2017 REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

SCOR
The Art & Science of Risk

CONTENTS

2017 REGISTRATION DOCUMENT

including **THE ANNUAL FINANCIAL REPORT**

SCOR

The Art & Science of Risk

A European Company with share capital of EUR 1,524,196,637.05
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 February 23, 2018 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, 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;
- SCOR SE's corporate and consolidated financial statements for the financial year ended December 31, 2015 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 4, 2016 under number D.16-0108.

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 (trends and shocks on 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.

14.8
BILLION EUROS OF PREMIUM INCOME IN 2017

4th
LARGEST REINSURER IN THE WORLD

2,801
EMPLOYEES (EXCLUDING REMARK) OF 64 NATIONALITIES ACCROSS 29 COUNTRIES, EQUALLY DISTRIBUTED (47% WOMEN / 53% MEN)

+4,000
CLIENTS THROUGHOUT THE WORLD

RATING AGENCIES

AM BEST	A+	Stable outlook
FitchRatings	AA-	Stable outlook
Moody's	Aa3	Stable outlook
S&P Global	AA-	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 fourth largest reinsurer[(1)] serving more than 4,000 clients from its three regional management platforms, or organizational hubs (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

The European Hub (EMEA Hub) results from the combination of previously existing Hubs of Zurich-Cologne and Paris-London. This new step in the optimization of the Group's organizational structure follows on from the creation of the Zurich-Cologne Hub in October 2014 and the Paris-London Hub in April 2015.

Although 2017 has been marked by an exceptional series of large natural catastrophes which occurred during the second half 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 million	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Consolidated SCOR Group			
Gross written premiums	14,789	13,826	13,421
Net earned premiums	13,281	12,462	11,984
Operating result	491	951	1,048
Consolidated net income – Group share	286	603	642
Net investment income[(1)]	764	670	666
Group cost ratio[(2)]	5.0%	5.0%	5.0%
Return on invested assets[(2)]	3.5%	2.9%	3.1%
Return on equity[(2)]	4.5%	9.5%	10.6%
Basic earnings per share *(in EUR)*[(3)]	1.53	3.26	3.46
Book value per share *(in EUR)*[(2)]	33.01	35.94	34.03
Share price *(in EUR)*[(4)]	33.55	32.83	34.51
Operating cash flow	1,144	1,354[(5)]	795
Total shareholders' equity	6,225	6,695	6,363
SCOR Global P&C			
Gross written premiums	6,025	5,639	5,723
Net combined ratio[(2)]	103.7%[(6)]	93.1%	91.1%
SCOR Global Life			
Gross written premiums	8,764	8,187	7,698
Life technical margin[(2)]	7.1%	7.0%	7.2%

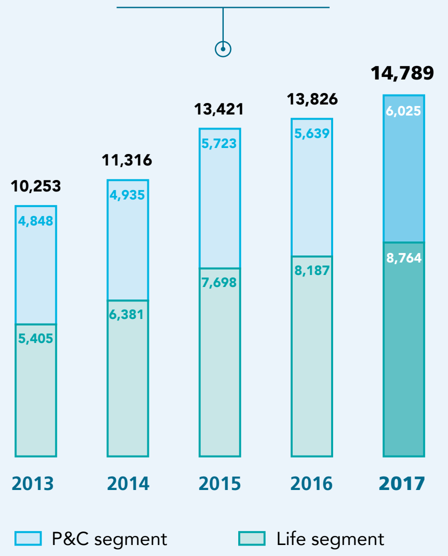
(1) See Section 1.3.5.4 – Net investment income and investment income on invested assets.
(2) See Section 1.3.9 – Calculation of financial ratios, for detailed calculation.
(3) Earnings per share are calculated as net income divided by the number of ordinary shares, which includes the average number 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.
(4) Closing stock price on December 29, 2017 (December 30, 2016 and December 31, 2015).
(5) Includes a EUR 301 million one-off cash in-flow from the repayment of a cedent's fund withheld.
(6) 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 impacts on the previously reported ratio is +0.26%pts and +0.22%pts as at December 31, 2016 and December 31, 2015, respectively.

(1) By net reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2017".

1.1.2. OVERVIEW

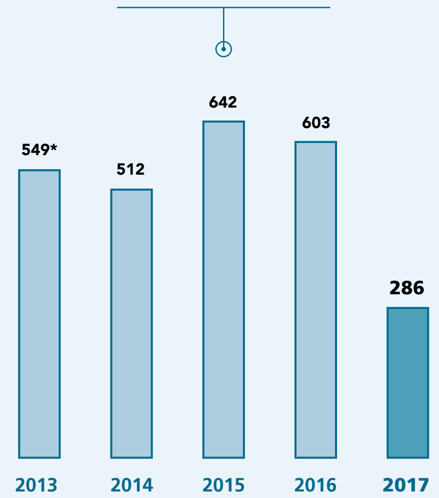
GROSS WRITTEN PREMIUM

In EUR millions



CONSOLIDATED NET INCOME – GROUP SHARE

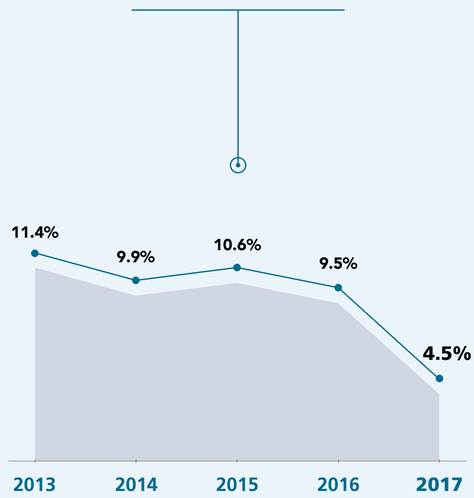
In EUR millions



* *2013 consolidated net income – Group share included gains from bargain purchases of EUR 202 million (net of acquisition related costs).*

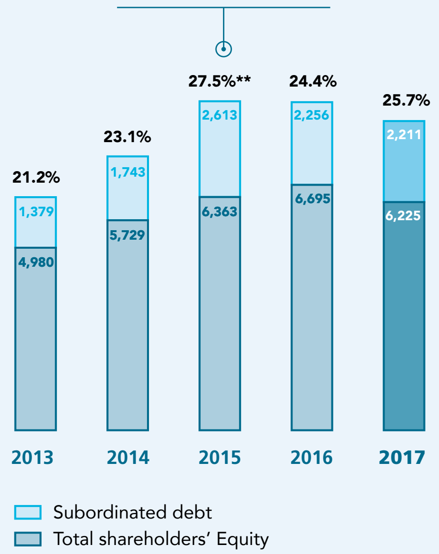
RETURN ON EQUITY*

In %



SHAREHOLDERS' EQUITY, DEBT AND LEVERAGE RATIO* (IN %)

In EUR million



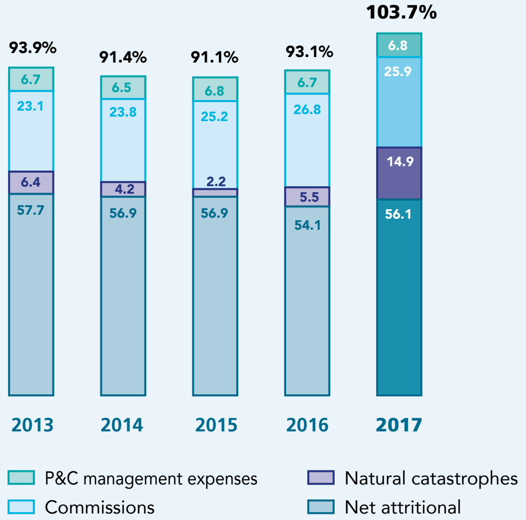
* *Return on equity is based on the Group's share of net income divided by average shareholders' equity (calculated as shareholders' equity at the beginning of the period adjusted for the effect of all movements during the period using a prorata temporis method). The ROE calculation method was adjusted 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. The ratio previously reported in 2013 Registration Document was 11.5% for 2013.*

* *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 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.*

NET COMBINED RATIO*

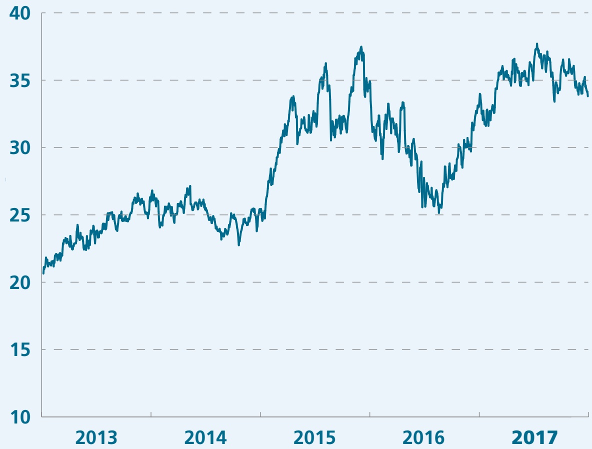
In %



* *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 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 combined ratio in the future. The impact on the previously reported ratio is +0.26%pts and +0.22%pts as at December 31, 2016 and December 31, 2015, respectively*

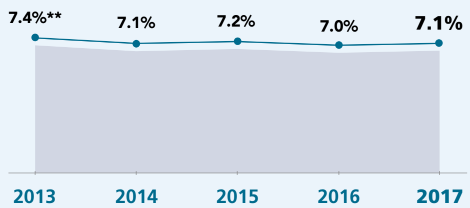
SHARE PRICE

In EUR



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.*

** *The technical result calculation method was adjusted in 2014 to include revenues from Life reinsurance contracts that do not transfer significant reinsurance risk (previously presented in the investment income line). The ratio previously reported in the 2013 Registration Document was 7.3% for the year ended December 31, 2013.*

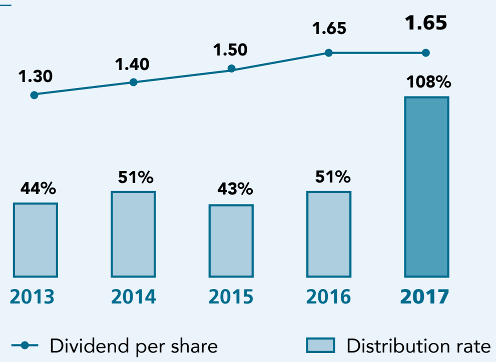
1.1.3. DIVIDEND DISTRIBUTION POLICY

DIVIDEND PER SHARE AND DISTRIBUTION RATE

In EUR

A resolution will be presented to the Annual Shareholders' Meeting held during the first half of 2018, to approve the financial statements for the financial year 2017, proposing the distribution of a dividend of EUR 1.65 per share for the financial year 2017.

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

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.

Following the reorganization of Euronext indices on January 3, 2005, the ordinary shares are now included on the following indices: SBF TOP 80, SBF 120, CAC Next 20, CAC Large 60, CAC All-Shares, CAC All Tradable, CAC Financials, Euronext FAS IAS, Euronext 100 and Ethibel® Sustainability Index Excellence Europe (ESI Europe). 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 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 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.

SCOR SE has been included in the EuroStoxx Select Dividend 30 index of the 30 highest dividend paying European companies since March 12, 2010.

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, where they are not contrary to 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. This holding company legislation typically requires 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 these 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 global reform of the rules of personal data protection, contained in the Regulation (EU) 2016/679 of April 27, 2016, in force since May 24, 2016, updates within the European Union the principles of personal data processing put by the Directive on the personal data protection dated October 24, 1995. Companies shall have to organize their compliance before May 25, 2018. 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 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 General Data Protection Regulation (GDPR), this draft regulation aims at completing the upgrade of personal data regulation (with an extended scope, changes for internet cookies and enhancement of data confidentiality).

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, which in 2011 had an initial stamp capacity of GBP 75 million. 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 Transamerica Re's business risks. SCOR Global Life and Transamerica Re were merged into a new entity SCOR Global Life 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 U.S. Holdings, Inc. or Generali U.S.) 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.

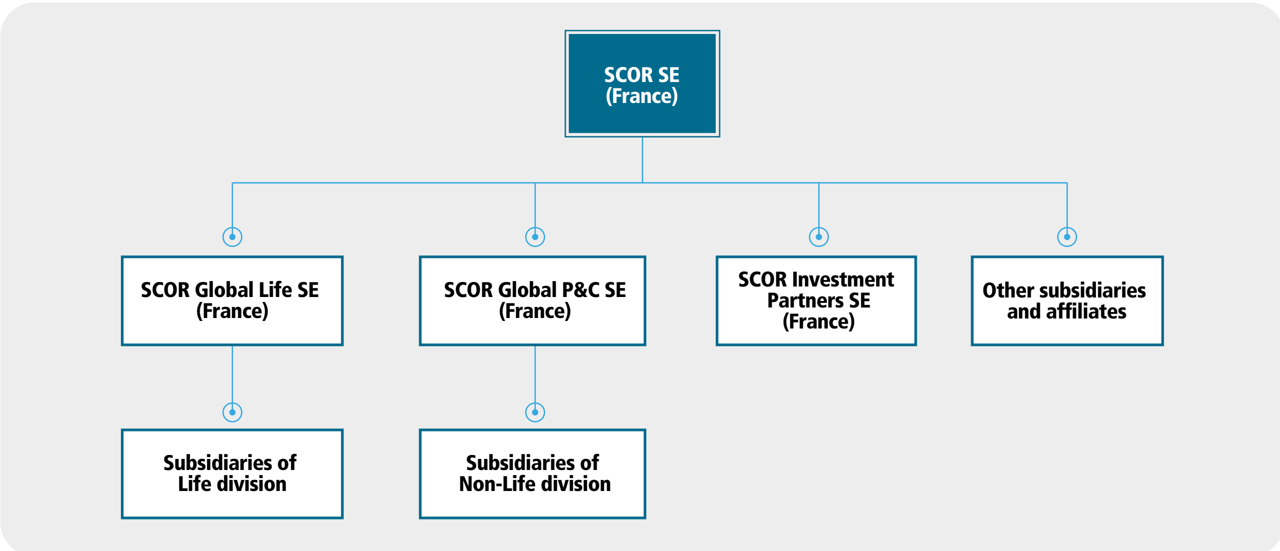
On September 1, 2014, SCOR announced the creation of a local entity in Brazil, SCOR Brasil Resseguros SA (SCOR Brasil Re), following the granting of a license to operate as a Local Reinsurer beside the Brazilian insurance authority SUSEP on August 26, 2014.

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.

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, 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

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

including Australia, New Zealand, China, Hong Kong, Japan, Singapore, Malaysia, South Korea and India and 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 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. 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 treaties which constitute the Group's internal steering instrument through which it annually allocates capital 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 "New SCOR" project

As part of the implementation of the New SCOR project announced in June 2005, SCOR first transferred all of its NonLife reinsurance business in Europe to Société Putéolienne de Participations (which became SCOR Global P&C), a French subsidiary wholly owned by SCOR. Secondly, SCOR SE, SCOR Global P&C SE and SCOR Global Life SE (formerly known as SCOR Vie) adopted European Company status *(Societas Europaea)* on June 25, August 3 and July 25, 2007 respectively.

European Company status enables SCOR SE to strengthen its European and transnational identity, facilitate acquisitions in Europe, improve its flexibility in financial matters and capital allocation, simplify regulatory controls and reduce its local structures, by giving preference to branches, rather than local subsidiaries. The Group is thereby demonstrating its ambition to be a company with European roots and global reach.

Reorganization of the North American entities

Following the 2011 acquisition of the mortality reinsurance business of Transamerica Re, SCOR Global Life reorganized its activities in the US and merged SCOR Global Life Reinsurance Company of America into SCOR Global Life U.S. Reinsurance Company. SCOR Global Life U.S. Reinsurance Company was renamed SCOR Global Life Americas Reinsurance Company (SGL Americas).

Following the 2013 acquisition of Generali U.S. Holding, Inc., Generali USA Life Reassurance Company, the primary operating company, relocated from Missouri to Delaware and was renamed SCOR Global Life USA Reinsurance Company.

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. Each Hub typically includes the following functions: Legal and Compliance, Information technology support, Finance and Human Resources. This organization enables:

- SCOR's operational structures and support functions to be optimized by creating service entities 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.

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

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 4.6.4 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 relationships with ceding companies. Since the acquisition of the mortality reinsurance business, including the operational assets and personnel, of Transamerica Re, and the acquisition of Generali U.S. Holding Inc., Charlotte, North Carolina, and Kansas City, Missouri, have become key locations for the Life division. As part of these integrations, Charlotte and Kansas City have joined New York as key competence centers for the Americas Hub.

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 4.6.22 Note 22 – Related party transactions;
- Section 4.6.2.1 – 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 4.6.3 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.

1.2.4. RATINGS INFORMATION

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

At December 31, 2017, 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 September 7, 2017, 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 1, 2017, A.M. Best upgraded SCOR's insurance financial strength rating to "A+" (Superior) from "A" (Excellent), and the long-term issuer credit rating to "aa-" from "a+". The outlooks are stable. According to A.M. Best, this decision reflects "SCOR's track record of strong and resilient operating profitability and its very strong risk-adjusted capitalization, despite persisting challenging market conditions", adding that "the ratings also reflect SCOR's excellent business profile as a tier 1 reinsurer, its well-diversified portfolio of Non-Life and Life reinsurance, and the Group's excellent enterprise risk management (ERM) framework."

On July 27, 2017, 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 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) Sources: www.standardandpoors.com; www.ambest.com; www.moodys.com and www.fitchratings.com.

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" (2010-2013), "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 U.S. (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)[1].

It also affirms the Group's consistent shareholder compensation policy set by the 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.

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) Ratio between the Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

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 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 and Human Resources. 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 four business areas: Property and Casualty Treaties; Specialty Treaties (including Credit and Surety, Decennial Insurance, Aviation, Space, Marine, Engineering, Agriculture risks and Alternative Solutions); Business Solutions (large corporate accounts underwritten through facultative insurance and reinsurance contracts and occasionally as direct insurance); and Business Ventures and Partnerships. In addition, SCOR Global P&C writes direct insurance, primarily on a business-to-business basis to cover certain large industrial P&C risks through the Business Solutions area of SCOR Global P&C and through the participation in Lloyd's syndicates among which Channel 2015 for which SCOR is the sole capital provider. 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 of the global reinsurance companies 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 has 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, 2017, 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 four business areas:

- Property and Casualty Treaties;
- Specialty Treaties;
- Business Solutions (underwriting of large corporate accounts); and
- Business Ventures and Partnerships.

Property and Casualty Treaties

SCOR's Property and Casualty Treaties business area underwrites proportional and non-proportional reinsurance treaties.

Property

SCOR's property treaties typically cover damage to the underlying assets (automobiles, commercial premises or industrial sites) and direct or contingent business interruption losses caused by fire or other perils, including natural catastrophes.

Casualty

SCOR's casualty treaties typically cover original risks of general liability, product liability or professional indemnity. Accordingly, they include treaties covering motor liability and general third-party liability. Motor liability reinsurance covers property damage, bodily injuries and other risks arising from the coverage of both drivers and passengers in private vehicles and commercial fleets.

Specialty Treaties

The Group's main Specialty reinsurance activities include Credit and Surety, Decennial Insurance, Aviation, Space, Marine, Engineering, Agricultural Risks and Alternative Solutions. SCOR underwrites these risks through proportional and non-proportional treaties as well as facultative reinsurance.

Credit and Surety

Under credit insurance, the insurer covers the risk of losses from the non-payment of commercial debts. Surety insurance is a contract under which a guarantor makes a commitment to a beneficiary to perform or pay the obligation of the secured debtor.

Political risk insurance covers the risk of losses due to measures taken by a government or similar entity which endangers the existence of a sales contract or commitment made by a public or private company of the country in which the covered operations are performed.

Decennial Insurance

According to laws in France, Italy and Spain, as well as in other jurisdictions, or by contractual obligation, decennial insurance must be purchased to cover major structural defects and collapse for a certain period, typically ten years after completion of construction.

Aviation

Aviation insurance covers damage caused to aircraft, injuries to persons transported and damage to third parties caused by aircraft or air navigation, as well as losses resulting from products manufactured by companies in the aerospace sector.

Space

Insurance for the space sector covers the launch preparation, launch, and the in-orbit operation of satellites, primarily commercial telecommunication and earth observation satellites.

Marine

Marine Insurance includes insurance for hull and cargo as well as shipbuilding insurance. It also includes insurance for fixed and mobile offshore oil and gas units in construction and in operation.

Engineering

Engineering insurance, which is divided into Construction All Risks and Erection All Risks insurance, includes basic Property and Casualty coverage and may be extended to the financial consequences of a delay in start-up (advanced loss of profits) caused by losses indemnifiable under Property and Casualty coverage.

Agricultural Risks

SCOR Global P&C provides insurance/reinsurance solutions in the field of multiple peril crop, aquaculture, forestry and livestock insurance.

Alternative Solutions

To cope with the broader needs of reinsurance buyers in transferring risk, and to benefit from these changes by broadening its services to clients, the Group has developed within the SCOR Global P&C division a dedicated center of expertise that provides insurance and corporate clients with a wider range of hybrid reinsurance solutions for the transformation, financing or transfer of risks. Consequently, the Group is able to assist clients in their active and effective capital management. This business unit combines the division's expertise in terms of Structured Risk Transfer (SRT), Alternative Risk Financing (ARF) and Insurance Linked Securities (ILS).

Business Solutions

The Group's activity in the Business Solutions area covers all insurable risks of industrial groups and services companies (large corporate accounts). These risks are underwritten through facultative insurance and reinsurance contracts, and occasionally as direct insurance, in an international network around two main business departments: "Natural Resources" and "Industrial & Commercial Risks".

Natural Resources

Natural Resources insurance covers midstream and downstream business (mainly the oil and gas, refining, petrochemicals, liquefaction, gasification, power generation and distribution, new energy sources and mining sectors), and upstream business (oil and gas exploration and production, offshore construction), shipbuilding groups and oil services companies.

Industrial & Commercial Risks

Industrial & Commercial Risks insurance covers manufacturing and heavy industries (automotive, pulp and paper, aeronautics/defense, high tech) and finance and services (infrastructures, intellectual services, general contractors, distribution and trading).

Business Solutions is aimed at risk managed enterprises and professional buyers seeking global risk financing solutions. The risks shared with the ceding and/or captive insurance companies are high-value industrial or technically complex risks. In property and casualty lines, such as Property Damage & Business Interruption, Construction All Risks, Erection All Risks, Comprehensive General Liability, Product Liability or Professional Indemnity, the risks involve insured amounts which typically are beyond the ceding companies' own means.

Business Ventures and Partnerships

SCOR's Business Ventures and Partnerships business area historically included the provision of capital to third-party businesses, including Lloyd's syndicates. SCOR contributes to several Lloyd's syndicates, including Channel 2015, for which SCOR is the sole capital provider.

SCOR has an ongoing partnership agreement with GAUM (Global Aerospace Underwriting Managers).

The Group also participates in insurance and reinsurance pools, mainly Assuratome and Assurpol.

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 more than 60% of the SCOR Global Life portfolio based on gross written premiums for the year ended December 31, 2017. 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 combines 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, 2017, Non-Life wrote approximately 60% of gross written premiums through brokers and 40% through direct business, while Life wrote approximately 6% through brokers and approximately 94% through direct business.

For the year ended December 31, 2017, SCOR's largest brokers for the Non-Life division were Aon Group with approximately 18% of the Group's Non-Life gross written premiums, MMC with approximately 18% and Willis Group with approximately 11%. SCOR's largest brokers for the Life division were Aon Group with approximately 1% 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 and performance analysis of SCOR's investments.

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. While this business currently remains in the development phase, SCOR Investment Partners is maintaining good momentum and is increasing its third-party assets, which stood at EUR 2.2 billion as at December 31, 2017 (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), ILS and Convertible Bonds.

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. It leases space separate from its head office for business continuity planning purposes. 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, 2017, 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. The Group is continuing to lease one floor of SCOR's former headquarters (La Défense, Paris) for IT projects.

In Cologne, since 2012 SCOR fully occupies an office building with a surface area of more than 6,000 m^2 located at 10, Goebenstrasse, held by the German branch of SCOR SE "SCOR Rückversicherung Direktion für Deutschland, Niederlassung der SCOR SE".

In October 2013, SCOR Reinsurance Asia Pacific PTE LTD, signed a sale and purchase agreement to acquire two floors in a leasehold building under construction in Singapore. In subsequent years additional floors were acquired in the same building. The building is now completed and SCOR Singapore team moved into the new spaces during the spring of 2017.

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 – Miscellaneous assets and Note 7 – Insurance business 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 seven 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) and Disability Insurance: providing support in the development of LTC and disability products (definitions, pricing, guidelines) and the monitoring of the corresponding portfolios;
- 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 current ones being with: the Assmann Foundation on cardiovascular diseases (EUR 100,000 annually), 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 PitiéSalpêtrière 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 Actuarial & Risk 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 and SCOR Foundation for Science have signed partnership agreements with the following institutions:

- a Research Chair on Risk, in cooperation with the Institut d'Economie Industrielle (IDEI) of Toulouse University, the Risk Foundation and Paris Dauphine 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 1.5 million spread over five years;
- a Research Chair in Finance, in cooperation with the Jean-Jacques Laffont Foundation based in Toulouse, focuses on risk management, long-term investment, corporate governance and asset management strategy. 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, is dedicated to the macroeconomic modeling of tail events, the consequences of uncertaint on the macroeconomic equilibrium, the contagion of extreme macroeconomic risks and crises, and to the long-term macroeconomic risks. For SCOR, the related cost is EUR 900,000 spread over three years; and
- 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 also organizes 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", and in December 2017, the theme was "Will Artificial Intelligence revolutionize actuarial science?".

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 offered by the École 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 SAP solution, embedding a unique chart of accounts and standard processes in all its Hubs throughout the Group. Over recent years, the accounting teams have worked alongside the IT Department, to design this new global finance system which is critical for SCOR.

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. After an extensive study, the Group decided to update and improve Omega, thereby capitalizing on this key asset. The Omega2 project, which included technical modernization and the development of structuring functional improvements, was completed as planned mid-2016 and its enhancement has been pursued in 2017 through an extension dedicated to an optimized management of P&C claims and advanced analytical capabilities powered by a big data solution.

The focus in 2017 was again on strengthening SCOR's front office applications to improve risk selection, anticipation and reactivity in markets and products, and simulations of results. A number of projects have been launched in recent years which will continue through 2018 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 Pacman, embedding the SCOR professionals' expertise. 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 our MGA book of business in the US through automatic underwriting controls has been rolled-out. Norma, the P&C internal model, combines the risk assessment produced by these front-office tools to produce an overall P&C risk measure. For the Life Division, the focus on 2017 was the validation of the target IT roadmap. It is essential to the delivery of Vision in Action and prepares SGL 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 enhance the underwriting of substandard risks and develop tele-underwriting in different countries. In the US market in particular, underwriting solutions like Velogica are proposed to SCOR's Life clients. The integration of Life Individual policy management systems is now completed in the US, and will now be extended to rest of the Group, to provide an increasing capacity to understand risk at a granular level. This is 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.

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.

Three years ago, SCOR Investment partners launched a strategic project, SGI 2.0, the first achievement of which was the outsourcing of middle and back office activities related to asset management to BNP Paribas Securities Services. This decision will allow to leverage their expertise in post-trade execution activities. A specific internal organization and related new procedures have been put in place to monitor the performance and the operational risks of this outsourcing. Front-office activities remain in-house, using the Bloomberg AIM solution which has been deployed in 2017.

The Group is promoting a paperless environment. Internally, global document-sharing processes have been set up for the Life and Non-Life divisions. With its clients, SCOR is able to 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 chairing the global Ruschlikon initiative, launched with major brokers and reinsurers to develop e-administration in the reinsurance industry.

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 for the GDPR compliance effort, structured in a major company-wide project, due to be completed first half of 2018.

SCOR's IT Department is playing a key role in implementing the Group's "Green SCOR" policy, and drives a number of elements of this multi-year plan, including data center consolidation, server virtualization, 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 4.6.3 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. The cycle appears to have reached a nadir in 2017, which was one of the largest years on record for reinsurance losses from natural disasters. The sector proved resilient and the losses have not greatly affected the nature of competition in Non-Life reinsurance, with both traditional and alternative sources of capital continuing to be present. Contract renewal negotiations conducted in late 2017 indicate that customers are prepared to pay more for reinsurance in 2018, particularly in the US as it is the peak risk zone globally and was most loss-affected. The sentiment existed in other markets but not to the same degree.

The US tax reform enacted in late 2017 may affect reinsurers with clients in the United States, but the reform bill has not yet had a material effect on operations of the reinsurance market as of the end of 2017.

1.3.2. FINANCIAL MARKET DEVELOPMENTS

The prolonged economic cycle in the United States and the improvement of the European situation have sent financial assets valuations to high levels. The positive dynamics of the economic environment have been significant, albeit this has not triggered new inflationary pressures. The traditional relationship between unemployment and inflation, implied from the Philips curve, has become less relevant, at least on a short-term basis and at the local level, and deflationary pressures coming from the "new economy" have played a notable role, even if it remains difficult to quantify. In this context, central banks have maintained a strong accommodative bias while initiating a progressive exit from "Quantitative Easing" policies.

The US Federal Reserve, on the back of a more advanced economic cycle, has been the first to tighten its monetary policy, increasing its central interest rate from 0.75% to 1.5% in the year 2017. Nevertheless, this evolution had virtually no impact on long-term interest rates, inflation remaining under control. As a consequence, US 10-year government rates at the end of 2017 stand at 2.41%, almost stable compared to the beginning of the year, like the 10-year rates in the Eurozone (0.43%), in the United Kingdom (1.19%) and in Japan (0.05%). However, the diverging monetary policies between the US Federal Reserve and the European Central Bank now imply a differential in central rates close to 2%. The higher yield of the US Dollar being perceived as transitory, the Euro has appreciated against the US currency by 14%, finishing the year at 1.20.

US equities have benefited from supportive growth prospects and from a weaker US Dollar but also, through the US administration, from announced regulatory cuts and unprecedented tax packages. Over the year, the S&P 500 experienced returns of 21.8%, the Nasdaq 29.7% and the Dow Jones 28.1%. European equities also post solid performances, in spite of the Euro appreciation, with a total return of 12.5% for the French CAC 40 and the German DAX, and of 16.9% for the Italian MIB.

The improved economic outlook has also benefited emerging countries with an increase of commodity prices and more notably of crude oil which ends the year 2017 at circa USD 60.

1.3.3. SIGNIFICANT EVENTS OF THE YEAR

Natural catastrophes

The third and fourth quarters of 2017 were marked by an exceptional series of large natural catastrophes, with hurricanes Harvey, Irma and Maria, wildfires in California and earthquakes in Mexico. For more information on the impacts of natural catastrophes, see Section 1.3.5.2 – SCOR Global P&C.

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 a one-time non-cash loss for SCOR as its U.S. deferred taxes previously measured at 35% were remeasured at 21%. SCOR is currently reviewing the TCJA to assess its potential future implications, in particular with respect to certain complex provisions including the Base Erosion and Anti-Abuse Tax ("BEAT"). There is a high level of uncertainty surrounding the practical and technical applications of many of these provisions. The format, scope and timeframe in which future clarifications from the US Treasury may be obtained, such as on the application of BEAT to inward affiliate retrocession, on effectively connected income definition and application and on BEAT implications for modified coinsurance, are still unknown.

SCOR will monitor developments in the course of 2018. SCOR is currently exploring alternate business structures to adapt to the new environment. The implementation process of certain potential business structures currently under consideration may result in a day one, non-recurring, tax expense during 2018 of between nil and approximately USD 350 million, and in a decline of SCOR's 2017 year end solvency ratio, which, all other things being equal, is nevertheless expected to remain above 200%. External and internal uncertainties associated with the implementation of the TCJA and/or organizational changes, respectively, may not be fully resolved by year-end 2018.

Share buy-back program

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, expiring mid-2019, subject to market conditions. 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.

Acquisition of Château Mondot S.A.S.

In April 2017, SCOR Auber, a fully-owned subsidiary of SCOR SE, exercised an option to acquire an 80% stake in Château Mondot S.A.S., a French company operating a vineyard located in the Bordelais region of France, Château Troplong Mondot (Premier Grand Cru Classé B of Saint-Émilion), for a total consideration of EUR 178 million. The Group has held 20% of the company since 2014 (accounted for as an investment in associate in the Group consolidated IFRS financial statements).

The transaction was subject to the regulatory approval by the SAFER (a French agricultural authority). This approval was subject to a two-month review period, which ended on July 6, 2017. The transaction was financed by SCOR through the use of own funds without issuing any new debt or own shares.

The acquisition of control generated a gain on the previously held 20% equity interest.

Refer to Section 4, Note 3 – Acquisitions and disposals for additional details.

Impact of change in Ogden rate

In 2017 the Group recorded a negative one-off impact of EUR 71 million pre-tax, partially offset by EUR 45 million of IBNR release. The impact was caused by the UK Ministry of Justice's decision to reduce the discount rate used to calculate lump sum awards in UK bodily injury cases (the Ogden Rate).

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). Also Lloyd's of London is recognized as a major competitor.

SCOR SE and its consolidated subsidiaries formed the world's fourth largest reinsurer[1] in 2016 and 2015, serving more than 4,000 clients.

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, 2017 was approximately 59% for Life reinsurance and 41% for Non-Life reinsurance based on gross written premiums;

(1) By Net Reinsurance premiums written, source: "AM Best Special Report Global Reinsurance 2017".

- 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 (Property and Casualty Treaties, Specialty Treaties, Business Solutions – large corporate accounts underwriting through facultative insurance and reinsurance contracts and occasionally as a direct insurance for industrial groups and services companies – and Business Ventures and Partnerships).

Gross written premiums

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 is 8.6%. The overall increase in gross written premiums of EUR 963 million in 2017 is composed of an increase of EUR 386 million for SCOR Global P&C and of EUR 577 million for SCOR Global Life.

Gross written premiums for the financial year ended December 31, 2016 amounted to EUR 13,826 million, an increase of 3.0% compared to EUR 13,421 million in 2015. At constant exchange rates the growth was 5.3%. The overall increase in gross written premiums of EUR 405 million in 2016 was due to an increase of EUR 489 million for SCOR Global Life, offsetting the decrease of EUR 84 million for SCOR Global P&C.

Breakdown of gross written premiums by segment

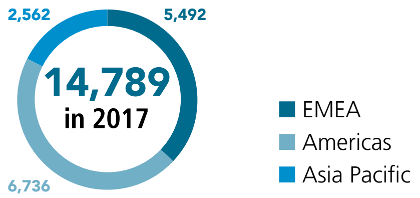
In EUR million	2017		2016		2015	
By operating segment						
SCOR Global P&C	6,025	41%	5,639	41%	5,723	43%
SCOR Global Life	8,764	59%	8,187	59%	7,698	57%
TOTAL	**14,789**	**100%**	**13,826**	**100%**	**13,421**	**100%**
Non-Life reinsurance						
Treaties	3,266	54%	3,125	55%	3,012	53%
Business Solutions (facultative)	740	12%	683	12%	723	13%
Specialties	1,257	21%	1,176	21%	1,168	20%
Joint-Ventures & Partnerships	763	13%	655	12%	820	14%
TOTAL SCOR GLOBAL P&C	**6,025**	**100%**	**5,639**	**100%**	**5,723**	**100%**
Life reinsurance						
Protection	6,756	77%	6,460	79%	6,137	80%
Financial Solutions	1,243	14%	1,038	13%	1,003	13%
Longevity	765	9%	689	8%	558	7%
TOTAL SCOR GLOBAL LIFE	**8,764**	**100%**	**8,187**	**100%**	**7,698**	**100%**

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 2017, SCOR generated approximately 37% of its gross written premiums in Europe, Middle East and Africa (EMEA) (2016: 39%), with significant market positions in France, Germany, Spain and Italy, 46% of its gross written premiums in the Americas (2016: 46%) and 17% in Asia (2016: 15%).

GROUP GROSS WRITTEN PREMIUMS BY GEOGRAPHICAL AREA *(in EUR million)*



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 million	2017	2016	2015	2017	2016	2015	2017	2016	2015
EMEA	5,492	5,355	5,449	2,733	2,677	2,515	2,759	2,678	2,934
Americas	6,736	6,318	5,840	4,567	4,429	4,130	2,169	1,889	1,710
Asia Pacific	2,562	2,153	2,132	1,464	1,081	1,053	1,098	1,072	1,079
TOTAL	**14,789**	**13,826**	**13,421**	**8,764**	**8,187**	**7,698**	**6,025**	**5,639**	**5,723**

Net earned premiums

Net earned premiums for the year ended December 31, 2017 amounted to EUR 13,281 million as compared to EUR 12,462 million and EUR 11,984 million for the years ended December 31, 2016 and 2015, respectively. The overall increase in net earned premiums of EUR 819 million from 2016 to 2017 and EUR 478 million from 2015 to 2016 is consistent with the evolution in gross written premiums.

Net investment income

Net investment income(1) for the year ended December 31, 2017 amounted to EUR 764 million as compared to EUR 670 million and EUR 666 million for the years ended December 31, 2016 and 2015, respectively. The net return on investments in 2017 was 2.9% compared to 2.5% in 2016 and 2.6% in 2015. The evolution of investment income 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 272 million in 2017, mostly achieved on the real estate portfolio and to a lesser extent on fixed income and other investments portfolios.

The return on invested assets in 2017 was 3.5% as compared to 2.9% in 2016 and 3.1% in 2015.

Gross benefits and claims paid

Gross benefits and claims paid were EUR 11,963 million, EUR 9,848 million and EUR 9,499 million in 2017, 2016 and 2015, respectively. The level of gross benefits and claims paid for SCOR Global P&C increased to EUR 4,564 million during 2017 from EUR 3,164 million in 2016 (2015: EUR 3,135 million). For SCOR Global Life the level of gross benefits and claims paid increased to EUR 7,399 million in 2017 from EUR 6,684 million in 2016 (2015: EUR 6,364 million).

Net retrocession result

The net result of the Group's retrocession program was positive at EUR 398 million in 2017 as compared to a net cost of EUR 388 million and EUR 336 million in 2016 and 2015, 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 "other operating expenses" for 2017 in relation to Atlas CAT bonds and the mortality transfer contract Atlas IX was EUR 38 million (2016: EUR 35 million; 2015: EUR 19 million).

Expenses

The Group cost ratio(1) 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, 2017, unchanged from 5.0% in 2016 (2015: 5.0%). Management expenses for the years ended December 31, 2017, 2016 and 2015 were EUR 858 million, EUR 815 million, and EUR 776 million respectively, on a comparative basis.

Operating income

Operating income for the year ended December 31, 2017 amounted to EUR 491 million as compared to EUR 951 million in 2016 and EUR 1,048 million in 2015. The decrease between 2016 and 2017 is notably due to the higher severity of natural catastrophes. For the year ended December 31, 2017, the operating segment SCOR Global Life contributed EUR 342 million (EUR 396 million and EUR 364 million in 2016 and 2015, respectively) and SCOR Global P&C EUR 265 million (EUR 680 million and EUR 808 million in 2016 and 2015, respectively) to the operating result. In 2017, 2016 and 2015, EUR (116) million, EUR (125) million and EUR (124) million respectively, related to Group functions.

2016 and 2015 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 consolidated net income of EUR 286 million in 2017, compared to EUR 603 million and EUR 642 million respectively for the years ended December 31, 2016 and 2015.

Although 2017 has been marked by an exceptional series of large natural catastrophes which occurred during the second half of the year, the results benefited from a positive underlying performance of SCOR Global P&C and SCOR Global Life, a prudent asset management policy which safeguarded shareholders' interests whilst delivering solid returns. In 2017, the effective tax rate was 16.3%. See Section 4, Note 17 – Income taxes, for explanations on the effective tax rate.

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

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%.

In 2015, SCOR benefited from a strong operating performance, a prudent asset management policy which safeguarded shareholders' interests while delivering solid returns and a rather benign year in terms of natural catastrophes. In 2015, the effective tax rate was 26.0%.

Return on equity was 4.5%, 9.5% and 10.6% for the years ended December 31, 2017, 2016 and 2015 respectively. Basic earnings per share were EUR 1.53, EUR 3.26 and EUR 3.46 for the years ended December 31, 2017, 2016 and 2015, 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 traditional reinsurance transactions: Treaty, Business Solutions, and Specialty Lines reinsurance. SCOR Global P&C capitalizes on a long-standing franchise, experience, and an extensive data base comprising multi-line expertise.

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.

2015 was characterized by an increasingly competitive market environment. SCOR Global P&C capitalized on the quality of its franchise and the active management of its portfolios, to secure renewals that bear witness to its strong competitive position.

Gross written premiums

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 is 8.8% and is 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 is 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).

In 2015, gross written premiums increased by 16% compared to 2014 from EUR 4,935 million to EUR 5,723 million. At constant exchange rates the growth was 4.9%, in line with the forecasts at the beginning of the year.

Combined ratio

SCOR Global P&C achieved a net combined ratio[(1)] of 103.7% in 2017 against 93.1% in 2016 and 91.1% in 2015.

In 2017, the combined ratio reflects the severity of higher natural catastrophes that occurred compared to previous years, especially the American hurricanes, earthquake and wildfires. The cat ratio stands at 14.9% compared to 5.5% in 2016 and 2.2% in 2015. The 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 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.

In 2015 the combined ratio reflected very strong technical results, with a stable net attritional loss ratio 56.9% (versus 56.9% in 2014) despite some significant man-made losses and the lower impact of natural catastrophes compared to 2014. Natural catastrophes had a 2.2% impact on the Group net combined ratio for year end 2015 compared to a 4.2% impact in 2014.

(1) See Section 1.3.9.5 – Combined ratio.

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.

The following table highlights losses due to natural catastrophes for the years 2017, 2016 and 2015:

	As at December 31		
	2017	**2016**	**2015**
Number of catastrophes occurred during the financial year	17 (3)	18 (5)	11 (6)
In EUR million			
Losses and loss adjustment expenses due to catastrophes, gross	1,374 (4)	323	117
Losses due to catastrophes, net of retrocession (2)	779 (4)	274	111
Group net loss ratio (1)	71.0% (4)	59.6%	59.1%
Group net loss ratio excluding catastrophes	56.1% (4)	54.1%	56.8%

(1) 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.
(2) Net of retrocession and reinstatement premiums (assumed and retrocession).
(3) 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 & March Winds, Mumbai Floods, Portuguese Fires.
(4) The impact of developments on the following 2016 catastrophes are included in the 2017 cat ratio: Hurricane Matthew and Kaikoura Earthquake.
(5) 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.
(6) Including 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 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 million **Cat losses**	**Date of loss**	**Estimated loss net of retrocession as at December 31, 2017**
Hurricane Irma	September 2017	245
Hurricane Harvey	August 2017	209
Hurricane Maria	September 2017	113
California wildfire	October 2017	73
Earthquake in Mexico	September 2017	24
Cyclone Debbie	March 2017	21
Southern California Wildfires	December 2017	18
Western Cape Storm & Fire	June 2017	15
Typhoon Hato	August 2017	12
Other natural catastrophes (less than EUR 10 million)		37
TOTAL		**768**

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 million 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
Hurricane Matthew	October 2016	55	47
Fort McMurray Wildfire	May 2016	51	47
Kumamoto Earthquake	April 2016	31	26
European Hailstorm	June 2016	30	27
European Floods	June 2016	26	27
Ecuador Earthquake	April 2016	23	23
Taiwan Earthquake	February 2016	22	21
Sri Lanka Flooding	May 2016	12	11
Texas Hail	April 2016	11	12
Kaikoura Earthquake	November 2016	10	28
Other natural catastrophes (less than EUR 10 million)		36	36
TOTAL		**307**	**305**

In 2015, SCOR was affected by the following catastrophes which resulted in total net estimated losses of EUR 111 million as at December 31, 2015:

In EUR million		Original estimated loss net of retrocession as at	Adjusted estimated loss net of retrocession as at	
Cat losses	Date of loss	December 31, 2015	December 31, 2016	December 31, 2017
UK Flooding	December 2015	29	7	8
Chennai Floods	October 2015	19	22	22
US Northeast Winterstorms	February 2015	19	19	18
Storm Niklas	March 2015	10	8	7
Other natural catastrophes (less than EUR 10 million)		34	16	16
TOTAL		**111**	**72**	**71**

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 typically 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 2017, 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. Underlying US mortality claim experience has been higher than expected, but was offset by the benefits from active in-force management and the strong reserve position set up at the time of the Transamerica Re and Generali US acquisitions. 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 7.0% in gross written premiums from EUR 8,187 million in 2016 to EUR 8,764 million in 2017 (a 8.5% 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 77% of total gross written premiums in 2017 and remains the main driver for premium growth (4.6% growth in gross written premiums in 2017).

SCOR Global Life has maintained its leadership in the US Life reinsurance market[3], the largest life reinsurance market in the world. SCOR Global Life entered in 2017 the large Health reinsurance market, with a platform in Minneapolis, and leveraging its strong expertise and position in the US Individual Life reinsurance market.

In the EMEA region, SCOR Global Life reinforced its franchises in key European markets such as France, the UK, and Nordic countries. SCOR Global Life is also expanding into the large South African market.

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 Protection business volumes in China, Australia, South Korea and Japan.

Within the Protection product line, mortality was the main risk underwritten and the main growth driver in 2017:

- Mortality: more than 60% of SCOR Global Life's portfolio is traditional mortality reinsurance business, based on 2017 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.
- Medical represents a small proportion of SCOR Global Life's portfolio. It is a major product line in the markets of the Middle East and is written selectively in Asia, Continental Europe and the Americas.
- 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, SCOR Telemed and Rehalto). 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 14% of 2017 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 2017 SCOR Global Life expanded its footprint in the Asia-Pacific region.

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 9% of SCOR Global Life's gross written premiums in 2017 and is one of the main drivers of premium growth (11.1% increase in gross written premiums in 2017). The main active market to date for SCOR Global Life is UK with a portfolio from recent years and new business signed in 2017.

Life technical margin

Overall, the Life technical margin in 2017 was 7.1% compared to 7.0% in 2016 and 7.2% in 2015.

(1) Based on 2017 gross written premiums.

(2) At December 31, 2017 exchange rates.

(3) Source: 2016 SOA/Munich Re survey of US life reinsurance, published in June 2016.

