligation as at December 31	**450**	**164**	**187**	**99**	**424**	**142**	**182**	**100**	**435**	**140**	**189**	**106**
RECONCILIATION OF FAIR VALUE OF PLAN ASSETS												
Fair value of assets as at January 1	**242**	**30**	**154**	**58**	**238**	**28**	**148**	**62**	**243**	**29**	**137**	**77**
Interest income on plan assets	4	1	1	2	4	1	1	2	5	1	1	3
Employer contributions	17	6	6	5	12	5	5	2	19	12	6	1
Employee contributions	3	-	3	-	3	-	3	-	4	-	4	-
Acquisition/divestiture	-	-	-	-	-	-	-	-	-	-	-	-
Settlement[1]	-	-	-	-	-	-	-	-	(11)	-	-	(11)
Benefit payments	(17)	(6)	(7)	(4)	(9)	(4)	-	(5)	(19)	(12)	(2)	(5)
Asset gains/(losses) due to experience	(8)	(1)	(3)	(4)	13	2	7	4	(1)	1	2	(4)
Administration expenses paid	(1)	-	-	(1)	(1)	-	-	(1)	(1)	-	-	(1)
Effect of foreign exchange	8	-	5	3	(18)	(2)	(10)	(6)	(1)	(3)	-	2
Fair value of assets as at December 31	**248**	**30**	**159**	**59**	**242**	**30**	**154**	**58**	**238**	**28**	**148**	**62**
NET DEFINED BENEFIT OBLIGATION AS AT DECEMBER 31 – DEFICIT	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**
Asset ceiling limitation	-	-	-	-	-	-	-	-	-	-	-	-
Accrued/(prepaid)	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**

In EUR millions	Total 2018	Europe	Switzer-land	North America	Total 2017	Europe	Switzer-land	North America	Total 2016	Europe	Switzer-land	North America
ANALYSIS OF FUNDED STATUS												
Funded or partially funded obligation as at December 31	326	49	184	93	362	94	174	94	371	90	181	100
Fair value of plan assets as at December 31	248	30	159	59	242	30	154	58	238	28	148	62
Funded status as at December 31 – deficit	**78**	**19**	**25**	**34**	**120**	**64**	**20**	**36**	**133**	**62**	**33**	**38**
Unfunded obligation as at December 31	124	115	3	6	62	48	8	6	64	50	8	6
TOTAL FUNDED STATUS AS AT DECEMBER 31 – DEFICIT	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**

(1) In 2016, the US plans beneficiaries had the opportunity to decide to settle their benefit by perceiving a lump sum instead of annuities. The election period ended on December 31, 2016.

(2) Actuarial (gains)/losses due to changes in assumptions include for 2018 actuarial (gains)/losses due to changes in financial assumptions for EUR (11) million (EUR (1) million in 2017) and actuarial (gains)/losses due to change in demographic assumptions for EUR 18 million (EUR (3) million in 2017).

The following table summarizes the movements in accrued (prepaid) balances recorded in the consolidated balance sheet as at December 31, 2018, 2017 and 2016:

In EUR millions	Total 2018	Europe	Switzer-land	North America	Total 2017	Europe	Switzer-land	North America	Total 2016	Europe	Switzer-land	North America
Accrued/(Prepaid) as at January 1	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**	**165**	**101**	**28**	**36**
Total pension cost	11	4	4	3	15	5	7	3	13	6	6	1
Benefits paid by employer	-	-	-	-	-	-	-	-	-	-	-	-
Employer contribution	(17)	(6)	(6)	(5)	(12)	(5)	(5)	(2)	(19)	(12)	(6)	(1)
Acquisitions/divestitures	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (gains)/losses immediately recognized in other comprehensive income (OCI)	24	23	1	-	(12)	(2)	(11)	1	39	17	13	9
Effect of foreign exchange	2	1	1	-	(6)	2	(4)	(4)	(1)	-	-	(1)
Accrued/(Prepaid) as at December 31	**202**	**134**	**28**	**40**	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**

Plan assets

The following table includes the allocation of plan assets as at December 31, 2018 and 2017:

In EUR millions	Total	Europe	Switzerland	North America
2018				
Equities	76	47%	25%	39%
Debt securities	126	13%	59%	47%
Property	26	-	16%	-
Insurance contracts	12	40%	-	-
Other	8	-	-	14%
TOTAL	**248**	**100%**	**100%**	**100%**
2017				
Equities	80	47%	27%	43%
Debt securities	119	10%	57%	47%
Property	24	-	16%	-
Insurance contracts	13	43%	-	-
Other	6	-	-	10%
TOTAL	**242**	**100%**	**100%**	**100%**

In EUR millions	Total	Europe	Switzerland	North America
2018				
Equities	76	14	39	23
Debt securities	126	4	94	28
Property	26	-	26	-
Insurance contracts	12	12	-	-
Other	8	-	-	8
TOTAL	**248**	**30**	**159**	**59**
2017				
Equities	80	14	41	25
Debt securities	119	3	89	27
Property	24	-	24	-
Insurance contracts	13	13	-	-
Other	6	-	-	6
TOTAL	**242**	**30**	**154**	**58**

As at December 31, 2018, employer contributions for the year ahead were expected to amount to EUR 14 million (2017: EUR 16 million).

NOTE 14.2. OTHER PROVISIONS

At December 31, 2018, other provisions (EUR 22 million; at December 31 2017: EUR 22 million) include mainly EUR 15 million related to provisions for litigation (2017: EUR 13 million) and EUR 4 million for provisions mainly covering contingent liabilities related to the Generali US acquisition in 2013 (2017: EUR 6 million).

NOTE 15. NET CONTRACT LIABILITIES

Reinsurance reserves

The Group maintains reserves to cover its estimated liability for future claims and benefit payments resulting from reinsurance treaties known and incurred but not reported (IBNR). Reserves are reviewed by management during the year, using new information as soon as it is available, and are adjusted if necessary. Management considers many factors when establishing reserves, including:

- information from ceding companies;
- historical developments, such as reserve patterns, claims payments, number of claims to be paid and product mix;
- internal methods to analyze the Group's experience;
- most recent legal interpretations concerning coverage and commitments;
- economic conditions;
- biometric developments such as mortality, morbidity and longevity; and
- socio-economic factors such as policyholder behavior.

Reinsurance reserves are presented gross excluding the share retroceded to SCOR's reinsurers and measured on the level of individual reinsurance contracts or homogeneous segments of contracts. Retroceded reserves are estimated using the same methods and assumptions and are presented as assets.

Non-Life business

In determining the amount of its reserves, the Group uses actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. The reserves are also adjusted to reflect the volume of business underwritten, reinsurance treaty terms and conditions, and diversity in claims processing that may potentially affect the Group's commitment over time.

However, it is difficult to accurately value the amount of reserves required, especially in view of changes in the legal environment, including civil liability law, which may impact the development of the reserves. While this process is complicated and subjective for the ceding companies, the inherent uncertainties in these estimates are even greater for the reinsurer, primarily because of the longer time period between the date of an occurrence and the request for payment of the claim to the reinsurer, the diversity of contract development schemes, whether treaty or facultative, dependence on the ceding companies for information regarding claims, and differing reserve practices among ceding companies. In addition, trends that have affected development of liabilities in the past may not necessarily occur or affect liability development to the same degree in the future. Thus, actual losses and policy benefits may deviate, perhaps significantly, from estimates of reserves reflected in the Group's consolidated financial statements.

Claim reserves for losses and claims settlement expenses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and reserves for IBNR claims, and are calculated on the basis of their ultimate cost, undiscounted, except for workers' compensation claims in the US, payment in annuity on Motor Liability and Medical Malpractice which are discounted.

Life business

In the Life business, treaty linked liabilities include mathematical reserves, unearned premium reserves and claim reserves.

Mathematical reserves are calculated underwriting reserves relating to expected claims and benefit payments to ceding companies in Life reinsurance. Mathematical reserves are generally calculated as the present value of projected future payments to cedents less the present value of projected future premiums still payable. The calculation includes assumptions relating to expected future mortality, morbidity, longevity, disability, lapses, interest rates and expenses. The mathematical reserves are established on initial recognition of a contract on the basis of best estimate assumptions and allow for an adequate safety margin for the risks of change, error and random fluctuation.

Claim reserves for losses and claims settlement expenses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and reserves for IBNR claims.

Unearned premium reserves (Non-Life and Life business)

Unearned premium reserves are related to written premiums receivable but allocated to future risk periods.

Retrocessionaires' share (Non-Life and Life business)

The share of retrocessionaires in insurance and investment liabilities is calculated according to the contractual conditions on the basis of gross reserves. Allowances are established for estimated credit risks.

Contracts not meeting risk transfer criteria

Reserves for investment or financial reinsurance contract liabilities are recognized for reinsurance contracts that do not meet the risk transfer criteria described in IFRS 4.

Liability adequacy test

Assets and liabilities relating to reinsurance contracts are subject each year to a liability adequacy test under IFRS 4.

For the Non-Life segment, the test is performed in the event the ultimate underwriting combined ratio is in excess of 100% of the unearned premium reserve, net of deferred acquisition costs. The liability adequacy test is performed at the level of the actuarial segment and then aggregated at the entity level.

The liability adequacy test for the Life segment compares the carrying amount of the reserves less deferred acquisition costs and value of business acquired with the fair value of the liabilities from the reinsurance portfolio recognized. Fair value is calculated as the present value of the projected future cash flows using current actuarial assumptions and inputs. In case of deficiency, SCOR would impair deferred acquisition costs and value of business acquired and increase reserves. The liability adequacy test is performed at the level of portfolios that are managed together and are subject to broadly similar risks.

Embedded derivatives

Derivatives embedded in reinsurance contracts that meet the definition of an insurance contract and are closely linked with the features and risks of the reinsurance host contract are not separated and are measured in accordance with the reinsurance host contract.

Derivatives embedded in reinsurance contracts that do not meet the definition of an insurance contract are separated, measured at fair value in accordance with IAS 39, with changes in their fair value recognized in income.

	As at December 31, 2018			As at December 31, 2017		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
GROSS CONTRACT LIABILITIES						
Gross claim reserves	6,368	12,815	19,183	5,493	12,318	17,811
Mathematical reserves	8,095	-	8,095	8,550	-	8,550
Unearned premium reserves	165	2,496	2,661	120	2,270	2,390
Total gross insurance contract liabilities	**14,628**	**15,311**	**29,939**	**14,163**	**14,588**	**28,751**
Reserves for financial contracts	-	314	314	-	255	255
Total gross contract liabilities	**14,628**	**15,625**	**30,253**	**14,163**	**14,843**	**29,006**
REINSURANCE RECOVERABLE						
Ceded claims reserves & claims expense reserves	(555)	(1,283)	(1,838)	(461)	(1,175)	(1,636)
Ceded mathematical reserves	(95)	-	(95)	(240)	-	(240)
Ceded unearned premium reserves	-	(208)	(208)	(1)	(160)	(161)
Ceded contract liabilities	**(650)**	**(1,491)**	**(2,141)**	**(702)**	**(1,335)**	**(2,037)**
NET CONTRACT LIABILITIES	**13,978**	**14,134**	**28,112**	**13,461**	**13,508**	**26,969**

Contract liabilities are subject to the use of estimates. Payments linked to these reserves are usually not fixed, neither by amount nor by due date. Liquidity information related to contract liabilities is included in the Registration Document, in Section 3.6 – Liquidity risks.

An aging analysis of reinsurance assets is included in the Registration Document, in Section 3.5.2 – Management of credit risks.

NOTE 15.1. SCOR GLOBAL P&C

The first table of this section presents the net claims reserves, net unearned premiums reserves and net deferred acquisition costs with ten years of history, recorded at the exchange rates applicable at each corresponding reporting date.

The next table of the section provides Non-Life claims development information per underwriting year and reporting period, taking into account the neutralization of fluctuations in foreign exchange rates.

A significant portion of SCOR Global P&C's reserves relates to liabilities payable in currencies other than the Euro. To permit an analysis of claims developments excluding the impact of foreign exchange movements, all figures are translated into Euro at current balance sheet foreign exchange rates as of the date of these financial statements.

The first part of the table shows net incurred losses which is the sum of paid claims, the change in claims reserves and incurred but not reported reserves and the claims handling provision, net of external retrocession.

The second part of the table shows net paid claims only and net earned premiums per underwriting year at constant exchange rates.

Finally, the third part of the table presents the net earned premiums history at current balance sheet foreign exchange rates per underwriting year.

In EUR millions	2008	2009	2010	2011
Gross claims reserves & estimates – end of year(1)	9,127	9,156	9,696	10,602
Ceded claims reserves & estimates – end of year(1)	467	473	412	765
Net claims reserves & estimates – end of year	8,660	8,683	9,284	9,837
UNEARNED PREMIUM RESERVE (UPR)				
Gross UPR – end of year	1,099	1,135	1,384	1,516
Ceded UPR – end of year	40	40	51	84
Net UPR – end of year	1,059	1,095	1,333	1,432
DEFERRED ACQUISITION COSTS (DAC)				
Gross DAC – end of year	227	238	278	325
Ceded DAC – end of year	1	-	1	5
Net DAC – end of year	226	238	277	320
NET CLAIMS INCURRED TRIANGLES(2)				
Current year	-	1,307	1,415	1,395
1 year later	-	2,261	2,953	2,492
2 years later	-	2,255	3,054	2,612
3 years later	-	2,185	3,050	2,513
4 years later	-	2,137	3,034	2,454
5 years later	-	2,116	3,017	2,434
6 years later	-	2,098	2,989	2,405
7 years later	-	2,048	2,954	2,417
8 years later	-	2,030	2,923	-
9 years later	-	2,022	-	-
10 years later	(172)	-	-	-
NET CLAIMS PAID TRIANGLES(2)				
Current year	-	53	88	103
1 year later	-	843	1,014	988
2 years later	-	1,183	1,609	1,384
3 years later	-	1,492	2,097	1,784
4 years later	-	1,605	2,288	1,900
5 years later	-	1,672	2,454	1,976
6 years later	-	1,743	2,529	2,029
7 years later	-	1,773	2,593	2,073
8 years later	-	1,793	2,625	-
9 years later	-	1,811	-	-
10 years later	152	-	-	-
Earned premiums(2)	**-**	**3,130**	**3,508**	**3,758**

(1) At period end exchange rate.
(2) At constant exchange rate.

2012	2013	2014	2015	2016	2017	2018
10,857	10,691	11,088	11,750	11,784	12,318	12,815
690	629	619	634	660	1,175	1,283
10,167	10,062	10,469	11,116	11,124	11,143	11,532
1,683	1,663	1,938	2,239	2,261	2,270	2,496
93	101	142	187	167	160	208
1,590	1,562	1,796	2,052	2,094	2,110	2,288
359	379	441	536	551	560	615
7	8	10	14	13	9	25
352	371	431	522	538	551	591
1,700	1,819	1,743	1,799	1,866	2,254	2,296
2,784	2,888	2,922	2,977	3,329	3,727	-
2,803	2,869	2,978	3,066	3,463	-	-
2,760	2,807	2,997	2,996	-	-	-
2,729	2,791	2,955	-	-	-	-
2,763	2,733	-	-	-	-	-
2,708	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
54	75	72	36	69	121	(1)
981	1,079	1,094	986	1,205	1,570	-
1,474	1,565	1,547	1,497	1,846	-	-
1,936	2,055	2,198	2,178	-	-	-
2,065	2,205	2,348	-	-	-	-
2,176	2,295	-	-	-	-	-
2,265	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,178	**4,242**	**4,606**	**4,810**	**5,084**	**5,072**	**2,902**

The table below presents a reconciliation of the opening and closing liability for claims reserves and claims estimates of SCOR Global P&C for the years ended December 31, 2018 and 2017.

In EUR millions	2018	2017
Gross claims reserves and claims estimates as at january 1	**12,318**	**11,784**
Ceded claims reserves and claims estimates as at January 1	**(1,175)**	**(660)**
Net claims reserves and claims estimates as at January 1	**11,143**	**11,124**
Revaluation of opening balance at current year end exchange rates	70	(479)
Net claims reserves and claims estimates as at January 1 – revalued	**11,213**	**10,645**
Net claims incurred relating to the current calendar year	2,296	2,234
Net claims incurred for prior calendar years	1,183	1,343
Total net claims incurred	**3,479**	**3,577**
Net claims payments for the current calendar year	1	(115)
Net claims payments for prior calendar years	(3,345)	(2,841)
Total net claims payments	**(3,344)**	**(2,956)**
Other movements	184[(1)]	(123)[(1)]
Effect of other foreign exchange rate movements	-	-
Net claim reserves and claims estimates as at December 31	**11,532**	**11,143**
Ceded claims reserves and claims estimates as at December 31	**(1,283)**	**(1,175)**
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT DECEMBER 31	**12,815**	**12,318**

(1) In 2018, mainly due to Essor integration. In 2017, consists of a reduction of Incurred but not reported reserves for a net amount of EUR 123 million, following one of the Lloyds Syndicates Reinsurance To Close (RITC) on 2015 Year Of Account that occurred at the end of December 2017. Most of this movement was offset on the asset side by a movement on funds withheld.

SCOR was notified after the year-end close of one material deviation in the evaluation of reserves recognized for incurred claims, in respect of typhoon Jebi (increase by EUR 28 million gross, which represents a negative impact of EUR 22 million net of external retrocession and reinstatement premium). At the same time, additional late information was received regarding three contracts, leading to a decrease in their loss estimates compared to the amounts recognized, thereby offsetting the negative deviation on typhoon Jebi. In aggregate, these post-close evolutions have no material impact on the P&C technical provisions recognized in the Consolidated Financial statements as at 31 December 2018.

Analysis of asbestos & environmental IBNR reserves and claims paid

	For the year ended December 31			
	Asbestos		Environment	
	2018	2017	2018	2017
Gross reserves, including IBNR reserves *(In EUR millions)*	70	72	16	15
% of Non-Life gross reserves	0.4%	0.5%	0.1%	0.1%
Claims paid *(In EUR millions)*	6	9	1	9
Net % of Group Non-Life claims paid	0.2%	0.3%	0.0%	0.3%
Actual number of claims notified under non-proportional and facultative treaties *(In EUR millions)*	11,043	10,883	8,583	8,551
Average cost per claim *(in EUR)*[(1)]	21,110	19,976	5,072	4,762

(1) Does not include claims which result in no ultimate cost and claims notified only for precautionary reasons for which the amount is not evaluated.

NOTE 15.2. SCOR GLOBAL LIFE

The change in SCOR Global Life mathematical reserves for the years ended December 31, 2018 and 2017 was as follows:

In EUR millions	2018	2017
Gross mathematical reserves as at January 1	**8,550**	**8,524**
Change in scope of consolidation	106	-
Change in reserves from portfolio movements and actuarial calculation	(675)	344
Impact of foreign exchange movements	113	(318)
Gross mathematical reserves as at December 31	**8,095**	**8,550**
Reinsurance Recoverable	**-**	**-**
Ceded mathematical reserves as at January 1	**(240)**	**(68)**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	143	(166)
Impact of foreign exchange movements	2	(6)
Ceded mathematical reserves as at December 31	**(95)**	**(240)**
NET MATHEMATICAL RESERVES AS AT JANUARY 1	**8,310**	**8,456**
NET MATHEMATICAL RESERVES AS AT DECEMBER 31	**8,000**	**8,310**

Liability adequacy test

The liability adequacy test conducted at each closing date did not detect any deficiencies for either SCOR Global P&C or SCOR Global Life.

Rating: Share of retrocessionaires in contract liabilities

An analysis of the share of retrocessionaires in the Group's contract liabilities by rating of the retrocessionaires and collateral from retrocessionaires in favor of SCOR at December 31, 2018 and 2017 is as follows:

In EUR millions	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2018
Share of retrocessionaires contract liabilities	**-**	**673**	**1,085**	**40**	**4**	**339**	**2,141**
Securities pledged	-	-	13	5	-	912	930
Deposits received	-	134	362	23	-	45	564
Letters of credit	-	98	56	-	-	3	157
Total collateral from retrocessionaires in favor of SCOR	**-**	**232**	**431**	**28**	**-**	**960**	**1,651**
Share of retrocessionaires contract liabilities net of collateral(1)	**-**	**441**	**654**	**12**	**4**	**(621)**(2)	**490**

(1) The total collateral from retrocessionaires is related to the contract liabilities recorded in the balance sheet and also to potential losses that have not yet occurred.

(2) To limit credit risk related to retrocessionaires, certain unrated retrocessionaires are obliged to pledge assets for the value of their maximum potential contract liability, even though the actual retrocessionaire liability to SCOR recorded in the balance sheet is lower.

In EUR millions	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2017
Share of retrocessionaires contract liabilities	**-**	**474**	**1,251**	**25**	**8**	**279**	**2,037**
Securities pledged	-	-	14	-	6	507	527
Deposits received	-	48	543	23	-	51	665
Letters of credit	-	64	84	-	-	3	151
Total collateral from retrocessionaires in favor of SCOR	**-**	**112**	**641**	**23**	**6**	**561**	**1,343**
Share of retrocessionaires contract liabilities net of collateral(1)	**-**	**362**	**610**	**2**	**2**	**(282)(2)**	**694**

(1) The total collateral from retrocessionaires is related to the contract liabilities recorded in the balance sheet and also to potential losses that have not yet occurred.

(2) To limit credit risk related to retrocessionaires, certain unrated retrocessionaires are obliged to pledge assets for the value of their maximum potential contract liability, even though the actual retrocessionaire liability to SCOR recorded in the balance sheet is lower.

NOTE 16. STOCK OPTIONS AND SHARE ALLOCATIONS

The Group has established various long term compensation plans (stock options and free shares allocations) in favor of some of its employees and Corporate Executive Officers. The terms of these plans are defined, and approved or agreed by its Board of Directors at the grant date. The plans are equity settled only.

These awards result in the recognition of personnel charges with a corresponding increase in equity over the vesting period.

The total amount recognized over the vesting period is measured by reference to the fair value of long term compensation instruments granted, and by reference to the number of instruments expected to vest, taking into account presence conditions and performance conditions when they are not linked to the stock price. At each closing date, the number of instruments that are expected to vest is reviewed and the impact of any adjustments to initial estimates is recognized in the income statement with a corresponding increase in equity over the remaining vesting period.

The dilutive effect of options granted is reflected in the diluted earnings per share calculation.

The total expense for 2018 relating to share-based payments is EUR 43 million (2017: EUR 33 million), with EUR 1 million (2017: EUR 2 million) relating to stock options granted under the 2014 to 2018 plans (2017: 2013 to 2017) and EUR 42 million (2017: EUR 31 million) relating to free shares allocated under the 2011 to 2018 plans (2017: 2011 to 2017).

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2018.

NOTE 16.1. STOCK OPTION PLANS

The Group grants its employees and Corporate Executive Officers stock purchase or subscription option plans under the following terms:

Plan	Date of award by the Board	Options exercisable on	Date of expiration of plan	Exercise price *(in EUR)*	New shares issued subject to option plans
2008	May 22, 2008	May 23, 2012	May 23, 2018	15.63	279,000
2008	September 10, 2008	September 11, 2012	September 10, 2018	15.63	1,189,000
2009	March 23, 2009	March 24, 2013	March 24, 2019	14.92	1,399,500
2009	November 25, 2009	November 26, 2013	November 26, 2019	17.12	88,500
2010	March 18, 2010	March 19, 2014	March 19, 2020	18.40	1,378,000
2010	October 12, 2010	October 13, 2014	October 13, 2020	17.79	37,710
2011	March 22, 2011	March 23, 2015	March 23, 2021	19.71	703,500
2011	September 1, 2011	September 2, 2015	September 2, 2021	15.71	308,500
2012	March 23, 2012	March 24, 2016	March 24, 2022	20.17	938,000
2013	March 21, 2013	March 22, 2017	March 22, 2023	22.25	716,000
2013	October 2, 2013	October 3, 2017	October 3, 2023	24.65	170,000
2013	November 21, 2013	November 22, 2017	November 22, 2023	25.82	25,000
2014	March 20, 2014	March 21, 2018	March 21, 2024	25.06	694,875
2014	December 1, 2014	December 2, 2018	December 2, 2024	24.41	9,000
2015	March 20, 2015	March 21, 2019	March 21, 2025	29.98	666,881
2015	December 18, 2015	December 19, 2019	December 19, 2025	35.99	45,250
2016	March 10, 2016	March 11, 2020	March 11, 2026	31.58	629,118
2016	December 1, 2016	December 2, 2020	December 2, 2026	29.57	750
2017	March 10, 2017	March 11, 2021	March 11, 2027	33.78	480,000
2017	December 1, 2017	December 2, 2021	December 2, 2027	34.75	145,410
2018	March 8, 2018	March 9, 2022	March 9, 2028	35.10	380,000
2018	December 22, 2018	December 23, 2022	December 23, 2028	40.81	191,338

The stock options can be exercised after four years regardless of whether the employee is still actively employed by the Group.

The terms and conditions of the stock option plans of March 8, 2018 and December 22, 2018, which are similar to those previously granted by SCOR, provide that the options allocated to Partners can be exercised at the earliest four years after the grant date, if the presence condition is met in addition to the satisfaction of certain performance conditions, which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the «Group Code of Conduct»), on the fulfilment of the corporate social responsibility (CSR) training obligation, on the solvency ratio and the SCOR Group's ROE (in fiscal year 2018, 2019 and 2020 for the two last conditions).

The table below presents the changes and the current stock option plans at the end of the year along with the average corresponding exercise price.

	2018		2017	
	Number of options	Average exercise price *(in EUR per share)*	Number of options	Average exercise price *(in EUR per share)*
Outstanding options at January 1	5,467,076	24.20	6,416,786	22.80
Options granted during the period	571,338	37.01	625,410	34.01
Options exercised during the period	1,278,077	18.19	1,519,860	17.67
Options expired during the period	13,000	15.63	13,510	17.58
Options forfeited during the period	287,344	32.06	41,750	27.65
Outstanding options at December 31	**4,459,993**	**27.08**	**5,467,076**	**24.20**
Exercisable at December 31	**2,270,340**	**21.21**	**2,912,292**	**19.01**

The average weighted remaining life of the options was 5.55 years in 2018 and 5.30 years in 2017.

The fair value of options is estimated by using the Black & Scholes method which takes into account the terms and conditions under which the options were granted. The following table lists the characteristics used during 2018, 2017 and 2016:

	December 22, 2018 Plan	March 8, 2018 Plan	December 1, 2017 Plan	March 10, 2017 Plan	December 1, 2016 Plan	March 10, 2016 Plan
Fair value at grant date *(in EUR)*	1.61	1.88	2.44	4.00	2.61	1.98
Exercise price *(in EUR)*	40.81	35.10	34.75	33.78	29.57	31.58
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Historical volatility[(1)]	18.03%	17.90%	20.67%	23.73%	24.59%	22.32%
Dividend	4.90%	4.77%	4.77%	4.77%	4.79%	4.79%
Risk-free interest rate	(0.240)%	0.017%	(0.193)%	0.276%	(0.086)%	(0.099)%

(1) The historical volatility used to determine the fair value of stock options is based on the historical volatility over periods corresponding to the expected average maturity of the options granted, which is partially adjusted to eliminate extreme deviations and to better reflect long-term trends.

NOTE 16.2. FREE SHARE ALLOCATION PLANS

The Group allocates free shares to its employees under the following terms:

Date of grant	Date of vesting	Number of shares originally granted	Estimated price on grant date
September 1, 2011 (LTIP)	September 2, 2019	297,500	EUR 16.68
July 26, 2012 (LTIP)	July 27, 2018	57,500	EUR 19.27
July 26, 2012 (LTIP)	July 27, 2020	51,000	EUR 19.27
March 5, 2013 (LTIP)	March 6, 2019	85,500	EUR 22.22
March 5, 2013 (LTIP)	March 6, 2021	232,500	EUR 22.22
December 18, 2013	December 19, 2018	28,000	EUR 25.14
March 4, 2014	March 5, 2018	1,263,695	EUR 24.70
March 4, 2014 (LTIP)	March 5, 2020	31,500	EUR 24.70
March 4, 2014 (LTIP)	March 5, 2022	88,500	EUR 24.70
November 5, 2014	November 6, 2018	7,000	EUR 24.48
December 1, 2014	December 2, 2019	26,000	EUR 25.18
March 4, 2015	March 5, 2017	240,000	EUR 29.36
March 4, 2015 (LTIP)	March 5, 2021	40,000	EUR 29.36
December 18, 2015	December 19, 2018	1,511,663	EUR 34.59
December 18, 2015 (LTIP)	December 19, 2021	106,432	EUR 34.59
February 23, 2016	February 24, 2019	1,670,588	EUR 31.82
February 23, 2016 (LTIP)	February 24, 2022	257,732	EUR 31.82
December 1, 2016	December 2, 2019	40,064	EUR 29.92
February 21, 2017	February 22, 2020	505,000	EUR 32.72
February 21, 2017 (LTIP)	February 22, 2023	50,000	EUR 32.72
December 1, 2017	December 2, 2020	728,612	EUR 34.08
December 1, 2017 (LTIP)	December 2, 2023	232,238	EUR 34.08
February 21, 2018	February 22, 2021	475,000	EUR 35.81
December 22, 2018	December 23, 2021	841,082	EUR 37.88
December 22, 2018 (LTIP)	December 23, 2024	96,596	EUR 37.88
December 23, 2018	December 24, 2021	249,923	EUR 37.88

All grants under the free share plans of February 21, 2018 and December 22, 2018 (except LTIP), to the Chairman and Chief Executive Officer, to the members of the Executive Committee, to the Executive Global Partners and to the Senior Global Partners and half of the allocation to the other beneficiaries (below Senior Global Partners), are subject to a 3-year presence condition and to performance conditions which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfilment of the corporate social responsibility (CSR) training obligation, on the solvency ratio and the SCOR Group's ROE (in fiscal year 2018, 2019 and 2020 for the two last conditions).

All shares granted under the "LTIP" plans of December 22, 2018 are subject to a 6-year presence condition and to performance conditions which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfilment of the corporate social responsibility (CSR) training obligation, on the solvency ratio and the SCOR Group's ROE between 2018 and 2023.

All shares granted under the free share plan of December 23, 2018 are subject to a 3-year presence condition and to performance conditions which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct").

The fair value of the free shares corresponds to the market value adjusted for dividends and non-transferability costs, estimated using a forward acquisition/disposal method. The following table lists the characteristics used in 2018, 2017 and 2016:

	December 23, 2018 Plan	December 22, 2018 Plan	December 2 22, 018 Plan (LTIP)	February 21, 2018 Plan	December 1, 2017 Plan	December 1, 2017 Plan (LTIP)
Fair value *(in EUR)*	32.70	32.70	28.23	31.03	29.53	25.59
Vesting period	3 years	3 years	6 years	3 years	3 years	6 years
Dividend	4.90%	4.90%	4.90%	4.77%	4.77%	4.77%

	February 21, 2017 Plan	February 21, 2017 Plan (LTIP)	December 1, 2016 Plan	February 23, 2016 Plan	February 23, 2016 Plan (LTIP)
Fair value *(in EUR)*	28.36	24.58	25.91	27.56	23.87
Vesting period	3 years	6 years	3 years	3 years	6 years
Dividend	4.77%	4.77%	4.79%	4.79%	4.79%

NOTE 17. INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax expense is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period in countries where the Group's subsidiaries and branches operate and generate taxable income. Management periodically evaluates positions taken to prepare tax returns. Assessing the outcome of uncertain tax positions requires judgments to be made regarding the result of negotiations with, and enquiries from, tax authorities in a number of jurisdictions. Provisions for tax contingencies require management to make judgments and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of country specific tax law and the likelihood of a settlement. Tax benefits are recognized to the extent that it is probable that they can be sustained. In arriving at this position, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation.

Deferred taxes are recognized using the balance sheet liability method, for all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount on the balance sheet.

The main temporary differences arise from tax losses carried forward and the revaluation of certain financial assets and liabilities including derivative contracts, certain insurance contract liabilities, provisions for pensions and other post-retirement benefits. In addition, temporary differences arise on acquisitions due to the difference between the fair values of the net assets acquired and their tax base. Deferred tax liabilities are recognized on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not recognized in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortization is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable income or loss at the time of the transaction.

Deferred tax assets are recognized on net operating losses carried forward to the extent that it is probable that future taxable income will be available against which they can be offset. Management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. SCOR uses a discounted cash flow model comprising an earnings model, which considers forecasted earnings, and other financial ratios of legal entities based on Board-approved business plans, which incorporate key drivers of the underwriting result. Business plans include assessments of gross and net premium expectations, expected loss ratios and expected general expense ratios, together with actuarial assumptions. To the extent that net operating losses carried forward cannot be utilized or expire, deferred income tax expenses may be recorded in the future.

Taxes relating to items recorded directly in shareholders' equity are recorded directly in equity and not in the statement of income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets and liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are assessed at the tax rate applicable in the fiscal year in which the asset will be realized or the liability settled, based on the tax rates (and tax regulations) that have been enacted or substantially enacted at the reporting date.

NOTE 17.1. INCOME TAX EXPENSE

The main components of corporate income taxes for the years ended December 31, 2018, 2017 and 2016 are presented below:

In EUR millions	2018	2017	2016
AMOUNTS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME			
Current tax – current year	(64)	(66)	(150)
Current tax – prior years	(14)	35	20
Deferred taxes due to temporary differences	(53)	17	99
Deferred taxes from tax losses carried-forward	29	15	(73)
Changes in deferred taxes due to changes in tax rates or tax law	(5)	(57)	(62)
Corporate income tax (expense)/benefit reported in statement of income	**(107)**	**(56)**	**(166)**
Impact from US tax reform reported in statement of income	**(68)**	**-**	**-**
TOTAL INCOME TAX (EXPENSE)/BENEFIT REPORTED IN STATEMENT OF INCOME	**(175)**	**(56)**	**(166)**
INCOME TAX (EXPENSE)/BENEFIT REPORTED IN EQUITY	**96**	**(18)**	**5**

NOTE 17.2. RECONCILIATION OF EXPECTED TO ACTUAL CORPORATE INCOME TAX EXPENSE

A reconciliation of the income tax expense, obtained by applying the French tax rate of 34.43% for 2018, 44.43% for 2017 and 34.43% for 2016 to income (loss) before corporate income taxes and excluding share in results of associates, to the actual corporate income tax expense recorded in the consolidated statement of income is presented in the table below. The effective tax rate in 2018 is 34.7% (2017: 16.3% and 2016: 21.7%).

The main reconciling items are due to the difference between the local corporate income tax rate of each taxable entity and the Group tax rate, permanent differences reported by each entity, reduced rates and other specific items.

In EUR millions	2018	2017	2016
Income before income tax (excluding share in results of associates)	**505**	**342**	**766**
Theoretical income tax at 34.43% (for 2018), 44.43% (for 2017) and 34.43% (for 2016)	(174)	(152)	(264)
RECONCILING ITEMS TO ACTUAL INCOME TAX (EXPENSE)/BENEFIT			
Differences between French and local corporate income tax rates	77	67	84
Tax-exempt income	18	18	5
Non-deductible expenses	(16)	(19)	(22)
Write-down and reversal of previous write-down of deferred tax assets	-	1	-
Change in tax risk provision	-	54	59
Non creditable/refundable withholding tax	(3)	(2)	(1)
Change in corporate income tax rates	(5)	(57)	(62)
Share based payments	7	8	1
Corporate income taxes prior years	(13)	33	7
Impact from US tax reform	(68)	-	-
Others	2	(7)	27
ACTUAL INCOME TAX (EXPENSE)/BENEFIT	**(175)**	**(56)**	**(166)**

For 2018 the French corporate income tax rate is 34.43%. In 2017, the French Finance Bill for 2018 has enacted a new progressive decrease of the global corporate income tax rate from 34.43% to 25.83% by 2022. The global French corporate income tax rate will be respectively reduced to 32.02% for 2019, 28.92% for 2020, 27.37% for 2021 and 25.83% from 2022 onwards. Even if, with reference to the urgency measures taken by the French government in late December 2018 as an answer to the yellow vest movement, there has been some announcement that the decrease of the corporate income tax rate may be postponed by one year, as at today there is no formal draft bill nor official announcement therefore a possible postponement could not could not be considered as substantially enacted. In addition, the possible deferment of the decrease by one year would have a minimal impact on SCOR 2018 financials.

In 2017 the French corporate income tax rate was 44.43%. This followed the enactment of two additional contributions to the French corporate income tax for companies with revenues exceeding EUR 3 billion (these contributions which were applicable to 2017 only were aimed at financing the refund of the 3% dividend tax which had been censored by the French Constitutional Council). The 2017 financials recorded the impact of the decrease in the French corporate income tax rate which was a loss of EUR 19 million for 2017 through profit and loss (decrease in the measurement of the net DTA).

On December 22, 2017, the US Congress enacted the Tax Cuts and Jobs Act (the "TCJA"), reducing the statutory rate of US federal corporate income tax to 21% effective January 1, 2018. The TCJA also introduces a new minimum tax regime, referred to as the Base Erosion and Anti-Abuse Tax (BEAT) which acts almost as a 5% tax on all deductible payments to non US related persons – and gross premiums specifically – starting in 2018. The BEAT will increase to 10% for tax years beginning in 2019 and to 12.5% for taxable years beginning in 2026 or later. BEAT is payable if, calculated on a modified taxable income base, it is higher than the regular federal corporate tax in a given year.

For the year ended December 31, 2017, the impact of this new legislation mostly related to the DTA on US tax losses carry forward and was estimated to be a net loss of EUR 39.3 million through profit and loss and a net loss of EUR 4.9 million through Other Comprehensive Income. The BEAT had no impact on the financial statements as at and for the year ended December 31, 2017.

In 2018, SCOR has assessed the TCJA implications, in particular with respect to certain complex provisions including the Base Erosion and Anti-Abuse Tax («BEAT»). SCOR has implemented an alternate business structure to adapt to the new environment by establishing a new Irish entity, SCOR Life Ireland dac, which is treated as a US taxpayer.

The execution of this implementation was subject to certain standard regulatory approvals which have been obtained before the end of 2018. The TCJA implications including the implementation of the new business structure resulted in an expense of USD 81 million (EUR 68 million) which has been recognized in SCOR's 2018 result.

The difference between French and local tax rates reflects the geographical tax rate mix of the Group.

Income tax risk provisions have been reviewed and adjusted as part of the regular tax risk provisioning process.

Corporate income taxes from prior years are mainly due to the finalization of corporate income tax returns.

The standard tax rates for the primary locations in which the Group has operations are as follows:

	2018	2017	2016
France	34.43%	44.43%	34.43%
Switzerland	21.15%	21.15%	21.15%
Germany	32.45%	32.45%	32.45%
Ireland	12.50%	12.50%	12.50%
United Kingdom	19.00%	19.25%	20.00%
United States	21.00%	35.00%	35.00%
Singapore	17.00%	17.00%	17.00%

NOTE 17.3. CORPORATE INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

In EUR millions	2018			2017			2016		
	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount	Before tax amount	Tax (expense)/ benefit	Net of tax amount
Remeasurements of post-employment benefits	(24)	6	(18)	12	(8)	4	(38)	8	(30)
Items that will not be reclassified subsequently toprofit and loss	**(24)**	**6**	**(18)**	**12**	**(8)**	**4**	**(38)**	**8**	**(30)**
Effects of changes in foreign exchange rates	145	2	147	(521)	(6)	(527)	75	(4)	71
Revaluation of available-for-sale assets	(511)	111	(400)	66	(12)	54	(25)	12	(13)
Shadow accounting	125	(26)	99	(35)	8	(27)	47	(12)	35
Net gains/(losses) on cash flow hedges	(6)	3	(3)	5	-	5	3	1	4
Other changes	(7)	-	(7)	(1)	-	(1)	17	-	17
Items that will be reclassified subsequently to profit income	**(254)**	**90**	**(164)**	**(486)**	**(10)**	**(496)**	**117**	**(3)**	**114**
TOTAL	**(278)**	**96**	**(182)**	**(474)**	**(18)**	**(492)**	**79**	**5**	**84**

NOTE 17.4. DEFERRED TAX

Deferred tax assets and liabilities and the related expense or benefit as at and for the years ended December 31, 2017 and December 31, 2018, were generated by the following items:

In EUR millions	Opening balance at January 1, 2017	Changes through P&L	Changes through OCI	Other movements	Effect of other foreign exchange rate movements	Balance at December 31, 2017	Changes through P&L	Changes through OCI	Other movements	Effect of other foreign exchange rate movements	Balance at December 31, 2018
DEFERRED TAX LIABILITIES											
Deferred acquisition costs	(157)	23	-	(1)	6	(129)	(195)[1]	1	1	(3)	(325)
Unrealized revaluations and temporary differences on investments	(48)	(1)	(15)	8	1	(55)	(10)	33	(5)	1	(36)
Retirement schemes	(13)	1	(1)	1	1	(11)	(6)	1	-	-	(16)
Equalization reserves	(64)	1	-	-	-	(63)	14	-	-	-	(49)
Value of business acquired	(288)	44	-	-	22	(222)	(58)[1]	(1)	(1)	(8)	(290)
Financial instruments	(41)	8	5	(8)	(1)	(37)	1	19	-	-	(17)
Insurance contract liabilities/assets	(219)	108	-	4	17	(90)	(6)	-	(2)	(4)	(102)
Shadow accounting	(2)	-	1	1	1	1	-	(26)	-	(1)	(26)
Other temporary differences	(56)	40	1	(93)	8	(100)	(20)	-	3	(2)	(119)
TOTAL DEFERRED TAX LIABILITIES	**(888)**	**224**	**(9)**	**(88)**	**55**	**(706)**	**(280)**	**27**	**(4)**	**(17)**	**(980)**
DEFERRED TAX ASSETS											
Deferred acquisition costs	94	(57)	-	-	(8)	29	166[1]	-	-	2	197
Unrealized revaluations and temporary differences on investments	67	(2)	(2)	(1)	(2)	60	(35)	57	-	3	85
Retirement schemes	63	-	(8)	-	(2)	53	(1)	5	-	1	58
Equalization reserves	37	-	-	-	-	37	(37)	-	-	-	-
Net operating losses for carry forward	505	(81)	-	-	(13)	411	21	-	-	6	438
Financial instruments	28	(3)	(6)	-	-	19	4	5	-	-	28
Insurance contract liabilities/assets	252	(78)	-	(4)	(20)	150	25	-	5	4	184
Shadow accounting	(6)	(2)	7	1	(1)	(1)	-	2	-	(1)	-
Other temporary differences	177	(26)	-	(1)	(7)	143	187[1]	-	4	3	337
TOTAL DEFERRED TAX ASSETS	**1,217**	**(249)**	**(9)**	**(5)**	**(53)**	**901**	**330**	**69**	**9**	**18**	**1,327**

(1) Including the impact of the US tax reform.

In accordance with IFRS deferred tax netting rules, the amount of deferred tax liabilities and deferred tax assets stated in the balance sheet are as follows:

Balance sheet amounts as at December 31 *In EUR millions*	**2018**	**2017**	**2016**
Deferred tax liabilities	(207)	(338)	(354)
Deferred tax assets	554	533	683
Net deferred tax assets (liabilities)	**347**	**195**	**329**

NOTE 17.5. EXPIRATION OF TAX LOSSES AVAILABLE FOR CARRYFORWARD

As at December 31, 2018, the operating tax losses available for carryforward expire as follows:

In EUR millions	**Available tax loss carryforwards**	**Tax loss carryforwards for which no DTA is recognized**	**At December 31, 2018 Deferred tax assets recognized**	**At December 31, 2017 Deferred tax assets recognized**
2018	-	-	-	4
2019	1	-	-	-
2020	15	-	3	17
2021	-	-	-	9
2022	8	-	2	2
Thereafter	692	(7)	151	105
Indefinite	1,239	(124)	282	274
TOTAL	**1,955**	**(131)**	**438**	**411**

The recognition of deferred tax assets for tax loss carryforwards is assessed based on the availability of sufficient future taxable income and local tax rules, e.g. unlimited carry forward in France but the utilization of tax losses is capped at EUR 1 million plus 50% of the remaining current year's taxable result, 20-year carryforward period for US non Life companies, 15-year carryforward for losses before 2018 and unlimited carry forward after (but utilization limited to 80% of the current year's taxable income) for US life companies. Taxable income is forecasted based on the main assumptions described in the accounting principles of this note. SCOR expects to utilize all recognized tax loss carryforwards before expiration.

Operating losses which have not been recognized as deferred tax assets relate primarily to the French Tax Group.

NOTE 18. INVESTMENT INCOME

The tables below show the analysis by type of investment income and split by category of financial assets:

NOTE 18.1. ANALYSIS BY TYPE

In EUR millions	2018	2017	2016
Interest income on investments	435	368	345
Dividends	20	23	24
Rental income from real estate	42	48	43
Other income (including cash and cash equivalents)	(18)	(16)	(24)
Other investments expenses	(12)	(17)	(15)
Investment revenues	**467**	**406**	**374**
Interest income on funds withheld and contract deposit	157	187	194
Interest expense on funds withheld and contract deposit	(6)	(10)	(12)
Interest on deposits	**151**	**177**	**182**
Realized gains and losses on investments	**127**	**268**	**214**
Change in fair value of investments	**(13)**	**2**	**6**
Investment impairment	(6)	(8)	(10)
Real estate amortization and impairment	(26)	(21)	(21)
Change in investment impairment and amortization	**(32)**	**(29)**	**(31)**
Currency gains (losses)	**(13)**	**(27)**	**11**
INVESTMENT INCOME	**687**	**797**	**756**

NOTE 18.2. ANALYSIS BY CATEGORY OF FINANCIAL ASSET

In EUR millions	2018	2017	2016
Real estate investments	26	219	90
Available for sale investments	532	384	405
Investments at fair value through income	6	(1)	9
Loans and receivables	170	192	205
Derivative instruments	(19)	46	(46)
Other (including cash and cash equivalents), net of other investment expenses	(28)	(43)	93
INVESTMENT INCOME	**687**	**797**	**756**

NOTE 19. NET RETROCESSION RESULT

The table below shows the net retrocession result for the years ended December 31, 2018, 2017 and 2016:

	2018			2017			2016		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Ceded written premiums	(646)	(833)	(1,479)	(699)	(626)	(1,325)	(674)	(575)	(1,249)
Change in ceded unearned premiums reserves	-	35	35	-	8	8	(2)	(12)	(14)
Ceded earned premiums	**(646)**	**(798)**	**(1,444)**	**(699)**	**(618)**	**(1,317)**	**(676)**	**(587)**	**(1,263)**
Ceded claims	549	472	1,021	735	844	1,579	479	210	689
Ceded commissions	47	112	159	74	62	136	115	71	186
Net retrocession result	**(50)**	**(214)**	**(264)**	**110**	**288**	**398**	**(82)**	**(306)**	**(388)**

The retrocession results of SCOR Global Life in the reporting periods reflect changes in the retrocession portfolio, the claims development over the 3-year period, correlated reserving adjustments and experience refund calculations.

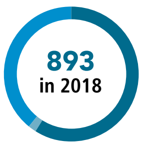
The second half of 2017 was marked for SCOR Global P&C by an exceptional series of large natural catastrophes, with hurricanes Harvey, Irma and Maria, earthquake in Mexico and fires in California. The in-force retrocession programs have responded as expected, with significant recoveries on proportional and non proportional covers.

NOTE 20. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Allocation of expenses by function

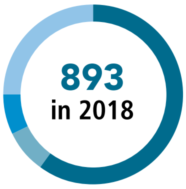
In accordance with IAS 1 – Presentation of Financial Statements, the Group has opted to present expenses by function in the statement of income. The costs are allocated to four categories (acquisition and administrative expenses, claims settlement expenses, investment management expenses and other current operating expenses) based on allocation keys defined by management.

Other operating and administrative expenses include expenses incurred by the Group, excluding gross commissions, as follows:



In EUR millions		2018	2017	2016
59%	Staff costs	527	518	483
2%	Taxes other than income taxes	20	13	22
39%	Other costs	346	327	310
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**893**	**858**	**815**

These expenses are further allocated into categories by function as follows:



In EUR millions		2018	2017	2016
60%	Acquisition and administrative expenses	537	535	482
8%	Investment management expenses	68	69	62
7%	Claims settlement expenses	62	57	54
25%	Other current operating expenses	226	197	217
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**893**	**858**	**815**

The Group audit fees for services rendered during the year are subject to a quarterly review and approval by the Audit Committee. All such audit fees presented in the table below have been approved in full by the Audit Committee.

Amount (excluding taxes)	**Ernst&Young**				**Mazars**				**Total**			
In EUR thousands	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Audit[(1)]	**5,955**	**5,462**	**95%**	**90%**	**3,510**	**3,339**	**96%**	**95%**	**9,465**	**8,801**	**95%**	**91%**
SCOR SE	948	907	15%	15%	980	921	27%	26%	1,928	1,828	19%	19%
Fully consolidated subsidiaries	5,007	4,555	80%	75%	2,530	2,418	69%	69%	7,537	6,973	76%	72%
Other audit related[(2)]	**107**	**497**	**2%**	**8%**	**155**	**165**	**4%**	**5%**	**262**	**662**	**3%**	**7%**
SCOR SE	59	115	1%	2%	128	135	3%	4%	187	250	2%	3%
Fully consolidated subsidiaries	48	382	1%	6%	27	30	1%	1%	75	412	1%	4%
Other[(3)]	**160**	**151**	**3%**	**2%**	**-**	**11**	**-**	**-**	**160**	**162**	**2%**	**2%**
Legal, tax, social security	160	151	3%	2%	-	11	-	-	160	162	2%	2%
Other	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**6,222**	**6,110**	**100%**	**100%**	**3,665**	**3,515**	**100%**	**100%**	**9,887**	**9,625**	**100%**	**100%**

(1) Statutory audit and certification of local and consolidated financial statements.
(2) Other specific audit assignments related to the statutory audit engagement. Additional audit fees incurred were due mainly to review of actuarial disclosures, review of CSR report, review of Solvency II reports as well as various mandatory procedures.
(3) Other services provided by the Auditors to the fully consolidated companies and due diligence.

NOTE 21. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares outstanding over the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

For the calculation of diluted earnings per share, the weighted average number of outstanding shares is adjusted to take into account the potential conversion of all stock options and share allocation plans.

Potential or contingent share issues are considered as dilutive when their conversion into shares would decrease net earnings per share.

Basic and diluted earnings per share are calculated as follows for the years ended December 31, 2018, 2017 and 2016 respectively:

In EUR millions	At December 31, 2018			At December 31, 2017			At December 31, 2016		
	Net income (numerator)	Shares (denominator) *(in thousands)*[(1)]	Net income per share *(in EUR)*	Net income (numerator)	Shares (denominator) *(in thousands)*[(1)]	Net income per share *(in EUR)*	Net income (numerator)	Shares (denominator) *(in thousands)*[(1)]	Net income per share *(in EUR)*
Net income – Group share	322	-	-	286	-	-	603	-	-
Basic earnings pershare									
Net income attributable to ordinary shareholders	**322**	**187,341**	**1.72**	**286**	**186,532**	**1.53**	**603**	**185,022**	**3.26**
Diluted earnings per share									
Dilutive effects	-	-	-	-	-	-	-	-	-
Stock options and share-based compensation[(2)]	-	2,255	-	-	3,131	-	-	3,253	-
Net income attributable to ordinary shareholders and estimated conversions	**322**	**189,596**	**1.70**	**286**	**189,663**	**1.51**	**603**	**188,275**	**3.20**

(1) Average number of shares during the period.
(2) Calculated assuming all options are exercised where the average SCOR share price for the year exceeds the option exercise price.

The exercise of stock options has consistently led to treasury shares being cancelled as decided by the Shareholders' Meeting of the Company in order to avoid any dilutive effect of such exercise upon the share capital.

NOTE 22. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercises significant influence over the other party in making financial or operational decisions.

The Group's related parties include:

- key management personnel, close family members of key management personnel, and all entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members;
- associates.

There is no shareholder (except key management personnel) meeting the criteria of a related party according to IAS 24 – Related Party Disclosures, for the years ended December 31, 2018, 2017 and 2016.

SCOR SE is the ultimate parent of the Group.

The Group has several business relationships with related parties. Transactions with such parties are carried out in the ordinary course of business and on substantially the same terms and conditions – including interest rates and collateral – as those prevailing at the same time for comparable transactions with third parties.

Transactions with associates for the financial years ended December 31, 2018, 2017 and 2016 were carried out on an arm's length basis and their volume is not material.

Transactions with key management personnel

Key management personnel are those individuals having responsibility and authority for planning, directing and controlling the activities of the Group. The Group considers that the members of the Executive Committee and the Board constitute key management personnel for the purposes of IAS 24.

The total gross compensation of key management personnel, allocated or paid, which includes short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits and share-based payments, for the years ended December 31, 2018, 2017, and 2016 is outlined below:

In EUR	2018	2017	2016
Fixed cash compensation	5,832,784	6,061,319	5,974,813
Variable cash compensation	4,603,272	6,272,821	5,862,695
Profit sharing	3,423	33,028	24,872
Premiums/allowances	65,106	154,417	160,971
Share-based payments(1)	15,832,066	17,470,800	17,464,750
Termination benefits	-	-	-
Retirement benefits(2)	-	-	-
Directors' fees	70,000	55,000	55,000
TOTAL COMPENSATION AND BENEFITS	**26,406,651**	**30,047,386**	**29,543,101**

(1) It should be noted that the figures stated above do not represent paid compensation but correspond to actuarial estimates in line with AFEP-MEDEF corporate governance code for the allocation of free shares and subscription options during the reference period. The value is calculated according to the same assumptions as those used for the Group accounts (IFRS 2).

(2) The total commitment of the Group for defined benefit retirement plans in France, Germany, the US and Switzerland for Executive Committee members (including the Chairman and Chief Executive Officer) amounts to EUR 57 million as at December 31, 2018 (EUR 58 million as at December 31, 2017 and EUR 53 million as at December 31, 2016), i.e. 13% of the total commitment of the Group for pension plans of EUR 450 million.

Each member of the Executive Committee benefits from the use of a vehicle for business purposes. The Chairman and Chief Executive Officer has a company car (with a shared driver).

NOTE 23. COMMITMENTS RECEIVED AND GRANTED

Rights and obligations, not recognized on the balance sheet, but which could modify the amount or the composition of the Group's net assets are disclosed as commitments.

The general reinsurance environment requires that underwriting liabilities be collateralized, either directly through the reinsurance treaty with the ceding company, or indirectly through the requirements of local regulators of the countries where SCOR's entities operate. These collateral arrangements can take the form of cash deposits to ceding companies, which are booked on the balance sheet, of pledged assets which generate a commitment given and are disclosed in the table below, or of letters of credit in which a financial institution provides the ceding company with a guarantee against the default of SCOR. Reciprocally, SCOR receives collaterals from its retrocessionaires which are booked as commitments received, with the exception of deposits which are recognized on the balance sheet.

In addition to assets pledged on the reinsurance business, SCOR's assets may be restricted when they are used as collateral to obtain letters of credit from banks or as securities for real estate debts or pensions liabilities. Those restricted assets are reported as pledged assets in the commitment disclosures.

A commitment received is recognized for potential sources of liquidity such as unused lines of credit, unused loans capacity or unused letters of credit purchased to financial institutions but not provided to ceding companies.

Irrevocable purchase and disposal commitments of assets, as well as investment or lending commitments are disclosed in this note as commitments.

In EUR millions	As at December 31, 2018	As at December 31, 2017
COMMITMENTS RECEIVED		
Unused lines of credit and letters of credit	205	203
Letters of credit – retrocessionaires	157	151
Pledged assets	1,262	834
Endorsements, sureties	6	2
Other commitments received	-	-
TOTAL COMMITMENTS RECEIVED	**1,630**	**1,190**
COMMITMENTS GIVEN		
Pledged assets	4,313	4,172
Endorsements, sureties	22	15
Investment commitments	113	54
Other commitments given	1	3
TOTAL COMMITMENTS GIVEN	**4,449**	**4,244**

Pledged assets granted and received

SCOR has pledged financial assets to ceding companies, regulators, financial institutions and pension plans for a total amount of EUR 4,313 million (2017: EUR 4,172 million).

In addition, SCOR pledges assets to the benefit of its consolidated subsidiaries as collateral for its internal retrocessions. As at December 2018, the amount of assets pledged internally is EUR 2,432 million (as at December 2017: EUR 2,259 million).

The total carrying amount of financial assets pledged to the benefit of SCOR as collateral is EUR 1,262 million (2017: EUR 834 million). These amounts include securities pledged by retrocessionaires for a total amount of EUR 930 million (2017: EUR 527 million) detailed in Note 15 – Net contract liabilities. The remaining amount relates to pledged assets received on assumed reinsurance.

Letters of credit

As security for the Group's technical liabilities, various financial institutions have provided sureties for the Group in the form of letters of credit. The total amount, not included in the table above, as at the reporting date was EUR 1,394 million (2017: EUR 1,438 million). In accordance with the terms of these letter of credit facilities, the Group must meet certain minimum requirements relating to net worth. The Group currently meets all such requirements.

As at December 31, 2018, SCOR has an outstanding letter of credit capacity of EUR 51 million (As at December 31, 2017: EUR 199 million), recognized as a commitment received from banks. This outstanding capacity can be used to provide collateral on the forthcoming underwritten business.

Letters of credits received from external retrocessionaires are recognized as a commitment received for EUR 157 million (As at December 31, 2017: EUR 151 million) and are detailed in Note 15 – Net contract liabilities.

Investment commitments

SCOR is committed to grant loans and to invest in various investment funds for a total amount of EUR 113 million (2017: EUR 54 million). Those amounts do not include the commitments taken by SCOR on behalf of third parties as part of its asset management activity.

Real estate commitments

Minimum payments under operating lease commitments, estimated future minimum rental income amounts as part of SCOR's real estate investment activities and commitments to purchase or dispose real estate properties are not included in the table above but are disclosed within Note 9 – Miscellaneous assets and Note 7 – Insurance business investments.

Contingent liabilities

Contingent liabilities are disclosed in Note 14.2 – Other provisions.

NOTE 24. INSURANCE AND FINANCIAL RISKS

All of the following paragraphs form an integral part of the Group consolidated financial statements. They are disclosed in Section 3 – Risk factors and risk management mechanisms.

NOTE 24.1. INSURANCE RISKS

Please see Section 3.3 – Underwriting risks related to the P&C and Life reinsurance businesses.

NOTE 24.2. MARKET RISKS

Please see Section 3.4 – Market risks.

NOTE 24.3. CREDIT RISKS

Please see Section 3.5 – Credit risks.

NOTE 24.4. LIQUIDITY RISKS

Please see Section 3.6 – Liquidity risks.

NOTE 25. LITIGATION

Comisión Nacional de la Competencia

On November 12, 2009, and following an administrative sanctioning procedure, the Spanish competition authority (Comisión Nacional de la Competencia, or the "CNC") sanctioned SCOR Global P&C SE Ibérica Sucursal, a branch of SCOR Global P&C, and a number of other insurance and reinsurance companies for an alleged infringement of Article 1 of Law 15/2007, of July 3, 2007, on Competition (the "Competition Act" which prohibits agreements and concerted practices that may have as an object or effect the restriction of competition in the market). The infraction would have consisted in an agreement to set the minimum price and other commercial conditions applied to customers in the market for decennial insurance for constructions in Spain. Pursuant to such decision, SCOR was sentenced to pay a fine of EUR 18.6 million. Other insurers and reinsurers were also fined in relation to the same matter.

On December 21, 2009 SCOR filed an appeal to the sanctioning decision before the Administrative Chamber of the National Audience (Audiencia Nacional, or the "AN").

On December 28, 2012, the AN issued its judgment on the appeal, annulling the decision of the CNC. The AN accepted SCOR's grounds and declared that the Company had not infringed the Competition Act. Consequently, the economic sanction imposed on SCOR by the CNC was annulled.

The State Attorney (Abogado del Estado) representing the CNC has appealed the AN judgment to the Supreme Court (Tribunal Supremo) in January 2013. The Supreme Court has accepted the State attorney's appeal on October 10, 2013.

On June 2, 2015, SCOR received the decision from the Spanish Supreme Court on the State Attorney's appeal. In its decision, the Supreme Court confirmed that SCOR, together with certain other market participants, were part of an antitrust violation. However, the Supreme Court canceled the fine imposed by the Agency and requested it to be recalculated. On July 2, 2015, SCOR filed an action for annulment of the Supreme Court decision. On September 15, 2015, this action was dismissed by the Supreme Court. On November 3, 2015, SCOR filed an appeal against the Supreme Court's decision in front of the Spanish Constitutional Court. This action was dismissed on February 26, 2016.

In March 2016, the CNMC (Comisión Nacional de los Mercados y la Competencia, former CNC) has commenced the reevaluation procedure of SCOR's fine imposed in 2009.

On March 9, 2017, the CNMC issued a resolution in which it confirmed SCOR's fine at the amount of EUR 18.6 million. SCOR has appealed the CNMC's resolution in front of the AN and on June 16, 2017 the court has accepted SCOR's appeal. In this appeal procedure SCOR's fine is capped to the amount of EUR 18.6 million.

Litigation gives rise to an accrual when it meets the recognition requirements of a provision under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. See Note 14 – Employee benefits and other provisions for details of accruals booked. In certain instances, in accordance with IAS 37.92, some required information, in particular the amount of accruals, is not disclosed as they could seriously prejudice the position of SCOR in a dispute with other parties.

Covea

Refer to Note 26 – Subsequent events, for a description of legal actions initiated by SCOR against Thierry Derez, Covéa SGAM, Covéa Coopérations, Barclays and Rothschild in connection with an unsolicited proposed combination with SCOR.

NOTE 26. SUBSEQUENT EVENTS

Subsequent events relate to relevant and material events that occur between the reporting date and the date when the financial statements are approved for issue by the Board of Directors. Such events lead to:

- an adjustment of the consolidated financial statements if they provide evidence of conditions that existed at the reporting date, and if relevant and material;
- additional disclosure if they relate to conditions which did not exist at the reporting date, and if relevant and material.

Legal actions against Thierry Derez and Covéa

As announced in SCOR's press release dated January 29, 2019, the gravity of the facts brought to the attention of SCOR and its governance bodies relating to the misconduct committed to the detriment of SCOR, in the context of the preparation and submission by Covéa of its unsolicited proposed combination with SCOR, compelled SCOR to initiate legal actions against Thierry Derez, Covéa SGAM, Covéa Coopérations, Barclays and Rothschild. These legal actions consist of:

- a criminal action, by way of a direct prosecution ("*citation directe*") before the Criminal Court of Paris ("*Tribunal correctionnel de Paris*"), against Thierry Derez, for breach of trust ("*abus de confiance*");
- a criminal action, by way of a direct prosecution ("*citation directe*") before the Criminal Court of Paris ("*Tribunal correctionnel de Paris*"), against Covéa, for concealment of breach of trust ("*recel d'abus de confiance*");
- a civil action against Rothschild in France and against Barclays before the High Court of Justice of London, for serious breach of confidence and trade secrets;
- a civil action ("action en responsabilité civile"), before the Commercial Court of Paris ("*Tribunal de commerce de Paris*"), against Thierry Derez, for serious breach of his legal and fiduciary duties and obligations as a director of SCOR in his personal capacity (regarding in particular loyalty, conflicts of interest, and confidentiality) as well as SCOR's trade secrets ("*secret des affaires*"); and
- a civil action ("*action en responsabilité civile*"), before the Commercial Court of Paris ("*Tribunal de commerce de Paris*"), against Covéa, for having directly participated in and benefitted from the serious breaches by Thierry Derez.

These proceedings are intended to sanction and remedy the alleged criminal and civil misconduct having resulted from, inter alia, the unlawful misappropriation, disclosure, communication and use of SCOR's sensitive and strictly confidential documents and information which Thierry Derez had access to as a director of SCOR in his personal capacity. SCOR considers in particular that this unacceptable misconduct was committed with the aim of wrongfully favoring the preparation and submission by Covéa of its unsolicited proposed combination with SCOR.

On January 29, 2019, Covéa announced that a transaction with SCOR was no longer part of its strategic options.

Refer to the Registration Document, Section 1.3.3. – Significant events of the year for further information.

Rehalto

On February 8, 2019, SCOR announced the sale of its subsidiary Rehalto SA. The sale does not result in a material impact on the consolidated financial statements.

4.7. INFORMATION ON HOLDINGS

The holdings held directly by SCOR SE are detailed in the following sections:

- Section 1.2.3 – Organizational structure of SCOR;
- Appendix C – 5 – Notes to the corporate financial statements, Note 2 – Investments – Subsidiaries and affiliates.

As at December 31, 2018, SCOR SE held indirectly shares or units in the companies representing at least 10% of the consolidated net assets or generating at least 10% of the consolidated net income or loss. These holdings are listed below:

	Registered office	Type of business	% Capital
SCOR Switzerland AG	General Guisan – Quai 26 – 8022 Zurich – Switzerland	Reinsurance	100%
SCOR Life Ireland dac	6th Floor, 2 Grand Canal Square – Dublin 2 – D02 A342 – Ireland	Reinsurance	100%
SCOR Global Life USA Holdings Inc.	11625 Rosewood Street, Suite 300 – 66211 Leawood, Kansas – United States	Reinsurance	100%

4.8. STATUTORY AUDITORS

4.8.1. PRINCIPAL AUDITORS

Name	Date of first appointment	End of current appointment
MAZARS Represented by Jean-Claude Pauly and Guillaume Wadoux Tour Exaltis – 61, rue Henri Regnault 92075 Paris-La Défense cedex, France CRCC de Versailles	June 22, 1990	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2019
ERNST & YOUNG Audit Represented by Isabelle Santenac and Patrick Menard Tour First – 1, Place des saisons 92037 Paris-La Défense cedex, France CRCC of Versailles	May 13, 1996	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2019

4.8.2. ALTERNATIVE AUDITORS

Name	Date of first appointment	End of current appointment
MAZARS Lionel Gotlib Tour Exaltis – 61, rue Henri Regnault 92075 La Défense Cedex, France CRCC of Versailles	May 6, 2014	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2019
Olivier Drion Tour First – 1, Place des saisons 92037 Paris-La Défense cedex, France CRCC of Versailles	April 26, 2018	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2019

4.8.3. RESIGNATION OR NON-RENEWAL OF AUDITORS

Not applicable.

4.8.4. FEES PAID BY THE GROUP TO THE AUDITORS

See Section 4.6.20 – Notes to the consolidated financial statements, Note 20 – Other operating and administrative expenses for a breakdown of audit fees.

4.9. AUDITING OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The date of the most recently audited financial information is December 31, 2018.

In application of EC Commission Regulation No. 809/2004, the following information is included by reference in this Registration Document:

- the report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2017 published on pages 223 to 224 of the Registration Document filed with the AMF on February 23, 2018 under Number D.18-0072 (and from pages 223 to 224 of the free translation into English of such Registration Document, such translation being available on SCOR's website www.scor.com).
- the report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2016 published on pages 223 to 224 of the Registration Document filed with the AMF on March 3, 2017 under Number D.17-0123 (and from pages 223 to 224 of the free translation into English of such Registration Document, such translation being available on SCOR's website www.scor.com).

The report of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2018 is reproduced below.

This is a translation into English of the auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This auditors' report includes information required by European regulation and French law, such as information about the appointment of the auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the annual General Meeting of SCOR SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SCOR SE for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 consisting of the persons and entities included in the consolidation and of the results of its operations for the year then ended in accordance with IFRS accounting principles as adopted in the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of technical reserves related to reinsurance contracts

(Please refer to Notes 1 and 15 of the notes to the consolidated financial statements)

Risk identified	Our response
The gross and net insurance and investment contract liabilities amount to EUR 30 253 million and to EUR 28 112 million (net of share of retrocessionaires in insurance and investment contract liabilities) at 2018 year-end. These liabilities are established to cover the Group's commitments and the payment of benefits relating to reported events or events incurred but not yet reported. As stated in note 15 of the notes to the Consolidated financial statements, the Group uses in determining the amount of technical reserves related to its Non-life business, actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. Technical reserves related to Life business are estimated using actuarial methods based on the present value of projected future payments to cedants less the present value of projected future premiums to be paid by cedants. The calculation includes assumptions relating to expected future mortality, morbidity, longevity, disability, lapses, as well as expected future interest rates and expenses. Inherent uncertainties in the Life and Non-Life reserves' estimates are enhanced for reinsurers because of the longer time period between the date of an occurrence and the request for payment of the claim to the reinsurer, the diversity of contract development schemes, the dependence on ceding companies for information regarding claims and differing reserving practices among ceding companies. In these circumstances, we considered the measurement of technical reserves related to reinsurance contracts as a key audit matter.	To cover the risk on the measurement of technical reserves, our audit approach was the following: ◆ we obtained an understanding of the report of the Group chief actuary on the global adequacy of reserves; ◆ we updated our understanding of the procedures and methods of measurement used in determining the technical reserves; ◆ we obtained an understanding of the internal controls framework and tested the efficiency of key controls established by management in order to assess the completeness and reliability of the data and of the implemented models; ◆ we examined the relevance of actuarial methods and parameters used as well as the assumptions chosen for a selection of contracts; ◆ we performed procedures to analyze differences between expected claims and occurred claims in order to control subsequently the quality of estimates produced by the management; ◆ we performed, with the support of our Non-Life actuarial team, a recalculation using our own assumptions and tools, of technical reserves for the most sensitive actuarial segments reserves; ◆ for Non-Life business, we analyzed the documentation supporting measurement of reserves related to catastrophes, both man-made and natural; ◆ we included within our team members with specific skills in IT systems to perform procedures aiming at evaluating the internal control environment of the systems used by the management and test the functioning of several automated processes; ◆ we examined the methodology and outputs of the liability adequacy tests carried out by management.

Measurement of reinsurance premiums

(see Notes 1 and 4 of the Notes to the consolidated financial statements)

Risk identified	Our response
Gross written premiums in 2018 amount respectively to EUR 9,083 million for the Life segment SCOR Global Life and EUR 6,175 million for the Non-Life segment SCOR Global P&C, as stated in note 4 of the notes the consolidated financial statements. The reinsurance entities of the Group record accounts transmitted by ceding companies upon receipt. Accounts not yet received from ceding companies at the end of the financial year are estimated, in order to better reflect the Group's reinsurance commitments in the financial statements. Written and earned reinsurance premiums are also estimated. As stated in note 1 of the notes to the Consolidated statements: gross written and earned premiums are based upon reports received from ceding companies, supplemented by the Group's own estimates of premiums for which ceding companies' reports have not yet been received. Observing a large part of estimates in the written premiums related to a year is specific to the reinsurance business. Management reviews its estimates and assumptions periodically, based on experience and other factors. Actual premiums can turn out to be different from management estimates. In this respect, we considered that the measurement of reinsurance premiums constituted a key audit matter.	To cover the risk on the measurement of reinsurance premiums, we implemented the following audit approach: ◆ we obtained an understanding of the internal controls framework on processes related to Life and Non-Life premium estimates and we tested the efficiency of key controls established by management; ◆ we examined the consistency of premium estimates over the period, comparing them both to the operational plan prepared by management and approved by the Board of Directors and to premiums actuals from previous financial years and we investigated, if any, significant differences identified; ◆ we performed, for a selection of contracts, a deep analysis of underlying assumptions taking into account the activity, the records of reinsurance accounts received, and any new information received from ceding companies; ◆ for new contracts underwritten in 2018, we performed on a sampling basis, controls on the consistency of premium estimates based on new business information available at the underwriting department;

Valuation of Goodwill and Value of business acquired (VoBA) on Life reinsurance portfolios

(Please refer to Notes 5, 6 of the notes to the consolidated financial statements)

Risk identified	Our response
The Group's intangible assets are mainly composed of goodwill and Value of Business Acquired of Life reinsurance portfolios respectively for EUR 859 million and EUR 1,471 million as at December 31, 2018. **Goodwill** Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. It is initially measured at cost which is calculated as the difference between the business combination cost and the net fair value of identifiable assets and assumed liabilities at the acquisition date. Their fair value depends on forecasts and budgets established by the management. As part of the yearly impairment testing on goodwill, the Group assesses whether the recoverable amount of cash generating units (CGU) to which the goodwill is allocated, is at least equal to their total carrying value, as stated in note 5 of the notes to the Consolidated financial statements. If it is determined that an impairment exists, the total carrying amount is adjusted to the recoverable value. Estimates performed to determine the recoverable value of the Group CGUs are based on assumptions and extrapolations involving a significant part of judgement. Furthermore, any negative deviation of expected future results could have an impact on the recoverable value and lead to an impairment of the goodwill.	We examined the methodology used by management to determine whether the potential impairment of the CGUs has been properly applied: We evaluated the models and calculations of the Group company in: ◆ comparing multiples and discount rates used per country with our internal databases; ◆ comparing the expected turnover growth with the economic data of the reinsurance sector; ◆ analyzing the quality of the process of preparing and approving budgets and forecasts established by management and approved by the Board of Directors; ◆ analyzing the consistency of information and assumptions used in these models: on the one hand, with the budgets and forecasts abovementioned, on the other hand, with our knowledge of the sector, developed notably during the review of the strategic plan, through interviews with members of the executive committee and studies of the Group's budget process.
Life reinsurance value of business acquired Value of Business Acquired (VoBA) represents the value of Life reinsurance portfolios acquired in a business combination. It corresponds to the present value of expected future cash flows for the assumed and the retroceded reinsurance business. As stated in note 6 of the notes to the Consolidated financial statements, VoBA is amortized over the lifetime of the underlying reinsurance portfolio based on schedules derived from the run-off patterns of expected profit. These projections are assessed and updated regularly. The review of flow projections and assumptions used involve a significant part of judgement and uncertainties. Furthermore, it significantly impacts the amortization schedule of VoBA. In these circumstances we consider the valuation of intangible assets to be a key audit matter.	With the support of our Life Actuarial Specialists, we have completed the following procedures: ◆ we assessed the proper application of internal procedures on the evaluation of VoBAs, as well as their depreciation schedules; ◆ in order to analyze the valuation of VoBAs and their correct amortization, we examined the expected cash flows on the relevant portfolios; ◆ we assessed the recoverability of the VoBAs taking into consideration the liability adequacy test.

Deferred tax: measurement of deferred tax assets on tax losses carried forward and impacts of the US Tax reform

(Please refer to Note 17 of the notes to the consolidated financial statements)

Risk identified	Our response
Deferred tax assets on tax losses carried forward An asset of EUR 438 million related to tax losses carried forward is recognized in the balance sheet of the Group at financial year ended 2018. Deferred tax assets are recognized on net operating losses carried forward to the extent that it is probable that future taxable income will be available against which they can be offset. As stated in note 17 of the notes to consolidated financial statements, management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. To the extent that net operating losses carried forward could not be utilized or would expire, deferred income tax expenses may be recorded in the future to reduce corresponding deferred tax assets. We consider deferred assets on losses carried forward to be a key audit matter, given the Management's judgement related to their recognition in the balance sheet.	With the assistance of team members with specific tax skills, our audit approach consisted in performing the following procedures on the main entities contributing to the Group's deferred tax assets on losses carried forward: ◆ we obtained an understanding of the internal controls framework on processes of the tax department related to the deferred tax measurement; ◆ we examined the documentation prepared annually by the tax department on deferred tax assets. ◆ we examined the business plans used and the probability that tax losses will be utilized in the future. We notably checked the tax rates used as well as the profits' forecasts and underlying assumptions, with specific attention to the legal expiry periods in force in certain countries.
Impacts of the US Tax reform On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was enacted. As stated in note 17 of the notes to consolidated financial statements, in 2018, SCOR has assessed the TCJA implications, in particular with respect to certain complex provisions including the Base Erosion and Anti-Abuse Tax («BEAT»). Your group has implemented an alternate business structure to adapt to the new environment by establishing a new Irish entity, SCOR Life Ireland dac, which is treated as a U.S. taxpayer. The execution of this implementation was subject to certain standard regulatory approvals which have been obtained before the end of 2018. The TCJA implications including the implementation of the new business structure resulted in an expense of USD 81 million (EUR 68 million) which has been recognized in SCOR's 2018 result. Given the implications of the TCJA on SCOR business, we consider the assessment of the impacts of the US tax reform to be a key audit matter.	With the assistance of our US tax specialists, we performed following procedures: ◆ we obtained an understanding of internal control processes related to the implementation of SCOR Life Ireland dac and we assessed the design of key controls established by management; ◆ we examined the accounting documentation prepared by management, the reinsurance executed agreements and the regulatory approvals; ◆ on a sample basis, we examined the consistency of the new agreements in terms of risk transfer comparing them to the previous ones (pre- restructuring) and tested the reflow of underlying balances between entities; ◆ we obtained and reviewed your Company's assessment of the various tax impacts related to the implementation of the alternate business structure (including current and deferred tax, BEAT tax expense and Transfer Pricing).

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law regarding group related information, given in the management report of Board of Directors.

We have no matters to report as to its fair presentation and the consistency with the consolidated financial statements.

We certify that the consolidated declaration of extra-financial performance provided for in Article L. 225 102 1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of article L. 823 10 of the Code, the information contained in this statement has not been the subject of verifications of fairness or consistency of our means with the consolidated financial statements and must be reported by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Auditors

We were appointed as auditors of SCOR SE by the Annual General Meeting held on June 22, 1990 for MAZARS and on May 13, 1996 for ERNST & YOUNG Audit.

As at December 31 2018, MAZARS and ERNST & YOUNG Audit were in the 29th year and 23rd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting principles as adopted in the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors of SCOR SE.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit 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 internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- collects information related to persons and entities included in the scope of consolidation that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and execution of the audit of the consolidated financial statements as well as the opinion expressed on these accounts.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for auditors. Where appropriate, we discuss with the Audit the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, February 28, 2019

The Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit	
Jean-Claude Pauly	Guillaume Wadoux	Isabelle Santenac	Patrick Ménard

OTHER INFORMATION AUDITED BY THE STATUTORY AUDITORS

The Registration Document as a whole is the subject of a completion letter sent by the Statutory Auditors to SCOR.

The related party agreements executed in 2018 or continued during 2018, as defined by Articles L. 225-38 *et seq* of the French Commercial Code are the subject of a specific report by the Statutory Auditors in Section 2.3.3.

SCOR SE's corporate accounts for the financial years ended December 31, 2018, 2017 and 2016, included respectively in Appendix C of this Registration Document, in Appendix C of the Registration Document filed with the AMF on February 23, 2018 under the number D.18-0072 and in Appendix C of the Registration Document filed with the AMF on March 3, 2017 under the number D.17-0123, were the subject of reports by the Statutory Auditors, featured respectively in Appendix C of this Registration Document, in Appendix C of the Registration Document filed with the AMF on February 23, 2018 under the number D.18-0072 and in Appendix C of the Registration Document filed with the AMF on March 3, 2017 under the number D.17-0123.

Notes 1, 2, 3, 4 and 5 in Appendix D of this Registration Document relate to the non-financial performance declaration. The information published in this section has been reviewed by one of the Statutory Auditors whose report is presented in Appendix D.

05 ADDITIONAL INFORMATION

5.1. CHARTER AND BYLAWS

5.1.1. CORPORATE PURPOSE OF THE ISSUER (ARTICLE 3 OF THE BYLAWS)

As set forth in Article 3 of the bylaws (statuts), the corporate purpose includes the following:

- insurance, reinsurance, cession or retrocession of business of any nature in all classes and in all countries, the assumption in any form of reinsurance contracts or liabilities of any French or foreign company, organization, entity or association, and creation, acquisition, rental, lease, installation and operation of any undertaking related to these activities;
- the construction, lease, operation or purchase of any and all properties;
- the acquisition and management of all securities and other equity rights by any means including but not limited to subscription, transfer or acquisition of shares, bonds, corporate rights, partnerships and other equity rights;
- acquisition of equity investments or interests in any industrial, commercial, agricultural, financial, movable property or real estate companies, the formation of any company, participation in any capital increases, mergers, demergers and spin-offs;
- administration, management and control of any company or other undertaking, direct or indirect participation in all transactions carried out by such companies or undertakings by any means including, but not limited, to participation in any company or equity investment;
- implementation and management of centralized cash resource management within the Group and the provision of services, to any Group company concerned, relating to the management and operations of centralized cash resources; and
- generally all such industrial, commercial and financial transactions, or transactions involving movable property and real estate, as may pertain directly or indirectly to the above stated corporate purpose or as may be related to or facilitate the implementation or pursuit thereof.

5.1.2. SUMMARY OF THE BYLAWS AND INTERNAL REGULATIONS OF THE COMPANY CONCERNING THE MEMBERS OF ITS ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

For further details, see Section 2.1 – Corporate officers, executives and employees.

Directors

Related party agreements

French corporate law and the Company's bylaws provide for prior approval and verification of agreements, entered into directly or indirectly, between the Company and one of its directors, Chief Executive Officer, Deputy Chief Executive Officer (Directeur Général Délégué), any of its shareholders holding more than 10% of the registered capital or of the voting rights or, if a legal entity, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code and, or any entity in which any of these persons is at the same time an owner, partner with unlimited liability, manager, director, member of the supervisory board or an executive officer, unless pursuant to the provisions set forth under Article L. 225-39 of the Commercial Code: (i) the agreement is entered into in the ordinary course of business and under normal terms and conditions; and/or (ii) those agreements reached between two companies, one of which holds, directly or indirectly, all of the other's capital, where applicable, minus the minimum number of shares required to fulfil the requirements of Article 1832 of the Civil Code or Articles L. 225-1 and L. 226-1 of the Commercial Code. Article L. 225-38 of the French Commercial Code also provides that the prior approval of the Board of Directors must be justified by the interest for the Company of the agreement, in particular by specifying the financial conditions related thereto.

The interested party must inform the Board of Directors as soon as it is aware of the existence of the related party agreement, and a majority of the non-related directors must approve the agreement for it to be valid.

If a related party agreement is pre-approved by the majority of the non-related directors, the Chairman must then report the authorized agreement to the Statutory Auditors within one month following the date it is signed. The Auditors must then prepare a special report on the agreement to be submitted to the shareholders at their next Shareholders' Meeting, during which the shareholders would consider the agreement for ratification (any interested shareholders would be excluded from voting). If the agreement is not ratified by the shareholders, it will not be rendered invalid, except in the case of fraud, but the shareholders may in turn hold the Board of Directors or interested Company representative liable for any damages suffered as a result thereof.

Any related party agreement reached without the prior consent of a majority of the non-related directors can be voided by a court, if we incur a loss as a result. In addition, an interested related party may be held liable on this basis.

Directors' compensation

Pursuant to Article 13 of the Company's bylaws, the directors receive attendance fees, the maximum aggregate amount of which, determined by the shareholders acting at an annual Ordinary Shareholders' Meeting, remains in effect until a new decision is made.

Board of Directors' borrowing powers

Under Article L. 225-43 of the French Commercial Code, the directors, other than legal entities, Chief Executive Officer and Deputy Chief Executive Officers (Directeurs Généraux Délégués) may not borrow money or obtain a guarantee from the Company. Any such loan or guarantee would be void and may not be relied upon by third parties.

Directors' age limits

Under Article 10 of the Company's bylaws, directors may hold office until the age of 77. A director reaching the age of 77 while in office must retire at the expiration of the term of his or her office, as determined at the Shareholders' Meeting.

5.1.3. RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EXISTING SHARES

Voting rights (Articles 7, 8 and 19 of the bylaws)

As of the date of this Registration Document, the voting rights attached to shares are proportionate to the share of capital they represent. During a period of two years from the reverse stock-split of the Company's shares implemented on January 3, 2007, all old shares carried one vote and all new shares carried ten votes, so that the number of votes attached to the shares remains proportionate to the share of capital they represent.

Remaining old shares were cancelled on January 3, 2009 and since then, subject to applicable laws, all Company shares carry one voting right.

At all Shareholders' Meetings, each shareholder has as many votes as the number of shares he or she holds or represents without any limitations other than those which may result from legal requirements and the stipulations above. The difference between the distribution of share capital and the distribution of voting rights arises from the existence of treasury shares with no voting rights.

Following an amendment to the Company bylaws approved by the Shareholders' Meeting on April 30, 2015, no double voting rights, as referred to in the provisions of Article L. 225-123 of the French Commercial Code, introduced by Act No. 2014-384 of March 29, 2014, may be attributed to or benefit, in any manner whatsoever, any Company shares.

Where the shares are held by a beneficial owner, the voting rights attached to those shares belong to the beneficial owner at Ordinary Shareholders' Meetings, and to the bare owner at Extraordinary Shareholders' Meetings.

Failure to comply with legal and statutory obligations concerning thresholds may be sanctioned by the removal of voting rights for those shares or rights in excess of the undeclared fraction.