1.3.5.4. NET INVESTMENT INCOME AND INVESTMENT INCOME ON INVESTED ASSETS

Net investment income for the year ended December 31, 2017 amounted to EUR 764 million compared to EUR 670 million and EUR 666 million for the years ended December 31, 2016 and December 31, 2015, respectively.

The return on invested assets in 2017 was 3.5% as compared to 2.9% in 2016 and 3.1% in 2015. The evolution of investment income in 2017 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 272 million, mostly achieved on the real estate portfolio and to a lesser extent on fixed income and other investments portfolios.

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.

	As at December 31		
In EUR million	**2017**	**2016**	**2015**
Investment revenues on invested assets[(1)]	**403**	**374**	**405**
Realized gains/(losses) on fixed income	66	125	56
Realized gains/(losses) on loans	-	-	-
Realized gains/(losses) on equities	-	5	104
Realized gains/(losses) on real estate	192	58	3
Realized gains/(losses) on other investments	14	19	7
Realized gains/(losses) on invested assets[(2)]	**272**	**207**	**170**
Impairment of fixed income	-	(2)	(13)
Impairment of loans	(1)	-	-
Impairment of equities	-	(8)	(8)
Impairment/depreciation of real estate[(3)]	(20)	(21)	(22)
Impairment of other investments	(5)	-	-
Impairment/amortization on invested assets[(3)]	**(26)**	**(31)**	**(43)**
Fair value through income on invested assets[(2)(4)(5)]	11	5	11
Financing costs on real estate[(6)]	(4)	(5)	(9)
TOTAL INVESTMENT INCOME ON INVESTED ASSETS	**656**	**550**	**534**
Net interest income on funds withheld and contract deposits	177	182	184
Investment management expenses	(69)	(62)	(52)
TOTAL NET INVESTMENT INCOME	**764**	**670**	**666**
Foreign exchange gains/(losses)	(27)	11	16
Income from other consolidated entities[(7)]	(12)	-	-
Income/(expenses) on technical items[(8)]	(1)	1	1
Financing costs on real estate	4	12	9
IFRS INVESTMENT INCOME NET OF INVESTMENT MANAGEMENT EXPENSES	**728**	**694**	**692**
Average invested assets	18,757	18,677	17,462
Return on invested assets *(ROIA as a %)*	**3.5%**	**2.9%**	**3.1%**

(1) Investment revenues on invested assets are presented net of EUR 3 million real estate revenues attributable to 3rd parties.
(2) Fair value through income on invested assets includes EUR 5 million realized loss on derivatives, included in realized capital gains/losses on investments under IFRS.
(3) Impairment/depreciation of real estate is presented net of EUR 3 million depreciation attributable to 3rd parties.
(4) Fair value through income on invested assets includes EUR 13 million of step acquisition revaluation gain.
(5) Fair value through income on invested assets includes EUR (1) 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 (4) and (5).
(8) Income/(expenses) on technical items include (1) and (3) amongst other technical items.

During 2017, invested assets decreased to EUR 18,580 million from EUR 19,226 at December 31, 2016, mainly as a result from negative FX impacts, partially offset by positive income generated by the invested assets portfolio in 2017 as well as a positive mark-to-market development net of realized gains.

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 pursued the repositioning of the investment portfolio throughout 2017. As a result, 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 significantly decreased towards the target level of 5% of invested assets, standing at 5% as at December 31, 2017, compared to 11% as at December 31, 2016.

Meanwhile, SCOR further rebalanced its invested assets portfolio towards its target asset allocation, and increased its exposure to corporate bonds, representing 46% of invested assets at the end of 2017 compared to 38% at the end of 2016. Over the same period, government bonds & assimilated were reduced from 25% to 24% of invested assets and covered bonds & Agency MBS from 11% to 10%. The fixed income portfolio continues to represent a significant portion of SCOR's invested assets with 81% invested within this asset class (as at year end 2016: 79%), and an average rating at "A+" at the end of 2017. The duration of the fixed income portfolio stood at 4.6 years at the end of 2017 compared to 4.5 years at the end of 2016.

SCOR's exposure to loans increased marginally to EUR 724 million as at December 31, 2017 and stands at 4% of invested assets (as at December 31, 2016: EUR 718 million, representing 4% of invested assets).

SCOR's exposure to equity securities increased to EUR 645 million as at December 31, 2017, representing 3% of invested assets (as at December 31, 2016: EUR 506 million, representing 2% of invested assets). This exposure is essentially composed of listed equities and convertible bonds.

The real estate portfolio decreased to EUR 680 million as at December 31, 2017, subsequent to the sale of a building and stands at 4% of invested assets (as at December 31, 2016: EUR 875 million, 5% of invested assets).

Other investments, comprising mainly Insurance-Linked Securities (ILS), private equity and infrastructure funds and non-listed equities slightly increased to EUR 494 million as at December 31, 2017 and represent 3% of invested assets (as at December 31, 2016: EUR 467 million, 2% 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, 2017

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	**-**	**-**	**-**	**-**	**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(5)	-	-	-	-	152	-	152	-	152	-	-	-
Direct real estate debt(6)	-	-	-	-	(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 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 9 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, 2016

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	**-**	**-**	**-**	**-**	**770**	**-**	**770**	**-**	**770**	**-**	**-**	**770**
Equities	-	37	50	297	143	263	790	-	790	-	-	790
Debt securities	-	14,721	918	-	-	1	15,640	-	15,640	123	-	15,763
Available-for-sale financial assets	**-**	**14,758**	**968**	**297**	**143**	**264**	**16,430**	**-**	**16,430**	**123**	**-**	**16,553**
Equities	-	-	-	278	-	534	812	-	812	-	-	812
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through income	**-**	**-**	**-**	**278**	**-**	**534**	**812**	**-**	**812**	**-**	**-**	**812**
Loans and receivables[(2)]	**-**	**592**	**693**	**-**	**-**	**21**	**1,306**	**8,505**	**9,811**	**4**	**-**	**9,815**
Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**187**	**187**
TOTAL INSURANCE BUSINESS INVESTMENTS	**-**	**15,350**	**1,661**	**575**	**913**	**819**	**19,318**	**8,505**	**27,823**	**127**	**187**	**28,137**
Cash and cash equivalents	1,688	-	-	-	-	-	1,688	-	1,688	-	-	1,688
TOTAL INSURANCE BUSINESS INVESTMENTS AND CASH AND CASH EQUIVALENTS	**1,688**	**15,350**	**1,661**	**575**	**913**	**819**	**21,006**	**8,505**	**29,511**	**127**	**187**	**29,825**
Less third parties' interests[(3)]	(177)	(205)	(942)	(69)	(73)	(352)	(1,818)	-	(1,818)	-	-	-
Direct real estate unrealized gains and losses[(4)]	-	-	-	-	272	-	272	-	272	-	-	-
Direct real estate debt[(5)]	-	-	-	-	(237)	-	(237)	-	(237)	-	-	-
Cash payable/receivable	3	-	-	-	-	-	3	-	3	-	-	-
TOTAL MANAGEMENT CLASSIFICATION	**1,514**	**15,145**	**719**	**506**	**875**	**467**	**19,226**	**8,505**	**27,731**	**-**	**-**	**-**

(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 2017 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 6,225 million at December 31, 2017 from EUR 6,695 million at December 31, 2016 and EUR 6,363 at December 31, 2015. 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 33.01 at December 31, 2017 compared to EUR 35.94 and EUR 34.03 at December 31, 2016 and 2015, respectively.

On December 15, 2016, following the authorization granted by SCOR's shareholders in April 2016, SCOR arranged a new contingent capital facility with BNP Paribas. This facility replaced, as from January 1, 2017, the previous contingent capital facilities which had ended on December 31, 2016. Under this new EUR 300 million arrangement, SCOR raised its level of protection by EUR 100 million. 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. 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 decreased to EUR 2,702 million from EUR 2,758 million in 2016 (2015: EUR 3,155 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

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.

On September 10, 2013, SCOR successfully placed perpetual subordinated notes on the Swiss Franc market, with a first call date on November 30, 2018, for an aggregate total amount of CHF 250 million.

On September 10, 2012, the Group placed perpetual subordinated notes, with a first call date in June 2018, for an aggregate total amount of CHF 250 million. Furthermore, on September 24, 2012, SCOR increased these perpetual subordinated notes by CHF 65 million.

The Group has a leverage ratio of 25.7% at December 31, 2017, as compared to 24.4% at December 31, 2016 and 27.5%[(1)] at December 31, 2015. 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 and includes the swaps effect related to the CHF 315 million and CHF 250 million subordinated debt issuances.

Real estate debts and other financial liabilities

SCOR uses real estate debts and other financial liabilities mainly to finance real estate investments and for general corporate purposes. Real estate debts 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, 2017, real estate financing and other financial liabilities amounted to EUR 479 million and EUR 12 million, respectively (December 31, 2016: EUR 491 million and EUR 10 million, respectively). This includes the real estate debt of MRM (company acquired by SCOR on May 25, 2013) for the amount of EUR 74 million (EUR 75 million as at December 31, 2016).

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, 2017. 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)[(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, stood at EUR 1.0 billion at the end of 2017 (2016: EUR 2.3 billion and 2015: EUR 2.0 billion) supported by 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.

Total investments, including cash and cash equivalents, amounted to EUR 29.4 billion at December 31, 2017 compared to EUR 29.8 billion and EUR 29.3 billion at December 31, 2016 and 2015, respectively.

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

(1) In September 2014 and December 2015, SCOR issued two subordinated notes for EUR 250 million and EUR 600 million, respectively, and refinanced through the proceeds of these two notes the optional redemptions of the remaining 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. Had these redemptions been effective on December 31, 2015, the leverage ratio would have amounted to 20.6%.

(2) 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.

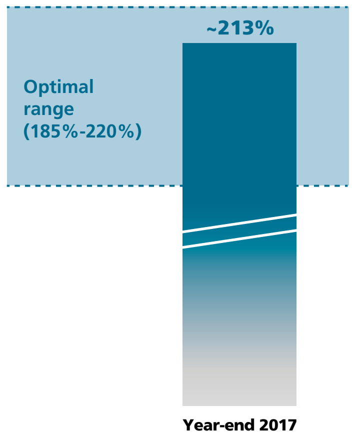
This comprehensive and holistic model was developed internally over the last 10 years, on the basis of SCOR's experience and expertise. It covers all known material quantifiable risks to which the Group is exposed (Life and Non-Life underwriting risk, market and credit risk, operational risk) and reflects 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 new strategic plan Vision in Action.

Solvency ratio

At year-end 2017, SCOR's solvency ratio stood at 213% (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 1,144 million in 2017 (2016: EUR 1,354 million and 2015: EUR 795 million, respectively). 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 fund withheld settlement of approximately EUR 301 million.

Cash flow used in financing activities amounted to EUR (467) million in 2017 (EUR (895) million in 2016 and positive cash flow of EUR 417 million in 2015). These amounts principally reflect the dividend payments, the issuance of one subordinated debt in 2016 and two subordinated debts in 2015 as well as the repayment of two existing debts in 2016 and of two other existing debts in 2015.

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 1.0 billion at the end of 2017 (2016: EUR 2.3 billion and 2015: EUR 2.0 billion) supported by 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 2018, and may differ from the estimates expressed or implied in this Registration Document. These estimates were prepared on the basis of the business structure in existence at December 31, 2017 and tax assumptions consistent with those applied to the 2017 annual IFRS Group financial statements.

(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 million	As at 12/31/2017	As at 12/31/2016	As at 12/31/2015
Group shareholders' equity	**6,195**	**6,661**	**6,330**
Shares issued as at closing date	193,500,317	192,534,569	192,653,095
Treasury shares as at closing date	(5,866,249)	(7,203,282)	(6,661,000)
Basic number of shares	**187,634,068**	**185,331,287**	**185,992,095**
BASIC BOOK VALUE PER SHARE	**33.01**	**35.94**	**34.03**

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 million	As at 12/31/2017	As at 12/31/2016	As at 12/31/2015
Average investments[1]	26,468	26,921	25,739
Total net investment income	764	670	666
Return on investments (ROI)	**2.9%**	**2.5%**	**2.6%**
Average invested assets[1]	18,757	18,677	17,462
Total investment income on invested assets	656	550	534
Return on invested assets (ROIA)	**3.5%**	**2.9%**	**3.1%**

(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 million	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Total expenses as per profit & loss account[1]	(801)	(761)	(725)
Unallocated loss adjustment expenses (ULAE)[2]	(57)	(54)	(51)
Total management expenses	**(858)**	**(815)**	**(776)**
Investment management expenses	69	62	52
Total expense base	**(789)**	**(753)**	**(724)**
Corporate finance	2	1	2
Amortization	42	37	35
Non controllable expenses	10	18	13
Total management expenses (for cost ratio calculation)	**(735)**	**(697)**	**(674)**
Gross written premiums	**14,789**	**13,826**	**13,421**
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) ULAE 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 million	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Consolidated net income – Group share	**286**	**603**	**642**
Opening shareholders' equity – Group share	6,661	6,330	5,694
Weighted consolidated net income(1)	143	301	321
Payment of dividends(2)	(204)	(185)	(170)
Weighted increase in capital(2)	5	(8)	(4)
Effect of changes in foreign exchange rates(3)	(261)	(90)	261
Revaluation of assets available-for-sale and others(1)	32	(31)	(29)
Weighted average shareholders' equity	**6,376**	**6,317**	**6,073**
ROE	**4.5%**	**9.5%**	**10.6%**

(1) Pro-rata of 50%: linear acquisition throughout the period.
(2) Considers time weighted transaction based on transaction dates.
(3) 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 million	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Gross earned premiums	5,860	5,553	5,580
Ceded earned premiums	(618)	(587)	(613)
Net earned premiums	**5,242**	**4,966**	**4,967**
Gross benefits and claims paid	(4,564)	(3,164)	(3,135)
Ceded claims	844	210	198
Total Net claims	(3,720)	(2,954)	(2,937)
Loss ratio	**71.0%**	**59.6%**	**59.1%**
Gross commission on earned premiums	(1,422)	(1,404)	(1,327)
Ceded commissions	62	71	75
Total Net commissions	(1,360)	(1,333)	(1,252)
Commission ratio	**25.9%**	**26.8%**	**25.2%**
Total technical ratio	**96.9%**	**86.4%**	**84.3%**
Acquisition and administrative expenses	(256)	(226)	(233)
Other current operating expenses	(45)	(52)	(40)
Other income and expense from reinsurance operations	(54)	(56)	(63)
Total P&C management expenses	**(355)**	**(334)**	**(336)**
Total P&C management expense ratio	**6.8%**	**6.7%**	**6.8%**
TOTAL NET COMBINED RATIO	**103.7%(1)**	**93.1%**	**91.1%**

(1) 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 impacts on the previously reported ratio is +0,26% pts and +0,22% pts as at December 31, 2016 and December 31, 2015, respectively.

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 million	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015
Gross earned premiums	8,738	8,172	7,719
Ceded earned premiums	(699)	(676)	(702)
Net earned premiums	**8,039**	**7,496**	**7,017**
Net technical result	**406**	**361**	**345**
Interest on deposits	162	165	161
Technical result	**568**	**526**	**506**
LIFE TECHNICAL MARGIN	**7.1%**	**7.0%**	**7.2%**

1.3.10. EVENTS SUBSEQUENT TO DECEMBER 31, 2017

See Section 4.6 – Notes to the consolidated financial statements, Note 26 – Subsequent events, for further details on the events that occurred since the end of the 2017 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 March 3, 2017 to February 23, 2018 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/

02

REPORT ON CORPORATE GOVERNANCE

2.1. CORPORATE OFFICERS, EXECUTIVES AND EMPLOYEES

2.1.1. CORPORATE GOVERNANCE PRINCIPLES

SCOR SE's shares are listed on Euronext Paris. 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.

2.1.1.1. POWERS OF THE 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 and April 2017, 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 Group's 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.

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. 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 elements of SCOR's governance enable it to ensure a good balance of powers.

Thus, in 2017, all of the directors were independent, except the Chairman and Chief Executive Officer, the employee director, Thierry Derez since COVEA crossed the 5% shareholding threshold in April 2016, 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 to interview them 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 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 they may raise any issues directly to the Board.

2.1.1.2. 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).

2.1.1.3. 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.

2.1.2. 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 determine the guiding principles of the Company's business plan and strategy and to monitor their application. 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.

SCOR SE's bylaws provide that the Board of Directors shall comprise no fewer than nine and no more than eighteen members. The actual number of directors may be modified by the shareholders at Shareholders' Meetings. The Board of Directors cannot by itself increase the number of its 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).

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

Nom	1st nomination	Renewal	Departure	Sex	Nationality
Denis Kessler	November 4, 2002	April 27, 2017		M	French
Marguerite Bérard-Andrieu	April 30, 2015	April 27, 2017		F	French
Thierry Derez	April 25, 2013	April 27, 2017		M	French
Vanessa Marquette	April 30, 2015	April 27, 2017		F	Belgian
Guillaume Sarkozy(1)	April 15, 2009		April 27, 2017	M	French
Thomas Saunier(1)	April 27, 2017			M	French
Claude Tendil	May 15, 2003	April 27, 2017		M	French

(1) Representing Malakoff Médéric Assurances, director.

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. 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.

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.

2.1.2.1. 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: 65 – 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 Bolloré SA (France)*
- Director of Dassault Aviation SA (France)*
- Director of Fonds Stratégique d'Investissement (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 des Sociétés d'Assurance (FFSA), 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 and Social Responsibility Committee

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

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

French – Age: 56 – AÉROPORTS DE PARIS 291, boulevard Raspail 75014 Paris, 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 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

- Chairman of the Board of Directors of Egis (France)
- Chairman of the Board of Directors of Fonds Stratégique d'Investissement (France)
- Chairman of the Supervisory Board of Société Nationale Immobilière (France)
- Chairman of the Management Board of Fonds de réserve des retraites (France)
- Vice-Chairman of the Board of Investors of InfraMed (France)
- Director of Musée du Louvre-Lens (France)
- Director of OSEO (France)
- Director of Veolia Environnement (France)*
- Director of FSI-PME Portefeuille (France)
- Director of CNP Assurances (France)*
- Director of CDC Entreprises (France)
- Chief Executive Officer of Caisse des dépôts et consignations (France)
- Permanent representative of Caisse des dépôts et consignations at the Board of Directors of La Poste (France)
- 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.

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

Michèle ARONVALD

Employee director

Member of the Compensation and Nomination Committee and Corporate and Social Responsibility Committee

Date of first appointment: April 27, 2016
Expiration of term: 2018

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

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

MAIN POSITION

- Investments Accounting Process & Control Manager, SCOR Group Finance Investment

OTHER POSITIONS

- N/A

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- N/A

Michèle Aronvald, a French citizen, has 38 years of experience within SCOR Group. She has held various positions within the Group Finance Investment team: back and middle office manager, investment & treasury accounting manager, investment reporting manager and compliance investment reporting manager. She is currently Investments Accounting Process & Control Manager. She was employee director between 2003 and 2006.

Marguerite BÉRARD-ANDRIEU

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: 40 – BNP PARIBAS 3, rue d'Antin 75002 Paris, France

MAIN POSITION

- Management team – BNP Paribas (France)*

OTHER POSITIONS

- Director of Havas (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-Andrieu, 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-Andrieu joined the management team of BNP Paribas in January 2018. After an interim period, she will be in charge of the retail bank in France. She is member of the Steering Committee of Institut Montaigne.

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

Thierry DEREZ

Director

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

Date of first appointment: April 25, 2013
Expiration of term: 2021

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

French – Age: 61 – COVEA 86, rue Saint-Lazare CS 10020 75320 Paris Cedex 09, France

MAIN POSITION

- Chairman and Chief Executive Officer of COVEA (SGAM) (France)

OTHER POSITIONS

- Chairman of the Board of Directors and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (France)
- Chairman of the Board of Directors and Chief Executive Officer of MAAF Assurances (France)
- Chairman of the Board of Directors of Assurances Mutuelles de France (France)
- Chairman of the Board of Directors of GMF Assurances (France)
- Chairman of the Board of Directors of MAAF Assurances SA (France)
- Chairman of the Board of Directors of MMA IARD (France)
- Chairman of the Board of Directors of MMA IARD Assurances Mutuelles (France)
- Chairman of the Board of Directors of MMA Vie (France)
- Chairman of the Board of Directors of MMA Vie Assurances Mutuelles (France)
- Chairman of the Board of Directors of Covéa Coopérations (France)
- Director of Eurapco (European Alliance Partners Company AG) (Switzerland)
- Other functions within foundations, endowment funds, and associations (France)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of GMF Vie (France)
- Chairman of the Board of Directors of Azur-GMF Mutuelles Assurances Associées (France)
- Director and Vice-Chairman of Covéa Ré – Société de Réassurance Mutuelle (France)
- Director of Union de Groupe Mutualiste Mutaris (France)
- Permanent representative of Azur-GMF Mutuelles Assurances Associées on the Board of Directors of Assistance Protection Juridique (France)
- Permanent representative of Azur-GMF Mutuelles Assurances Associées on the Board of Directors of La Sauvegarde (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of la Sauvegarde (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of Gespré Europe (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of Assistance Protection Juridique (France)
- Permanent representative of Assurances Mutuelles de France on the Board of Directors of Fidelia Assistance (France)
- Director and Vice-Chairman of Bipiemme Assicurazioni S.p.A. (Italy)
- Director and Vice-Chairman of Bipiemme Vita S.p.A. (Italy)
- Director of Caser (Spain)
- Member of the delegated commission of Caser (Spain)
- Director of La Capitale Assurances Générales Inc. (Canada)

Thierry Derez, a French citizen, was a lawyer at the Appeal Court in Paris from 1981 to 1994, before joining the insurance group AM-GMF in 1995, first as Deputy Chief Executive Officer of GMF and then as Chairman and Chief Executive Officer of Assurances Mutuelles de France and of GMF in 2001. He was appointed Chairman and Chief Executive Officer of the AZUR-GMF group in September 2003. He is currently Chairman of the Board of Directors of Assurances Mutuelles de France, of GMF Assurances and Chairman and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (GMF). He was appointed as director of MAAF Assurances in November 2004 and became its Chairman and Chief Executive Officer in June 2005. Since June 2007, he has been the Chairman of the Board of Directors of MMA IARD Assurances Mutuelles, MMA IARD, MMA Vie Assurances Mutuelles and MMA Vie. Since 2008, he has been Chairman and Chief Executive Officer of Covéa.

Vanessa MARQUETTE

Director

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

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

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

Belgian – Age: 46 – 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 Erasme Hospital (Belgium)
- Lecturer 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 Erasme 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 Committee

Date of first appointment: April 27, 2016
Expiration of term: 2018

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

Swiss – Age: 58 – ROTHSCHILD BANK AG Zollikerstrasse 181 CH – 8008 Zurich, Suisse

MAIN POSITION

- Executive Chairman of the "Wealth Management & Trust" of Rothschild & Co group, function which includes Chairman of the Board of Directors of Rothschild Bank AG (Switzerland)*

OTHER POSITIONS

- 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)

Bruno Pfister, a Swiss citizen, lawyer at the Geneva Bar and MBA graduate from UCLA Anderson School of Management, is, since December 2014, Executive Chairman of the "Wealth Management & Trust" of Rothschild & Co group function as well as the Chairman of the Board of Directors of Rothschild Bank AG. He was Vice-Chairman of the Swiss Insurance Association, Chairman and Group Chief Executive Officer 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: 59 – 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)
- 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 Represented by 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: 51 – MALAKOFF MÉDÉRIC ASSURANCES 21, rue Laffitte 75317 Paris Cedex 09, France

MAIN POSITION

- Chief Executive Officer of Malakoff Médéric group (France)

OTHER POSITIONS

- Chief Executive Officer of Malakoff Médéric Assurances (France)
- Chairman of Totem MM1 (France)
- Chairman of Totem MM2 (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 Board of Directors of la Banque Postale Asset Management (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 Malakoff Médéric Groupement paritaire de Prévoyance (France)
- Chief Executive Officer of l'AS2M (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)
- 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)

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: 49 – 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)*
- Member of the Supervisory Board of Château Mondot (France)
- Member of the Supervisory Board of Bank Gutmann AG (Austria)
- Director of SCOR Global Life Americas Reinsurance Company (US)**
- Director of SCOR Global Life USA Reinsurance Company (US)**
- Director of SCOR Reinsurance Company (US)**
- Director of Aviva Insurance Limited (UK)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- Director of Institut Pasteur (France)

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 Committee

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

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

French – Age: 72 – 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)

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.

Fields WICKER-MIURIN

Director

Chairman of the Corporate and Social Responsibility 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: 59 – 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 Culture, Media and Sports of the UK Government (UK)
- Director of Control Risks International Ltd (UK)

POSITIONS THAT EXPIRED DURING THE LAST FIVE YEARS

- 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 and then in the United States and Italy. She graduated from the University of Virginia and Johns Hopkins University. 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 College London. She is also a director of BNP Paribas, of Control Risks International Limited and a non-executive Member of the Board of the Department of Culture, Media and Sports of the UK Government where she chairs the Audit and Risk Committees.

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

2.1.2.2. FUNCTIONING OF THE BOARD OF DIRECTORS

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;
- international experience and diversity of nationalities;
- high proportion of female Board members.

As of December 31, 2017, the membership of the Board of Directors is as follows:

- 66.7% are independent Directors (75% as at December 31, 2016) and 72.7% excluding the employee director. The Audit Committee is fully composed of independent directors, the Risk Committee is composed of 66.7% of independent directors and the Compensation and Nomination Committee is composed of 57.1% of independent directors (66.7% excluding the employee director);
- 58.3% are directors with past experience in the insurance or reinsurance industry, same as at December 31, 2016. The other directors work in the financial sector, banking, legal advisory services and other services;
- 33.3% are non-French directors, same as at December 31, 2016 with directors who are American, British, Belgian and Swiss;
- 41.7% are women same as at December 31, 2016. The composition of the Board of Directors is therefore compliant with applicable law.

In accordance with the provisions of the regulation governing the election of an employee candidate for the position of director of SCOR SE adopted by SCOR SE's Board of Directors on April 3, 2007, the Board of Directors of SCOR SE has an employee director, until the Shareholders' Meeting to be held in 2018, who is elected by the Shareholders' Meeting on the proposal of the Board of Directors following a two-round election by universal suffrage, involving all of the Group's employees. Once appointed by the Shareholders' Meeting, the employee director has the same rights and obligations as the other members of the Board of Directors (including the right to vote on any decision of the Board of Directors). Michèle Aronvald is the current employee director whose term of office expires at the end of the Shareholders' Meeting to be held in 2018. She is not a director representing employees within the meaning of the French Commercial Code which historically did not apply to SCOR SE as the criteria set forth by the law were not met.

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 shall now be 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 will begin at the end of the Ordinary and Extraordinary Shareholders' Meeting to be held in 2018.

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 October 25, 2017. 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 determines the broad lines 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 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. 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, or investment or corporate banker 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 2018, 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
Michèle Aronvald	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Marguerite Bérard-Andrieu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Thierry Derez	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	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
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 also studied the criteria relating to any significant business ties that directors might have with the Company as a customer, supplier, or investment or corporate banker. 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.

Thierry Derez, Chairman and Chief Executive Officer of Covea (8.15% of SCOR's capital and 8.40% of its voting rights as of December 31, 2017) is not deemed to be independent due to the exceeding of the 5% threshold presented in criterion 8 above.

Moreover, the three following directors are a shareholder of SCOR SE (Malakoff Médéric Assurances) or represent a shareholder of SCOR:

- Malakoff Médéric Group (3.04% of SCOR's capital and 3.13% of voting rights as of December 31, 2017), represented by Thomas Saunier;
- Jean-Marc Raby, Chief Executive Officer of Macif (1.49% of SCOR's capital and 1.54% of its voting rights as of December 31, 2017);
- Claude Tendil, Chairman of the Board of Directors of Generali IARD, Generali Group (0.71% of SCOR's capital and 0.74% of its voting rights as of December 31, 2017).

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 can not be considered as independent. Although Generali Group holds less than 5%, Claude Tendil has been a director of the Company for more than twelve (12) 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.

Rights and obligations of directors

Directors may receive training, at their request, on the specific nature of the Company, its business lines and its business sector. 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.

2.1.2.3. 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 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 proven 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.

2.1.2.4. MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board of Directors held five meetings in 2017 and they lasted on average two hours and a half.

During its meetings in 2017, the main topics which were discussed were:

- financial and compliance matters: approval of the quarterly, half-year and annual financial statements, approval of the half-year interim report, hybrid debt issuance, 2017 budget and operating plan, 2016 embedded value, review of the 2016 Registration Document and approval of the 2016 report of the Chairman of the Board, 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, review of the internal model results, approval of the 2017 ORSA report;
- governance and human resources matters: review of the Group compensation policy, 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 and follow-up, annual deliberation on professional gender equality and equal pay, annual review of the fitness and properness of directors and the persons effectively running the Company, employee director appointment terms, director's fees;
- review of Corporate and Social Responsibility matters: review of the CSR strategy, creation of a committee dedicated to the corporate and social responsibility matters;
- Shareholders' Meeting: convening of the Shareholders' Meeting and approval of the related reports;
- business matters: 2017 investment strategy, presentation of the longevity business line in the UK;
- other 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, approval of the Company's statement with regard to the UK Modern Slavery Act.

The average attendance rate of the members of the Board was 100%[1]. The following table displays the attendance of the members of the Board of Directors during 2017:

Board members	Attendance rate *(%)*
Denis Kessler, Chairman of the Board	100
Michèle Aronvald	100
Marguerite Bérard-Andrieu	100
Thierry Derez	100
Vanessa Marquette	100
Bruno Pfister	100
Jean-Marc Raby	100
Augustin de Romanet	100
Guillaume Sarkozy[(1)(2)]	50
Thomas Saunier[(1)(3)]	100
Kory Sorenson	100
Claude Tendil	100
Fields Wicker-Miurin	100

(1) Representing Malakoff Médéric Assurances, director.
(2) Director whose term ended at the Shareholders' Meeting on April 27, 2017.
(3) Director appointed by the Shareholders' Meeting on April 27, 2017.

Moreover, three training sessions were organized in 2017 for Board members on the following topics:

- Solvency II – Pillar 3 – RSR/SFCR on February 21, 2017;
- SCOR Global Life training session: Putting the client at the center, on July 26, 2017;
- IFRS 17 on October 25, 2017.

2.1.2.5. 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 2017/beginning of 2018.

Fields Wicker-Miurin, member of the Compensation and Nomination Committee, 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 30, 2018, the non-executive directors' session and the Board of Directors held on February 21, 2018.

The directors expressed their satisfaction on the organization, functioning and composition of the Board and its Committees. The ratings are at a high level and stable compared to last year. The directors praised the quality of governance, particularly with regard to compliance with the AFEP-MEDEF Code, directors' attendance, the presence of independent directors in subsidiaries and the compliance with the policy on potential conflicts of interest of directors. They also highlighted the quality of the Company's control of financial reporting and the quality of the documents and topics discussed at the seminar of the Strategic Committee.

They noted that several of the changes they had suggested in the course of the 2016 assessment had been taken into consideration, in particular to allocate more time to some meetings and to strengthen the international dimension of the Board.

The Board also discussed the main areas of improvements identified by the directors, in particular regarding the volume of the documents and the reporting of the committees to the Board.

(1) The attendance rate does not take into account the directors whose term ended on April 27, 2017.

2.1.2.6. 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.

2.1.2.7. 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, there are no conflicts of interest between the duties of the directors and members of the Executive Committee with regard to SCOR and their private interests.

See also Section 2.3.2 – Related party transactions and agreements.

2.1.2.8. 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.

2.1.3. 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.

2.1.3.1. THE STRATEGIC COMMITTEE

The Strategic Committee is composed of Denis Kessler (Chairman), Marguerite Bérard-Andrieu, Thierry Derez, Vanessa Marquette, Bruno Pfister, Jean-Marc Raby, Augustin de Romanet, Thomas Saunier (as representative of Malakoff Médéric Assurances), Kory Sorenson, Claude Tendil 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 met on four occasions in 2017, each meeting lasting approximately two hours. The members of the Strategic Committee also met during a day-long seminar of the Strategic Committee.

Its work dealt with various aspects of the strategy of the Group, including the acquisition of 100% of the shares of MutRé S.A..

The average attendance rate of the Committee members was 100%[1]. The following table states the attendance rates of the members of the Strategic Committee in 2017:

Board members	Attendance rate *(%)*
Denis Kessler, Chairman	100
Marguerite Bérard-Andrieu	100
Thierry Derez	100
Vanessa Marquette	100
Bruno Pfister	100
Jean-Marc Raby	100
Augustin de Romanet	100
Guillaume Sarkozy[(1)(2)]	100
Thomas Saunier[(1)(3)]	100
Kory Sorenson	100
Claude Tendil	100
Fields Wicker-Miurin	100

(1) Representing Malakoff Médéric Assurances, director.
(2) Member of the Strategic Committee until April 27, 2017.
(3) Member of the Strategic Committee from April 27, 2017.

2.1.3.2. THE AUDIT COMMITTEE

The Audit Committee is composed of Kory Sorenson (Chairman), Marguerite Bérard-Andrieu, 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 and 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.

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 2017 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 2017, each meeting lasting approximatively two hours and a half. The Chairman and Chief Executive Officer attended all the meetings in 2017.

The discussions focused primarily on the following matters:

- accounting and financial responsibilities: the review of the quarterly, half-year and annual financial statements, the review of the half-year interim report, the hybrid debt issuance, the review of the 2017 budget and operating plan, the review of the Statutory Auditors' report, the review of the 2016 Registration Document and of the management report, the review of the financial resolutions for the Annual Shareholders' Meeting, the review of some authorisations prior to their submission to the Board;

(1) The attendance rate does not take into account the directors whose term ended on April 27, 2017.

- ethical, internal control and compliance responsibilities: the review of the quarterly internal audit reports and of the 2017 internal audit plan, the annual review of the Group Policies (especially those required by Solvency II), the actuarial function report, the 2017 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 and the review of the Company's statement with regard to the UK Modern Slavery Act.

The average attendance rate of the Committee members was 95%. The following chart states the attendance of the Audit Committee's members in 2017:

Board members	Attendance rate *(%)*
Kory Sorenson, Chairman	100
Marguerite Bérard-Andrieu	75
Vanessa Marquette	100
Bruno Pfister	100
Fields Wicker-Miurin	100

2.1.3.3. THE RISK COMMITTEE

The Risk Committee is composed of Bruno Pfister (Chairman), Thierry Derez, Vanessa Marquette, Kory Sorenson, Claude Tendil and Fields Wicker-Miurin. Each of its members is independent except Thierry Derez and 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 met four times in 2017, each meeting lasting approximately two to three hours.

The Committee discussed the following matters: main exposures and main risks of the Group, the Group's risk appetite, the capital shield policy and its effectiveness, Solvency II compliance, the review of the follow-up letters (*lettres de suite*) received from the ACPR, the review of RSR and SFCR reports, the review of the Group Policies required by Solvency II, the internal model results, the review of the 2017 ORSA report, and the changes in prudential regulations.

The average attendance rate of the Committee Members was 100%. The following chart states the attendance of the members of the Risk Committee in 2017:

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

2.1.3.4. THE COMPENSATION AND NOMINATION COMMITTEE

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

Except the employee director, Thierry Derez 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 met twice in 2017, each meeting lasting approximately two to three hours.

The Committee 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, review of the "say on pay", HR review and outlook, review of the succession plan of the key executives of the Group, review of the rules for granting directors' fees;
- governance matters: renewal of the Board of Directors of SCOR SE, review of the independence, fitness and properness of the directors and of the persons effectively running SCOR SE, assessment of the Board and its Committees and follow-up on the related action plan, review of the cost of the governance within the Group in 2016, review of the Board Internal Charter, annual deliberation on gender equality and equal pay, CSR strategy.

The average attendance rate of the Committee members was 100%. The following chart states the attendance of the members of the Compensation and Nomination Committee in 2017:

Board members	Attendance rate *(%)*
Augustin de Romanet, Chairman(1)	100
Michèle Aronvald	100
Thierry Derez	100
Vanessa Marquette(2)	100
Bruno Pfister	100
Claude Tendil	100
Fields Wicker-Miurin	100

(1) Chairman of the Compensation and Nomination Committee from April 27, 2017.
(2) Member of the Compensation and Nomination Committee from April 27, 2017.

2.1.3.5. THE CORPORATE AND SOCIAL RESPONSIBILITY COMMITTEE

During its meeting on October 25, 2017, the Board of Directors decided to create a Corporate and Social Responsibility Committee.

It is composed of Fields Wicker-Miurin (Chairman), Michèle Aronvald (employee director), Thierry Derez, Vanessa Marquette, Bruno Pfister, Augustin de Romanet and Claude Tendil.

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

Its mission is to examine the corporate and social responsibility strategy and actions plans, to monitor their implementation and to propose any actions in this respect. It also examines the reports relating to Corporate and Social Responsibility submitted to the Board of Directors in accordance with applicable laws and regulations.

No Corporate and Social Responsibility Committee meeting was held in 2017. The first meeting was held in February 2018.

2.1.3.6. 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.

It is tasked with assisting and advising the Board of Directors and proposing 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.

No Crisis Management Committee meeting was held in 2017.

2.1.3.7. 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 twice in 2017, 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 and were informed of the deliberations of the Compensation and Nomination Committee regarding the performance of the executive corporate officer.

2.1.4. 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.

2.1.4.1. 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, after a short sabbatical period, was appointed Chief Executive Officer of SCOR Global Life.

Benjamin Gentsch

Benjamin Gentsch, a Swiss citizen, graduated with a degree in management from the University of Saint-Gall where he specialized in insurance and risk management. From 1986 to 1998, he held several positions at Union Reinsurance Company, where from 1990 to 1998 he directed treaty underwriting in Asia and Australia. In 1998, he joined Zürich Re as head of international underwriting responsible for strengthening the Company's position in Asia, Australia, Africa and Latin America. He also supervised the "Global Aviation" reinsurance department and developed its "Global Marine" department. In September 2002, Benjamin Gentsch was appointed Chief Executive Officer of Converium Zürich, then Executive Vice- President in charge of Specialty Treaties. In September 2007, he was appointed Chief Executive Officer of SCOR Switzerland and Deputy Chief Executive Officer of SCOR Global P&C. In March 2016, he was appointed non executive director of Intercona Re.

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 Canadian citizen, 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 progressively 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 and in May 2013 became Group Chief Financial Officer.

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.

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.

Simon Pearson

Simon Pearson, a British citizen, is a Fellow of the Institute of Actuaries. After graduating in 1987 with an Honors degree in Economics from the University of York, Simon started his actuarial career with a mid-sized UK mutual life insurer, NPI. Qualifying as an actuary in 1992, Simon held a number of actuarial management positions covering pricing and product development, reserving, embedded value and financial reporting. Simon joined the UK life subsidiary of Gerling Global Re in 1999, becoming the Appointed Actuary in 2001. At the beginning of 2004, Simon became the Chief Executive Officer of the UK subsidiary of the newly established Revios. Upon the integration of Revios into SCOR, he became a member of the SCOR Global Life senior management team at the end of 2006. In 2008, Simon was promoted to manage SGL's Northern Europe region covering the UK, Ireland and Scandinavia. In August 2011, Simon was appointed SGL Head of EMEAA covering Europe, the Middle East, Africa and Asia-Pacific. In November 2014, he was appointed Deputy Chief Executive Officer of SCOR Global Life and Chief Executive Officer of SCOR Global Life Europe, Middle East & Africa (EMEA).

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.

2.1.5. NUMBER OF EMPLOYEES

The total number of employees of the Group increased from 2,802 as at December 31, 2016 to 2,955 as at December 31, 2017. 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)

	2017	2016	2015
EMEA(2)	1,695	1,616	1,575
Americas(3)	727	702	723
Asia-Pacific(4)	379	335	283
Total excluding ReMark	**2,801**	**2,653**	**2,581**
ReMark(5)	154	149	125
TOTAL	**2,955**	**2,802**	**2,706**

Distribution by division

	2017	2016	2015
SCOR Global P&C(6)	972	904	868
SCOR Global Life(7)	959	876	865
SCOR Global Investments	81	70	61
Group Functions and Support(8)	789	803	787
Total excluding ReMark	**2,801**	**2,653**	**2,581**
ReMark(5)	154	149	125
TOTAL	**2,955**	**2,802**	**2,706**

(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, Korea, Malaysia, Singapore, Taiwan and Australia.

(5) SCOR Global Life SE holds 100% of the capital of ReMark. Due to its specific activity, business model and organization, ReMark's human resources are managed independently from the Group.

(6) From 2014 to 2017, the Lloyd's Channel Syndicate (132 employees at December 31, 2017) has been 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) Starting from 2014, the former Transamerica Re employees were included in the divisions according to the global organization of the Group. From 2014 to 2017, Rehalto (45 employees at December 31, 2017) and Telemed (28 employees at December 31, 2017), wholly-owned subsidiaries of SCOR Global Life SE were managed independently from the Group in terms of human resources and are not aggregated financially (or from an HR perspective) at the level of the division.

(8) The "Group Functions and Support" division includes the Group's Finance, Risk and Operations Departments 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, 2017). Due to its specific activity, its business model and its organization, MRM's human resources are managed independently from the Group.

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 2017 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 2017 reporting period, please refer to the 2017 Shareholders' 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, 2017

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, 2017 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 2017 reporting period and as approved by the 2017 Shareholders' Meeting.

In accordance with Article L. 225-100, II of the French Commercial Code, at the 2018 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, 2017.

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 2017, 2016 and 2015:

	2017		2016		2015	
	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)	1,120,020	1,419,600	1,419,600	1,683,000	1,683,000	1,236,000
Director's fees	55,000	55,000	55,000	55,000	63,000	63,000
Additional benefits	-	-	-	-	-	-
Gross compensation	**2,375,020**	**2,674,600**	**2,674,600**	**2,938,000**	**2,946,000**	**2,499,000**
Value of shares granted (2)	3,545,000		5,235,250		3,112,500	
Value of stock options granted (2)	400,000		49,500		194,000	
TOTAL	**6,320,020**		**7,959,350**		**6,252,500**	

(1) The variable annual compensation related to the 2017 financial year has been determined by the Board of Directors based on a percentage of achievement for the financial objective of 51.67% and a percentage of achievement for the personal objectives of 135%. 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 2017 on behalf of the Compensation and Nomination Committee concludes that the compensation package of the Chairman and Chief Executive Officer is aligned with market practice. More specifically, the Chairman and Chief Executive Officer's 2017 compensation is below the 3rd quartile (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, Endurance Specialty, Everest Re, Hannover Re, Munich Re, Partner Re, Reinsurance Group of America, Swiss Re and Validus Holdings).

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, 2017 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 2017 reporting period and as approved by the 2017 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, 2017	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 21, 2017, the Board of Directors on February 21, 2017 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 1,120,020 (amount paid or payable)	Following the recommendation of the Compensation and Nomination Committee at its February 21, 2017 meeting, the Board of Directors at its February 21, 2017 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 personal objectives (capped at a maximum of 150% of the personal objectives target portion) and financial objectives (capped at a maximum of 130% of the financial objectives target 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 will be subject, as of 2018 for the variable compensation relating to 2017, to the approval of the Shareholders' Meeting. For 2017, 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); The Board of Directors determined a percentage of achievement for the financial objective of 51.67%. • 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", improvement of the internal model, broadening and deepening of the Group's talent pool and contribution to the fight against climate change. Regarding the personal objectives, the Board of Directors determined, on the proposal of the Compensation and Nomination Committee, that the personal objectives were achieved, leading to a percentage of achievement of 135%. The personal 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.

Compensation elements due or attributed for the financial year ended December 31, 2017	Amounts or accounting valuation	Description
Variable deferred compensation	N/A	The Group compensation policy does not provide for variable deferred compensation.
Multi-year variable compensation	N/A	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.
Stock option and free share allocation plans or other long-term compensation	Stock options EUR 400,000 Shares EUR 3,545,000 (accounting valuation under IFRS)	In accordance with the authorization by the Shareholders' Meeting on April 27, 2016 in its 20th resolution, the Board of Directors decided at its February 21, 2017 meeting, on a proposal from the Compensation and Nomination Committee to allocate on March 10, 2017, 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: Half of the options will be exercisable after March 11, 2021, provided: (1) that the conditions set out in the Plan of March 10, 2017 are fulfilled and in particular that he remains a corporate officer of SCOR Group until March 10, 2021 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 average SCOR ROE over three years (from January 1, 2017 to December 31, 2019) is equal to the average of SCOR ROE strategic target (the "Target ROE") over the period. Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) 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%

The other half of options will be exercisable after March 11, 2021, provided:

(1) that the conditions set out in the enclosed Plan of March 10, 2017 are fulfilled and in particular that he remains a corporate officer of SCOR Group until March 10, 2021 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 average solvency ratio over three years (from January 1, 2017 to December 31, 2019) 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, 2017	Amounts or accounting valuation	Description
		Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) is lower than the "Target Solvency Ratio"*, 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"*	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%

* *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, 2017 meeting, on a proposal from the Compensation and Nomination Committee, 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 after February 22, 2020, provided that he remains a corporate officer of SCOR Group until February 21, 2020 inclusive, except as otherwise stated by the Plan, and are 100% subject to the same performance conditions as those for the stock options.

The stock options and performance shares granted to the executive corporate officer in 2017 represent 0.116% of the share capital, 8.70% of the total allocations in 2017, and 60% 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 55,000	In 2017, 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 2017, he attended five Board meetings (a single amount of EUR 3,000 was paid for the two Board meetings held on April 27, 2017), four Strategic Committee meetings and one seminar of the Strategic Committee, leading to a variable amount of EUR 27,000.

Compensation elements due or attributed for the financial year ended December 31, 2017	Amounts or accounting valuation	Description
Benefits of any kind	EUR 5,277 In addition to the deferred amount, an amount of EUR 91,936 was paid by the Company in 2017 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 to cover the risks inherent in the duties of Chairman and Chief Executive Officer of the Company, 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, as modified with effect on July 1, 2014, 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 May 3, 2012, 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*	N/A	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 May 3, 2012, in its 5th 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 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 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 revenue of reference 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, 2017, an estimated annual gross pension amount of EUR 936,821, based on seniority as at December 31, 2017. This amount represents 39.01% of the Chairman and CEO's gross annual compensation, which consists of the annual base salary for 2017 (EUR 1,200,000) and the 2017 target variable salary component paid for 2016 (EUR 1,200,000). No retirement benefit (or commitment) has been paid to the Chairman and Chief Executive Officer. The total pension benefits provision relating to the Chairman and CEO amounts to EUR 23 million based on his reference compensation. The provision has increased by EUR 1.3 million from December 31, 2016. This increase mainly reflects the evolution of financial assumptions (update of discount rate) and the acquisition of an additional year of rights.