Statutory distribution of earnings (Article 20 of the bylaws)

After approval of the financial statements and recognition of the existence of distributable funds in the form of earnings for the financial year less prior losses plus, if applicable, any profit carried forward, the Shareholders' Meeting shall distribute them as follows:

- sums to be transferred to reserves pursuant to legal requirements;
- all or part of the profit available for distribution may be transferred by the Shareholders' Meeting to any discretionary, ordinary or extraordinary reserves or carried forward, as deemed appropriate;
- any remaining balance shall be distributed among all shares in proportion to their unredeemed paid-up value.

The Shareholders' Meeting may distribute all or part of the discretionary reserves in the form of a full or partial dividend or as a special dividend. In this case, the resolution shall expressly indicate the sums to be deducted from each line item of reserves.

Each share entitles its holder to a share (in direct proportion to the number and par value of the existing shares) in the corporate assets, profits or liquidating dividend.

The Company's bylaws also stipulate that profits available for distribution can be allocated to one or more optional or statutory reserves or distributed as dividends, as determined by the Shareholders' Meeting.

Dividends may also be distributed from optional or statutory reserves, subject to approval by the shareholders and certain limitations, either as an addition to an annual dividend distribution or as a special dividend.

The payment of dividends is decided by the Shareholders' Meeting at which the annual accounts are approved following the recommendation of the Board of Directors. If there are distributable profits (as shown on the interim balance sheet audited by the Statutory Auditors), the Board of Directors has the authority, subject to applicable French law and regulations to distribute interim dividends without prior shareholder approval.

Dividends are distributable to shareholders in proportion to their respective holdings of ordinary shares. Dividends are payable to holders of ordinary shares outstanding on the date of the Shareholders' Meeting approving the distribution of dividends or, in the case of interim dividends, on the date of the meeting of the Board of Directors approving the distribution of interim dividends. The actual dividend payment date and the terms of payment are determined by the Shareholders' Meeting approving the declaration of the dividends or by the Board of Directors in case of distribution of interim dividends. The payment of the dividends must occur within nine months of the end of the financial year. Dividends not claimed within five years of the date of payment revert to the French state. According to the bylaws, shareholders may decide in an Ordinary Shareholders' Meeting to give each shareholder the option of receiving all or part of a dividend or interim dividend in the form of ordinary shares. The determination of the portion, if any, of the annual dividend that each shareholder will have the option to receive in ordinary shares is also made at the Ordinary Shareholders' Meeting following a recommendation by the Board of Directors.

Dividends paid to non-residents are "in principle" subject to withholding tax.

Liquidating dividend (Article 22 of the bylaws)

If the Company is liquidated, its assets remaining after payment of its debts, liquidation expenses and all of its remaining obligations will be distributed in full first to repay the nominal value of the ordinary shares, then the surplus, if any, will be distributed pro rata among the holders of ordinary shares in proportion to the nominal value of their shareholdings and subject to any special rights granted to holders of preferred shares, if any.

Redemption of shares

Under French law, the Board of Directors is entitled to redeem a set number of shares as authorized by the Extraordinary Shareholders' Meeting for the purpose of a capital reduction not motivated by losses. In the case of such an authorization, the shares redeemed must be cancelled within one month after the end of the offer to purchase such shares from shareholders.

The Company may also acquire its own shares without having to cancel them:

- redemption with the aim of allocating them to employees or Company officers (Article L. 225-208 of the French Commercial Code);
- redemption as part of a share buyback program (Article L. 225-209 of the French Commercial Code).

Liability for further capital calls

Shareholders are liable for corporate liabilities only up to their contributions.

Share buy-back or conversion clause

The bylaws do not contain any share buy-back or conversion clauses.

Pre-emptive subscription rights for securities of the same class

Under current French regulations, and in particular Article L. 225-132 of the French Commercial Code, any cash capital increase gives shareholders a pre-emptive right to subscribe to new shares proportionate to the amount of shares owned.

The Shareholders' Meeting which decides or authorizes a capital increase may, under Article L. 225-135 of the French Commercial Code, eliminate the pre-emptive subscription right for the entire capital increase or for one or more tranches of said increase and may or may not allow a priority subscription period for shareholders. When the issue is carried out through a public offering or through an offer referred to in Article L. 411-2, II of the French Monetary and Financial Code without pre-emptive subscription rights, the issue price must be set according to Article L. 225-136 of the French Commercial Code.

In addition, the Shareholders' Meeting which decides on a capital increase may reserve it for named persons or categories of persons corresponding to specific characteristics, in application of Article L. 225-138 of the French Commercial Code.

The Shareholders' Meeting may also reserve it for shareholders of another company that is the target of a public exchange offer initiated by the Company pursuant to Article L. 225-148 of the French Commercial Code or for certain persons in the context of contributions in kind in application of Article L. 225-147 of the French Commercial Code.

Jointly owned shares

Subject to legal provisions concerning shareholders' voting rights in General Meetings and their right to information, shares are not divisible with regard to the Company. This means that joint co-owners must be represented by one of said co-owners or by a single agent, appointed by the Court in the event of a dispute.

5.1.4. ACTIONS REQUIRED TO MODIFY SHAREHOLDERS' RIGHTS

Shareholders' rights are set forth in the Company bylaws. Under Article L. 225-96 Paragraph 1 of the French Commercial Code, amendments to the bylaws must be approved by the Extraordinary Shareholders' Meeting by a two-thirds majority of the shareholders present or represented.

Attendance and voting at Shareholders' Meetings

Under French law, there are two types of Shareholders' Meetings: ordinary and extraordinary.

Ordinary Shareholders' Meetings are required for matters such as the election, replacement and removal of directors, the appointment of Statutory Auditors, the approval of the annual report prepared by the Board of Directors and of the annual accounts and the distribution of dividends. The Board of Directors is required to convene an annual Ordinary Shareholders' Meeting, which must be held within six months of the end of the financial year. This period may be extended by an order of the President of the competent French Commercial Court. The Company's financial year begins on the first day of January of each calendar year and ends on the last day of December of that year.

Extraordinary Shareholders' Meetings are required for approval of matters such as amendments to the Company's bylaws, changes to shareholders' rights, approval of mergers, increases or decreases in share capital, the creation of a new class of shares and authorization to issue securities giving access to capital, by conversion, exchange or otherwise. In particular, shareholder approval will be required for any merger in which the Company is not the surviving entity or in which it is the surviving entity but which would involve issuing a portion of our share capital to shareholders of the acquired entity.

Special Meetings of Shareholders of a certain class of shares (such as shares with double voting rights or preferred shares) are required for any changes to the rights associated with said class of shares. The resolution of the Shareholders' Meeting affecting these rights is effective only after approval by the relevant Special Meeting.

Other Ordinary or Extraordinary Meetings may be convened at any time during the year. Shareholders' Meetings may be convened by the Board of Directors or, if the Board of Directors fails to call such a meeting, by the Statutory Auditors, liquidators in bankruptcy cases, shareholders owning the majority of the ordinary shares or voting rights after having launched a public takeover bid or by an agent appointed by a court.

The court may be requested to appoint an agent either by shareholder(s) holding at least 5% of the share capital, or a duly authorized association of shareholders holding their ordinary shares in registered form for at least two years and jointly owning a certain percentage of voting rights (computed on the basis of a formula related to capitalization which on the basis of the Company's outstanding share capital as at December 31, 2018, would represent approximately 1% of voting rights) or by any interested party, including the Works' Council in urgent situations.

The notice calling such meetings must include the agenda for the meeting called.

At least 15 days before the date set for any Shareholders' Meeting on first call, and at least ten days before any second call, notice of the meeting must be sent by mail to holders of ordinary shares who have held said ordinary shares in registered form for at least one month prior to the notice date.

Such notice can be given by e-mail to holders of ordinary shares in registered form who have accepted in writing this method of convocation.

For all other holders of ordinary shares notice of the meeting is given via publication in a journal authorized to publish legal announcements in the country in which the Company is registered and in the Bulletin des annonces légales obligatoires (BALO) with prior notice given to the AMF.

At least 35 days prior to the date set for any Ordinary or Extraordinary Shareholders' Meeting, a preliminary written notice containing, among other things, the agenda and a draft of the resolutions to be considered, must also be published in the BALO.

The AMF also recommends publishing the preliminary written notice in a French national newspaper.

One or several shareholder(s), together holding a certain percentage of SCOR's voting rights (computed on the basis of a formula related to capitalization which, on the basis of outstanding share capital as at December 31, 2018, would represent approximately 0.5% of voting rights), the Works' Council or a duly authorized association of shareholders holding ordinary shares in registered form for at least two years and holding together a certain percentage of the voting rights (calculated on the basis of a formula relating to capitalization which on the basis of the outstanding share capital as at December 31, 2018, would represent approximately 1% of SCOR SE's voting rights) may, within 10 days of such publication, propose resolutions to be submitted for approval by the shareholders at the Shareholders' Meeting.

Attendance and exercise of voting rights at Ordinary Shareholders' Meetings and Extraordinary Shareholders' Meetings are subject to certain conditions. In accordance with French law and Company bylaws, the right to participate in Shareholders' Meetings is subject to registration of shares in the shareholder's name or in the name of the approved intermediary acting on his or her behalf, by T-0 (Paris time) on the second trading day prior to the Shareholders' Meeting, either in the nominative share registers held on the Company's behalf by the Company's agent or in the bearer share accounts held by an authorized intermediary.

The registration of shares in the bearer share accounts held by the authorized financial intermediary shall be demonstrated by a certificate issued by the latter, which must be attached to the remote voting form, to the proxy voting form, or to the request for an entry card completed in the shareholder's name or on behalf of the shareholder represented by an authorized intermediary.

A certificate shall also be issued to any shareholder wishing to take part in person in the Shareholders' Meeting and who has not received his or her entry card by T-0 (Paris time) on the second trading day preceding the Shareholders' Meeting.

Each ordinary share confers on the shareholder one voting right. There is no provision in the bylaws for double or multiple voting rights for the Company's shareholders. Under French company law, ordinary shares held by entities controlled directly or indirectly by the Company are not entitled to any voting rights.

Proxies may be granted by a shareholder or, under certain conditions, by his/her intermediary, to his or her spouse, another shareholder, or by sending a proxy in blank to the Company without appointing a representative. In the latter case, the Chairman of the Shareholders' Meeting will vote the ordinary shares covered by blank proxies in favor of all resolutions proposed or approved by the Board of Directors and against all others.

Voting by correspondence is also allowed under French company law. Forms for voting by mail or proxy must be addressed to the Company, either by regular mail or, pursuant to a decision of the Board of Directors, in electronic format. Mail voting forms must be sent to the Company within the period prior to the Shareholders' Meeting as established by the Board of Directors. This period may not exceed three days before the meeting date. Proxy forms must be received by the Company no later than 3 p.m. (Paris time) on the day prior to the meeting.

The Board of Directors can also decide to allow the shareholders to participate in and vote at any Shareholders' Meeting by videoconference or by any means of telecommunication that allows them to be identified and in compliance with the conditions set by applicable regulations.

The presence in person (including those voting by correspondence) or by shareholder proxy holding not less than one-fifth (in the case of an Ordinary Shareholders' Meeting or an Extraordinary Shareholders' Meeting where an increase in our share capital is proposed through incorporation of reserves, profits or share premium) or one-fourth (in the case of any other Extraordinary Shareholders' Meeting) of ordinary shares with voting rights is necessary for a quorum. If a quorum is not reached at a meeting, then the meeting is adjourned. On a second call, there is no quorum requirement in the case of an Ordinary Shareholders' Meeting or an Extraordinary Shareholders' Meeting where an increase in the Company's share capital is proposed through incorporation of reserves, profits or share premium and the presence in person (including those voting by correspondence) or by shareholder proxy holding not less than one-fifth of the ordinary shares with voting rights is necessary for a quorum in the case of any other Extraordinary Shareholders' Meeting.

At an Ordinary Shareholders' Meeting, a simple majority of the votes cast is required to pass a resolution. At an Extraordinary Shareholders' Meeting, a two-thirds majority of the votes cast is required, except for Extraordinary Shareholders' Meetings where an increase in share capital is proposed through incorporation of reserves, profits or share premiums, in which case, a simple majority is sufficient.

However, a unanimous vote is required to increase shareholders' liability.

The Shareholders' Meeting's decisions are taken by a majority (either a simple majority for Ordinary Shareholders' Meetings or a two-thirds majority for Extraordinary Shareholders' Meetings) of the votes validly cast. Abstentions by those present in person or by correspondence or represented by proxy is not deemed as a vote against the resolution submitted to a vote.

The rights of a shareholder of a particular class of the Company's capital stock, including ordinary shares, can be amended only after a Special Meeting of all shareholders of said class has taken place and the proposal to amend such rights has been approved by a two-thirds majority of shares of voters present (including those voting by correspondence) or represented by proxy. The ordinary shares constitute the only class of capital stock.

In addition to rights to certain information regarding SCOR SE, any shareholder may, between the convening of the Shareholders' Meeting and the date of the Shareholders' Meeting, submit to the Board of Directors written questions relating to the agenda for the meeting. The Board of Directors must respond to such questions during the Shareholders' Meetings, subject to confidentiality concerns.

5.1.5. CONDITIONS FOR CALLING ANNUAL SHAREHOLDERS' MEETINGS AND EXTRAORDINARY SHAREHOLDERS' MEETINGS (ARTICLES 8 AND 19 OF THE BYLAWS)

Shareholders' Meetings shall be called and conducted in accordance with French law. They shall consist of all shareholders, regardless of the number of shares held.

Meetings are held at corporate head offices, or elsewhere as indicated in the meeting notice.

All shareholders may attend the meetings, in person or through an agent, with proof of identity and share ownership, either in the form of registration in his/her name or a certificate from an authorized intermediary designated as account holder.

Subject to the terms and conditions set forth by the legal and regulatory provisions in force, shareholders may send their proxy voting forms or remote voting forms concerning any Shareholders' Meeting either in paper format or, if approved by the Board of Directors, by an electronic means of communication. For instructions issued by shareholders via electronic means including proxy instructions or for electronic remote voting forms, the capture and electronic signature of the shareholder may be carried out directly, if applicable, on the dedicated website set up by the Company, by any reliable identification process that safeguards the link between the signature and the form as determined by the Board of Directors and in accordance with the conditions defined by the legal and regulatory provisions in force.

The deadline for the return of remote voting forms and proxies shall be determined by the Board of Directors. The deadline cannot be less than one day before the date of the Shareholders' Meeting. However, if authorized by the Board of Directors, electronic remote voting forms and instructions given by electronic means involving a proxy or a power of attorney may validly be received by the Company up until 3 p.m. (Paris time) on the eve of the Shareholders' Meeting.

The Company's Board of Directors may also determine that shareholders may participate in and vote at any Shareholders' Meeting by videoconference or by any other mode of telecommunication permitting the identification and effective participation of the shareholders, under the conditions set forth by the legal and regulatory provisions in force.

5.1.6. PROVISIONS THAT COULD DELAY, DEFER OR PREVENT A CHANGE IN CONTROL OR IN THE SHAREHOLDER STRUCTURE

Pursuant to Articles L. 322-4 and R. 322-11-1 of the French Insurance Code, any transaction allowing a person acting alone or in concert with other persons, as defined by Article L. 233-10 of the French Commercial Code, to acquire, increase, decrease or cease holding, directly or indirectly, an equity stake in an insurance or reinsurance company, shall be notified by such person(s) to the ACPR prior to its completion when any one of the three following conditions is met:

- the portion of voting rights or capital shares held by said person(s) exceeds or falls below the tenth, fifth, third or half thresholds;
- the Company becomes or ceases to be a subsidiary of said person(s);
- the transaction enables this or these persons to exercise a significant influence on the management of this company.

When a decrease or sale of an equity stake, whether directly or indirectly, has been notified, the ACPR verifies whether this sale is likely to negatively affect the Company's reinsured clients as well as the sound and prudent management of the Company itself.

The authorization granted to the acquisition or increase of stakes, whether directly or indirectly, may be subject to the compliance with commitments made by one or several of those requesting approval.

If these commitments are not met, and without prejudice to the provisions in Article L. 233-14 of the French Commercial Code, upon request from the ACPR, the District Attorney (procureur de la République) or any shareholder, the judge shall adjourn the exercise of the voting rights of those failing to meet their commitments until the situation returns to normal.

Pursuant to Article L. 322-4-1 of the French Insurance Code, the ACPR shall also inform the European Commission, the European Insurance and Occupational Pensions Authority (EIOPA) and the supervisory authorities of the other Member States of any acquisition of a stake that may grant control of a reinsurance company to a company whose registered office is located in a State not party to the European Economic Area agreement.

Upon application by a competent EU authority, the ACPR may raise objections during a three-month period to any acquisition of a stake liable to have the consequences referred to in the previous paragraph. The three-month time limit may be extended by the EU Council's decision.

5.1.7. DISCLOSURE THRESHOLDS

French law provides that any individual or legal entity, acting alone or in concert with others, that holds, directly or indirectly, more than 5%, 10%, 15%, 20%, 25%, 30%, 33 1/3%, 50%, 66 2/3%, 90%, or 95% of the shares or the voting rights attached to the shares, or whose holding decreases below any such thresholds, must notify the Company within four trading days of crossing that threshold, of the number of shares and voting rights it holds. An individual or a legal entity must also notify the AMF within four trading days of crossing these thresholds. Any shareholder who fails to comply with these requirements will have their voting rights in excess of such thresholds suspended for a period of two years from the date notification is served and may have all or part of their voting rights suspended for up to five years by the Commercial Court at the request of the Chairman, any of the shareholders or the AMF. In addition, every shareholder who, directly or indirectly, acting alone or in concert with others, acquires ownership of shares greater than or equal to 10%, 15%, 20% or 25% of the share capital must notify the Company and the AMF of its intentions for the six months following such an acquisition. Failure to comply with this requirement will result in the suspension of the voting rights attached to the shares exceeding the applicable threshold held by the shareholder for a period of two years from the date on which notice is served and, upon a decision of the Commercial Court, part or all the shares of said shareholder may be suspended for up to five years.

In addition to the above statutory requirements, the Company's bylaws provide that any natural person or legal entity, acting alone or in concert, that comes to hold or ceases to hold, either directly or indirectly, a fraction of the share capital or of the voting rights of the Company equal to or greater than 2.5%, or 5%, or 10%, or 15%, must inform the Company by registered letter, return receipt requested, addressed to the registered office, within five trading days of the date of the crossing of such threshold, of the total number of shares and/or of securities giving access to share capital held either directly or indirectly or in concert by such natural person or legal entity. The failure to comply with this requirement is sanctioned, upon request of one or more shareholders holding at least 2.5% of our share capital, noted in the minutes of the Shareholders' Meeting, by the suspension of voting rights from all shares in excess of the non-declared fraction for any Shareholders' Meeting that may take place during a period of two years following the date notice is served.

AMF regulations generally require, subject to limited exemptions granted by the AMF, any individual or entity that acquires, alone or in concert with others, shares representing 30% or more of SCOR's share capital or voting rights, to initiate a public tender offer for all remaining outstanding securities of the Company (including, for these purposes, all ordinary shares and all securities convertible into or exchangeable for or otherwise giving access to equity securities).

5.1.8. CONDITIONS GOVERNING MODIFICATIONS TO THE SHARE CAPITAL (OTHER THAN LEGAL PROVISIONS)

Not applicable.

5.2. DESCRIPTION OF SCOR'S SHARE CAPITAL

		Changes	
Change in capital	**Stock option plans**	**Share issue price** *(in EUR)*	**Number of shares**
12/31/2015			
Exercise of subscription option	09/14/2006	18.30	193,526
Exercise of subscription option	12/14/2006	21.70	78,507
Exercise of subscription option	09/13/2007	17.58	40,739
Cancellation of treasury shares	NA	NA	672,638
Exercise of subscription option	05/22/2008	15.63	7,000
Exercise of subscription option	09/10/2008	15.63	38,800
Exercise of subscription option	03/23/2009	14.92	33,530
Exercise of subscription option	11/25/2009	17.12	2,000
Exercise of subscription option	03/18/2010	18.40	44,510
Exercise of subscription option	10/12/2010	17.79	500
Exercise of subscription option	03/22/2011	19.71	34,000
Exercise of subscription option	01/09/2011	15.71	2,000
Exercise of subscription option	03/23/2012	20.17	79,000
12/31/2016			
Exercise of subscription option	09/13/2007	17.58	386,702
Exercise of subscription option	05/22/2008	15.63	176,000
Exercise of subscription option	09/10/2008	15.63	106,960
Cancellation of treasury shares	N/A	N/A	554,112
Exercise of subscription option	03/23/2009	14.92	226,300
Exercise of subscription option	11/25/2009	17.12	4,000
Exercise of subscription option	03/18/2010	18.40	187,898
Exercise of subscription option	10/12/2010	17.79	500
Exercise of subscription option	03/22/2011	19.71	131,000
Exercise of subscription option	09/01/2011	15.71	47,000
Exercise of subscription option	03/23/2012	20.17	135,500
Exercise of subscription option	03/21/2013	22.25	98,000
Exercise of subscription option	10/02/2013	24.65	20,000
12/31/2017			
Exercise of subscription option	05/22/2008	15.63	36,000
Exercise of subscription option	10/09/2008	15.63	191,590
Exercise of subscription option	03/23/2009	14.92	279,550
Cancellation of treasury shares	N/A	N/A	1,692,602
Exercise of subscription option	03/18/2010	18.40	287,737
Exercise of subscription option	12/10/2010	17.79	1,700
Exercise of subscription option	03/22/2011	19.71	112,500
Exercise of subscription option	01/09/2011	15.71	11,000
Exercise of subscription option	03/23/2012	20.17	148,500
Exercise of subscription option	03/21/2013	22.25	154,000
Exercise of subscription option	02/10/2013	24.65	8,000
Exercise of subscription option	11/21/2013	25.82	5,000
Exercise of subscription option	03/20/2014	25.06	38,750
Exercise of subscription option	12/01/2014	24.41	3,750
12/31/2018			

For further details, see Section 4.6 – Notes to the consolidated financial statements, Note 12 – Information on share capital, capital management, regulatory framework and consolidated reserves and to Appendix C – 5.2.3 Notes to the corporate financial statements – Shareholders' equity.

Share capital (in EUR)	Additional paid-in capital (in EUR)	Successive amounts of capital (in EUR)	Cumulative number of shares
		1,517,523,093	192,653,095
1,524,398.94	2,017,126.86		
618,397.46	1,085,204.44		
320,899.97	395,291.65		
5,298,350.89	11,487,016.81		
55,138.81	54,271.19		
305,626.53	300,817.47		
264,114.88	236,052.13		
15,753.94	18,480.06		
350,604.04	468,379.96		
3,938.49	4,956.51		
267,817.06	402,322.94		
15,753.94	15,666.06		
622,280.81	971,149.19		
		1,516,589,467	192,534,569
3,046,040.94	3,752,180.22		
1,386,347.12	1,364,532.88		
842,520.96	829,263.84		
4,364,725.00	13,447,177.00		
1,782,558.83	1,593,158.27		
31,507.89	36,960.11		
1,480,067.34	1,977,255.86		
3,938.49	4,956.51		
1,031,883.37	1,550,126.63		
370,217.70	368,152.30		
1,067,329.75	1,665,705.25		
771,943.29	1,408,556.71		
157,539.45	335,460.55		
		1,524,196,637	193,500,317
283,571.00	279,109.00		
1,509,149.00	1,485,403.00		
2,202,008.00	1,968,040.00		
13,332,579.00	36,330,992.00		
2,266,496.00	3,027,864.00		
13,391.00	16,852.00		
886,159.00	1,331,216.00		
86,647.00	86,163.00		
1,169,730.00	1,825,515.00		
1,213,054.00	2,213,446.00		
63,016.00	134,184.00		
39,385.00	89,715.00		
305,233.00	665,842.00		
29,539.00	61,980.00		
		1,520,931,435	193,085,792

5.3. THIRD-PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

5.3.1. EXPERT'S REPORT

Not applicable.

5.3.2. INFORMATION FROM THIRD PARTIES

The Company certifies that the following information in this Registration Document and received from third parties has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by said third party, no facts have been omitted, which would render the reproduced information inaccurate or misleading:

- data issued from the AM Best Special Report Reinsurance (2018 Edition) and relating to the ranking on reinsurance market participants quoted in Section 1.1.1 – Group key figures and Section 1.3.4 – Information on SCOR's competitive position;
- ratings issued by the Standard & Poor's, Fitch Ratings, AM Best and Moody's rating agencies quoted in Section 1.2.4 – Ratings information and Appendix A – Internal control and risk management procedures;
- 2017 Society of Actuaries (SOA) and Munich Re Life survey of US Life reinsurance, published in 2018, quoted in Section 1.3.5.3 – SCOR Global Life.

5.4. PUBLISHED INFORMATION

The bylaws of the Company are described in this Registration Document and can be found on the Company's website. The other legal documents relating to the Company can be consulted at the Company's registered offices pursuant to the applicable rules and regulations.

The Company's Registration Document filed with the AMF, as well as the press releases of the Company, its annual and half-year reports, its annual and consolidated financial statements as well as the information relating to the transactions upon treasury shares and to the total number of shares and voting rights can be found on the Company's website at the following address: www.scor.com.

Provisional schedule for financial publications

April 26, 2019	Quaterly 1 revenues
April 26, 2019	Annual Shareholders' Meeting
July 25, 2019	2019 half-year results
October 24, 2019	Quaterly 3 revenues

5.5. MATERIAL CONTRACTS

Not applicable.

APPENDICES

APPENDIX A
INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The Group has identified the following categories of risks, as described in Section 3 – Risk factors and Risk Management Mechanisms:

- strategic risks;
- underwriting risks related to the Non-Life and Life reinsurance business;
- market risks;
- credit risks;
- liquidity risks;
- operational risks.

All these risks are managed through a variety of mechanisms in SCOR's ERM (Enterprise Risk Management) Framework, further described below.

The Group has implemented and continued to further develop and formalize the risk management and internal control systems for several years.

The four general objectives sought through the application of a risk management system and, within it, of an internal control system are:

1. Ensure that strategic objectives are properly implemented in the Group;
2. Ultimately achieve better operating efficiency and use of resources;
3. Ensure compliance with applicable laws and regulations;
4. Ensure reliable accounting and financial information.

The risk management system covers the following components:

1. Defining the internal environment;
2. Objective setting;
3. Performing a risk identification;
4. Performing a risk evaluation;
5. Defining a risk response;
6. Documenting and formalizing control activities;
7. Presenting the information and communication process;
8. Ensuring monitoring of the risk management and internal control systems.

The structure of this Section is based on these components corresponding to the framework implemented by SCOR:

- components 1 and 2 are addressed in the "Internal environment" and "Setting of objectives" sections;
- components 3, 4 and 5 are described in the Section "Identification and assessment of risks";
- components 6, 7, and 8 are respectively addressed in the "Principal activities and participants of risk control", "Information and communication", and "Monitoring of the risk management and internal control system" sections;
- the elements concerning accounting and financial reporting are separate and are presented in the last section.

Each component is composed of several complementary mechanisms. These mechanisms are adapted to Divisions and legal entities when appropriate. Some mechanisms are only relevant at Group or Division level and are not implemented specifically at the legal entity level in line with materiality principles.

SCOR's ERM is mature and well established across the Group. Since November 2013, it has been rated "Very Strong" by Standard & Poor's. However, like any risk management and internal control system, the Group's system cannot guarantee that the risk of not achieving the internal control objectives will be eliminated. Among the various limitations inherent in the effectiveness of internal controls relating to the preparation of financial documents, those involving decision-making errors based on human judgment are particularly high in a reinsurance company: for example, the accounting data are subject to numerous estimates, primarily because of the evaluation by the reinsurer of claim reserves, either because the claims have not yet been declared to the ceding companies or the reinsurer, or because the claims development is uncertain or subject to a number of assumptions.

1. INTERNAL ENVIRONMENT

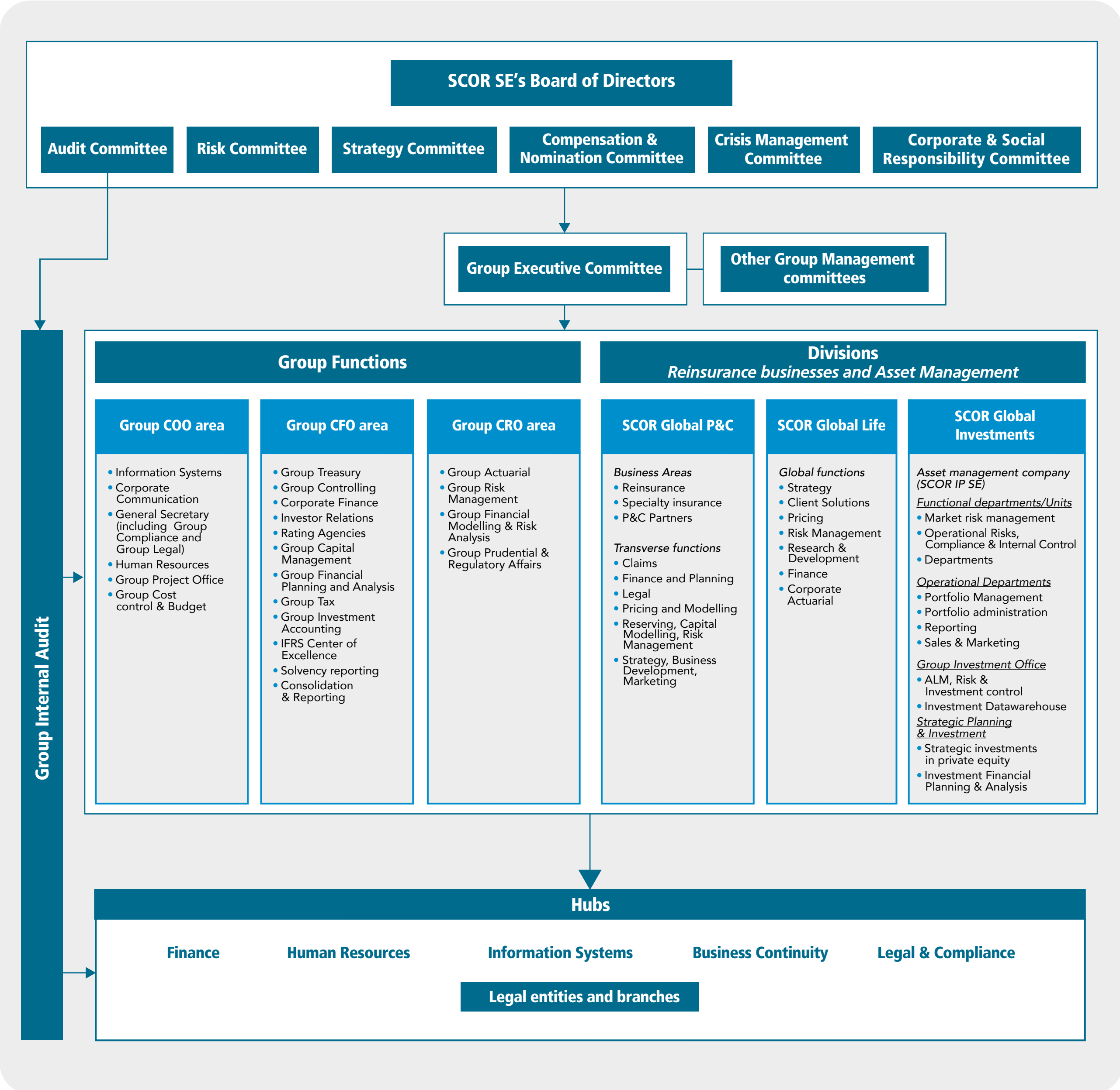
1.1. GENERAL ORGANIZATION OF THE GROUP

The Group is organized around three engines comprising two main reinsurance businesses and one asset management activity: SCOR Global P&C division, SCOR Global Life and SCOR Global Investments.

The Group has set up a functional organization structured around regional management platforms, or "Hubs" in the EMEA (Europe, Middle East and Africa), the Asia-Pacific and the Americas regions. Each subsidiary, branch and representative office has a functional link to a Hub.

For further information on this organization, see Section 1.2.3 – Organizational structure of SCOR.

Group Internal Control System: the participants



Within this environment, control responsibilities are exercised as follows:

- SCOR SE's Board of Directors relies on several dedicated committees, including, but not limited to, the Audit Committee and the Risk Committee to exercise its control responsibility over the objectives it has set for the Company. These two committees are both chaired by independent directors;
- SCOR SE's Board of Directors, following a recommendation made by the Compensation and Nomination Committee, decided that several independent directors of SCOR SE should be members of the Boards of some of the main subsidiaries in various countries with a view to enhancing the Group's oversight of local operations;
- the Group's Executive Committee is chaired by the Chairman and Chief Executive Officer of SCOR SE and meets on a weekly basis. The Executive Committee defines the procedures for implementing the strategy approved by SCOR SE's Board of Directors in line with the principles set out in Group policies, approved by the Board of Directors, for its main areas of activity (e.g. investment, finance, risk management) and for certain topics, such as the underwriting plan and the allocation and management of resources. The Executive Committee also supervises the functioning of the Group and the Hubs by monitoring, on a quarterly basis, the bodies contributing to the sound administration of the Group. In addition to the Chairman and Chief Executive Officer, the Executive Committee is currently made up of:
  - the Group Chief Financial Officer (CFO),
  - the Group Chief Risk Officer (CRO),
  - the Group Chief Operating Officer (COO),
  - the SCOR Global P&C Chief Executive Officer (CEO) and his deputy,
  - the SCOR Global Life Chief Executive Officer (CEO) and his deputy,
  - the SCOR Global Investments Chief Executive Officer (CEO);
- the Group Risk Committee meets quarterly and is comprised of the members of the Group Executive Committee. Other risk management and control functions of the divisions and the Head of Group Internal Audit are regularly invited to the meetings. The main missions of the Group Risk Committee are to steer the Group's risk profile, maintain an effective ERM Framework and spread an appropriate Risk Culture throughout the Group;
- monitoring of the internal control procedures falls under the remit of the Group's Executive Management. The Group departments and functional or transversal departments of SCOR Global P&C, SCOR Global Life and SCOR Global Investments with a control responsibility have the task of defining and controlling the implementation of rules pertaining to the areas of their responsibility and applicable to all of the Group's entities. These rules, and the participants, are described in detail in the paragraph 1.3 of this report on control activities;
- the three divisions, the Group functions, as well as the Hubs' support departments must apply the rules defined above. They carry out all controls related to business management and ensure compliance with regulatory, accounting and fiscal laws, at both local and Group levels;
- the Head of Group Internal Audit reports directly to the Chairman and Chief Executive Officer of SCOR SE and functionally to the Chairman of the Audit Committee of the Board of Directors of SCOR SE. This positioning gives the Head of Group Internal Audit the necessary independence and objectivity, and allows for the largest possible room for investigation. Group Internal Audit checks independently the effectiveness and relevance of the governance, risk management and internal control procedures for the Group's entities following a methodical risk based approach, as promoted by the "International Standards for the Professional Practice of Internal Auditing" set out by the Institute of Internal Auditors and the Institute's Code of Ethics. The Internal Audit Charter, approved by the Audit Committee, defines the position within the organization, the role and areas of activity, the principles and main operating procedures of Group Internal Audit.

1.2. GROUP STANDARDS AND PRACTICES

Group business standards and practices are governed by Group policies and underlying guidelines established in a common format, by the three divisions (SCOR Global P&C, SCOR Global Life, SCOR Global Investments) and the central functions such as Group Internal Audit and the functions managed by the Group Chief Financial Officer, the Group Chief Operating Officer and the Group Chief Risk Officer respectively. Group policies are approved by the Group Executive Committee and for certain topics are submitted regularly to the relevant committees of the Board and, ultimately, to the Board of Directors of the Company. These Group policies are not intended to enumerate all the rules governing SCOR's activities in the different countries in which the Group operates, but rather to establish certain principles intended to ensure that SCOR Group companies and employees share a common understanding of the Group's standards and that they work in compliance with these standards. When approved, these documents are all made available to employees on the SCOR intranet on a dedicated page.

Every year, SCOR reviews Group policies for accuracy, completeness and reliability.

For Group policies in force and other business-related legal and compliance requirements, training sessions for certain staff are scheduled and conducted on an annual basis, if this is required by the annual compliance plan.

1.3. ENTERPRISE RISK MANAGEMENT AND GROUP INTERNAL CONTROL APPROACH

The main tasks of the Group Risk Management Department (GRM) are to further develop the Enterprise Risk Management framework and to promote an ERM culture within the Group so that risks are managed consistently within each department.

The Group Risk Management Department is supported in these tasks by the departments in charge of risk management at SCOR Global P&C, SCOR Global Life and SCOR Global Investments. Compliance with local regulations and constraints is ensured by Hub General Counsels.

2. SETTING OF OBJECTIVES

For several years, SCOR has implemented and formalized three-year strategic plans. On September 7, 2016, SCOR publicly presented "Vision in Action", its latest three-year strategic plan (2016 to 2019). "Vision in Action" is largely a continuation of SCOR's previous strategic plan, "Optimal Dynamics", representing in particular the Group's core objectives:

- a return on equity (ROE) equal to or greater than 800 basis points above the 5-year risk-free rate over the cycle[(1)]; and
- a solvency ratio in the optimal 185% – 220% range[(2)].

The strategic plans establish the Group's risk appetite framework, from which the Group's strategy stems.

The Executive Committee defines the procedures for implementing the strategy and ensures the consistency of the operational plans or policies (e.g. underwriting, finance, retrocession, information technology) with the strategic plan. The Executive Committee also ensures that there is an optimal risk-based allocation of capital and diversification. Under the responsibility of the Group Chief Risk Officer, the Capital Shield Strategy sets risk limits to ensure a protection of the Group's capital in line with the strategic plan's objectives. The Capital Shield Strategy is approved and monitored by the Group Risk Committee and the Board Risk Committee.

The clarity and detailed description of strategic objectives and their implementation within the Group facilitate the identification, evaluation and control of risks, whatever their nature (e.g. underwriting risk, market risk, and operational risk), possibly caused by these objectives.

(1) Based on a 5-year rolling average of 5-year risk-free rates.
(2) This solvency target is unchanged from that under the previous strategic plan, Optimal Dynamics.

3. IDENTIFICATION AND ASSESSMENT OF RISKS

Different techniques and initiatives for identifying and assessing risks have been implemented, to analyse risk from different angles and to deal with them in an exhaustive manner. These include:

- a risk information process: every quarter, the Group Risk Committee reviews the "Group Risk Dashboard" which describes and assesses the major risks the Group is exposed to. This report 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 Group's risk profile remains aligned with the risk level validated by SCOR SE's Board of Directors. The Group uses various risk measures to define these exposures, which are measured based on either model outputs and/or expert opinions, depending on the technical constraints and the level of information available. This includes:
  - a "risk driver" system that enables the Group to manage the annual aggregate exposure to each major risk. The objective is to avoid overconcentration of risk and hence maximize diversification benefits. For the majority of SCOR's risk drivers, the amount of post-tax retained annual exposure per main risk driver (with a probability of 1 in 200 years) is limited to a percentage of the Group's available capital. Other risk drivers have limits expressed in terms of reduction in the Group's solvency ratio or duration for invested assets,
  - an "extreme scenario" system designed to avoid the Group's over-exposure to one single event. The amount of post-tax retained exposure to each defined extreme scenario (with a probability of 1 in 200 years) is limited to 10% of available capital,
  - sub-limits for invested assets,
  - limits per risk which are set in the underwriting and investment guidelines;
- "footprint scenarios", which aim to review and assess the potential impact of selected deterministic scenarios on the Group. This process provides an alternative perspective on the Group's exposures. Working groups dedicated to specific subjects are composed of experts across the Group and coordinated by the Group Risk Management Department with the support of the divisional Chief Risk Officers. These groups perform quantitative studies which are summarized in specific reports;
- an Emerging Risks process which is part of SCOR's ERM Framework and is linked to other risk management methods, such as the use of "footprint scenarios". Potential emerging risks are identified and Individual risk assessments are carried out by experts from SCOR Global P&C, SCOR Global Life and the Group functions. Significant emerging risks are then reported to SCOR's Executive Management and Board. SCOR, as a member of the CRO Forum, also actively participates and contributes to the CRO Forum Emerging Risks Initiative alongside other major insurers and reinsurers;
- certain risks related to climate change are assessed via the Emerging Risks process. The scientific consensus is that human-induced increases in global temperatures will impact human and natural systems. Resulting climate change is also expected to alter the frequency and/ or severity of extreme weather events, although the long-term impacts on underwriting activities are difficult to estimate. SCOR's asset portfolio may equally be exposed to potential physical and transition risks over the longer term. Additionally, as part of its Corporate Social Responsibility program, SCOR is gradually implementing a set of low-Carbon initiatives in an effort to limit anthropogenic Carbon emissions. These initiatives are further described in Appendix D of this Registration Document;
- SCOR's ORSA (Own Risk Solvency Assessment), which provides the Group's Board and those of the legal entities, the Group Executive Committee and senior management of legal entities, with forward-looking information on SCOR's risks and capital position;
- SCOR's internal model, which is deeply embedded in SCOR's risk management system and contributes to the assessment of risks. SCOR uses its internal model for determining economic capital. Its results are used to implement SCOR's underwriting and asset management policies and guidelines.

Where relevant, the analyses from these processes are reported to the Group Risk Committee and to the Risk Committee of SCOR SE's Board of Directors (the "Board Risk Committee") and to the Board of Directors on a regular basis.

4. MAIN CONTROL ACTIVITIES

Because of its activities, SCOR is exposed to many risks: reinsurance related risks, market risks and other risks (e.g. liquidity, rating). These risks are detailed in Section 3 – Risk factors and Risk Management Mechanisms of this Registration Document. These activities rely on the control mechanisms including adequate reporting mechanisms to the main governance bodies throughout the Group (see paragraph 1.1).

This section summarizes the principal activities and participants of risk control for the following important areas:

- group functions;
- activities related to reinsurance;
- asset management;
- accounting management.

The control activities described below are considered as the principal activities for controlling risks specific to those areas. In accordance with SCOR's internal control system approach, these control activities are performed on Group or Company level, on core business and investment process level, or on support process level.

4.1. GROUP FUNCTIONS

The Group's functions are organized into three departments led by the Chief Operating Officer, Chief Financial Officer and Chief Risk Officers respectively. The Operations area comprises Information Technology, Human Resources the General Secretariat (including the Compliance and Legal departments), the Group Project Office, Cost Control and Budgeting and Corporate Communications. The Finance area comprises Treasury, Budget and Forecasting and other functions relating to consolidation, reporting, accounting, financial communications and tax issues. The Risk Management area comprises the actuarial function, the risk management function, various risk and actuarial modeling teams and the Prudential and Regulatory Affairs Department. Further information is presented below, excluding the financial reporting and financial communication functions dealt with in Sections 5 and 7 hereafter.

Operations

- Control of the Group information system is overseen by the Group IT Department at two complementary levels: specific IT processes and business processes all covered by IT solutions. For specific IT processes, a special unit of the Group IT Department deals with all issues of information system security. Periodic audits of information security applications and procedures are conducted. SCOR continually improves its control procedures based on the COBIT (Control objectives for information and technology) guidelines covering the risks listed in its major processes, in particular relating to the development, advancement and use of all solutions, and access to systems and databases. In the context of the business continuity plan, the IT disaster recovery plan is constantly reinforced using the latest technology. In addition, employees can be temporarily moved to any other Group Hub office, or even work from home with their laptop or personal computer.
- The General Secretariat contributes to the management of the following functions:
  - legal and functional governance of the Group,
  - compliance, with the Group Chief Compliance Officer reporting to the General Secretariat (special attention is given to anti-trust/competition law, anti-money laundering and terrorism financing, sanctions and embargoes, anti-bribery, anti-fraud, data protection and privacy, insider trading and conflicts of interest),
  - management of the regulatory supervision of the Group and coordination at legal entity level with the relevant legal departments,
  - the Group's insurance policies, in particular with respect to D&O and professional liability.

  Within the General Secretariat, the Group Legal Department exercises a control function in areas such as the entry into agreements and the supervision of major disputes. This department is also involved where relevant in the aforementioned control with regards to the underwriting of reinsurance business. It also monitors compliance with the Group's filing obligations, including toward the AMF and the Six Swiss Exchange (SWX).
- The Human Resources department controls all processes related to the management of human capital.
- The Group Project Office monitors the Group project portfolio and defines standard project management methodology. It regularly provides reports to the management detailing key indicators and recommendations on the project portfolio for effective management. On the Executive Committee's request, it can also manage strategic projects.
- The budgetary control system for general expenses is organized and managed by the Group Cost Control and Budgeting Department.

Finance

- The Group Treasury Department manages the Group's operating cash flow, directly or indirectly and prepares a weekly centralized report of the Group's cash situation.
- The Group Financial Planning & Analysis Department establishes an annual financial plan for the Group by company and monitors actual data in relation to this plan on a quarterly basis. The purpose of the plan is to enable effective management and control of the business to achieve the strategic targets set by the Group. Detailed annual financial plans are developed by the business engines at a company level, by geographic market and line of business, and incorporated into a Group-wide plan against which an in-depth analysis of the actual quarterly results is conducted. The results and analyses are presented to the Executive Committee every quarter, highlighting variations compared with expectations to allow identification of appropriate management actions. The plan, and the quarterly results against the plan, are additionally reported in detail to the Board.
- The Group tax function sets the Group tax policy with the purpose of ensuring that the various entities of SCOR meet their tax obligations and promote the use of best practices in this domain.

- The IFRS Center of Excellence (IFRS CoE) determines IFRS accounting policies, handles the accounting of complex transactions and manages the production process of the Registration Document and the Half-Year Report.
- The Consolidation, Systems and Solvency II quantitative reporting departments play a major role in both internal management reporting and external reporting, and the analysis thereof.

Risk Management

- The Group Risk Management Department's primary focus is to develop and manage ERM mechanisms, promote ERM concepts throughout the Group and to provide risk management challenge and support for reinsurance underwriting and asset management.
- The Prudential & Regulatory Affairs Department advises the Group on prudential regulations. It ensures the Group actively positions itself in relation to the different jurisdictions and requirements to which it is exposed, or could be exposed and continuously develops and promotes SCOR's leading risk management expertise through regular dialogue with internal and external stakeholders, including our staff, clients, supervisors, the (re)insurance industry, academia and the public. Prudential and Regulatory Affairs also provides specialist expertise to SCOR colleagues via the Solvency II Centre of Excellence and prepares the Group for the adoption of major new prudential regulations.
- The Group Actuarial Department provides quarterly approval on the adequacy of the reserves held for both the Life and P&C Divisions. In the context of Solvency 2, the Group Actuarial Department provides an opinion on the underwriting policy and the retrocession arrangements, validates the Group's Internal Model. and contributes to the effective implementation of risk management throughout the Group.
- The Financial Modelling and Risk Analysis Department manages and operates SCOR's Internal Model and provides a detailed quantitative analysis on the modelled range of changes in economic value. It provides reports to management on risk assessment and actively assists the Company in its various uses of the Internal Model.

4.2. ACTIVITIES RELATED TO REINSURANCE

The operating and control procedures concerning underwriting, pricing, administration of reinsurance contracts and claims management are validated by SCOR Global P&C and SCOR Global Life and are applied to all underwriting segments of the company in question, regardless of location.

For further information on how the main underwriting risks related to the Non-Life and Life reinsurance business are managed, see Section 3.3 – Management of underwriting risks related to the Non-Life and Life reinsurance businesses.

4.3. ASSET MANAGEMENT

The Group invests in assets through its SCOR Global Investments Division composed of an asset management company regulated by the French Autorité des marchés financiers (SCOR Investment Partners SE), a Group Investment Office (GIO) and a Strategic Planning and Investments department.

Governance and principles

The Group has harmonized the principles governing the management of its assets: the Group Policy on Invested Assets defines the Group's governance in terms of asset management and the Manual of Group Investment Guidelines determines the limits for concentration risk as well as limits of exposure to different asset classes. The Manual of Group Investment Guidelines thus determines the conditions in which SCOR Global Investments will implement the Group investment policy as defined by the Group Investment Committee. These two documents are rolled out across all SCOR entities to ensure consistency across the Group.

Local investment guidelines complement the Group guidelines and set the rules to be applied by all internal and external asset managers on behalf of the legal entities.

The Group Investment Committee meets at least once every quarter. Its role is to define the investment strategy on a Group level and to supervise the implementation of this strategy regarding the regulatory and contractual constraints. At local level, local investment committees supervise the implementation of the investment strategy relating to their legal entities as well as the compliance of the portfolios positioning with the local investment guidelines.

Investment strategy

The investment strategy at SCOR is risk based and the portfolio's positioning is derived from the risk appetite allocated by the Group to invested assets as well as the Group's risk tolerance.

The primary investment objective of SCOR is to generate recurring investment income in accordance with the risk appetite framework of the Group, and to ensure that the Group:

- is able to meet its claims and expense payment obligations at all times; and
- creates value for its shareholders in line with the objectives set out in the strategic plan.

While,

- preserving the Group liquidity and level of solvency;
- protecting the capital;
- allowing the Group to operate on a day-to-day basis as well as over the long term;
- in compliance with: legal entities investment regulations, risk appetites and regulatory capital requirements (level of capital and type of admissible assets), and Group and local investment guidelines;
- being committed to Environmental, Social and Governance (ESG) investing, for which the SCOR Group prioritises investments that have a positive sustainability impact.

Operational framework

As a general rule, and in compliance with local regulations, legal entities of SCOR appoint the Group to supervise and implement the investment and reinvestment of all of their invested assets. This relationship is put in place through an Investment Management Agreement ("IMA") which includes local investment guidelines.

SCOR delegates to SCOR Investment Partners the implementation of the investment strategy for its invested assets as determined by the Group Investment Committee. This relationship is put in place through a Master Investment Management Agreement ("MIMA") which includes the list of invested assets portfolios and legal entities and their respective investment guidelines. In case of local regulatory restrictions or due to the size of some investment portfolios, some legal entities may not be included in this framework. They should delegate to external asset managers the management of their invested assets through a strong selection process. When possible, SCOR Investment Partners acts as an investment advisor to these legal entities.

Reporting and risk monitoring

The Group Investment Office monitors, on an ex ante and ex post basis, the compliance of the portfolio positioning with regard to the Group risk appetite and investment guidelines. The GIO is also in charge of reporting processes related to invested assets. The GIO provides SCOR with regular reports used for the monitoring of the asset portfolios. Breaches are escalated to the Group Investment Committee as well as to the Group and Board Risk Committees. Investments falling outside of the scope of the Manual of Group Investment Guidelines are subject to special referral procedures managed by the Group Risk Management Department.

Assets owned by all Group entities are monitored in one central information system under the responsibility of SCOR Investment Partners. The information systems used by SCOR Investment Partners monitor transactions on publicly traded securities (audit trail, valuation of securities). SCOR Investment Partners controls the consistency and the completeness of the data used for the valuation of the assets.

Middle office and back office departments of SCOR Investment Partners are delegated to an external service provider since November 2014. Information systems remain those of SCOR and tools for monitoring and controlling transactions remain unchanged following this transfer of activity.

4.4. ACCOUNTING MANAGEMENT

See Section 7 – Financial reporting.

5. INFORMATION AND COMMUNICATION

Financial communication:

The establishment and centralization of all financial information – particularly press releases, intended for the market, investors, financial analysts, and the press – are the responsibility of the Corporate Communications Department and the Investor Relations Department, according to a formalized process. Financial information intended for rating agencies is the responsibility of the Rating Agencies Department. All of this information is ultimately controlled by General Management.

Concerning the Registration Document, a specific process has been implemented to ensure the contribution of all relevant departments and the consistency of the information provided. A final edit is made by members of the Executive Committee.

The Corporate Communications Department systematically and simultaneously publishes regulated information, including press releases, via a professional host included in the official list published by the AMF and on SCOR's website (www.scor.com).

Internal communication:

SCOR strives to make all documents deemed important available to all SCOR employees on SCOR's intranet.

SCOR has increased the use of collaborative sites enabling it to share and retain archived documents or to collect and centralize information specific to certain subjects (e.g. emerging risks) from various sources.

SCOR is implementing regular and dedicated ad-hoc Training and Development programs across the Group through SCOR University, aimed at maintaining and developing the skills of all SCOR's staff in accordance with the strategy and the objectives of the Group.

SCOR has established reporting principles for all risk management related documents across the Group, with dedicated review processes and governance.

6. MONITORING OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The monitoring of the internal control and risk management systems is ensured by a number of complementary mechanisms with the support of several departments across the Group.

SCOR implements dedicated processes and tools to identify, assess and monitor its risk exposures on a regular basis. See Section 3 – Identification and assessment of risks.

In addition, SCOR implements dedicated risk management mechanisms in the three divisions in order to evaluate the appropriateness and effectiveness of controls and propose risk-management and mitigation measures. See Section 3.3 – Underwriting risks related to the Life and P&C reinsurance businesses for further details on these risk management mechanisms.

SCOR also operates an "Internal Control System Competence Center" (ICS-CC) which reports to the Group Risk Management Department. The core objective of this competence center is to pool the ICS expertise in order to foster a consistent ICS approach and application of ICS standards across the Group. The ICS-CC consists of experts, who are dedicated to coordinating the internal control formalization activities within the Group, its divisions and entities, and supporting the business process owners where necessary. The ICS standards are applied based on the principle of proportionality. ICS processes have been documented accordingly, focusing on those considered the most critical. The ICS documentation is being maintained across the Group and regularly reviewed for continuous improvement.

The approach used to develop and maintain the internal control system is specified in the ICS Group Policy. The policy sets out the reference framework and details the Group principles, the responsibilities of the different participants in internal control and the quality requirements. The principal characteristics of the internal control system are as follows:

- a risk-based approach, i.e. addressing critical operational risks that, if not controlled, could significantly impact SCOR's franchise, balance sheet or statement of income and indirectly its solvency. The optimal risk response is obtained through appropriately designed key controls;
- on a process level, appointment of global process owners (GPO) at Group, SCOR Global P&C, SCOR Global Life and SCOR Global Investments levels and local process owners (LPO). The GPOs' responsibility is to document the processes, identify the related critical risks, define the appropriate key controls and to ensure their deployment and application in the various entities of the Group. The LPOs' main responsibilities are to assess processes, risks and key controls on a local level based on the defined global process and to ensure application of risk-based control activities;
- monitoring, upon completion of the initial documentation, through a self-assessment procedure on the maturity (quality) of control processes based on pre-defined criteria by their owners.

In addition, and in accordance with its risk-based audit plan and through its periodic assignment, Group Internal Audit provides independent and objective assessments on the adequacy, effectiveness and efficiency of the internal control system. Any findings and risks lead to recommendations and management remediation actions which are followed up by Group Internal Audit.

Group Internal Audit provides independent, objective assurance and consulting services designed to assess the adequacy, effectiveness and efficiency of SCOR's governance, policies and guidelines, risk management and internal control system, as well as compliance of operations with applicable policies and guidelines, in order to ensure the safeguarding and integrity of SCOR's assets (e.g. financial assets, human resources, systems and data), the effective use of resources and identify opportunities for process improvement.

Furthermore, Group Internal Audit must inform the Executive Committee and the Audit Committee of any unsatisfactory conditions or risks.

When Group Internal Audit concludes that the management has accepted a level of risk that may be unacceptable to the organization, it must discuss the matter with the Executive Committee. If the Head of Group Internal Audit determines that the matter has not been resolved, he/she must communicate the matter to the Audit Committee.

Group Internal Audit develops a multi-year internal audit plan (revised at least annually) in a risk-based manner, taking the organization's risk management framework and including risk appetite levels set by management for the different activities, or parts of the organization, into account. The expectations of senior management and the Audit Committee are considered in this process. Once reviewed and approved by the Audit Committee, it is communicated internally and summaries are published on the SCOR intranet.

Group Internal Audit carries out a quarterly follow-up process to monitor and ensure that management actions agreed in the audit reports have been effectively implemented or that senior management has accepted the risk of not taking action. The follow-up results are provided to the Executive Committee and the Audit Committee.

The Audit Committee receives a report on the Internal Audit activities every quarter.

Furthermore, the Finance Department manages the "internal management representation letters" process, detailed in Section 7 on financial reporting, which also incorporates certain points relative to internal control of accounting and financial reporting.

7. FINANCIAL REPORTING

The accounting and finance function is the responsibility of the Chief Financial Officer, who manages all financial areas in order to have an overall view of the Group's technical and financial results.

The Chief Financial Officer does not, however, exercise direct control over all accounting information systems and relies on the accounting departments of operating companies, which provide him with quarterly consolidation packages, as well as on the accounting departments of SCOR Global P&C, SCOR Global Life and SCOR Global Investments which assist him in coordinating aspects relative to the processes, methods and reporting.

General accounting for SCOR subsidiaries is supported by two main auxiliary accounting systems, namely (1) a system for technical reinsurance accounting: premiums, claims, commissions, underwriting reserves, value of business acquired (VOBA), deferred acquisition costs (DAC), funds held; and (2) a system for financial asset accounting: securities, bank accounts, investment income and expenses.

The processes for reinsurance accounting and the calculation of underwriting reserves, which are predominantly within the single technical information system (OMEGA), are applied by Group entities. A high level of control already exists in OMEGA.

Concerning reinsurance accounting, numerous regular controls are conducted directly (automatic and systematic, or for consistency or by testing) by the technical accounting teams located in the subsidiaries using both Group tools and control reports. Quarterly inventories are also subject to specific control procedures. Finally, reinsurance technical results are analyzed quarterly by the finance departments of SCOR Global P&C and SCOR Global Life, and by the Group Chief Actuary as part of his review of the majority of reserves.

SCOR Global P&C

The calculation of underwriting reserves (including IBNR – Incurred But Not Reported) which have a significant impact on the balance sheet and income statement, is largely based on contractual and accounting data provided by ceding companies, the relevance of which is verified upstream. This calculation of underwriting reserves is subject to the following successive controls:

- by the actuaries in charge of reserves through control reports for which the proper implementation is verified by the Actuarial Department of the division and of the Group;
- by the Chief Actuary, particularly for methods, tools and results.

SCOR Global Life

The recognition and measurement of underwriting reserves (in particular mathematical reserves) and related intangible assets including deferred acquisition costs are based on contractual and settlement data and subject to the following controls:

- the reinsurance treaties are either reviewed individually or are pooled within an affiliation treaty based on certain criteria defined in advance;
- the treaties are then subject to reserving estimates, which are reviewed at each quarterly closing either by the actuaries or at meetings attended by underwriters, technical assistants and actuaries.

A quarterly liability adequacy test is performed for portfolios that are subject to broadly similar risks and managed together as a single portfolio.

SCOR Global Investments

Monitoring of financial assets and cash flows is provided through various operating methods. The information systems used provide an audit trail of the transactions carried out. In certain entities, accounting activities are delegated to external service providers; controls implemented by these entities make it possible to verify the proper recording of accounting data and consistency of the figures. "Cash" reconciliations are made on a daily basis, for the most part, and security transactions are reconciled the following day with reports from the various custodians. Portfolios managed directly are monitored in real time.

Accounting and consolidation process

Regarding the processes of preparation of consolidation packages and consolidation of accounting data by the Group Consolidation, Systems & Process Department, internal control is ensured by:

- the definition of a closing process, clear responsibilities and a detailed financial statement closing schedule, which is monitored, in the closing period, on a daily basis;
- use of a market recognized consolidation software package ("SAP BFC") common to all Group entities, which ensures the whole consolidation process through automated and formalized controls;
- the use of a general accounting software tool shared by all Group entities;
- the centralized management of charts of accounts and the use of a single chart of accounts (with minimum local specificities, aligned with existing Group systems);
- a definition of responsibilities for controlling the integration of auxiliary accounting systems;
- the formalization of the reconciliations between auxiliary, general and consolidation accounting systems;
- at least three levels of control of the consistency and completeness of the consolidation packages, one by the entity concerned, another by the finance departments of SCOR Global P&C and SCOR Global Life relative to technical accounting and the third by the Group Finance Department;
- systematic analyses of results, shareholders' equity, taxation and cash flow;
- internal monitoring of changes in legislation and accounting standards, together with the Group's external consultants and auditors;
- the work of the IFRS Center of Excellence, whose objectives are to (1) communicate developments in accounting standards to all contributors, (2) determine IFRS accounting policies and (3) coordinate justification and documentation of accounting treatment for complex operations;
- an audit performed by external auditors as at December 31, and a review as at June 30.

Since 2015, virtually all of SCOR's entities have a single General Ledger (SAP) in place, bringing the following advantages:

- the use of a single chart of accounts (with minimum local specificities, aligned with existing source systems);
- one system for one IT solution;
- streamlined, integrated and standardized processes across the Group;
- limited and automatized mappings between systems;
- extended capabilities for Reporting (including drilldown from financial to source system data);
- enhanced audit trail.

In addition, and without calling into question the implementation of internal control rules by SCOR and its managers, Executive Management requests, within the framework of the reporting and quarterly consolidation procedure, that all local managers of Group entities, as well as Senior Managers of SCOR Global P&C, of SCOR Global Life and of the Group Finance Department for certain Group functions such as tax and consolidation, prepare a specific quarterly statement for the Chairman and Chief Executive Officer, and for the Group Chief Financial Officer in internal management representation letters (IMRL) as to the reliability and fair presentation of the financial statements of the entities they manage and the effectiveness of the internal controls. Management of the SCOR Global P&C and SCOR Global Life divisions review the individual entity level internal representation letters and submit a divisional letter. The results of all internal management representation letters are analyzed and monitored by a committee including the General Secretary of SCOR, the Group General Counsel, the Group Chief Accounting Officer and the Head of the IFRS Center of Excellence. The key points are communicated to the Group Chief Financial Officer and the Group Chief Executive Officer, and to the Internal Audit Department.

8. CONCLUSION ON THE CONTROL PROCEDURES IMPLEMENTED

SCOR believes that its risk management and internal control systems are appropriate and adapted to its activities and is engaged in an ongoing process to improve its internal control standards and their implementation. In 2018, the Group continued its efforts on compliance issues as briefly summarized in this Section by releasing new Group policies, and by improving existing policies to align them with the Group's developments.

APPENDIX B
PERSON RESPONSIBLE FOR THE ANNUAL REPORT

1. NAME AND TITLE OF PERSON RESPONSIBLE

Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer of SCOR SE.

2. DECLARATION BY THE PERSON RESPONSIBLE

- I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.
- I confirm that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and accurately show the position of the assets and liabilities, the financial position and the net income or loss of the Company and of all businesses and firms included within the scope of the consolidated group, and that the management report, mentioned in Appendix F, accurately reflects the evolution of the business, the results and the financial position of the Company and of all businesses and firms included within the scope of the consolidated group, and describes the main risks and contingencies which they are faced with.
- I have obtained an audit completion letter from the Statutory Auditors, in which they indicate that they have verified the information concerning the financial situation and the accounts provided in this Registration Document, and have read the entire Registration Document.

Chairman of the Board of Directors
and Chief Executive Officer (CEO)

Denis Kessler

APPENDIX C
UNCONSOLIDATED CORPORATE FINANCIAL STATEMENTS OF SCOR SE

Pursuant to Article 28 of Regulation (EC) No. 809/2004 of the European Commission, the following information is included by reference in this Registration Document:

(i) the corporate financial statements for the year ended December 31, 2017 and the Statutory Auditors' report pertaining thereto published on pages 264 to 294 and 295 to 299, respectively, of the Registration Document filed with the AMF on February 23, 2018 under number D.18-0072 and from pages 264 to 294 and from pages 295 to 299, respectively, of the free translation into English of the Registration Document filed with the AMF with such translation being available on SCOR's website www.scor.com;

(ii) the corporate financial statements for the year ended December 31, 2016 and the Statutory Auditors' report pertaining thereto published on pages 249 to 276 and 277 to 278, respectively, of the Registration Document filed with the AMF on March 3, 2017 under number D.17-0123 and from pages 249 to 276 and from pages 277 to 278, respectively, of the free translation into English of the Registration Document filed with the AMF with such translation being available on SCOR's website www.scor.com.

SCOR SE's corporate financial statements for the financial year ended December 31, 2018 are presented below:

1. SIGNIFICANT EVENTS OF THE YEAR

"Significant events of the year" are an integral part of the notes to the corporate financial statements.

In 2018, SCOR SE carried out the following significant transactions:

Issuance of USD 625 million in undated subordinated notes

On March 6, 2018, SCOR SE issued a perpetual deeply subordinated notes in the amount of USD 625 million, redeemable every fifth anniversary from March 13, 2029. The coupon was set at 5.25% (until March 13, 2029), and will be reset every 5 years thereafter at the prevailing 5-year US. Treasury yield plus 2.37%.

Redemption of the outstanding amount of the CHF 315 million and CHF 250 million undated subordinated notes

On June 8, 2018, SCOR SE completed the call of the entire balance of its CHF 315 million perpetual subordinated notes placed in October 2012 in two tranches of CHF 250 million and CHF 65 million.

On November 30, 2018, SCOR SE completed the call of the entire balance of its CHF 250 million perpetual subordinated notes placed in September 2013.

Dividends received

During 2018, SCOR SE received EUR 602 million in dividends from its affiliates.

Dividend payment

On May 3, 2018, SCOR SE paid EUR 312 million in dividends to its shareholders.

Sale of 9.97% of ASEFA

On March 19, 2018, SCOR SE sold its 9.97% share in ASEFA exercising the option to sell a third and last portion of shares to the buyer.

Capital increase in SCOR US Corporation

SCOR SE has increased its capital into SCOR US Corporation by USD 500 million (EUR 425 million) through a contribution in kind by transferring its USD 250 million (EUR 221 million) surplus notes with SCOR Reinsurance Company to SCOR US Corporation and a capital injection of USD 250 million (EUR 204 million).

Share buy-back program

As at December 31, 2018, SCOR SE has completed the execution of the share buy-back program launched in July 2017 for EUR 200 million (of which EUR 194 million in 2018 and EUR 6 million in 2017).

Total number of shares purchased within the program is 5,440,081 (of which 172,742 shares were cancelled in 2018) at an average purchase price of EUR 36.76.

Capital increase in SCOR Africa Ltd

During the financial year, SCOR SE carried out a capital increase in its subsidiary SCOR Africa Ltd for ZAR 37.5 million (EUR 2.6 million).

Repayment of the treasury advance granted to SCOR Auber SAS and creation of a new treasury advance in favour of SOR SE

SCOR Auber SAS received shares in SCOR Capital Partners SAS as compensation for its contribution in kind of shares in SAS Château Mondot to SCOR Capital Partners. SCOR Auber SAS sold SCOR Capital Partners' shares to SCOR SE for EUR 269 million. The sale was settled by the repayment of the EUR 40 million treasury advance granted to SCOR Auber SAS and the issuance by SCOR Auber SAS of a treasury advance of EUR 229 million to SCOR SE.

Incorporation of SCOR Europe SE

In May 31, 2018, SCOR SE incorporated its wholly-owned subsidiary SCOR Europe SE. The Company's share capital is EUR 5 million. Its business purpose is mainly direct insurance of major industrial risks across Europe.

Prerequisites for the merger between SCOR SE ("the Company") and its subsidiaries SCOR Global Life SE and SCOR Global P&C SE, both directly wholly-owned by SCOR SE

On September 2016, SCOR SE announced it was considering merging the three European reinsurance companies, "The Company", SCOR Global Life ("SGL SE") and SCOR Global P&C SE ("SGP&C SE"), to optimize its organizational structure.

The Board of Directors of February 18, 2019 approved the simplified merger of SGL SE and SGP&C SE into SCOR SE and defined the terms of the relevant merger agreements. The simplified mergers should be effective by the end of the first quarter of 2019 with retroactive effect from January 1, 2019.

Given the retroactive effect of transactions undertaken, financial statements that will serve as a basis for the Merger Agreement and the calculation of the merger gain/loss, will be the current financial statements as well as annual financial statements of SGL SE and SGP&C SE for the financial year ended December 31, 2018.

2. BALANCE SHEET

2.1. BALANCE SHEET – ASSETS

In EUR millions		Gross balance	Depreciation, amortization and impairment	2018 Net	2017
Intangible assets	**5.2.2**	**4**	**(1)**	**3**	**3**
Investments	**5.2.1 & 5.2.9**	**9,392**	**(4)**	**9,388**	**9,113**
Real estate investments		287	(1)	286	308
Investments in associates		7,949	(3)	7,946	7,453
Other investments		1,156	-	1,156	1,352
Cash deposited with ceding companies		-	-	-	-
Investments representing unit-linked contracts	**5.2.1**	**-**	**-**	**-**	**-**
Share of retrocessionaires in underwriting reserves	**5.2.9**	**595**	**-**	**595**	**704**
Reinsurance reserves (Life)		1	-	1	5
Loss reserves (Life)		-	-	-	-
Unearned premiums reserves (Non-Life)		235	-	235	252
Loss reserves (Non-Life)		355	-	355	447
Other underwriting reserves (Non-Life)		4	-	4	-
Accounts receivable	**5.2.5 & 5.2.9**	**2,638**	**(1)**	**2,637**	**915**
Accounts receivable from reinsurance transactions		2,470	-	2,470	643
Other accounts receivable		168	(1)	167	272
Other assets	**5.2.2**	**486**	**(55)**	**431**	**284**
Property, plant and equipment		139	(55)	84	89
Cash and cash equivalents		9	-	9	16
Treasury shares		338	-	338	179
Accrued income and deferred expenses	**5.2.8 & 5.2.9**	**234**	**-**	**234**	**214**
Due and accrued interests on rental income		30	-	30	32
Deferred acquisition costs – assumed (Non-Life)		153	-	153	144
Reinsurance estimates – assumed		-	-	-	-
Other accruals		51	-	51	38
Bond redemption premiums		**-**	**-**	**-**	**-**
TOTAL		**13,349**	**(61)**	**13,288**	**11,233**

2.2. BALANCE SHEET – LIABILITIES

In EUR millions		2018	2017
Shareholders' equity and reserves[(1)]	**5.2.3**	**3,600**	**3,439**
Share capital		1,521	1,524
Additional paid-in capital		786	809
Revaluation reserve		-	-
Legal reserve		74	74
Other reserves		57	57
Capitalization reserve		-	-
Retained earnings		646	963
Net income for the year		499	(5)
Regulated reserves		17	17
Subordinated liabilities	**5.2.4**	**2,277**	**2,211**
Gross underwriting reserves	**5.2.7 & 5.2.9**	**3,013**	**4,393**
Reinsurance reserves (Life)		2	359
Loss reserves (Life)		-	253
Unearned premiums reserves (Non-Life)		639	593
Loss reserves (Non-Life)		2,361	2,434
Other underwriting reserves (Non-Life)		6	726
Equalization reserves (Non-Life)		5	28
Underwriting reserves for unit-linked contracts			
Contingency reserves	**5.2.6**	**177**	**164**
Cash deposits received from retrocessionaires	**5.2.5 & 5.2.9**	**420**	**432**
Other liabilities	**5.2.5 & 5.2.9**	**3,735**	**505**
Liabilities arising from reinsurance operations		3,534	339
Convertible bond issue		-	-
Amounts owed to credit institutions		-	-
Negotiable debt securities issued by the Company		-	-
Other loans, deposits and guarantees received		61	27
Other liabilities		140	139
Deferred income and accrued expenses	**5.2.8 & 5.2.9**	**66**	**89**
Deferred commissions received from reinsurers (Non-Life)		57	71
Reinsurance estimates – Retrocession		-	-
Other accruals		9	18
TOTAL		**13,288**	**11,233**

(1) Data for financial years 2018 and 2017 are before appropriation of net income.

3. INCOME STATEMENT

In EUR millions	Gross transactions	Retroceded transactions	2018 net transactions	2017 net transactions
UNDERWRITING ACCOUNT, NON LIFE				
Earned premiums	**2,018**	**(560)**	**1,458**	**1,235**
Written premiums	2,056	(541)	1,515	1,304
Change in unearned premiums	(38)	(19)	(57)	(69)
Allocated investment income	**269**	**-**	**269**	**24**
Other underwriting income	**257**	**-**	**257**	**218**
Claims expenses	**(2,205)**	**370**	**(1,835)**	**(873)**
Benefits and costs paid	(2,306)	469	(1,837)	(814)
Claims reserve expenses	101	(99)	2	(59)
Expenses for increasing risk reserves	**720**	**4**	**724**	**(45)**
Acquisition and administrative expenses	**(594)**	**174**	**(420)**	**(378)**
Acquisition expenses	(579)	-	(579)	(507)
Administrative expenses	(15)	-	(15)	(18)
Commissions received from reinsurers	-	174	174	147
Other underwriting expenses	**(205)**	**-**	**(205)**	**(185)**
Change in equalization reserves	**24**	**-**	**24**	**(28)**
Change in liquidity reserves	**-**	**-**	**-**	**-**
NON-LIFE UNDERWRITING INCOME (LOSS)	**284**	**(12)**	**272**	**(32)**

In EUR millions	Gross transactions	Retroceded transactions	2018 net transactions	2017 net transactions
UNDERWRITING ACCOUNT, LIFE				
Earned premiums	**344**	**(5)**	**339**	**480**
Investment revenues	**-**	**-**	**-**	**16**
Investment income	-	-	-	16
Other investment income	-	-	-	-
Realized gains from investments	-	-	-	-
Unit-linked policy adjustments (capital gain)	**-**	**-**	**-**	**-**
Other underwriting income	**-**	**-**	**-**	**1**
Claims expenses	**(547)**	**(3)**	**(550)**	**(446)**
Benefits and costs paid	(804)	(3)	(807)	(447)
Claims reserve expenses	257	-	257	1
Expenses for Life reinsurance and other underwriting reserves	**360**	**(3)**	**357**	**35**
Life reinsurance reserves	360	(3)	357	35
Unit-linked contract reserves				
Other underwriting reserves				
Acquisition and administrative expenses	**(163)**	**2**	**(161)**	**(111)**
Acquisition expenses	(153)	-	(153)	(109)
Administrative expenses	(10)	-	(10)	(7)
Commissions received from reinsurers	-	2	2	5
Investment expenses	**-**	**-**	**-**	**(13)**
Internal and external investment management expenses and interest expenses	-	-	-	(1)
Other investment expenses	-	-	-	(8)
Realized losses from investments	-	-	-	(4)
Unit-linked policy adjustments (capital loss)	**-**	**-**	**-**	**-**
Other underwriting expenses	**(57)**	**-**	**(57)**	**(54)**
Change in liquidity reserve	**-**	**-**	**-**	**-**
LIFE UNDERWRITING INCOME (LOSS)	**(63)**	**(9)**	**(72)**	**(92)**

In EUR millions	2018 net transactions	2017 net transactions
NON-UNDERWRITING ACCOUNT		
Non-Life underwriting income/(loss)	**272**	**(32)**
Life underwriting income/(loss)	**(72)**	**(92)**
Investment revenues	**787**	**221**
Investment income	769	220
Other investment income	2	1
Realized gains from investments	16	-
Investment expenses	**(231)**	**(177)**
Internal and external investment management expenses and interest expenses	(22)	(15)
Other investment expenses	(114)	(113)
Realized losses from investments	(95)	(49)
Gains from transferred investments	**(269)**	**(24)**
Other non-underwriting income	**-**	**-**
Other non-underwriting expenses	**(1)**	**(1)**
Non-recurring income/(loss)	**(1)**	**(1)**
Employee profit sharing	**(1)**	**-**
Income taxes	**15**	**101**
NET INCOME FOR THE YEAR	**499**	**(5)**
NET EARNINGS PER SHARE *(in EUR)*	**2.58**	**(0.03)**

4. OFF-BALANCE SHEET COMMITMENTS

In EUR millions		Related companies	Other	2018	2017
COMMITMENTS RECEIVED	**5.3.8**	**6,957**	**1,216**	**8,173**	**7,288**
Rate swaps		-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	550	550	483
Foreign currency forward purchases		214	464	678	545
Letters of credit (unused portion)		-	197	197	195
Endorsements and sureties		-	5	5	24
Parental guarantees		6,637	-	6,637	6,010
Lease		106	-	106	31
COMMITMENTS GIVEN	**5.3.8**	**18,131**	**1,014**	**19,145**	**16,845**
Endorsements, sureties and credit guarantees given		**20**	**20**	**40**	**32**
Endorsements, sureties		20	20	40	32
Letters of credit		-	-	-	-
Investment securities and assets acquired with commitment for resale		**-**	**-**	**-**	**-**
Other commitments on investment securities, assets or revenues		**187**	**513**	**700**	**481**
Rate swaps		-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	504	504	464
Underwriting commitments		177	9	186	7
Trust assets		10	-	10	10
Other commitments given		**17,924**	**481**	**18,405**	**16,332**
Securities pledged to ceding companies		-	11	11	11
Marketable securities pledged to financial institutions		-	-	-	-
Contract termination indemnities		-	-	-	-
Foreign currency forward sales		206	470	676	542
Parental guarantees		17,521	-	17,521	15,706
Lease		197	-	197	73
COLLATERAL RECEIVED FROM RETROCESSIONAIRES		**-**	**-**	**-**	**-**

Various financial institutions provide sureties for SCOR SE in the form of letters of credit to collateralize SCOR SE's technical liabilities. The total amount that benefits to cedents, not included in the table above, is EUR 4 million as at December 31, 2018 (EUR 4 million in 2017).

5. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

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5.1. ACCOUNTING POLICIES

The corporate financial statements for the year ended December 31, 2018 are presented in accordance with the accounting provisions grouped under title IV of book III of the Insurance Code and with the French standard-setter (*Autorité des Normes Comptables* – ANC) regulation No. 2015-11 of November 26, 2015 approved by the Order of December 28, 2015, relative to the annual accounts of insurance undertakings, as amended by the ANC regulation No. 2016-12 of December 12, 2016. In the absence of specific provisions in the aforementioned ANC regulation No. 2015-11, the provisions of ANC regulation No. 2014-03 relating to the general accounting plan (Plan Comptable Général – PCG) are applicable.

5.1.1. INTANGIBLE ASSETS

Intangible assets consist of:

- software acquired or created by the Company which is capitalized and amortized over a period ranging from one to five years;
- goodwill depreciable over 10 years.

5.1.2. INVESTMENTS

Investments are initially recorded at historical acquisition cost, excluding expenses. After initial recognition, investments are valued based on the asset category to which they belong and on the length of time during which they are expected to be held.

Investments in affiliates

Investments in affiliates are initially recorded at historical acquisition cost, including expenses. The fair value of investments in affiliates is an estimated value based on the usefulness of the investment to the Company and on its market value (in light of its actual share price, revalued shareholders' equity, actual results and future outlook).

For active reinsurance companies, the fair value is the revaluated net assets value including the value of Life reinsurance portfolio and the forecasts of future profits in Non-Life reinsurance, net of taxes.

At each reporting date, if the carrying amount of an investment in affiliates is below its historical cost, an analysis is conducted in order to determine if an impairment loss should be recorded. The assumptions and outcome of this analysis, conducted as at December 31, 2018, are detailed in 5.2.1.

For real estate and financial (holding) companies, fair value is calculated as the share of net assets including unrealized gains, net of tax. An impairment provision is recorded on a line-by-line basis when such values are below historical cost.

Equity securities and other variable-income securities

Equity securities and other variable-income securities are recorded at cost, excluding expenses. The realizable value as at the reporting date is determined according to regulation No. 2015-11 dated November 26, 2015 of the French standard-setter (Autorité des Normes Comptables – ANC). For listed securities, it corresponds to the share price at the reporting date. For unlisted securities, fair value is based on net assets.

When the realizable value is more than 20% lower than the initial cost for more than six consecutive months, a detailed line-by-line analysis is performed to determine whether the impairment is permanent. An impairment allowance is recorded on a line-by-line basis for securities which are considered permanently impaired.

Bonds and other fixed-income securities

Bonds and other fixed-income securities are recorded at cost, excluding accrued interest. In compliance with Article 122 – 1 of regulation No. 2015-11 dated November 26, 2015 of the French standard-setter (Autorité des Normes Comptables – ANC), the difference between cost and redeemable par value is amortized to income over the remaining period until maturity using the effective interest rate method.

No impairment is recognized for differences between net book value, as decreased or increased by the amortization of any premium or discount, and realizable value. An impairment provision is recorded only in the event of issuer default.

Other assets

An impairment provision is recorded for loans or other accounts receivable due in more than one year if the fair value is below historical cost.

Cash deposited with ceding companies

Within the framework of reinsurance treaties, the ceding companies can request cash deposits to guarantee the technical provisions ceded to the reinsurer. The receivables representing those cash deposits are recorded in the item "Cash deposited with ceding companies" on the asset side of the balance sheet or in the item "Investments in associates" if the ceding company is an associate company, according to the Reinsurance accounting plan (Plan Comptable Assurance). The remuneration of the cash deposits is contractually stipulated and at each closing date accrued interest on the cash deposited with ceding companies is recorded in the item "Accounts receivable from reinsurance transactions" on the asset side of the balance sheet.

Provision for liquidity risk on underwriting commitments *(Provision pour risque d'exigibilité)*

A liquidity risk reserve is recorded for the possible need to liquidate assets in order to make immediate payment on major claims. This reserve is included in underwriting reserves and is recorded when the total net book value of investments assets, excluding bonds and other fixed income securities (investments valued according to Article R. 343-9 of the French Insurance Code), exceeds their fair value. Fair value corresponds to the average price calculated over the last thirty days preceding the day of the inventory or, failing that, the market price for listed shares, net asset value for unlisted shares and net realizable value for investments in subsidiaries as described in 5.2.1.

Based on the calculations performed, such reserve was neither required nor recorded in the financial statements for 2018 or 2017.

5.1.3. PROPERTY, PLANT AND EQUIPMENT

Items included in this caption are recorded at their historical cost.

Equipment, furniture and fixtures are depreciated on a straight-line or sliding scale basis depending on their estimated useful lives:

Category	Useful life
Office equipment and furniture	5 to 10 years
General fixtures	10 years
Transport equipment	4 to 5 years

Deposits and security deposits relate primarily to rented facilities.

5.1.4. ACCOUNTS RECEIVABLE

An allowance for bad debts relating to accounts receivable from reinsurance transactions and other receivables is recorded to the extent that recoverability is uncertain.

5.1.5. RETIREMENT COMMITMENTS AND SIMILAR BENEFITS

The Company records all liabilities relating to employee benefits on its balance sheet.

- retirement indemnities: employees benefit from additional retirement benefits paid in full upon retirement. The evaluation of these indemnities depends on several factors such as age, years of service and salary;
- senior management pension obligations (Article 39): the valuation of the reserve for senior management pension obligations is based on the following actuarial assumptions:
  - discount rate: 1.57%, defined with respect to high quality long-term corporate bonds with maturities consistent with the duration of the obligations evaluated,
  - updated mortality tables for the various plans, with turnover data for managers and salary increases;
- long-term service awards: CNC ("Conseil National de la Comptabilité") Opinion No. 2004-05 dated March 25, 2004 requires the recognition of a provision for long-term service awards as from 2004.

In its Opinion No. 2008-17 dated November 6, 2008 relating to the accounting of stock options and free share allocation plans, the CNC ("Conseil National de la Comptabilité") redefined the accounting of such benefits granted to employees and the accounting for impairment of treasury shares held for such plans. In the event of delivery of existing shares, the expense should be recognized over the vesting period if the attribution of the shares is subject to the employee remaining with the Company over the vesting period. Consequently, at each period end, a provision for risk is recorded for the estimated cost (calculated as the difference between the cost to acquire the shares and nil value) to which a pro rata is applied, from the grant date, to the end of the vesting period, over the entire vesting period.

5.1.6. FINANCIAL LIABILITIES

This caption includes the various subordinated or unsubordinated notes issued by the Company as described in 5.2.4.

Debt issuance costs are amortized over the life of the respective borrowings. Interest on financial liabilities is included in financial expenses.

5.1.7. RECORDING OF REINSURANCE TRANSACTIONS

Assumed reinsurance transactions

Assumed reinsurance is recorded upon receipt of accounts transmitted by ceding companies.

Pursuant to the provisions of Article 152-1 of regulation No. 2015-11 dated November 26, 2015 of the French standard-setter (Autorité des Normes Comptables – ANC), accounts not yet received from ceding companies at the end of the financial year are estimated, in order to better reflect SCOR's reinsurance commitments in the financial statements. This method applies to most contracts underwritten during the current financial year and to prior-year contracts where relevant. Estimates of premiums and commissions not yet received from ceding companies at period end are recorded in the income statement with a counter entry in the balance sheet under "Accounts receivable from reinsurance transactions".