* *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 personal objectives of the Chairman and Chief Executive Officer

Category	2017 Objectives description	Achieved result	Achievement rate
Solvency (Weight: 20%)	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, stands at 213% at the end of 2017, *i.e.* 28 bps above 185%.	128%
Strategy (40%)	Achievement of strategic plan "Vision in Action": • Achievement of the objectives of the ViA strategic plan for SCOR Global P&C • Achievement of the objectives of the ViA strategic plan for SCOR Global Life • Achievement of the objectives of the ViA strategic plan for SCOR Global Investments • Advancement of the merger of the 3 SEs	Despite an exceptional series of large natural catastrophes, SCOR's posts strong results in 2017: • SCOR Global P&C: Gross premium growth between 2016 and 2017 is 8.8% at constant exchange rates, the combined normalized ratio is 94.3% • SCOR Global Life: Gross premium growth between 2016 and 2017 is 8.5% at constant exchange rates, the technical margin is 7.1% • SCOR Global Investments: return on invested assets is 3.5% 3SE Merger: preparatory work is proceeding according to schedule	133%
Risk Management (10%)	Improvement of SCOR's internal model	An improved version of the internal model, including a fine modeling of operational risk, was approved by the Autorité de Contrôle Prudentiel et de Résolution and by the Central Bank of Ireland on February 16, 2017	150%
Corporate Social and Environmental Responsibility/ Human Capital Management (20%)	Broadening and deepening of the Group's talent pool	More than 80% of employees underwent training in 2017 Four employees were promoted to Executive Global Partner and Senior Global Partner level in 2017 vs. three external recruitments, thus demonstrating the priority given to promotion of talents internally	135%
Corporate Social and Environmental Responsibility/ Fight against climate change (10%)	Contribution to the fight against climate change including two components: • Development of a SCOR group policy to contribute to the fight against climate change • Participation in international bodies dedicated to the fight against climate change and extreme events	An ambitious climate policy, validated by the Board, has been published on the Group website There have been some significant actions in the fight against climate change: • At the institutional level: leadership role in international initiatives (Geneva Association, Insurance Development Forum), signing of a letter addressed to G7 and G20 leaders in June 2017, calling for the implementation of the Paris climate agreement, signing of the «Decarbonize Europe Manifesto» in March 2017 • In terms of investments: full divestment from the tobacco industry, divestment from companies deriving more than 30% of their turnover from coal, publication of the 1st ESG report on investments in June 2017 • In terms of underwriting property and casualty insurance: implementation of guidelines for the underwriting of business strongly linked to coal including targeted exclusions • Implementation of a voluntary carbon offsetting program with funding for two projects (Zimbabwe, Peru) • Creation of a committee dedicated to CSR at Board level	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	03/10/2017	Subscription	100,000	400,000	33.78	03/11/2021 03/10/2027

Stock options exercised by the executive corporate officer

	Number of options exercised during the period	Date of plan	Exercise price
Denis Kessler	55,000	09/13/2007	17.58
Denis Kessler	75,000	05/22/2008	15.63

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	02/21/2017	125,000	3,545,000	02/22/2020	02/22/2020

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	03/05/2013	Presence condition until March 5, 2015 and performance conditions

Each of the performance conditions related to the plan dated March 5, 2013 set out below was fully met, bringing the share acquisition rate to 100%. In addition to the performance conditions described below, the strict compliance with the Group's ethical principles as described in the Code of Conduct of SCOR Group was met.

Performance conditions – March 5, 2013 plan	Achieved result	Achievement
SCOR financial strength by S&P rating minimum "A" in 2013 and 2014	A+	Yes
SCOR Global P&C's combined ratio ≤100% on average in 2013 and 2014	93%	Yes
SCOR Global Life's technical margin ≥3% on average in 2013 and 2014	7.2%	Yes
SCOR Group's ROE >1,000 points above the risk-free rate on average in 2013 and 2014	1,051 bps	Yes

Furthermore, the Chairman and Chief Executive Officer acquired performance shares during the 2017 year, but they will become available only in 2019. These performance shares were granted as part of the plan of March 4, 2015 and the plan of September 1, 2011. See Section 2.2.3.2 of this Registration Document for the details on share award rights granted to the Chairman and to the Executive Committee members. See Section 2.2.3.4 of this Registration Document to see the details of the performance conditions attached to the plans that vested in 2017 and their achievement rate.

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

The Shareholders' Meeting of the Company held on May 6, 2014 resolved that the annual maximum aggregate amount of directors' fees shall not exceed EUR 1,152,000. Upon the proposal of the Compensation and Nomination Committee and within the limit of this amount, the Board of Directors' meeting held on February 21, 2017 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 and Corporate and Social Responsibility 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 September 19, 2017.

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.

Directors' fees

Fees paid to directors in 2017 and 2016 are broken down as follows:

In EUR	2017	2016
Mr. Denis Kessler(1)	55,000	55,000
Mrs. Michèle Aronvald(2)	46,000	39,000
Mrs. Marguerite Bérard-Andrieu	74,000	62,000
Mr. Thierry Derez	83,000	92,000
Mrs. Vanessa Marquette	102,000	83,000
Mr. Bruno Pfister(2)	117,000	70,000
Mr. Jean-Marc Raby	62,000	56,000
Mr. Augustin de Romanet	74,000	80,000
Malakoff Médéric Assurances, represented by Thomas Saunier	52,000	52,000
Mrs. Kory Sorenson	111,000	101,000
Mr. Claude Tendil	83,000	107,000
Mrs. Fields Wicker-Miurin	105,000	104,000
Mr. Peter Eckert(3)	N/A	41,000
Mr. Kevin J. Knoer(3)	N/A	29,000
TOTAL	**964,000**	**971,000**

(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 Ordinary and Extraordinary Shareholders' Meeting of April 27, 2016.
(3) Directors whose mandate ended at the Ordinary and Extraordinary Shareholders' Meeting of April 27, 2016.

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 2017 and/or 2016 as follows:

	2017		2016	
SCOR UK Company Ltd				
Fields Wicker-Miurin	GBP	27,500	N/A	N/A
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	Number of shares as at 12/31/2017
Mr. Denis Kessler	1,314,790
Mrs. Michèle Aronvald	3,410
Mrs. Marguerite Bérard-Andrieu	957
Mr. Thierry Derez	1,739
Mrs. Vanessa Marquette	957
Mr. Bruno Pfister	647
Mr. Jean-Marc Raby	607
Mr. Augustin de Romanet	957
Malakoff Médéric Assurances, represented by Thomas Saunier	5,484,767
Mrs. Kory Sorenson	3,147
Mr. Claude Tendil	5,014
Mrs. Fields Wicker-Miurin	1,739
TOTAL	**6,818,731**

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 2018 REPORTING PERIOD

Set out below is the compensation policy regarding the Chairman and Chief Executive Officer of SCOR SE for the 2018 reporting period, submitted for approval to the shareholders in accordance with the new provisions of Article L. 225-37-2 of the French Commercial Code introduced by the so-called Sapin II law of December 9, 2016 relating to transparency, anti-corruption measures and the modernization of the economy.

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.

Compliance

The compensation policy was established in accordance with the recommendations of the AFEP-MEDEF Code as revised in November 2016.

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, Endurance specialty, Everest Re, Great West Lifeco, Hannover Re, Munich Re, Partner 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 2018, the Board of Directors decided at its February 21, 2018 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 personal objectives (capped at a maximum of 150% of the personal objectives target portion) and financial objectives (capped at a maximum of 130% of the financial objectives target 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 will be subject, as of 2018 for the variable compensation relating to 2017, 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, 2018.

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 obligations.

At its February 21, 2018 meeting, the Board of Directors decided to grant the Chairman and Chief Executive Officer 125,000 performance shares and 100,000 stock options in 2018.

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. 2018, 2019 and 2020 for the plans granted in 2018.

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. 2018, 2019 and 2020 for the plans granted in 2018.

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 2018 allocations

For 50% of the allocation:

- The 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 the Company'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 by the beneficiaries 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 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%.

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 the Company'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 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 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 non-compliance by the Chairman and Chief Executive Officer with the Group Code of Conduct, none of his shares may be acquired (clawback policy).

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 the satisfying completion of training in regards to corporate social responsibility (CSR).

Presence condition

Other than in specific cases[(1)], the definitive acquisition of performance shares and the exercise of 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 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, with a view to a new decision submitted to the 2018 Shareholders' Meeting approving the financial statements for 2017.

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.

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.

(1) Death, Disability, Retirement or in the event of a forced departure resulting from other reasons than fault or negative performance.

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 to cover the risks inherent in the duties of Chairman and Chief Executive Officer of the Company, 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, as modified with effect on July 1, 2014, which benefits from now 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.

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 individual objectives and, on the other hand, on the achievement of the Group's earnings objective, which is based on return on equity (or ROE).

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.

In the event of a change in control of the Group, if members of the Executive Committee are dismissed (except for serious or gross misconduct) or if they decide to resign within a twelve-month period, they will benefit from (i) a cash payment equal to the amount of fixed and variable compensation paid to them by the Group for the two financial years prior to their departure, (ii) a cash payment compensating them for their inability to exercise stock options granted prior to their departure date and which they would be unable to exercise due to the vesting period conditions set forth in the applicable stock option plan, in an amount to be determined by an independent expert using the "Black-Scholes" pricing model, and (iii) a cash payment compensating them for the performance shares of SCOR SE granted to them prior to their departure and which would not vest due to the terms and conditions of the applicable free share allocation plan. The amount of this cash payment is equal to the product of the number of shares concerned multiplied by the average value of the opening prices of the ordinary shares of SCOR SE on the Paris stock exchange during the 20 trading days preceding the date of the change in control.

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 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 members with Swiss contracts who benefit 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, the United Kingdom and Switzerland for the Executive Committee members (including the Chairman and Chief Executive Officer) amounts to EUR 58 million as at December 31, 2017, i.e. 14% of the total commitment of the Group for pension plans of EUR 424 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, 2017

The following table presents the aggregate gross compensation in respect of financial years 2017, 2016 and 2015 due and paid to the members of the Executive Committee (including and excluding the executive corporate officer):

	2017		2016		2015	
In EUR	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	4,861,319	4,861,319	4,774,814	4,774,814	4,635,392	4,656,849
Variable compensation	3,777,102	4,853,222	4,852,734	4,651,568	4,641,844	3,985,794
Allowances	154,417	154,417	159,770	160,971	161,963	161,963
Gross compensation of the Executive Committee members excluding the executive corporate officer(1)	**8,792,838**	**9,868,958**	**9,787,318**	**9,587,353**	**9,439,199**	**8,804,606**
Denis Kessler	2,375,020	2,674,600	2,674,600	2,938,000	2,946,000	2,499,000
TOTAL EXECUTIVE COMMITTEE	**11,167,858**	**12,543,558**	**12,461,918**	**12,525,353**	**12,385,199**	**11,303,606**

(1) Compared to 2015, in 2016 the compensation of Executive Committee members includes Romain Launay, who joined the Executive Committee on March 1, 2016. Nicolas Tissot left the Executive Committee in 2016.

For information on stock options held by 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, 2017

The table below presents the stock option plans granted to the Executive Committee and the executive corporate officer as at December 31, 2017:

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
Denis Kessler	46,981	09/16/2005	15.90	746,998	09/16/2009	to	09/15/2015	46,981 (1)
	57,524	09/14/2006	18.30	1,052,689	09/15/2010	to	09/14/2016	57,524 (1)
	55,000	09/13/2007	17.58	966,900	09/13/2011	to	09/12/2017	55,000
	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	03/18/2010	18.40	2,300,000	03/19/2014	to	03/18/2020	-
	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	-
Total	**1,159,505**			**24,984,962**				**234,505**
Frieder Knüpling	5,000	12/14/2006	21.70	108,500	12/15/2010	to	12/14/2016	5,000
	5,000	09/13/2007	17.58	87,900	09/13/2011	to	09/12/2017	5,000
	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	38,000
	40,000	03/23/2012	20.17	806,800	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	-
	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	-
Total	**372,000**			**9,198,205**				**110,000**

(1) The options exercised were in the context of a full donation. The shares have not been sold by the executive corporate officer.

	Number of shares underlying granted	Date of plans	Strike price (in EUR)	Potential transaction volume (in EUR)	Exercise period			Options exercised
Benjamin Gentsch	50,000	09/13/2007	17.58	879,000	09/13/2011	to	09/12/2017	50,000
	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	03/22/2011	19.71	788,400	03/23/2015	to	03/22/2021	-
	40,000	03/23/2012	20.17	806,800	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	-
	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	-
	30,000	03/10/2017	33.78	1,013,400	03/11/2021	to	03/10/2027	-
Total	**416,000**			**9,430,864**				**106,000**
Mark Kociancic	4,183	09/14/2006	18.30	76,549	09/15/2010	to	09/14/2016	4,183
	7,000	09/13/2007	17.58	123,060	09/13/2011	to	09/12/2017	7,000
	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	-
	7,000	03/22/2011	19.71	137,970	03/23/2015	to	03/22/2021	-
	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	-
Total	**303,683**			**8,263,892**				**26,183**
Paolo De Martin	50,000	09/13/2007	17.58	879,000	09/13/2011	to	09/12/2017	50,000
	36,000	05/22/2008	15.63	562,680	05/22/2012	to	05/21/2018	-
	48,000	03/23/2009	14.92	716,016	03/23/2013	to	03/22/2019	-
	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	-
Total	**566,000**			**13,247,136**				**50,000**

	Number of shares underlying granted	Date of plans	Strike price (in EUR)	Potential transaction volume (in EUR)	Exercise period			Options exercised
Simon Pearson	7,000	12/14/2006	21.70	151,900	12/15/2010	to	12/14/2016	7,000
	10,000	09/13/2007	17.58	175,800	09/13/2011	to	09/12/2017	10,000
	12,000	09/10/2008	15.63	187,560	09/10/2012	to	09/09/2018	12,000
	10,000	03/23/2009	14.92	149,170	03/23/2013	to	03/22/2019	10,000
	12,000	03/18/2010	18.40	220,800	03/19/2014	to	03/18/2020	-
	10,000	03/22/2011	19.71	197,100	03/23/2015	to	03/22/2021	-
	10,000	03/23/2012	20.17	201,700	03/24/2016	to	03/23/2022	-
	12,000	03/21/2013	22.25	267,000	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	-
	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	-
Total	**243,000**			**6,367,030**				**39,000**
Victor Peignet	20,880	09/16/2005	15.90	331,992	09/16/2009	to	09/15/2015	20,880
	26,147	09/14/2006	18.30	478,490	09/15/2010	to	09/14/2016	26,147
	35,000	09/13/2007	17.58	615,300	09/13/2011	to	09/12/2017	35,000
	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	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	-
Total	**598,027**			**13,793,918**				**262,027**
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	-
Total	**104,750**			**3,201,205**				**-**

	Number of shares underlying granted	Date of plans	Strike price *(in EUR)*	Potential transaction volume *(in EUR)*	Exercise period			Options exercised
François de Varenne	7,308	09/16/2005	15.90	116,197	09/16/2009	to	09/15/2015	7,308
	15,688	09/14/2006	18.30	287,090	09/15/2010	to	09/14/2016	15,688
	20,000	09/13/2007	17.58	351,600	09/13/2011	to	09/12/2017	20,000
	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	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	-
Total	**418,996**			**9,644,551**				**218,996**
GRAND TOTAL	**4,181,961**			**98,131,763**				**1,046,711**

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. See Section 2.2.3.4 of this Registration Document and Section 2.2.3.4 of the 2016 Registration Document filed with the AMF on March 3, 2017 under number D.17-0123 for the details of the performance conditions applicable to the stock options.

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 options 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)	394,064	33.81	03/10/2017 12/01/2017
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)	727,000	17.49	09/23/2007 05/22/2008 09/10/2008 03/23/2009 03/18/2010 03/01/2011 03/22/2011 03/23/2012 03/21/2013

For more information on the stock option plans, see Appendix C – 5. Notes to the corporate financial statements, Section 5.3.5 – Stock options.

2.2.3.2. FREE ALLOCATION OF SHARES TO THE MEMBERS OF THE EXECUTIVE COMMITTEE AND THE EXECUTIVE CORPORATE OFFICER AS AT DECEMBER 31, 2017

The table below presents the share award rights granted to the Executive Committee and the executive corporate officer as at December 31, 2017:

	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	2004 Plan – Tranche A	18,750	14.40	270,000	270,000	01/10/2005
	2004 Plan – Tranche B	-	-	-	-	11/10/2005
	2004 Plan – Forfeiture – Redistribution	26,250	17.97	471,713	471,713	09/01/2007
	2005 Plan	45,000	17.97	808,650	808,650	09/01/2007
	2006 Plan	55,000	14.88	818,400	818,400	07/05/2008
	2007 Plan	80,000	15.17	1,213,600	1,213,600	05/25/2009
	2008 Plan	75,000	17.55	1,316,250	1,316,250	05/08/2010
	2009 Plan	125,000	18.89	2,360,625	2,360,625	03/17/2011
	2010 Plan	125,000	19.82	2,476,875	2,476,875	03/03/2012
	2011 Plan	125,000	22.61	2,826,250	2,826,250	03/08/2013
	2011 – 2019 Long Term Incentive Plan	125,000	34.95	4,368,750	4,150,313	09/02/2017
	2012 Plan	125,000	26.33	3,291,250	3,291,250	05/04/2014
	2013 Plan	125,000	30.60	3,825,000	3,825,000	03/06/2015
	2014 Plan	125,000	32.36	4,044,375	4,044,375	03/05/2016
	2015 Plan	125,000	35.10	4,387,500	4,387,500	03/05/2017
	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
Total		**1,625,000**		**32,479,238**	**32,260,801**	
Frieder Knüpling	2006 Plan	5,000	14.88	74,400	74,400	11/24/2008
	2007 Plan	5,000	15.17	75,850	75,850	05/25/2011
	2008 Plan	15,000	16.55	248,250	248,250	08/27/2012
	2009 Plan	15,000	18.89	283,275	283,275	03/17/2013
	2010 Plan	32,000	19.82	634,080	634,080	03/03/2014
	2011 Plan	40,000	30.28	1,211,200	1,211,200	03/08/2015
	2011 – 2019 Long Term Incentive Plan	40,000	-	-	-	09/02/2019
	2012 Plan	40,000	31.22	1,248,800	1,248,800	03/20/2016
	2013 Plan	40,000	35.10	1,404,000	1,404,000	03/06/2017
	2013 – 2021 Long Term Incentive Plan	40,000	-	-	-	03/06/2021
	2014 Plan	40,000	-	-	-	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
Total		**502,000**		**5,179,855**	**5,179,855**	

	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
Benjamin Gentsch	2007 Plan	50,000	15.17	758,500	758,500	05/25/2009
	2008 Plan	24,000	17.55	421,200	421,200	05/08/2012
	2009 Plan	32,000	18.89	604,320	604,320	03/17/2013
	2010 Plan	40,000	19.82	792,600	792,600	03/03/2014
	2011 Plan	40,000	30.28	1,211,200	1,211,200	03/08/2015
	2011 – 2019 Long Term Incentive Plan	40,000	-	-	-	09/02/2019
	2012 Plan	40,000	31.22	1,248,800	1,248,800	03/20/2016
	2013 Plan	40,000	35.10	1,404,000	1,404,000	03/06/2017
	2014 Plan	40,000	-	-	-	03/05/2018
	2015 Plan	40,000	-	-	-	03/05/2019
	2016 Plan[(1)]	40,000	-	-	-	02/24/2019
	2017 Plan[(1)]	30,000	-	-	-	02/22/2020
Total		**456,000**		**6,440,620**	**6,440,620**	
Mark Kociancic	2006 Plan	4,000	14.88	59,520	59,520	07/05/2008
	2007 Plan	7,000	15.17	106,190	106,190	05/25/2011
	2008 Plan	7,500	16.55	124,125	124,125	08/27/2012
	2009 Plan	7,500	18.89	141,638	141,638	03/17/2013
	2010 Plan	7,500	19.82	148,613	148,613	03/03/2014
	2011 Plan	7,000	30.28	211,960	211,960	03/08/2015
	2011 – 2019 Long Term Incentive Plan	7,000	-	-	-	09/02/2019
	2012 Plan	13,000	31.22	405,860	405,860	03/20/2016
	2013 Plan	40,000	35.10	1,404,000	1,404,000	03/06/2017
	2013 – 2021 Long Term Incentive Plan	40,000	-	-	-	03/06/2021
	2014 Plan	40,000	-	-	-	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
Total		**350,500**		**2,601,906**	**2,601,906**	
Paolo De Martin	2007 Plan	50,000	15.17	758,500	758,500	05/25/2011
	2008 Plan	36,000	17.55	631,800	631,800	05/08/2012
	2009 Plan	48,000	18.89	906,480	906,480	03/17/2013
	2010 Plan	48,000	19.82	951,120	951,120	03/03/2014
	2011 Plan	48,000	30.28	1,453,440	1,453,440	03/08/2015
	2011 – 2019 Long Term Incentive Plan	48,000	-	-	-	09/02/2019
	2012 Plan	48,000	31.22	1,498,560	1,498,560	03/20/2016
	2013 Plan	48,000	35.10	1,684,800	1,684,800	03/06/2017
	2013 – 2021 Long Term Incentive Plan	48,000	-	-	-	03/06/2021
	2014 Plan	60,000	-	-	-	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
Total		**662,000**		**7,884,700**	**7,884,700**	

	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
Simon Pearson	2006 Plan	7,000	14.88	104,160	104,160	11/24/2008
	2007 Plan	10,000	15.17	151,700	151,700	05/25/2011
	2008 Plan	12,000	16.55	198,600	198,600	08/27/2012
	2009 Plan	10,000	18.885	188,850	188,850	03/17/2013
	2010 Plan	12,000	19.815	237,780	237,780	03/03/2014
	2011 Plan	10,000	30.28	302,800	302,800	03/08/2015
	2011 – 2019 Long Term Incentive Plan	10,000	-	-	-	09/02/2019
	2012 Plan	10,000	31.22	312,200	312,200	03/20/2016
	2013 Plan	12,000	35.10	421,200	421,200	03/06/2017
	2013 – 2021 Long Term Incentive Plan	12,000	-	-	-	03/06/2021
	2014 Plan	40,000	-	-	-	03/05/2018
	2015 Plan	40,000	-	-	-	03/05/2019
	2015 – 2023 Long Term Incentive Plan	40,000	-	-	-	03/05/2023
	2016 Plan (1)	40,000	-	-	-	02/24/2019
	2017 Plan (1)	40,000	-	-	-	02/22/2020
Total		**305,000**		**1,917,290**	**1,917,290**	
Victor Peignet	2004 Plan – Tranche A	7,500	14.40	108,000	108,000	01/10/2005
	2004 Plan – Tranche B	-	-	-	-	11/10/2005
	2004 Plan – Forfeiture – Redistribution	10,500	17.97	188,685	188,685	09/01/2007
	2005 Plan	20,000	17.97	359,400	359,400	09/01/2007
	2006 Plan	25,000	14.88	372,000	372,000	07/05/2008
	2007 Plan	35,000	15.17	530,950	530,950	05/25/2009
	2008 Plan	36,000	17.55	631,800	631,800	05/08/2010
	2009 Plan	48,000	18.89	906,480	906,480	03/17/2011
	2010 Plan	48,000	19.82	951,120	951,120	03/03/2012
	2011 Plan	48,000	22.61	1,085,280	1,085,280	03/08/2013
	2011 – 2019 Long Term Incentive Plan	48,000	34.95	1,677,600	1,593,720	09/02/2017
	2012 Plan	48,000	24.46	1,174,080	1,174,080	03/20/2014
	2012 Plan (PPP) (2)	5	24.55	123	123	07/27/2014
	2013 Plan	48,000	30.60	1,468,800	1,468,800	03/06/2015
	2013 – 2021 Long Term Incentive Plan	48,000	-	-	-	03/06/2019
	2014 Plan	60,000	32.36	1,941,300	1,941,300	03/05/2016
	2014 Plan (PPP) (3)	5	26.33	132	132	07/31/2016
	2015 Plan	60,000	-	-	-	12/19/2018
	2016 Plan	60,000	-	-	-	02/24/2019
	2017 Plan	60,000	-	-	-	02/22/2020
Total		**710,010**		**11,395,750**	**11,311,870**	

	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
Romain Launay	2012 Plan	10,000	24.46	244,600	244,600	03/20/2014
	2012 Plan (PPP)(2)	5	24.55	123	123	07/27/2014
	2013 Plan	5,000	30.60	153,000	153,000	03/06/2015
	2014 Plan	5,000	32.36	161,775	161,775	03/05/2016
	2014 Plan (PPP)(3)	5	26.33	132	132	07/31/2016
	2014 – 2022 Long Term Incentive Plan	5,000	-	-	-	03/05/2020
	2015 Plan	8,000	-	-	-	12/19/2018
	2016 Plan	40,000	-	-	-	02/24/2019
	2017 Plan	40,000	-	-	-	02/22/2020
Total		**113,010**		**559,630**	**559,630**	
François de Varenne	2005 Plan	7,000	17.97	125,790	125,790	09/01/2007
	2006 Plan	15,000	14.88	223,200	223,200	11/08/2008
	2007 Plan	20,000	15.17	303,400	303,400	05/25/2009
	2008 Plan	24,000	17.55	421,200	421,200	05/08/2010
	2009 Plan	32,000	18.89	604,320	604,320	03/17/2011
	2010 Plan	40,000	19.82	792,600	792,600	03/03/2012
	2011 Plan	40,000	22.61	904,400	904,400	03/08/2013
	2011 – 2019 Long Term Incentive Plan	40,000	34.95	1,398,000	1,328,100	09/02/2017
	2012 Plan	40,000	24.46	978,400	978,400	03/20/2014
	2012 Plan (PPP)(2)	5	24.55	123	123	07/27/2014
	2013 Plan	40,000	30.60	1,224,000	1,224,000	03/06/2015
	2014 Plan	40,000	32.36	1,294,200	1,294,200	03/05/2016
	2014 Plan (PPP)(3)	5	26.33	132	132	07/31/2016
	2015 Plan	40,000	-	-	-	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
Total		**498,010**		**8,269,765**	**8,199,865**	
GRAND TOTAL		**5,221,530**		**76,728,754**	**76,356,537**	

(1) These shares are allocated in non-qualified plans.

(2) This collective free share plan is for employees of the Company that are residents in France, under the collective agreement signed on July 20, 2012 as part of the negotiations with the social partners of France, concerning the profit-sharing arrangement established by the July 28, 2011 amending social security finance act for 2011. This plan provides for an identical allocation of five free shares without a presence condition or a performance condition.

(3) This collective free share plan is for employees of the Company that are residents in France, under the collective agreement signed on July 3, 2014 as part of the negotiations with the social partners of France, concerning the profit-sharing arrangement established by the July 28, 2011 amending social security finance act for 2011. This plan provides for an identical allocation of five free shares without a presence condition or a performance condition.

2.2.3.3. POTENTIAL VOLUME OF NEW SHARES FROM OUTSTANDING SHARE-BASED COMPENSATION PLANS AS OF DECEMBER 31, 2017

The potential volume of new shares from outstanding share-based compensation plans stood at 6,821,666 shares as of December 31, 2017, broken down as follows:

Potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments	6,821,666
• of which number of potential new shares from outstanding stock option plans (options allocated but not vested + options vested but not exercised)	5,467,076
• of which number of potential new shares from outstanding free share plans (free shares allocated but not vested)(1)	-
• of which number of potential new shares from outstanding warrants	-
• of which unused authorizations still outstanding(2)	1,354,590

(1) The free share allocation plans currently in force only allocate outstanding shares.
(2) Authorization granted by the Shareholders' Meeting of April 27, 2017 in its 21st resolution (stock options).

Notably, no new shares will 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 19,416,429 on December 31, 2017, due to the addition of (i) outstanding free share allocation plans (shares allocated but not vested on December 31, 2017, i.e. 7,222,173 shares) and, (ii) the unused part of the authorizations granted by the Shareholders' Meeting of April 27, 2017 in its 22nd resolution and by the Shareholders' Meeting of April 27, 2016 in its 25th resolution concerning the free allocation of outstanding shares (5,372,592 shares).

The Company's fully diluted issued share capital, as defined below, stood at 218,165,437 shares as of December 31, 2017, broken down as follows:

Fully diluted issued share capital	218,165,437
• of which total shares comprising the share capital	193,500,317
• of which number of potential new shares from outstanding options	5,467,076
• of which number of potential new shares from outstanding free shares(1)	-
• of which number of potential new shares from outstanding warrants	-
• 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 to BNP Paribas 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 230,760,200 on December 31, 2017.

As of December 31, 2017, the potential volume of new shares from outstanding share-based compensation plans linked to Group executive and employee compensation instruments stands at 3.13% of the fully diluted share capital.

If 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 8.90% of the fully diluted share capital on December 31, 2017.

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, 2016, the Shareholders' Meeting authorized the Company's Board of Directors, in its 19th resolution, under the provisions of Articles L. 225-177 to L. 225-186-1 of the French 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 French 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, 2016 and cancelled and replaced, for the unused portion thereof, the previous authorization of April 30, 2015.

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.

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 10, 2017 stock option plan

Following the authorization by the Shareholders' Meeting on April 27, 2016 and on the proposal of the Compensation and Nomination Committee meeting of February 21, 2017, the Board of Directors' meeting of February 21, 2017, decided to allocate, on March 10, 2017, 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, 2017, on the proposal of the Compensation and Nomination Committee meeting of February 21, 2017, decided to allocate 100,000 stock options to the Chairman and Chief Executive Officer and 380,000 stock options to the other members of the Executive Committee on March 10, 2017.

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 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 March 11, 2021 to March 10, 2027 inclusive. After this date, the purchase right shall expire.

The exercise of all of the stock options allocated in 2017 is subject to performance conditions.

The final vesting 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 10, 2021 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over three years (from January 1, 2017 to December 31, 2019) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) 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 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%**

The final vesting 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 10, 2021 inclusive, except as otherwise provided by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio over three years (from January 1, 2017 to December 31, 2019) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio" (1)).

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) 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 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.

December 1, 2017 stock option plan

The Chairman and Chief Executive Officer, under the authority given by the Board of Directors' meeting held on October 24, 2017 for the implementation of this plan, allocated on December 1, 2017, 145,410 stock options to 56 Partners (Executive and Senior Global Partners).

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 share price of SCOR SE's shares before the grant date. The stock options can be exercised on one or more occasions from December 1, 2021 to December 1, 2027 inclusive. From this date, purchase rights shall expire.

The exercise of all of the stock options allocated is subject to performance conditions.

The final vesting 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 December 1, 2021 inclusive, except as otherwise provided by the Plan;

(2) that the average SCOR ROE over three years (from January 1, 2017 to December 31, 2019) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

(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 condition (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 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 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 December 1, 2021 inclusive, except as otherwise provided by the Plan;

(2) that SCOR average solvency ratio over three years (from January 1, 2017 to December 31, 2019) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio" [(1)]).

Aside from the mandatory condition (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 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 satisfying completion of training in regards to corporate social responsibility (CSR).

The table below presents the total number of stock options allocated in 2016 and 2017 by category of beneficiary within the Group:

	Total number of stock options allocated in 2017	Total number of beneficiaries in 2017	Total number of stock options allocated in 2016	Total number of beneficiaries in 2016
Corporate officer[(1)]	100,000	1	25,000	1
Members of the Executive Committee	380,000	8	340,000	7
Partners	145,410	56	264,868	60
TOTAL	**625,410**	**65**	**629,868**	**68**

(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 – Stock options and share allocations.

(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.

Achievement of the performance conditions attached to the 2015 stock options plans

In 2017, the Compensation and Nomination Committee acknowledged the validation of all the performance conditions attached to the 2015 stock option plans as defined in the 2015 Registration Document, bringing the 2015 shares acquisition rate to 100%. In addition to the performance conditions described below, the strict compliance with the Group's ethical principles as described in the Code of Conduct of SCOR Group is required.

Performance condition	Achieved result	Achievement
Solvency ratio at the end of each quarter ≥150% for 2015 and 2016 years	Ratio above 150% each quarter	Yes
SCOR Global P&C's combined ratio ≤100% on average in 2015 and 2016	92.1%	Yes
SCOR Global Life's technical margin ≥3% on average in 2015 and 2016	7.1%	Yes
ROE SCOR > 1000 points above the risk-free rate on average in 2015 and 2016	1,036 bps	Yes

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 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, to 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 the executive corporate officer, 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 and the conditions and criteria for the allocation of 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 fullfillment 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, i.e. until April 26, 2019.

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, 2017 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, 2017, on the proposal of the Compensation and Nomination Committee meeting of February 21, 2017, 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, 2017, on the proposal of the Compensation and Nomination Committee meeting of February 21, 2017, decided to allocate 125,000 performance shares to the Chairman and Chief Executive Officer and 140,000 performance shares to the French tax resident members of the Executive Committee.

At the same time, 240,000 performance shares were awarded on February 21, 2017 to the non-French tax resident members of the Executive Committee as part of a so-called non-qualified plan.

Refer to Section 2.2.3.1 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 performance conditions defined as follows.

The final vesting of half of the shares is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of February 21, 2017 are fulfilled and in particular that the beneficiary remains an employee or a corporate officer of the SCOR Group until February 21, 2020 inclusive, except as otherwise stated by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over three years (from January 1, 2017 to December 31, 2019) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

Aside from the mandatory conditions (1) and (2), if the observed average ROE (condition (3)) 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%**

The final vesting of half of the shares granted is subject to the fulfilment of the following conditions:

(1) that the conditions set out in the Plan of February 21, 2017 are fulfilled and in particular that the beneficiary remains an employee or a corporate officer of the SCOR Group until February 21, 2020 inclusive, except as otherwise stated by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio for three years (from January 1, 2017 to December 31, 2019) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio" (1)).

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) 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.

February 21, 2017 Long Term Incentive Plan

Following the authorization by the Shareholders' Meeting on April 26, 2016, the Company's Board of Directors' meeting of February 21, 2017, on the proposal of the Compensation and Nomination Committee meeting of February 21, 2017, decided to allocate 50,000 performance shares to a non-French tax resident member of the Executive Committee in a non-qualified Long Term Incentive Plan (LTIP).

This compensation scheme reflects best market practices and aims to involve and unite SCOR's key employees in the Group's long-term development. The LTIP is entirely based on SCOR performance shares.

All the shares under the LTIP are subject to the satisfaction of a presence condition and of performance conditions defined as follows.

The final vesting of half of the shares granted is subject to the fulfilment of the following conditions:

(1) that the terms and conditions set out in the Plan are fulfilled and in particular that the beneficiary remains employee or corporate officer of the SCOR Group until February 21, 2023 inclusive, except as otherwise stated by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average SCOR ROE over six years (from January 1, 2017 to December 31, 2022) is equal to the average SCOR ROE strategic target (the "Target ROE") over the same period.

(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) and (2), if the observed average ROE (condition (3)) 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%**

The final vesting of the remaining half of the shares is subject to the fulfilment of the following conditions:

(1) that the terms and conditions set out in the Plan are fulfilled and in particular that the beneficiary remains employee or corporate officer of the SCOR Group until February 21, 2023 inclusive, except as otherwise stated by the Plan;

(2) that the beneficiary respects the Group's ethical principles as described in its Code of Conduct;

(3) that the average solvency ratio over six years (from January 1, 2017 to December 31, 2022) is at least equal to the average SCOR solvency strategic target over the same period (the "Target Solvency Ratio" [(1)]).

Aside from the mandatory conditions (1) and (2), if the observed average solvency ratio (condition (3)) 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.

The terms and conditions of the LTIP provide for a vesting period of six years for all beneficiaries. There is no obligation to hold the shares after the vesting period.

December 1, 2017 performance shares plans

Following the authorization given by the Extraordinary Shareholders' Meeting on April 27, 2016, the Company's Board of Directors' meeting of October 24, 2017, on the proposal of the Compensation and Nomination Committee meeting of October 24, 2017, decided to grant on December 1, 2017 performance shares to certain Partners and to specific Non-Partners.

Following the Board of Directors' meeting of October 24, 2017, 266,868 performance shares were granted on December 1, 2017 to certain specific Partners and Non-Partners (216 employees) of the Group's French tax residents.

At the same time, 461,744 performance shares were granted on December 1, 2017 to certain non-French tax resident Partners and specific Non-Partners of the Group (388 employees) under a non qualified plan.

The provisions of these plans provide for a vesting period of three years for all beneficiaries.

All the shares awarded to the Executive Global Partners and Senior Global Partners and half of the allocations awarded to the other Partners (below Senior Global Partners), are subject to the satisfaction of performance conditions (for the description of performance conditions, refer to the section related to February 21, 2017 Long Term Incentive Plan).

December 1, 2017 Long Term Incentive Plans

Following the authorization given by the Extraordinary Shareholders' Meeting on April 27, 2016, the Board of Directors' meeting of October 24, 2017, on the proposal of the Compensation and Nomination Committee meeting of October 24, 2017, decided to grant on December 1, 2017 performance shares in a Long Term Incentive Plan (LTIP) to certain Partners and to specific Non-Partners.

Following the Board of Directors' meeting of October 24, 2017, 84,842 performance shares were granted under a Long Term Incentive Plan on December 1, 2017 to certain specific Partners and Non-Partners (145 employees) of the Group's French tax residents.

(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.

At the same time, 147,396 performance shares were granted on December 1, 2017 to certain non-French tax resident Partners and specific Non Partners of the Group (332 employees) under a non-qualified plan Long Term Incentive Plan.

The provisions of these plans provide for a vesting period of six years for all beneficiaries.

All the shares awarded are subject to the satisfaction of performance conditions (for the description of performance conditions, refer to the section related to February 21, 2017 Long Term Incentive Plans).

The table below presents the total number of shares allocated in 2016 and 2017 by category within the Group, all types of plans included:

	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)	Total number of LTIP shares allocated in 2016	Total number of beneficiaries of LTIP in 2016	Total number of shares allocated in 2016 (excluding LTIP)	Total number of beneficiaries in 2016 (excluding LTIP)
Corporate officer(1)	-	-	125,000	1	75,000	1	125,000	1
Members of the Executive Committee	50,000	1	380,000	8	40,000	1	340,000	7
Partners	226,310	435	709,264	541	139,480	51	1,178,164	650
Non-Partners	5,928	42	19,348	63	3,252	5	58,488	150
TOTAL	**282,238**	**478**	**1,233,612**	**613**	**257,732**	**58**	**1,701,652**	**808**

(1) Chairman and Chief Executive Officer.

Achievement of the performance conditions of the performance shares plans vested in 2017

In 2017, the Compensation and Nomination Committee acknowledged the validation of all the performance conditions attached to the March 5, 2015 performance share plan as defined in the 2015 Registration Document, bringing the share acquisition rate to 100%. 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
Solvency ratio at the end of each quarter ≥150% for 2015 and 2016 years	Ratio above 150% each quarter	Yes
SCOR Global P&C's combined ratio ≤100% on average in 2015 and 2016	92.1%	Yes
SCOR Global Life's technical margin ≥3% on average in 2015 and 2016	7.1%	Yes
ROE SCOR > 1000 points above the risk-free rate on average in 2015 and 2016	1,036 bps	Yes

In 2017, the Compensation and Nomination Committee acknowledged the partial validation of all the performance conditions attached to the September 1, 2011 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 2011-2016 and the Target ROE ≥100%	96.7%	90%
Difference between the average solvency ratio over 2011-2016 and the Target Solvency Ratio higher than or equal to 0 percentage point	+34bps	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, 2016, 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 outstanding as of December 31,
April 27, 2016	October 24, 2017	84,842[2]	-	12/02/2023	12/01/2023	-	-	84,842
		147,396[1][2]	-	12/02/2023	12/01/2023	-	-	147,396
		266,868[2]	-	12/02/2020	12/01/2020	-	-	266,868
		461,744[1][2]	-	12/02/2020	12/01/2020	-	-	461,744
	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	3,165	15	236,820
April 27, 2016	October 26, 2016	10,700[2]	-	12/02/2019	12/01/2019	-	-	10,700
		23,364[1][2]	-	12/02/2019	12/01/2019	-	-	23,364
December 18, 2015	February 23, 2016	181,060[2]	75,000	02/24/2022	02/23/2022	-	-	181,060
		76,672[1][2]	-	02/24/2022	02/23/2022	-	-	76,672
		673,260[2]	125,000	02/24/2019	02/23/2019	-	-	673,260
		994,328[1][2]	-	02/24/2019	02/23/2019	-	-	994,328
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	-	40,840	508,384
		808,014[1][2]	-	12/19/2018	12/18/2018	500	24,060	783,454
		42,105	-	12/19/2018	12/18/2018	-	2,410	39,695
		112,320[1]	-	12/19/2018	12/18/2018	100	12,225	99,995
May 6, 2014	May 6, 2014	125,000[2]	125,000	03/05/2017	03/04/2019	-	-	125,000
		240,000[2]	-	03/05/2019	03/04/2019	-	-	240,000
May 6, 2014	March 4, 2015	40,000[2]	-	03/06/2021	03/05/2023	-	-	40,000
May 6, 2014	November 5, 2014	7,000[2]	-	12/02/2017	12/01/2019	-	1,000	6,000
		26,000[2]	-	12/02/2019	12/01/2019	-	4,000	22,000
		27,500[2]	-	11/06/2018	11/05/2018	-	2,500	25,000
		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	-
April 25, 2013	March 4, 2014	88,500[2]	-	03/05/2022	03/04/2022	-	2,000	86,500
		31,500[2]	-	03/05/2020	03/04/2022	-	-	31,500
		147,965	-	03/05/2018	03/04/2018	550	13,840	133,575
		51,785	-	03/05/2016	03/04/2018	48,575	3,210	-
		1,115,730[2]	-	03/05/2018	03/04/2018	225	61,050	1,054,455
		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	-	24,000	4,000
		9,500[2]	-	12/19/2016	12/18/2018	8,000	1,500	-
April 25, 2013	November 5, 2013	13,500[2]	-	11/06/2017	11/05/2017	-	-	13,500
		61,200[2]	-	11/06/2015	11/05/2017	61,200	-	-

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 outstanding as of December 31,
April 25, 2013	October 2, 2013	287,500 (2)	-	10/03/2017	10/02/2017	-	4,000	283,500
		16,800	-	10/03/2017	10/02/2017	-	1,600	15,200
May 3, 2012	March 5, 2013	232,500 (2)	-	03/06/2021	03/05/2021	-	2,500	230,000
		85,500 (2)	-	03/06/2019	03/05/2021	-	5,000	80,500
		878,450 (2)	-	03/06/2017	03/05/2017	-	23,200	855,250
		528,600 (2)	125,000	03/06/2015	03/05/2017	514,700	13,900	-
May 3, 2012	July 26, 2012	57,500 (2)	-	07/27/2018	07/26/2020	-	-	57,500
		51,000 (2)	-	07/27/2020	07/26/2020	-	-	51,000
		3,180	-	07/27/2014	07/26/2016	3,165	15	-
May 4, 2011	July 27, 2011	415,500 (2)	125,000	09/02/2017	09/01/2019	-	91,000	324,500
		297,500 (2)	-	09/02/2019	09/01/2019	242,000	55,500	-

(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 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. The acquisition rates for performance shares definitively acquired as at December 31, 2016 are 95% for the LTIP granted as of September 1, 2011, and 100% for the other plans.

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, 22,658,268 shares have been allocated, all types of plans included.

During 2017, 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 394,600 shares. Those rights relate, for non-French tax residents, to the performance share plans of October 2, 2013 and March 5, 2013 whose transfer occurred on October 3, 2017 and March 6, 2017, and for French tax residents to the Long Term Incentive Plan of September 1, 2011 whose transfer occurred on September 2, 2017.

Stock option plans currently in force within the Group

For a list of 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.

For the number of stock options of the issuer and of the companies referred to previously and exercised during the financial year 2017 by the ten employees of the issuer or these companies, with the highest number of shares thus purchased or subscribed, as well as 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 with the highest number of stock options thus granted, see the table in Section 2.2.3.1 – Stock options held by the executive corporate officer and the members of the Executive Committee as at December 31, 2017.

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 27, 2017, the Shareholders' Meeting of the Company, in its 23rd 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, 2016.

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 27, 2017.

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 2017.

	Transactions made in 2017 for a greater amount than EUR 20,000
Mr. Denis Kessler	Acquisition of shares for a total amount of EUR 8,537,812.5 Subscription of shares for a total amount of EUR 2,139,150 Sale of shares resulting from the exercise of stock options for a total amount of EUR 4,588,450 Collateralization of shares for a total amount of EUR 125,000
Mrs. Michèle Aronvald	Subscription of shares for a total amount of EUR 10,548 Sale of shares resulting from the exercise of stock options for a total amount of EUR 20,937
Mrs. Marguerite Bérard-Andrieu	N/A
Mr. Paolo De Martin	Sale of shares for a total amount of EUR 3,412,094.54 Acquisition of shares for a total amount of EUR 1,684,800 Subscription of shares for a total amount of EUR 879,000 Sale of shares resulting from the exercise of stock options for a total amount of EUR 1,705,300
Mr. Thierry Derez	N/A
Mrs. Vanessa Marquette	N/A
Mr. Victor Peignet	Sale of shares for a total amount of EUR 3,051,496.93 Acquisition of shares for a total amount of EUR 1,593,720 Subscription of shares for a total amount of EUR 3,723,276 Sale of shares resulting from the exercise of stock options for a total amount of EUR 7,456,226.51
Mr. Bruno Pfister	N/A
Mr. Jean-Marc Raby	Acquisition of shares for a total amount of EUR 10,000 (1) Sale of shares for a total amount of EUR 12,250
Mr. Augustin de Romanet	N/A
Malakoff Médéric Assurances represented by Thomas Saunier	N/A
Mrs. Kory Sorenson	N/A
Mr. Claude Tendil	N/A
Mrs. Fields Wicker-Miurin	N/A

(1) Pursuant to the obligation for each director to hold a number of shares with a value of at least EUR 10,000 until his term as director.