Overall, the premiums recorded for the year (premiums reported in the accounts received from cedents and estimated premiums) correspond to the estimated premium expected at the time the policy was underwritten.

Deposits with ceding companies are recorded as assets on the balance sheet.

Estimated claims expenses are recorded in loss reserves.

Retrocession

The retroceded portion of assumed reinsurance, determined in accordance with the treaty terms, is recorded separately from the assumed reinsurance transaction.

The retrocessionaires' share in estimates of assumed premiums and commissions is shown in liabilities under "Liabilities arising from reinsurance operations".

Cash deposits received from retrocessionaires are shown within liabilities on the balance sheet.

Securities pledged as collateral by reinsurers to guarantee their commitment are presented off balance sheet at their fair value as of the reporting date.

Finite reinsurance

Finite reinsurance treaties, as defined under Article L. 310-1-1 of the French Insurance Code, have to be accounted for under the provisions of regulation No. 2015-11 dated November 26, 2015 of the French standard-setter (Autorité des Normes Comptables – ANC).

As at December 31, 2018, SCOR SE has no such treaty underwritten.

5.1.8. UNDERWRITING RESERVES

Non-Life business

An unearned premium reserve is calculated either pro rata temporis on a contract-by-contract basis, or using a statistical method when the results do not differ significantly from the contract-by-contract method.

SCOR determines the amount of loss reserves at the end of the year at a level which covers the estimated amount of its commitments as well as estimated claims management costs for both reported and unreported claims (net of estimated recovery and subrogation). These reserves, which pertain to all claims, reported or unreported, are evaluated on the basis of their undiscounted "ultimate" cost. Ultimate claims expense for a contract is estimated based on statistical experience for similar policies.

Loss reserves, including estimated claims paid, are calculated based on expected results and supplement the information communicated by ceding companies.

Life business

The mathematical reserves for Life reinsurance are submitted by ceding companies and completed by estimates calculated by Life actuaries using statistics based on historical data and information provided by underwriters.

Additionally, estimated claims are included in the provisions for claims payable.

The Company is required to have adequate reserves to cover its commitments after consideration of estimated investment returns, mortality, morbidity and lapse rates, and other assumptions.

A provision for increasing risk is recorded for long-term care and disability business. This risk increases with the age of the insured although the premiums are typically constant. It is equal to the difference between the discounted values of the respective commitments of the insured and insurer.

5.1.9. ACQUISITION COSTS OF REINSURANCE TRANSACTIONS

The costs associated with the acquisition of new Non-Life contracts, essentially commissions, are recorded as assets within the limits of contract profitability. They are amortized over the period of earned premiums.

The acquisition costs of Life reinsurance operations are not usually deferred.

5.1.10. TRANSACTIONS CONDUCTED IN FOREIGN CURRENCIES

Pursuant to the provisions of Article R. 341-7 of the French Insurance Code, foreign currency transactions of the Company are recorded in their original currency. For presentation purposes, balance sheet amounts are converted into Euros using the year end exchange rates or the rate of the closest prior date.

SCOR applies the rules relating to the accounting of transactions in foreign currencies by entities subject to the rules of the Insurance Code as required by the CRC in its Opinion No. 2002-09 dated December 12, 2002.

Balance sheet positions in foreign currencies

At each reporting date, items in foreign currencies are converted into Euros by allocating the underlying transactions as follows:

- transactions relating to assets and liabilities generating a "structural" foreign currency position, primarily investments in subsidiaries and related impairments;
- other transactions generating an "operational" foreign currency position.

Differences relating to the conversion of structural positions are recorded on the balance sheet whereas those relating to operational positions are recorded in income.

Off-balance sheet positions in foreign currencies

The foreign currency differences on off-balance sheet positions (forward financial instruments) and the related accounts represent unrealized foreign currency gains or losses. These differences are recorded in the balance sheet in the accounts "Net translation adjustments" and "Regularization of forward financial instruments", based on the underlying strategy.

The objective of the "Net translation adjustments" balance sheet account is to ensure symmetrical treatment with the accounting of the exchange difference generated by the underlying instrument:

- when the derivative is linked to a structural element, the "Net translation adjustments" account remains on the balance sheet until the structural element is realized;
- when the derivative relates to an investment strategy, the "Net translation adjustments" account remains on the balance sheet until the investment is made;
- when the derivative relates to an operational item, in the context of a strategic divestiture or investment, or the derivative is linked to a non-structural financial liability, the "Net translation adjustments" account is reclassified to income.

The foreign currency hedging strategy is described in 5.3.2.

Differences in interest on forward contracts are recorded over the effective life of the hedged operation.

5.1.11. PRINCIPLES RELATING TO THE PRESENTATION OF THE FINANCIAL STATEMENTS

Allocation of expenses by function

General expenses, previously recorded by type, are allocated to the following five functions: acquisition expenses, claims settlement expenses, administrative expenses, investment portfolio management expenses, and other underwriting expenses.

Portfolio entries/transfers

Premium portfolio entries based on the accounts of ceding companies offset the risk on accounts managed by accounting year. Non-Life premium portfolio entries represent the portion of unearned premiums paid at the start of the reinsurance contract and/or the financial year while the underlying risk (written in previous periods) relates to current or future periods. Likewise, premium portfolio withdrawals represent the portion of unearned premiums at the end of the financial year and/or of the reinsurance contract. Premium portfolio entries and withdrawals are included in the premium written and are an integral part of premium income. Life premium portfolio entries represent the portion of earned premiums paid at the start of the reinsurance contract and/or the financial year while the underlying risk (written in previous periods) relates to future events. Portfolio movements are recorded as premium and claim portfolio entries or transfers.

Life/Non-Life

In the corporate income statement of SCOR SE under French GAAP, the Non-Life segment encompasses personal accident/sickness reinsurance in accordance with Article 410-1 and followings of regulation No. 2015-11 dated November 26, 2015 of the French standard-setter (Autorité des Normes Comptables – ANC). Personal accident/sickness reinsurance is classified in the Life segment in the consolidated financial statements under IFRS.

5.1.12. DERIVATIVES INSTRUMENTS RECEIVED AND GIVEN

The use of and accounting for financial instruments comply with European Directive 2005/68/EC (also known as the Reinsurance Directive), with the French General Statement of Accounting Principles (Plan Comptable Général) of 1982, and with French Decree No. 2002-970 dated July 4, 2002, relating to the use of forward financial instruments by French insurance companies.

Pursuant to CRC Opinion No. 2002-09 dated December 12, 2002, SCOR uses fair value as accounting method for forward contracts, puts and calls on financial instruments forming part of a yield strategy.

Such instruments may include foreign currency and interest rate swaps, caps and floors, forward currency contracts, puts and calls on equity securities and other rate options.

Income and losses in the form of premiums or interests are recorded on a pro rata basis over the life of the contract. Commitments given and received recorded at the reporting date reflect the nominal amount of ongoing transactions.

In case of unrealized loss positions on swaps not defined as a hedging strategy, a provision for loss risks on swaps is recognized.

5.2. ANALYSIS OF KEY BALANCE SHEET ITEMS

5.2.1. INVESTMENTS

Changes in investments

Gross balances

In EUR millions	Opening balances	Impact of foreign exchange on opening balances	Acquisitions creations	Disposals	Closing balances
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Shares in and advances to land and real estate companies	309	-	-	22	287
Investments in affiliates	3,917	-	702	4	4,615
Cash deposited with ceding companies (related and associated companies)	1,761	10	-	13	1,758
Loans (related and associated companies)	1,779	19	555	777	1,576
Other investments	1,352	14	2,924	3,134	1,156
Cash deposited with other ceding companies	-	-	-	-	-
TOTAL	**9,118**	**43**	**4,181**	**3,950**	**9,392**

Depreciation and impairment

In EUR millions	Opening balances	Impact of foreign exchange on opening balances	Increases in allowances for the financial year	Reversals during the financial year	Closing balances
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Shares in and advances to land and real estate companies	1	-	-	-	1
Investments in affiliates	4	-	-	(1)	3
Loans (related and associated companies)	-	-	-	-	-
Other investments	-	-	-	-	-
TOTAL	**5**	**-**	**-**	**(1)**	**4**

Shares in and advances to land and real estate companies

On May 15, 2018, SCOR SE received the refund of the EUR 22 million loan to SCI Noratlas, an affiliate of MRM.

Investments in affiliates

The increase of investments in affiliates during the year is mainly driven by the capital increase in SCOR US Corporation for USD 500 million (EUR 425 million) and in SCOR Capital Partners for EUR 269 million.

On March 19, 2018, SCOR SE sold its 9.97% share in ASEFA for EUR 4 million exercising the option to sell the third and last portion of shares to the buyer.

At December 31, 2018, provisions against such investments can be analyzed as follows:

- SGF SAS: EUR 3 million in 2018 (EUR 3 million in 2017);
- ASEFA: EUR 0 million in 2018 (EUR 1 million in 2017).

Cash deposited with ceding companies

At December 31, 2018, cash deposited with ceding companies breaks down as follows:

- SCOR Global Life SE Paris: EUR 1,442 million compared to EUR 1,398 million in 2017;
- SCOR Global Life SE Milan: EUR 234 million compared to EUR 271 million in 2017;
- SCOR Global Life SE Madrid: EUR 27 million compared to EUR 29 million in 2017;
- SCOR South Africa: EUR 53 million compared to EUR 56 million in 2017;
- SCOR Perestrakhovaniye.O.O.O: EUR 2 million compared to EUR 7 million in 2017.

Loans

- The EUR 69 million cash advance to SCOR Global P&C SE was fully repaid.
- The USD 250 million surplus notes (EUR 221 million) to SCOR Reinsurance Company were replaced by a contribution in kind as part of SCOR US Corporation's capital increase.
- The cash advance with SCOR Global Life SE increased by EUR 100 million and was reimbursed for the same amount.
- The cash advance to SCOR GIE Informatique increased by EUR 37 million.
- During the year, SCOR SE granted a EUR 75 million loan to SCOR Capital Partners SAS. The EUR 12 million cash advance to SCOR Capital Partners SAS increased by EUR 7 million before being converted into a loan.
- During the year, the EUR 40 million cash advance with SCOR Auber SAS was fully reimbursed.
- The EUR 8 million cash advance to OPCI SCOR Properties was fully reimbursed.

Other investments

Other investments mainly include bonds and other fixed income securities for EUR 1,022 million, fixed deposits for EUR 108 million and mutual funds for EUR 21 million.

During the year, the change in other investments was mainly due to the EUR 344 million net decrease in fixed deposits and the EUR 43 million net decrease in mutual funds together with the EUR 192 million net increase in bonds and other fixed income securities.

Schedule of investments

In EUR millions	Gross value	Net book value	Realizable value	Unrealized gains and losses
1 – Real estate investments and real estate investments in process	287	286	361	75
2 – Shares and other variable-income securities (other than mutual fund units)	4,619	4,616	10,645	6,029
3 – Mutual funds units (other than those in 4)	3	3	3	-
4 – Mutual fund units exclusively invested in fixed-income securities	18	18	18	-
5 – Bonds and other fixed-income securities	1,022	1,022	1,020	(2)
6 – Mortgage loans	-	-	-	-
7 – Other loans and similar bills	1,577	1,577	1,577	-
8 – Deposits with ceding companies	1,758	1,758	1,758	-
9 – Cash deposits (other than those in 8) and security deposits	108	108	108	-
10 –Unit-linked investments	-	-	-	-
Sub-total	**9,392**	**9,388**	**15,490**	**6,102**
11 – Other forward instruments	-	-	-	-
◆ Investment or divestment strategy	-	-	-	-
◆ Anticipation of investment	-	-	-	-
◆ Yield strategy	43	43	43	-
◆ Other transactions	-	-	-	-
◆ Amortization premium/discount	(1)	(1)	-	1
12 – Total lines 1 to 11	**9,434**	**9,430**	**15,533**	**6,103**
a) including:	-	-	-	-
◆ investments valued according to Article R. 343-9	1,021	1,021	1,020	(1)
◆ investments valued according to Article R. 343-10	8,370	8,366	14,470	6,104
◆ investments valued according to Article R. 343-13	-	-	-	-
◆ forward instruments	43	43	43	-
b) including:	-	-	-	-
◆ investments and forward instruments issued in OECD countries	8,287	8,284	14,351	6,067
◆ investments and forward instruments issued in non-OECD countries	1,147	1,146	1,182	36

Forward instruments

In EUR millions	Strategy	Maturity	Asset position	Liability position	Gains and losses realized on derivatives	Margin call on collateral
Foreign currency hedging: Forward trades	Yield	less than 1 year	8	8	37	5
Foreign currency hedging: Cross currency swaps	Yield	less than 1 year	43	-	10	(41)
TOTAL			**51**	**8**	**47**	**(36)**

Subsidiaries and affiliates

Investments in affiliates

On March 19, 2018, SCOR SE sold its remaining 9.97% share in ASEFA exercising the option to sell the third portion of shares to the buyer.

Loans and advances to subsidiaries

As of December 31, 2018, loans and advances granted by SCOR SE to its subsidiaries amounted to EUR 1,576 million, breaking down as follows:

- EUR 732 million with SCOR Global Life SE;
- EUR 400 million with SCOR Global P&C SE;
- EUR 199 million with SCOR GIE Informatique;
- CHF 125 million (EUR 110 million) with SCOR Holding Switzerland AG;
- EUR 94 million with SCOR Capital Partners SAS;
- USD 40 million (EUR 35 million) with SCOR Reinsurance Asia-Pacific Pte LTD;
- SGD 8 million (EUR 5 million) with SCOR Services Asia-Pacific Pte LTD;
- USD 1 million (EUR 1 million) with GIE Colombus.

Name *(Amounts in EUR millions)*	**Original currency** *(in OC)**	**Share capital**[1] *(in OC)**	**Reserves**[1] *(in OC)**	**Share of capital**
A - RELATED ENTITIES: DETAILED INFORMATION				
◆ SCOR GLOBAL LIFE SE 5 avenue Kléber, 75116 Paris, France	EUR	466	374	99.99%
◆ SCOR GLOBAL P&C SE 5 avenue Kléber, 75116 Paris, France	EUR	1,569	488	99.99%
◆ SCOR US CORPORATION 199 Water Street, New York, NY 10038-3526 USA	USD	2,000	(340)	100.00%
◆ MRM 5 avenue Kléber, 75116 Paris, France	EUR	98	(6)	59.90%
◆ SCOR AUBER S.A.S (France) 5 avenue Kléber, 75116 Paris, France	EUR	54	11	100.00%
◆ SCOR Holding (Switzerland) AG General Guisan-Quai 26, 8022 Zurich, Switzerland	EUR	407	1,203	20.68%
◆ SCOR PERESTRAKHOVANIYE.O.O.O. 10 Nikolskaya Street, 109012, Moscou, Russian Federation	RUB	809	962	100.00%
◆ SCOR AFRICA LTD 2nd Floor, West Tower, Maude Street, Nelson Mandela Square, Sandton 2196, South Africa	ZAR	345	(43)	100.00%
◆ SCOR INVESTMENT PARTNERS SE 5 avenue Kléber, 75116 Paris, France	EUR	3	11	100.00%
◆ SCOR EUROPE SE 5 avenue Kléber, 75116 Paris, France	EUR	5	-	100.00%
◆ SCOR BRAZIL PARTICIPAÇOES LTDA Sao Bento St 18 Centro, 17th floor, Rio de Janeiro RJ, Brasil, 20090-010 Rio de Janeiro, Brasil	BRL	100	17	99.90%
Total A				
B - ENTITIES WITH EQUITY INTEREST				
◆ In France				
◆ Other than in France				
Total B				
TOTAL				

(1) Data based on 2018 IFRS accounts.
(2) SCOR guarantees with limits as to the amounts listed above, the underwriting liabilities of its subsidiaries pertaining in particular to their obligations relative to the payment of claims. In return, SCOR Global P&C SE and SCOR Global Life SE guarantee, on behalf and for the benefit of SCOR SE, the full and prompt performance of SCOR SE's payment obligations under all insurance, reinsurance and financial contracts entered into by SCOR SE.
** OC: Original Currency.*

As of December 31, 2017, loans and advances granted by SCOR SE to its subsidiaries amounted to EUR 1,801 million, breaking down as follows:

- EUR 732 million with SCOR Global Life SE;
- EUR 469 million with SCOR Global P&C SE;
- USD 250 million (EUR 210 million) with SCOR Reinsurance Company;
- EUR 162 million with SCOR GIE Informatique;
- CHF 125 million (EUR 107 million) with SCOR Holding Switzerland AG;
- EUR 40 million with SCOR Auber SAS;
- USD 40 million (EUR 34 million) with SCOR Reinsurance Asia-Pacific Pte LTD;
- EUR 22 million with MRM;
- EUR 12 million with SCOR Capital Partners SAS;
- EUR 7 million with SCOR Properties;
- SGD 8 million (EUR 5 million) with SCOR Services Asia-Pacific Pte LTD;
- USD 1 million (EUR 1 million) with GIE Colombus.

Gross book value *(in EUR)*	Net book value *(in EUR)*	Loans and advances *(in EUR)*	Receivables against issuers *(in EUR)*	Guarantees and pledges given[2] *(in EUR)*	Revenues[1] *(in OC)**	Net income[1] *(in OC)**	Dividends received *(in EUR)*
471	471	732	671	5,250	3,696	100	100
1,615	1,615	400	450	3,756	2,832	291	250
1,739	1,739	-	-	-	-	-	-
56	56	-	-	-	9	(2)	3
149	149	-	2	-	1	18	130
399	399	110	-	-	-	163	41
21	21	-	15	7	2,136	273	-
24	24	-	27	18	1,260	43	-
2	2	-	3	-	-	4	2
5	5	-	-	-	-	-	-
34	34	-	-	24	420	26	-
4,515	**4,515**	**1,242**	**1,168**	**9,055**	**-**	**-**	**526**
382	379	294	7	187	-	-	76
1	1	40	488	8,476	-	-	-
383	**380**	**334**	**495**	**8,663**	**-**	**-**	**76**
4,898	**4,895**	**1,576**	**1,663**	**17,718**	**-**	**-**	**602**

5.2.2. OTHER ASSETS

Property, plant and equipment and intangible assets

In EUR millions	Opening balances	Acquisitions/ creations	Disposals	Closing balances
Gross values	**141**	**8**	**(6)**	**143**
Intangible assets	**4**	**-**	**-**	**4**
Goodwill	4	-	-	4
Set-up costs	-	-	-	-
Other intangible assets	-	-	-	-
Property, plant and equipment	**137**	**8**	**(6)**	**139**
Deposits and security bonds	1	-	-	1
Equipment, furniture, fittings and fixtures	136	8	(6)	138
Depreciation, amortization and impairment	**(51)**	**(9)**	**4**	**(56)**
Other intangible assets (excluding goodwill)	(1)	-	-	(1)
Equipment, furniture, fittings and fixtures	(50)	(9)	4	(55)

Treasury shares

As at December 31, 2018, the number of shares held as treasury shares amounted to 9,137,286 shares (4.73% of capital) for a total value of EUR 337,921,306. These shares were acquired in the context of anticipated awards to Company employees and corporate officers as part of share allocation plans and under its share buy-back program launched in July 2017 and completed in December 2018.

In EUR	Opening balance	Acquisitions/ creations	Disposals	Closing balance
Treasury shares				
Number	5,866,249	9,976,509	(6,705,472)	9,137,286
Amount	179,215,496	374,465,785	(215,759,975)	337,921,306

5.2.3. SHAREHOLDERS' EQUITY

The share capital comprising 193,085,792 shares with a par value per share of EUR 7.8769723 amounted to EUR 1,520,931,435 as at December 31, 2018.

In EUR millions	2017 Shareholders' equity before allocation	Income allocation	Other movements during the period	2018 Shareholders' equity before allocation
Capital	1,524	-	(3)	1,521
Additional paid-in capital	809	-	(23)	786
Legal reserve	74	-	-	74
Other reserves	57	-	-	57
Retained earnings	963	(317)	-	646
Net income	(5)	5	499	499
Regulated reserves	17	-	-	17
TOTAL	**3,439**	**(312)**	**473**	**3,600**

- The EUR (5) million net income for 2017 was completely allocated to the retained earnings of which EUR 317 million were distributed in dividends.
- The issuance of shares relating to the exercise of options until December 31, 2018 for a total of EUR 23.3 million was allocated to the share capital of the Company for EUR 10.1 million and to additional paid-in capital for EUR 13.2 million. The exercise of options resulted in the creation of 1,278,077 shares.
- During 2018, the Board decided upon a share capital and additional paid-in capital reduction by cancellation of 1,519,860 treasury shares for a total amount of EUR 44.3 million and 172,742 shares intended to be cancelled under the share buy-back program for a total amount of EUR 5.8 million.
- SCOR SE launched a new 3-year contingent capital facility on January 1, 2017. It took the form of a guaranteed equity line, providing SCOR SE with EUR 300 million coverage in case of extreme natural catastrophe or life events. This facility replaced the former contingent capital facility which came to an end on December 31, 2016.
- All new shares were issued with voting rights.

5.2.4. SUBORDINATED LIABILITIES AND FINANCIAL LIABILITIES

		2018		2017	
In EUR millions	**Maturity**	**Net book value**	**Fair value**	**Net book value**	**Fair value**
SUBORDINATED LIABILITIES					
CHF 315 million	Perpetual	-	-	277	283
CHF 250 million	Perpetual	-	-	214	223
CHF 125 million	Perpetual	111	115	107	113
EUR 250 million	Perpetual	250	258	250	285
USD 625 million	Perpetual	554	455	-	-
EUR 600 million	06/08/2046	602	600	603	663
EUR 250 million	06/05/2047	252	252	252	279
EUR 500 million	05/27/2048	508	518	508	576
TOTAL		**2,277**	**2,198**	**2,211**	**2,422**

The balance includes EUR 38 million of accrued interest (as at December 31, 2017: EUR 38 million).

Financial liabilities include:

Subordinated liabilities

- CHF 125 million in fixed rate perpetual subordinated notes was issued on October 20, 2014. The notes are redeemable by SCOR from October 20, 2020 on an annual basis on the interest payment dates. The coupon has been set at 3.375% until October 20, 2020 and will be reset every 6 years at the prevailing 6-year CHF mid-swap rate plus a margin of 3.0275% thereafter. The notes are not hedged by a cross-currency swap.
- EUR 250 million in fixed rate perpetual subordinated notes was issued on October 1, 2014. The notes are redeemable by SCOR from October 1, 2025 on an annual basis on the interest payment dates. The coupon has been set at 3.875% until October 1, 2025 and will be reset every 11 years at the prevailing 11-year EUR mid-swap rate plus a margin of 3.70% thereafter.
- USD 625 million in fixed rate perpetual subordinated notes was issued on March 13, 2018. The notes are redeemable by SCOR from March 13, 2029 on an annual basis on the interest payment dates. The coupon has been set at 5.25% until March 13, 2029 and will be reset every 5 years thereafter at yield for US Treasury Securities at constant Maturity (for a designated maturity of 5 years) plus the margin of 2.37%. The notes are hedged by a cross-currency swap.
- On December 7, 2015, SCOR issued EUR 600 million in dated subordinated notes, redeemable at interest payment dates from June 8, 2026. The coupon has been set at 3.00% (until June 8, 2026), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.25%.
- On June 5, 2015, SCOR issued EUR 250 million in dated subordinated notes, redeemable at interest payment dates from June 5, 2027. The coupon has been set at 3.25% (until June 5, 2027), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.20%.
- On May 27, 2016, SCOR issued EUR 500 million in dated subordinated notes, redeemable as at interest payment dates from May 27, 2028. The coupon was set at 3.625% (until May 27, 2028), and will be reset every 10 years at the prevailing 10-year EUR mid-swap rate +3.90% (until May 27, 2048, final redemption date).

Financial liabilities

- Debt of a branch for EUR 15 million (EUR 16 million as of December 31, 2017).
- Loans granted to SCOR SE by its subsidiaries EUR 46 million. Their breakdown as of December 31, 2018 is as follows:
  - EUR 32.5 million with SCOR Auber SAS;
  - EUR 9.9 million with SCOR Investment Partners SE;
  - EUR 3.4 million with SGF SAS.

- As of December 31, 2017, the breakdown was as follows:
  - EUR 7.3 million with SCOR Investment Partners SE;
  - EUR 3.4 million with SGF SAS;
  - EUR 0.3 million with SCOR Global Life SE.

For 2018, SCOR SE recognized EUR 17.5 million in financial income from loans with related companies and EUR 0.2 million in interest expenses on borrowings with related companies.

5.2.5. MATURITY OF ASSETS AND LIABILITIES

The maturity of assets and liabilities at December 31, 2018 is as follows:

	2018				2017
In EUR millions	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
ACCOUNTS RECEIVABLE	**2,638**	**2,614**	**10**	**14**	**916**
Accounts receivable from reinsurance transactions	**2,470**	**2,446**	**10**	**14**	**643**
Other accounts receivable	**168**	**168**	**-**	**-**	**273**
Employee and other related receivable	-	-	-	-	-
Taxes and related receivable	77	77	-	-	115
Receivables on related companies and other affiliates	82	82	-	-	159
Other	9	9	-	-	(1)
ACCOUNTS PAYABLE	**6,432**	**4,153**	**2**	**2,277**	**3,148**
Subordinated liabilities	**2,277**	**-**	**-**	**2,277**	**2,211**
Cash deposits received from retrocessionaires	**420**	**420**	**-**	**-**	**432**
Other liabilities	**3,735**	**3,733**	**2**	**-**	**505**
Liabilities arising from reinsurance operations	3,534	3,532	2	-	339
Other loans, deposits and guarantees received	61	61	-	-	27
Employee and other related payable	27	27	-	-	30
Taxes and other related payable	22	22	-	-	22
Payables on related companies and other affiliates	12	12	-	-	59
Other	79	79	-	-	28

5.2.6. CONTINGENCY RESERVES

Gross balances

In EUR millions	Opening balance	Increase	Use over the period	Reversal without use	Closing balance
Retirement provisions	82	20	-	(6)	96
Free share allocation plans	54	21	(21)	-	54
Long service awards	-	-	-	-	-
Other provisions	28	1	(2)	-	27
TOTAL	**164**	**42**	**(23)**	**(6)**	**177**

Contingency reserves amount to EUR 177 million, of which:

- EUR 54 million for free share allocation plans with the following expiry EUR 35 million at 2019, EUR 15 million at 2020, EUR 4 million at 2021 and beyond;
- EUR 96 million in reserves for post-employment benefits: retirement provisions (EUR 34 million), supplementary retirement (EUR 62 million);
- EUR 27 million in other provisions.

5.2.7. GROSS UNDERWRITING RESERVES

In EUR millions	2018	2017	2016
Reinsurance reserves (Life)	2	359	398
Loss reserves (Life)	-	253	266
Unearned premiums reserves (Non-Life)	639	593	527
Loss reserves (Non-Life)	2,361	2,434	2,368
Other underwriting reserves (Non-Life)	6	726	681
Equalization reserves (Non-Life)	5	28	-
GROSS UNDERWRITING RESERVES	**3,013**	**4,393**	**4,240**

The reinsurance activity of SCOR SE comprises three internal quota share retrocession treaties, one with SCOR Global P&C SE, another with SCOR South Africa and a third with SCOR Perestrakhovaniye, non-proportional retrocession from the Argentinian branch of SCOR Global P&C SE, from SCOR Switzerland AG, and from SCOR Global Life Reinsurance Ireland and the business underwritten by the Beijing and Indian branches.

The quota share retrocession treaty with SCOR Global Life SE ended as of December 31, 2018 without any formal notices of termination. The Life retrocession contract requires a termination at December 31, 2018. Thus, the automatic withdrawn of the Life portfolio has been performed in SCOR SE's accounts at the end of 2018 and the parties were relieved from all liability and all reciprocal rights and obligations as of January 1st, 2019.

The net impact of the contract termination led to a decrease of underwriting reserves for EUR 1,821 million of which:

- EUR 1,140 million of reinsurance reserves (of which EUR 803 million for non-life activity and EUR 338 million for the life activity);
- EUR 565 million of loss reserves (of which EUR 398 million for non-life activity and EUR 167 million for the life activity);
- EUR 101 million of IBNR (of which EUR 21 million for non-life activity and EUR 80 million for the life activity);
- EUR 15 million of unearned premium reserves (only for non-life activity).

The termination of this contract has resulted in a liability with Scor Global Life SE for the same amount in the account "Liabilities arising from reinsurance operations". In the Income statement, the reversal of the assumed technical provisions resulted in an increase of the benefits and costs paid with no impact in the net technical result.

SCOR SE was notified after the year-end close of one material deviation in the evaluation of reserves recognized for incurred claims, in respect of typhoon Jebi (increase by EUR 11 million). At the same time, additional late information was received regarding three contracts, leading to a decrease in their loss estimates compared to the amounts recognized, thereby offsetting the negative deviation on typhoon Jebi. In aggregate, these post-close evolutions have no material impact on the technical provisions recognized in the statutory financial statements as at December 31, 2018.

5.2.8. ACCRUED INCOME AND DEFERRED EXPENSES

The analysis of accrued income and deferred expenses at December 31, 2018 is as follows:

	Assets		Liabilities	
In EUR millions	2018	2017	2018	2017
Due and accrued interests on rental income	30	32	-	-
Deferred acquisition costs – Non-Life	153	144	-	-
Deferred commissions received from reinsurers	-	-	57	71
Other accruals	51	38	9	18
TOTAL	**234**	**214**	**66**	**89**

The item "Reinsurance estimates – assumed" is presented in "Accounts receivable from reinsurance transactions", whereas the item "Reinsurance estimates – ceded" is presented in "Liabilities arising from reinsurance operations".

The breakdown of the reinsurance estimates – assumed is as follows as at December 31, 2018:

- reinsurance estimates – assumed – Life (EUR 331 million) includes premiums for EUR 313 million, claims payable amounting to EUR 3 million, and EUR 15 million of accrued interest on the cash deposit;
- reinsurance estimates – assumed – Non-Life (EUR 1,730 million) includes premiums for EUR 1,477 million, commissions payable of EUR 96 million and claims payable for EUR 130 million and EUR 27 million of accrued interest on the cash deposit.

The breakdown of other accruals mainly consists of, as at December 31, 2018:

- cross currency swaps for EUR 43 million and foreign exchange derivative instruments for EUR 8 million as assets;
- foreign exchange derivative instruments for EUR 8 million as liabilities.

5.2.9. TRANSACTIONS WITH SUBSIDIARIES, AFFILIATES AND OTHERS

	2018				2017			
In EUR millions	Related companies	Other affiliates	Other	Total	Related companies	Other affiliates	Other	Total
ASSETS (GROSS)								
Investments	**8,153**	**-**	**1,239**	**9,392**	**7,684**	**-**	**1,434**	**9,118**
Investment properties	205	-	82	287	227	-	82	309
Shares other than variable income securities and bonds	4,614	-	1,048	5,662	3,916	-	1,351	5,267
Loans	1,576	-	1	1,577	1,780	-	1	1,781
Cash deposits with ceding companies	1,758	-	108	1,866	1,761	-	-	1,761
Share of retrocessionaires in underwriting reserves	**595**	**-**	**-**	**595**	**704**	**-**	**-**	**704**
Accounts receivable	**1,685**	**-**	**953**	**2,638**	**516**	**-**	**400**	**916**
Accounts receivable from reinsurance transactions	1,567	-	903	2,470	356	-	287	643
Other accounts receivable	118	-	50	168	160	-	113	273
Other assets	**337**	**-**	**149**	**486**	**179**	**-**	**154**	**333**
Accrued income and deferred expenses	**78**	**-**	**156**	**234**	**74**	**-**	**140**	**214**
Accrued interests and rent	16	-	14	30	22	-	10	32
Deferred acquisition costs assumed (Non-Life)	56	-	97	153	51	-	93	144
Other assumed reinsurance transactions	-	-	-	-	-	-	-	-
Other accruals	6	-	45	51	1	-	37	38
EQUITY AND LIABILITIES								
Subordinated liabilities	**-**	**-**	**2,277**	**2,277**	**-**	**-**	**2,211**	**2,211**
Gross underwriting reserves	**1,921**	**-**	**1,092**	**3,013**	**3,414**	**-**	**979**	**4,393**
Contingency reserves	**-**	**-**	**177**	**177**	**-**	**-**	**164**	**164**
Cash deposits received from retrocessionaires	**420**	**-**	**-**	**420**	**431**	**-**	**1**	**432**
Other liabilities	**2,992**	**-**	**743**	**3,735**	**393**	**-**	**112**	**505**
Liabilities arising from reinsurance operations	2,928	-	606	3,534	338	-	1	339
Financial liabilities	46	-	15	61	11	-	16	27
Other creditors	18	-	122	140	44	-	95	139
Deferred income and accrued expenses	**57**	**-**	**9**	**66**	**78**	**-**	**11**	**89**
Deferred commissions received from reinsurers (Non-Life)	57	-	-	57	71	-	-	71
Reinsurance estimates retrocession	-	-	-	-	-	-	-	-
Other accruals	-	-	9	9	7	-	11	18

In EUR millions	2018 Related companies	2018 Other affiliates	2018 Other	2018 Total	2017 Related companies	2017 Other affiliates	2017 Other	2017 Total
Other accounts receivable	**118**	**-**	**50**	**168**	**160**	**-**	**113**	**273**
Cash advances granted	82	-	-	82	81	-	-	81
Transfer pricing receivables	10	-	-	10	9	-	-	9
Miscellaneous	26	-	50	76	70	-	113	183
Other debts	**18**	**-**	**122**	**140**	**44**	**-**	**95**	**139**
Cash advances granted	12	-	-	12	37	-	-	37
Miscellaneous	6	-	122	128	7	-	95	102

5.2.10. ASSETS – LIABILITIES BY CURRENCY

Currency *In EUR millions*	Assets 2018	Liabilities 2018	Surplus 2018	Surplus 2017
Euro	10,227	10,149	78	296
US dollar	1,158	1,624	(466)	(29)
Pounds sterling	35	5	30	11
Swiss franc	121	113	8	(482)
Japanese yen	-	8	(8)	(3)
Australian dollar	-	2	(2)	(3)
Yuan	1,292	1,056	236	151
New-Zealand dollar	-	2	(2)	(3)
Other currencies	455	329	126	62
TOTAL	**13,288**	**13,288**	**-**	**-**

5.3. ANALYSIS OF KEY INCOME STATEMENT ITEMS

5.3.1. BREAKDOWN OF PREMIUMS AND COMMISSIONS

Breakdown of premiums by geographical area (country where cedent is located)

In EUR millions	2018	2017
France	452	372
North America	171	232
South America	108	123
Asia	1,087	786
Europe	392	472
Africa	66	64
Rest of the world	124	217
TOTAL	**2,400**	**2,266**

SCOR SE premiums are the result of the implementation of four internal quota share retrocession treaties entered into jointly with SCOR Global P&C SE, SCOR Global Life SE (quota share retrocession treaty ended December 31, 2018), SCOR South Africa and SCOR Perestrakhovaniye, non-proportional retrocession from the Argentinian branch of SCOR Global P&C SE, from SCOR Switzerland AG, and from SCOR Global Life Reinsurance Ireland as well as the Chinese and Indian branches' activity.

Portfolio development

	2018			2017		
In EUR millions	Prior years	2018	Total	Prior years	2017	Total
Premiums	**359**	**2,085**	**2,444**	**106**	**2,161**	**2,267**
Portfolio entries	-	16	16	2	4	6
Portfolio transfers	(54)	(6)	(60)	2	(9)	(7)
Movements	**(54)**	**10**	**(44)**	**4**	**(5)**	**(1)**
TOTAL	**305**	**2,095**	**2,400**	**110**	**2,156**	**2,266**

Change in commissions

In EUR millions	2018	2017
Commissions – assumed	675	561
Commissions – retroceded	(176)	(152)
TOTAL	**499**	**409**

5.3.2. ANALYSIS OF INVESTMENT INCOME AND EXPENSES BY NATURE

	2018			2017		
In EUR millions	Related companies	Other	Total	Related companies	Other	Total
Revenues from securities	602	1	603	81	1	82
Revenues from other investments	133	34	167	135	19	154
Other revenues	-	1	1	-	1	1
Realized gains	11	5	16	-	-	-
Total investment income	**746**	**41**	**787**	**216**	**21**	**237**
Management and financial costs	-	9	9	-	4	4
Other investment expenses	21	93	114	30	91	121
Realized losses	-	95	95	13	39	52
Total investment expenses	**21**	**197**	**218**	**43**	**134**	**177**

Dividends received from subsidiaries amount to EUR 602 million and include SCOR Global P&C SE (EUR 250 million), SCOR Auber SAS (EUR 130 million), SCOR Global Life SE (EUR 100 million), Scor Capital Partners (EUR 75 million), SCOR Holding Switzerland AG (CHF 50 million or EUR 41 million), MRM (EUR 3 million), SCOR Investment Partners SE (EUR 2 million) and OPCI SCOR Properties II (EUR 1 million).

Foreign currency transactions

Foreign currency loss amounts to a EUR 4.4 million loss in 2018 compared to a EUR 8.8 million loss in 2017.

Foreign currency hedging strategy

The corporate financial statements are prepared in original currencies and converted into Euros. Fluctuations in the exchange rates used to convert the accounts might generate a significant foreign exchange impact. To limit the exchange rate fluctuation risk, forward foreign currency transactions are entered into to hedge the main currency surpluses in the balance sheet and adjusted during the year for material arbitrage transactions involving currencies. Hedges include spot trades of foreign currencies, forward trades of foreign currencies and option strategies.

5.3.3. ANALYSIS OF GENERAL EXPENSES BY TYPE AND NON RECURRING INCOME OR LOSS

General expenses by nature

In EUR millions	2018	2017
Salaries	136	124
Pensions	4	5
Payroll taxes	25	23
Other	5	5
Total personnel expenses	**170**	**157**
Other general expenses	227	220
TOTAL GENERAL EXPENSES BY TYPE	**397**	**377**
Workforce		
Executives – Paris	259	262
Employees/Supervisors – Paris	30	32
Employees/branches	528	511
TOTAL CURRENT WORKFORCE	**817**	**805**

Non-recurring result

The non-recurring loss amounted to EUR (1) million mainly due to the following items:

- French tax depreciation on acquisition costs of EUR (0.4) million;
- several write-off of EUR (1) million;
- other exceptional revenues of EUR 0.4 million.

It breaks down into non-recurring income for EUR 0.4 million and non-recurring expenses for EUR (1.4) million.

5.3.4. ANALYSIS OF INCOME TAX

The Group in France is consolidated for tax purposes and is composed of SCOR SE as the parent company of the Group, SCOR Global P&C SE, SCOR Global Life SE, SCOR Investment Partners SE, SGF SAS, SCOR Auber SAS and its subsidiaries: Mondot Immobilier SAS, Marbot Real Estate SAS and SAS DB Caravelle, SCOR Capital Partners SAS and its subsidiaries Marbot Management SAS, Château Mondot SAS, Mondot Immobilier SAS and Les Belles Perdrix de Trolong Mondot EURL, ReMark France SAS, Réhalto SA. Under the tax agreement, SCOR SE benefits from the tax loss carry-forwards of its subsidiaries, and tax benefits are transferred back to the individual subsidiary concerned in the case of future profits.

Total tax losses of the consolidated French tax Group were EUR 1,117 million as at December 31, 2018 (EUR 1,091 million as at December 31, 2017).

The corporate tax profit of EUR 14.5 million relates mainly to:

- the contribution of subsidiaries that are consolidated for tax purposes of EUR 19.6 million;
- tax credit for the tax Group for EUR 2.5 million;
- tax expense for previous financial years for EUR (3.4) million, including tax audit settlements;
- income tax expense from the branches for EUR (1.3) million;
- income tax expense for the group applied to SCOR SE for EUR (2.9) million.

5.3.5. STOCK OPTIONS

The table below summarizes the status of the various stock option plans in force in 2018:

Plan	Date of Shareholders' Meeting	Date of Board of Directors meeting	Number of options open to subscription	Of which to corporate officers	Date of availability of options
2008	05/07/2008	05/07/2008	279,000	75,000	05/22/2012
2008	05/07/2008	08/26/2008	1,189,000	N/A	09/10/2012
2009	05/07/2008	03/16/2009	1,399,500	125,000	03/23/2013
2009	04/15/2009	04/15/2009	88,500	N/A	11/25/2013
2010	04/15/2009	03/02/2010	1,378,000	125,000	03/19/2014
2010	04/28/2010	04/28/2010	37,710	N/A	10/13/2014
2011	04/28/2010	03/07/2011	703,500	125,000	03/23/2015
2011	05/04/2011	07/27/2011	308,500	N/A	09/02/2015
2012	05/04/2011	03/19/2012	938,000	125,000	03/24/2016
2013	05/03/2012	03/05/2013	716,000	100,000	03/22/2017
2013	04/25/2013	07/31/2013	170,000	N/A	10/03/2017
2013	04/25/2013	11/05/2013	25,000	N/A	11/22/2017
2014	04/25/2013	03/04/2014	694,875	100,000	03/21/2018
2014	05/06/2014	11/05/2014	9,000	N/A	12/02/2018
2015	05/06/2014	03/04/2015	666,881	100,000	03/21/2019
2015	04/30/2015	12/18/2015	45,250	N/A	12/19/2019
2016-1	04/30/2015	02/23/2016	629,118	25,000	03/11/2020
2016-2	04/27/2016	10/26/2016	750	N/A	12/02/2020
2017-1	04/27/2016	03/10/2017	480,000	100,000	03/11/2021
2017-2	04/27/2017	10/24/2017	145,410	N/A	12/02/2021
2018-1	04/27/2017	02/21/2018	380,000	100,000	03/09/2022
2018-2	04/26/2018	10/23/2018	191,338	N/A	12/23/2022
TOTAL AT DECEMBER 31, 2018					
VALUATION					

In application of Articles L. 225-181 and R. 225-137 of the French Commercial Code, the Company adjusted the price of the shares corresponding to options granted and the number of shares linked to options following the capital increases of December 31, 2002, of January 7, 2004 and December 12, 2006. Thus, according to the provisions of Article R. 22891 of the French Commercial Code, the adjustment applied equalizes, to the nearest hundredth of a share, the value of shares that will be received if the rights attached to stock subscription and purchase options are exercised after the capital increase, with pre-emptive subscription rights, of the Company decided on November 13, 2006 and the value of the shares that would have been obtained has those rights been exercised prior to the capital increase.

These calculations were performed individually and plan by plan, and rounded up to the nearest unit. The new basis for exercising the rights attached to the stock subscription and purchase options were calculated by entering the value of the pre-emptive subscription right on the one hand, and the value of the share after detachment of this right on the other, as determined from the average of the opening prices during all the trading days included in the subscription period.

In addition, on January 3, 2007, the Company carried out a reverse stock split of shares comprising the capital of SCOR SE with the exchange of one new share with a par value of EUR 7.8769723 for 10 old shares with a par value of EUR 0.78769723 per share.

The stock option plans granted from 2003 are stock subscription plans that may give rise to a share capital increase.

In 2017, 1,519,860 options were exercised: 386,702 options exercised under the stock option plan of September 13, 2007 vested on September 13, 2011, 176,000 options exercised under the stock option plan of May 22, 2008 vested on May 22, 2012, 106,960 options exercised under the stock option plan of September 10, 2008 vested on September 10, 2012, 226,300 options exercised under the Stock option of March 23, 2009 vested on March 23, 2013, 4,000 options exercised under the stock option plan of November 25, 2009 vested on November 25, 2013, 187,898 options exercised under the stock option plan of March 18, 2010 vested on March 19, 2014, 500 options exercised under the stock option plan of October 12, 2010 vested on October 13, 2014, 131,000 options exercised under the stock option plan of March 22, 2011 vested on March 23, 2015, 47,000

Plan expiration date	Subscription of purchase price	Methods of exercising (if several periods)	Number of options exercised as of December 31	Number of options cancelled as of December 31	Number of options oustanding as of December 31, 2018
05/22/2018	15.63	N/A	243,000	-	36,000
09/10/2018	15.63	N/A	849,410	135,000	204,590
03/23/2019	14.92	N/A	869,500	88,000	442,000
11/25/2019	17.12	N/A	25,000	56,500	7,000
03/19/2020	18.40	N/A	641,298	147,500	589,202
10/13/2020	17.79	N/A	13,000	16,210	8,500
03/23/2021	19.71	N/A	258,500	78,000	367,000
09/02/2021	15.71	N/A	152,500	94,000	62,000
03/24/2022	20.17	N/A	214,500	168,000	555,500
03/22/2023	22.25	N/A	98,000	67,500	550,500
10/03/2023	24.65	N/A	20,000	65,000	85,000
11/22/2023	25.82	N/A	-	20,000	5,000
03/21/2024	25.06	N/A	-	51,750	643,125
12/02/2024	24.41	N/A	-	3,000	6,000
03/21/2025	29.98	N/A	-	16,500	650,381
12/19/2025	35.99	N/A	-	41,500	3,750
03/11/2026	31.58	N/A	-	3,750	625,368
12/02/2026	29.57	N/A	-	-	750
03/11/2027	33.78	N/A	-	-	480,000
12/02/2027	34.75	N/A	-	-	145,410
03/08/2028	35,10	N/A	-	-	380,000
12/22/2028	40,81	N/A	-	-	191,338
			3,384,708	**1,052,210**	**6,038,414**
			56,994,553	**20,892,063**	**132,286,299**

options exercised under the stock option plan of September 1, 2011 vested on September 2, 2015, 135,500 options exercised under the stock option plan of March 23, 2012 vested on March 24, 2016, 98,000 options exercised under the stock option plan of March 21, 2013 vested on March 22, 2017 and 20,000 options exercised under the stock option plan of October 2, 2013 vested on October 3, 2017.

In 2018, 1,278,077 options were exercised: 36,000 options exercised under the stock option plan of May 22, 2008 vested on May 22, 2012, 191,590 options exercised under the stock option plan of September 10, 2008 vested on September 10, 2012, 279,550 options exercised under the stock option plan of March 29, 2009 vested on March 23, 2013, 287,737 options exercised under the Stock option of March 18, 2010 vested on March 18, 2014, 1,700 options exercised under the stock option plan of November 25, 2009 vested on November 25, 2013, 187,898 options exercised under the stock option plan of October 12, 2010 vested on October 12, 2014, 112,500 options exercised under the stock option plan of March 22, 2011 vested on March 22, 2015, 11,000 options exercised under the stock option plan of September 1, 2011 vested on September 1, 2015, 148,500 options exercised under the stock option plan of March 23, 2012 vested on March 23, 2016, 154,000 options exercised under the stock option plan of March 21, 2013 vested on March 21, 2017, 8,000 options exercised under the stock option plan of October 2, 2013 vested on October 2, 2017, 5,000 options exercised under the stock option plan of November 21, 2013 vested on November 21, 2017, 38,750 options exercised under the stock option plan of March 20, 2014 vested on March 20, 2018 and 3,750 options exercised under the stock option plan of December 1, 2014 vested on December 1, 2018.

It should be noted that SCOR is committed to the neutral impact of each stock option and performance share allocation in terms of dilution. To achieve this, SCOR's policy is to systematically neutralize, insofar as possible, the potential dilutive impact that could result from the issuance of new ordinary shares following the exercise of stock options, by covering the exposure resulting from the issuance of stock options through the purchase of ordinary shares under its share buyback program and by cancelling the treasury shares thus acquired as the options are exercised. Thus, there is no capital dilution resulting from the granting of stock options.

5.3.6. EMPLOYEE SHARE OWNERSHIP PLANS

Employee profit-sharing

Under these agreements, employees of SCOR SE and certain subsidiaries are entitled to invest the amounts due to them under the profit-sharing plan in a corporate mutual fund entirely invested in SCOR SE shares.

In EUR thousands	2018	2017	2016	2015	2014
Amount distributed under the profit-sharing plan	182	1,665	1,216	1,055	1,247

The amount of 2018 profit-sharing payouts has been estimated in the accounts and set aside for EUR 0,9 million.

Amount paid into the Company employee saving plan

In EUR thousands	2018	2017	2016	2015	2014
Profit sharing(1)	130	1,217	740	674	722
Net voluntary payments(2)	717	607	515	483	442
Total payments	**847**	**1,824**	**1,255**	**1,157**	**1,164**
NET EMPLOYER CONTRIBUTION(3)	**602**	**630**	**509**	**528**	**480**

(1) Paid out in the financial year for the previous financial year.
(2) The voluntary payments shown include payments to all corporate mutual funds (FCPE), including PERCO since 2015.
(3) Including PERCO.

Personal training account

As of January 1, 2015, the personal training account (Compte Personnel de Formation – CPF) replaces the individual training entitlement (Droit Individuel à la Formation – DIF), in accordance with Law No. 2014-288 of March 5, 2014 relating to professional training, employment and social democracy. It should be noted that the CPF is managed externally by the Caisse des dépôts et consignations.

5.3.7. COMPENSATION OF THE CORPORATE OFFICER

The following table presents the gross cash compensation paid in 2017 and 2018 to the Group Chairman and Chief Executive Officer:

Chairman and Chief Executive Officer

In EUR	2018	2017
Fixed compensation	1,200,000	1,200,000
Variable compensation	1,120,020	1,419,600
Directors' fees	70,000	55,000
TOTAL CASH COMPENSATION	**2,390,020**	**2,674,600**

The Chairman and Chief Executive Officer benefits from a company car and a shared driver.

The Total pension benefits commitments relating to the corporate officer amount is EUR 22 million.

5.3.8. ANALYSIS OF COMMITMENTS GIVEN AND RECEIVED

	Commitments received		Commitments given	
In EUR millions	2018	2017	2018	2017
Ordinary course of business	**8,173**	**7,288**	**19,145**	**16,845**
Financial instruments	1,228	1,028	1,190	1,016
Confirmed credits, letters of credit and guarantees given	197	195	11	11
Other commitments given and received	6,748	6,065	17,944	15,818
Hybrid transactions	-	-	-	-
TOTAL	**8,173**	**7,288**	**19,145**	**16,845**

Commitments received and given in the ordinary course of business

Financial instruments received and given

	Commitments received		Commitments given	
In EUR millions	2018	2017	2018	2017
Rate swaps	-	-	-	-
Cross-currency swaps	550	483	504	464
Currency forward purchases/sales	678	545	676	542
Trust assets	-	-	10	10
TOTAL	**1,228**	**1,028**	**1,190**	**1,016**

Cross-currency swaps are used to hedge foreign exchange and interest rate risks of perpetual notes in USD issued in 2018: the instruments convert the principal of 2018 placements for a total of USD 625 million into EUR and the coupon on the USD 400 million tranche to 2.945 % and on the USD 225 million tranche to 2.955 %. Both instruments will mature on March 13, 2029.

In 2018, currency forward purchases and sales generated unrealized loss of EUR (1) million.

Confirmed credits, letters of credit, and guarantees received and given

	Commitments received		Commitments given	
In EUR millions	2018	2017	2018	2017
Confirmed credit	150	-	-	-
Letters of credit (unused portion)	47	195	-	-
Letters of credit	-	-	-	-
Securities pledged to financial institutions	-	-	-	-
Investments in subsidiaries and affiliates pledged to financial institutions	-	-	-	-
Other guarantees given to financial institutions	-	-	11	11
TOTAL	**197**	**195**	**11**	**11**

Various financial institutions provide sureties for our Company in the form of letters of credit to collateralize SCOR SE's technical liabilities. The total amount that benefits to cedents, not included in the table above, is EUR 4 million (EUR 4 million in 2017) as at December 31, 2018.

Confirrmed credit

On December 26, 2018, SCOR SE received from BNP PARIBAS SA a EUR 150 million commitment as an overdraf facility.

Capacity to issue letters of credit

As at December 31, 2018, SCOR SE has an outstanding letter of credit capacity of EUR 47 million (EUR 195 million in 2017), recognized as a commitment received from banks. This outstanding capacity can be used to provide collateral on the forthcoming underwritten business. The allocation per bank is the following:

- BNP Paribas: USD 13 million (EUR 12 million);
- Deutsche Bank: USD 1 million (EUR 1 million);
- Natixis: USD 11 million (EUR 10 million);
- Helaba: USD 2 million (EUR 2 million);
- Commerzbank: USD 10 million (EUR 9 million);
- Citibank: USD 15 million (EUR 13 million).

Other guarantees given

The guarantee given in consideration for underwriting commitments with the cedent ACE was USD 13 million (EUR 11 million). This guarantee was in the form of securities pledged to ceding companies.

Other commitments given and received

In EUR millions	Commitments received 2018	Commitments received 2017	Commitments given 2018	Commitments given 2017
Guarantees and securities	5	24	40	32
Underwriting commitments	-	-	186	7
Assets pledged to ceding companies	-	-	-	-
Marketable securities pledged to financial institutions	-	-	-	-
Parental guarantees	6,638	6,010	17,521	15,706
Contract termination indemnities	-	-	-	-
Lease	106	31	197	73
TOTAL	**6,748**	**6,065**	**17,944**	**15,818**

As at December 31, 2018, commitments received by SCOR SE for parental guarantees amount to EUR 6,638 million (EUR 6,010 million in 2017), and come from:

- SCOR Global Life SE: EUR 3,319 million (EUR 3,005 million in 2017);
- SCOR Global P&C SE: EUR 3,319 million (EUR 3,005 million in 2017).

As at December 31, 2018, commitments given by SCOR SE for parental guarantees amount to EUR 17,521 million (EUR 15,706 million in 2017), and benefit mainly to:

- SCOR Global Life SE: EUR 5,250 million (EUR 5,211 million in 2017);
- SCOR Global P&C SE: EUR 3,756 million (EUR 4,086 million in 2017);
- SCOR Holding Switzerland AG: EUR 2,705 million (EUR 2,857 million in 2017);
- SCOR Reinsurance Company: EUR 1,517 million (EUR 1,116 million in 2017);
- SCOR Global Life America Holding Inc: EUR 963 million (EUR 1,273 million in 2017);
- SCOR Global Life Ireland: EUR 2,203 million (no commitment in 2017).

Commitments given and received in respect of hybrid transactions

Apart from commitments mentioned in the note above, the Company no longer has any commitment with respect to hybrid transactions such as asset swaps or index default swaps. No facts in connection with the aforementioned commitments given and received have been brought to SCOR's knowledge, which may have an adverse impact on cash flows, cash positions or on its liquidity requirements.

5.3.9. POST BALANCE SHEET EVENTS

In September 2016, SCOR announced that it was considering merging SCOR SE with its two European reinsurance affiliates SCOR Global P&C SE and SCOR Global Life SE, wholly-owned subsidiaries of SCOR SE, with a retroactive effect on January 1, 2019.

5.3.10. LITIGATION

None.

6. CERTIFICATION OF AUDIT OF HISTORICAL FINANCIAL INFORMATION

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Annual General Meeting of SCOR SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of SCOR SE for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for Statutory Auditors.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of technical reserves related to reinsurance contracts

(see Notes 5.1.8 and 5.2.7 of the notes to the corporate financial statements)

Risk identified	Our response
The technical reserves of your company amount to EUR 2 million for Life reinsurance and EUR 3,011 million for Non-Life reinsurance as at December 31, 2018. As stated in Note 5.2.7 of the notes to the corporate financial statements, the technical activity of your company is primarily related to internal retrocession treaties implemented as part of the Group dedicated program. The technical reserves of your company are therefore predominantly a reflection of technical reserves in accordance with reinsured contracts. These reserves are estimated based on the methodology described below. As explained in Note 5.1.8 of the notes to the corporate financial statements, the Non-Life technical reserves are determined at year-end at a level that covers the estimated amount of its commitments as well as estimated claims management costs for both reported and unreported claims. Ultimate claims cost for a contract is estimated based on statistical experience for similar policies. Technical reserves for Life reinsurance are submitted by ceding companies and completed by estimates calculated by Life actuaries using statistics based on historical data and information provided by underwriters. The Company is required to have adequate reserves to cover its commitments after consideration of estimated investment returns, mortality, morbidity and lapse rates, and other assumptions. These estimates include significant uncertainties and require a significant degree of judgement from management. In this context, we considered the measurement of technical reserves as a key audit matter.	To cover the risk related to the technical reserves estimation, our audit approach was as follows: ◆ we updated our understanding of the procedures and methods of measurement used in determining the technical reserves; ◆ we obtained an understanding of the internal controls framework and tested the efficiency of key controls established by management in order to assess the completeness and reliability of the data and of the implemented models; ◆ we examined the relevance of actuarial methods and parameters used as well as the assumptions chosen for a selection of contracts; ◆ we performed procedures to analyze differences between expected claims and occurred claims in order to control subsequently the quality of estimates performed by the management; ◆ we performed, with the support of our Non-Life actuarial team, a recalculation using our own assumptions and tools, of technical reserves for the most sensitive actuarial segments reserves; ◆ for Non-Life business, we analyzed the documentation supporting the measurement of reserves related to catastrophes, both man-made and natural; ◆ we included within our team members with specific skills in IT systems to perform procedures aiming at reviewing the internal control environment of the systems used by the management and test the functioning of several automated processes. With regards to the specific review for the measurement of Life and Non-Life technical reserves from the affiliates, we reconciled the technical reserves and claims recorded in the financial statements of your company with the financial statements of reinsured affiliates.

Measurement of reinsurance premiums

(see Notes 5.1.7 and 5.3.1 of the notes to the corporate financial statements)

Risk identified	Our response
SCOR SE gross written premiums amount to EUR 2,056 million, during 2018 financial year. As stated in Note 5.3.1 of the notes to the corporate financial statements, premiums written by your company are mainly premiums assumed as part of the internal reinsurance program of the Group. They include affiliates' estimated written premiums which are then ceded to your company. Accounts not received from ceding companies at the year-end are estimated, as stated in the Note 5.1.7 of the notes to the corporate financial statements. Overall, the premiums recorded for the year (premiums reported in the accounts received from cedants and estimated premiums) correspond to the estimated premium expected at the time the policy was underwritten. Your company and its affiliates periodically review their assumptions and estimates based on experience as well as various other factors. Actual premiums can turn out to be different from management estimates. Observing a large portion of estimates in the written premiums of a financial year is specific to the reinsurance business. In this context, we considered the measurement of reinsurance premiums as a key audit matter.	We examined the reciprocity of premiums booked with the financial statements of reinsured affiliates. On the specific area of the evaluation of affiliates reinsurance premiums, our audit approach was the following: ◆ we obtained an understanding of the internal controls framework on processes related to Life and Non-Life premium estimates and we tested the efficiency of key controls established by management; ◆ we examined the consistency of premiums estimates over the period, comparing them both to the operational plan prepared by management and approved by Board of Directors and to premiums actuals from previous financial years and we investigated, if any, significant differences identified; ◆ we performed, for a selection of contracts, a deep analysis of underlying assumptions taking into account the activity, the records of reinsurance accounts received, and any new information received from ceding companies; ◆ for new contracts underwritten in 2018, we performed on a sampling basis, controls on the consistency of premium estimates based on new business information available at the underwriting department; ◆ we included, within our team, members with specific skills in IT systems to perform procedures aimed at testing automated computations and controls of Non-Life premiums estimates. On the specific area of the evaluation of reinsurance premiums assumed from affiliates, we examined the reciprocity of premiums booked with the financial statements of reinsured affiliates.

Measurement of investments in affiliates

(see Notes 5.1.2 and 5.2.1 of the notes to the corporate financial statements)

Risk identified	Our response
On December 31, 2018, investments in affiliates were recorded for a net book value of EUR 7,949 million, representing 60% of the total balance sheet. They are initially measured at historical acquisition cost. Subsequently, their value is determined based on their nature and holding period: ◆ For active reinsurance companies, the fair value is the revaluated net assets value including the value of Life reinsurance portfolio and the forecasts of future profits of Non-Life reinsurance, net of taxes. At each reporting date, if the fair value of an investment in affiliates is below its historical cost, an analysis is conducted in order to determine if an impairment loss should be recorded. The assumptions and outcome of this analysis, conducted as at December 31, 2018, are detailed in 5.2.1 of the notes to the corporate financial statements. Given the weight of investments in affiliates, the complexity of models used and their sensitivity to changes in data and assumptions, we considered the measurement of investments in affiliates as a key audit matter.	To cover the risk related to the measurement of investments in affiliates, our audit approach was as follows: ◆ examining of the estimates determined by management and analyzing the valuation methodology and the figures used, based on the information communicated to us; ◆ comparing the data used in the impairment tests of investments in affiliates to source data per entity as well as results of audit work on these affiliates, if appropriate; ◆ examining, on a sample basis, the calculation of recoverable values used by the Company.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the Management Report and of the Other Documents Provided to Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements, except for the below mentioned observation reminded that it is not our responsibility to conclude on the fair presentation and consistency with the financial statements of the solvency related information required by article L. 355-5 of the French Insurance code (Code des assurances).

The sincerity and consistency of the information relating to the payment terms mentioned in Article D.441-4 of the French Commercial Code (Code de commerce) with the financial statements lead us to report the following observation: As indicated in the management report, this information does not include insurance and reinsurance transactions, as your company considers that they do not fall within the scope of the information to be produced, in accordance with the circular of the Fédération Française de l'Assurance of May 22, 2017.

Information with respect to the corporate governance

We attest the existence, in the Management Report section on corporate governance, of information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of SCOR SE by the Annual General Meeting held on June 22, 1990 for MAZARS and on May 13, 1996 for ERNST & YOUNG Audit.

As at December 31, 2018, MAZARS and ERNST & YOUNG were in the 29th year and 23rd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors of SCOR SE.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of your Company or the quality of management of the affairs of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris La Défense, February 18, 2019

MAZARS		ERNST & YOUNG Audit	
Jean-Claude PAULY	Guillaume WADOUX	Isabelle SANTENAC	Patrick MENARD

APPENDIX D
NON FINANCIAL PERFORMANCE DECLARATION

This consolidated non-financial performance declaration was prepared in accordance with the provisions set out in Article L. 225-102-1 of the French Commercial Code enacting Directive 2014/95/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Unless stated otherwise, this consolidated declaration covers SCOR SE and all its fully-consolidated subsidiaries[(1)] , hereinafter "SCOR" or "the Group", other than the exceptions stipulated in the note on methodology in the appendix to this declaration.

1. BUSINESS MODEL AND PRESENTATION OF THE RISKS

1.1. BRIEF DESCRIPTION OF THE GROUP'S BUSINESS ACTIVITIES

SCOR, the world's fifth-largest reinsurer, established in about 30 countries and providing its services to over 4,000 clients worldwide, is chiefly active via two reinsurance divisions (Life and P&C) and a division specialized in proprietary investments and third-party asset management.

The Group is structured around three regional management platforms, or organizational Hubs (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

The Group[(2)] is a three-engine group driven by SCOR Global Life, SCOR Global P&C and SCOR Global Investments. The Group's organizational choices are guided by the principles of mobilization of skills and expertise, operating efficiency, structural simplicity, clear reporting lines and balance between teams from the Group's different entities.

1.1.1. REINSURANCE BUSINESS

The reinsurance industry has a specific feature that it does not share with other economic sectors, which tend to be marked by cycles and trends: our industry is structurally exposed to shocks. Large risks and catastrophes, which make up the raw material of reinsurance, are shocks with varying origins, sizes and consequences affecting economies and populations.

The inverse nature of our production cycle is another specific feature of the reinsurance business model: the selling price of reinsurance products and services is settled before their actual cost is precisely known.

In this context, reinsurance creates diversified risk portfolios in order to minimize correlation between risks. This is achieved through the aggregation of large risks that, as a reinsurer, SCOR mutualizes by business line and by geographical area. Our Group thus builds a portfolio with a relatively regular and predictable risk profile, and SCOR limits its exposure by transferring part of these risks through retrocession and Insurance-linked securities.

Reinsurance is therefore a business that involves deliberately taking calculated risks. It enables the Group's clients to cover their risks by transferring some of them, so that they can be shared worldwide. In return for a premium that it invests to generate income while applying strict criteria, reinsurance absorbs the financial consequences of the major events to which it is exposed.

(1) Except for the Remark Group (direct marketing) and Château Troplong Mondot (vineyard) owing to the substantial differences in their business model and risk profile. Other fully-consolidated undertakings were excluded because they were only recently added to the scope of consolidation or, depending on the information categories, because they were not included in the Group's management and reporting processes. These exclusions are listed in the note on methodology in the appendix to this declaration.

(2) In the context of Solvency II, SCOR announced in September of 2016 that it was considering merging its three reinsurance SE entities (SCOR SE, SCOR Global P&C SE and SCOR Global Life SE) as a way to optimize its organizational structure. At the date of this non-financial performance declaration, the merger is on track and is expected to be completed in 2019.

The Group is active in two reinsurance segments via its divisions:

- the SCOR Global P&C Division operates in three business areas: Specialty insurance (e.g. Business Solutions, Managing General Agencies, Channel 2015), reinsurance (e.g. Property, Casualty, Credit and Surety, Decennial Insurance, Transport, Construction, Agriculture risks and Natural Catastrophes), and P&C Partners (alternative solutions and new products);
- the SCOR Global Life division covers Life and Health insurance risks through three product lines – Protection, Longevity and Financial Solutions – with a strong focus on biometric risks.

The Group's reinsurance activities and the types of reinsurance it engages in are presented in greater detail in Sections 1.2.5.1, 1.2.5.2 and 1.2.5.3 of the Registration Document. Additional information about developments in the Life and Non-Life reinsurance market is provided in Section 1.3.1 of the Registration Document.

1.1.2. INVESTMENTS AND ASSET MANAGEMENT

The Group also conducts investment activities via SCOR Global Investments, its third division, which is tasked with managing the investment portfolio of the Group's legal entities. Within this division, SCOR Investment Partners directly manages the assets of many of the Group's entities and also manages funds on behalf of third-party clients.

SCOR Global Investments, its organizational structure and vehicles open to third parties are presented in sections 1.2.3.1 and 1.2.5.6 of the Registration Document. Additional information about developments in the financial markets is provided in Section 1.3.1 of the Registration Document.

1.1.3. RESEARCH AND RISK MANAGEMENT

Risk management is at the heart of the Group's reinsurance and investment activities. It is underpinned by a risk appetite framework built around four concepts[1]: Risk Appetite, Risk Preferences, Risk Tolerances and "Footprint" scenarios.

The ability to alleviate the negative consequences of risks requires a robust risk management system, strong modeling capabilities in order to assess, quantify and actively manage risks (e.g. risk pooling and hedging), and a skilled workforce able to combine theoretical and analytical considerations with empirical considerations.

At the forefront of risk modeling, particularly extreme risks in Life and P&C business, the Group devotes considerable resources to fundamental research and the promotion of scientific risk management techniques in various disciplines.

In order to ensure that the Life division is continually up-to-date with biometric trends and scientific developments, the expertise of eight dedicated Research & Development (R&D) Centers is used to assess the key factors inherent to mortality, longevity, morbidity and policyholder behavior. Biometric risks such as mortality, longevity, disability and long-term care are at the heart of underwriting in Life reinsurance. The R&D Centers have entered into many scientific partnerships over the years, the current ones being with: the Assmann Foundation on cardiovascular diseases (until June 2018), ADERA (Association pour le Développement de l'Enseignement et des Recherches auprès des universités, des centres de recherche et des entreprises d'Aquitaine – INSERM) on Long-Term Care risk and the Pierre et Marie Curie University at the Pitié-Salpêtrière Hospital on HIV developments.

In addition, the Group has established the SCOR Corporate Foundation for Science to promote scientific research. Founded in 2011 with a EUR 7.5 million endowment for its first five-year program, the Foundation is now working on its next five-year program. Since 2011, SCOR has devoted more than EUR 13 million to promoting scientific research.

Since it was created, the SCOR Corporate Foundation for Science has financed seminars and colloquiums on scientific subjects such as emerging infectious diseases, longevity risk for modern retirement schemes and the expectations of economic agents in an economic crisis, as well as an international seminar in Paris on meteorites in collaboration the French Muséum national d'Histoire naturelle. The Foundation also jointly organizes events like this. Moreover, it supports research projects across a variety of disciplines, as well as scientific and actuarial awards and research chairs.

SCOR and the SCOR Foundation also organize Actuarial Awards in Europe (France, Germany, Italy, Spain & Portugal, Sweden, Switzerland and the United Kingdom), and in Asia (Singapore). The Group places great importance on the development of actuarial science and each year awards prizes for the best academic papers in this field.

Additional information about the R&D centers, the SCOR Corporate Foundation for Science, and other research activities, including the Insurance Risk and Finance Research Centre at the Nanyang Business School (Singapore), is presented in Section 1.2.6.2 of the Group's Registration Document.

1.2. CSR GOVERNANCE

At the end of 2017, SCOR SE's Board of Directors established a committee devoted to social and environmental issues: The Corporate Social and Societal Responsibility and Environmental Sustainability Committee. A majority of the Committee's members are independent directors, and it is chaired by Fields Wicker-Miurin. This Committee's missions, its composition and a report on its activities during the year covered by this declaration are presented in Section 2.1.4.5 – The Corporate Social and Societal Responsibility and Environmental Sustainability Committee of the Registration Document.

The Group's Executive Committee also has a CSR Committee and an operational committee encompassing the divisions, Group functions (e.g., human resources, communication, investor relations), and representatives of the Hubs.

(1) These concepts are defined in Section 1.2.5 of the Group's Registration Document.

1.3. STAKEHOLDERS

Aside from its employees, SCOR maintains relationships with a broad range of stakeholders directly affected by its business. The Group's stakeholders include: shareholders and investors, clients and reinsurance brokers, financial and non-financial rating agencies, national supervisory authorities for the insurance and reinsurance industries, trade associations representing the interests of the insurance and reinsurance industry, academics, non-governmental organisations and institutions. Aside from its employees, SCOR maintains relationships with a broad range of stakeholders directly affected by its business.

1.4. PRESENTATION OF THE RISKS AND ANALYSIS

The extra-financial performance statement represents the current view of the non-financial risks of the activity assessed on the basis of the categories of information referred to in III of Article 225-102-1 of the French Commercial Code.

Significant risks as defined in the aforementioned article are identified through the analysis of non-financial risks, based on the information categories referenced above and their first-level breakdown in Article R. 225-105 of the Code of Commerce, on the perception of stakeholder expectations as identified from a set of documentary sources, and on the Group's relationship with those stakeholders. This analysis is led by the department in charge of corporate social responsibility.

The main risks identified in this review concern:

- risks of diminished talent attractiveness that may arise through an inadequate remuneration policy, a lack of support in terms of skills development, or an insufficient consideration of diversity;
- business ethics risks that may arise from matters regarding economic sanctions programs or anti-corruption, anti-money-laundering and anti-terrorism regulations, personal data protection and security requirements, and regulatory tax requirements, including tax evasion matters;
- risks related to climate change that may arise from physical risks and transition risks if they are not factored in the various components of the Group's activities, and expectations in terms of supporting the energy transition.

These risks and their associated policies and programs, along with performance indicators, are set out in the following sections of this declaration.

2. SOCIAL IMPACT OF SCOR'S ACTIVITY

SCOR's Human Resources policy is based on unifying values that reflect its commitment to its clients, to the employees themselves and to the shareholders. Alongside financial capital, human capital is an essential resource for the Group. Financial capital ensures solvency, while human capital ensures profitability. In this sense, one of SCOR's strategic objective resides in its ability to attract, mobilize and retain the talented people to achieve excellence in terms of expertise. Inadequate remuneration policy, lack of initiatives to develop employees skills, or insufficient consideration for diversity may contribute to an operational risk of lack of key people attraction and retention (see Section Risk factors – operational risks). In this respect, the Group's human capital management strives to retain women and men working in the Group, particularly through a fair remuneration policy based on meritocracy, and through structuring actions designed to develop employees skills and promote diversity.

Programs implemented in these areas and associated performance indicators are described in the following sections.

2.1. THE HUMAN CAPITAL AS KEY SUCCESS FACTOR FOR THE GROUP

Considering diversity and inclusion as a strong asset, the Group has implemented a global harmonized human capital management strategy, based on respect and dignity and where individual differences are valued, and skills and knowledge are developed throughout the employees' career.

Thanks to the recruitment process and tools, the Group identifies the best candidates available on the market and facilitates their integration. Once hired, new employees are supported throughout their SCOR career path. The Group pays particular attention to the recognition of each individual's performance, thanks to a homogeneous and global remuneration structure, aligned with our shareholders interests, with regulatory requirements, and with the labor market practices prevailing in the reinsurance industry. The Group also offers employees the opportunity to develop their individual skills regarding the business needs and it encourages professional mobility.

Proposing an innovative working environment, SCOR finally facilitates the transmission of knowledge and know-how through the implementation of dedicated programs (e.g. mentoring) and the definition of succession plans.

2.1.1. ALIGN STAKEHOLDERS INTERESTS AND RETAIN TALENTED PEOPLE THROUGH A MERIT-BASED COMPENSATION POLICY

The Group's compensation policy is uniformly applied and designed with the objective of aligning interests by discouraging excessive risk taking, while attracting and retaining employees and rewarding individual performance.

Key elements of compensation policy

SCOR maintains a holistic approach to compensation. Compensation comprises several components: a fixed and a variable portion, an immediate and a deferred portion, an individual and a collective portion. The components include a base cash salary, an annual cash bonus, shares and options where applicable, pension schemes and any other benefits.

Base salaries are set according to criteria that consider a variety of factors, such as conditions on the local labor market, education and professional experience before joining SCOR, expertise acquired, and the present position and responsibilities of the employee.

SCOR reviews base salaries on a yearly basis to reward individual performance as well as when new responsibilities are undertaken by the employee. An automatic adjustment to account for inflation is not applied as a general rule and is only granted in the few countries where it is legally required.

For employees who are not Partners, the SCOR cash bonus rewards individual performance over the previous year.

In addition, the Group pursues a policy of employee share ownership, which resulted in shares allocation to the employees (depending on their performance) in 2010, 2011, 2013, 2014, 2015 and 2018.

"Partners" program

This program involves approximately 25% of the total number of employees. In addition to specific compensation plans, this program gives access to selective information and proposes specific career development solutions.

There are four main Partner levels: Associate Partners (AP), Global Partners (GP), Senior Global Partners (SGP), and Executive Global Partners (EGP). Apart from the EGPs, these levels are then sub-divided into two levels, to take into account seniority or special achievement promotions.

The Company has a formalized and carefully designed procedure for appointing and promoting Partners implemented every year during an Executive Committee meeting. Candidates to a nomination or a promotion within the partnership must have consistently demonstrated their skills, leadership and commitment in the past.

The level of Partnership determines the bonus components of the Partners. Calculated from the basic gross annual salary, the SCOR bonus system is linked directly to the individual performance appraisal (corresponding to predefined ranges linked to individual performance) and also to the ROE that SCOR achieved in the past financial year.

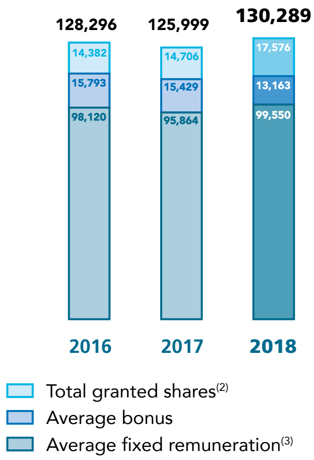
The Partners of SCOR are also eligible to free shares and stock options. However, this does not mean that an allocation occurs every year or that every Partner will receive them. In addition, the Group has set up a complementary system, the Long Term Incentive Plan (LTIP), to retain some of its key employees. The free shares and stock options process is supervised by the Compensation and Nomination Committee.

This compensation policy reflects the Group's desire to implement compensation schemes in accordance with best market practices and enables it to involve key employees in the long-term development of the Group.

In terms of risk and regulatory, SCOR is committed to maintaining a Remuneration Policy that is fully in line with SCOR's controlled risk appetite and discourages taking excessive risks, to aligning management incentives with shareholders objectives, to having an innovative Remuneration Policy, to motivating and retaining its pool of talent and to being fully compliant with the regulations and guidelines defined by the regulators as regards Remuneration Policy.

Compensation (composition of the package)(1)

In EUR



(1) The corporate officer is not included. Total compensation is calculated on the basis of 2,810 employees as at December 31, 2018.

(2) Amount calculated by multiplying the number of shares granted by the fair value of each plan which is calculated in accordance with IFRS.

(3) Average fixed compensation is based on the annual base salary paid to the employee, prorated to actual hours worked.

2.1.2. PROMOTING THE INCLUSION THROUGH DIVERSITY AND EQUAL TREATMENT

Promoting diversity and equal treatment is an essential objective of the Group's human capital management policy. It is part of the social commitments assumed by the Group while contributing to its economic and financial performance and helping to attract and retain skills.

This commitment to provide a work environment free from discrimination and/or harassment based on gender, sexual orientation, race, religion, disability, or acting as a staff representative or participating in a trade union is part of the Group code of conduct. Non-compliance to this commitment may lead to sanctions within the limits of applicable laws and regulations.

Publicized and promoted to employees, particularly during the annual Global Diversity Week, the diversity policy is part of the #WorkingWellTogether program launched in 2018, whose main lines are aligned with the Code of Conduct: #Gender diversity, #Generational diversity, #Multicultural, #Employee with disabilities, #Wellbeing.

As part of this program, the Group has implemented several initiatives in 2018. Objectives of these initatives was to promote diversity in all its forms and to encourage a global culture and good working relationships.

Equal treatment between female and male employees

Equality of treatment between women and men is the subject of a global charter, in place since 2016. This charter is supported by a policy whose objective is to build a more mixed talent pool, in particular through balanced succession plans and coaching programs for leadership positions.

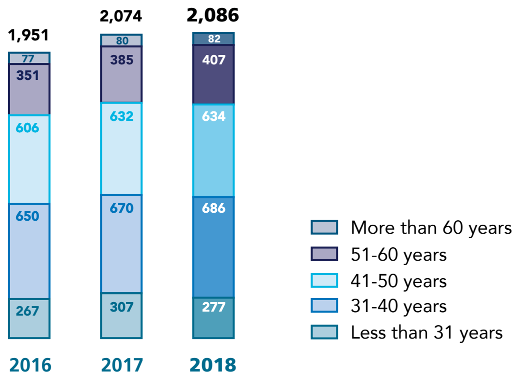
At the end of 2018, 29% of the Partners are women.

2018 Achievements:

- Review of a roadmap for gender diversity and equal treatment: the Corporate and Social Responsibility Committee heard the Group Head of Human Resources & Transformation on the results achieved in terms of diversity and on the initiatives proposed to facilitate women's access to positions of responsibility within the Group and to enhance the female talent pool. This roadmap is based on the fight against the risks of discrimination through adapted recruitment processes, and on a proactive approach when taking decisions (salary increase, performance assessment, promotion within the partners program, identification of the high potential employees during the Strategic Talent Workforce Reviews).
- Continuing the actions implemented by the internal network dedicated to the promotion of diversity: launched in 2016 and animated by a mixed network of volunteer employees, the SIGN network (SCOR International Gender Network) organizes events and activities in favor of gender diversity, deployed both globally and regionally.
- Development of a pilot mentoring program: this program of development for high-potential employees, based on an individual sponsorship, was launched in 2017, developed in 2018 and proposed to 14 women. Due to the positive feedback, this program was integrated into the action plan proposed by the human resources department and extended to the Group's male population.
- Collective agreements, regional networks and local events: signing of the agreement on the life quality at work including equal treatment between women and men (Paris); joining The Women's Insurance Network (London); partnership with "Advance" to increase the share of women in leading positions (Zurich); organization of a lunchtime talk with the Group Secretary General to discuss the role of women in leading positions (Singapore).

Cultural and generational diversity (#multicultural diversity, #generational diversity)

Breakdown by age(1)



(1) Due to local laws, the age of the employees working in the Americas Hub has not been taken into account in these figures.

With 65 nationalities and substantial cultural differences, the Group pays close attention to the conditions necessary for a collaborative work, to the integration of new employees, and to support the older and junior employees in the Company. Ambition of SCOR is thus to encourage employees to work better together and to better share their knowledge globally, to accelerate the integration of newcomers, to offer new development opportunities for older employees and to improve visibility of young employees.

2018 achievements:

- Implementation of non-discriminatory measures for older employees are applied in certain locations, especially in Paris where an agreement on employees non-discrimination and equal treatment was renewed for the 2017-2019 period, recruitment and job retention, career planning, skills management for older employees.
- Personal coaching and support for older employees are also in place, along with a pension scheme adaptable according to employee's personal situation (Cologne).
- Promotion of cultural differences in the United States ("Color My World: Costumes from around the world"). In Australia, China and Japan, lunch and learn webinars were organized to raise awareness on the cultural differences. In France, employees were invited to express their feelings about the diversity question during painting and writing workshop. In the United-Kingdom, a conference has presented to employees the evolution of the LGBT matters in the insurance market in coordination with LINK (Lesbian, Gay, Bisexual, Transgender Network).

Integration of employees with disabilities (#Employee with disabilities)

In an incentive regulatory environment, SCOR intends to scale-up its support to disabled-people's employment. The Group aims at communicating better on disabilities to change biased attitudes about people with disabilities, to inform this group of employees about their rights and to offer them tools and solutions to ensure their full integration and retention.

- Declared employees with disabilities account for 0.82% of SCOR's workforce, or 23 employees. Over the last 5 years, this share has remained steady. They are all employed in the EMEA region that accounts for 60% of SCOR's total workforce.

2018 achievements:

- Participation to the French-led governmental initiative called the "DuoDay" which took place on April 26, 2018.
- Promotion of the disability as an integral part of diversity through the Global Diversity Week and to facilitate the integration of the employees with disabilities.
- Participation in the "Officiel du Handicap" event (a unique national initiative gathering high level public authorities, companies and associations) organized by "Mission Handicap" (a French organization promoting the employment for the employees with disabilities).
- First edition of "la semaine du handicap" organized in 2018 in Paris. An internal communication campaign is implemented to enhance employees' knowledge on the inclusion of employees with disabilities.

Employees wellbeing

The Group aims at retaining talented employees by facilitating work-life harmony through the development of an innovative and flexible working environment and dedicated events raising awareness on health and wellbeing at work. In 2018, the turnover rate was 8.6% (number of departures in 2018 (excluding dismissals, deaths, Company transfers and trainees)/headcount as at December 31, 2017)). This rate is at an acceptable level in regards to this challenge.

2018 achievements:

- Specific attention is paid to the flexible office solutions proposed to the employees. The principle locations of the Group (France, UK, Switzerland, Germany, USA) have implemented a teleworking program.
- Provision of Yammer, innovative and secure enterprise social network through which SCOR employees connect, collaborate and coordinate in an agile way.
- Implementation of specific initiatives to raise awareness on employees wellbeing: "wellbeing week", "health awareness" event, information meetings. They are a key opportunity for employees and Company to discuss the balance between private and professional life.
- In most of the locations, medical and health services offered to the employees (medical appointments, examination, sport activity, work stating assessment and ergonomic solutions, specific solutions for stress management).
- In some countries, possibility offered to employees to give their own paid vacation days to other employees in a critical personal situation (e.g.: sick child).
- In 2018, introduction of the "Future@SCOR" program in Asia. It is anchored around three guided objectives: enhanced employees benefits, supported scheme to help employee"s wellbeing in the workplace, implement flexible work arrangement.
- Although no collective agreement related to health and safety in the workplace was signed in 2018, 23 meetings were held with the Group's staff representatives to discuss local health and safety conditions (seven meetings in France, three en Suisse, two in Brazil, nine in Colombia, one in Mexico).
- Due to its geographical locations and applicable local laws, the Group complies with all the provisions of the International Labor Organization. The themes related to the "Elimination of discrimination in respect of employment and occupation" and "Freedom of association and the effective recognition of the right to collective bargaining" are described, in particular, in the paragraph Equal treatment between female and male employees and in Section 2.1.4 – Developing social dialogue. Labor relations within the Group can be considered as good. A good social dialogue exists in each Hub and at the European level.
- In 2018, a computerized solution has been implemented to better identify the reasons of departure for the employees who has resigned from the Group. In addition, regular surveys are conducted to identify the level of satisfaction of the new employees concerning their on-boarding.
- In 2018, the Group's staff absenteeism rate was approximately 4.55%. (number of days of absence in 2018 including sick leave, maternity, paternity, parental leave, sabbatical vacation and exceptional leave)/(total theoretical number of days worked in 2018)).

2.1.3. DEVELOPING SKILLS AND PREPARING FOR FUTURE NEEDS

Developing the expertise, knowledge and career paths is a key condition to ensure employees motivation and wellbeing, and finally the Group performance. In this regard, a whole range of facilities has been implemented to support and assist employees in their professional development. This objective of skills development has resulted in the training of nearly 98.5% of employees in 2018[1].