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, 2017, SCOR's shareholders are mainly institutional as they represent 81% of SCOR's share capital. Institutional shareholders come mainly from Europe (67%), the United States (27%) and Asia (4%). The rest of the share capital is split between treasury shares (3%), employees (4%), retail (2%), brokerage (2%) and others (8%).

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 (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.

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, 2015):

As at December 31, 2015	Number of shares	% of capital	% voting rights(1)
Sompo Japan Nipponkoa Holdings	15,000,000	7.79%	8.06%
Tweedy, Browne Company LLC	8,830,889	4.58%	4.75%
Alecta Kapitalförvaltning AB	8,000,000	4.15%	4.30%
Malakoff Mederic(2)	5,875,506	3.05%	3.16%
Epoch Investment Partners, Inc.	5,817,534	3.02%	3.13%
BlackRock Institutional Trust Company(3)	5,084,380	2.64%	2.73%
Allianz Global Investors Europe GmbH	4,691,174	2.44%	2.52%
Treasury Shares	6,661,000	3.46%	0.00%
Employees(4)(5)	6,055,471	3.14%	3.26%
Others	126,637,141	65.73%	68.09%
TOTAL	**192,653,095**	**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 9,772,590 representing 5.07% of the capital and 5.25% 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, 2015. Employee shareholdings, as defined in Article L. 225-102 of the French Commercial Code, amount to 0.34% of the capital and 0.35% of voting rights.
Source: TPI and Thomson One.

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, 2017, December 31, 2016 and December 31, 2015.

According to the CMi2i share analysis on December 31, 2017, and Nasdaq's share analysis on December 31, 2016 and December 31, 2015, 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, 2017 are presented in the following table:

TPI Date	December 2014	December 2015	December 2016	December 2017
Number of shareholders	22,304	17,682	27,879	20,986

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 3.97% of the capital and 4.09% of the voting rights as at December 31, 2017 (December 31, 2016: 4.07% of the capital and 4.24% of the voting rights).

SCOR discloses below the threshold declarations sent by the significant shareholders in 2017. SCOR is not responsible for ensuring the completeness of these declarations.

On October 5, 2017, Allianz Global Investors Fund, a fund of Allianz Global Investors Europe GmbH, declared that it had exceeded the registered threshold of 2.5% of the capital and voting rights in SCOR SE and that it held 4,892,939 shares or 2.54% of the capital and 4,892,939 voting rights or 2.54% 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

Date	Amount of capital subscribed *(in EUR)*	Number of shares outstanding
March 4, 2015	1,517,825,442.53	192,691,479
April 30, 2015	1,512,224,741.93	191,980,457
December 31, 2015	1,517,523,092.82	192,653,095
February 23, 2016	1,517,523,092.82	192,653,095
April 27, 2016	1,512,224,741.93	191,980,457
December 31, 2016	1,516,589,466.80	192,534,569
February 21, 2017	1,516,589,466.80	192,534,569
April 27, 2017	1,512,224,741.93	191,980,457
December 31, 2017	1,524,196,637.05	193,500,317

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 December 31, 2014	• May 18, 2004 • May 31, 2005 • May 16, 2006 • May 24, 2007 • May 7, 2008 • April 15, 2009	Situation on December 31, 2014 acknowledged by the Board of Directors on March 4, 2015	711,022	7.8769723	5,600,700.60	1,517,825,442.53	192,691,479
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

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 treasury shares to neutralize the dilutive effect resulting from the exercise of stock-options	April 30, 2015	Decided by 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	Decided by 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
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	Decided by the Board of Directors on April 27, 2017	554,112	7.8769723	4,364,724.88	1,512,224,741.93	191,980,457

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 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

Given the exercise of 335,640 options for the subscription of shares since December 31, 2017, on the date of the Registration Document, SCOR SE's existing share capital amounts to EUR 1,526,840,464 divided into 193,835,957 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, 2016	As at December 31, 2017	On the date of the Registration Document	Date of availability of the warrants	Expiration date
12/20/2013	25,390,466	-	-	12/20/2013	04/28/2017
12/16/2016	19,198,044	19,198,044	19,198,044	01/01/2017	05/01/2020
TOTAL	**44,588,510**	**19,198,044**	**19,198,044**		

Stock option plans	As at December 31, 2016	As at December 31, 2017	On the date of the Registration Document	Date of availability of options	Expiration date
09/14/2006	-	-	-	09/15/2010	09/15/2016
12/14/2006	-	-	-	12/15/2010	12/15/2016
09/13/2007	400,212	-	-	09/13/2011	09/13/2017
05/22/2008	212,000	36,000	36,000	05/22/2012	05/22/2018
09/10/2008	311,550	204,590	166,800	09/10/2012	09/10/2018
03/23/2009	668,300	442,000	300,400	03/23/2013	03/23/2019
11/25/2009	11,000	7,000	7,000	11/25/2013	11/25/2019
03/18/2010	777,100	589,202	443,952	03/19/2014	03/19/2020
10/12/2010	9,000	8,500	8,500	10/13/2014	10/13/2020
03/22/2011	498,000	367,000	364,500	03/23/2015	03/23/2021
09/01/2011	109,000	62,000	62,000	09/02/2016	09/02/2021
03/23/2012	691,000	555,500	547,000	03/24/2016	03/24/2022
03/21/2013	653,500	550,500	550,500	03/22/2017	03/22/2023
10/02/2013	105,000	85,000	85,000	10/03/2017	10/03/2023
11/21/2013	5,000	5,000	5,000	11/22/2017	11/22/2023
03/20/2014	658,125	643,125	643,125	03/21/2018	03/21/2024
12/01/2014	6,000	6,000	6,000	12/02/2018	12/02/2024
03/20/2015	666,881	650,381	650,381	03/21/2019	03/21/2025
12/18/2015	5,250	3,750	3,750	12/19/2019	12/19/2025
03/10/2016	629,118	625,368	625,368	03/11/2020	03/11/2026
12/01/2016	750	750	750	12/02/2020	12/02/2026
03/10/2017	-	480,000	480,000	03/10/2021	03/10/2027
12/01/2017	-	145,410	145,410	12/02/2021	12/02/2027
TOTAL	**6,416,786**	**5,467,076**	**5,131,436**		

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 27, 2017	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 27, 2017			
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 26, 2019
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)	77,013,827 shares	77,013,827 shares	26 months June 26, 2019
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)	19,253,456 shares	19,253,456 shares	26 months June 26, 2019
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)	19,253,456 shares	19,253,456 shares	26 months June 26, 2019
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)	19,253,456 shares	19,253,456 shares	26 months June 26, 2019
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)	19,253,456 shares	19,253,456 shares	26 months June 26, 2019
23rd 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 26, 2018
AUTHORIZATIONS GRANTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 27, 2017			
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 24th resolution		26 months June 26, 2019
21st resolution (Authority to issue shares for stock option plans)	1,500,000 shares	874,590 shares	24 months April 26, 2019
22nd 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 26, 2019
24th resolution (Aggregate ceiling of the capital increases)	81,513,827 shares	80,888,417 shares	-
TOTAL	**106,904,293 SHARES**	**106,278,883 SHARES**	**-**

(1) The authorisation of the Ordinary and Extraordinary Shareholders' Meeting of April 27, 2017 is limited to 3,000,000 existing shares (the remaining amount being on December 31, 2017: 3,000,000 shares) as the authorisation of the Ordinary and Extraordinary Shareholders' Meeting of April 27, 2016 under its 20th resolution (the remaining amount being on December 31, 2017: 2,372,590 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 106,278,883.

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 27, 2017)

On April 27, 2017, 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 2017-2018 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 authorization allows the Company to trade on its own shares for any purposes permitted or which would become authorized under applicable laws and regulations, including for purposes of the following objectives: (i) 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, (ii) 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, (iii) 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, (iv) compliance with all obligations related to the issuance of securities granting access to capital, (v) 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.

The Shareholders' Meeting set the maximum purchase price at 1.33 times the consolidated book net asset value per share (excluding acquisition fees) and granted all powers to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, to implement this authorization.

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 27, 2017 Ordinary and Extraordinary Shareholders' Meeting, i.e. until October 26, 2018.

The description of the stock buyback program implemented under the 12th resolution of the Annual Shareholders' Meeting of April 27, 2017 was published by the Company on April 27, 2017 under conditions set forth by the applicable regulation, notably on the Company's website. The report from the Board of Directors of the Company to the Annual Shareholders' Meeting to be held in the first half of 2018 on the use of the 12th resolution will be made available to SCOR shareholders under the conditions set forth by law.

Summary of the transactions carried out by SCOR SE on its own shares in the course of the financial year 2017

In the context of the abovementioned buyback program, SCOR carried out, between January 1, 2017 and December 31, 2017:

- the purchase of 2,576,717 treasury shares;
- the sale of 2,217,063 treasury shares;
- the transfer of 1,618,775 treasury shares;
- the cancellation of 554,112 treasury shares.

On December 31, 2017, SCOR held 5,866,249 shares compared with 7,679,482 shares at December 31, 2016. The par value of these treasury shares is EUR 46,208,280.88 and their book value is EUR 179,215,495.97. The average purchase price was EUR 34.77. The average sale price was EUR 34.81. The amount of fees was EUR 7,938.24.

Objectives of the transactions carried out in the course of the financial year 2017 and allocation of the treasury shares

As at December 31, 2017, the treasury shares owned by SCOR SE represented 3.03% of the share capital. On such date, the portfolio of treasury shares was allocated as follows:

- 112,793 treasury shares allocated to the stimulation of the secondary market or provision of liquidity to the Company's shares;
- 4,060,854 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;
- 1,692,602 treasury shares allocated to the cancellation of the shares repurchased.

Description of the new share repurchase program 2018/2019 submitted for authorization to the Ordinary and Extraordinary Shareholders' Meeting to be held on April 26, 2018

The stock buyback authorization described in the above paragraph will expire on October 26, 2018 at the latest, unless the Shareholders' Meeting convened on April 28, 2018 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:

1. 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*).
2. 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.
3. 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.
4. 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.
5. 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.
6. The maximum purchase price would be set at 1.33 times the consolidated book net asset value per share (excluding acquisition fees); on an indicative basis, pursuant to Article R. 225-151 of the French Commercial Code, on the basis of the book net asset value per share as at December 31, 2017 (i.e. EUR 33.01), of the resulting maximum purchase price (i.e. EUR 43.90) and of the Company share capital as established by the Board of Directors on February 21, 2018 (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 19,350,031 and the theoretical maximum amount allocated to the share buy-back program pursuant to this resolution amounts to EUR 849,466,361 (excluding acquisition fees).
7. 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.
8. 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.

9. 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, 2018 without, however, exceeding a maximum term of eighteen (18) months with effect from the date of such General Meeting, i.e. until October 25, 2019. It would supersede the unused portion of the authorization granted by the shareholders at the Ordinary and Extraordinary Shareholders' Meeting of April 27, 2017, 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, each allowing BNP Paribas 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. 1606/2002, 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.

The annual review of the regulated agreements and commitments was made by the Board of Directors on February 21, 2018 which decided, upon the recommendation of the Compensation and Nomination Committee, (i) to maintain the additional pension plan commitment subject to Article 39 of the French General Tax Code (*Code général des impôts*) for the benefit of the Chairman and Chief Executive Officer of the Company as amended by the Board of Directors of April 27, 2017 in particular with the view to bring it in conformity with the French law no. 2015-990 of August 6, 2015 by introduction of performance conditions for the acquisition of future pension rights by the Chairman and Chief Executive Officer of the Company, (ii) to maintain the severance payment commitment for the benefit of the Chairman and Chief Executive Officer of the Company subject to certain amendments, notably the alignment of the performance conditions with those of the current strategic plan of the Group, and (iii) to submit, according to Article L 225-42-1 of the French Commercial Code (*Code de commerce*), the amendments to the said regulated commitments for approval to the next annual Shareholders' Meeting of the Company. The amendments are described in the report of the Board of Directors on the draft resolutions included in the convening brochure sent to the shareholders in the framework of the next annual Shareholders' Meeting of the Company. These amendments to the regulated commitments are mentioned in Section 2.3.3 – Special report of the Statutory Auditors on regulated 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 2017 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 Shareholders,

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, of the agreements and commitments already approved by the 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 GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized during the year ended

In accordance with Article RS. 225-40 of the French Commercial Code, we have been notified of the following related party agreements and commitments which received prior authorization from your Board of Directors.

Supplementary retirement plan

Nature and purpose

Amendment to the SCOR SE regulation on the supplementary retirement plan of article 39 of the French General Tax Code for the benefit of Denis Kessler as Chairman and Chief Executive Officer of SCOR SE.

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.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: following the implementation of the Macron law concerning the supplementary retirement commitment with defined benefits for the Chairman and Chief Executive Officer, by the need to modify the current commitment in order to integrate, on the one hand, the annual limit of 3% of the reference income for the increase of the future conditional rights of the Chairman and Chief Executive Officer and, on the other hand, the performance conditions for the acquisition of future rights by the Chairman and Chief Executive Officer as required by law.

Agreements and commitments authorized after closing

We have been notified of the following related party agreements and commitments which received prior authorization from your Board of Directors after closing.

With M. Denis Kessler, Chairman and Chief Executive Officer of your Company (in case of forced departure)

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 Compensation and Nomination 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 5^{th} 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 Compensation and Nomination 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, on the basis of the recommendations of the

Compensation and Nomination 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 Nomination 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 Nomination 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.

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. 225-37-4, 8° of the French Commercial Code.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: following the recommendation of the Compensation and Nomination Committee, by the fact that the terms and conditions of the severance pay commitment of the Chairman and Chief Executive Officer must be modified so as to update the performance conditions that are no longer appropriate to the current «Vision in Action» strategic plan.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that we have not been notified of any agreements or commitments previously approved by the General Meeting of Shareholders, whose implementation continued during the year ended.

Paris-La Défense, February 21, 2018

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, 2017. 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), and considers that no other significant risk than those disclosed in the section below exists. 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. Examples of emerging risks include: cyber-attacks, antimicrobial resistance, non-controlled bio-experiments, genetic testing, climate change, autonomous machines, extreme social unrest and Eurozone break-up.

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 experiencing a synchronized expansion, several imbalances accumulated since the 2008 crisis pose significant risks. In particular, 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, or a major liquidity crisis. Although growth in the Eurozone has become more robust, 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 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. 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.

The global economy is also at risk from the exit strategies from the unconventional policies of central banks, which are either not defined or will have unknown consequences; for example, on one hand, an extreme normalization by the FED could spur a rise in interest rates along the entire yield curve. Financing conditions could thus deteriorate across sectors and economies. In particular, emerging and developing economies may suffer from capital outflows in the wake of a faster than expected US monetary normalization. On the other hand, significant delays in the normalization of exceptionally accommodating monetary policies might increase biases in the price of many assets, with the possibility of asset bubbles developing and then bursting in some markets and/or leading to a resurgence of high inflation for a protracted period.

This uncertain environment and the potential market volatility may have an adverse effect on SCOR, from both an investment and reinsurance business viewpoint.

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 THE COMPETITIVE ENVIRONMENT

3.2.2.1. 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.

3.2.2.2. CONSOLIDATION IN THE INSURANCE AND REINSURANCE INDUSTRIES COULD ADVERSELY IMPACT SCOR

As in previous years, 2017 continued to see significant M&A activity among (re)insurers.

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.

3.2.2.3. 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.

3.2.3. RISKS RELATED TO LEGAL AND REGULATORY DEVELOPMENTS

3.2.3.1. 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.

Furthermore, 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 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, with the risk of a higher capital requirement, a Higher Loss Absorbency (HLA), and greater regulatory burdens such as the establishment of resolution plans.

In the meantime, the International Association of Insurance Supervisors (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 Acts enacted in United States). Refer to Section 1.3.3 – Significant events of the year.

3.2.3.2. 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.

3.2.3.3. 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.

3.2.4. DOWNGRADE RISK

3.2.4.1. 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.

3.2.4.2. 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). It also monitors the capital adequacy level as measured by the capital models developed by rating agencies.

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

3.2.5.1. 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.

3.2.5.2. 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.

3.2.6. 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 its 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 retrocession, 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.

AEGON's insolvency might impair the value of business acquired (VOBA) of SCOR Global Life

Since August 2011, the majority of the mortality reinsurance business in the US related to the former Transamerica Reinsurance business flows into SCOR via retrocession from AEGON companies. Not all underlying reinsurance agreements between cedents and AEGON have been novated; an AEGON insolvency might reduce or terminate cedent premiums passed on to SCOR. In this case, the value of business acquired ("VOBA") would have to be reassessed and this could result in a material adverse effect on SCOR.

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 overnance 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 and pandemic 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 Treaty P&C, Specialty lines and SCOR Business Solutions (SBS). 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), at which point 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 crisis, cyclicality of the business and concentration risks related to its broker business.

Systemic crisis

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. systemic crisis post Lehman Brothers): 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 its P&C division, which operates worldwide. This business area is dedicated to large corporate businesses and is geared to provide the clients of the P&C division 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.
  - 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 the Underwriting Management function and approved by the Chief Executive Officer and Chief Risk Officer of SCOR's P&C division.
  - 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 the P&C division's Underwriting Management function located in Paris and represented in the three Hubs. 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 thus defined are subject to special referral procedures at two levels: (1) by the Underwriting Management function; and, where applicable, by the Legal Department and/or the Finance department; (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 the Group Risk Management Department and the Chief Executive Officer of the P&C division.
- The P&C division's Actuarial Pricing Department 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 Departments. Pricing actuaries, team up with underwriters and modelers by market or by line of business.
- The Risk Modeling & Global Natural Hazards Department is in charge of 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. SCOR P&C division's Claims & Commutations Department is in charge of 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 (Property and Casualty Treaties, Specialty Lines, Business Solutions (Facultative), 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 highlighting the main risks to which the division is exposed, regarding both assets and liabilities.
- Cross reviews are conducted by the 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, initial mispricing (level risk) 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 at policy issue.

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 selection 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.
- Life reinsurance treaties are underwritten by Life reinsurance experts familiar with the specific features of their markets. The ife 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 CAT 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 on 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 the retrocession coverage. These limits include: maximum commitment per life accumulated for all SCOR exposures, maximum annual commitments for non-proportional cover per life or per event, maximum commitment per country for nonproportional exposures by event. Aggregate portfolio exposures are continually monitored. Specialized software allows an accumulation control of insured lives and is fed with single risk information as received by the client companies. Based on this system, risks under which the accumulated exposure exceeds the Life division's retention are identified and retroceded. The retention limits are reviewed regularly. 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, Australia, Hong Kong, South Africa, China and SCOR 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, 2017 and 2016 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 to 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 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.

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.

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 foreign exchange 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. 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.

3.4.1.4. 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.

3.4.1.5. 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.

3.4.2. 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 into account the 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 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.

3.4.2.4. 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.

3.4.2.5. 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). These limits also enable to limit 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.

3.4.3. 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, 2017 market values would generate no further impairment of equity securities (2016: EUR 0 million; 2015: EUR 1 million). It should be noted that this figure 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:

	December 31, 2017		December 31, 2016		December 31, 2015	
In EUR million	Income (2) (3)	Equity (2) (3)	Income (2) (3)	Equity (2) (3)	Income (2) (3)	Equity (2) (3)
Interest +100 basis point	16	(508)	20	(468)	14	(414)
% of Equity	0.3%	(8.2)%	0.3%	(7.0)%	0.2%	(6.5)%
Interest – 100 basis points	(17)	478	(20)	402	(14)	310
% of Equity	(0.3)%	7.7%	(0.3)%	6.0%	(0.2)%	4.9%
Equity markets +10% (1)	9	42	6	34	7	28
% of Equity	0.1%	0.7%	0.1%	0.5%	0.1%	0.4%
Equity markets –10% (1)	(8)	(37)	(6)	(34)	(7)	(28)
% of Equity	(0.1)%	(0.6)%	(0.1)%	(0.5)%	(0.1)%	(0.4)%

(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 23% in 2017 (27% in 2016 and 21% in 2015).

Currency risks

The Group recognized a net foreign exchange loss of EUR 27 million for the year ended December 31, 2017 (2016: gain of EUR 11 million and 2015: gain of EUR 16 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.

	Currency movement	Equity impact		
In EUR million		2017	2016	2015
USD/EUR	10%	326	365	347
% of equity		5.3%	5.5%	5.5%
USD/EUR	(10)%	(326)	(365)	(347)
% of equity		(5.3)%	(5.5)%	(5.5)%
GBP/EUR	10%	26	30	41
% of equity		0.4%	0.4%	0.6%
GBP/EUR	(10)%	(26)	(30)	(41)
% of equity		(0.4)%	(0.4)%	(0.6)%

(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 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.

3.5.1.2. 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.

3.5.1.3. 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.

3.5.1.4. 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.

3.5.1.5. CREDIT RISK RELATED TO CASH DEPOSITS AT BANKS

SCOR is exposed to the risk of losing all or part of any cash deposited with a 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.

3.5.1.6. 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 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.

3.5.2.2. 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) and provides summary reports to the Divisional and Group Risk Committees on a regular basis. 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.

3.5.2.3. 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.

3.5.2.4. MANAGEMENT OF CREDIT RISK RELATED TO FUTURE CASH FLOWS FROM LIFE REINSURANCE TREATIES

SCOR monitors the development of its cedents financial situation through regular contact, which enables to 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.

3.5.2.5. 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.

3.5.2.6. 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.

3.5.2.7. AGING OF ASSETS

The following table provides an overall analysis of the aging of financial assets and receivables as at December 31, 2017:

In EUR million	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**

The following table provides an overall analysis of the aging of financial assets as at December 31, 2016:

In EUR million	Current	1 – 12 months	12 – 24 months	24 – 36 months	> 36 months	Total
Available-for-sale financial assets	16,553	-	-	-	-	16,553
Financial assets at fair value through income	812	-	-	-	-	812
Derivative instruments	187	-	-	-	-	187
Loans and receivables	9,815	-	-	-	-	9,815
Insurance receivables	5,330	871	34	11	31	6,277
Tax receivables	164	-	-	-	-	164
Miscellaneous assets – others	292	4	-	-	-	296
Cash and cash equivalents	1,688	-	-	-	-	1,688
TOTAL	**34,842**	**875**	**34**	**11**	**31**	**35,792**

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 receivables business credit terms are typically based on normal terms of trade, as specified within contracts. Insurance eceivables 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. This liquidity shortfall 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 tradeable 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 tradeable 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 technical reserves of SCOR Global P&C are established on an undiscounted basis (except workers compensation in the US, payments in annuity on Motor Liability as well as Medical Malpractice). 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 contact liabilities

In EUR million	0 – 1 year	1 – 3 years	3 – 7 years	> 7 years	Total
As at December 31, 2017	4,035	4,569	3,363	2,621	14,588
As at December 31, 2016	3,629	4,222	3,357	2,837	14,045

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 projections for insurance contract liabilities of the SCOR Global Life segment have been prepared on a best estimate basis. The amounts below represent the estimated maturity profile of the assumed contract liabilities. For long-term Life reinsurance, benefit payments 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 million	< 1 year	1 – 5 years	6 – 10 years	> 10 years	Total
As at December 31, 2017	2,344	382	1,443	9,994	14,163
As at December 31, 2016	2,751	958	1,327	9,432	14,468

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, 2017

		Debt maturity profiles			
In EUR million	Interest rate ranges	< 1 year	1 – 5 years	> 5 years (1)	Total (2)
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**

As at December 31, 2016

		Debt maturity profiles			
In EUR million	Interest rate ranges	< 1 year	1 – 5 years	> 5 years (1)	Total (2)
Subordinated debt	1.83% – 3.91%	75	278	3,306	3,659
Real estate debt	0.78% – 4.47%	41	402	96	539
Other financial debt	0.03%	5	2	4	11
TOTAL		**121**	**682**	**3,406**	**4,209**

(1) Accrued interest on perpetual debt as at December 31, 2017 of EUR 12 million (2016: EUR 13 million).
(2) Of the amounts above, EUR 16 million (2016: EUR 84 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 STAFF

Risks related to staff can arise as follows:

- 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;
- 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, tax evasion, intentional mismarking of positions or bribery;
- intentional damage to SCOR's assets (including data) required to perform its operations by internal or external staff could lead to significant additional remediation costs (to rebuild databases or systems).

3.7.1.2. RISKS RELATED TO SYSTEMS OR FACILITIES

Risks related to systems 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.

3.7.1.3. 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. There are no other governmental, judicial or arbitration proceedings, including any proceedings SCOR would be aware of, pending or which SCOR could be threatened with, likely to have or having a significant impact on SCOR's financial situation or profitability over the last 12 months. 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 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. 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. In addition, SCOR must now 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 plans that prevent corruption, with sanctions in case of non-compliance.

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 the entity 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 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 decided to create 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 fraudulent misappropriation 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 they 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;
- 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 for an overview of risks across the Group, as well as mitigate and monitor risks identified.

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 frequently 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 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, 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 as at December 31, 2015 are included from pages 153 to 231 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2015 is included from pages 232 to 233 of the Registration Document filed with the AMF on March 4, 2016 under Number D.16-0108 (and from pages 143 to 219 and from pages 220 to 221, 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, 2017 are presented below:

4.1. CONSOLIDATED BALANCE SHEET

ASSETS

		As at December 31	
In EUR million		**2017**	**2016**
Goodwill arising from insurance activities	**Note 5**	**788**	**788**
Goodwill arising from non insurance activities	**Note 5**	**71**	**-**
Value of business acquired	**Note 6**	**1,412**	**1,612**
Insurance business investments	**Note 7**	**28,360**	**28,137**
Real estate investments		701	770
Available-for-sale financial assets		17,089	16,553
Investments at fair value through income		1,157	812
Loans and receivables		9,299	9,815
Derivative instruments		114	187
Investments in associates	**Note 2**	**75**	**114**
Share of retrocessionaires in insurance and investment contract liabilities	**Note 15**	**2,037**	**1,362**
Other assets		**9,490**	**9,592**
Accounts receivable from assumed insurance and reinsurance transactions	Note 8	5,875	6,174
Accounts receivable from ceded reinsurance transactions	Note 8	146	103
Deferred tax assets	Note 17	533	683
Tax receivables		193	164
Miscellaneous assets	Note 9	1,328	1,092
Deferred acquisition costs	Note 10	1,415	1,376
Cash and cash equivalents	**Note 11**	**1,001**	**1,688**
TOTAL ASSETS		**43,234**	**43,293**

SHAREHOLDERS' EQUITY AND LIABILITIES

		As at December 31	
In EUR million		**2017**	**2016**
Shareholders' equity – Group share	**Note 12**	**6,195**	**6,661**
Share capital		1,524	1,517
Additional paid-in capital		839	833
Revaluation reserves		156	134
Consolidated reserves		3,508	3,761
Treasury shares		(179)	(224)
Net Income for the year		286	603
Share-based payments		61	37
Non-controlling interests		**30**	**34**
TOTAL SHAREHOLDERS' EQUITY		**6,225**	**6,695**
Financial liabilities	**Note 13**	**2,702**	**2,757**
Subordinated debt		2,211	2,256
Real estate financing		479	491
Other financial liabilities		12	10
Employee benefits and other provisions	**Note 14**	**204**	**262**
Contract liabilities	**Note 15**	**29,006**	**28,715**
Insurance contract liabilities		28,751	28,513
Investment and financial reinsurance contract liabilities		255	202
Other liabilities		**5,097**	**4,864**
Derivative instruments	Note 7	28	90
Accounts payable on assumed insurance and reinsurance transactions	Note 8	757	792
Accounts payable on ceded reinsurance transactions	Note 8	1,215	1,306
Deferred tax liabilities	Note 17	338	354
Tax payables		100	129
Miscellaneous liabilities		2,659	2,193
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**43,234**	**43,293**

4.2. CONSOLIDATED STATEMENT OF INCOME

		For the year ended December 31		
In EUR million		2017	2016	2015
Gross written premiums		14,789	13,826	13,421
Change in unearned premiums reserves		(191)	(101)	(122)
Gross earned premiums	**Note 4**	**14,598**	**13,725**	**13,299**
Other income and expenses		(42)	(51)	(57)
Investment income	Note 18	797	756	744
Total income from ordinary activities		**15,353**	**14,430**	**13,986**
Gross benefits and claims paid		(11,963)	(9,848)	(9,499)
Gross commission on earned premiums		(2,472)	(2,457)	(2,349)
Net retrocession result	Note 19	398	(388)	(336)
Investment management expenses	Note 20	(69)	(62)	(52)
Acquisition and administrative expenses	Note 20	(535)	(482)	(484)
Other current operating expenses	Note 20	(197)	(217)	(189)
Total other current operating income and expenses		**(14,838)**	**(13,454)**	**(12,909)**
CURRENT OPERATING RESULT		**515**	**976**	**1,077**
Other operating expenses		(39)	(40)	(34)
Other operating income		15	15	5
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)		**491**	**951**	**1,048**
Acquisition related expenses		-	-	-
Gain from bargain purchase	Note 3	-	-	-
OPERATING RESULT		**491**	**951**	**1,048**
Financing expenses	Note 13	(149)	(185)	(175)
Share in results of associates		(1)	6	(4)
CONSOLIDATED INCOME, BEFORE TAX		**341**	**772**	**869**
Corporate income tax	Note 17	(56)	(166)	(227)
CONSOLIDATED NET INCOME		**285**	**606**	**642**
Attributable to:				
Non-controlling interests		(1)	3	-
GROUP SHARE		**286**	**603**	**642**
In EUR				
Earnings per share (Basic)	Note 21	1.53	3.26	3.46
Earnings per share (Diluted)	Note 21	1.51	3.20	3.38

4.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended December 31		
In EUR million		**2017**	**2016**	**2015**
Consolidated net income		**285**	**606**	**642**
Other comprehensive income		**(492)**	**84**	**282**
Items that will not be reclassified subsequently to income		**4**	**(30)**	**(5)**
Remeasurements of post-employment benefits		12	(38)	(7)
Taxes recorded directly in equity	Note 17	(8)	8	2
Items that will be reclassified subsequently to income		**(496)**	**114**	**287**
Revaluation – Available-for-sale financial assets		66	(25)	(112)
Shadow accounting		(35)	47	34
Effect of changes in foreign exchange rates		(521)(1)	75	316
Net gains/(losses) on cash flow hedges		5	3	35
Taxes recorded directly in equity	Note 17	(10)	(3)	11
Other changes		(1)	17(2)	3
COMPREHENSIVE INCOME, NET OF TAX		**(207)**	**690**	**924**
Attributable to:				
Non-controlling interests		(1)	3	-
Group share		(206)	687	924

(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 million		2017	2016	2015
Net cash flows provided by/(used in) operations	**Note 11**	**1,144**	**1,354**[1]	**795**
Acquisitions of consolidated entities		(178)[2]	(2)	-
Disposals of consolidated entities, net of cash disposed of		3[3]	8[3]	2
Change in scope of consolidation (cash and cash equivalents of acquired/disposed companies)		1[2]	-	-
Acquisitions of real estate investments		(80)	(124)	(33)
Disposals of real estate investments		327	201	16
Acquisitions of other insurance business investments[4]		(11,120)	(11,515)	(8,942)
Disposals of other insurance business investments[4]		9,818	11,135	8,508
Acquisitions of tangible and intangible assets		(51)	(71)	(84)
Disposals of tangible and intangible assets		-	-	-
Net cash flows provided by/(used in) investing activities		**(1,280)**	**(368)**	**(533)**
Issuance of equity instruments		27	10	20
Treasury share transactions		(12)	(106)	(87)
Dividends paid[5]		(310)	(280)	(262)
Cash generated by issuance of financial liabilities	Note 13	19	620[6]	933
Cash used to redeem financial liabilities	Note 13	(30)	(899)[7]	(181)
Interest paid on financial liabilities		(126)	(152)	(140)
Other cash flows provided by/(used in) financing activities		(35)	(88)[8]	134[9]
Net cash flows provided by/(used in) financing activities		**(467)**	**(895)**	**417**
Effect of change in foreign exchange rates on cash and cash equivalents		(84)	(29)	87
TOTAL CASH FLOW		**(687)**	**62**	**766**
Cash and cash equivalents at January 1	**Note 11**	**1,688**	**1,626**	**860**
Net cash flows provided by/(used in) operations		1,144	1,354	795
Net cash flows provided by/(used in) investing activities		(1,280)	(368)	(533)
Net cash flows provided by/(used in) financing activities		(467)	(895)	417
Effect of change in foreign exchange rates on cash and cash equivalents		(84)	(29)	87
CASH AND CASH EQUIVALENTS AT DECEMBER 31		**1,001**	**1,688**	**1,626**

(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 80% of the capital and voting rights of Château Mondot, see Note 3 – Acquisitions and disposals.
(3) Partial disposal of Asefa in 2017 for EUR 3 million (2016: EUR 8 million).
(4) 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.
(5) Of which EUR 2 million of dividends paid by MRM to non-controlling interests (EUR 2 million paid in 2016 and EUR 2 million paid in 2015).
(6) Cash generated by issuance of financial liabilities includes net proceeds from subordinated notes issuance of EUR 497 million. See Note 13 – Financial liabitilties.
(7) Cash used to redeem financial liabilities includes the redemptions of two perpetual debts (EUR 350 million and CHF 650 million) for a total amount of EUR 856 million. See Note 13 – Financial liabitilties.
(8) 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.
(9) Cash received in respect of margin calls linked to cross-currency swaps for EUR 134 million following significant fluctuations in the EUR/CHF exchange rate during the year.

4.5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In EUR million	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 million	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).

In EUR million	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, 2015	**1,518**	**841**	**174**	**2,754**	**(139)**	**512**	**34**	**35**	**5,729**
Allocation of prior year net income	**-**	**-**	**-**	**512**	**-**	**(512)**	**-**	**-**	**-**
Net income for the year ended December 31, 2015	**-**	**-**	**-**	**-**	**-**	**642**	**-**	**-**	**642**
Other comprehensive income net of tax	**-**	**-**	**(62)**	**344**	**-**	**-**	**-**	**-**	**282**
Revaluation – Assets available for sale	-	-	(112)	-	-	-	-	-	(112)
Shadow accounting	-	-	34	-	-	-	-	-	34
Effect of changes in foreign exchange rates	-	-	-	316	-	-	-	-	316
Net gains/(losses) on cash flow hedge	-	-	-	35	-	-	-	-	35
Taxes recorded directly in equity	-	-	16	(3)	-	-	-	-	13
Remeasurements of post-employment benefits	-	-	-	(7)	-	-	-	-	(7)
Other changes	-	-	-	3	-	-	-	-	3
Comprehensive income net of tax	**-**	**-**	**(62)**	**344**	**-**	**642**	**-**	**-**	**924**
Share-based payments	-	-	-	-	(33)	-	11	-	(22)
Other changes	-	-	-	-	-	-	(3)	(2)	(5)
Capital transaction (1)	-	(3)	-	-	-	-	-	-	(3)
Dividends paid	-	-	-	(260)	-	-	-	-	(260)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2015	**1,518**	**838**	**112**	**3,350**	**(172)**	**642**	**42**	**33**	**6,363**

(1) Movements presented above relate to the issuance of shares related to the exercise of stock options for EUR 21 million (EUR 10 million in share capital and EUR 11 million in additional paid-in capital). This resulted in the creation of 1,221,843 new shares during the financial year ended December 31, 2015. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 24 million (EUR 10 million in share capital and EUR 14 million in additional paid-in capital).

4.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

TABLE OF CONTENTS

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 21, 2018.

The consolidated financial statements as at and for the year ended December 31, 2017 will be presented for approval at the 2018 Annual Shareholders' Meeting.

NOTE 1.2. BASIS OF PREPARATION

SCOR's consolidated financial statements for the financial years ended December 31, 2017, 2016 and 2015 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, 2017. 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, 2017. 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 2017 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 during the period 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. Its impact on SCOR's business and operations is currently expected to be limited.

Significant events of the year

Please refer to section 1.3.3. of the Registration Document for a description of the significant events 2017.

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 12/31/2017**	**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 12/31/2016**	**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

EUR per foreign currency unit	**Closing rate As at 12/31/2015**	**Average rate** Q4 2015	Q3 2015	Q2 2015	Q1 2015
USD	0.9185	0.9257	0.8988	0.9037	0.8846
GBP	1.3625	1.3996	1.3922	1.3852	1.3420
CNY	0.1416	0.1446	0.1425	0.1456	0.1417

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, 2017, 2016 and 2015, 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.

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, 2017, did no materially impact SCOR's consolidated financial statements.

The following standards relevant to SCOR and expected to have a material impact on its consolidated financial statements have been issued by the International Financial Reporting Standards Board but are not yet effective or have not been endorsed 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.

  IFRS 9 requires financial assets to be classified based on the business model for managing the financial assets and their contractual cash flow characteristics. Based on their classification, financial assets will be measured at amortized cost, fair value through OCI or fair value through income. 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.

  On November 29, 2016, the European Union endorsed IFRS 9. The adoption of IFRS 9 will affect the classification and measurement of the Group's financial assets as more financial assets may be accounted for at fair value through income. SCOR's impairment policies will also be affected as impairments will be recognized based on expected credit losses and no longer based solely on incurred credit losses. There are no material 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 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 of the expected new Standard on insurance contracts. The European Union endorsed this amendment on November 3, 2017. Applying IFRS 9 before the new Standard on insurance contract 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 income 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 assets not meeting the "solely payments of principal and interest" criterion and information about their credit risk exposure until the new insurance contracts Standard becomes effective, however no later than January 1, 2021. This option is restricted to companies whose predominant activity is to issue insurance contracts. The Overlay Approach would result in applying IFRS 9 from January 1, 2018, but allows companies that issue insurance contracts to remove from profit or loss the increased volatility caused by changes in the measurement of financial assets upon application of IFRS 9. 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 of (re)insurance activities representing more than 90% of total liabilities. Liabilities related 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 January 13, 2016, the IASB published IFRS 16 – Leases. The European Union endorsed IFRS 16 on October 31, 2017. The Standard will replace the current guidance in IAS 17 – Leases, and is applicable from January 1, 2019. Earlier application is permitted, subject to endorsement by the EU and provided IFRS 15 – Revenue from Contracts with Customers, is also applied. 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, calculated in accordance with the effective interest rate method, on the lease liability in their income statement. For lessors, accounting 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 certain reliefs related to the measurement of the right-of use asset and the lease liability and does not require a restatement of comparatives. SCOR is currently assessing the impacts of IFRS 16 on its financial position and performance as well as on disclosures in detail. The main impact is expected to result from leased office space used by the Group.
- On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts. The Standard will replace the current guidance in IFRS 4 – Insurance Contracts, and is applicable from January 1, 2021. Earlier application is permitted, subject to endorsement by the EU and provided that IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers are 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 conducted an impact study including financial modeling exercises to prepare the detailed implementation roadmap for IFRS 17 and to enable further information on the expected impacts of the new accounting standard for insurance contracts on the SCOR Group. The implementation project is expected to begin in early 2018.

- On January 1, 2018, IFRS 15, Revenue from contracts with customers will become 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 will be only limited.

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 recorded 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, even if the Group holds less than 50% of the voting rights are consolidated.

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 rules. 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

	Country	2017 Percentage		2016 Percentage		Consolidation method
		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 U.S. Corporation	US	100	100	100	100	Full
SCOR Brazil Participações SA	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 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	France	47.95	59.90	47.31	59.90	Full
SCOR Auber	France	100	100	100	100	Full
Château Mondot SAS	France	100	100	20	20	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 million	**2017**	**2016**
Aggregate net book value (in SCOR) of individually immaterial associates	75	114
Aggregate amount of the reporting entity's share of net income/(loss)	(1)	6
Other comprehensive income	(1)	(2)
Total comprehensive income/(loss)	(2)	4

The table above is based on 2017 and 2016 provisional financial information.

During the first quarter of 2017, the Group partially sold its participation in Asefa for EUR 3 million (interest held decreased from 19.97% to 9.97%), but retained its significant influence.

During the third quarter of 2017, Château Mondot SAS ceased being accounted for under the equity method for the carrying value of EUR 32 million and is fully consolidated as SCOR obtained control (See Note 3 – Acquisitions and disposals).

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 as an insurance contract. Derivatives are accounted for as at fair value through income and are included 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, 2017			December 31, 2016			
In EUR million	Atlas IX Series 2013-1	Atlas IX Series 2015-1	Atlas IX Series 2016-1	Atlas IX Series 2013-1	Atlas IX Series 2015-1	Atlas IX Series 2016-1	Atlas X
Insurance business investments	-	8	34	8	19	64	-
Share of retrocessionaires in insurance and investment contract liabilities	-	-	-	-	-	-	6
Total assets	**-**	**8**	**34**	**8**	**19**	**64**	**6**
Other liabilities	-	10	38	11	22	64	-
Total liabilities	**-**	**10**	**38**	**11**	**22**	**64**	**-**

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 – Mortality Risk Transfer Contract

On September 11, 2013, as part of its policy to diversify its capital protection tools, SCOR Global Life entered into a risk transfer contract with Atlas IX Capital Limited ("Atlas IX Series 2013-1"), providing the Group with protection against extreme mortality events in the US, such as pandemics, natural catastrophes and terrorist attacks. The risk transfer contract provided USD 180 million of extreme mortality protection, for a risk period extending from January 1, 2013 to December 31, 2018.

On November 27, 2017, SCOR executed the built-in early redemption option and terminated the Mortality Risk Transfer Contract Atlas IX (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 (See Note 7.9 – Derivatives instruments).

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 runs from February 11, 2015 to December 31, 2018. The instrument is accounted for as a derivative instrument.

On January 13, 2016, SCOR successfully sponsored a new catastrophe bond, Atlas IX Series 2016-1, which will provide 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.

Atlas X – Reinsurance Limited

On January 6, 2014, SCOR announced having successfully issued a fully collateralized sidecar, Atlas X Reinsurance Limited ("Atlas X"). It provides the Group with an additional three-year capacity of USD 55.5 million from a new panel of investors.

Atlas X is an Irish-domiciled special purpose reinsurance vehicle. Atlas X and SCOR Global P&C SE have entered into a quota share retrocession agreement, effective January 1, 2014, under which Atlas X reinsures a proportionate share of SCOR's diversified catastrophe portfolios in specific countries. This agreement was accounted for as a reinsurance contract and was terminated on December 31, 2016.

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.

The Group did not enter into any acquisition or disposal of consolidated subsidiaries in 2016 or 2015.

In 2017, the Group entered into the following acquisition:

Château Mondot

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 allocation required significant assumptions and the use of external expertise and it is possible that the preliminary estimates may change materially as the purchase price allocations are finalized. If such amounts were to be adjusted, this could have an impact on the fair value of the net assets acquired. The accounting of the acquisition of Château Mondot must be finalized within 12 months of the effective acquisition date.

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 are as follows:

Château Mondot – Fair value of assets acquired and liabilities assumed

In EUR million	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 are related to internal operation with the Group and will be eliminated through the intercompany consolidation process.

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) are valued at their carrying amount, approximating their fair value.

Pro forma information

No pro forma information is required since the financial situation of the Group will not be 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 results from the consideration paid (EUR 178 million) and is presented in investment activities.

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 these activities are 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, 2017, 2016, and 2015.

	December 31, 2017			
In EUR million	SCOR Global Life	SCOR Global P&C	Group Functions	Total
Gross written premiums	8,764	6,025	-	14,789
Change in unearned premiums reserves	(26)	(165)	-	(191)
Gross earned premiums	**8,738**	**5,860**	**-**	**14,598**
Revenues associated with financial reinsurance contracts	7	-	-	7
Gross benefits and claims paid	(7,399)	(4,564)	-	(11,963)
Gross commission on earned premiums	(1,050)	(1,422)	-	(2,472)
GROSS TECHNICAL RESULT(1)	**296**	**(126)**	**-**	**170**
Ceded written premiums	(699)	(626)	-	(1,325)
Change in ceded unearned premiums reserves	-	8	-	8
Ceded earned premiums	**(699)**	**(618)**	**-**	**(1,317)**
Ceded claims	735	844	-	1,579
Ceded commissions	74	62	-	136
Net retrocession result	**110**	**288**	**-**	**398**
NET TECHNICAL RESULT(1)	**406**	**162**	**-**	**568**
Other income and expense excl. revenues associated with financial reinsurance contracts	**(13)**	**(36)**	**-**	**(49)**
Investment revenues	131	275	-	406
Interests on deposits	162	15	-	177
Capital gains/(losses) on the sale of investments	22	246	-	268
Change in fair value of investments	(2)	4	-	2
Change in impairment and amortization of investments	(1)	(28)	-	(29)
Foreign exchange gains/(losses)	(21)	(6)	-	(27)
Investment income	**291**	**506**	**-**	**797**
Investment management expenses	(19)	(41)	(9)	(69)
Acquisition and administrative expenses	(260)	(256)	(19)	(535)
Other current operating expenses	(64)	(45)	(88)	(197)
CURRENT OPERATING RESULT	**341**	**290**	**(116)**	**515**
Other operating expenses	(1)	(38)	-	(39)
Other operating income	2	13	-	15
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)	**342**	**265**	**(116)**	**491**

(1) Technical results are the balance of income and expenses allocated to the insurance and reinsurance business.

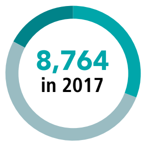
For SCOR Global Life, in 2017 the underlying US mortality claim experience has been higher than expected, but was offset by the benefits from active in-force management and the strong reserve position set up at the time of the Transamerica Re and Generali US acquisitions.

For SCOR Global P&C, 2017 has been marked by an exceptional series of large natural catastrophes that occurred during the 2nd half of the year, including the American hurricanes, earthquake and wildfires. Natural catastrophes resulted in total net estimated losses of EUR 768 million as at December 31, 2017.

	December 31, 2016				December 31, 2015			
	SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total
	8,187	5,639	-	13,826	7,698	5,723	-	13,421
	(15)	(86)	-	(101)	21	(143)	-	(122)
	8,172	**5,553**	**-**	**13,725**	**7,719**	**5,580**	**-**	**13,299**
	8	-	-	8	8	-	-	8
	(6,684)	(3,164)	-	(9,848)	(6,364)	(3,135)	-	(9,499)
	(1,053)	(1,404)	-	(2,457)	(1,022)	(1,327)	-	(2,349)
	443	**985**	**-**	**1,428**	**341**	**1,118**	**-**	**1,459**
	(674)	(575)	-	(1,249)	(703)	(641)	-	(1,344)
	(2)	(12)	-	(14)	1	28	-	29
	(676)	**(587)**	**-**	**(1,263)**	**(702)**	**(613)**	**-**	**(1,315)**
	479	210	-	689	595	198	-	793
	115	71	-	186	111	75	-	186
	(82)	**(306)**	**-**	**(388)**	**4**	**(340)**	**-**	**(336)**
	361	**679**	**-**	**1,040**	**345**	**778**	**-**	**1,123**
	(3)	**(56)**	**-**	**(59)**	**(2)**	**(63)**	**-**	**(65)**
	123	251	-	374	130	275	-	405
	165	17	-	182	161	23	-	184
	70	144	-	214	34	136	-	170
	1	5	-	6	1	11	-	12
	(2)	(29)	-	(31)	(3)	(40)	-	(43)
	(4)	15	-	11	(1)	17	-	16
	353	**403**	**-**	**756**	**322**	**422**	**-**	**744**
	(17)	(37)	(8)	(62)	(14)	(32)	(6)	(52)
	(233)	(226)	(23)	(482)	(231)	(233)	(20)	(484)
	(71)	(52)	(94)	(217)	(51)	(40)	(98)	(189)
	390	**711**	**(125)**	**976**	**369**	**832**	**(124)**	**1,077**
	(4)	(36)	-	(40)	(9)	(25)	-	(34)
	10	5	-	15	4	1	-	5
	396	**680**	**(125)**	**951**	**364**	**808**	**(124)**	**1,048**

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:

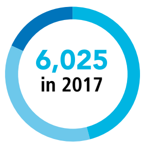


In EUR million			2017	2016	2015
SCOR Global Life					
	31%	EMEA	2,733	2,677	2,515
	52%	Americas	4,567	4,429	4,130
	17%	Asia-Pacific	1,464	1,081	1,053
	TOTAL GROSS WRITTEN PREMIUMS		**8,764**	**8,187**	**7,698**

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, 2017		As at December 31, 2016	
In EUR million	Contract liabilities	Share of retrocessionaires in insurance and investment contract liabilities	Contract liabilities	Share of retrocessionaires in insurance and investment contract liabilities
SCOR Global Life				
EMEA	8,871	391	8,994	392
Americas	4,456	229	4,758	88
Asia-Pacific	836	82	716	55
TOTAL	**14,163**	**702**	**14,468**	**535**

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 million			2017	2016	2015
SCOR Global P&C					
	46%	EMEA	2,758	2,678	2,934
	36%	Americas	2,169	1,889	1,710
	18%	Asia-Pacific	1,098	1,072	1,079
	TOTAL GROSS WRITTEN PREMIUMS		**6,025**	**5,639**	**5,723**

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, 2017		As at December 31, 2016	
In EUR million	Contract liabilities	Share of retrocessionaires in insurance and investment contract liabilities	Contract liabilities	Share of retrocessionaires in insurance and investment contract liabilities
SCOR Global P&C				
EMEA	8,881	878	9,005	521
Americas	4,194	404	3,439	288
Asia-Pacific	1,768	53	1,803	18
TOTAL	**14,843**	**1,335**	**14,247**	**827**

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, 2017			As at December 31, 2016		
In EUR million	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Goodwill arising from insurance activities	49	739	788	49	739	788
Value of business acquired	1,412	-	1,412	1,612	-	1,612
Insurance business investments	12,730	15,630	28,360	13,037	15,100	28,137
Share of retrocessionaires in insurance and investment contract liabilities	702	1,335	2,037	535	827	1,362
Cash and cash equivalents[(1)]	509	492	1,001	682	1,006	1,688
TOTAL ASSETS	**20,022**	**23,212**	**43,234**	**20,906**	**22,387**	**43,293**
Contract liabilities	(14,163)	(14,843)	(29,006)	(14,468)	(14,247)	(28,715)

(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 145 million on December 31, 2017 (December 31, 2016: EUR 177 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, 2017				As at December, 31 2016			
In EUR million	EMEA	Americas	Asia-Pacific	Total	EMEA	Americas	Asia-Pacific	Total
Insurance business investments	22,344	4,453	1,563	28,360	22,499	4,304	1,334	28,137
Share of retrocessionaires in insurance and investment contract liabilities	1,636	370	31	2,037	1,065	265	32	1,362
TOTAL ASSETS	**32,846**	**7,348**	**3,040**	**43,234**	**33,464**	**6,982**	**2,847**	**43,293**
Contract liabilities	(19,726)	(7,004)	(2,276)	(29,006)	(20,136)	(6,371)	(2,208)	(28,715)

NOTE 4.4. CASH FLOWS BY OPERATING SEGMENT

Cash flows, by segment, are presented as follows:

	For the year ended December 31								
	2017			2016			2015		
In EUR million	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	**682**	**1,006**	**1,688**	**861**	**765**	**1,626**	**655**	**205**	**860**
Net cash flows provided by/(used in) operations	558	586	1,144	250	1,104	1,354	227	568	795
Net cash flows provided by/(used in) investing activities	(356)	(924)	(1,280)	(259)	(109)	(368)	141	(674)	(533)
Net cash flows provided by/(used in) financing activities	(330)	(137)	(467)	(158)	(737)	(895)	(222)	639	417
Effect of changes in foreign exchange rates on cash and cash equivalents	(45)	(39)	(84)	(12)	(17)	(29)	60	27	87
Cash and cash equivalents at December 31[(1)]	**509**	**492**	**1,001**	**682**	**1,006**	**1,688**	**861**	**765**	**1,626**

(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 145 million on December 31, 2017 (December 31, 2016: EUR 177 million).

Net cash flows provided by operating activities amounted to EUR 1,144 million in 2017 (2016: EUR 1,354 million and 2015: EUR 795 million, respectively). In 2017, SCOR Global P&C provided strong cash flow, despite of having commenced payments on the 2017 cat events. SCOR Global Life showed elevated technical business cash flow in the last quarter of 2017 due to two large transactions.

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 million	Goodwill arising from insurance activities	Goodwill arising from non insurance activities
Gross value at December 31, 2015	**969**	**-**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	-	-
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**
Cumulative impairment at December 31, 2015	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2016	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2017	**(181)**	**-**
CARRYING AMOUNT AS AT DECEMBER 31, 2015	**788**	**-**
CARRYING AMOUNT AS AT DECEMBER 31, 2016	**788**	**-**
CARRYING AMOUNT AS AT DECEMBER 31, 2017	**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 two years are based on the assumptions from the Vision in Action strategic plan and the last three 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 6.48%, 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 2016 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, 2017, 2016 and 2015. Consequently, no goodwill impairment charges were recognized.

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 million	**Value of business acquired**
Gross value at December 31, 2015	**2,097**
Foreign exchange rate movements	16
Additions	-
Disposals	(69)[1]
Change in scope of consolidation	-
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**
Cumulative amortization and impairment at December 31, 2015	**(497)**
Foreign exchange rate movements	(5)
Amortization for the period	33[1]
Impairment for the period	-
Shadow accounting	37
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)**
CARRYING AMOUNT AS AT DECEMBER 31, 2015	**1,600**
CARRYING AMOUNT AS AT DECEMBER 31, 2016	**1,612**
CARRYING AMOUNT AS AT DECEMBER 31, 2017	**1,412**

(1) Disposals and amortization of VOBA in 2017 include EUR 6 million (2016: EUR 68 million) resulting from the derecognition of VOBA due to fully amortized treaty terminations. Regular amortization related to business in force amounts to EUR (41) million for the year ended December 31, 2017 and EUR (35) million for the year ended December 31, 2016.

The IFRS 4 liability adequacy testing, which includes VOBA recoverability, showed no indicators of impairment for the financial years ended December 31, 2017, 2016 and 2015.

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, 2017				
In EUR million		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%**

		As at December 31, 2016				
In EUR million		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**770**	**-**	**-**	**-**	**770**
Equity securities		790	171	564	-	55
Debt securities		15,763	14,548	1,214	-	1
Available-for-sale financial assets		**16,553**	**14,719**	**1,778**	**-**	**56**
Equity securities		812	278	534	-	-
Debt securities		-	-	-	-	-
Investments at fair value through income		**812**	**278**	**534**	**-**	**-**
Loans and receivables		**9,815**	**593**	**-**	**-**	**9,222**
Derivative instruments		**187**	**-**	**96**	**91**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**28,137**	**15,590**	**2,408**	**91**	**10,048**
Cash and cash equivalents	**Note 11**	**1,688**	**1,688**	**-**	**-**	**-**
INVESTMENTS AND CASH		**29,825**	**17,278**	**2,408**	**91**	**10,048**
Percentage		**100%**	**58%**	**8%**	**-**	**34%**

Mutual funds

Total insurance and cash include mutual funds that the Group manages and controls and which are also open to external investors. As at December 31, 2017, the carrying amount of assets under management eliminated in "Other liabilities" for consolidation purposes was EUR 2,210 million (December 31, 2016: EUR 1,742 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 145 million as at December 31, 2017 (December 31, 2016: EUR 177 million).

Available-for-sale investments measured at cost

Available-for-sale investments include EUR 59 million of investments which are measured at cost (December 31, 2016: EUR 56 million). These investments primarily include equity securities and funds which are not listed.

In 2017 and 2016 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 2017 amounted to EUR 8 million (2016: EUR 10 million), relating mainly to EUR 3 million on the equity portfolio (2016: EUR 8 million), EUR 4 million on loans and receivables (2016: EUR 0 million) and EUR 0 million on the debt securities portfolio (2016: EUR 2 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 where the 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 million	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount at January 1, 2017	**-**	**-**	**-**	**91**	**91**
Change in FX	-	-	-	(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.

In EUR million	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount at January 1, 2016	**-**	**-**	**-**	**40**	**40**
Change in FX	-	-	-	1	1
Income and expense recognized in statement of income	-	-	-	(35)[(1)]	(35)
Additions	-	-	-	85[(2)]	85
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, 2016	**-**	**-**	**-**	**91**	**91**

(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.
(2) Additions to derivatives include the acquisition of Atlas IX Series 2016-1 for EUR 83 million.

There were no material transfers between level 1 and level 2 in 2017 and 2016, 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 (wholly-owned subsidiaries and MRM), and retail buildings (MRM).

The movements in real estate investments are analyzed as follows:

In EUR million	Real estate investments	Finance leases	Total
Gross value at December 31, 2015	**975**	**-**	**975**
Foreign exchange rate movement	-	-	-
Additions	85	-	85
Disposals	(146)	-	(146)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
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**
Cumulative depreciation and impairment at December 31, 2015	**(137)**	**-**	**(137)**
Depreciation for the period	(21)	-	(21)
Impairment for the period	-	-	-
Disposals	14	-	14
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2016	**(144)**	**-**	**(144)**
Depreciation for the period	(21)	-	(21)
Impairment for the period	-	-	-
Disposals	41	-	41
Reclassification	-	-	-
Cumulative depreciation and impairment at December 31, 2017	**(124)**	**-**	**(124)**
CARRYING AMOUNT AS AT DECEMBER 31, 2015	**838**	**-**	**838**
CARRYING AMOUNT AS AT DECEMBER 31, 2016	**770**	**-**	**770**
CARRYING AMOUNT AS AT DECEMBER 31, 2017	**701**	**-**	**701**

In EUR million	Real estate investments	Finance leases	Total
Fair value as at December 31, 2015	1,057	-	1,057
Fair value as at December 31, 2016	1,051	-	1,051
Fair value as at December 31, 2017	861	-	861

In 2016, increases in real estate investments related to the acquisition of a new building, under construction, and renovation work on existing buildings for a total of EUR 85 million. SCOR sold four buildings, resulting in a gain on sale of EUR 69 million.

In 2017, increases 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 relate to sale of one building, resulting in a gain on sale of EUR 192 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, 2017 and 2016:

Real estate	Net book value carrying amount 12/31/2017 *(in EUR million)*	Fair value 12/31/2017 *(excluding transfer taxes and in EUR million)*	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	10.1% – 4.3%	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

Real estate	Net book value carrying amount 12/31/2016 *(in EUR million)*	Fair value 12/31/2016 *(excluding transfer taxes and in EUR million)*	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	616	883	market comparison and income capitalization [1]	356	5,651	6.20%	0 – 570	4,3% – 10%	470 – 13,000
Retail portfolio	154	168	market comparison and income capitalization [1]	137	1,762	7.20%	15 – 800	4,75% – 12%	180 – 7,550

(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 million			2017 Minimum rental income	2016 Minimum rental income
	28%	Less than one year	44	58
	62%	From one to five years	95	154
	10%	More than five years	15	65
	TOTAL MINIMUM RENTAL INCOME		**154**	**277**

The rental income related to investment property was EUR 48 million in 2017 (2016: EUR 43 million) and the related direct operating expenses amounted to EUR 14 million (2016: EUR 12 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, 2017, SCOR has off balance sheet commitments of EUR 87 million (December 31, 2016: EUR 157 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, 2017		As at December 31, 2016	
In EUR million	Net book value	Net unrealized gains/(losses)	Net book value	Net unrealized gains/(losses)
Government bonds & similar				
France	106	(2)	314	(3)
Germany	148	1	190	2
Netherlands	25	-	18	-
United Kingdom	209	(1)	491	1
Other EU[(1)]	161	(3)	134	(3)
United States	1,965	(20)	1,594	(22)
Canada	293	11	440	19
Japan	32	-	73	-
China	512	(6)	534	(3)
Supranational	172	1	270	2
Other	883	(2)	800	(2)
Total government bonds & similar	**4,506**	**(21)**	**4,858**	**(9)**
Covered bonds & Agency MBS	**1,824**	**(14)**	**2,206**	**(16)**
Corporate bonds	**8,730**	**48**	**7,548**	**3**
Structured & securitized products	**1,242**	**2**	**1,151**	**8**
TOTAL DEBT SECURITIES	**16,302**	**15**	**15,763**	**(14)**
Equity securities	**1,944**	**196**	**1,602**	**146**
TOTAL AVAILABLE FOR SALE AND FAIR VALUE THROUGH INCOME	**18,246**	**211**	**17,365**	**132**

(1) During 2017 and 2016, SCOR had no exposure to the sovereign debt of Portugal, Ireland, Italy, Greece or Spain.

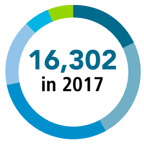
As at December 31, 2017, the net unrealized gain (loss) on debt securities comprised EUR 144 million in unrealized gains and EUR 129 million in unrealized losses (as at December 31, 2016: EUR 186 million in unrealized gains and EUR 200 million in unrealized losses).

The net unrealized gain (loss) on equity securities as at December 31, 2017 comprised EUR 216 million in unrealized gains and EUR 20 million in unrealized losses (as at December 31, 2016: EUR 174 million in unrealized gains and EUR 28 million in unrealized losses).

As at December 2017, revaluation reserves of EUR 156 million (as at December 2016: EUR 134 million) also include:

- tax effects on available for sale securities net unrealized gains and losses of EUR (48) million (2016: EUR (32) million);
- net of tax foreign exchange gains and losses of EUR (10) million (2016: EUR 7 million);
- net of tax shadow accounting impacts of EUR 7 million (2016: EUR 32 million);
- elimination of assets under management for external clients net unrealized gains and losses in other liabilities of EUR (5) million (2016: EUR 1 million);
- investments in associates net unrealized gains and losses of EUR 1 million (2016: EUR 1 million);
- net of tax unrealized gains and losses relating to funds withheld of EUR 0 million (2016: EUR (7) million).

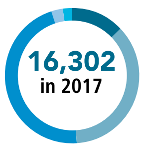
NOTE 7.6. DEBT SECURITIES CREDIT RATING STRUCTURE



In EUR million	As at December 31, 2017		As at December 31, 2016	
AAA	2,917	18%	3,546	22%
AA	3,981	24%	4,590	29%
A	4,935	30%	3,913	25%
BBB	2,538	16%	2,067	13%
<BBB	977	6%	927	6%
Not rated	954	6%	720	5%
TOTAL DEBT SECURITIES	**16,302**	**100%**	**15,763**	**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 million	As at December 31, 2017		As at December 31, 2016	
Less than one year	2,096	13%	2,135	13%
One to five years	5,846	36%	5,458	35%
Five to ten years	7,520	46%	7,270	46%
Ten to twenty years	561	3%	605	4%
More than twenty years	279	2%	295	2%
TOTAL	**16,302**	**100%**	**15,763**	**100%**

NOTE 7.8. LOANS AND RECEIVABLES

In EUR million	As at December 31, 2017	As at December 31, 2016
Funds held by ceding companies	7,959	8,356
Short term investments	537	686
Loans secured against collateral	2	-
Infrastructure and Real estate loans	789	716
Other loans maturing in more than one year	7	28
Deposits	5	29
TOTAL	**9,299**	**9,815**

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". A portion of the assets presented within loans and receivables is managed by SCOR Investment Partners (short-term government bonds, infrastructure and real estate loans, and the majority of loans secured against collateral).

As at December 31, 2017, the decrease in loans and receivables of EUR 516 million compared to year-end 2016 is mainly due to the decrease in funds held by ceding companies (mostly linked to the US Life business) and the impact of fluctuating exchange rates (mainly USD).

Short-term investments include EUR 8 million that are carried at fair value at December 31, 2017 (December 31, 2016: EUR 593 million). Other loans and receivables are carried at cost, which approximates their fair value at December 31, 2017 and 2016.

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 million	Derivative assets as at December 31, 2017	Derivative assets as at December 31, 2016	Derivative liabilities as at December 31, 2017	Derivative liabilities as at December 31, 2016	Fair value through income 2017	Fair value through income 2016	Gains or losses recognized through other comprehensive income 2017	Gains or losses recognized through other comprehensive income 2016
Atlas IX 2015-1 & IX 2016-1	42	83	-	-	(41)	(29)	-	-
Atlas IX – extreme mortality risk transfer contract	-	8	-	-	(3)	(5)	-	-
Interest rate swaps	-	-	6	13	-	-	7	12
Cross currency swaps	20	61	-	-	(39)	(87)	(2)	(9)
Foreign currency forwards	50	35	22	77	89	45	15	(2)
Other	2	-	-	-	2	(1)	-	-
TOTAL	**114**	**187**	**28**	**90**	**8**	**(77)**	**20**	**1**

Catastrophe bonds

Atlas IX 2015 and 2016 catastrophe bond transactions (see Note 2.3 – Information related to non-consolidated special purpose vehicles) 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 2015-1	Atlas IX Series 2016-1
Expected loss US Named Storm based on AIR model	1.87%	3.03%
Expected loss US and Canadian Earthquake based on AIR model	2.06%	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 expense. Changes in fair value through income as presented above are recognized as other operating expenses or other operating income.

Mortality bonds

The Atlas IX mortality risk transfer contract transaction (see Note 2 – Scope of consolidation, Information related to unconsolidated structured entities) was recorded as a derivative asset measured at fair value through income and a payable for the value of future interest payments. SCOR values the derivative asset using a model that is based on indicative secondary market interest rate, considering both the probability of trigger and alternative investment opportunities to the extent that trades in these instruments are active. Extreme mortality events in the US (such as pandemics, natural catastrophes and terrorist attacks) covered by the Atlas extreme mortality bond and occurring during the coverage period of this bond, would increase the fair value of the derivative instrument.

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 are 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 263 million as at December 31, 2017 (December 31, 2016: EUR 266 million). Net interest paid under these swaps amounted to EUR 7 million in 2017 (2016: EUR 15 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, 2017, the fair value of the interest rate swaps was a liability of EUR 6 million (December 31, 2016: liability of EUR 13 million). The amount recognized in other comprehensive income in 2017 is EUR 7 million (2016: EUR 12 million). The amount recognized in the statement of income in 2017 is not material (2016: EUR 0 million).

Cross-currency swaps

In order to hedge the foreign exchange risk associated with certain debts issued in CHF (CHF 315 million issued in 2012, CHF 250 million issued in 2013, see Note 13 – Financial debt), SCOR entered into cross-currency swaps which exchange the principals and the coupons on the notes from CHF into EUR, and mature on June 8, 2018 and November 30, 2018 respectively.

On August 2, 2016, SCOR repaid a CHF 650 million perpetual debt issued in 2011 and the related cross-currency swap 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 CHF 565 million as at December 31, 2017 (December 31, 2016: CHF 565 million). The fair value of the swaps is EUR 20 million as at December 31, 2017 (EUR 61 million as at December 31, 2016). No inefficiency was identified on these swaps during 2017.

Forward currency contracts

SCOR purchases and sells forward currency contracts to reduce its overall exposure to foreign exchange balances held in currencies other than the functional currencies of its subsidiaries. The contracts are recorded at their fair value from valuations provided by banking counterparties using market inputs.

Hedge of a net investment

At December 31, 2017 and 2016, 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, 2017 and 2016, converted into EUR at the closing rates, were as follows:

	Forward sales		Forward purchases	
In EUR million	**Notional**	**Fair value**	**Notional**	**Fair value**
December 31, 2017	1,643	35	1,413	(7)
December 31, 2016	1,920	(39)	1,240	(3)

Other

Contingent capital facility

See Note 12 – Information on share capital, capital management, regulatory framework and shareholders' equity, 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, 2017			As at December 31, 2016		
In EUR million	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Gross receivables from ceding companies	277	410	687	359	455	814
Provision for bad debts	(2)	(8)	(10)	(2)	(8)	(10)
Estimated premiums receivable from cedents, net of commission	2,837	2,361	5,198	2,956	2,414	5,370
Accounts receivable from assumed insurance and reinsurance transactions	**3,112**	**2,763**	**5,875**	**3,313**	**2,861**	**6,174**
Amount due from reinsurers	73	77	150	44	63	107
Provision for bad debts	-	(4)	(4)	-	(4)	(4)
Accounts receivable from ceded reinsurance transactions	**73**	**73**	**146**	**44**	**59**	**103**
Amounts payable on assumed insurance and reinsurance transactions	**(562)**	**(195)**	**(757)**	**(533)**	**(259)**	**(792)**
Liabilities for cash deposits from retrocessionaires	(340)	(334)	(674)	(370)	(334)	(704)
Amount due to reinsurers	(35)	(52)	(87)	(21)	(83)	(104)
Estimated premiums payable to retrocessionaires, net of commission	(249)	(205)	(454)	(250)	(248)	(498)
Accounts payable on ceded reinsurance transactions	**(624)**	**(591)**	**(1,215)**	**(641)**	**(665)**	**(1,306)**

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 Section 3.5.2 – Management of credit risks.

NOTE 9. MISCELLANEOUS ASSETS

Miscellaneous assets consist of:

In EUR million	As at December 31, 2017	As at December 31, 2016
Other intangible assets	317	175
Tangible assets	702	621
Others	309	296
Miscellaneous assets	**1,328**	**1,092**

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 million	Other intangible assets
Gross value at December 31, 2015	**276**
Foreign exchange rate movements	(6)
Additions	31
Disposals	-
Change in scope of consolidation	-
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**
Cumulative amortization and impairment at December 31, 2015	**(114)**
Foreign exchange rate movements	5
Amortization for the period	(17)
Impairment for the period	-
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)**
CARRYING AMOUNT AS AT DECEMBER 31, 2015	**162**
CARRYING AMOUNT AS AT DECEMBER 31, 2016	**175**
CARRYING AMOUNT AS AT DECEMBER 31, 2017	**317**

(1) Disposals are mainly related to the scrapping of fully amortized software.

Other intangible assets include all intangible assets except for goodwill and VOBA (refer to Note 5 – Goodwill and Note 6 – Value of business acquired).

Other intangible assets with finite useful lives as at December 31, 2017 amounted to EUR 159 million (December 31, 2016: EUR 152 million).

The increase during the year ended December 31, 2017 of EUR 142 million mainly comprises EUR 136 million, for a trademark with indefinite life, due to the change in scope relating to Château Mondot SAS (see Note 3 – Acquisitions and disposals), the capitalization of software development costs relating to the Group's accounting system, technical accounting system and internal model.

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 lives was EUR 8 million, EUR 17 million, and EUR 14 million, for the years ended December 31, 2017, 2016, and 2015 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 of EUR 9 million as at December 31, 2017 (as at December 31, 2016: 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 13 million as at December 31, 2017 (December 31, 2016: EUR 14 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.

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, 2017 amounted to EUR 702 million compared to EUR 621 million as at December 31, 2016 and primarily relate to own use property, office furniture and equipment, and building fixtures and fittings.

In EUR million	**Tangible Assets**
Gross value at December 31, 2015	**716**
Foreign exchange rate movement	(14)
Additions	63
Reclassification	-
Disposals	(2)
Change in scope of consolidation	-
Other	-
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**
Cumulative depreciation and impairment at December 31, 2015	**(123)**
Depreciation for the period	(21)
Impairment for the period	-
Reclassification	-
Disposals	2
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)**
CARRYING AMOUNT AS AT DECEMBER 31, 2015	**593**
CARRYING AMOUNT AS AT DECEMBER 31, 2016	**621**
CARRYING AMOUNT AS AT DECEMBER 31, 2017	**702**

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).

The increase in tangible assets in 2016 was mainly related to the continuation of the construction of the Singapore office, to the acquisition of a new office in Paris and to improvements to other properties for a total of EUR 63 million. These increases were partially offset by the disposal of fully amortized assets (furniture and office equipment).

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 32 million (2016: EUR 25 million; 2015: EUR 24 million) were recognized as an expense, net of sublease payments of EUR 4 million (2016: EUR 1 million; 2015: EUR 3 million). The main lease contracts are for the US and Zurich offices.

The future minimum payments are as follows:

In EUR million		2017 Minimum payments	2016 Minimum payments
15%	Less than one year	27	24
52%	From one to five years	95	98
33%	More than five years	61	94
TOTAL MINIMUM LEASE PAYMENTS		**183**	**216**

Property-related commitments and guarantees

The two buildings under construction in 2016 have been delivered in accordance with the terms of the contract.

In October 2013, SCOR entered into an agreement to acquire two floors in a building still under construction in Singapore and has since purchased eight additional units located on two floors. The total estimated acquisition price, including fees, was SGD 87 million as at December 31, 2016 (SGD 86 million as at December 31, 2015). As at December 31, 2016, SGD 78 million (EUR 54 million) were recognized in the balance sheet (SGD 45 million (EUR 31 million) as at December 31, 2015). As at December 31, 2016, SCOR did not have the right to use the building, which was contingent on completion of construction and fitting that occured in 2017.

SCOR purchased in November 2016 a contract of sale before completion to acquire a building vis à vis the Paris head office for a total cost of EUR 28 million. The total cost of the land and the finished portion of the building (EUR 26 million, including acquisition costs) were recognized in the balance sheet as at December 31, 2016. The building delivery occurred in 2017.

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.

	2017			2016			2015		
In EUR million	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	**825**	**551**	**1,376**	**740**	**536**	**1,276**	**646**	**441**	**1,087**
Capitalization of new contracts over the period/Change over the year	233	602	835	160	553	713	153	526	679
Change in scope of consolidation and contract portfolio exchanges	-	-	-	-	-	-	-	-	-
Amortization for the year	(149)	(555)	(704)	(94)	(522)	(616)	(113)	(466)	(579)
Impairment losses during the year	-	-	-	-	-	-	-	-	-
Changes in foreign exchange rates	(48)	(38)	(86)	9	(16)	(7)	39	35	74
Other changes (including change in shadow accounting)	(6)	-	(6)	10	-	10	15	-	15
Carrying amount at December 31	**855**	**560**	**1,415**	**825**	**551**	**1,376**	**740**	**536**	**1,276**

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.

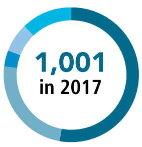
NOTE 11.1. CASH AND CASH EQUIVALENT

In EUR million		As at December 31, 2017	As at December 31, 2016
15%	Cash on hand	148	872
85%	Short-term deposits and investments	853	816
CASH AND CASH EQUIVALENTS (1)		**1,001**	**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 145 million on December 31, 2017 (December 31, 2016: EUR 177 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 1,009 million as at December 31, 2017 (December 31, 2016: EUR 2,282 million). It includes EUR 8 million of short-term governments bonds as at December 31, 2017.

The table below shows the split by currencies of the Group's cash and cash equivalents balance.



In EUR million		As at December 31, 2017	As at December 31, 2016
53%	EUR	533	930
24%	USD	235	435
4%	CHF	35	142
7%	GBP	74	32
12%	Others	124	149
TOTAL		**1,001**	**1,688**

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 million	2017	2016	2015
Consolidated Group net income	**286**	**603**	**642**
Realized gains and losses on investment disposals	(214)	(138)	(274)
Change in accumulated amortization and other provisions	93	36	126
Changes in deferred acquisition costs	(142)	(94)	(89)
Net increase in contract liabilities	855	1,023	608
Change in fair value of financial instruments recognized at fair value through income	27	118	(97)
Other non-cash items included in operating results	405	(688)	103
Net cash flows provided by/(used in) operations, excluding changes in working capital	**1,310**	**860**	**1,019**
Change in accounts receivable and payable	(54)	426 (1)	(265)
Cash flows from other assets and liabilities	(3)	66	38
Change in taxes receivables and payables	(109)	2	3
Net cash flows provided by/(used in) operations	**1,144**	**1,354**	**795**

(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 23 million (2016: EUR 24 million and 2015: EUR 20 million) and EUR 445 million (2016: EUR 494 million and 2015: EUR 495 million), respectively.

Tax cash outflows during the year was EUR 93 million (2016: outflow of EUR 127 million and 2015: outflow of EUR 190 million). 2017 outflows include a net 3% dividends distribution tax refund of EUR 33 million.

NOTE 11.3. CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES

In EUR million	As at January 1, 2017	Issuance of financial liabilities	Redemption of financial liabilities	Acquisitions	Foreign exchange rate movements	Others [1]	As at December 31, 2017
Long-term debts	**2,757**	**19**	**(30)**	**4**	**(49)**	**1**	**2,702**

(1) Includes accrued interests.

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, 2017 was 193,500,317 shares with a par value of EUR 7.8769723 each compared with authorized share capital of 192,534,569 shares with a par value of EUR 7.8769723 at the end of 2016 and with authorized share capital of 192,653,095 shares with a par value of EUR 7.8769723 at the end of 2015.

Issued shares

The number of ordinary shares which were issued and fully paid in circulation as at December 31, 2017, 2016 and 2015 was as follows:

	2017	2016	2015
As at January 1	**192,534,569**	**192,653,095**	**192,691,479**
Share capital decrease – decision of the board	(554,112)	(672,638)	(1,260,227)
Share capital increase – exercise of stock options – during the year	1,519,860	554,112	1,221,843
As at December 31	**193,500,317**	**192,534,569**	**192,653,095**
Nominal price per share in EUR	7.8769723	7.8769723	7.8769723
Share capital in EUR	**1,524,196,637**	**1,516,589,467**	**1,517,523,093**

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.

In 2015, the movements were due to the following operations:

- the Board of Directors' meeting held on April 30, 2015 decided to reduce the Group's share capital by cancellation of 1,260,227 treasury shares for EUR 24 million (EUR 10 million in share capital and EUR 14 million in additional paid-in capital);
- the issuance of new shares relates to the exercise of stock options for EUR 21 million (EUR 10 million in share capital and EUR 11 million in additional paid-in capital). This resulted in the creation of 1,221,843 new shares throughout the year.

The shares issued in 2017, 2016 and 2015 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, 2017 amounted to 5,866,249 shares compared to 7,203,282 shares at the end of 2016. These treasury shares are not entitled to dividends.

Information related to dividend distribution

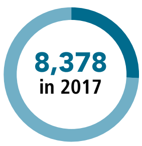
The resolution to be presented to the Annual Shareholders' Meeting called to approve, during the first half of 2018, the financial statements for the financial year 2017, sets out the distribution of a dividend of EUR 1.65 per share for the financial year 2017.

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.

SCOR's Ordinary and Extraordinary Shareholders' Meeting of April 27, 2016 resolved to distribute, for the 2015 financial year, a dividend of one euro and fifty cents (EUR 1.50) per share, being an aggregate amount of dividend paid of EUR 278 million, calculated on the basis of the number of shares eligible for dividend as at the payment date. The ex-dividend date was April 28, 2016 and the dividend was paid on May 2, 2016.

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, 2017 is 25.7%. For a description of the leverage ratio, see Registration Document, Section 1.3.6 – Financial position, liquidity and capital resources.



In EUR million		As at December 31, 2017 Book value	As at December 31, 2016 Book value
	Subordinated debts	2,211	2,256
26%	Accrued interest on subordinated debts	(38)	(39)
	Swaps on subordinated debts	(20)	(61)
74%	Shareholders' equity at book value	6,225	6,695
CAPITALIZATION AND INDEBTEDNESS		**8,378**	**8,851**

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.

BNP Paribas is committed to subscribing to the new shares but does not intend to become a long-term shareholder of SCOR and will resell the shares by way of private placements and/or sales on the open market. In this respect, SCOR and BNP Paribas have entered into a profit sharing arrangement whereby 75% of the gain, if any, will 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. SCOR intends to cancel all repurchased shares. The buy-back will be conducted within the framework approved by the Annual Shareholders' Meeting held on April 27, 2017, which authorizes a share buy-back program capped at 10% of the Group's share capital, and if necessary, in the event of renewal, of the authorizations expected to be given by the 2018 Annual Ordinary and Extraordinary Shareholders' Meeting.

During 2017, SCOR purchased 172,742 shares at an average purchase price of EUR 34.69 for an aggregated amount of EUR 5.9 million with the intention to cancel these shares.

(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, particularly in France, Ireland, Switzerland, the UK, the US, Canada, Singapore, Hong Kong, Australia and China. 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, 2017		As at December 31, 2016	
In EUR million	**Maturity**	**Net book value**	**Fair value**	**Net book value**	**Fair value**
Subordinated debt					
CHF 315 million	Perpetual	277	282	299	314
CHF 250 million	Perpetual	215	223	231	247
CHF 125 million	Perpetual	107	113	115	123
EUR 250 million	Perpetual	250	285	249	257
EUR 250 million	06/05/2047	252	279	252	254
EUR 600 million	06/08/2046	602	663	602	605
EUR 500 million	05/27/2048	508	576	508	521
Total subordinated debt (1)		**2,211**	**2,421**	**2,256**	**2,321**
Investments properties financing		258	258	266	266
Own-use properties financing		221	221	225	225
Total real estate financing (2)		**479**	**479**	**491**	**491**
Other financial debt (2)		**12**	**12**	**10**	**10**
TOTAL FINANCIAL DEBT		**2,702**	**2,912**	**2,757**	**2,822**

(1) Includes EUR 38 million in accrued interest at December 31, 2017 (December 31, 2016: EUR 39 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 under 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 6.2350% and matures on June 8, 2018. See Note 7 – Insurance business investments (Derivative instruments).

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).

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%.

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 through bank loans of EUR 479 million (December 31, 2016: EUR 491 million), including real estate financing related to MRM property for EUR 74 million (December 31, 2016: EUR 75 million). The main real estate financing amounts to EUR 158 million and is used to finance the Group's head office in Paris, avenue Kléber. It bears floating-rate interest indexed to the 3-month Euribor rate plus 1.35% and matures in June 2018. SCOR entered into three interest rate swaps which cover its exposure to the variable interest rates whereas SCOR pays a fixed rate of 2.97% and receives interest at 3-month Euribor. The interest rate swaps have been accounted for as cash flow hedges (for further details, see Note 7 – Insurance business investments – Derivative instruments). The other real estate financing bears fixed-rate interest or interest indexed to 3-month Euribor covered by interest rate swaps and redeemable between 2018 and 2026. They are used to finance other property owned by the Group.

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 55% and 70% and ICR/DSCR between 130% and 300%. As at December 31, 2017, the Group is in compliance with the LTV and ICR/DSCR covenants with respect to its banking partners.

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.

In 2016, the sales of investment properties have generated the reimbursement of the related real estate financing for a total of EUR 80 million. The purchases of two own-use properties were financed by two additional debts for a total amount of EUR 49 million.

NOTE 13.3. OTHER FINANCIAL LIABILITIES

Other financial liabilities relate mainly to deposits and guarantees.

NOTE 13.4. FINANCING EXPENSES

In EUR million	2017	2016	2015
Interest on subordinated debt	(44)	(37)	(7)
Interest on perpetual subordinated debt	(40)	(67)	(89)
Finance lease	-	-	-
Real estate financing	(16)	(23)	(18)
Other financial costs	(49)	(58)	(61)
TOTAL	**(149)**	**(185)**	**(175)**

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 million	Reserves for post employment benefits	Other reserves	Total
At January 1, 2016	**165**	**135**	**300**
Acquisition of a subsidiary	-	-	-
Current year provision	13	3	16
Used reserves	(19)	(9)	(28)
Reversal of unused reserves	-	(63)	(63)
Foreign exchange rate movements	(1)	(1)	(2)
Adjusted discount rate	39	-	39
At December 31, 2016	**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**

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 182 million and EUR 197 million at December 31, 2017 and 2016 respectively, and include post-employment benefits related to pension plans of EUR 177 million (2016: EUR 192 million) and provisions for other long-term benefits of EUR 5 million (2016: 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 27 million, EUR 26 million, and EUR 23 million for the years ended December 31, 2017, 2016, and 2015 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 43%, 24%, 16% and 12% respectively, as at December 31, 2017, (44%, 24%, 15% and 12%, respectively, as at December 31, 2016), 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, 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%
Assumptions as at December 31, 2015					
Discount rate	4.51%	4.15%	0.90%	3.90%	2.21%
Salary increase	-	-	1.50%	3.50%	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 considers "AAA", "AA" and "A" 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 16 million (2016: EUR 18 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 (2016: 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, 2017	11 years	18 years	13 years	27 years	9 years	15 years
Duration as at December 31, 2016	11 years	19 years	12 years	28 years	9 years	16 years

Defined benefits pension cost

	2017				2016				2015			
In EUR million	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America	Total	Europe	Switzerland	North America
Service cost, net of plan amendments	11	4	7	-	10	4	6	-	11	5	6	-
Interest cost on obligation	7	2	1	4	9	3	1	5	10	3	2	5
Interest income on plan assets	(4)	(1)	(1)	(2)	(5)	(1)	(1)	(3)	(6)	(1)	(2)	(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	-	-	-	-
Settlement	-	-	-	-	(2)	-	-	(2)	-	-	-	-
Total pension cost	**15**	**5**	**7**	**3**	**13**	**6**	**6**	**1**	**15**	**7**	**6**	**2**

The actual returns on plan assets were EUR 17 million for the year ended December 31, 2017 (2016: EUR 5 million and 2015: EUR 6 million).

Balance sheet amounts

In EUR million	As at December 31, 2017	As at December 31, 2016	As at December 31, 2015
Defined benefit obligation	424	435	408
Plan assets	242	238	243
Deficit	182	197	165
Asset ceiling limitation	-	-	-

The following table reconciles movements in the balance sheet amounts for the years ended December 31, 2017, 2016 and 2015:

In EUR million	Total 2017	Europe	Switzerland	North America
RECONCILIATION OF DEFINED BENEFIT OBLIGATION				
Obligation as at January 1	**435**	**140**	**189**	**106**
Service cost	11	4	7	-
Interest cost on obligation	7	2	1	4
Employee contributions	3	-	3	-
Plan amendment	-	-	-	-
Acquisition/divestiture	-	-	-	-
Settlement(1)	-	-	-	-
Benefit payments	(9)	(4)	-	(5)
Actuarial (gains)/losses due to change in assumptions(2)	(4)	1	(10)	5
Experience (gains)/losses	5	(1)	6	-
Effect of foreign exchange	(24)	-	(14)	(10)
Obligation as at December 31	**424**	**142**	**182**	**100**
RECONCILIATION OF FAIR VALUE OF PLAN ASSETS				
Fair value of assets as at January 1	**238**	**28**	**148**	**62**
Interest income on plan assets	4	1	1	2
Employer contributions	12	5	5	2
Employee contributions	3	-	3	-
Acquisition/divestiture	-	-	-	-
Settlement(1)	-	-	-	-
Benefit payments	(9)	(4)	-	(5)
Asset gains/(losses) due to experience	13	2	7	4
Administration expenses paid	(1)	-	-	(1)
Effect of foreign exchange	(18)	(2)	(10)	(6)
Fair value of assets as at December 31	**242**	**30**	**154**	**58**
NET DEFINED BENEFIT OBLIGATION AS AT DECEMBER 31 – DEFICIT	**182**	**112**	**28**	**42**
Asset ceiling limitation	-	-	-	-
Accrued/(prepaid)	**182**	**112**	**28**	**42**
ANALYSIS OF FUNDED STATUS				
Funded or partially funded obligation as at December 31	362	94	174	94
Fair value of plan assets as at December 31	242	30	154	58
Funded status as at December 31 – deficit	**120**	**64**	**20**	**36**
Unfunded obligation as at December 31	62	48	8	6
TOTAL FUNDED STATUS AS AT DECEMBER 31 – DEFICIT	**182**	**112**	**28**	**42**

(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 2017 actuarial (gains)/losses due to changes in financial assumptions for EUR (1) (EUR 35 million in 2016) and actuarial (gains)/losses due to change in demographic assumptions for EUR (3) million (EUR (7) million in 2016).

	Total 2016	Europe	Switzerland	North America	Total 2015	Europe	Switzerland	North America
	408	**130**	**165**	**113**	**358**	**128**	**130**	**100**
	10	4	6	-	11	5	6	-
	9	3	1	5	10	3	2	5
	4	-	4	-	3	-	3	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	(13)	-	-	(13)	-	-	-	-
	(19)	(12)	(2)	(5)	(10)	(6)	-	(4)
	28	15	10	3	1	(7)	12	(4)
	10	3	5	2	6	6	(2)	2
	(2)	(3)	-	1	29	1	14	14
	435	**140**	**189**	**106**	**408**	**130**	**165**	**113**
	243	**29**	**137**	**77**	**209**	**27**	**111**	**71**
	5	1	1	3	6	1	2	3
	19	12	6	1	13	6	6	1
	4	-	4	-	3	-	3	-
	-	-	-	-	-	-	-	-
	(11)	-	-	(11)	-	-	-	-
	(19)	(12)	(2)	(5)	(10)	(6)	-	(4)
	(1)	1	2	(4)	-	-	3	(3)
	(1)	-	-	(1)	-	-	-	-
	(1)	(3)	-	2	22	1	12	9
	238	**28**	**148**	**62**	**243**	**29**	**137**	**77**
	197	**112**	**41**	**44**	**165**	**101**	**28**	**36**
	-	-	-	-	-	-	-	-
	197	**112**	**41**	**44**	**165**	**101**	**28**	**36**
	371	90	181	100	354	89	158	107
	238	28	148	62	243	29	137	77
	133	**62**	**33**	**38**	**111**	**60**	**21**	**30**
	64	50	8	6	54	41	7	6
	197	**112**	**41**	**44**	**165**	**101**	**28**	**36**

The following table summarizes the movements in accrued (prepaid) balances recorded in the consolidated balance sheet as at December 31, 2017, 2016 and 2015:

In EUR million	Total 2017	Europe	Switzerland	North America	Total 2016	Europe	Switzerland	North America	Total 2015	Europe	Switzerland	North America
Accrued/(Prepaid) as at January 1	**197**	**112**	**41**	**44**	**165**	**101**	**28**	**36**	**149**	**101**	**19**	**29**
Total pension cost	15	5	7	3	13	6	6	1	15	7	6	2
Benefits paid by employer	-	-	-	-	-	-	-	-	-	-	-	-
Employer contribution	(12)	(5)	(5)	(2)	(19)	(12)	(6)	(1)	(13)	(6)	(6)	(1)
Acquisitions/divestitures	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (gains)/losses immediately recognized in other comprehensive income (OCI)	(12)	(2)	(11)	1	39	17	13	9	7	(1)	7	1
Effect of foreign exchange	(6)	2	(4)	(4)	(1)	-	-	(1)	7	-	2	5
Accrued/(Prepaid) as at December 31	**182**	**112**	**28**	**42**	**197**	**112**	**41**	**44**	**165**	**101**	**28**	**36**

Plan assets

The following table includes the allocation of plan assets as at December 31, 2017 and 2016:

In EUR million	Total	Europe	Switzerland	North America
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%**
2016				
Equities	76	44%	26%	42%
Debt securities	118	12%	58%	46%
Property	24	-	16%	-
Insurance contracts	12	44%	-	-
Other	8	-	-	12%
TOTAL	**238**	**100%**	**100%**	**100%**

In EUR million	Total	Europe	Switzerland	North America
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**
2016				
Equities	76	12	38	26
Debt securities	118	3	86	29
Property	24	-	24	-
Insurance contracts	12	12	-	-
Other	8	-	-	8
TOTAL	**238**	**27**	**148**	**63**

As at December 31, 2017, employer contributions for the year ahead were expected to amount to EUR 16 million (2016: EUR 13 million).

NOTE 14.2. OTHER PROVISIONS

At December 31, 2017, other provisions (total of EUR 22 million) include EUR 6 million for provisions mainly covering contingent liabilities related to the Generali U.S. acquisition in 2013 (2016: EUR 50 million). The other provisions also include provisions related to litigations for EUR 13 million (2016: EUR 11 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.