1. Developing individual performance

The annual Appraisal and Development Interview gives employees annual objectives and concrete appraisal of his or her contribution over the past year. It provides them with the means by which to make the most of their skills. This interview is a key element in the human capital management in terms of individual career management, training and salary development.

(1) The figure includes the global e-learning programs.

2. Considering career prospects

Beyond analyzing the employee's performance over the past year and setting new objectives, the annual appraisal facilitates the professional development of each employee. With their managers, employees examine the career prospects available within the Group, based on their personal aspirations and the needs of the Company. Together, they also identify any training actions that could help them to achieve new objectives. Strategic Talent Workforce Reviews also provide the possibility to implement individual action plans (training, professional development, remuneration, etc.) for each employee.

3. Identifying the Group's strategic needs and skills and supporting and assisting each employee

The Strategic Talent Workforce Reviews bring together the top management and the human resources department of each Company department. The reviews are organized by activity in three steps: review of the organizational structure and the business challenges, definition of action plans (training, professional development, remuneration, etc.), definition of succession plans.

From an operational point of view, these solutions enable the Group to meet key business needs: having the right talent in the right place, developing skills and preparing for future needs.

4. Developing employee's skills

SCOR University is designed to promote a global and dynamic approach to training, supporting the Group's career management policy.

The training offer is structured around three pillars: Business, Management & Leadership, Excellence. The strategic objectives are to:

- have a consistent SCOR-wide training approach to ensure career development for all employees;
- maintain and develop employees' technical and transversal skills, thus contributing to the Group's performance;
- apply a stringent process for analyzing, controlling and monitoring SCOR's strategic needs;
- make the training policy a powerful means of developing and retaining staff while adhering to local legal requirements.

2018 achievements:

- Implementation of new self-service e-learning modules: in compliance with the Group values and with the business requirements, SCOR University proposes a set of solutions to limit the risk taken by the employees in their daily operational activities: digital training on the code of conduct, on the cyber-risks prevention and on the personal data protection.

  Additional trainings are also implemented to limit the risk taken by the employees in terms of business (training supporting the implementation of the "Solvency II" policies, training on the insurance cyber-risk, e-learning on the basics of the Enterprise Risk Management).
- Accompaniment of the digital transition In 2018, the Digital Academy has been created within SCOR University to with the objective to reinforce employees' knowledge on digital topics. Three objectives are associated to this initiative: increasing employee's productivity through a better use of collaborative and mobility tools, developing the digital culture on emerging trends, new methodologies and impact on society and insurance, acquiring digital expertise and new skills. E-learning, training, videos and specific communications have been implemented since 2017 to achieve these objectives.
- In 2018, on average, approximately 17 hours of training were given per employee(1)(2).
- The training represents a cost of almost EUR 1.95 million in 2018(1)(3).

2.1.4. DEVELOPING SOCIAL DIALOGUE

- SCOR's ambition is to establish a coherent and harmonized social dialogue aimed at sharing the Group's main principles with all employees.
- As a *Societas Europaea*, SCOR has set up a European Committee covering all of its European subsidiaries and branches including the one located in Switzerland, corresponding to almost 60% of worldwide workforce. The SCOR Common European Companies Committee is made up of employee representatives from all of SCOR's European subsidiaries, who meet to exchange information concerning the Group, and to maintain an on-going dialogue between employees and management.

2018 achievements:

- The Common European Companies Committee (Comité Commun des Sociétés Européennes – CCSE) met five times in 2018 on March 7, April 26, June 20, July 26, October 17.
- In addition to these meetings held at the European level, social dialogue takes place at local level too. In 2018, 78 meetings (72 in 2017) were held with staff representatives (31 meetings in France(4), one meeting in Italy, 22 meetings in Switzerland, 12 meetings in Germany and four meetings in Sweden, eight meetings in Brazil).
- Seven collective agreements were signed within the Group in 2018 (four for France, one in Italy, two in Brazil). These collective agreements are intended to improve the economic performance of SCOR and the working conditions of employees, in particular by associating them more significantly with the Company's performance and improving employee benefits.

(1) The figure includes the global e-learning programs.

(2) For the EMEA Hub, the number of training hours is calculated on the basis of attendance sheets. For the other Hubs, the number of training hours is calculated on the basis of the information mentioned in the invoices sent by the providers.

(3) For technical reasons, this amount excludes taxes for France.

(4) For France, this figure includes meetings with the works council and with staff representatives.

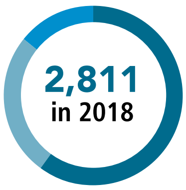
2.2. SOCIAL INDICATORS AND METHODOLOGICAL NOTE

The items mentioned in the document above pertain to the entire Group except ReMark (150 employees, fully consolidated entity), MRM (five employees, fully consolidated entity), Château Mondot SAS (22 employees, fully consolidated entity), Les Belles Perdrix de Troplong Mondot EURL (nine employees, fully consolidated entity), Telemed (38 employees), Réhalto[1] (28 employees) and the Lloyd's Channel Syndicate (132 employees) and ESSOR (76 employees). ReMark, Telemed and Réhalto are wholly-owned by SCOR Global Life SE. The Lloyd's Channel Syndicate and ESSOR are indirect subsidiaries of SCOR Global P&C SE. MRM, Château Mondot and Les Belles Perdrix de Troplong Mondot EURL are indirect subsidiaries of SCOR SE. They are all managed independently from the Group in terms of human resources (HR policies, processes, rules and frameworks, etc.).

2.2.1. SOCIAL INDICATORS

Breakdown by Hub[1]

"Grenelle II" Indicator: Breakdown of employees by geographical area

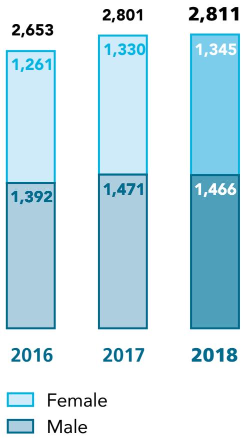


		2018	2017	2016
60%	EMEA	1,694	1,695	1,616
26%	Americas	725	727	702
14%	Asia-Pacific	392	379	335
Total excluding Essor		**2,811**	**2,801**	**2,653**
Essor		76	-	-
TOTAL		**2,887**	**2,801**	**2,653**

(1) Headcount is calculated on the basis of employees registered as at December 31. Each Hub covers a region and may have employees in several countries. For example, the EMEA Hub covers France, the UK, Spain, Italy, Belgium, the Netherlands, Russia, Ireland, Switzerland, Germany, Israel, Sweden, Kenya and South Africa. As temporary workers and external service providers are managed according to specific rules in each site, this data is not mentioned in the headcounts for this year. For a breakdown of countries per Hub, see Section 2.1.5.
From 2018, Essor (76 employees at December 31, 2018) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.

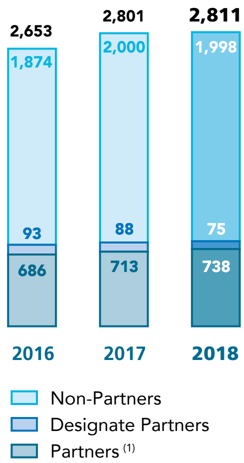
Breakdown by gender

"Grenelle II" Indicator: Breakdown of employees by gender



Breakdown by status

"Grenelle II" Indicator: Breakdown of employees by status

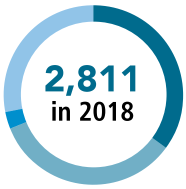


(1) Definition of Partner: see Section 2.1.1 – Key elements of compensation policy. The executive corporate officer is included in this population. This figure includes the decisions taken during the 2019 Partners promotions and nominations process which took place at the end of 2018.

(1) In 2018, SCOR is in exclusive negotiations with the company Workplace Options to conclude a worldwide distribution partnership agreement and the acquisition by Workplace Options of Réhalto.

Breakdown by division

"Grenelle II" Indicator: Total Headcount (by division)

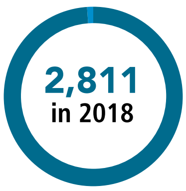


		2018	2017	2016
35%	SCOR Global P&C(1)	981	972	904
34%	SCOR Global Life(2)	960	959	876
3%	SCOR Global Investments	78	81	70
28%	Group Functions and Support(3)	792	789	803
Total excluding Essor		**2,811**	**2,801**	**2,653**
Essor(4)		76	-	-
TOTAL		**2,887**	**2,801**	**2,653**

(1) During the period covered, the Lloyd's Channel Syndicate (132 employees at December 31, 2018) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.
(2) During the period covered, Remark (150 employees at December 31, 2018), Réhalto (28 employees at December 31, 2018) and Telemed (38 employees at December 31, 2018), wholly-owned subsidiaries of SCOR Global Life SE, are managed independently from the Group in terms of human resources and are therefore not aggregated in the Group figures.
(3) The "Group Functions and Support" division includes the departments reporting to the CFO, CRO and COO of the Group as well as the departments directly managed by the Chairman and Chief Executive Officer. SCOR SE controls 59.9% of the capital of MRM (five employees at December 31, 2018). From 2018, Château Mondot SAS (22 employees at December 31, 2018) and Les Belles Perdrix de Troplong Mondot EURL (nine employees at December 31, 2018) are indirect subsidiaries of SCOR SE. Due to their specific activities, their business models and their organizations, MRM, Château Mondot SAS and Les Belles Perdrix de Troplong Mondot EURL are managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.
(4) From 2018, Essor (76 employees at December 31, 2018) is a subsidiary of SCOR Global P&C SE, managed independently from the Group in terms of human resources and therefore not aggregated in the Group figures.

Breakdown by type of contract

"Grenelle II" Indicator: Total headcount (by contract type)



		2018	2017	2016
99%	Permanent contracts	2,782	2,770	2,616
1%	Fixed-term contracts	29	31	37
Total		**2,811**	**2,801**	**2,653**
Trainees(1)		143	136	118
TOTAL INCLUDING TRAINEES		**2,954**	**2,937**	**2,771**

(1) All employees paid and under a tripartite relationship between the Company, the school and the student as trainees.
SCOR had 143 trainees as at December 31, 2018 (39 in France, 10 in Switzerland, 28 in Germany, nine in the US, one in Canada, 18 in the United Kingdom, five in Russia, four in Spain, one in Australia, three in Hong Kong, one in South Korea, nine in China, two in Singapore, one in India and 12 in Ireland). The trainees' employment contracts differ depending on the country and training objectives. All trainee programs aim to introduce the students to the world of work, whether through work-study programs or vocational training courses for specific professions.

Breakdown of employees by type of working time (and by gender)

"Grenelle II" Indicator: Organization of working time

	2018			2017			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	1,431	1,208	2,639	1,432	1,182	2,614	1,363	1,113	2,476
Part-time employees	35	137	172	39	148	187	29	148	177
TOTAL	**1,466**	**1,345**	**2,811**	**1,471**	**1,330**	**2,801**	**1,392**	**1,261**	**2,653**

New hires[1]

"Grenelle II" Indicator: New hires (by contract type and by gender)

	2018			2017			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanents contracts	127	128	255	200	186	386	175	151	326
Fixed-term contracts	12	7	19	14	21	35	17	18	35
Trainees	101	111	212	92	88	180	80	82	162

(1) The Group had no particular difficulties in hiring in 2018.

Methodology: the definitions of "fixed-term contract" and "trainee" may vary from one country to another. A "fixed-term contract" is a signed employment contract mentioning a termination date, a "trainee" is an employee paid by the Company under a tripartite agreement between the Company, school and student employed.

Departures

"Grenelle II" Indicator: Departures

	2018			2017			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Retirement	23	17	40	26	13	39	17	15	32
Resignation	107	87	194	68	87	155	83	74	157
Dismissal	12	11	23	34	25	59	39	38	77
End of Fixed-term contract	3	4	7	5	14	19	11	7	18
Decease	-	-	-	-	-	-	2	1	3
Company transfer	-	1	1	1	-	1	-	1	1
Trainees	100	105	205	78	84	162	79	60	139

Methodology: employees on fixed-term contracts are considered to have definitively left SCOR when their contracts expire. Therefore, the 11 employees who signed a permanent contract in 2018 at the end of their fixed-term contract are not included in the indicator "End of fixed-term contract".

2.2.2. METHODOLOGICAL NOTE

The report covers the 12-month period from January 1, to December 31, of the year under review.

Headcount is calculated on the basis of employees registered at December 31, on fixed-term contracts (employment contract signed directly between SCOR and the individual with a defined end date) or permanent contracts (employment contract signed directly between SCOR and the individual for an unlimited period). Trainees are employees paid by the Company under a tripartite agreement between the Company, the school and the student.

Employees on fixed-term contracts are considered as definitively leaving SCOR when their contracts expire. Employees who signed a permanent contract in 2018 at the end of their fixed-term contract are not included in the fixedterm contract endings.

For employees who signed several similar employment contracts during the year, only the initial hiring and the final departure are counted.

2018 Group staff turnover is calculated as follows: number of departures in 2018 (excluding dismissals, deaths, Company transfers and trainees)/headcount as at December 31, 2017.

Average fixed compensation is calculated on the basis of the annual compensation of reference paid to employees, prorated to actual hours worked. The average bonus includes the profit sharing scheme for France and takes into account bonuses equal to 0 for unsatisfactory performance. The average granted shares takes into account persons who have not been granted shares.

Annual working time: annual period of time (calculated in days) that an individual spends at work. This definition is based on the legal (or conventional) approach and does not take into account absences for sick leave, maternity leave, sabbatical leave, etc.

The length of absence includes sick leave, accident, maternity/paternity leave, sabbatical leave and exceptional leave.

Number of training hours: total number of hours of training received by all the employees during the year. These training hours are directly managed by SCOR or by an external training organization at the behest of SCOR. For collective training, the number of hours of training is multiplied by the number of participants.

An employee is considered to have a disability when the disability is recognized as such by the relevant body. The disability may be physical or mental or a combination of both. A disability may be present from birth, or develop during a person's lifetime.

Daily checks are performed by the local HR managers and the HR Group Department to ensure the reliability of the information in the Group database. An additional detailed check of the data is performed annually (in December) by the HR Group Department and the local HR managers.

The collective agreements are concluded for a positive impact, in particular on the working conditions of employees and on the economic performance of the Company.

Limitations of data collection and reliability

Definitions of social indicators may differ slightly from one country to another. Nevertheless, the SCOR indicators used in the tables below are consistent and meaningful at Group level. Unless otherwise indicated, no estimates are made in calculating these indicators.

3. BUSINESS CONDUCT AND COMPLIANCE

SCOR aims to be a trusted partner. This trust implies a strong focus on business ethics and compliance matters in particular in terms of compliance with economic sanctions programs, anti-corruption, anti-money laundering and anti-terrorism regulations, data privacy and protection, as well as regulatory tax requirements, including tax evasion matters.

In this respect, it is SCOR's policy to ensure compliance with all applicable laws and regulations and its Code of Conduct wherever it conducts business. SCOR holds itself to high standards of integrity, professionalism and responsibility and is committed to a strong ethical and compliance culture.

The programs implemented in these areas and the associated performance indicators (trainings) are described in this section.

3.1. CODE OF CONDUCT AND THE COMPLIANCE POLICY

The Group Code of Conduct reflects this commitment by setting out the key areas of legal and ethical obligations notably reminding the rules applicable to business confidentiality, the use of insider information, the rules relating to the acceptance of gifts and invitations, as well as those related to the "Know Your Customer" principle as a key way to defend the Group notably against money laundering and violation of economic sanctions risk.

The Code of Conduct must be accepted by the employees as part of the annual Appraisal and Development Interview and is binding. The Code of Conduct is addressed in the training (through E-Learning modules or classroom trainings) for new employees and as refreshers for existing employees.

Employees who fail to comply with the principles of SCOR's Code of Conduct may be subject to disciplinary action in compliance with the laws applicable in the country of employment and/or may be subject to criminal/regulatory proceedings. In addition, as per the Group Compensation Policy, violations of the Code of Conduct can prevent for the acquisition of shares and stock options.

The Group Compliance Policy is inseparable from the Group Code of Conduct. This Policy defines several principles to support the Compliance framework. One of the major principles is the respect of a risk-based approach to compliance in accordance with the SCOR Group Policy on Risk Management. This involves identifying areas of high risk within SCOR and prioritizing dedicated efforts and resources around these risks according to severity and probability, and establishing ongoing procedures aimed at Prevention, Detection and Response.

The Group Compliance Policy also defines the roles and responsibilities of key stakeholders, notably the teams in charge of compliance. The teams in charge of compliance carry-out a risk assessment annually (developed in conjunction with Group Risk management), and the results of that risk assessment are used to drive the annual Group Compliance Plan. The latter is submitted annually to the Audit Committee of the Board of Directors.

The Group Compliance Policy, together with other Group compliance-related policies and guidelines, establishes minimum standards applicable throughout the Group. These standards are published in a central repository available to all employees and include inter alia the following:

- Group data protection policy and its related guidelines on data breach response;
- Group policy on anti-bribery and its appendix the corruption risk mapping;
- Group guidelines on sanctions and embargoes and its related processes;
- Group guidelines on anti-money laundering, combating the financing of terrorism and Know-Your-Customer;
- Group Guidelines on management of inside Information and trading in SCOR's securities;
- Group policy on conflict of interest;
- Group fit & proper policy;
- Group policy on outsourcing;
- Group anti-trust policy.

All employees are responsible for ensuring compliance with applicable laws, regulations and policies in their daily duties as well as for escalating any actual or suspected compliance breach in line with SCOR Guidelines on Reporting Concerns. This procedure ensures that concerns can be raised in a secure manner.

In order to ensure proper dissemination of the above compliance requirements among SCOR employees, as well as to keep them informed about the latest development on those issues, training sessions addressed to the underwriting, claims handling and technical accounting departments are regularly held across Hubs. In addition to the E-learning modules, 2018 training activities included 31 training sessions in APAC, 36 training sessions in the Americas and 25 training sessions in EMEA.

3.2. DATA PRIVACY AND PROTECTION

The United Nations Global Compact, of which SCOR is a member, invites the Group to promote and respect the protection of international human rights law and to ensure that it is not a party to any human rights violations.

In light of technological developments, the protection of personal data is a crucial component of the respect of basic rights, as illustrated in Article 8 of the Charter of the Fundamental Rights of the European Union.

Apart from the processing of personal data relating to its staff, SCOR's activities may lead to the processing of other personal data, which notably implies the respect of Personal Data protection and privacy regulation that is an essential component of SCOR's activities. The Code of Conduct defines the most important principles related to the respect of Personal Data and privacy that are mandatory for all employees.

Additionally, the General Data Protection Regulation (GDPR) (EU 2016/679) of April 27, 2016, is applicable since May 25, 2018 and constitutes the overarching regulation on Data Protection in Europe with the objective to make the companies accountable for their processing of Personal Data. Although the GDPR is general and does not specifically relate to reinsurance, it has an impact on SCOR's data processing activities.

In 2018, the Group completed a project designed to comply with the requirements of the GDPR that has led to the implementation of several organisational and technical measures.

The Group has appointed a Data Protection Officer in accordance with the Regulation who is in charge to maintain and build the overall compliance structure created. He works mainly with compliance officers, Legal Counsels and IT Security teams worldwide.

As part of the global training program for the employees, Data Protection and the GDPR has been integrated in the legal and compliance curriculums. These sessions are conducted regularly by the legal and compliance professionals worldwide. During these sessions staff are trained on Data Protection obligations and the GDPR. These trainings are practical and include case studies to help them to identify the issues that can appear during their activities and the good practices resolve them.

In May 2018 the Group launched a digital module dedicated to Data Protection and GDPR to even more effectively raise awareness to the staff worldwide.

As a key component to Data Protection, cybersecurity has also been part of the training program for 2018.

In September 2018 the Group IT launched a new mandatory E-Learning module dedicated to Cybersecurity to raise even more awaress on main security recommendations toward staff.

SCOR maintains multiple guidelines and policies that relate to or impact some aspects of data privacy and/or protection:

- Group Data Protection Guideline, which aims at establishing a common minimum standard to be applied by SCOR for processing Personal Data;
- Group Data Breach Response Guideline, which aims at helping staff identify a data breach, have them take the appropriate escalation path and company response;
- Group Information Security Policy, which aims at setting SCOR's commitment on IT security and defining the IT security governance.

These documents are owned by the Group Data Protection Officer, Group Chief Compliance Officer and Group Chief Information Officer, respectively. These documents are maintained and updated pursuant to SCOR's internal procedures and define the mandatory rules applicable to all staff across the Group.

As noted above, the Group has implemented a response guideline in case of data breach that describes the process beginning with the discovery of a breach through to the notification to a Data Protection authority. This Guideline defines the roles and responsibilities of each employee, including the internal committees involved in the assessment, remediation and response to a breach.

3.3. ANTI-BRIBERY

As expressly mentioned in the Code of Conduct, SCOR has a zero-tolerance approach towards corruption, including bribery and influence trafficking. The Group Policy on Anti-Bribery clearly defines corrupt practices and provides guidance to the employees to prevent and detect corrupt practices.

The Compliance function assessed the Group's anti-bribery policy and its related processes, including its process for reporting concerns, with the French "Sapin II" law, published on December 9, 2016[1]. This review resulted in updates to the Group's Policy on Anti-Bribery, the Guidelines on Reporting Concerns and the Code of Conduct in 2017.

Additionally, the Group conducted a thorough risk assessment to identify the countries, sectors and activities that, within the context of SCOR's business, expose the Group to a particular risk of corrupt activity, as well as indications of corruption that may be present regardless of country, sector or activity. This risk assessment, which is attached to the Group Policy on Anti-Bribery, is updated annually as part of the Group Compliance Plan.

The corruption risk mapping has also identified the employees that are most exposed to corruption or corrupt activity. Targeted training was provided to those employees in 2018 through a dedicated E-Learning module.

In addition to this E-Learning, SCOR regularly raised awareness of all employees on this subject via training sessions and e-mail alerts. These sessions are conducted by the Group's legal and compliance teams.

3.4. SANCTIONS AND EMBARGOES

It is the policy of SCOR to comply with all applicable laws and regulations regarding economic financial and trade sanctions. In that perspective, the Compliance function has developed and implemented a global framework to ensure the Group's compliance with applicable laws and regulations in this area. This framework, outlined in the Group guidelines and procedures on sanctions and embargoes and their identification includes:

- a risk-based Analysis – differentiated by Life and P&C divisions – This analysis is updated twice yearly and guides employees (1) as to when there is a mandatory referral to the legal team, (2) plus, matters which may involve sectors subject to sanction such as military and nuclear goods; and (3) a manual screening requirement (before going on risk and before paying claims);
- a risk-based Know-Your-Customer process for the evaluation of new business partners and insureds;
- a risk-based screening protocol for database and manual screening;
- a clear definition of roles and responsibilities and a dedicated process for escalation, blocking and remediation in case the screening procedure results in an alert.

SCOR is currently conducting a project to automate many of the screening processes in order to enhance them. SCOR already screens several of its database to identify suspicious case.

In addition to the above, sanctions and embargoes constitute a mandatory topic for the legal and compliance trainings conducted every year. These face-to-face training sessions are supplemented by an E-learning module for employees who may be exposed to questions relating to economic sanctions and embargoes in the course and scope of their work.

3.5. ANTI-MONEY LAUNDERING, FINANCING OF TERRORISM, KYC

As a reinsurer SCOR does not have any relationship with an underlying policyholder of its cedents. Most global anti-money laundering laws and regulations do not apply to reinsurance. However, as an international financial group, SCOR still has established a process to assess and analyze SCOR's exposure to anti-money laundering and combating the financing of terrosism.

SCOR has put in place a risk-based approach, described in the SCOR's Guidelines on Anti-Money Laundering, Terrorism Financing and Know-Your-Customer (revised in 2018). A Know-your-Customer process is in place within the Group and specific enhanced due diligence for high-risk clients.

(1) Law on transparency, the fight against corruption and the modernization of economic life.

3.6. INSIDER TRADING

Transparency, accountability and credibility towards our investors are key values for SCOR as a listed company. Therefore, the Group Guidelines on Managing Insider Information clearly prohibit to trade in SCOR's securities while in possession of information which, when made public, is likely to have a significant influence on the stock market price.

In addition, it is forbidden to directly or indirectly conduct any transaction with regard to SCOR's securities during certain sensitive periods that the Group notifies to concerned persons or during any period preceding an important event affecting SCOR and likely to influence the stock market price (the "blackout periods"). SCOR emphasises to the employees the necessity of abiding by the rules on insider trading through regular awareness campaigns.

3.7. TAX

When SCOR carries out its activities the Group does not engage in any artificial structure that lacks business purpose or economic substance. The use of tax heaven to avoid the paiement of taxes due for activities that take place elsewhere is not a practice pursued by the Group. The Group ensures that the pricing of SCOR's intragroup transactions complies with the OECD arm's length principles as well as with local regulations. Accordingly, SCOR pays its taxes on the profit where the economic activities are performed.

Tax is an integral part of SCOR business principle. The SCOR Group complies with the applicable tax laws wherever it operates. The Group tax department is in charge of ensuring that the various entities of the Group comply with the applicable tax laws and regulations wherever they operate. All key entities have a designated tax manager in charge of making sure that the entity complies with its tax obligations. Tax compliance is managed by the Business process owner in accordance with the principles governing the Group's Internal control framework.

In line with the Group Code of Conduct, business owner shall not engage in tax planning or tax scheme which do not support genuine commercial activity. ICS processes ensure that a tax analysis is made and documented before entering into a transaction. The quarterly tax reporting process provides the Group with a complete analysis of the P&L tax expense as well as the tax balances of the balance sheet of each entity of the Group for each quarter.

Transfer pricing processes ensures a complete review and documentation of the most significant intra group transactions each year (for which the most significant entities of the Group have to submit a compulsory transfer pricing report – so called "local transfer pricing file" – to their local tax administration every year transfer-pricing documentation which is also reviewed by the Statutory Auditors of the Group).

Lastly, other compulsory disclosure exist that tend to provide further transparency on the operations of the Group. This is the Country by Country Reporting which provides an overall map of the profit, activities and tax paid by the Group worldwide. Also the "DAC 6" Directive makes the disclosure of certain aggressive tax scheme compulsory, starting for transactions occurred after June 2018.

4. CLIMATE CHANGE

Insurance companies are in a unique position to contribute to protecting society and the real economy against the risks relating to climate change, as well as supporting society in its transition and adaptation to new energy sources. The Group's credibility and its ability to honor its commitments may be put at risk if the physical risks and transition risks relating to climate change are not factored into its activities. In this regard, the Group's climate policy – which forms part of its Enterprise Risk Management approach – endeavors to maintain the relevance of the Group's activities by defining a framework to identify and manage the physical and transition risks and their consequences, while also focusing on ways of responding to the challenges relating to climate change.

The Group's Climate policy sets out the main components of SCOR's "low-carbon" strategy, as well as its objectives. It identifies the means to achieve those objectives and specifies the Group's organization in order to ensure proper implementation. It focuses on holistic, integrated risk management, developing solutions contributing to climate change adaptation and mitigation, drawing up business segment guidelines, reducing the carbon intensity of operational processes and offsetting carbon emissions from business trips.

The monitoring of issues related to the Group's environmental strategy is embedded in SCOR's system of governance through a dedicated Corporate social and societal responsibility committee, the working sessions of which started in 2018, and at the level of the Group Executive Committee through the Group Chief Operating Officer.

At an organizational level, Climate policy is coordinated and monitored by the Group General Secretary through the Head of CSR.

The measures taken pursuant to this policy and performance indicators are specified in the following sections.

4.1. HOLISTIC AND INTEGRATED RISK MANAGEMENT

4.1.1. INSTITUTIONAL COMMITMENT, SUPPORTING RESEARCH INTO RISK MODELING

Climate risk management research, notably in terms of climate risk modeling techniques and climate risk transfer mechanisms, contributes to a better understanding of climate change challenges and adaptation. In this respect, SCOR provides institutional and financial support to targeted institutions involved in the aforementioned areas whilst enhancing its own tools and expertise.

This institutional commitment to climate change adaptation is backed at the highest level of the Group. SCOR's Chairman and Chief Executive Officer has co-chaired the Geneva Association's Extreme Events and Climate Risks working group since May 2015 and also is a member of the steering committee of the Insurance Development Forum, an institution that brings the United Nations, the World Bank and several other international bodies together with the (re)insurance industry. SCOR is also a member of Insuresilience *(The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions)*, an initiative more specifically designed to bring insurance solutions to the most economically vulnerable populations.

Moreover, SCOR is one of the earliest supporters of OASIS, a British non-profit organization developing an open source platform for the modeling of climate events. The Group has also partnered with Climate-KIC, one of the largest public-private partnerships designed to combat climate change. Through this partnership, at the beginning of 2018 SCOR launched a feasibility study on the modeling of fire risk for property insurance and on how to reduce this risk in a broader risk context.

The SCOR's Corporate Foundation for Science also promotes climate-related research and modeling. Since 2015, the Foundation has organized two scientific climate seminars which brought together international experts representing different disciplines. The last one on "how will risk modeling shape the future of risk transfer?" took place on March 9, 2017. The Foundation also supports a research project on the exposure of coastal zones under different sea-level-rise scenarios.

The Group regularly makes its expertise in risk management and managing the impact of climate change available to the French financial marketplace and public policymakers, in order to help to draw up methodologies offering insurance and reinsurance operators a better understanding of the challenges relating to combating climate change. In 2018, SCOR took part in various working groups at the Fédération Française de l'Assurance and was selected to join the Technical Group of Experts on Sustainable Finance set up under the aegis of the European Commission.

4.1.2. ASSESSING THE IMPACT OF THE INVESTMENT PORTFOLIO ON THE CLIMATE

SCOR makes a quantitative assessment of the risks of its portfolio concerning the environment by means of two main metrics: the carbon footprint and alignment of the asset portfolio with the 2°C Scenario. However, the methodologies used by the service providers in charge of these calculations are not yet standardized, which limits the significance of the results.

Moreover, the carbon footprint is only an indicator at a given time. It provides little information on the approach or commitment of issuers with regard to climate risk, or on how SCOR can efficiently manage its assets with regard to risks related to greenhouse gas emissions.

Carbon intensity is defined as the ratio of total CO_2 emissions to GDP for states and to turnover for companies. It is calculated excluding real estate debt, infrastructure debt and direct real estate. This data reflects the impact of the issuing company's positioning on the environment. The carbon intensity per million euros invested was 285 tons at the end of 2018, up by 14% compared to the end of 2017. The calculation covers 89% of the Group's portfolio[(1)] at the end of 2018.

The ratio of total CO_2 emissions to the amount of investments made by SCOR (tons of CO_2 equivalent per EUR million invested) reflects the impact of SCOR's portfolio on the environment and depends directly on the investment strategy pursued. This metric is included in the ESG investment report, which is available on the Group's website.

4.1.3. THE PHYSICAL AND TRANSITION RISKS RELATING TO CLIMATE CHANGE

SCOR analyzes "acute" physical risks which could affect its portfolio of real estate debt, infrastructure debt and direct real estate investments. Acute physical risks are defined as risks related to events such as natural catastrophes, which include extreme weather phenomena such as cyclones, hurricanes and floods. The physical risks are analyzed using SCOR's internal model for simulating natural catastrophes. Based on scenarios validated by the Group's modeling teams, this model estimates potential losses from natural catastrophes. In this respect, the fact that the bulk of the investments are located in France affords reasonable protection against physical risk.

In its P&C activities, the Group protects itself against the "acute" physical risks to which the Company is exposed through its global capital shield strategy. For this, the Group uses primarily traditional retrocession, capital market solutions, a solvency buffer and a contingent capital.

(1) Total invested assets (cash, fixed-income, loans, equities, real estate, other investments).

In addition, the natural catastrophe modeling teams within the Group's P&C division try to factor the latest usable scientific knowledge into the models they use. The natural catastrophe modeling tools used by the P&C division to assess insurance risks take account of climate risk both implicitly (for example, claims activity is used as the basis for calibrating models) and explicitly (for example, using current estimates of the increase in sea levels to assess the risk of coastal flooding rather than long-term averages).

The Group also makes a quantitative measurement of its transition risk exposure that may affect its asset portfolio. Drawing on the work of Moody's Investor Service, SCOR has identified the sectors most exposed to transition risk depending on different investment horizons and quantified the risk depending on the maturity of the securities held.

4.2. SUPPORT WITH MITIGATION AND ADAPTATION

On their own scale, the Group's operational divisions contribute to the development of climate change adaptation and mitigation solutions in their respective core activities.

4.2.1. CLIMATE CHANGE MITIGATION

By developing expertise associated with covering projects supporting the energy transition, reinsurance activities contribute to mitigation policies. In this area, in 2018 the Group's P&C division launched a specific initiative in 2018 on renewable energies underwriting in order to identify reinsurance needs for each market and define its underwriting policy in this area.

In the area of investments, on the publication of its "Vision in Action" 2016-2019 strategic plan, SCOR reaffirmed its commitment to financing the energy transition through additional investments of up to EUR 500 million in renewable energy sources and energy-efficient buildings. SCOR intends to fully exercise its responsibility as an institutional investor while also making its portfolio more resilient.

The Group takes a proactive approach to the environmental certification of its real estate investment portfolio. In addition to office buildings acquired for SCOR's own use (see below), the real estate portfolio contains assets purchased solely for investment purposes, most of which are undergoing renovation works with the aim of obtaining environmental or energy efficiency certification.

In addition to its tertiary real estate business, the Group invests in real estate debt funds and infrastructure debt funds, most of which aim to provide funding for the transition to a low-carbon economy and energy efficient buildings.

The green part of the portfolio, which also includes green bonds, represented 6.9% of the portfolio at the end of 2018.

4.2.2. ADAPTATION TO CLIMATE CHANGE

By means of the cover offered and its risk pricing position, insurance and reinsurance play a role in companies' resilience; they form part of solutions for adapting to climate change. SCOR provides effective reinsurance protection against natural catastrophes that benefits the Company as a whole, particularly in the context of accentuation in extreme events.

Contributing to adapting to climate change is a means of development pursued by the Group's P&C division which – through its involvement in dedicated working groups within the Insurance Development Forum, or in the development of its activities – provides its support for means of covering national natural events and/or those initiated by international bodies.

SCOR has thus supported support the launch of a satellite Index Insurance for farmers in Ethiopia. This insurance product uses state of the art technology to help build drought resilience in poor farmer households. It has some unique features, including providing livestock Asset Protection insurance with the objective of keeping core breeding animals alive during major droughts. Under this project, initiated by the World Food Programme (WFP) SCOR not only provides reinsurance support but also provides technical support for model validation and program pricing.

SCOR also joined the Philippine program for covering typhoons and earthquakes in 2018. The program includes covering national and local government assets, such as public primary and secondary schools.

In addition, the Group is also involved in adaptation strategies via its asset management subsidiary, a signatory of the Principles of Responsible Investment (PRI), by creating, distributing and investing in financial products for covering natural catastrophes (cat bonds and insurance-linked securities).

4.3. COMMITMENT AND IMPLEMENTATION OF SECTOR GUIDELINES

For many years, the SCOR Group has practiced a policy of exclusion. Standard exclusions have gradually been added to by themed exclusions guided by risk management demands or a logic of commitment, particularly against the effects of global warming. SCOR excludes companies that generate more than 30% of their turnover from coal or that are included in the list of the 120 biggest coal-fired power plant developers published by NGO Urgewald. These exclusions have led to the liquidation of holdings in the portfolio.

Despite its lack of appetite for equities and the very limited share of this type of investment in its portfolio, SCOR exercised all the voting rights of the equities held directly.

In the area of underwriting, the Group has made a commitment not to offer facultative insurance or reinsurance that would specifically encourage the development of new thermal coal mines or lignite mines or plants. Furthermore, in order to submit all other projects to a reinforced selection process, the Group's P&C division has adopted an environmental, social and governance practices internal assessment procedure for operations closely related to coal. This is based on a specific scoring grid for each activity subject to this assessment.

The Group's ESG scoring grid for coal extraction therefore comprises thresholds expressed as a percentage of Company turnover and as an absolute value in terms of thermal coal produced each year. Other criteria such as coal quality, the trend in coalmining, observance of industry standards and CSR rating are taken into account. Within the electricity generation sector, the Group's ESG scoring grid includes a threshold expressed as a percentage of GWh generated from the use of thermal coal. Other criteria are used, such as the technology used, type of coal, CSR rating and the purpose and location of the plant in question.

This approach allows for dialogue to be initiated with the sectors and activities concerned.

In addition to the implementation of sectorial guidelines for industries with high coal exposure, SCOR integrates other ESG dimensions into its investment and underwriting policy. In 2018, the Group thus confirmed its commitment to exclude the tobacco industry from its activities both on the assets and liabilities side. In addition, the Group associated itself with the PSI/WWF/Unesco declaration on the protection of the world heritage sites.

4.4. MANAGEMENT OF OPERATIONAL PROCESSES

Although reinsurance is not an industrial activity with a significant impact on the environment, SCOR strives to manage the environmental impact stemming from its operational processes, among which are office management, business travel and to a lesser extent office equipment.

To do so, the Group focuses on the following areas:

- environmental quality of offices and certification;
- energy consumption management, and renewable energy use;
- greenhouse gas emissions and voluntary offsetting.

The focus is put on greenhouse gas emissions for which the Group has reiterated its objective of intensity reduction by 2020 in the French Business Climate Pledge issued in November 2017. Launched in 2017, a pilot program regarding carbon offsetting supplements was renewed and enhanced in 2018.

4.4.1. ENVIRONMENTAL QUALITY OF OFFICES AND CERTIFICATION

SCOR conducts its operations from office buildings of varying size that it either owns or rents in thirty countries.

Whether in its extension or relocation projects, the Group integrates environmental considerations when selecting its offices, notably office buildings it intends to acquire. The Group favors so-called sustainable or eco-responsible construction. SCOR is particularly attentive to obtaining energy efficiency and environmental certifications, whether for design and construction or for renovation. These considerations may be subject to a tradeoff with other constraints such as the location of the office or its availability.

While SCOR takes environmental considerations into account in its extension or relocation projects, the Group also promotes eco-responsible operation by rolling out environmental management systems where possible. In 2018, a new office building in London was BREEAM In-Use certified. At the end of 2018, 55% of the Group's employees within the scope of the environmental reporting process were covered by an environmental management system (50% in 2017).

4.4.2. MANAGEMENT OF ENERGY CONSUMPTION SOURCES AND RENEWABLE ENERGY USE

The Group focuses on the management of its energy consumption sources and the purchase of energy produced from renewable sources.

The Group consumed more than 18 GWhs in 2018 to operate the premises occupied by its staff (lighting, heating, cooling – including data centers – and power for operating various equipment). Most of the energy consumed by the Group's sites that were encompassed in the scope of the environmental survey comes from electricity (68%). The share of renewable now accounts for 67% of electricity purchases compared with 31% in 2015.

4.3.3. GREENHOUSE GAS EMISSIONS AND OFFSETTING

As part of the French Business Climate Pledge signed in November 2017, SCOR maintained its objective of reducing its carbon intensity[1] of the management of operational processes by 15% per employee for 2020 on the first two scopes of the GHG protocol. At the end of 2018, the Group's carbon intensity reduction reached 25%. Moreover, the Group pursued and reinforced its carbon offsetting program for emissions relating to air transport (83% of the Group's emissions); in 2018, around half of the Group's emissions stemming from air transportation were offset, i.e. 10,000 TeqCO_2. These carbon credits are not deducted from the greenhouse gas emissions reported below.

(1) Baseline year: 2014.

Indicator	Unit	Data 2018	Coverage(1)	Data 2017	Coverage(1)
Energy(2)	kWh	18,033,960	83%	17,052,920	84%
Sorted and recycled paper waste	Kg	147,496	69%	133,761	71%
Air transportation(3)	Km	48,862,380	92%	40,472,224	94%
Rail transportation	Km	2,292,664	83%	2,118,896	89%
Greenhouse Gas Emissions	TeqCO_2	24,716	-	21,456	-

(1) The coverage rates corresponds to the number of employees working in the locations surveyed divided by the number of employees working in the entities which are fully integrated in the financial statements. Further information on the scope of reporting can be found in Section 5.3 of this declaration.
(2) Of which electricity (68%), fuel and gas (13%), other heating sources (5%) and other cooling sources (15%).
(3) The increase in the air transport indicator is due to the integration of new data into the information collection system (e.g. expense reports).

5. NOTE ON METHODOLOGY

5.1. SCOPE AND CORRESPONDENCE TABLE

This consolidated non-financial performance declaration was prepared in accordance with the provisions set out in Article L. 225-102-1 of the French Commercial Code enacting Directive 2014/95/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Unless stated otherwise, this consolidated declaration covers SCOR SE and all its fully-consolidated subsidiaries, hereinafter "SCOR" or "the Group", other than the exceptions of Groupe Remark (150 employees), de MRM (five employees), ESSOR (76 employees), Château Mondot SAS (22 employees), Les Belles Perdrix de Troplong Mondot (nine employees) and in function of the information required pursuant to the aforementioned texts, Channel syndicate (132 employees). These companies are excluded because of the specific nature of their activities, or their organisation, or the recent integration into the scope of consolidation. Associates and affiliates are excluded from the scope (see Section 4.6.22 – Notes to the consolidated financial statements, Note 22 – Related party transactions).

Correspondance table

Business model description	Section 1.1. Brief description of the Group's business activities
Risk description	Section 1.3. Presentation of the risks and analysis
Policy	Section 2.1. The human capital as key success factor for the Group Section 3. Compliance policy Section 4. Climate policy
Performance indicators	Section 2.1.2. Turn-over rate Section 2.1.3. Employee trainings Section 3. Compliance system – number of training sessions across the Hubs Section 4. "Green" investments Section 4. CO_2 emissions/employee

The following categories of information, referred to in III of Article L. 225-102-1 of the French Commercial Code, have been excluded because of their low relevance to the activities developed by the Group:

- Circular economy;
- Combat food waste;
- Fight against food insecurity;
- Animal welfare;
- Responsible, equitable and sustainable food.

5.2. SOCIAL DATA: METHODOLOGY

See Section 2.2 – social indicators and methodological note.

5.3. ENVIRONMENTAL DATA: METHODOLOGY

The environmental data presented in Section 4.4 – Business process management covers the Group as defined in Section 5.1 and integrates Channel Syndicate back into it. These companies account for 91.8% of employees fully consolidated in the financial statements.

5.3.1. SCOPE OF DATA COLLECTION

Data was collected on a target scope including all active Group sites with more than 30 employees for all of the reporting indicators. This target scope accounts for 83.2% of employees (as of December 31, 2018) of legal entities fully consolidated in the financial statements.