In EUR million	As at December 31, 2017			As at December 31, 2016		
	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
GROSS CONTRACT LIABILITIES						
Gross claim reserves	5,493	12,318	17,811	5,844	11,784	17,628
Mathematical reserves	8,550	-	8,550	8,524	-	8,524
Unearned premium reserves	120	2,270	2,390	100	2,261	2,361
Total gross insurance contract liabilities	**14,163**	**14,588**	**28,751**	**14,468**	**14,045**	**28,513**
Reserves for financial contracts	-	255	255	-	202	202
Total gross contract liabilities	**14,163**	**14,843**	**29,006**	**14,468**	**14,247**	**28,715**
REINSURANCE RECOVERABLE						
Ceded claims reserves & claims expense reserves	(461)	(1,175)	(1,636)	(466)	(660)	(1,126)
Ceded mathematical reserves	(240)	-	(240)	(68)	-	(68)
Ceded unearned premium reserves	(1)	(160)	(161)	(1)	(167)	(168)
Ceded contract liabilities	**(702)**	**(1,335)**	**(2,037)**	**(535)**	**(827)**	**(1,362)**
NET CONTRACT LIABILITIES	**13,461**	**13,508**	**26,969**	**13,932**	**13,421**	**27,353**

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. Compared to the table presented last year, this presentation benefited from refinement with the neutralization of the 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 now 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 million	**2007**	**2008**	**2009**	**2010**
Gross claims reserves & estimates – end of year (1)	9,325	9,127	9,156	9,696
Ceded claims reserves & estimates – end of year (1)	598	467	473	412
Net claims reserves & estimates – end of year	8,727	8,660	8,683	9,284
UNEARNED PREMIUM RESERVE (UPR)				
Gross UPR – end of year	1,108	1,099	1,135	1,384
Ceded UPR – end of year	39	40	40	51
Net UPR – end of year	1,069	1,059	1,095	1,333
DEFERRED ACQUISITION COSTS (DAC)				
Gross DAC – end of year	230	227	238	278
Ceded DAC – end of year	2	1	-	1
Net DAC – end of year	228	226	238	277

In EUR million	**≤2007**	**2008**	**2009**	**2010**
NET CLAIMS INCURRED TRIANGLES (2)				
Current year	-	1,348	1,298	1,398
1 year later	-	2,217	2,237	2,905
2 years later	-	2,314	2,232	3,004
3 years later	-	2,274	2,162	2,999
4 years later	-	2,242	2,117	2,983
5 years later	-	2,231	2,095	2,966
6 years later	-	2,223	2,079	2,939
7 years later	-	2,213	2,029	2,905
8 years later	-	2,169	2,011	-
9 years later	-	2,161	-	-
10 years later	(46)	-	-	-
NET CLAIMS PAID TRIANGLES (2)				
Current year	-	121	54	86
1 year later	-	961	835	1,001
2 years later	-	1,290	1,168	1,579
3 years later	-	1,593	1,477	2,061
4 years later	-	1,707	1,589	2,247
5 years later	-	1,786	1,655	2,409
6 years later	-	1,850	1,725	2,483
7 years later	-	1,880	1,754	2,546
8 years later	-	1,910	1,775	-
9 years later	-	1,927	-	-
10 years later	243	-	-	-
Earned premiums (2)	**-**	**3,048**	**3,093**	**3,457**

(1) At period end exchange rates.
(2) At constant exchange rate.

2011	2012	2013	2014	2015	2016	2017
10,602	10,857	10,691	11,088	11,750	11,784	12,318
765	690	629	619	634	660	1,175
9,837	10,167	10,062	10,469	11,116	11,124	11,143
1,516	1,683	1,663	1,938	2,239	2,261	2,270
84	93	101	142	187	167	160
1,432	1,590	1,562	1,796	2,052	2,094	2,110
325	359	379	441	536	551	560
5	7	8	10	14	13	9
320	352	371	431	522	538	551

2011	2012	2013	2014	2015	2016	2017
1,381	1,678	1,802	1,730	1,787	1,853	2,234
2,461	2,755	2,870	2,903	2,975	3,287	-
2,578	2,774	2,852	2,963	3,037	-	-
2,481	2,731	2,791	2,955	-	-	-
2,422	2,702	2,750	-	-	-	-
2,404	2,733	-	-	-	-	-
2,375	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
100	53	73	71	37	68	115
974	972	1,079	1,097	999	1,188	-
1,361	1,456	1,558	1,542	1,470	-	-
1,759	1,915	2,048	2,165	-	-	-
1,873	2,042	2,171	-	-	-	-
1,948	2,150	-	-	-	-	-
2,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,709	**4,119**	**4,170**	**4,515**	**4,747**	**4,828**	**2,767**

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, 2017 and 2016.

In EUR million	2017	2016
Gross claims reserves and claims estimates as at January 1	**11,784**	**11,750**
Ceded claims reserves and claims estimates as at January 1	**(660)**	**(634)**
Net claims reserves and claims estimates as at January 1	**11,124**	**11,116**
Revaluation of opening balance at current year end exchange rates	(479)	(248)
Net claims reserves and claims estimates as at January 1 – revalued	**10,645**	**10,868**
Net claims incurred relating to the current calendar year	2,234	1,960
Net claims incurred for prior calendar years	1,343	994
Total net claims incurred	**3,577**	**2,954**
Net claims payments for the current calendar year	(115)	(80)
Net claims payments for prior calendar years	(2,841)	(2,619)
Total net claims payments	**(2,956)**	**(2,699)**
Other movements	(123)[(1)]	-
Effect of other foreign exchange rate movements	-	1
Net claim reserves and claims estimates as at December 31	**11,143**	**11,124**
Ceded claims reserves and claims estimates as at December 31	**(1,175)**	**(660)**
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT DECEMBER 31	**12,318**	**11,784**

(1) Consists of a reduction of Incurred but not reported reserves for a net amount of Euro 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.

Analysis of asbestos & environmental IBNR reserves and claims paid

	For the year ended December 31			
	Asbestos		Environment	
	2017	2016	2017	2016
Gross reserves, including IBNR reserves *(in EUR million)*	72	88	15	16
% of Non-Life gross reserves	0.5%	0.6%	0.1%	0.1%
Claims paid *(in EUR million)*	9	22	9	2
Net % of Group Non-Life claims paid	0.3%	0.8%	0.3%	0.1%
Actual number of claims notified under non-proportional and facultative treaties *(in EUR million)*	10,883	10,727	8,551	8,468
Average cost per claim *(in EUR)*[(1)]	19,976	21,750	4,762	4,756

(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, 2017 and 2016 was as follows:

In EUR million	2017	2016
Gross mathematical reserves as at January 1	**8,524**	**8,763**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	344	(215)
Impact of foreign exchange movements	(318)	(24)
Gross mathematical reserves as at December 31	**8,550**	**8,524**
Reinsurance Recoverable	**-**	**-**
Ceded mathematical reserves as at January 1	**(68)**	**(88)**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	(166)	18
Impact of foreign exchange movements	(6)	2
Ceded mathematical reserves as at December 31	**(240)**	**(68)**
NET MATHEMATICAL RESERVES AS AT JANUARY 1	**8,456**	**8,675**
NET MATHEMATICAL RESERVES AS AT DECEMBER 31	**8,310**	**8,456**

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, 2017 and 2016 is as follows:

In EUR million	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.

In EUR million	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2016
Share of retrocessionaires contract liabilities	**-**	**304**	**908**	**32**	**1**	**117**	**1,362**
Securities pledged	-	-	16	6	-	403	425
Deposits received	-	59	550	28	-	54	691
Letters of credit	-	70	73	-	-	16	159
Total collateral from retrocessionaires in favor of SCOR	**-**	**129**	**639**	**34**	**-**	**473**	**1,275**
Share of retrocessionaires contract liabilities net of collateral (1)	**-**	**175**	**269**	**(2)**	**1**	**(356)** (2)	**87**

(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 offers stock option plans to certain of its employees. The fair value of the services received in exchange for the granting of options is recognized as an expense. The total amount that is recognized over the vesting period is established by reference to the fair value of options granted, excluding conditions of attribution that are not linked to market conditions (return on equity (ROE), for example). These conditions are taken into account when determining the probable number of options which will vest for the beneficiaries. At each reporting date, the Group reviews the estimated number of options which will vest. Any impact is then recorded in the statement of income with the offsetting entry in shareholders' equity over the remaining vesting period.

The Group also grants shares to certain of its employees. These grants are recorded in expenses over the vesting period with the offset recorded as an increase in shareholders' equity.

The dilutive effect of outstanding options is reflected in the calculation of diluted earnings per share.

The Group has established various free share allocation and stock option plans in favor of some of its employees and Corporate Executive Officers (the plans are equity settled only). The terms of these plans are defined, and approved or agreed by its Board of Directors at the grant date

The fair value of the services received in exchange for the grant of stock options is recognized as an expense. The total amount recognized over the vesting period is measured by reference to the fair value of options granted, excluding non market vesting conditions (ROE, for example). These conditions are taken into account when determining the expected number of vesting shares which will be acquired by the beneficiaries. At each closing date, the number of options 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.

In addition, the Group offers free shares to certain of its employees. These awards result in the recognition of personnel charges with a corresponding increase in equity over the vesting period.

The dilutive effect of options granted is reflected in the diluted earnings per share calculation.

The total expense for 2017 relating to share-based payments is EUR 33 million (2016: EUR 28 million), with EUR 2 million (2016: EUR 1 million) relating to stock options granted under the 2013 to 2017 plans (2016: 2012 to 2016) and EUR 31 million (2016: EUR 27 million) relating to free shares allocated under the 2011 to 2017 plans (2016: 2011 to 2016).

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2017.

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
2007	September 13, 2007	September 14, 2011	September 14, 2017	17.58	1,352,000
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

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 10, 2017 and December 1, 2017, 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 observance of the principles set forth in the SCOR Code of Professional Conduct, on the solvency ratio and the SCOR Group's ROE (in 2017, 2018 and 2019 for the March 10, 2017 plan and in 2017, 2018 and 2019 for the December 1, 2017 plan).

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.

	2017		2016	
	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	6,416,786	22.80	6,498,126	20.57
Options granted during the period	625,410	34.01	629,868	31.58
Options exercised during the period	1,519,860	17.67	554,112	18.65
Options expired during the period	13,510	17.58	16,589	18.82
Options forfeited during the period	41,750	24.52	140,507	16.83
Outstanding options at December 31	**5,467,076**	**24.20**	**6,416,786**	**21.70**
Exercisable at December 31	**2,912,292**	**19.01**	**3,687,162**	**17.71**

The average weighted remaining life of the options for 2017 and 2016 was 5.30 and 5.04 years respectively.

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 2017, 2016 and 2015:

	December 1, 2017 Plan	March 10, 2017 Plan	December 1, 2016 Plan	March 10, 2016 Plan	December 18, 2015 Plan	March 20, 2015 Plan
Fair value at grant date *(in EUR)*	2.44	4.00	2.61	1.98	1.94	1.94
Exercise price *(in EUR)*	34.75	33.78	29.57	31.58	35.99	29.98
Vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Historical volatility(1)	20.67%	23.73%	24.59%	22.32%	21.13%	18.84%
Dividend	4.77%	4.77%	4.79%	4.79%	4.67%	4.83%
Risk-free interest rate	(0.193)%	0.276%	(0.086)%	(0.099)%	0.112%	0.070%

(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 also 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, 2017	415,500	EUR 16.68
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	March 6, 2017	878,450	EUR 22.22
March 5, 2013 (LTIP)	March 6, 2019	85,500	EUR 22.22
March 5, 2013 (LTIP)	March 6, 2021	232,500	EUR 22.22
October 2, 2013	October 3, 2017	304,300	EUR 24.66
November 5, 2013	November 6, 2017	13,500	EUR 25.64
December 18, 2013	December 19, 2018	28,000	EUR 25.14
March 4, 2014	March 5, 2016	641,335	EUR 24.70
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	27,500	EUR 24.48
December 1, 2014	December 2, 2017	7,000	EUR 25.18
December 1, 2014	December 2, 2019	26,000	EUR 25.18
March 4, 2015	March 5, 2019	240,000	EUR 29.36
March 4, 2015	March 5, 2017	125,000	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

The terms and conditions of the performance share plans of February 21, 2017 and December 1, 2017 provide that for all beneficiaries, the final vesting of these shares will be subject to the condition of presence of three years and to the satisfaction of performance conditions.

The terms and conditions of the performance share "LTIP" plan of February 21, 2017 provide that for all beneficiaries, the final vesting of these shares will be subject to the condition of presence of six years and to the satisfaction of performance conditions.

NOTE 16.3. PERFORMANCE CONDITIONS

All grants under the performance share plans of February 21, 2017 and December 1, 2017 (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 performance conditions which are based on the strict observance of the principles set forth in the SCOR Code of Professional Conduct, on the solvency ratio and the SCOR Group's ROE in 2017, 2018 and 2019.

All shares granted under the "LTIP" plans of February 21, 2017 and are subject to performance conditions which are based on the strict observance of the principles set forth in the SCOR Code of Professional Conduct, on the solvency ratio and the SCOR Group's ROE between 2017 and 2022.

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 at the end of 2017, 2016 and 2015:

		December 1, 2017 Plan	December 1, 2017 Plan (LTIP)	February 21, 2017 Plan	February 21, 2017 Plan (LTIP)	December 1, 2016 Plan	February 23, 2016 Plan
Fair value at grant date *(in EUR)*	French residents	29.53	25.59	28.36	-	25.91	27.56
	Non-French residents	29.53	25.59	28.36	24.58	25.91	27.56
Vesting period	French residents	3 years	6 years	3 years	6 years	3 years	3 years
	Non-French residents	3 years	6 years	3 years	6 years	3 years	3 years
Dividend		4.77%	4.77%	4.77%	4.77%	4.79%	4.79%
Risk-free interest rate		(0.539)%	0.015%	(0.159)%	0.448%	(0.399)%	(0.349)%

		February 23, 2016 Plan (LTIP)	December 18, 2015 Plan	December 18, 2015 Plan (LTIP)	March 4, 2015 Plan	March 4, 2015 Plan
Fair value at grant date *(in EUR)*	French residents	23.87	30.07	26.14	22.45	-
	Non-French residents	23.87	30.07	26.14	24.90	18.09
Vesting period	French residents	6 years	3 years	6 years	2 years	-
	Non-French residents	6 years	3 years	6 years	2 years	6 years
Dividend		4.79%	4.67%	4.67%	4.83%	4.83%
Risk-free interest rate		(0.003)%	(0.174)%	(0.280)%	(0.059)%	(0.461)%

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, 2017, 2016 and 2015 are presented below:

In EUR million	2017	2016	2015
AMOUNTS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME			
Current tax – current year	(66)	(150)	(199)
Current tax – prior years	35	20	7
Deferred taxes due to temporary differences	17	99	34
Deferred taxes from tax losses carried-forward	15	(73)	(69)
Changes in deferred taxes due to changes in tax rates or tax law	(57)	(62)	-
CORPORATE INCOME TAX (EXPENSE)/BENEFIT REPORTED IN STATEMENT OF INCOME	**(56)**	**(166)**	**(227)**
INCOME TAX (EXPENSE)/BENEFIT REPORTED IN EQUITY	**(18)**	**5**	**13**

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 44.43% for 2017, 34.43% for 2016 and 38.00% for 2015 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 2017 is 16.3% (2016: 21.7% and 2015: 26.0%).

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 million	2017	2016	2015
Income before corporate income tax (excluding share in results of associates)	**342**	**766**	**873**
Theoretical corporate income tax at 44.43% (for 2017), 34.43% (for 2016) and 38.00% (for 2015)	(152)	(264)	(332)
RECONCILING ITEMS TO ACTUAL CORPORATE INCOME TAX (EXPENSE)/BENEFIT			
Differences between French and local corporate income tax rates	67	84	114
Tax-exempt income	18	5	10
Non-deductible expenses	(19)	(22)	(26)
Write-down and reversal of previous write-down of deferred tax assets	1	-	-
Change in tax risk provision	54	59	4
Non creditable/refundable withholding tax	(2)	(1)	-
Change in corporate income tax rates	(57)	(62)	-
Share based payments	8	1	5
Corporate income taxes prior years	33	7	(6)
Others	(7)	27	3
ACTUAL CORPORATE INCOME TAX (EXPENSE)/BENEFIT	**(56)**	**(166)**	**(227)**

For the year 2015 the temporary increase of the exceptional contribution on income tax (contribution exceptionnelle sur l'impôt sur les sociétés) led the effective French corporate income tax rate to 38.00%. In 2016, the exceptional contribution has expired and the global French corporate income tax rate is 34.43% again.

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. The impact of this amendment mostly relates to the deferred tax assets (DTA) on French tax losses carried forward and net deferred tax liabilities (DTL) on temporary differences and is a loss of EUR 19 million for 2017 through profit and loss (decrease in the measurement of the net DTA).

An amending Finance Bill for 2017 has introduced two additional contributions to the French corporate income tax (CIT): a first contribution of 15% of the CIT amount for entities subject to CIT with revenue exceeding EUR 1 billion and an additional contribution of 15% of the CIT amount for entities subject to CIT with revenue exceeding EUR 3 billion. The additional contributions should finance part of the future refunds related to claims filed on the 3% distribution tax censored by the French Constitutional Council. As a consequence, the global CIT applicable to SCOR for 2017 fiscal year increases from 34.43% to 44.43% and the impact is a payment of EUR 0.3 million for fiscal year 2017.

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. The TCJA also introduces a new minimum tax regime, referred to as the Base Erosion and Anti-Abuse Tax (BEAT) in the form of a 5% tax on all deductible payments to foreign related persons, and gross premiums specifically - starting in 2018 – with an increase of the tax rate up to 12.5% in 2026. 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 relates to the DTA on US tax losses carry forward and is 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 has no impact on the financial statements as at and for the year ended December 31, 2017.

SCOR is currently reviewing the TCJA to assess its potential future implications, in particular with respect to certain complex provisions including the BEAT. There is a high level of uncertainty surrounding the practical and technical applications of many of these provisions. The format, scope and timeframe in which future clarifications from the US Treasury may be obtained, such as on the application of BEAT to inward affiliate retrocession, on effectively connected income definition and application and on BEAT implications for modified coinsurance, are still unknown.

SCOR will monitor developments in the course of 2018. SCOR is currently exploring alternate business structures to adapt to the new environment. The implementation process of certain potential business structures currently under consideration may result in a day one, non-recurring, tax expense during 2018 of between nil and approximately USD 350 million. Uncertainties may not be fully resolved by year end 2018.

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:

	2017	2016	2015
France	44.43%	34.43%	38.00%
Switzerland	21.15%	21.15%	21.15%
Germany	32.45%	32.45%	32.45%
Ireland	12.50%	12.50%	12.50%
United Kingdom	19.25%	20.00%	20.25%
United States	35.00%	35.00%	35.00%
Singapore	17.00%	17.00%	17.00%

NOTE 17.3. CORPORATE INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

	2017			2016			2015		
In EUR million	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	12	(8)	4	(38)	8	(30)	(7)	2	(5)
Items that will not be reclassified subsequently to profit and loss	**12**	**(8)**	**4**	**(38)**	**8**	**(30)**	**(7)**	**2**	**(5)**
Effects of changes in foreign exchange rates	(521)	(6)	(527)	75	(4)	71	316	8	324
Revaluation of available-for-sale assets	66	(12)	54	(25)	12	(13)	(112)	23	(89)
Shadow accounting	(35)	8	(27)	47	(12)	35	34	(8)	26
Net gains/(losses) on cash flow hedges	5	-	5	3	1	4	35	(12)	23
Other changes	(1)	-	(1)	17	-	17	3	-	3
Items that will be reclassified subsequently to profit income	**(486)**	**(10)**	**(496)**	**117**	**(3)**	**114**	**276**	**11**	**287**
TOTAL	**(474)**	**(18)**	**(492)**	**79**	**5**	**84**	**269**	**13**	**282**

NOTE 17.4. DEFERRED TAX

Deferred tax assets and liabilities and the related expense or benefit as at and for the year ended December 31, 2017, were generated by the following items:

In EUR million	Opening Balance	Changes through P&L	Changes through OCI	Other movements	Effect of other foreign exchange rate movements	Closing balance
DEFERRED TAX LIABILITIES						
Deferred acquisition costs	(157)	23	-	(1)	6	(129)
Unrealized revaluations and temporary differences on investments	(48)	(1)	(15)	8	1	(55)
Retirement scheme	(13)	1	(1)	1	1	(11)
Equalization reserves	(64)	1	-	-	-	(63)
Value of business acquired	(288)	44	-	-	22	(222)
Financial instruments	(41)	8	5	(8)	(1)	(37)
Insurance contract liabilities/assets	(219)	108	-	4	17	(90)
Shadow accounting	(2)	-	1	1	1	1
Other temporary differences	(56)	40	1	(93)	8	(100)
TOTAL DEFERRED TAX LIABILITIES	**(888)**	**224**	**(9)**	**(88)**	**55**	**(706)**
DEFERRED TAX ASSETS						
Deferred acquisition costs	94	(57)	-	-	(8)	29
Unrealized revaluations and temporary differences on investments	67	(2)	(2)	(1)	(2)	60
Retirement scheme	63	-	(8)	-	(2)	53
Equalization reserves	37	-	-	-	-	37
Net operating losses for carry forward	505	(81)	-	-	(13)	411
Financial instruments	28	(3)	(6)	-	-	19
Insurance contract liabilities/assets	252	(78)	-	(4)	(20)	150
Shadow accounting	(6)	(2)	7	1	(1)	(1)
Other temporary differences	177	(26)	-	(1)	(7)	143
TOTAL DEFERRED TAX ASSETS	**1,217**	**(249)**	**(9)**	**(5)**	**(53)**	**901**

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 million)*	**2017**	**2016**
Deferred tax liabilities	(338)	(354)
Deferred tax assets	533	683
Net deferred tax assets (liabilities)	**195**	**329**

NOTE 17.5. EXPIRATION OF TAX LOSSES AVAILABLE FOR CARRYFORWARD

As at December 31, 2017, the operating tax losses available for carryforward expire as follows:

In EUR million	Available tax loss carryforwards	Tax loss carryforwards for which no DTA is recognized	At December 31, 2017 Deferred tax assets recognized	At December 31, 2016 Deferred tax assets recognized
2017	-	-	-	2
2018	19	-	4	4
2019	1	-	-	-
2020	70	-	17	18
2021	35	-	9	8
Thereafter	500	(7)	107	131
Indefinite	1,193	(123)	274	342
TOTAL	**1,818**	**(130)**	**411**	**505**

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 and 20-year carryforward period in the United States. Under French tax law related to tax loss carryforwards, the utilization of tax losses is capped at EUR 1 million plus 50% of the remaining current year's taxable result. Taxable income is forecast 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 million	2017	2016	2015
Interest income on investments	368	345	368
Dividends	23	24	20
Rental income from real estate	48	43	45
Other income (including cash and cash equivalents)	(16)	(24)	(13)
Other investments expenses	(17)	(15)	(15)
Investment revenues	**406**	**374**	**405**
Interest income on funds withheld and contract deposit	187	194	196
Interest expense on funds withheld and contract deposit	(10)	(12)	(12)
Interest on deposits	**177**	**182**	**184**
Realized gains and losses on investments	**268**	**214**	**170**
Change in fair value of investments	**2**	**6**	**12**
Investment impairment	(8)	(10)	(21)
Real estate amortization	(21)	(21)	(22)
Change in investment impairment and amortization	**(29)**	**(31)**	**(43)**
Currency gains (losses)	**(27)**	**11**	**16**
INVESTMENT INCOME	**797**	**756**	**744**

NOTE 18.2. ANALYSIS BY CATEGORY OF FINANCIAL ASSET

In EUR million	2017	2016	2015
Real estate investments	219	90	25
Available for sale investments	384	405	608
Investments at fair value through income	(1)	9	33
Loans and receivables	192	205	229
Derivative instruments	46	(46)	64
Other (including cash and cash equivalents), net of other investment expenses	(43)	93	(215)
INVESTMENT INCOME	**797**	**756**	**744**

NOTE 19. NET RETROCESSION RESULT

The table below shows the net retrocession result for the years ended December 31, 2017, 2016 and 2015:

	2017			2016			2015		
In EUR million	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	(699)	(626)	(1,325)	(674)	(575)	(1,249)	(703)	(641)	(1,344)
Change in ceded unearned premium reserves	-	8	8	(2)	(12)	(14)	1	28	29
Ceded earned premiums	**(699)**	**(618)**	**(1,317)**	**(676)**	**(587)**	**(1,263)**	**(702)**	**(613)**	**(1,315)**
Ceded claims	735	844	1,579	479	210	689	595	198	793
Ceded commissions	74	62	136	115	71	186	111	75	186
Net retrocession result	**110**	**288**	**398**	**(82)**	**(306)**	**(388)**	**4**	**(340)**	**(336)**

The increase of the net retrocession result of SCOR Global Life is driven by the negative claims experience from the underlying business and the correlated development in the experience refund settlement.

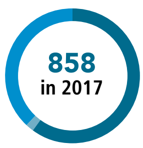
The second half of 2017 was marked for SCOR Global P&C by an exceptional series of large natural catastrophes, with hurricanes Harvey, Irma and Maria, earthquake in Mexico and fires in California. The in-force retrocession programs have responded as expected, with significant recoveries on proportional and non proportional covers.

NOTE 20. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Allocation of expenses by function

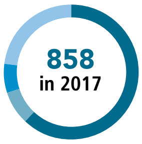
In accordance with IAS 1 – Presentation of Financial Statements, the Group has opted to present expenses by function in the statement of income. The costs are allocated to four categories (acquisition and administrative expenses, claims settlement expenses, investment management expenses and other current 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 million		2017	2016	2015
60%	Staff costs	518	483	470
2%	Taxes other than income taxes	13	22	12
38%	Other costs	327	310	294
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**858**	**815**	**776**

These expenses are further allocated into categories by function as follows:



In EUR million		2017	2016	2015
62%	Acquisition and administrative expenses	535	482	484
8%	Investment management expenses	69	62	52
7%	Claims settlement expenses	57	54	51
23%	Other current operating expenses	197	217	189
OTHER OPERATING AND ADMINISTRATIVE EXPENSES		**858**	**815**	**776**

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) *In EUR thousand*	**Ernst&Young**				**Mazars**				**Total**			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Audit(1)	**5,462**	**4,824**	**90%**	**89%**	**3,339**	**3,535**	**95%**	**95%**	**8,801**	**8,359**	**91%**	**91%**
SCOR SE	907	886	15%	17%	921	820	26%	22%	1,828	1,706	19%	19%
Fully consolidated subsidiaries	4,555	3,938	75%	72%	2,418	2,715	69%	73%	6,973	6,653	72%	72%
Other audit related(2)	**497**	**443**	**8%**	**8%**	**165**	**183**	**5%**	**5%**	**662**	**626**	**7%**	**7%**
SCOR SE	115	154	2%	3%	135	183	4%	5%	250	337	3%	4%
Fully consolidated subsidiaries	382	289	6%	5%	30	-	1%	-	412	289	4%	3%
Other(3)	**151**	**186**	**2%**	**3%**	**11**	**11**	**-**	**-**	**162**	**197**	**2%**	**2%**
Legal, tax, social security	151	186	2%	3%	11	11	-	-	162	197	2%	2%
Other	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**6,110**	**5,453**	**100%**	**100%**	**3,515**	**3,729**	**100%**	**100%**	**9,625**	**9,182**	**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, 2017, 2016 and 2015 respectively:

	At December 31, 2017			At December 31, 2016			At December 31, 2015		
In EUR million	**Net income (numerator)**	**Shares (denominator)**[(1)] *(in thousands)*	**Net income per share** *(in EUR)*	**Net income (numerator)**	**Shares (denominator)**[(1)] *(in thousands)*	**Net income per share** *(in EUR)*	**Net income (numerator)**	**Shares (denominator)**[(1)] *(in thousands)*	**Net income per share** *(in EUR)*
Net income – Group share	286	-	-	603	-	-	642	-	-
Basic earnings per share									
Net income attributable to ordinary shareholders	**286**	**186,532**	**1.53**	**603**	**185,022**	**3.26**	**642**	**185,668**	**3.46**
Diluted earnings per share									
Dilutive effects	-	-	-	-	-	-	-	-	-
Stock options and share-based compensation[(2)]	-	3,131	-	-	3,253	-	-	4,485	-
Net income attributable to ordinary shareholders and estimated conversions	**286**	**189,663**	**1.51**	**603**	**188,275**	**3.20**	**642**	**190,153**	**3.38**

(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 for the years ended December 31, 2017, 2016 and 2015.

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, 2017, 2016 and 2015 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, 2017, 2016, and 2015 is outlined below:

In EUR	2017	2016	2015
Fixed cash compensation	6,061,319	5,974,813	5,856,849
Variable cash compensation	6,272,821	5,862,695	5,205,759
Profit sharing	33,028	24,872	16,036
Premiums/allowances	154,417	160,971	161,962
Share-based payments(1)	17,470,800	17,464,750	14,365,100
Termination benefits	-	-	-
Retirement benefits(2)	-	-	-
Directors' fees	55,000	55,000	63,000
TOTAL COMPENSATION AND BENEFITS	**30,047,386**	**29,543,101**	**25,668,706**

(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, the UK and Switzerland for Executive Committee members (including the Chairman and Chief Executive Officer) amounts to EUR 58 million as at December 31, 2017 (EUR 53 million as at December 31, 2016 and EUR 49 million as at December 31, 2015), i.e. 14% of the total commitment of the Group for pension plans of EUR 424 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 commitments granted 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 to 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 million	As at December 31, 2017	As at December 31, 2016
COMMITMENTS RECEIVED		
Unused lines of credit and letters of credit	203	416
Letters of credit – retrocessionaires	151	159
Pledged assets	834	755
Endorsements, sureties	2	2
Other commitments received	-	-
TOTAL COMMITMENTS RECEIVED	**1,190**	**1,332**
COMMITMENTS GIVEN		
Pledged assets	4,172	4,540
Endorsements, sureties	15	8
Investment commitments	54	60
Other commitments given	2	6
TOTAL COMMITMENTS GIVEN	**4,243**	**4,614**

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 4,172 million (2016: EUR 4,540 million).

In addition, SCOR pledges assets to the benefit of its consolidated subsidiaries as collateral for its internal retrocessions. As at December 2017, the amount of assets pledged internally is EUR 2,259 million (as at December 2016: EUR 2,338 million).

The total carrying amount of financial assets pledged to the benefit of SCOR as collateral is EUR 834 million (2016: EUR 755 million). These amounts include securities pledged by retrocessionaires for a total amount of EUR 527 million (2016: EUR 425 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 furnished sureties for our Company in the form of letters of credit. The total amount, not included in the table above, as at the reporting date was EUR 1,438 million (2016: EUR 1,503 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, 2017, SCOR has an outstanding letter of credit capacity of EUR 199 million (As at December 31, 2016: EUR 410 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 151 million (As at December 31, 2016: EUR 159 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 54 million (2016: EUR 60 million). Those amounts do not include the commitments taken by SCOR on behalf of third parties as part of its asset management activity.

SCOR also owned in 2016 a call option on the remaining shares of a non-core business entity consolidated under the equity method. On April 10, 2017, SCOR exercised the option and obtained control of Château Mondot S.A.S.. Refer to Note 3 – Acquisitions and disposals.

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.

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.

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. As at December 31, 2017, MutRé continues to be included in the Group's consolidated financial statements as an equity method investee. The carrying value of SCOR's participation into MutRé amounts to EUR 45 million as at December 31, 2017 and MutRé's contribution to the 2017 net income of the Group is EUR 2 million, including EUR 0.7 million of dividend received.

The consideration paid by SCOR for the additional 67% share at January 3, 2018 is EUR 70 million. The control was obtained on the same date. The assets and liabilities acquired will be 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.

Due to the preliminary estimates of MutRé, the acquisition is not material when comparing the balance sheet total of MutRé of EUR 1,253 million with SCOR's total balance sheet (approximately 3%) and comparing the net assets of MutRé of EUR 134 million with the SCOR's shareholders'equity (approximately 2%) as at December 31, 2017.

The purchase price is being allocated based on an 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 accounting of the acquisition of MutRé must be finalized within 12 months of the effective acquisition date.

On February 13, 2018, the Boards of Directors of SGL SE and MutRé approved the merger of the two entities with a retroactive effect on January 1, 2018. The merger is subject to the approval of the ACPR.

M&S/Essor

On July 18, 2017, SCOR Global P&C SE acquired the remaining 51% of M&S Brazil Participações Ltda ("M&S Brazil"), holding company of ESSOR (a direct insurance company in Brazil) held by La Mutuelle des Architectes Français Assurances ("MAF") and the single share of Essor Seguros S.A. also held by MAF.

This transaction was subject to SUSEP's (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 has held 49% of the company since 2011.

As at December 31, 2017, M&S Brazil continues to be included in the Group's consolidated financial statements as an equity method investee. The equity value of SCOR's investment into M&S Brazil amounts to EUR 8.1 million as at December 31, 2017 and M&S Brazil's contribution to the 2017 net income of the Group is EUR 1.9 million.

The consideration paid by SCOR for the additional 51% share is BRL 28 million (EUR 7.3 million). The assets and liabilities acquired will be 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.

Based on M&S Brazil's financial statements as of October 31, 2017, the acquisition has no significant impact on the Group's consolidated financial statements. At the end of October 2017, the total balance sheet value of M&S Brazil represents less than 0.04% of SCOR's total balance sheet, and at the end of December 2017, the equity value of M&S Brazil represents approximatively 0.1% of the SCOR's shareholder's equity.

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, 2017, 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 Global Life Reinsurance Ireland dac	4th Floor, Whitaker Court – Whitaker Square – Sir John Rogerson's Quay – Dublin 2 – D02 W529 – Ireland	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 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
ERNST & YOUNG Audit Pierre Planchon Tour First – 1, Place des saisons 92037 Paris-La Défense cedex, France CRCC of Versailles	May 6, 2014	April 28, 2017

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, 2017.

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, 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, 2015 published on pages 232 to 233 of the Registration Document filed with the AMF on March 4, 2015 under Number D.16-0108 (and from pages 220 to 221 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, 2017 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, 2017.

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 Company as at December 31, 2017 of the Group 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, 2017 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 net insurance contract liabilities amount to EUR 29,006 million and to EUR 27,591 million net of deferred acquisition costs at 2017 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. Tecnical reserves related to Life business are estimated using actuarial methods based on the present value of projected future payments to cedents less the present value of projected future premiums to be paid by cedents. 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 checked 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 2017 amount respectively to EUR 8,764 million for the Life segment SCOR Global Life and EUR 6,025 million for the Non-Life segment SCOR Global P&C, as stated in Note 4 of the notes the consolidated financial statements. The 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 these circumstances, we considered the measurement of reinsurance premiums to be 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 2017, 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 premium estimates.

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 1,412 million as at December 31, 2017. **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 presented to 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.

Risk identified	Our response
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 411 million related to tax losses carried forward is recognized in the balance sheet of the Group at financial year ended 2017. 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 As stated in Note 17 of the notes to consolidated financial statements, 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. The TCJA also introduces a new minimum tax regime in the form of a 5% tax on all deductible payments to foreign related persons (the "Base Erosion and Anti-Abuse Tax" or "BEAT"), and gross premiums specifically – starting in 2018 – with an increase of the tax rate up to 12.5% in 2026. For the year ended December 31, 2017, the impact of this new legislation mostly relates to the remeasurement of deferred tax assets on US tax losses carried forward. Given the potential future implications of the TCJA on SCOR business structure, 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 the procedures performed by Group to identify the impacts of the "Tax Cuts and Jobs Act" as of December 31, 2017; • we checked the correct calculation of the impact of federal corporate income tax decrease, on deferred tax assets related to US tax losses carried forward; • we assessed the information relating to the US tax reform disclosure in the notes to the consolidated financial statements in light of the procedures performed by Group in terms of impact assessment and action plans evaluated and the discussions we held with management.

VERIFICATION OF THE MANAGEMENT REPORT AND OF THE OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS

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, 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. 356-23 of the French Insurance Code *(Code des assurances).*

We have no matters to report as to its fair presentation and the consistency with the consolidated financial statements.

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 2017, MAZARS and ERNST & YOUNG Audit were in the 28th year and 22nd 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.

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.

Paris-La Défense, February 21, 2018

The Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit	
Jean-Claude Pauly	Guillaume Wadoux	Isabelle Santenac	Patrick Menard

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 2017 or continued during 2017, 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, 2017, 2016 and 2015, included respectively in Appendix C of this Registration Document, in Appendix C of the Registration Document filed with the AMF on March 3, 2017 under the number D.17-0123 and in Appendix C of the Registration Document filed with the AMF on March 4, 2016 under the number D.16-0108, 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 March 3, 2017 under the number D.17-0123 and in Appendix C of the Registration Document filed with the AMF on March 4, 2016 under the number D.16-0108.

Notes 1, 2 and 3 in Appendix D of this Registration Document relate to the social and environmental impacts of SCOR's business and the Group's societal commitments. 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, 2017, 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, 2017, 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, 2017, 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**
12/31/2014			
Exercise of subscription option	09/16/2005	15.90	175,920
Exercise of subscription option	09/14/2006	18.30	141,771
Exercise of subscription option	12/14/2006	21.70	20,993
Cancellation of treasury shares	N/A	N/A	1,260,227
Exercise of subscription option	09/13/2007	17.58	234,549
Exercise of subscription option	09/10/2008	15.63	123,900
Exercise of subscription option	03/23/2009	14.92	142,320
Exercise of subscription option	11/25/2009	17.12	6,000
Exercise of subscription option	03/18/2010	18.40	169,690
Exercise of subscription option	10/12/2010	17.79	9,700
Exercise of subscription option	03/22/2011	19.71	93,500
Exercise of subscription option	09/01/2011	15.71	103,500
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	N/A	N/A	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			

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
		1,517,825,443	**192,691,479**
1,385,716.97	1,411,411.03		
1,116,726.24	1,477,683.06		
165,361.28	290,186.82		
9,926,773.17	14,311,965.27		
1,847,535.98	2,275,835.44		
975,956.87	960,600.13		
1,121,050.70	1,001,936.74		
47,261.83	55,440.17		
1,336,643.43	1,785,652.57		
76,406.63	96,156.37		
736,496.91	1,106,388.09		
815,266.63	810,718.37		
		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		
		1,512,224,742	**191,980,457**

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 (2017 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;
- 2016 Society of Actuaries (SOA) and Munich Re Life survey of U.S. life reinsurance, published in June 2016, 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, 2018	Quaterly 1 revenues
April 26, 2018	Annual Shareholders' Meeting
July 26, 2018	2018 half-year results
October 24, 2018	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. Ensuring objectives are set;
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. Indeed 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

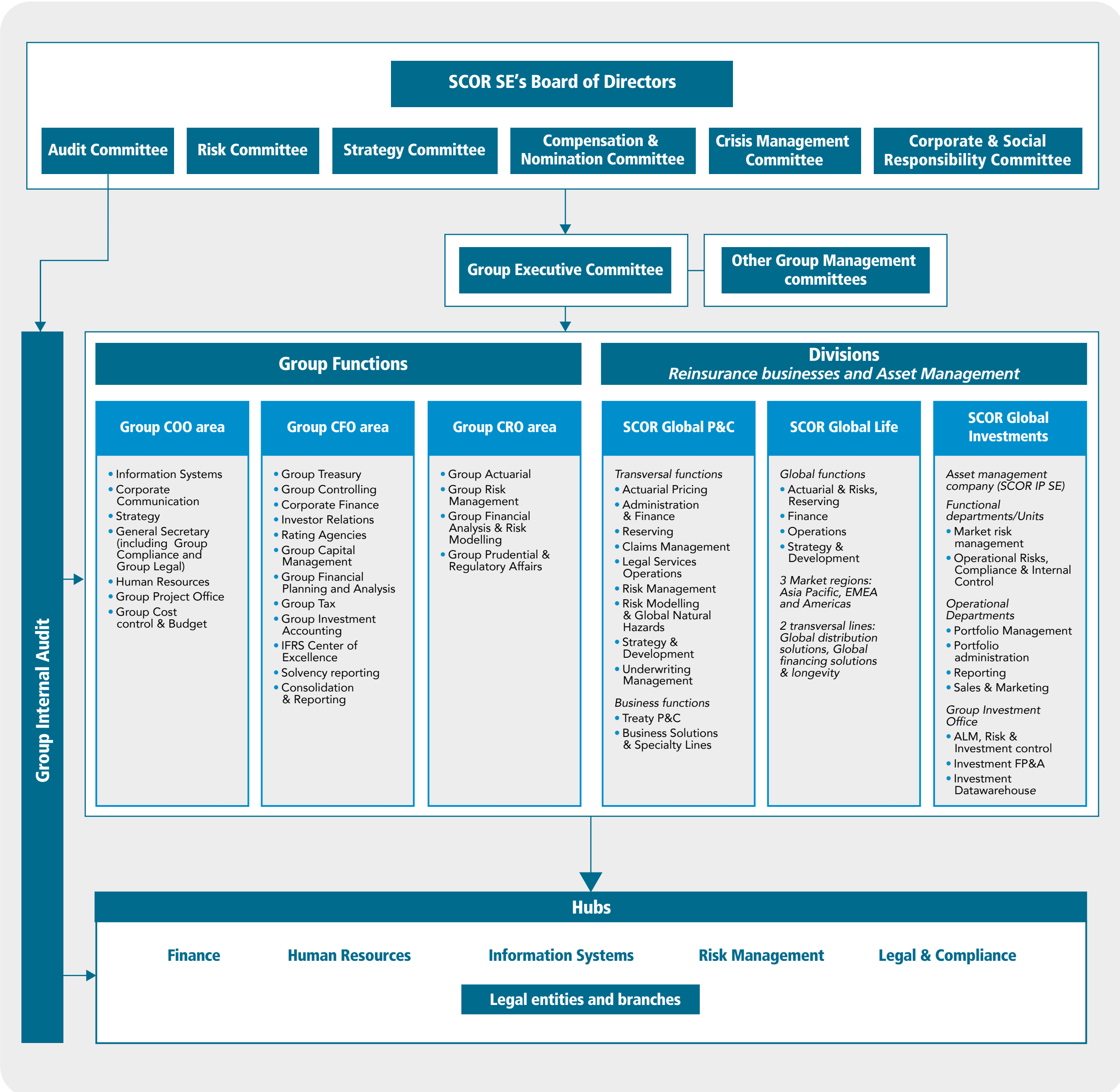
1.1. GENERAL ORGANIZATION OF THE GROUP

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 as well as the Hubs' support departments must apply the rules defined above. They carry out all of the first-level 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.

In 2017, several Group policies were reviewed for accuracy, completeness and reliability.

For the latest Group policies in force and other business-related legal and compliance requirements, training sessions for certain staff are scheduled and conducted both in person and via e-learning modules on an annual basis in line with an 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

Several processes and tools for identifying and assessing risks have been implemented to approach 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.

  Potential physical and transition climate change risks are monitored amongst other risks through this mechanism whilst the Group is gradually implementing "low carbon" initiatives as described in the Appendix D of this Registration Document. The scientific consensus is that a continued rise in global warming could account for an increasingly large share of natural catastrophe losses although the timing and severity of physical effects which may impact underwriting activities are difficult to estimate. As an institutional investor, the asset portfolio may also be exposed to potential physical and transition risk over a longer timeframe;
- the ORSA process (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. For several years, SCOR has been improving 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. The IT continuity plan has been strongly reinforced thanks to the private cloud of the Group, which hosts all production applications and processes and ensures a systematic replication of all databases to a second remote site. 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 and handles the accounting of complex transactions.
- The Consolidation, Systems and Process and Pillar 3 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, provides an opinion on the underwriting policy and the retrocession arrangements, and validates the Internal Model results. The Actuarial department also contributes to the effective implementation of risk management throughout the Group.
- The Financial Analysis and Risk Modeling 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) and a Group Investment Office (GIO).

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 with regard to 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 educational programs across the Group 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 both the Life and P&C 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 progressively deployed 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 at Group level, process level and IT level;
- 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) technical reinsurance accounting: premiums, claims, commissions, underwriting reserves, value of business acquired (VOBA), deferred acquisition costs (DAC), funds held; and (2) financial asset accounting: securities, bank accounts, investment income and expenses.

The processes described below concerning 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. As part of the on-going OMEGA reengineering project, OMEGA 2.0, which was confirmed as a strategic project in July 2010 by the Board of the Group and by the Executive Committee, several improvements have already been or will be implemented to reinforce the level of control provided.

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 and related deferred acquisition costs are largely 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 (D+1) with reports from the various custodians. Portfolios managed directly are monitored in real time.

The implementation of the new information system enabling the booking, valuation and monitoring of all assets owned by Group entities has substantially improved the investment accounting model. These accounting tools have been substantially deployed throughout the Group's principal subsidiaries. The completion of this project in early 2011 improved the investment accounting organization, definition of roles, responsibilities and processes.

Accounting and consolidation process

Regarding the processes of preparation of consolidation packages and consolidation of accounting data by the Group Consolidation, Systems & Process Department, and internal control is ensured by:

- the definition by the Consolidation, Systems & Process Department 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 the systems or auxiliary accounting methods with the general and consolidation accounting systems;
- at least three levels of control of the consistency and completeness of the consolidation packages, one by the entity in question, 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.

At the end of 2009, SCOR decided to fully review all its finance applications by launching a Group wide "one ledger" program. The main objective of this program was to simplify, through an innovative approach based around SAP, and vastly improve the accounting functions for all SCOR entities. This program includes:

- 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.

The roll-out of this solution in all locations was finalized in 2015.

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 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 communicated 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 2017, 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, 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;

(ii) the corporate financial statements for the year ended December 31, 2015 and the Statutory Auditors' report pertaining thereto published on pages 262 to 291 and 292 to 293, respectively, of the Registration Document filed with the AMF on March 4, 2016 under number D.16-0108 and from pages 249 to 278 and from pages 279 to 280, 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, 2017 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 2017, SCOR SE carried out the following significant transactions:

Dividends received

During 2017, SCOR SE received EUR 81 million in dividends from its affiliates.

Dividend payment

On May 4, 2017, SCOR SE paid a EUR 308 million dividend to its shareholders.

Sale of 10% of ASEFA

On March 6, 2017, SCOR SE reduced its share in ASEFA from 19.97% to 9.97% exercising the option to sell the second portion of shares to the buyer.

Opening of a composite branch in India

In 2016, SCOR SE obtained R3 authorization from the Insurance Regulatory and Development Authority of India (IRDAI) allowing the Group to open a composite branch in India to conduct Life and P&C reinsurance business.

The branch has started underwriting business in 2017.

New solution of contingent capital

On December 14, 2016, SCOR SE launched a new 3-year contingent capital facility with BNP Paribas SA for EUR 300 million and issued 9,599,022 warrants in favor of BNP Paribas SA. This equity line facility has replaced, as of January 1, 2017, the previous contingent capital facility which came to an end on December 31, 2016.

Under the new arrangement, the protection would be triggered not only in case of natural catastrophes, like in previous facilities, but also in case of extreme life events.

Share buy-back program

On July 27, 2017, SCOR SE launched a share buy-back program with an amount up to EUR 200 million over the following 24 months, capped at 10% of the Group's share capital with an intention to cancel all repurchased shares.

Capital increase in SCOR Africa Ltd

During the financial year, SCOR SE proceeded with two capital increases in its subsidiary SCOR Africa Ltd.

Partial repayment of the treasury advance granted to SCOR Auber SAS

Following the sale of a Paris investment property owned by SCOR Auber SAS, SCOR SE received a EUR 325 million partial repayment of the treasury advance granted to SCOR Auber SAS. The outstanding balance of this treasury advance as of December 31, 2017 amounts to EUR 40 million.

HIMM Events

The second semester of 2017 was marked by an exceptional series of large natural catastrophes, with hurricanes Harvey, Irma and Maria, earthquakes in Mexico and fires in California. The in-force retrocession programs have responded as expected, with significant recoveries on proportional and non-proportional covers.

Tax changes

The year has been particularly eventful in modifications of the corporate tax rate.

For this year, two exceptional contributions raised the 2017 corporate tax rate to 44.43%. The impact of this raise stands at only EUR (0.3) million in view of the low taxable income.

The corporate tax rate will decrease gradually to settle at 25.83% in 2022.

The Conseil Constitutionnel (Constitutional Court) ruled that the Contribution on Distributed Incomes was unconstitutional. This contribution has been reimbursed to SCOR SE with interest for a total of EUR 42 million (included EUR 32.7 million on previous years).

2. BALANCE SHEET

2.1. BALANCE SHEET – ASSETS

In EUR million		Gross balance	Depreciation, amortization and impairment	2017 Net	2016
Intangible assets	**5.2.2**	**4**	**(1)**	**3**	**4**
Investments	**5.2.1 & 5.2.9**	**9,118**	**(5)**	**9,113**	**9,028**
Real estate investments		309	(1)	308	284
Investments in associates		7,457	(4)	7,453	7,837
Other investments		1,352	-	1,352	907
Cash deposited with ceding companies		-	-	-	-
Investments representing unit-linked contracts	**5.2.1**	**-**	**-**	**-**	**-**
Share of retrocessionaires in underwriting reserves	**5.2.9**	**704**	**-**	**704**	**616**
Reinsurance reserves (Life)		5	-	5	-
Loss reserves (Life)		-	-	-	-
Unearned premiums reserves (Non-Life)		252	-	252	238
Loss reserves (Non-Life)		447	-	447	378
Other underwriting reserves (Non-Life)		-	-	-	-
Accounts receivable	**5.2.5 & 5.2.9**	**916**	**(1)**	**915**	**1,025**
Accounts receivable from reinsurance transactions		643	-	643	725
Other accounts receivable		273	(1)	272	300
Other assets	**5.2.2**	**333**	**(49)**	**284**	**350**
Property, plant and equipment		138	(49)	89	91
Cash and cash equivalents		16	-	16	36
Treasury shares		179	-	179	223
Accrued income and deferred expenses	**5.2.8 & 5.2.9**	**214**	**-**	**214**	**251**
Due and accrued interests on rental income		32	-	32	31
Deferred acquisition costs – assumed (Non-Life)		144	-	144	144
Reinsurance estimates – assumed		-	-	-	-
Other accruals		38	-	38	76
Bond redemption premiums		**-**	**-**	**-**	**-**
TOTAL		**11,289**	**(56)**	**11,233**	**11,274**

2.2. BALANCE SHEET – LIABILITIES

In EUR million		2017	2016
Shareholders' equity and reserves[1]	**5.2.3**	**3,439**	**3,738**
Share capital		1,524	1,517
Additional paid-in capital		809	803
Revaluation reserve		-	-
Legal reserve		74	42
Other reserves		57	57
Capitalization reserve		-	-
Retained earnings		963	656
Net income for the year		(5)	647
Regulated reserves		17	16
Subordinated liabilities[2]	**5.2.4**	**2,211**	**2,256**
Gross underwriting reserves	**5.2.7 & 5.2.9**	**4,393**	**4,240**
Reinsurance reserves (Life)		359	398
Loss reserves (Life)		253	266
Unearned premiums reserves (Non-Life)		593	527
Loss reserves (Non-Life)		2,434	2,368
Other underwriting reserves (Non-Life)		726	681
Equalization reserves (Non-Life)		28	-
Underwriting reserves for unit-linked contracts			
Contingency reserves	**5.2.6**	**164**	**148**
Cash deposits received from retrocessionaires	**5.2.5 & 5.2.9**	**432**	**389**
Other liabilities	**5.2.5 & 5.2.9**	**505**	**410**
Liabilities arising from reinsurance operations		339	147
Convertible bond issue		-	-
Amounts owed to credit institutions		-	-
Negotiable debt securities issued by the Company		-	-
Other loans, deposits and guarantees received[2]		27	32
Other liabilities		139	231
Deferred income and accrued expenses	**5.2.8 & 5.2.9**	**89**	**93**
Deferred commissions received from reinsurers (Non-Life)		71	75
Reinsurance estimates – Retrocession		-	-
Other accruals		18	18
TOTAL		**11,233**	**11,274**

(1) Data for financial years 2017 and 2016 are before appropriation of net income.
(2) The balance sheet presentation was revised to include a "Subordinated liabilities" category for EUR 1,362 million in 2016.

3. INCOME STATEMENT

In EUR million	Gross transactions	Retroceded transactions	2017 net transactions	2016 net transactions
UNDERWRITING ACCOUNT, NON LIFE				
Earned premiums	**1,676**	**(441)**	**1,235**	**1,055**
Written premiums	1,775	(471)	1,304	1,076
Change in unearned premiums	(99)	30	(69)	(21)
Allocated investment income	**24**	**-**	**24**	**300**
Other underwriting income	**218**	**-**	**218**	**222**
Claims expenses	**(1,193)**	**320**	**(873)**	**(654)**
Benefits and costs paid	(1,039)	225	(814)	(499)
Claims reserve expenses	(154)	95	(59)	(155)
Expenses for increasing risk reserves	**(45)**	**-**	**(45)**	**(26)**
Acquisition and administrative expenses	**(525)**	**147**	**(378)**	**(321)**
Acquisition expenses	(507)	-	(507)	(501)
Administrative expenses	(18)	-	(18)	(8)
Commissions received from reinsurers	-	147	147	188
Other underwriting expenses	**(185)**	**-**	**(185)**	**(158)**
Change in equalization reserves	**(28)**	**-**	**(28)**	**-**
Change in liquidity reserves	**-**	**-**	**-**	**-**
NON-LIFE UNDERWRITING INCOME (LOSS)	**(58)**	**26**	**(32)**	**418**

In EUR million	Gross transactions	Retroceded transactions	2017 net transactions	2016 net transactions
UNDERWRITING ACCOUNT, LIFE				
Earned premiums	**491**	**(11)**	**480**	**484**
Investment revenues	**16**	**-**	**16**	**60**
Investment income	16	-	16	52
Other investment income	-	-	-	7
Realized gains from investments	-	-	-	1
Unit-linked policy adjustments (capital gain)	**-**	**-**	**-**	**-**
Other underwriting income	**1**	**-**	**1**	**1**
Claims expenses	**(452)**	**6**	**(446)**	**(406)**
Benefits and costs paid	(453)	6	(447)	(343)
Claims reserve expenses	1	-	1	(63)
Expenses for Life reinsurance and other underwriting reserves	**30**	**5**	**35**	**39**
Life reinsurance reserves	30	5	35	39
Unit-linked contract reserves	-	-	-	-
Other underwriting reserves	-	-	-	-
Acquisition and administrative expenses	**(116)**	**5**	**(111)**	**(150)**
Acquisition expenses	(109)	-	(109)	(134)
Administrative expenses	(7)	-	(7)	(16)
Commissions received from reinsurers	-	5	5	-
Investment expenses	**(13)**	**-**	**(13)**	**(14)**
Internal and external investment management expenses and interest expenses	(1)	-	(1)	(10)
Other investment expenses	(8)	-	(8)	-
Realized losses from investments	(4)	-	(4)	(4)
Unit-linked policy adjustments (capital loss)	**-**	**-**	**-**	**-**
Other underwriting expenses	**(54)**	**-**	**(54)**	**(112)**
Change in liquidity reserve	**-**	**-**	**-**	**-**
LIFE UNDERWRITING INCOME (LOSS)	**(97)**	**5**	**(92)**	**(98)**

In EUR million	2017 net transactions	2016 net transactions
NON-UNDERWRITING ACCOUNT		
Non-Life underwriting income/(loss)	**(32)**	**418**
Life underwriting income/(loss)	**(92)**	**(98)**
Investment revenues	**221**	**767**
Investment income	220	660
Other investment income	1	103
Realized gains from investments	-	4
Investment expenses	**(177)**	**(181)**
Internal and external investment management expenses and interest expenses	(15)	(127)
Other investment expenses	(113)	(1)
Realized losses from investments	(49)	(53)
Gains from transferred investments	**(24)**	**(300)**
Other non-underwriting income	**-**	**1**
Other non-underwriting expenses	**(1)**	**-**
Non-recurring income/(loss)	**(1)**	**(4)**
Employee profit sharing	**-**	**(2)**
Income taxes	**101**	**46**
NET INCOME FOR THE YEAR	**(5)**	**647**
NET EARNINGS PER SHARE *(in EUR)*	**(0.03)**	**3.36**

4. OFF-BALANCE SHEET COMMITMENTS

In EUR million		Related companies	Other	2017	2016
COMMITMENTS RECEIVED	**5.3.8**	**6,265**	**1,023**	**7,288**	**7,625**
Rate swaps		-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	483	483	523
Foreign currency forward purchases		200	345	545	463
Letters of credit (unused portion)		-	195	195	406
Endorsements and sureties		24	-	24	24
Parental guarantees		6,010	-	6,010	6,167
Lease		31	-	31	42
COMMITMENTS GIVEN	**5.3.8**	**16,007**	**838**	**16,845**	**15,988**
Endorsements, sureties and credit guarantees given		**15**	**17**	**32**	**39**
Endorsements, sureties		15	17	32	39
Letters of credit		-	-	-	-
Investment securities and assets acquired with commitment for resale		**-**	**-**	**-**	**-**
Other commitments on investment securities, assets or revenues		**10**	**471**	**481**	**474**
Rate swaps		-	-	-	-
Rate and currency swaps (cross-currency swaps)		-	464	464	464
Underwriting commitments		-	7	7	-
Trust assets		10	-	10	10
Other commitments given		**15,982**	**350**	**16,332**	**15,475**
Securities pledged to ceding companies		-	11	11	12
Marketable securities pledged to financial institutions		-	-	-	-
Contract termination indemnities		-	-	-	-
Foreign currency forward sales		203	339	542	465
Parental guarantees		15,706	-	15,706	14,903
Lease		73	-	73	95
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, 2017 (EUR 4 million in 2016).

5. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

TABLE OF CONTENTS

5.1. ACCOUNTING POLICIES

The corporate financial statements for the year ended December 31, 2017 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, 2017, 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 2017 or 2016.

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: 1.48%, 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, 2017, 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 CNC 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.

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 interest 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 million	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	285	-	24	-	309
Investments in affiliates	3,912	-	9	4	3,917
Cash deposited with ceding companies (related and associated companies)	1,717	(19)	63	-	1,761
Loans (related and associated companies)	2,212	(35)	350	748	1,779
Other investments	907	(43)	1,609	1,121	1,352
Cash deposited with other ceding companies	-	-	-	-	-
TOTAL	**9,033**	**(97)**	**2,055**	**1,873**	**9,118**

Depreciation and impairment

In EUR million	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	-	-	-	4
Loans (related and associated companies)	-	-	-	-	-
Other investments	-	-	-	-	-
TOTAL	**5**	**-**	**-**	**-**	**5**

Shares in and advances to land and real estate companies

The EUR 24 million increase is mainly driven by the reclassification of the EUR 22 million loan to SCI Noratlas, an affiliate of MRM, from "Loans (related and associated companies)" to "Shares in and advances to land and real estate companies".

Investments in affiliates

On March 6, 2017, SCOR SE has reduced its share in ASEFA from 19.97% to 9.97% and holds an option to sell the remaining share to the buyer.

At December 31, 2017, provisions against such investments can be analyzed as follows:

- ASEFA: EUR 1 million in 2017 (EUR 1 million in 2016);
- SGF SAS: EUR 3 million in 2017 (EUR 3 million in 2016).

Cash deposited with ceding companies

At December 31, 2017, cash deposited with ceding companies breaks down as follows:

- SCOR Global Life SE: EUR 1,398 million compared to EUR 1,324 million in 2016;
- SCOR Global Life SE Milan: EUR 271 million compared to EUR 312 million in 2016;
- SCOR Global Life SE Madrid: EUR 29 million compared to EUR 29 million in 2016;
- SCOR South Africa: EUR 56 million compared to EUR 50 million in 2016;
- SCOR Perestrakhovaniye.O.O.O: EUR 7 million compared to EUR 2 million in 2016.

Loans

- The EUR 301 million cash advance to SCOR Global P&C SE was partly reimbursed for EUR 233 million.
- The EUR 100 million cash advance to SCOR Global Life SE was completely reimbursed.
- The cash advance to SCOR GIE Informatique increased by EUR 77 million and was partly reimbursed for EUR 60 million.
- On July 1, 2017, SCOR SE granted a SGD 8 million loan (EUR 5 million) to SCOR Services Asia Pacific Pte.
- During the year, the cash advance with SCOR Auber SAS increased by EUR 287 million and was partly reimbursed for EUR 335 million.
- The cash advance to OPCI SCOR Properties was partly reimbursed for EUR 7 million.
- The USD 14 million (EUR 13 million) cash advance granted to SCOR Reinsurance Asia-Pacific Pte Ltd in 2016 was completely reimbursed.
- During the year, the cash advance with SCOR Capital Partners SAS increased by EUR 3 million.

Other investments

During the year, the change in other investments was mainly due to the EUR 378 million net increase in fixed deposits and the EUR 294 million net increase in bonds together with the EUR 185 million net decrease in mutual funds.

Schedule of investments

In EUR million	Gross value	Net book value	Realizable value	Unrealized gains and losses
1 – Real estate investments and real estate investments in process	309	308	463	155
2 – Shares and other variable-income securities (other than mutual fund units)	3,921	3,917	9,355	5,438
3 – Mutual funds units (other than those in 4)	3	3	3	-
4 – Mutual fund units exclusively invested in fixed-income securities	61	61	61	-
5 – Bonds and other fixed-income securities	830	830	822	(8)
6 – Mortgage loans	-	-	-	-
7 – Other loans and similar bills	1,781	1,781	1,781	-
8 – Deposits with ceding companies	1,761	1,761	1,761	-
9 – Cash deposits (other than those in 8) and security deposits	452	452	452	-
10 – Unit-linked investments	-	-	-	-
Sub-total	**9,118**	**9,113**	**14,698**	**5,585**
11 – Other forward instruments	-	-	-	-
• Investment or divestment strategy	-	-	-	-
• Anticipation of investment	-	-	-	-
• Yield strategy	21	21	21	-
• Other transactions	-	-	-	-
• Amortization premium/discount	(1)	(1)	-	1
12 – Total lines 1 to 11	**9,138**	**9,133**	**14,719**	**5,586**
a) including:	-	-	-	-
• investments valued according to Article R. 343-9	830	830	822	(8)
• investments valued according to Article R. 343-10	8,288	8,283	13,876	5,593
• investments valued according to Article R. 343-13	-	-	-	-
• forward instruments	20	20	21	1
b) including:	-	-	-	-
• investments and forward instruments issued in OECD countries	8,270	8,265	13,871	5,606
• investments and forward instruments issued in non-OECD countries	868	868	848	(20)

Forward instruments

In EUR million	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	17	16	1	(14)
Foreign currency hedging: Cross currency swaps	Yield	less than 1 year	20	-	(3)	(8)
TOTAL			**37**	**16**	**(2)**	**(22)**

Subsidiaries and affiliates

Investments in affiliates

On March 6, 2017, SCOR SE has reduced its share in ASEFA from 19,97% to 9,97% and holds an option to sell the remaining share to the buyer.

Loans and advances to subsidiaries

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.

The breakdown of the EUR 2,211 million balance as of December 31, 2016 was as follows:

- EUR 832 million with SCOR Global Life SE;
- EUR 701 million with SCOR Global P&C SE;
- USD 250 million (EUR 233 million) with SCOR Reinsurance Company;
- EUR 145 million with SCOR GIE Informatique;
- EUR 115 million with SCOR Holding Switzerland AG;
- EUR 88 million with SCOR Auber SAS;
- EUR 51 million with SCOR Reinsurance Asia-Pacific Pte LTD;
- EUR 22 million with MRM;
- EUR 15 million with SCOR Properties;
- EUR 9 million with SCOR Capital Partners SAS.

Name *(Amounts in EUR million)*	**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	287	690	99.99%
• SCOR GLOBAL P&C SE 5 avenue Kléber, 75116 Paris, France	EUR	582	1,778	99.99%
• SCOR US CORPORATION 199 Water Street, New York, NY 10038-3526 USA	USD	330	830	100.00%
• MRM 5 avenue Kléber, 75116 Paris, France	EUR	44	53	59.90%
• SCOR AUBER S.A.S (France) 5 avenue Kléber, 75116 Paris, France	EUR	47	146	100.00%
• SCOR Holding (Switzerland) AG General Guisan-Quai 26, 8022 Zurich, Switzerland	EUR	382	1,429	20.68%
• ASEFA S.A. Avda Manoteras 32 Edificio A 28050 Madrid, Spain	EUR	38	1	9.97%
• SCOR PERESTRAKHOVANIYE.O.O.O. 10 Nikolskaya Street, 109012, Moscou, Russian Federation	RUB	800	794	100.00%
• SCOR AFRICA LTD 2nd Floor, West Tower, Maude Street, Nelson Mandela Square, Sandton 2196, South Africa	ZAR	-	265	100.00%
• SCOR INVESTMENT PARTNERS SE 5 avenue Kléber, 75116 Paris, France	EUR	3	13	100.00%
• SCOR BRAZIL PARTICIPAÇOES LTDA Avenida Paisagista José Silva de Azevedo Neto, 200 – Bloco 4 – Sala 404 Barra de Tijuca – Rio de Janeiro – Brazil	BRL	102	-	99.90%
TOTAL A				
B – ENTITIES WITH EQUITY INTEREST				
• In France				
TOTAL				

(1) Data based on 2017 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.*

	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	64	5,211	3,978	87	-
	1,615	1,615	469	271	4,086	2,894	176	-
	1,315	1,315	-	-	-	-	45	26
	56	56	22	-	-	11	(4)	3
	149	149	40	64	-	8	125	22
	399	399	107	-	-	-	111	27
	4	3	-	-	-	-	(3)	-
	21	21	-	5	8	1,867	102	-
	21	21	-	16	19	1,409	(81)	-
	2	2	-	3	-	-	4	2
	34	34	-	-	8	380	5	-
	4,087	**4,086**	**1,370**	**423**	**9,332**	**-**	**-**	**80**
	113	111	431	91	6,447	-	-	1
	4,200	**4,197**	**1,801**	**514**	**15,779**	**-**	**-**	**81**

5.2.2. OTHER ASSETS

Property, plant and equipment and intangible assets

In EUR million	Opening balances	Acquisitions/ creations	Disposals	Closing balances
Gross values	**136**	**8**	**(2)**	**142**
Intangible assets	**4**	**-**	**-**	**4**
Goodwill	4	-	-	4
Set-up costs	-	-	-	-
Other intangible assets	-	-	-	-
Property, plant and equipment	**132**	**8**	**(2)**	**138**
Deposits and security bonds	-	1	-	1
Equipment, furniture, fittings and fixtures	132	7	(2)	137
Depreciation, amortization and impairment	**(41)**	**(8)**	**(1)**	**(50)**
Other intangible assets (excluding goodwill)	-	-	(1)	(1)
Equipment, furniture, fittings and fixtures	(41)	(8)	-	(49)

Treasury shares

As at December 31, 2017, the number of shares held as treasury shares amounted to 5,866,249 shares (3.03% of capital) for a total value of EUR 179,215,496. 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.

In EUR	Opening balance	Acquisitions/ creations	Disposals	Closing balance
Treasury shares				
Number	7,679,482	2,576,805	(4,390,038)	5,866,249
Amount	223,310,647	89,594,313	(133,689,464)	179,215,496

5.2.3. SHAREHOLDERS' EQUITY

The share capital comprising 193,500,317 shares with a par value per share of EUR 7.8769723 amounted to EUR 1,524,196,637 as at December 31, 2017.

In EUR million	2016 Shareholders' equity before allocation	Income allocation	Other movements during the period	2017 Shareholders' equity before allocation
Capital	1,517	-	7	1,524
Additional paid-in capital	803	-	6	809
Legal reserve	42	32	-	74
Other reserves	57	-	-	57
Retained earnings	656	307	-	963
Net income	647	(647)	(5)	(5)
Regulated reserves	16	-	1	17
TOTAL	**3,738**	**(308)**	**9**	**3,439**

- The EUR 647 million net income for 2016 was allocated to dividends for EUR 308 million, to the legal reserve for EUR 32 million and to the retained earnings for EUR 307 million.
- The issuance of shares relating to the exercise of options until December 31, 2017 for a total of EUR 26.9 million was allocated to the share capital of the Company for EUR 12 million and to additional paid-in capital for EUR 14.9 million. The exercise of options resulted in the creation of 1,519,860 shares.
- During 2017, the Board decided upon a share capital and additional paid-in capital reduction by cancellation of a total of 554,112 treasury shares for a total amount of EUR 13.4 million.
- SCOR SE launched a new 3-year contingent capital facility on January 1, 2014. It takes the form of a guaranteed equity line, providing SCOR SE with EUR 200 million coverage in case of extreme natural catastrophe or life events. This facility came to an end on December 31, 2016. It is replaced with a new 3-year facility with EUR 300 million coverage in case of extreme natural catastrophe or life events from January 1, 2017.
- All new shares were issued with voting rights.

5.2.4. SUBORDINATED LIABILITIES AND FINANCIAL LIABILITIES

		2017		2016	
In EUR million	Maturity	Net book value	Fair value	Net book value	Fair value
SUBORDINATED LIABILITIES					
CHF 315 million	Perpetual	277	283	299	315
CHF 250 million	Perpetual	214	223	231	247
CHF 125 million	Perpetual	107	113	115	123
EUR 250 million	Perpetual	250	285	249	257
EUR 600 million	06/08/2046	603	663	602	605
EUR 250 million	06/05/2047	252	279	252	254
EUR 500 million	05/27/2048	508	576	508	521
TOTAL		**2,211**	**2,422**	**2,256**	**2,322**

The balance includes EUR 38 million of accrued interest (as at December 31, 2016: EUR 39 million).

Financial liabilities include:

Subordinated liabilities

- CHF 315 million in fixed rate perpetual subordinated notes was issued in two pari-passu ranking placements on September 10 and September 24, 2012. The notes are redeemable by SCOR each quarter at interest payment dates as from June 8, 2018 with a first call date of June 8, 2018. The coupon has been set at 5.25% (until June 8, 2018) and 3-month CHF LIBOR plus a margin of 4.8167% thereafter. The notes are hedged by a cross-currency swap detailed in 5.3.8 – Financial instruments received and given, in the analysis of commitments given and received.
- CHF 250 million in fixed rate perpetual subordinated notes was issued on September 10, 2013. The notes are redeemable by SCOR from November 30, 2018 on a quarterly basis on the interest payment dates. The coupon has been set at 5% until November 30, 2018 and at 3-month CHF LIBOR plus a margin of 4.10% thereafter. If SCOR does not exercise this option on such date, such repayment may intervene, where applicable, quarterly, at the interest payment dates. The notes are hedged by a cross-currency swap detailed in 5.3.8 – Financial instruments received and given, in the analysis of commitments given and received.
- 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.
- 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%.

Financial liabilities

- Debt of a branch for EUR 16 million (EUR 16 million as of December 31, 2016).
- Loans granted to SCOR SE by its subsidiaries EUR 11 million. Their breakdown as of December 31, 2017 is 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.

As of December 31, 2016, the breakdown was as follows:

- EUR 12.3 million with SCOR Investment Partners SE;
- EUR 3.5 million with SGF SAS;
- EUR 0.3 million with SCOR Global Life SE.

For 2017, SCOR SE recognized EUR 62.9 million in financial income from loans with related companies and EUR 0.04 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, 2017 is as follows:

	2017				2016
In EUR million	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
ACCOUNTS RECEIVABLE	**916**	**925**	**(9)**	**-**	**1,039**
Accounts receivable from reinsurance transactions	**643**	**652**	**(9)**	**-**	**725**
Other accounts receivable	**273**	**273**	**-**	**-**	**314**
Employee and other related receivable	-	-	-	-	-
Taxes and related receivable	115	115	-	-	80
Receivables on related companies and other affiliates	159	159	-	-	230
Other	(1)	(1)	-	-	4
ACCOUNTS PAYABLE	**3,148**	**1,019**	**(74)**	**2,203**	**3,055**
Subordinated liabilities	**2,211**	**-**	**-**	**2,211**	**2,256**
Cash deposits received from retrocessionaires	**432**	**432**	**-**	**-**	**389**
Other liabilities	**505**	**587**	**(74)**	**(8)**	**410**
Liabilities arising from reinsurance operations	339	421	(74)	(8)	147
Other loans, deposits and guarantees received	27	27	-	-	32
Employee and other related payable	30	30	-	-	34
Taxes and other related payable	22	22	-	-	37
Payables on related companies and other affiliates	59	59	-	-	70
Other	28	28	-	-	90

5.2.6. CONTINGENCY RESERVES

Gross balances

In EUR million	Opening balance	Increase	Use over the period	Reversal without use	Closing balance
Retirement provisions	79	7	-	(4)	82
Free share allocation plans	41	26	(13)	-	54
Long service awards	1	-	-	(1)	-
Other provisions	27	1	-	-	28
TOTAL	**148**	**34**	**(13)**	**(5)**	**164**

Contingency reserves amount to EUR 164 million, of which:

- EUR 54 million for free share allocation plans with the following expiry EUR 21 million at 2018, EUR 23 million at 2019, EUR 4 million at 2020, EUR 6 million at 2021 and beyond;
- EUR 82 million in reserves for post-employment benefits: retirement provisions (EUR 36 million), supplementary retirement (EUR 46 million);
- EUR 28 million in other provisions.

5.2.7. GROSS UNDERWRITING RESERVES

In EUR million	2017	2016	2015
Reinsurance reserves (Life)	359	398	436
Loss reserves (Life)	253	266	203
Unearned premiums reserves (Non-Life)	593	527	447
Loss reserves (Non-Life)	2,434	2,368	2,137
Other underwriting reserves (Non-Life)	726	681	655
Equalization reserves (Non-Life)	28	-	-
GROSS UNDERWRITING RESERVES	**4,393**	**4,240**	**3,878**

The reinsurance activity of SCOR SE comprises four internal quota share retrocession treaties, one with SCOR Global P&C SE, another with SCOR Global Life SE, a third with SCOR South Africa and a fourth 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.

5.2.8. ACCRUED INCOME AND DEFERRED EXPENSES

The analysis of accrued income and deferred expenses at December 31, 2017 is as follows:

	Assets		Liabilities	
In EUR million	2017	2016	2017	2016
Due and accrued interests on rental income	32	31	-	-
Deferred acquisition costs – Non-Life	144	144	-	-
Deferred commissions received from reinsurers	-	-	71	75
Other accruals	38	76	18	18
TOTAL	**214**	**251**	**89**	**93**

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, 2017:

- reinsurance estimates – assumed – Life (EUR (41) million) includes premiums for EUR 482 million, commissions payable of EUR (93) million and claims payable amounting to EUR (446) million, and EUR 16 million of accrued interest on the cash deposit;
- reinsurance estimates – assumed – Non-Life (EUR 631 million) includes premiums for EUR 1,469 million, commissions payable of EUR (452) million and claims payable for EUR (412) million and EUR 26 million of accrued interest on the cash deposit.

The breakdown of other accruals mainly consists of, as at December 31, 2017:

- cross currency swaps for EUR 20 million and FX derivative instruments for EUR 17 million as assets;
- FX derivative instruments for EUR 16 million as liabilities.

5.2.9. TRANSACTIONS WITH SUBSIDIARIES, AFFILIATES AND OTHERS

	2017				2016			
In EUR million	Related companies	Other affiliates	Other	Total	Related companies	Other affiliates	Other	Total
ASSETS (GROSS)								
Investments	**7,684**	**-**	**1,434**	**9,118**	**8,123**	**-**	**910**	**9,033**
Investment properties	227	-	82	309	283	-	2	285
Shares other than variable income securities and bonds	3,916	-	1,351	5,267	3,912	-	907	4,819
Loans	1,780	-	1	1,781	2,211	-	1	2,212
Cash deposits with ceding companies	1,761	-	-	1,761	1,717	-	-	1,717
Share of retrocessionaires in underwriting reserves	**704**	**-**	**-**	**704**	**616**	**-**	**-**	**616**
Accounts receivable	**516**	**-**	**400**	**916**	**763**	**-**	**276**	**1,039**
Accounts receivable from reinsurance transactions	356	-	287	643	533	-	192	725
Other accounts receivable	160	-	113	273	230	-	84	314
Other assets	**179**	**-**	**154**	**333**	**222**	**-**	**169**	**391**
Accrued income and deferred expenses	**74**	**-**	**140**	**214**	**82**	**-**	**169**	**251**
Accrued interests and rent	22	-	10	32	23	-	8	31
Deferred acquisition costs assumed (Non-Life)	51	-	93	144	51	-	93	144
Other assumed reinsurance transactions	-	-	-	-	-	-	-	-
Other accruals	1	-	37	38	8	-	68	76
EQUITY AND LIABILITIES								
Subordinated liabilities	**-**	**-**	**2,211**	**2,211**	**-**	**-**	**2,256**	**2,256**
Gross underwriting reserves	**3,414**	**-**	**979**	**4,393**	**3,473**	**-**	**767**	**4,240**
Contingency reserves	**-**	**-**	**164**	**164**	**-**	**-**	**148**	**148**
Cash deposits received from retrocessionaires	**431**	**-**	**1**	**432**	**389**	**-**	**-**	**389**
Other liabilities	**393**	**-**	**112**	**505**	**241**	**-**	**169**	**410**
Liabilities arising from reinsurance operations	338	-	1	339	147	-	-	147
Financial liabilities	11	-	16	27	16	-	16	32
Other creditors	44	-	95	139	78	-	153	231
Deferred income and accrued expenses	**78**	**-**	**11**	**89**	**75**	**-**	**18**	**93**
Deferred commissions received from reinsurers (Non-Life)	71	-	-	71	75	-	-	75
Reinsurance estimates retrocession	-	-	-	-	-	-	-	-
Other accruals	7	-	11	18	-	-	18	18

In EUR million	2017 Related companies	2017 Other affiliates	2017 Other	2017 Total	2016 Related companies	2016 Other affiliates	2016 Other	2016 Total
Other accounts receivable	**160**	**-**	**113**	**273**	**230**	**-**	**84**	**314**
Cash advances granted	81	-	-	81	182	-	-	182
Transfer pricing receivables	9	-	-	9	13	-	-	13
Miscellaneous	70	-	113	183	36	-	84	120
Other debts	**44**	**-**	**95**	**139**	**78**	**-**	**153**	**231**
Cash advances granted	37	-	-	37	66	-	-	66
Miscellaneous	7	-	95	102	12	-	153	165

5.2.10. ASSETS – LIABILITIES BY CURRENCY

Currency *In EUR million*	Assets 2017	Liabilities 2017	Surplus 2017	Surplus 2016
Euro	8,247	7,951	296	330
US dollar	1,196	1,225	(29)	98
Pounds sterling	18	7	11	1
Swiss franc	118	600	(482)	(519)
Japanese yen	(3)	-	(3)	-
Australian dollar	-	3	(3)	(5)
Yuan	1,381	1,230	151	94
New-Zealand dollar	(1)	2	(3)	(5)
Other currencies	277	215	62	6
TOTAL	**11,233**	**11,233**	**-**	**-**

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 million	2017	2016
France	372	369
North America	232	164
South America	123	86
Asia	786	725
Europe	472	495
Africa	64	63
Rest of the world	217	151
TOTAL	**2,266**	**2,053**

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, 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

In EUR million	2017			2016		
	Prior years	2017	Total	Prior years	2016	Total
Premiums	**106**	**2,161**	**2,267**	**84**	**1,978**	**2,062**
Portfolio entries	2	4	6	(11)	8	(3)
Portfolio transfers	2	(9)	(7)	7	(13)	(6)
Movements	**4**	**(5)**	**(1)**	**(4)**	**(5)**	**(9)**
TOTAL	**110**	**2,156**	**2,266**	**80**	**1,973**	**2,053**

Change in commissions

In EUR million	2017	2016
Commissions – assumed	561	607
Commissions – retroceded	(152)	(188)
TOTAL	**409**	**419**

5.3.2. ANALYSIS OF INVESTMENT INCOME AND EXPENSES BY NATURE

In EUR million	2017			2016		
	Related companies	Other	Total	Related companies	Other	Total
Revenues from securities	81	1	82	550	2	552
Revenues from other investments	135	19	154	146	14	160
Other revenues	-	1	1	110	-	110
Realized gains	-	-	-	3	2	5
Total investment income	**216**	**21**	**237**	**809**	**18**	**827**
Management and financial costs	-	4	4	9	116	125
Other investment expenses	30	91	121	-	1	1
Realized losses	13	39	52	-	57	57
Total investment expenses	**43**	**134**	**177**	**9**	**174**	**183**

Dividends received from subsidiaries amount to EUR 81 million and include SCOR US Corporation (USD 31 million or EUR 26 million), SCOR Holding Switzerland AG (EUR 27 million), SCOR Auber SAS (EUR 22 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 8.8 million loss in 2017 compared to a EUR 13.8 million loss in 2016.

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 million	2017	2016
Salaries	124	132
Pensions	5	4
Payroll taxes	23	20
Other	5	5
Total personnel expenses	**157**	**161**
Other general expenses	220	194
TOTAL GENERAL EXPENSES BY TYPE	**377**	**355**
Workforce		
Executives – Paris	262	247
Employees/Supervisors – Paris	32	35
Employees/branches	511	462
TOTAL CURRENT WORKFORCE	**805**	**744**

Non-recurring result

The non-recurring loss amounted to EUR (1.2) million mainly due to the following items:

- French tax depreciation on acquisition costs of EUR (0.7) million;
- impairment of EUR (0.5) million;
- accrued payables of EUR (0.2) million;
- reversal of old rent deposits of EUR 0.2 million.

It breaks down into non-recurring income for EUR 0.2 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, SCOR Capital Partners SAS, SAS DB Caravelle, ReMark France SAS and Rehalto SA as subsidiaries. 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 1,091 million as at December 31, 2017 (EUR 1,133 million as at December 31, 2016).

The corporate tax gain of EUR 101.1 million relate mainly to:

- the contribution of subsidiaries that are consolidated for tax purposes of EUR 66 million;
- tax profit for the tax Group for EUR 1.2 million;
- tax profit for previous financial years for EUR 2.2 million, including tax audit settlements;
- refund of the additional contribution on income distributed on previous years for EUR 32.7 million;
- income tax from the branches for EUR (1) million.

5.3.5. STOCK OPTIONS

The table below summarizes the status of the various stock option plans in force in 2017:

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
2007	05/24/2007	08/28/2007	1,352,000	55,000	09/13/2011
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
TOTAL AT DECEMBER 31, 2017					
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 2016, 554,112 options were exercised: 193,526 options exercised under the stock option plan of September 14, 2006 vested on September 14, 2010, 78,507 options exercised under the stock option plan of December 14, 2006 vested on December 14, 2010, 40,739 options exercised under the stock option plan of September 13, 2007 vested on September 13, 2011, 7,000 options exercised under the Stock option of May 22, 2008 vested on May 22, 2012, 38,800 options exercised under the stock option plan of September 10, 2008 vested on September 10, 2012, 33,530 options exercised under the stock option plan of March 23, 2009 vested on March 23, 2013, 2,000 options exercised under the stock option plan of November 25, 2009 vested on November 25, 2013, 44,510 options exercised under the stock option plan of March 18, 2010 vested on March 18, 2014, 500 options exercised under the stock option plan of

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, 2017
09/13/2017	17.58	N/A	1,188,990	163,010	-
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
			4,573,698	**1,215,220**	**5,467,076**
			77,896,997	**23,757,779**	**132,286,299**

October 12, 2010 vested on October 12, 2014, 34,000 options exercised under the stock option plan of March 22, 2011 vested on March 22, 2015, 2,000 options exercised under the stock option plan of September 1, 2011 vested on September 1, 2015 and 79,000 options exercised under the stock option plan of March 23, 2012 vested on March 23, 2016.

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 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.

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 thousand	2017	2016	2015	2014	2013
Amount distributed under the profit-sharing plan	1,665	1,216	1,055	1,247	1,153

The amount of 2017 profit-sharing payouts has been estimated in the accounts and set aside for EUR 0.4 million.

Amount paid into the Company employee saving plan

In EUR thousand	2017	2016	2015	2014	2013
Profit sharing[(1)]	1,217	740	674	722	619
Net voluntary payments[(2)]	607	515	483	442	392
Total payments	**1,824**	**1,255**	**1,157**	**1,164**	**1,011**
NET EMPLOYER CONTRIBUTION[(3)]	**630**	**509**	**528**	**480**	**422**

(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 2016 and 2017 to the Group Chairman and Chief Executive Officer:

Chairman and Chief Executive Officer

In EUR	2017	2016
Fixed compensation	1,200,000	1,200,000
Variable compensation	1,419,600	1,683,000
Directors' fees	55,000	55,000
TOTAL CASH COMPENSATION	**2,674,600**	**2,938,000**

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 23 million.

5.3.8. ANALYSIS OF COMMITMENTS GIVEN AND RECEIVED

	Commitments received		Commitments given	
In EUR million	2017	2016	2017	2016
Ordinary course of business	**7,288**	**7,625**	**16,845**	**15,988**
Financial instruments	1,028	986	1,016	939
Confirmed credits, letters of credit and guarantees given	195	406	11	12
Other commitments given and received	6,065	6,233	15,818	15,037
Hybrid transactions	**-**	**-**	**-**	**-**
TOTAL	**7,288**	**7,625**	**16,845**	**15,988**

Commitments received and given in the ordinary course of business

Financial instruments received and given

	Commitments received		Commitments given	
In EUR million	2017	2016	2017	2016
Rate swaps	-	-	-	-
Cross-currency swaps	483	523	464	464
Currency forward purchases/sales	545	463	542	465
Trust assets	-	-	10	10
TOTAL	**1,028**	**986**	**1,016**	**939**

Cross-currency swaps are used to hedge foreign exchange and interest rate risks of perpetual notes in CHF issued in 2012: the instruments convert the principal of 2012 placements for a total of CHF 315 million into EUR and the coupon on the CHF 250 million tranche to 6.2850% and on the CHF 65 million tranche to 6.235%. Both instruments mature on June 8, 2018.

In 2013, SCOR entered into a cross-currency swap which converts CHF 250 million of the principal of the notes issued in 2013 into EUR and the CHF coupon on the notes to EUR 5.8975% and which matures on November 30, 2018.

In 2017, currency forward purchases and sales generated unrealized gain of EUR 1 million.

Confirmed credits, letters of credit, and guarantees received and given

	Commitments received		Commitments given	
In EUR million	2017	2016	2017	2016
Confirmed credit	-	-	-	-
Letters of credit (unused portion)	195	406	-	-
Letters of credit	-	-	-	-
Securities pledged to financial institutions	-	-	-	-
Investments in subsidiaries and affiliates pledged to financial institutions	-	-	-	-
Other guarantees given to financial institutions	-	-	11	12
TOTAL	**195**	**406**	**11**	**12**

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 in 2017 (EUR 4 million in 2016) as at December 31, 2017.

Capacity to issue letters of credit

As at December 31, 2017, SCOR SE has an outstanding letter of credit capacity of EUR 195 million (EUR 406 million in 2016), 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 14 million (EUR 12 million);
- Deutsche Bank: USD 11 million (EUR 9 million);
- Natixis: USD 48 million (EUR 40 million);
- JP Morgan: USD 62 million (EUR 52 million);
- Helaba: USD 2 million (EUR 2 million);
- Commerzbank: USD 2 million (EUR 2 million);
- CACIB: USD 40 million (EUR 34 million);
- Citibank: USD 49 million (EUR 41 million);
- Bayern LB: USD 3 million (EUR 3 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

	Commitments received		Commitments given	
In EUR million	2017	2016	2017	2016
Guarantees and securities	24	24	32	39
Underwriting commitments	-	-	7	-
Assets pledged to ceding companies	-	-	-	-
Marketable securities pledged to financial institutions	-	-	-	-
Parental guarantees	6,010	6,167	15,706	14,903
Contract termination indemnities	-	-	-	-
Lease	31	42	73	95
TOTAL	**6,065**	**6,233**	**15,818**	**15,037**

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

None.

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, 2017.

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, 2017 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, 2017 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 the company SCOR SE amount to EUR 612 million for Life reinsurance and EUR 3,781 million for Non-Life reinsurance as at December 31, 2017. As stated in Note 5.2.7 of the notes to the corporate financial statements, the technical activity of the company SCOR SE is primarily related to internal reinsurance treaties implemented as part of the Group dedicated program. The technical reserves of the company SCOR SE 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 reconciled the technical reserves and claims recorded in the financial statements of the company SCOR SE with the financial statements of reinsured affiliates. • we obtained an understanding of the report of the Group chief actuary on the global adequacy of reserves. With regards to the specific review for the measurement of Life and Non-Life technical reserves of affiliates, our response is detailed below: • 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.

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 1,775 million. As stated in Note 5.3.1 of the notes to corporate financial statements, premiums written by the company SCOR SE 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 the company SCOR SE. Accounts not received from ceding companies at the year-end are estimated, as stated in the Note 5.1.7 of the notes to corporate financial statements. 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. The company SCOR SE 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 2017, 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.

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, 2017, investments in affiliates were recorded for a net book value of EUR 7,457 million, representing 70% 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: i. 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, 2017, are detailed in 5.2.1 of the notes to the corporate financial statements. ii. For real-estate and financial companies, the share of the net assets including unrealized gains net of tax is calculated. An impairment loss is recorded on a line-by-line basis when such values are below historical cost. 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.	We reviewed the process related to the measurement of investments in affiliates and we tested the efficiency of key controls. Our procedures consisted notably in: • reviewing 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; • testing, on a sample basis, the calculation of recoverable values used by the Company.

Verification of the Management Report and of the Other Documents Provided to Shareholders

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 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).*

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, 2017, MAZARS and ERNST & YOUNG were in the 28th year and 22nd 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.

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 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 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.

Paris La Défense, February 21, 2018

MAZARS		ERNST & YOUNG Audit	
Jean-Claude PAULY	Guillaume WADOUX	Isabelle SANTENAC	Patrick MENARD

APPENDIX D:

SOCIAL AND ENVIRONMENTAL INFORMATION

1. SOCIAL IMPACT OF SCOR'S ACTIVITY

1.1. PRESENTATION

- Introduction

  This appendix has been prepared in accordance with the regulations referred to in Article 225 of law No. 2010-788 of July 12, 2010 on France's national commitment to the environment (*Grenelle II*). The presentation also takes into account Recommendation No. 2013-18 of the AMF published on November 5, 2013 and available on the AMF's website. It describes how the Group ("SCOR" or the "Group") accounts for the direct effects of its activity on its employees and outlines the policies, actions and programs it has implemented in response, both at SCOR SE and its subsidiaries in France and abroad.

  This chapter is divided into two sections. The first section presents a series of Human Resources indicators that are consistent across the Group. The second section provides additional information and studies in further detail the actions and programs implemented within the Group.

- Methodology

  The Group Human Resources Department collects the data from the various Hubs and breaks it down by country where necessary. The information system used to manage Group employees is PeopleSoft HR. The Group Human Resources team, in charge of consolidating the data, performs weekly consistency checks of the PeopleSoft HR database.

  Each category in this section corresponds to an item of information mentioned in the French "Grenelle II" implementing decree which is itself explicitly mentioned.

- Scope

  The items mentioned in the document pertain to the entire Group except ReMark (154 employees, fully consolidated entity), MRM (5 employees, fully consolidated entity), Telemed (28 employees), Réhalto (45 employees) and the Lloyd's Channel Syndicate (132 employees). ReMark, Telemed and Réhalto are wholly-owned by SCOR Global Life SE. The Lloyd's Channel Syndicate is a subsidiary of SCOR Global P&C SE. MRM is a subsidiary of SCOR SE. They are all managed independently from the Group in terms of human resources (HR policies, processes, rules and frameworks, etc.).

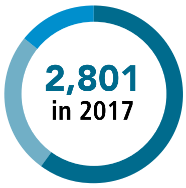
- Limitations of data collection and reliability

  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.

1.2. GROUP HR INDICATORS

1.2.1. BREAKDOWN BY HUB[1]

"Grenelle II" Indicator: Breakdown of employees by geographical area



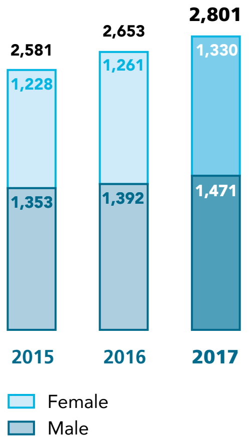
		2017	2016	2015
60%	EMEA	1,695	1,616	1,575
26%	Americas	727	702	723
14%	Asia-Pacific	379	335	283
Total excluding ReMark		**2,801**	**2,653**	**2,581**
ReMark[2]		154	149	125
TOTAL		**2,955**	**2,802**	**2,706**

(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.

(2) SCOR Global Life SE holds 100% of the capital of ReMark. Due to its specific activity, its own business model and its own specific organizational structure, ReMark's human resources are managed independently from the Group.

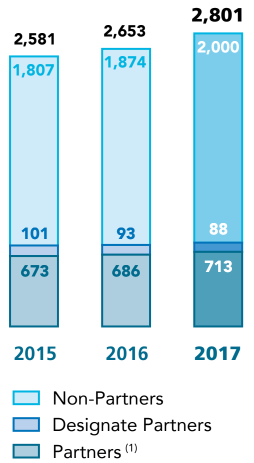
1.2.2. BREAKDOWN BY GENDER

"Grenelle II" Indicator: Breakdown of employees by gender



1.2.3. BREAKDOWN BY STATUS

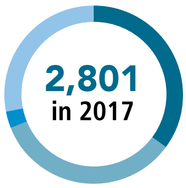
"Grenelle II" Indicator: Breakdown of employees (by status)



(1) Definition of Partner: see Note 1.2.8 – Total compensation: elements of compensation policy. The executive corporate officer is included in this population. This figure includes the decisions taken during the 2018 Partners promotions and nominations process which took place at the end of 2017.