The threshold of 30 employees is not applicable for the calculation of the environmental impact due to air travel. Data relating to the use of air travel covers 92% of globally consolidated employees due to the exceptions stipulated in Section 5.1 – Scope and correspondence table, and 99.6% of them were able to report on this indicator.

A table has been included in Section 4.4 – Operational process management, providing an overview of the rate of coverage for a selection of indicators.

Consolidated data covers a 12-month period, generally from November 1, 2017 to October 31, 2018.

5.3.2. LIMITATIONS

Due to the unavailability of data for the full year for some of the locations included in the environmental report, an extrapolation has been carried out to estimate missing consumption data. Moreover, depending on the surface area occupied, the information collected entails different parameters, in particular with regards to the consolidation or not of the energy consumption derived from the use of services located in shared areas of the building. Where SCOR is the sole or main tenant (i.e. more than 50% of the surface area occupied by the Group's staff), the data includes SCOR's share of the energy consumption for the shared area. Below this threshold, this share is not included in the data collected.

Lastly, sites surveyed include other tenants' energy and water consumption and to a lesser extent waste production. Therefore, the environmental impact of the Group is overestimated. Other tenants' employees hosted by these sites account for 12.8% of the employees of the legal entities fully consolidated in the financial statements.

5.3.3. METHODOLOGY

Energy consumption is expressed in kWh/m^2, water consumption in m^3/employee, and paper consumption in kg/employee. For some data, the ratio takes into account the service providers and other tenants located in the premises occupied by the staff managed by the Group.

In addition, the Group consolidates these indicators and presents them expressed in tons of CO_2 equivalent. This conversion of the different energy sources into greenhouse gas emissions is performed centrally on the basis of the conversion factors taken from the "Base Carbone®" produced by the French "Environment and Energy Management Agency" (Ademe) and extrapolated from the data effectively collected in each Hub. The emissions calculated by the Group cover the following scope of the "Green House Gas Protocol":

- "Scope 1": direct emissions from the combustion of fossil fuel. Depending on the site, these emissions are generated by the consumption of fuel (heating and backup generator) and the use of fleets of vehicles.
- "Scope 2": indirect emissions induced by electricity consumption, steam and cooling systems. For most of the sites surveyed, most of these emissions are induced by electricity procurement and for some sites, such as Paris, from urban cooling systems. For the calculation of the greenhouse emissions SCOR does not use a discounted factor for renewable energy if a certificate with the discounted rate to be applied is not provided by the energy supplier. Indeed, as the sources of renewable energy purchased are not always known, SCOR adopts a precautionary approach, using the emission factor resulting from the energy mix of a given country. Hence this approach tends to slightly overestimate the measured carbon footprint of the Group.
- "Scope 3": other indirect emissions. This Scope usually includes emissions from the use of offices (so-called depreciation), business travel, commuting, waste and so on. In this Scope, SCOR focuses on air travel (the most important source of emissions) as well as rail travel and paper purchases.

With regards to the source of emissions (to be distinguished from the volume of emissions) within each Scope, the rate of coverage is estimated at around 100% for Scope 1 (within this scope refrigerant fluid may be a significant source of greenhouse gas emissions; volumes are not estimated) and at 100% for Scope 2. The rate of coverage for Scope 3 is limited to approximately 10% of emitting sources linked to the management of operational processes since the Group has adopted a pragmatic approach with a clear focus on business transportation which has an important environmental footprint. Within this Scope, the main sources linked to the management of operational processes and excluded are commuting as well as the so-called depreciation of equipment, property and some services, such as outsourced data center.

The variation in the intensity ratio presented in Section 4.4.3 covers scope 1 and 2 described above and concerns the management of the Group's operational processes.

The main sources of greenhouse gas emissions of the Group may also include emissions stemming from investment. for Related metrics are available in the ESG report on investments that is available on the Group's website.

6. STATUTORY AUDITOR'S REPORT ON THE REVIEW OF SELECTED SCOR SE ENVIRONMENTAL AND SOCIAL INDICATORS

Report by the independent third party, on the extra-financial performance declaration included in the management report

This is a free English translation of the independent third party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2018

To the Shareholders,

In our capacity as independent third party and certified by COFRAC under number 3-1058 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the extra-financial performance declaration for the year ended December 31, 2018, included in the management report (hereinafter named the "Declaration"), pursuant legal provisions and regulation of article L. 225-102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

Company's responsibility

The Board of Directors is responsible for establishing a Declaration which is in accordance with the legal provisions and regulations, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied regarding these risks along with the results of these policies, including key performance indicators.

The Declaration was established in accordance with the protocols used by SCOR (hereinafter the "Guidelines"), which its significant elements are presented in the Declaration (and available on request at the Company head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements of the professional doctrine and of the applicable legal and regulatory texts.

Responsibility of the independent third party

On the basis of our work, our responsibility is to formulate a limited assurance on:

- the compliance of the Declaration with the provisions of article R. 225-105 of the Commercial Code;
- the reliability of the information provided in accordance with the 3° of the I and of the II of article R. 225-105 of the Commercial Code, that is the results of the policies, including the key performance indicators, and the actions, related to the main risks, hereinafter the "Information".

However it is not our responsibility to attest:

- the compliance with other legal dispositions where appropriate, in particular those included in law n° 2016-1691, dated December 9, 2016, said Sapin II (fight against corruption) and tax evasion;
- the compliance of products and services regarding the applicable legal provisions and regulations.

Nature and scope of our work

Our work described hereinafter was performed in accordance with the provisions of article A.225-1 and seq. of the Commercial Code defining the conditions under which the independent third party performs its engagement and in accordance with the professional doctrine from the National Body of the auditors *(Compagnie nationale des Commissaires aux comptes)* relating to this intervention with the international standards ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

We lead works enabling us to appreciate the compliance of the Declaration with the legal provisions and regulations and the accuracy of the Information:

- we took note of activity of all of the companies included in the scope of consolidation, of the presentation of the main social and environmental risks associated with this activity, and its impacts regarding respect of human rights, the fight against corruption and tax evasion with the policies related from them;
- we assessed suitability of the Guidelines in terms of relevance, completeness, reliability, neutrality and understandability, taking into account industry best practices where appropriate;

- we verified that the Declaration covers each category of information provided for in the III of Article L. 225-102-1 relating to social and environmental information, including the respect of the human rights and the fight against corruption and tax evasion;
- we verified that the Declaration includes an explanation of the reasons justifying the absence of the required information by the sentence 2 of the III of Article L. 225-102-1;
- we verified that the Declaration presents the business model and the main risks associated to the activity of all entities included in the consolidation scope, including, when relevant and proportionate, the risks created by its business relations, its products and services, with related policies, actions and results, including key performance indicators;
- we verified that, when they are relevant regarding the main risks and policies presented, that the Declaration presents the information required at the II of Article R. 225-105;
- we checked the process of selection and validation of the main risks;
- we verified existence of internal control and risk management procedures;
- we appreciated consistency of the results and key performance indicators selected regarding the main risks and policies presented;
- we verified that the Declaration covers the scope of consolidation, i.e. the companies included in the scope of consolidation pursuant the Article L. 233-16 with the limits specified in the Declaration.
- we appreciated the data collection process implemented by the entity aiming at the exhaustivity and reliability of the Information;
- we implement for key performance indicators and the other quantitative results which we considered the most important[1]:
  - Analytical review to verify the correct consolidation of the collected data along with the consistency of their evolutions,
  - Detailed tests based on sampling to verify the correct application of the definition and procedures and to reconciliate the data with supporting documents. These works were conducted alongside some contributor entities[2] and cover between 19% and 54% of the consolidated data of the key performance indicators and results selected for these tests;
- we consulted documentary sources and lead interviews to corroborate the qualitative information (actions and results) which we considered the most important[3];
- we appreciated the overall consistency of the Declaration relatively to our knowledge of SCOR.

Ressources

Our works mobilised skills of six people.

We lead a dozen of interviews with people in charge of preparing the Declaration, representing the General Secretariat, the Human Resources Direction and the Compliance Direction.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that, the extra-financial performance declaration in accordance with the applicable legal provisions and regulations and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris-La Défense, February 19, 2019

The Independent Third Party, Mazars SAS

Jean-Claude PAULY	Guillaume WADOUX	Edwige REY
Partner	Partner	Sustainable Development Partner

(1) Social information: Headcount at December 31; Turnover; Total compensation; Average fixed remuneration; Average bonus; Number of meetings with staff representatives; Number of European Committee meetings; Number of collective agreements signed; Number of collective agreements signed regarding health and safety at work; Number of training hours.
Environmental information: Volume of sorted and recycled paper waste; Energy consumption; Greenhouse gas emissions related to operationnal processes; CO_2 emission/employee.

(2) Paris, Cologne, Dublin and London sites.

(3) Social information: Measures to promote equality between women and men.
Compliance information: Actions to prevent corruption.

APPENDIX E
GLOSSARY

This glossary is a list of selected reinsurance terms. It is not a complete list of terms used in this Registration Document in the insurance or reinsurance industry.

ACCOUNTING YEAR

The entity's financial year in which the accounts are recorded.

ACCUMULATION

The sum of all risks which are correlated such that a single insured event will affect these risks or all the underwritten lines relating to the same risk.

ADVERSE DEVELOPMENT

Losses recorded during the period for which initial estimates recorded in previous accounting periods proved insufficient.

ASSET LIABILITY MANAGEMENT (ALM)

Risk-management technique aimed at earning stable and adequate returns and protecting capital by simultaneously managing the duration and other relevant characteristics of assets and liabilities.

ASSUMED BUSINESS

Transaction whereby a reinsurer agrees to cover part of a risk already underwritten or accepted by an insurer.

ATTACHMENT POINT

The amount of losses above which an excess of loss reinsurance contract becomes operative.

BEST ESTIMATES

An actuarial "best estimate" refers to the expected value of future potential cash flows (probability weighted average of distributional outcomes) related to prior underwritten business. Best estimates are based upon available current and reliable information and take into consideration the characteristics of the underlying portfolio.

BIOMETRIC RISKS

Risks related to human life including mortality, disability, critical illness, health, long-term care and longevity.

CAPITAL SHIELD STRATEGY

The capital shield strategy articulates the Group's risk appetite. This strategy is based on an economic approach and aims to protect the Group against potential shock losses, some of which are not immediately recognized from a pure accounting view. The policy builds on the following four concepts: traditional retrocession, capital market solution, buffer capital and contingent capital.

CASUALTY INSURANCE

Insurance primarily concerned with the losses caused by injuries to third parties by the policyholder and the legal liability imposed on the insured resulting therefrom.

CATASTROPHE (CAT)

SCOR defines a natural catastrophe as events involving several natural risks including but not limited to flood, windstorm, earthquake, hurricane, tsunami, that give rise to an insurable loss. For reporting purposes, the Group separately considers catastrophes as events causing pre-tax losses, net of retrocession, totaling at least EUR 3 million.

CATASTROPHE (OR CAT) BOND

A high performance bond which is generally issued by an insurance or reinsurance company. If a predefined occurrence takes place (such as an earthquake, tsunami, hurricane etc.), the bondholder loses all or part of his investment in the bond. This type of insurance-linked security allows insurance and reinsurance companies to transfer peak risks (such as those arising from natural catastrophes) to capital markets, thereby reducing their own risks.

CEDING COMPANY (ALSO CALLED CEDENT)

Insurance company, mutual society or insurance provider that transfers (or "cedes") a part of the risk it has underwritten to a reinsurer.

CESSION OR CEDED BUSINESS

Transaction whereby an insurer (cedent or ceding company) transfers part of its risk to the reinsurer against the payment of a premium. The opposite of ceded business is assumed business.

COMMISSION RATIO

The commission ratio is calculated by dividing Non-Life reinsurance commissions by Non-Life premiums earned. This ratio is net of retrocession.

COMMUTATION

A transaction through which insurers or reinsurers surrender all rights and are relieved from all obligations under the insurance or reinsurance contract in exchange for a single current payment.

CONTINGENT CAPITAL

Funds that would be available under a pre-negotiated agreement if a specific contingency (such as a natural disaster) occurs.

CREDIT AND SURETY INSURANCE

Credit insurance provides insurance coverage against loss to a supplier caused by customers' failure to pay for goods or services supplied. Surety insurance relates to sureties and guarantees issued to third parties for the fulfillment of contractual liabilities.

DECENNIAL INSURANCE

Decennial insurance provides insurance coverage to building owners and construction companies against losses caused by structural defects in new buildings resulting from inherent defects in design, construction or the materials used. In a number of countries, including France, such coverage is required as a matter of law. It is generally granted for a period of ten years following the completion of the construction.

DEFERRED ACQUISITION COSTS (DAC)

Costs associated with the acquisition of new contracts, mainly commissions, are recorded as assets and amortized on the basis of the residual term of the contracts for Non-Life business and on the basis of the recognition of future margins for Life contracts. DAC is subject to impairment testing conducted within the scope of the liability adequacy test.

DEFERRED TAX ASSET

Defined under IAS 12 as amounts of income tax recoverable in future accounting periods due to temporary differences or Net Operating Losses (NOL) carried forward.

DEPOSIT, FUNDS WITHHELD

Amounts which may be deposited with the ceding company to guarantee the reinsurer's liability. Income from securities deposited accrues to the reinsurer.

DIRECT INSURANCE

A policy taken out with an insurer by an individual or a company to cover a risk (property, service or person). This policy can either be underwritten directly with one of the insurer's agents or via a broker who receives a commission.

ELIGIBLE OWN FUNDS (EOF)

Amount of capital which is available and eligible to cover the Solvency II capital requirements (SCR). It is made of the addition of the IFRS shareholder's equity, the eligible hybrid debt and the impact of economic adjustments on the economic balance sheet. It is the numerator of the solvency ratio.

EMBEDDED VALUE

Frequently used measure of the value of expected future cash flows in life insurance and life reinsurance from the shareholder's point of view, expressed as the value of net assets plus the present value of expected profits on the insurance portfolio diminished by the cost of capital and overhead expenses.

ENTERPRISE RISK MANAGEMENT (ERM)

Enterprise Risk Management is a process, deployed by an entity's Board of Directors, Chief Executive Officer, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, in order to provide reasonable assurance regarding the achievement of the entity's objectives.

FACULTATIVE REINSURANCE

Reinsurance on an item-by-item or risk-by-risk basis. Facultative reinsurance is usually written for very large-line risks. It may be either proportional or non-proportional.

GROSS WRITTEN PREMIUMS

Actual and estimated premiums to be received for the period from the ceding companies. Gross premiums represent revenues for the accounting period.

GUARANTEED MINIMUM DEATH BENEFIT (GMBD)

The GMDB guarantees investors in a variable annuity that if the owner passes away while the market value is low, they would never get back less than their original principal.

INCURRED BUT NOT REPORTED (IBNR)

Provision for claims which have already occurred but have not been reported yet to the insurer at the reporting date.

INSURANCE LINKED SECURITIES (ILS)

Financial instruments whose values are driven by insurance loss events. Such instruments that are linked to property losses due to natural catastrophes represent a unique asset class, whose return is uncorrelated with the returns of the general financial markets.

INTERNAL MODEL

SCOR's internal model is used to quantify the risks that SCOR faces. In particular, it is used to calculate the Solvency Capital Requirement (SCR).

LEVERAGE RATIO

The leverage ratio is calculated by dividing subordinated debt by the sum of shareholders' equity and subordinated debt. The calculation excludes accrued interest and includes the impact of swaps related to subordinated debt issuances. This ratio is used to determine how much lenders are financing the Group's activities over shareholders.

LIABILITY ADEQUACY TEST (LAT)

An assessment of whether the carrying amount of an insurance liability needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets, such as VOBA, decreased), based on a review of future cash flows.

LIFE AND HEALTH REINSURANCE

Collective term for the lines of business in connection with the insurance of people, i.e. life, pension, health, critical illness, long-term care and personal accident insurance.

LIFE TECHNICAL MARGIN

The Life technical margin is calculated as a percentage of the net technical result plus income from funds held by ceding companies and the net of gross and ceded earned premiums.

LOSS/CLAIM

Event that triggers insurance cover and reserves recognition.

LOSS ADJUSTMENT EXPENSES (OR CLAIM MANAGEMENT EXPENSES)

Amount related to the expenses for actual or estimated claims expenses (declared or not declared yet) that occurred in the accounting year.

LOSS RATIO

The loss ratio is calculated by dividing Non-Life claims (including claims arising from natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

MATHEMATICAL RESERVE

Amount that a Life insurance or capitalization company must set aside and capitalize in order to meet its commitments to the insured.

MORBIDITY

The probability that an individual in a given group develop a certain disease or disorder.

MORTALITY

The relative incidence of death of Life insureds or annuitants holding a Life insurance policy.

NATURAL CATASTROPHE RATIO

The natural catastrophe ratio is calculated by dividing Non-Life claims arising from natural catastrophes by Non-Life premiums earned. This ratio is net of retrocession.

NET COMBINED RATIO

Sum of the Non-Life net attritional ratio, natural catastrophe ratio, commission ratio and the management expense ratio.

NET WRITTEN PREMIUM

Gross premiums diminished by the portion of premiums paid for retrocession, as opposed to gross written premiums.

NON-LIFE NET ATTRITIONAL RATIO

The Non-Life net attritional ratio is calculated by dividing Non-Life claims (excluding claims arising from natural catastrophes) by Non-Life premiums earned. This ratio is net of retrocession.

NON-PROPORTIONAL (EXCESS OF LOSS) REINSURANCE

Reinsurance contract written to protect the ceding company from all or part of claims in excess of a specified amount retained (priority). This generally takes the form of excess of loss (or XL) or excess of annual loss reinsurance.

P&C MANAGEMENT EXPENSE RATIO

The P&C management expense ratio is calculated by dividing management expenses incurred for Non-Life reinsurance operations by Non-Life premiums earned. This ratio is net of retrocession.

PERILS

PERILS provides index values which can be used in industry-loss-based ILS transactions. The underlying data for the index is thereby directly collected from insurance companies underwriting property business in the affected areas and is processed in a standardized procedure to estimate industry-wide insured losses, which then form the basis of the PERILS index service.

PREMIUMS EARNED

Premiums an insurance company has recorded as revenues during a specific accounting period.

PRIMARY INSURER

An insurance company that issues insurance contracts to the public generally or to certain non-insurance entities.

PROBABLE MAXIMUM LOSS (PML)

The estimated anticipated maximum loss, taking into account ceding company and contract limits, caused by a single catastrophe affecting a broad contiguous geographical area, such as that caused by a hurricane or earthquake of such a magnitude that it is expected to recur once during a given period, such as every 50, 100 or 200 years.

PROPERTY INSURANCE

Insurance that provides coverage to a person with an insurable interest in tangible property for that person's property loss, damage or loss of use.

PROPORTIONAL (PRO RATA) REINSURANCE

Reinsurer's share of claims carried by the reinsurer in proportion to its share of premiums received. Proportional reinsurance is generally written as a quota share of business or as surplus reinsurance.

PROVISION FOR CLAIMS PAYABLE

Reserve for claims reported but not settled yet. These are estimated by ceding companies and communicated to the reinsurer.

REINSTATEMENT PREMIUMS

Additional premiums charged under certain excess of loss reinsurance contracts to restore coverage amounts after a loss.

REINSURANCE

Procedure whereby an insurance company in turn insures itself with an outside company (the reinsurer) for part or all of the risks it covers, in return for payment of a premium.

REINSURANCE COMMISSION

Percentage of premiums paid by the reinsurer to the insurer in quota-share or facultative treaties as a contribution to the acquisition and administrative costs relating to the business ceded.

REINSURANCE POOLS

A reinsurance pool involves insurance and reinsurance companies as well as public authorities in order to spread the risks. It allows the Group to have limited and known commitments.

REINSURANCE TO CLOSE (RITC)

Lloyd's accounting practice based on a 3-year accounting process for Lloyd's syndicates. The syndicate underwriting account is closed at the end of the third year by means of reinsurance into the following year, which reinsures all future liabilities for the closed year and all previous years.

REINSURANCE TREATY

Reinsurance convention between an insurer and a reinsurer defining the terms under which the risks covered by the convention are ceded and accepted. The two main categories of treaty reinsurance are proportional and non-proportional.

RETENTION

Share of the risk retained by the insurer or reinsurer for its own account.

RETROCESSION

Transaction in which the reinsurer transfers (or cedes) all or part of the risks it has assumed to another reinsurer (the retrocessionaire), in return for payment of a premium.

RETURN ON EQUITY (ROE)

Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period using a prorata temporis). This return is annualized when calculated quarterly.

RETURN ON INVESTED ASSETS (ROIA)

The return on invested assets is used to assess the return on the Group's invested assets excluding funds withheld by cedants. This percentage, return is calculated by dividing the total investment income on invested assets by the average invested assets (calculated as the quarterly averages of the total invested assets).

RETURN ON INVESTMENT (ROI)

The return on investment is used to assess the profitability of the Group's investments, including funds withheld by cedants and other deposits less cash deposits. This percentage return is calculated by dividing the total net investment income by the average investments (calculated as the quarterly averages of the total investments).

RISK APPETITE

Defines the target risk profile (assets and liabilities combined) that SCOR actively seeks in order to achieve its expected return.

RISK APPETITE FRAMEWORK

Consistently defines the four following concepts: SCOR's risk appetite, SCOR's risk preference, SCOR's risk tolerance and "footprint" scenario.

RISK-FREE (INTEREST) RATE

The rate of interest that remunerates assets with no counterparty risk. Usually, the weighted five-year daily interest rates of treasury bills (T-bills) in the Eurozone, the US, UK, Canada and Switzerland averaged over the period under consideration are used as proxies for the risk-free (interest) rate. The weighted average used for this calculation is based on the percentage of reserves denominated in the currency of each such reserve.

RUN OFF

The cessation of all underwriting of new business on a risk portfolio. As a result, all reserves are "run off" over time until their complete extinction. Run off may take up to several decades depending on the class of business.

SCOR GLOBAL LIFE (SGL) AND SCOR GLOBAL LIFE SE

SCOR Global Life refers to the operating segment recording all business underwritten by entities in the Life operating segment. SCOR Global Life SE refers to the legal entity.

SCOR GLOBAL P&C (SGP&C) AND SCOR GLOBAL P&C SE

SCOR Global P&C refers to the Non-Life operating segment and all business transacted by entities in this segment. SCOR Global P&C SE refers to the legal entity.

SCOR SE AND SCOR GROUP

SCOR SE refers to the legal entity SCOR SE, the issuer. SCOR SE and its consolidated subsidiaries are referred to as SCOR, SCOR Group or the Group.

SOLVENCY CAPITAL REQUIREMENT (SCR)

Solvency Capital Requirement, i.e. required capital, under the Solvency II framework, calculated by SCOR's internal model, ensuring the Group can meet its obligation over the following 12 months with a 99.5% probability. It is the denominator of the solvency ratio.

SPECIAL PURPOSE VEHICLE (SPV)

A legal entity created to fulfill specific or temporary objectives (conduct defined activities or hold assets etc.). SPV's are typically used by companies to isolate the financial risk from the firm.

TAIL

The period of time that elapses between either the writing of the applicable insurance or reinsurance policy or the loss event (or the insurer's or reinsurer's knowledge of the loss event) and the payment in respect thereof. A "short-tail" product is one where ultimate losses are known comparatively quickly; ultimate losses under a "long-tail" product may remain unknown for several years.

TECHNICAL RATIO

The technical ratio is a P&C indicator and is calculated as the sum of the loss ratio and commission ratio. This ratio is net of retrocession and is used to assess the net performance of reinsurance transactions excluding P&C management expenses.

TECHNICAL RESULT

The balance of income and expenses allocated to the insurance business and shown in the underwriting income statement.

TOTAL LIQUIDITY

This total displays the Group's available short-term liquidity position. It is defined as cash and cash equivalents (which include cash held by the Group on behalf of third parties), short-term government bonds maturing between three months and twelve months from the date of purchase (included in loans and receivables) and bank overdrafts.

UNDERWRITING CAPACITY

The maximum amount that an insurance or reinsurance company can underwrite. The limit is generally determined by the company's retained earnings and investment capital. Reinsurance serves to increase a company's underwriting capacity by reducing its exposure to particular risks.

For Lloyd's, amount of gross written premiums net of acquisition costs underwritten by the Group through its investments in Lloyd's Syndicates.

UNDERWRITING EXPENSES

The aggregate of policy acquisition costs, including commissions, and the portion of administrative, general and other expenses attributable to underwriting activities.

UNDERWRITING RESERVES

Amounts that an insurer or reinsurer must place in reserves in order to pay out on claims insured, and on liabilities arising from policies written.

UNDERWRITING YEAR

The year starting with the effective date of a policy or with the renewal date of that policy; to be distinguished from the accounting year. For example, a claim may occur during the current accounting year, but relate to a policy commencing in a prior underwriting year.

UNEARNED PREMIUM RESERVES

For each reinsurance contract, these cover the portion of premiums written during the year relating to future periods (between the reporting date and the date at which the reinsurance contract expires).

UNIT-LINKED CONTRACT

Life insurance contract or capitalization certificate for which the amount guaranteed and bonus amounts are expressed, not in a specific Euro amount, but by reference to one or more units of account such as mutual fund units or real estate investment trust units. Contractual guarantees are directly linked to upward or downward variations in a security listed on a regulated market or in the value of a real estate asset.

VALUE OF BUSINESS ACQUIRED (VOBA)

This refers to life reinsurance portfolios acquired in a business combination. It is calculated as the present value of the stream of expected future cash flows including estimates of future technical results, future investment income less future administrative expenses. The present value calculation is based on assumptions and risk discount factors relevant at the date of acquisition. VOBA is amortized over the lifetime of the underlying reinsurance portfolio and is subject to impairment testing as part of the LAT.

VALUE OF IN-FORCE BUSINESS (VIF)

Present value of expected future income flows from the portfolio of in-force business, discounted by a currency-specific risk discount rate and determined in accordance with local accounting principles.

XXX (OR TRIPLE X)

A regulation in the US, (NAIC Model Regulation XXX or Valuation of Life Insurance Policies Model Regulation) commonly referred to as Regulation XXX (or Triple X) which requires that US life insurance and life reinsurance companies must hold on their statutory financial statements a relatively high level of regulatory or statutory reserves for various types of life insurance business, primarily certain level term life products. The reserve levels required under Regulation XXX increase over time and are normally in excess of reserves required under IFRS.

APPENDIX F
ADDITIONAL INFORMATION RELATING TO THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP – CORRESPONDENCE TABLE

In accordance with the AMF Guide for compiling registration documents updated as at April 13, 2015, statements and information pertaining to the management report on the Company's and the Group's activities in 2018, as approved by the Board of Directors on February 19, 2018 (the "Report"), are included and presented in the 2018 Registration Document which will be submitted as such to the Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2018.

Therefore, the sections of the Registration Document referred to in the correspondence table set forth under Section 7 hereafter, are fully incorporated in this Report of which they are deemed to be an integral part.

The information of the special report relating to the 2018 stock options plans established in accordance with Article L. 225-184 of the French Commercial Code and the special report relating to the 2018 free share allocation plans established in accordance with the Article L. 225-197-4 of the French Commercial Code, appear in Section 2.2.3.4 – Plans providing employee profit sharing.

Statements and information relating to the resolutions submitted to the Shareholders' Meeting, pursuant to the provisions of Article R. 225-83, 4° of the French Commercial Code are presented in a separate report of the Board of Directors.

1. OPERATING AND FINANCIAL REVIEW OF SCOR SE

1.1. YEAR 2018

1.1.1. OPERATING AND FINANCIAL REVIEW OF SCOR SE IN 2018

The total assets of SCOR SE as at December 31, 2018 amounted to EUR 13,288,421,215.

The total financial assets (investments) amounted to EUR 9,388,215,718.

Shareholders' equity stood at EUR 3,599,751,982 and subordinated liabilities at EUR 2,277,172,685. Liabilities amounted to EUR 3,595,099,722 including other loans of EUR 61,069,742.

The net amount of underwriting reserves was EUR 2,417,520,013.

The technical result of SCOR SE as at December 31, 2018 was EUR 39,561,294 while the financial result was EUR 569,116,977.

SCOR SE's net income amounted to EUR 499,203,302 in 2018.

For additional information on the operating and financial situation of SCOR SE and its subsidiaries, as well as on the development of their business in 2018, see Section 1.3, Section 4 and Appendix C of the Registration Document.

1.1.2. ADDITIONAL INFORMATION

Liabilities due to suppliers

Pursuant to the provisions of Article L. 441-6-1 of the French Commercial Code, except in specific situations (such as litigation regarding invoices received), suppliers' invoices are paid upon receipt or within 30 days of the end of the month.

In application of the circular of the French Insurance Federation (Fédération Française de l'Assurance) of May 29, 2017, information presented in the table below, does not include the transactions linked to insurance and reinsurance contracts.

	Article D.441 I.1: Unpaid received bills at the end of the financial year whose term is expired						Article D.441 I.2: Unpaid issued bills at the end of the financial year whose term is expired					
In EUR millions	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payments												
Number of concerned bills	110					159	148					47
Total Amount of concerned bills without taxes	12	-	-	-	1	1	78	-	-	-	4	4
Percentage of total expenses of the year, without taxes	5.55%	0.06%	0.00%	-	0.53%	0.59%						
Percentage of total gross sales of the year, without taxes							30.47%	0.03%	0.01%	-	1.60%	1.63%
(B) Excluded bills from (A) related to debts and contested claims unaccounted												
Number of excluded bills	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded bills	-	-	-	-	-	-	-	-	-	-	-	-
(C) Reference payment term used (contractual or legal term – article L. 441-6 or article L. 443-1 of the commercial law)												
Payment term used to calculate late payments												
Contractual term		30 days end of the month										
Legal term												

Total amount of exceptional expenditures

Pursuant to Article 223 quarter of the French General Tax Code, we remind you that the amount of the expenses and charges referred to in Article 39.4 of said Code for 2018 totals EUR 114,623 and the amount of taxation borne by the Company due to the non-deductibility of such charges should amount to a total of EUR 39,465.

Add-back of general expenditures

In application of paragraph 5 of Article 39 of the French General Tax Code, EUR 17,178,009 of expenses are considered as non-deductible for tax income 2018. The related amount of taxation due by the Company adds up to EUR 5,914,389.

1.2. OPERATING RESULTS OF SCOR SE IN PAST FINANCIAL YEARS

1.2.1. FIVE-YEAR FINANCIAL SUMMARY

Pursuant to the provisions of Article R. 225-102 of the French Commercial Code, the following table presents a summary of SCOR SE's operating results for each of the last five financial years:

Ratio nature	2018	2017	2016	2015	2014
I. Financial position at the end of the year					
a) Social capital *(in EUR millions)*	1,521	1,524	1,517	1,518	1,518
b) Number of issued shares	193,085,792	193,500,317	192,534,569	192,653,095	192,691,479
c) Number of convertible bonds to shares	-	-	-	-	-
II. Global Profit and loss of effectives transactions *(in EUR millions)*					
a) Turnover without taxes	2,400	2,266	2,053	1,748	1,585
b) Net profit before taxes, depreciations and reserves	508	(90)	507	802	355
c) Current income tax	15	101	46	-	14
d) Net profit after taxes, depreciations and reserves	499	(5)	647	844	387
e) Allocated net profit amount	338[1]	319	318	289	270
III. Profit and loss per share:					
a) Net profit after taxes, and before depreciations and reserves	2.71	0.05	2.87	4.16	1.92
b) Net profit after taxes, depreciations and reserves	2.59	(0.02)	3.36	4.38	2.01
c) Paid dividend per share	1.75[1]	1.65	1.65	1.50	1.40
IV. Salaries:					
a) Number of salaries	817	805	744	716	648
b) Gross wages amount	136	124	132	124	105
c) Amount of paid employees benefits (Healthy contribution, others benefits, etc.)	34	33	29	27	26

(1) Subject to adjustment based on 2019 Shareholders' Meeting's decision regarding the allocation of 2018 income.

1.2.2. DIVIDENDS DISTRIBUTED BY SCOR SE OVER THE LAST THREE FINANCIAL YEARS

Over the three previous financial years, the amounts distributed by SCOR SE as dividends were as follows:

Fiscal year ended on:	12/31/2017	12/31/2016	12/31/2015
Number of shares[1]	193,500,317	192,746,124	192,653,095
Net dividend per share	EUR 1.65	EUR 1.65	EUR 1.50
Amount eligible for the deduction allowance specified by Article 158-3 of the French General Tax Code[2]	EUR 1.65	EUR 1.65	EUR 1.50

(1) Number of shares of the Company, with a par value of EUR 7.8769723, outstanding at the time of distribution of the related dividend, including treasury shares.
(2) For natural persons only: the dividend paid in 2016, 2017 and 2018 for the financial years 2015, 2016 and 2017 gave entitlement to a 40% deduction (except where the beneficiary opted for fixed-rate taxation on dividends (prélèvement libératoire forfaitaire, where applicable)).

2. TRENDS IN THE SCOR SE SHARE PRICE THROUGHOUT 2018

The following table presents the volume of transactions and trends in the SCOR SE share price on the Euronext Paris stock market throughout the financial year 2018:

Month	Volume	Value *(In EUR millions)*	Higher *(In EUR)*	Lower *(In EUR)*
January	8,788,169	312	36.89	33.12
February	10,160,935	359	36.49	33.78
March	11,760,597	396	34.99	31.78
April	8,819,796	305	35.66	33.48
May	9,939,766	325	33.88	31.29
June	10,606,533	338	32.62	30.84
July	7,690,822	248	33.59	31.26
August	11,579,097	400	36.21	32.95
September	14,789,013	570	40.97	34.75
October	11,587,514	475	42.30	39.82
November	9,844,112	418	43.79	40.73
December	8,617,520	341	43.40	37.20

Following the delisting by SCOR of its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE), the final listing of the ADRs on the NYSE occurred on June 4, 2007. Since this date, the ADRs are traded on the US over-the-counter market under the code SCRYY. In addition, SCOR announced on May 24, 2007 to maintain its ADRs program managed by The Bank of New York Mellon as a sponsored level 1 facility. ADRs holders have been able to choose to hold their ADRs following the delisting from the NYSE and the end of the registration of the Company at the US Securities and Exchange Commission (SEC).

3. SOCIAL AND ENVIRONMENTAL IMPACT OF SCOR'S ACTIVITY

See Appendix D – Non financial performance declaration.

4. CONSEQUENCES OF RESPECT OF HUMAN RIGHTS, THE FIGHT AGAINST CORRUPTION AND FISCAL EVASION

See Appendix D – Non financial performance declaration.

5. RELATED PARTY AGREEMENTS

See Section 2.3.2 – Related party transactions and agreements.

6. ADDITIONAL INFORMATION PROVIDED IN THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP – CORRESPONDENCE TABLE

The following information and statements are fully incorporated into this Report, of which they are an integral part, in the various sections of the Registration Document referred to in the correspondence table below:

Management report	Registration document
STATEMENTS DEALING WITH THE MANAGEMENT OF SCOR SE AND THE GROUP IN 2018	
Analysis of the Company's and the Group's business development, results and financial position (including the debt situation)	Sections 1.1.1, 1.1.2, 1.3.1, 1.3.5, 1.3.6, 1.3.9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9
Situation and activity of the Company and the Group during the past year	Sections 1.1.1, 1.1.2, 1.3.1, 1.3.5, 1.3.6, 1.3.9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9
Results of the activity of the Company, its subsidiaries and the companies under its control	Sections 1.1.1, 1.1.2, 1.3.1, 1.3.5, 1.3.6, 1.3.9, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.9
Important events occurred since the closing of the last financial year	Sections 1.3.10
Table of the Company's results in the course of the five last financial years	Appendix F – 1.2.1
Dividends distributed in the course of the three last years and dividends eligible to the 40% relief	Appendix F – 1.2.2
Amount of the intercompany loans – Loans of less than two years granted by the Company, as an ancillary to its main activity, to micro businesses and SME or companies of an intermediate size with which it maintains economical relationships	None
Information on expenses and charges not deductible from taxes	Appendix F – 1.1.2
Clients and suppliers payment terms	Appendix F – 1.1.2
Key financial performance indicators	Sections 1.1, 1.3.5 and 1.3.9
Research and development activities within the Group and SCOR SE	Section 1.2.6
Non financial performance declaration of the Group and SCOR SE	Appendix D
Main risk factors and uncertainties facing the Group	Section 3
Indications on the use of financial instruments, and the Company's objectives and policy in terms of financial risk management and market risks	Sections 3.4 and 3.5
Indication on the financial risks related to the effects of the climate change and presentation of the means taken by the Company to reduce them by implementing a low-carbon strategy at all stage of its activity	Appendix D
Main characteristics of the internal control and risk management procedures	Section 3.8, Appendix A
FINANCIAL AND LEGAL INFORMATION	
Company's securities	
◆ Shareholding and threshold crossing	Section 2.3.1
◆ Transactions performed by the Company in its own shares in the framework of Articles L. 225-208, L. 225-209 and L. 225-209-2 of the French Commercial Code	Section 2.3.1
◆ Notice of holding more than 10% of the share capital of another joint-stock company – Disposal of cross shareholdings	–[(1)]
◆ Employee share ownership	Section 2.3.1
◆ Adjustment of the conversion basis for securities granting access to the share capital	Section 2.3.1.6
◆ Summary statement on the transactions on titles by the persons referred to in Article L. 621-18-2 (persons discharging managerial responsibilities as well as the persons closely associated with them)	Section 2.2.4
Foreseeable evolution	Sections 1.3.3, 1.3.4, 1.3.5 and Appendix C – 5.3.9
Collective agreements concluded within the Company and the impact on the economic performance and work conditions of the employees (included in the Non financial performance declaration of the Group and SCOR SE)	Appendix D
Financial sanctions and orders by the Competition Authority on express decision for anti-competition behaviours	Section 4.6.25
SUBSIDIARIES AND AFFILIATES	
Group organization chart	Section 1.2.3
Subsidiaries' business overview during the financial year closed	Sections 1.2.3, 1.2.5, 1.3.1, 1.3.5, 1.3.6, 1.3.9 and Appendix C – 5.2.1

Management report	Registration document
Purchase of shareholdings during the financial year closed	Sections 4.6 Note 3 and Appendix C – 5.2.1
Existing branches	Section 1.2.3.2
Transfer or disposal of shares undertaken to regularize cross shareholdings	None
REPORT ON THE CORPORATE GOVERNANCE	
Information related to the remunerations	
For each of the corporate officers Total remuneration and advantages of any kind paid during the financial year by the Company, the controlled companies or the company controlling it (L. 233-16) Description of the fixed, variable and exceptional item comprising these remunerations and advantages as well as the criteria pursuant to which they have been calculated or the circumstances further to which they were granted Reference to the resolution voted in the conditions of article L. 225-82-2 of the French Commercial Code (concerning the say on pay ex ante)	Sections 2.2.1.2, 2.2.1.3 and 2.2.3
Principles and criteria for the determination, the allocation and the grant of the fixed, variable and exceptional items comprising the total remuneration and the advantages of any kind attributable to the Chairman and Chief Executive Officer or Deputy Chief Executive Officers (Directeurs Généraux Délégués) because of their mandate	Section 2.2.1.4
Commitments of any kind taken by the Company to the benefit of its corporate officers, corresponding to remuneration items, damages or advantages owed or likely to be owed with respect to the taking up, the termination or the change of their functions or after the exercise of such functions	Section 2.3.3
Choice of the Board related to the means of conservation by the officers of shares granted freely and/or shares resulting from the exercise of stock options	Section 2.2.1.1
Information related to the composition, the operation and the powers of the Board	
Reference to a corporate governance code in accordance with the principle "comply or explain" as well as location where such code can be consulted	Section 2.1.1
Composition, conditions of preparation and organization of the works of the Board	Sections 2.1.2, 2.1.3 and 2.1.4
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List of all mandates and functions exercised in any company by each corporate officer during the financial year	Section 2.1.2.1
Summary table of the delegations in course of validity granted by the Shareholders' Meeting for increasing the share capital	Section 2.3.1.6
Agreements entered into, directly or through an intermediary, between a corporate officer and a company which share capital is held, directly or indirectly, at more than 50% by the Company	Section 2.3.2
Choice made of one of the two means for exercising the General Management	Section 2.1.1.1
Limitations brought by the Board of Directors to the powers of the Chief Executive Officer	Section 2.1.1.1
Specific means for the participation of the shareholders to the Shareholders' Meeting or provisions of the articles of association providing for such means	Sections 2.1.1.2 and 5.1.5
Items likely to have an influence in the case of a tender offer	
Share capital structure	Section 2.3.1
Restrictions to the exercise of the voting rights and the transfer of shares pursuant to the articles of association or provisions of the agreements brought to the knowledge of the Company in accordance with Article L. 233-11 of the French Commercial Code	Sections 2.3.1.2, 5.1.3, 5.1.4, 5.1.6, 5.1.7 and 5.1.8
Direct or indirect shareholding interests in the Company of which it is aware pursuant to Articles L. 233-7 (threshold crossing) and L. 233-12 (cross-shareholding)	Sections 2.3.1.1,2.3.1.3 and 5.1.7
List of the persons holding titles comprising special control rights and description thereof	Section 2.3.1.2
Control mechanism provided for in a potential employee shareholding scheme, when the voting rights are not exercised by the latter	Section 2.2.3.4
Agreements between the shareholders of which the Company is aware likely to trigger restrictions to the transfer of shares and the exercise of voting rights	Section 2.3.1.1
Rules applicable to the nomination and the replacement of the members of the Board as well as the modification of the articles of association of the Company	Sections 2.1.2, 5.1.4,5.1.5 and 2.1.3
Powers of the Board in particular with respect to the issuance or the redemption of shares	Sections 2.3.1.6,5.1.3 and 5.1.2
Agreements entered into by the Company which are modified or terminated in the case of a change of control of the Company	Sections 2.3.1.5
Agreements providing for damages to the members of the Board or the employees, if they resign or are dismissed without cause or if their employment is terminated because of a cash tender offer or an exchange tender offer	Sections 2.3.3 and 2.2.2.1

(1) The Company did not hold any cross shareholdings in 2018.

APPENDIX G

CORRESPONDENCE TABLE – REGULATION (EC) OF APRIL 29, 2004

Regulation (EC) of April 29, 2004

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APPENDIX H
ANNUAL FINANCIAL REPORT – CORRESPONDENCE TABLE

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