1.2.4. BREAKDOWN BY DIVISION

"Grenelle II" Indicator: Total Headcount (by division)

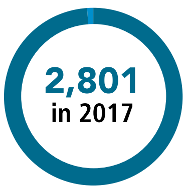


		2017	2016	2015
35%	SCOR Global P&C[(1)]	972	904	868
34%	SCOR Global Life[(2)]	959	876	865
3%	SCOR Global Investments	81	70	61
28%	Group Functions and Support[(3)]	789	803	787
Total excluding ReMark		**2,801**	**2,653**	**2,581**
ReMark[(4)]		154	149	125
TOTAL		**2,955**	**2,802**	**2,706**

(1) From 2014 to 2017, the Lloyd's Channel Syndicate (132 employees at December 31, 2017) 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) Starting from 2014, the former Transamerica Re employees were included in the divisions according to the global organization of the Group. From 2014 to 2017, Réhalto (45 employees at December 31, 2017) and Telemed (28 employees at December 31, 2017), wholly-owned subsidiaries of SCOR Global Life SE, are managed independently from the Group in terms of human resources and are not aggregated financially (or from an HR perspective) at level of the division.
(3) The "Group Functions and Support" division includes the Group's Finance, Risk and Operations Departments as well as the departments directly managed by the Chairman and Chief Executive Officer. SCOR SE holds 59.9% of the capital of MRM (5 employees at December 31, 2017). Due to its specific activity, business model and organization, MRM's human resources are managed independently from the Group.
(4) SCOR Global Life SE holds 100% of the capital of ReMark. Due to its specific activity, business model and organization, ReMark's human resources are managed independently from the Group.

1.2.5. BREAKDOWN BY TYPE OF CONTRACT

"Grenelle II" Indicator: Total headcount (by contract type)



		2017	2016	2015
99%	Permanent contracts	2,770	2,616	2,549
1%	Fixed-term contracts	31	37	32
TOTAL		**2,801**	**2,653**	**2,581**
Trainees[(1)]		136	118	91
TOTAL INCLUDING TRAINEES		**2,937**	**2,771**	**2,672**

(1) SCOR considers all employees paid under a tripartite relationship between the Company, a school and the student as trainees. SCOR had 136 trainees as at December 31, 2017 (44 in France, 15 in Switzerland, 22 in Germany, 6 in the US, 1 in Canada, 20 in the United Kingdom, 3 in Russia, 2 in Spain, 1 in Brazil, 7 in China, 4 in Hong Kong, 2 in South Korea, 7 in Singapore, 2 in Australia). 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.

1.2.6. NEW HIRES[(1)]

"Grenelle II" Indicator: New hires (by contract type and by gender)

	2017			2016			2015		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanents contracts	200	186	386	175	151	326	195	175	370
Fixed-term contracts	14	21	35	17	18	35	14	19	33
Trainees	92	88	180	80	82	162	75	50	125

(1) The Group had no particular difficulties in hiring in 2017.

Methodology: the definitions of "fixed-term contract" and "trainee" may vary from one country to another. SCOR defines "fixed-term contract" as a signed employment contract mentioning a termination date and "trainee" as an employee paid by the company under a tripartite agreement between the company, a school and the student employee.

1.2.7. DEPARTURES

"Grenelle II" Indicator: Departures

	2017			2016			2015		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Retirement	26	13	39	17	15	32	20	13	33
Resignation	68	87	155	83	74	157	74	66	140
Dismissal	34	25	59	39	38	77	17	19	36
End of fixed-term contract	5	14	19	11	7	18	8	14	22
Decease	-	-	-	2	1	3	2	-	2
Company transfer	1	-	1	-	1	1	1	3	4
Trainees	78	84	162	79	60	139	52	59	111

Methodology: employees on fixed-term contracts are considered to have definitively left SCOR when their contracts expire. Therefore, the 23 employees who signed a permanent contract in 2017 at the end of their fixed-term contract are not included in the indicator "End of fixed-term contract".

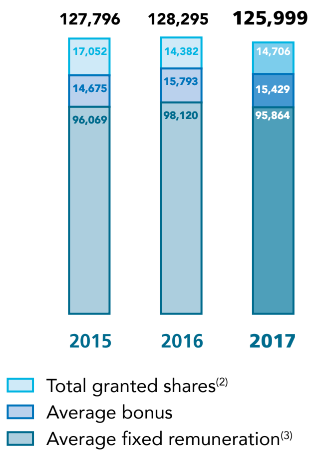
In 2017, the Group's staff turnover rate was 8%*.

1.2.8. TOTAL COMPENSATION[1]

"Grenelle II" Indicator: Compensation (composition of the package)

Compensation (composition of the package)

In EUR



(1) The executive corporate officer is not included. Total compensation is calculated on the basis of 2,800 employees as at December 31, 2017.
(2) Average fixed compensation is based on the annual base salary paid to the employee, prorated to actual hours worked.
(3) Amount calculated by multiplying the number of shares granted by the fair value of each plan which is calculated in accordance with IFRS.

Key elements of compensation policy

All employees have access to a full description of the Group's compensation policy on the Company intranet. This policy is consistent across all the Hubs and applies to the entire Group worldwide. In accordance with the Group's values, one of the policy's objectives (beyond retaining employees and rewarding performance) is to discourage excessive risktaking.

As a global group organized into three Hubs located in the world's main financial centers, SCOR offers competitive base salaries in order to position itself as a competitive player on the labor market and attract and retain talent.

SCOR maintains a holistic approach to compensation. Compensation for both Partners and other employees 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 assumed 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.

SCOR has established a "Partners" program. This program, which aims to involve the Partners in the capital of the Group, applies to approximately 25% of the total number of employees. It is a specific and selective program in terms of information sharing, career development and compensation schemes.

There are four main Partner levels: Associate Partners (AP), Global Partners (GP), Senior Global Partners (SGP), and Executive Global Partners (EGP). With the exception of the EGPs, these levels are then sub-divided into two levels, to take into account seniority or special achievements.

* 2017 Group staff turnover: number of departures in 2017 (excluding dismissals, deaths, company transfers and trainees)/headcount as at December 31, 2016.

The Company has a formal, carefully designed procedure for appointing and promoting Partners implemented every year during an Executive Committee meeting. Candidates must have consistently demonstrated their skills, leadership and commitment in the past.

For non-Partner employees, the SCOR cash bonus rewards individual performance over the previous year. The bonus varies between 0% and 6% of the annual base salary depending on the rating received in the individual appraisal by the employee's direct superior. This scale is increased by a multiplier (2 or 3) in some Hubs in order to take account of specific local labor markets.

For Partners, 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.

Bonuses are calculated based on annual gross salary. The components of the Partners' bonuses are linked to their Partnership level.

The Partners of SCOR are also eligible for 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, free shares are allocated to some partners with performance conditions measured over six years. The goal of this compensation scheme, the Long Term Incentive Plan (LTIP), is to retain certain key employees over the long term. The process is supervised by the Compensation and Nomination Committee of the Board of Directors.

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 addition, the Group pursues a policy of employee share ownership, which resulted in 221,160 shares being allocated to non-Partners in 2010, 141,020 shares in 2011, 168,440 shares notified in 2013, 199,750 shares in 2014 and 154,425 shares in 2015.

1.2.9. EMPLOYER SOCIAL SECURITY CONTRIBUTIONS

"Grenelle II" Indicator: Compensation (employer social security contributions)

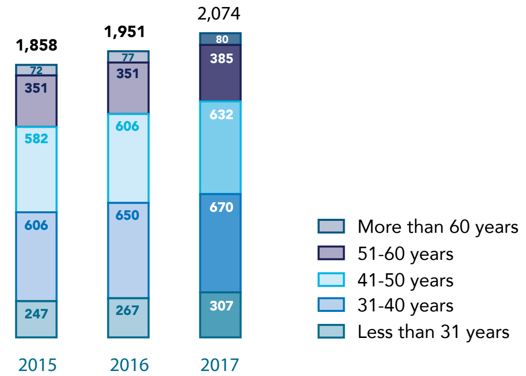
Amount of employer social security contributions paid

Hub *In EUR thousand*	**2017**	**2016**	**2015**
EMEA	69,895	59,209	58,210
Americas	18,697	18,330	15,910
Asia-Pacific	3,190	2,816	2,730
TOTAL	**91,782**	**80,355**	**76,850**

1.2.10. DISTRIBUTION BY AGE

"Grenelle II" Indicator: Breakdown of employees by age

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.

1.2.11. BREAKDOWN BY TYPE OF WORKING TIME

"Grenelle II" Indicator: Organization of working time

Breakdown of employees by type of working time (and by gender)

	2017			2016			2015		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	1,432	1,182	2,614	1,363	1,113	2,476	1,325	1,076	2,401
Part-time employees	39	148	187	29	148	177	28	152	180
TOTAL	**1,471**	**1,330**	**2,801**	**1,392**	**1,261**	**2,653**	**1,353**	**1,228**	**2,581**

1.3. ADDITIONAL INFORMATION

1.3.1. ORGANIZATION OF WORKING TIME

	"Grenelle II" Indicator
The standard annual working time in the Group is 206 days for employees with "cadre" status in France, 210 days for employees with "non-cadre" status in France, 215 days in Spain, 217 days in Italy, 218 days in Belgium, 220 days in the Netherlands, 247 days in Russia, 221 days in South Africa, 215 days in Kenya, 226 days in Ireland, 227 days in the UK, 246 days in Sweden, 223 days in Switzerland, 227 days in Israel, 219 days in Germany, 231 days in the USA, 245 days in Brazil, 241 days in Argentina, 241 days in Colombia, 242 days in Canada, 249 days in Mexico, 245 days in Chile, 230 days in Australia, 226 in China, 228 days in Hong Kong, 227 days in India, 227 days in Malaysia, 226 days in South Korea, 233 days in Singapore, 228 days in Japan and 229 days in Taiwan. As the concept of overtime does not exist in all countries and the calculation of overtime is very different from one country to another according to local law, it is not possible to present this data on a comparable basis this year.	Organization of working time
The length of absence[(1)] within the Group is 14,057 days in France, 11 days in Belgium, 13 days in the Netherlands, 282 days in Spain, 226 days in Italy, 542 days in Russia, 43 days in South Africa, 0 day in Kenya, 1,843 days in Ireland, 1,407 days in the UK, 203 days in Sweden, 2,176 days in Switzerland, 16 days in Israel, 1,979 days in Germany, 2,814 days in the USA, 196 days in Brazil, 15 days in Argentina, 194 days in Canada, 0 day in Mexico, 148 days in Colombia, 247 days in Chile, 179 days in Australia, 59 days in China, 329 days in Hong Kong, 59 days in India, 9 days in Malaysia, 26 days in South Korea, 1,025 days in Singapore, 21 days in Japan, and 9 days in Taiwan.	Organization of working time

(1) Sick leave, accident, maternity/paternity leave, sabbatical leave, exceptional leave are included.

1.3.2. LABOR RELATIONS

	"Grenelle II" Indicator
The Common European Companies Committee (*Comité Commun des Sociétés Européennes* – CCSE) met 5 times in 2017 (in Paris) on January 19, March 28, June 22, September 28, November 22.	Organization of employee/ management dialogue
72 meetings were held with staff representatives in Europe (33 meetings in France[1], 1 in Italy, 22 in Switzerland, 12 in Germany, and 4 in Sweden).	Organization of employee/ management dialogue
5 collective agreements were signed within the Group in 2017. These collective agreements are intended to improve the economic performance of SCOR and the working conditions of employees, notably by associating them more significantly with the Company's performance and improving employee benefits. 2 agreements were signed in France. The first one was signed in France on February 24, 2017 ("Droit à la déconnexion"). It describes the rights of the employees to disconnect from professional tools during rest periods. The second one was signed on March 31, 2017 ("Procès-Verbal de la Négociation Annuelle Obligatoire"). It defines a framework to monitor the employees' individual salary review process by taking into account their performance and the evolution of their responsibilities during the year. 1 agreement was signed in Italy on February 22, 2017 covering the reinsurance/insurance companies. It defines a global frame describing the organization of the work and the management of some elements of remuneration. 2 collective work agreements were signed in Brazil for the states of Rio de Janeiro and São Paulo: "Convenção Coletiva de Trabalho do Estado de Rio de Janeiro" (February 17, 2017) and "Convenção Coletiva de Trabalho do Estado de São Paulo" (not dated, covering 2017). These are general agreements establishing annual inflation salary adjustment and negociating certains benefits such as pharmacy, life insurance, child care, vacancies, weekly hours and others. No collective agreement related to health and safety in the workplace was signed in 2017.	Collective agreements review

(1) For France, this figure includes works councils meetings and employee representative meetings ("délégués du personnel").

1.3.3. HEALTH AND SAFETY[1]

	"Grenelle II" Indicator
27 meetings were held with the Group's staff representatives to discuss local health and safety conditions (7 meetings in France, 1 in Italy, 1 in Germany, 2 in Brazil, 15 in Colombia, 1 in Mexico).	Health and safety
3 occupational accidents[2] at the workplace with sick leave were recorded as at December 31, 2017 (2 in France, 1 in Argentina)[3]. 18 occupational accidents at the workplace without sick leave were recorded as at December 31, 2017 (11 in France, 1 in Germany, 6 in the United Kingdom)[3].	Occupational accidents and diseases
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 Section 1.3.5 – Diversity and equal opportunities and in Section 1.3.2 – Labor relations. Labor relations within the Group can be considered as good. A good social dialogue exists in each Hub and at the European level.	Compliance with ILO core conventions
In 2017, a number of measures for health protection/prevention were implemented: • in Germany, a variety of medical services is offered in cooperation with the Company doctor (e.g. eye examinations, vaccinations, massages, nutritional advice offer, organization of a 'health day', offer of ergonomic keyboard/mouse). A health and safety committee is in place; • in Switzerland, specific actions have been undertaken to support employees with stress management (including yoga and fitness classes, sports club membership), and solutions have been implemented to improve ergonomics at the workstation and to take care of employees' health (e.g. promoting a balanced diet); • in France, the document for the evaluation of occupational risks is reviewed by an external expert and updated to prevent all occupational risks by job type with the SCOR joint works committee (UES), regular medical appointments are organized for employees by the Occupational Health Department, support is provided for stress management especially through the sports association (a fitness room is located in the Kléber site), support is provided to employees experiencing difficulties at work: counselling (Réhalto). In 2017, SCOR created a steering committee focusing on the initiatives related to the health and safety topics; • in Spain, employees are offered an annual medical check-up (general medical examination and occupational risk prevention) and two training courses ("Cardiopulmonary resuscitation" and "Resilience: how to handle adversity humanly?"); • in the United Kingdom, employees benefit from eye test and work station assessments, pre-employment screening, medicals offered to staff after one year with the Company. Wellbeing day is held in the office twice a year to promote facilities available to employees (health checks, gym membership); • in Ireland, a flu vaccination campaign has been implemented; • in Sweden, a health care contribution is in place (training card).	Health and security

(1) Due to its non-materiality within the Group, information related to occupational diseases is not reported.
(2) Number of occurrences in the course of work which leads to physical or mental harm and absence.
(3) The frequency rate and the severity rate of accidents are not calculated as these indicators are not significant within the Group. However, SCOR has identified the number of occupational accidents within the Group to provide basic information on this subject.

1.3.4. PROFESSIONAL TRAINING

	"Grenelle II" Indicator
The strategic objectives of the training policy 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. The training policy forms part of the "SCOR University" concept, which extends training to the international level and harnesses the synergies of existing training schemes. The concept is structured around three pillars: Business, Management & Leadership, and Excellence.	Description of the training policy
56,301[(1)] training hours were provided by the Group in 2017. 36,639 training hours (EUR 1,765,246[(2)], 8,283 training participants) were provided in the EMEA Hub, 7,663 training hours (SGD 470,810, 1,674 participants) were provided in the Asia-Pacific Hub, 11,999 training hours (USD 440,429, 2,724 training participants) were provided in the Americas Hub. In 2017, on average, approximately 20 hours of training were given per employee (including the global e-learning programs).	Number of training hours

(1) 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.
(2) For technical reasons, this amount excludes taxes for France.

1.3.5. DIVERSITY AND EQUAL OPPORTUNITIES

	"Grenelle II" Indicator
A Code of Conduct was introduced in 2009, in which SCOR committed to providing 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. • In 2017, for the second time, SCOR organized a Global Diversity Week to promote diversity in all its forms within the Group, to encourage a global culture within the different locations and to emphasize good working relationships. Through a both humoristic and pedagogical global campaign on cultural diversity awareness and local actions on a specific type of diversity (age, culture, gender, etc.), the main objective was to favor good working relationships.	Combating discrimination and promoting diversity

	"Grenelle II" Indicator
• At the Compensation and Nomination Committee meeting on July 25, 2012, it was noted that SCOR had made progress towards achieving gender equality at work and that the initiatives must continue. This objective is part of the initiatives supported by SCOR to facilitate the access of female employees to key positions within the Group and enhance the talent pool. This approach is also consistent with the internal policy of equality when increasing salaries, performing appraisals or promoting to Partner status (a reminder of this principle is sent to the managers with the guidelines) and with the recruitment process, which is designed to eliminate any risk of discrimination. • The "SCOR International Gender Network" (SIGN), launched on November 4, 2016, has been implemented to promote gender diversity, which is a key factor in a company's performance. It includes the proposition of a mentoring program and several workshops to favor networking and to provide women with new development opportunities. • A European charter for gender equality was signed on January 29, 2015 at the European level by the Management and the members of the European Committee. It offers innovative features and actions to promote diversity. A global charter was signed by the CEO on November 4, 2016. It broadens the scope of the European charter and offers a set of values and commitments for all countries in which the SCOR group has a presence. • A continued effort was made to reduce the pay gap between men and women and to apply the principles of professional equality. • SCOR promotes its female talent, notably through the Group's participation in the Women in Insurance Awards (*Trophées de la Femme dans l'Assurance*) in France since 2014. In parallel, the following commitments (resulting from the agreement) have been made at the Paris site: 1. develop and maintain diversity in employment and recruitment, especially via the participation in the "Financi'Elles" network; 2. promote and ensure equal treatment in terms of pay and training between women and men working in equivalent fields and similar functions with the same skills, experience, responsibilities, performance and education; 3. ensure that absences related to maternity do not affect career development and salary; 4. promote compatibility between work and family life, especially through teleworking. • In the United Kingdom, several partnerships have been implemented: corporate membership with Cityparents (professional network promoting balancing family life with a progressive career), corporate membership with TWIN (The Women's Insurance Network), partnerships with various training agencies for mentoring and coaching men and women in leadership. Moreover, a gender diversity committee has been set up. • In Ireland, Lunch and Learn events have been organized to discuss age diversity within the Company. • In Sweden, a company Code of Conduct on diversity and equal opportunities is in place, as required for all companies with 25 employees or more. • In the US, the Equal Employment Opportunity report is completed annually, as required by the law.	Gender equality
• In Paris, an agreement was signed in 2009 on non-discrimination and equal treatment, recruitment and job retention, career planning and skills management for seniors. • In Germany: "Learning over Lunch" events continue to take place, with objectives such as the ways to help parents manage specific parental situations; there is one woman on the local Management Committee; part-time or flexible working arrangements are discussed to alleviate the difficulties faced by certain employees; paternity leave and child/parent care leave are promoted, teleworking is being considered (implementation of a pilot scheme), personal coaching and support and assistance for older employees are also in place, along with a pension scheme adaptable according to the employee's personal circumstances. • In Switzerland, the employees have been invited to participate and engage in a lively discussion on various aspects of Diversity and how to further improve Diversity at SCOR. • In Singapore, during the Diversity Week, a diversity lunchtime talk has been implemented to better identify the expectations of the Millennials (employees born between 1980 and 2000) and to better interact with them. More globally, playful events have been implemented to promote intergenerational diversity within the Company. • In Australia and in Singapore, lunchtime talks have been implemented to identify and overcome the unconcious biasness linked to the intergenerational differences. • In Australia, team building activities have been implemented to ensure good relationships within the Australian team. Teams were defined by taking into account the diversity of the members. • The SIGN network has been presented to the employees in Korea.	Combating discrimination and promoting diversity
The Group has 18 employees with disabilities: 3 in Germany, 2 in Switzerland, 11 in France, 2 in Italy.	Employment and integration of employees with disabilities

	"Grenelle II" Indicator
In Germany, the whole building has been adapted to be accessible to people with disabilities. An integration management program aiming to provide the right conditions to help certain employees return to work after long-term sick leave is also in place. In Switzerland, support can be offered to employees with disabilities returning to the Company after a long period of sick leave, which implies progressively introducing objectives, adapted to their situation. In Sweden, the office building is disability-friendly and special offices can be adapted to individual disabilities, as appropriate. In Ireland, the office building is disability-friendly. In the United Kingdom, evac chairs in the stairwell are made available for persons who are wheelchair bound. In France, SCOR places particular importance on the subject of disability and implements practical actions to allow equal access to all positions and to support the entry and retention of workers with disabilities. The following actions to promote the integration of employees with disabilities have been taken within the Paris site: • the building was built and designed taking into consideration all the arrangements required to facilitate the integration of staff with disabilities; • specific monitoring of employees with disabilities is handled by the Occupational Health Department in coordination with the human resources team in Paris (including adapting the organization of work and/or working conditions); • specific training was implemented for an employee with impaired hearing eligible for teleworking; • individual training dedicated to the new retirement scheme was implemented for employees with impaired hearing; • in 2017, participation to the "Officiel du Handicap" (national initiative led by public authorities, companies and associations specialized in this domain) and to the "Mission Handicap" (promotion of jobs for the disabled employees). In Belgium, the office building is disability-friendly. In Italy, specific measures have been taken to improve the ergonomics of workstations for some employees.	Measures to assist employees with disabilities

Methodological note

- The report covers the 12-month period from January 1, to December 31, of the year under review.
- The items mentioned in the document pertain to the entire Group except ReMark, Telemed, Réhalto, MRM and the Lloyd's Channel Syndicate. These first three entities are wholly-owned by SCOR Global Life SE and are managed independently from the Group in terms of human resources. The Lloyd's Channel Syndicate is a subsidiary of SCOR Global P&C SE and is managed independently from the Group in terms of human resources. MRM is a subsidiary of SCOR SE and is managed independently from the Group in terms of human resources.
- 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, a 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 2017 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.
- 2017 Group staff turnover is calculated as follows: number of departures in 2017 (excluding dismissals, deaths, company transfers and trainees)/headcount as at December 31, 2016.
- 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.
- Checks are performed by the local HR managers and the Group HR Department regularly 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 Group HR 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.

2. SCOR'S ENVIRONMENTAL AND CLIMATE POLICY

The information below, which relates to the environmental impact of SCOR's business, is presented in accordance with the regulatory provisions set out in Article 225 of law no. 2010-788 of July 12, 2010 on France's national commitment to the environment (*loi portant engagement national pour l'environnement*). This report also includes the requirements of transparency set forth by the law n° 2015-992 of August 17, 2015 on the energy transition for green growth (*loi relative à la transition énergétique pour la croissance verte*), notably the information required by Article 173 on the "low carbon" strategy.

In accordance with the recommendations of the Autorité des Marchés Financiers, this report includes information on the methodology used as well as on its potential limitations. This section of the report also includes ancillary information, as well as immaterial categories, for which SCOR applies the "comply or explain" principle.

2.1. FRAMEWORK AND GENERAL ORGANIZATION

2.1.1. FRAMEWORK

SCOR's environmental approach is guided by its Climate policy. Adopted in 2017, this policy draws on the international initiatives to which SCOR has been adhering for many years as regards the environment and the fight against climate change. A signatory to the United Nations Global Compact (2003) and the Kyoto Protocol (2009) under the aegis of the Geneva Association, SCOR is also a founding member of the Principles for Sustainable Insurance (2012). Similarly, the Group is a signatory of more recent initiatives and statements such as the "United for Resilience statement" (2015), the "French Business Climate Pledge" (2015, 2017) and the "Decarbonize Europe Manifesto" (2017).

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 them and specifies the Group's organization in order to ensure proper implementation. The Group's Climate policy also outlines the level of actions that contribute to address climate change:

- climate risk management: it notably draws on (i) the promotion of climate-related risk management research and (ii) the development of solutions contributing to climate change adaptation and mitigation;
- the environmental impact of operational processes: the measures taken aim notably to reduce the carbon intensity stemming from office management, control business travel, and implement a carbon offsetting program;
- targeted sectoral exclusions: the sectors from which the Group has announced its withdrawal or a strengthening of its selection criteria are outlined in these guidelines.

2.1.2. GENERAL ORGANIZATION

The monitoring of issues related to the Group's environmental strategy is embedded in SCOR's system of governance, i.e. (i) at the Board of Directors through a dedicated Corporate Social Responsibility Committee created in October 2017, the working sessions of which will start in February 2018, and (ii) at the Group Executive Committee through the Group Chief Operating Officer.

At an organizational level, the Group's environmental policy is monitored by the Group General Secretary through the Head of CSR who, besides being responsible for compliance with environmental information disclosure requirements , encourages, coordinates and federates Group-led environmental initiatives.

2.2. CLIMATE RISK MANAGEMENT

2.2.1. FOSTERING RESEARCH INITIATIVES IN THE AREA OF CLIMATE RISK MANAGEMENT

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 insitutional 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 is a member of the steering committee of the Insurance Development Forum, which is an organization dedicated to climate resilience enhancement.

Moreover, SCOR is one of the earliest supporters of OASIS, a British non-profit organization developing an open source platform for the modeling climate events. The Group has also partnered with Climate-KIC, one of the largest public-private partnerships designed to combat climate change.

The SCOR's Corporate Foundation for Science also promotes climate-related research. 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 has also decided to support a research project on the exposure of coastal zones under different sea-level-rise scenario and its implications in terms of adaptation strategy (see section 3.2 Relationships with stakeholders).

Beyond its institutional commitment and the continuous enhancement of its own natural catastrophe modeling tools, SCOR embeds climate-related risk management considerations in its ESG report on investments. Drawing on its expertise, the Group assesses the potential physical climate-related risks to which its investments in real-estate, infrastructure loans and real-estate loans are exposed. Transition risks induced by climate change are also another area of investigation for which the Group explores several different risk metrics on a large portion of its investment portfolio. Further information is available in the ESG report on investments, prepared in compliance with Article 173 of the French law on energy transition for green growth, and published on the Group's website in June 2017.

2.2.2. DEVELOPING ADAPTATION AND MITIGATION SOLUTIONS

At their own scale, the Group's operational divisions contribute to the development of climate change adaptation and mitigation solutions in their core activities.

Through the provision of a wide range of covers, and its risk rating and pricing function, the insurance and reinsurance industry plays a significant role in improving societies' climate resilience and is amongst the solutions to climate change adaptation. Indeed, natural catastrophes are a key risk in SCOR's Property and Casualty business. SCOR provides effective reinsurance protection against natural catastrophes which creates significant benefits for Society particularly at a time of increased extreme events partly driven by climate change. Furthermore, it contributes on its own level to climate change mitigation policies, through providing reinsurance coverage to projects participating in the energy transition and developing related expertise.

The Group's investment activities also contribute to the fight against climate change and to the energy transition. In the context of its strategic plan "Vision in Action" (2016-2019), SCOR reaffirmed its commitment to finance the energy transition through an additional investment of up to EUR 500 million in renewable energy sources and energy-efficient buildings. Moreover, SCOR is involved in strategies for adapting to climate change through its asset-management company, which is a signatory of the Principles for Responsible Investment (PRI). This company designs, trades and invests in financial products that provide capacities for the coverage of natural catastrophes (in the form of "Cat bonds" and "Insurance Linked Securities"). The marketing of real-estate and infrastructure debt funds in which environmental considerations are embedded contributes to the transition to a low-carbon economy. By way of illustration, the SCOR Infrastructure Loans III fund, launched in November 2017, has been awarded the EETC label ("Energy and Ecological Transition for Climate"). Launched in 2015 by the French Ministry of Environment, Energy and Marine Affairs, this label guarantees that a fund invests most of its assets in environmentally-friendly activities and that it excludes nuclear and fossil fuel businesses as well as companies involved in controversial environmental or social practices. Further information is available in the ESG report on investments, prepared in compliance with Article 173 of the French law on energy transition for green growth, and published on the Group's website in June 2017.

2.3. ENVIRONMENTAL IMPACT 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;
- waste management and water consumption;
- 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. A pilot experiment regarding carbon offsetting supplements this objective.

2.3.1. 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 it be in its projects of extension or relocation, the Group integrates environmental considerations when selecting its offices, notably office buildings it intends to acquire. The Group favors so-called sustainable or ecoresponsible construction. SCOR is attentive to obtaining of either an energy efficiency, or environmental certification, as far as design and construction or renovation are concerned. These considerations may be subject to a tradeoff with other constraints such as the localization of the office or its availability.

With the acquisition of tertiary buildings meeting the aforementioned standards, the environmental quality of the Group's property portfolio hosting its employees has significantly improved since 2009.

One of the two sites in London is BREEAM (BRE Environmental Assessment Method) certified whilst the Group's office premises in Cologne have a European energy efficiency label. In Paris, the Group owns two buildings for its own use. One of them is HQE (Haute Qualité Environnementale) certified for the design and the construction phase. The other one that has been hosting part of the Parisian staff since April 2017 and rated "excellent" for the design phase under the HQE certification scheme. In Singapore, SCOR's team moved into new offices in April 2017, inside a newly built building which was awarded a Green Mark Platinum certification label from the Building Construction Authority of Singapore

This approach is gradually expanding to office premises in which the Group is a tenant.

The Group not only integrates environmental considerations in its projects of extension or relocation (see above) but it also promotes an ecoresponsible management of its office premises through the implementation of environmental management systems where feasible. SCOR's employees are regularly informed of the measures taken by the Group to protect the environment. At the end of 2017, 50% of the Group's employees in the scope of the environmental reporting processes are covered by a certified environmental management system (43% in 2015).

The proactive roll-out of such systems also allows to increase the environmental profile of the office premises which are subjected to them. The environmental profile of one of SCOR's office in Paris has thus been further increased following the 2017 annual audit of certification on the building's operation. Since the adoption of the HQE operation standard, the environmental rating of this office building has been upgraded four times.

Moreover, so as to develop an ecoresponsible use of office premises, employees are regularly informed about the Group's environmental actions through various channels of communication. The Group's Code of Conduct is the first source of information and awareness raising: an entire section of the Code is devoted to the United Nations Global Compact and to the Principles for Sustainable Insurance.

In addition, information and awareness raising actions are carried out Group-wide through internal communication materials, as well as in several Group's locations, through events dedicated to environmental issues. For instance, the Group's Paris office organizes every year an event during the Sustainable Development Week whilst in London, employees have been invited to share ideas that would enable the Group to further enhance its environmental performance.

2.3.2. ENERGY CONSUMPTION MANAGEMENT AND RENEWABLE ENERGY USE

In the context of its "low-carbon" approach, the Group focuses on the management of its energy consumption sources and the purchase of energy produced from renewable sources.

The Group consumed almost 17.1 GWh in 2017 to operate the premises occupied by its staff (lighting, heating, cooling – including data centers[1] – 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 (67%). The share of renewable energies has significantly increased in 2017, thanks notably to the Paris office's shift to a 100% renewable energy supply of electricity. They now account for 67% of electricity purchases in 2017 whereas this share was 31% in 2015.

Due to the global nature of SCOR's activities, business travel, notably by air, constitute an important source of energy consumption and a major share of the Group's greenhouse gas emissions. In 2017, almost 42.6 million kilometers were travelled either by plane (95%) or by train (5%).

The streamlining of business travel is sought through a high definition videoconferencing and telepresence network and the implementation of a travel policy which sets out principles and rules for a reasonable and ecoresponsible use of transportation. Besides, the Group has started the deployment of a centralized transportation booking platform which will streamline and expand the information available.

2.3.3. WASTE MANAGEMENT AND WATER CONSUMPTION

The Group has implemented proportionate processes both in terms of reduction and recovery of its waste production on its main locations. In this respect, SCOR selectively monitors its waste, particularly the most toxic products for the environment (electronic and computer waste, batteries, ink cartridges and toners, etc.). The production of paper and cardboard waste is also monitored and consolidated throughout the Group, although the reinsurance industry uses less paper than the insurance industry due to less desktop publishing.

Most of the sites surveyed in 2017, including the smallest locations, were able to consolidate their paper waste volumes. To a lesser extent, these sites also managed to report on the other types of waste listed above.

In 2017, sorted and recycled "paper waste" amounted to 133.8 tons. Paper recycling is a practice implemented in most of the locations surveyed. The volume of paper sorted and collected for recycling is higher than the volume of paper purchased over the year (68.3 tons). This difference is mainly due to recurring archive clean-ups and to the inclusion of other waste in the "paper waste" category such as cardboard and newspapers.

Although SCOR's offices are located in urban areas not subject to particular water stress, SCOR includes water consumption to its environmental reporting process. The Group's total water consumption[2] was 44,615 m^3 in 2017. Water consumption mainly stems from employees own consumption, air conditioning systems and in a few cases from the maintenance of green spaces.

2.3.4. GREEN HOUSE 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 by 15% per employee for 2020 on the first two scopes of the GHG protocol. Moreover, whilst the Group strives to actively manage business travel emissions, a pilot offsetting program has been launched by SCOR in 2017 on part of these emissions. This program includes the purchase of certified carbon credits originating from agroforestry projects. To involve the whole Group in this initiative, two proposed forest protection projects, one in Zimbabwe and one in Peru, were submitted to a vote by SCOR employees throughout the world. In the end both projects received a similar number of votes and they were both selected. These carbon credits are not deducted from the amount of greenhouse gas emissions reported below.

Amongst the six gases covered by the Kyoto Protocol, carbon dioxide is the main greenhouse gas emitted by SCOR's operational processes. The Group focuses on the most significant sources of emissions, specifically energy procurement, consumption of fossil fuel linked to employees' business travel, and emissions stemming from paper consumption although for the latter the volume of emissions is insignificant.

(1) Energy consumption by outsourced data centers is not factored in, unlike data centers directly owned by the Group.

(2) As water consumption is sometimes included in rental charges, it may not be possible to identify the actual consumption for some of the sites included in the scope of reporting. In these situations, the consumption is estimated by application of a standard ratio set out in the environmental reporting protocol (50 liters per employee and contractor per day on the basis of 230 business days). The share of water consumption estimated according to this method accounts for 24% of the quantity reported above. Moreover, condensed water used for the cooling of the data center on very few of the locations subject to the environmental reporting is excluded from the scope of reporting.

Other sources of emissions may be significant in the context of the Group's operations management but for pragmatic reasons SCOR only focuses on the sources which provide a more immediate lever of control. Information on these other significant sources of greenhouse gas emissions that have been left out of the environmental reporting process are available in Section 2.5 – Methodology of this report.

In 2017, the Group's emissions related to its operational processes, and calculated as outlined in the Section 2.5 of this environmental report, amounted to 21,456 tons of CO_2 equivalent or 7.3 tons of CO_2 equivalent per employee. These emissions are divided by SCOR's employees only, although the ones produced by the service providers and other tenants hosted on some of SCOR's locations are included in the figure. This tends to an overestimation of the calculated carbon intensity of the Group.

Most of these emissions were driven by business transportation representing around 83% of the Group's emissions of which air transportation accounted for 98%. The emission rate retained includes the upstream phase (extraction, refining and transport of the fuel) and the combustion phase. With regard to air transport, gases outside of the Kyoto protocol are also taken into account (mainly water vapor generated by jet engines). Stripping out gases not included in the Kyoto Protocol, the Group's emissions fall to 13,580 tons of CO_2 equivalent of which air transportation accounts for 70%.

2.3.5. MAIN INDICATORS AND COVERAGE RATIO AS A PERCENTAGE OF SCOR'S TOTAL WORKFORCE

Indicator	Unit	Data 2017	Coverage (1)	Data 2016	Coverage (1)
Energy (2)	kWh	17,052,920	85%	17,795,277	84%
Water	m^3	44,615	85%	45,149	84%
Sorted and recycled paper waste	kg	133,761	58%	183,889	71%
Air transportation	km	40,472,224	94%	42,750,431	94%
Rail transportation	km	2,118,896	85%	2,240,809	89%
GREENHOUSE GAS EMISSIONS	**TeqCO_2**	**21,456**	**-**	**22,627**	**-**

(1) The coverage rates correspond 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. Channel Syndicate employees are therefore not included in the coverage rate whilst the above indicators include their consumption, their business travel and the related greenhouse gas emissions. Further information on the scope of reporting can be found in Section 2.5 of this report.

(2) Of which electricity (67%), fuel and gas (12%), other heating sources (5%) and other cooling sources (16%).

2.4. TARGETED SECTORAL EXCLUSIONS

In the frame of the French Business Climate Pledge signed in November 2017, SCOR has confirmed the previously announced development of a coal policy in its underwriting activities as well as a strengthening of the commitments taken with respect to its investments in 2015. These policies set out the frame in which the Group proceeds to targeted exclusion in the coal-related industry.

2.4.1. GUIDELINES APPLYING TO UNDERWRITING ACTIVITIES

In the Group's underwriting activities, the Group has committed not to issue insurance or facultative reinsurance that would specifically encourage new greenfield thermal coal mines or stand-alone lignite mines or plants.

Moreover, in order to reinforce its selection process of all its other projects, the P&C division has decided to implement an internal scrutiny process that helps evaluate environmental, social and governance practices in the coal-intensive industry.

2.4.2. GUIDELINES APPLYING TO INVESTMENT ACTIVITIES

The Group, which in 2015 had divested from companies that derive more than 50% of their turnover from thermal coal, as part of the first French Business Climate Pledge, whilst pledging not to make any new future investment in these companies, lowered this threshold to 30% in 2017. This initiative applies to SCOR's Invested Assets porfolio, which includes corporate bonds, equities, loans (including infrastructure loans), real estate and other investments.

2.5. METHODOLOGY

Scope of environmental data collection

This environmental report covers the parent company (SCOR SE) and the main locations of its subsidiaries in France and abroad which are fully consolidated in the financial statements with the exception of Remark Group (154 employees) and MRM (5 employees). These companies account for 5.4% of employees fully consolidated in the financial statements. Although Channel Syndicate (132 employees, 4.5% of employees fully consolidated in the financial statements) is managed independently from the Group in terms of human resources, SCOR includes this entity in its environmental reporting process. Associates and affiliates are excluded from the scope (see Section 4.6.22 – Notes to the consolidated financial statements, Note 22 – Related party transactions).

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 85.2% of employees (as of December 31, 2017) of legal entities fully consolidated in the financial statements plus Channel Syndicate which is located in the Group's London premises.

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 94.3% of globally consolidated employees due to the exclusion of Remark Group from the environmental reporting process and 99.6% of them were able to report on this indicator, even though information for all of the sites falling within the data collection scope is not available and the Remark Group is excluded.

A table has been included providing an overview of the rate of coverage for a selection of indicators.

Consolidated data covers a 12-month period, generally from November 1, 2016 to October 31, 2017.

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, besides Channel Syndicate employees who are included in this environmental report, several 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. Channel Syndicate employees and other tenants' employees hosted by these sites account for 20.5% of the employees of the legal entities fully consolidated in the financial statements as defined in the section "Scope of environmental data collection". Channel Syndicate's business travel data are consolidated.

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 CO2 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 main sources of greenhouse gas emissions of the Group may also include emissions stemming from investment for which indicative metrics are presented in the ESG report on investments. This report prepared in compliance with Article 173 of the French law on energy transition for green growth, was published on the Group's website in June 2017.

Categories of the article R. 225-105-1 deemed as ancillary or excluded from the environmental report

Resources dedicated to preventing environmental risk and pollution

Quantitative information is not itemized in SCOR's control and budget monitoring system. However, besides compliance with local standards and regulations as well as the roll-out of a travel policy calling for environmentally aware use of transport, SCOR devotes proportionate means and resources to the prevention of environmental risk and pollution. As described in Section 2.1.2 of this report, the Group's affiliates deploy environmental management systems on most of their premises where the Group is the sole or main operator/manager.

Provisions and guarantees covering environmental risks

The Group has not made any provisions or guarantees covering environmental risks, since SCOR has not been subject to any prosecutions or litigation involving its civil liability.

Description of the measures taken to prevent any air, water and ground pollution seriously affecting the environment

This category is not material due to the nature of the Group's business (i.e. financial services). Greenhouse gas emissions are covered in the section entitled "Greenhouse gas emissions". Due to the nature of its business, other discharges in air, water or ground seriously affecting the environment are not significant and are covered by environmental management systems at the Group's affiliate sites where they are the main operator/manager.

Description of the measures taken to prevent sound pollution or any other form of pollution specifically concerning the Company

This category is not material due to the nature of the Group's business (i.e. financial services). The direct impact of the Group's business is insignificant in terms of sound pollution.

Measures taken to prevent food wastefulness

This category is not material due to the nature of the Group's business (i.e. financial services). The Group has no tangible influence on food wastefulness. However, in some of the Group's locations, notably where collective catering is provided to its employees, some measures are taken in this respect in collaboration with the service provider. This is notably the case at the Paris offices where awareness raising campaigns on this issue have been conducted.

Raw materials consumption and measures taken to improve their efficiency of use

Financial services activities do not directly consume raw materials, but indirectly through their procurement of furniture, office equipment, and information technology (IT) and office equipment. In areas where the Group has a centralized function dedicated to the purchase of office supplies such as IT equipment, environmental standards are taken into account in the selection of equipment. This also holds true for the acquisition of commercial property, where a clear focus has been put on green credentials (i.e. environmental certification of the design and construction phases).

Otherwise, furniture and office equipment are managed locally and green standards are progressively integrated in various areas such as paper ream purchases[(1)] which came to 68.3 tons in 2017. Recycled paper and paper carrying the FSC or PEFC label represented around 84% of these purchases.

Ground use

This category is not material due to the nature of the Group's business (i.e. financial services). Ground use is limited to the surface area of office buildings hosting Group employees.

Measures taken to preserve and develop biodiversity

Although this category of information is not material due to the nature of the Group's business (i.e. financial services), some of the Group locations contribute in their own way to protecting the surrounding biodiversity. For example, Paris and London have installed bee hives on their roofs and ecoroofs and gardens made of diversified plant species and varieties (Paris).

(1) Printed documents ordered from printing companies are excluded from the scope of reporting.

3. INFORMATION RELATED TO SOCIETAL COMMITMENTS IN SUPPORT OF SUSTAINABLE DEVELOPMENT

The information below, which relates to the Group's societal commitments in support of sustainable development, are presented in accordance with the provisions set out in Article 225 of law no. 2010-788 of July 12, 2010 on France's national commitment to the environment. The sections are presented in the same order as Decree No. 2012-557 of April 24, 2012 relating to corporate transparency requirements in social and environmental matters. Unless otherwise specified, the information below applies to the Group and its direct impact.

3.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF SCOR'S ACTIVITIES

Employment and regional development

SCOR employs 2,801 staff worldwide (excluding Remark, MRM, Rehalto, Channel Syndicate and SCOR Telemed as well as other companies that were integrated during 2017), including 788 in the greater Paris region (France).

Neighboring and local residents

Not applicable given the location and nature of the sites used by SCOR SE and its subsidiaries in France and abroad.

3.2. RELATIONSHIPS WITH STAKEHOLDERS*

Conditions for dialogue with the above-mentioned people or organizations

Aside from its employees, for whom the conditions for dialogue are set out in Note 1.3.2 – Labor relations, SCOR maintains relationships with a broad range of stakeholders directly affected by its business. These stakeholders include:

- shareholders and investors;
- clients and reinsurance brokers;
- financial and non-financial rating agencies;
- national supervisory authorities for the insurance and reinsurance industries in countries in which the Group has subsidiaries (e.g. *Autorité de contrôle prudentiel et de résolution* – France, Prudential Regulation Authority – United Kingdom, Monetary Authority of Singapore – Singapore, Central Bank of Ireland – Ireland, *Autorité fédérale de surveillance des marchés financiers* – Switzerland, as well as the insurance commissioners of the States in which the Group's American subsidiaries are registered in the United States of America);
- trade associations representing the interests of the insurance and reinsurance industry (e.g *Fédération Française de l'Assurance, Association des professionnels de la réassurance en France*, Insurance Europe, The Geneva Association, American Council of Life Insurers, Reinsurance Association of America, Chief Financial Officers Forum, Chief Risk Officers Forum, Chief Compliance Officers Forum, Reinsurance Advisory Board, Global Reinsurance Forum);
- non-governmental organisations and institutions such as for the latter the United Nations Program for the Environment via its financial initiative, the United Nations Global Compact as well as the Insurance Development Forum (IFD), which is a multi-stakeholder initiative gathering the United Nations, the World Bank Group, other international institutions and the (re)insurance industry.

SCOR has implemented a number of different methods for communicating with the above-mentioned stakeholders. These methods are tailored to each type of relationship (e.g. regular meetings, participation in working groups, client events on various topics including the technical aspects of reinsurance, on-demand information transmission, the production of regulatory reports). Generally, when such practices are not imposed by regulatory provisions, the Group does its utmost to adopt the best practices identified in each country.

In addition to the previously mentioned stakeholders and besides the relationships between the Group and a number of institutions that promote actuarial science, SCOR makes a particular effort towards educational establishments.

In France in particular, SCOR contributes to the financing of educational institutions through the payment of an apprenticeship tax to schools or institutions that provide work-study programs. Each year, SCOR welcomes apprentices and young interns who occupy technical or administrative functions.

The Group's French subsidiaries also work with sheltered workshops with respect to the procurement of pieces of office furniture. This kind of collaboration is designed to promote integration and employment access for the disadvantaged.

Partnership and sponsorship schemes

SCOR follows an active policy of partnership and sponsorship, notably at Group level in the field of scientific promotion and locally through its commitment to local communities and its support for the arts and culture.

Scientific partnerships and sponsorships

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

* Relationships between the Group and people and organizations affected by its business, particularly non-profit employment agencies, educational establishments, environmental protection agencies, consumer associations and neighboring residents.

forms (corporate sponsorship, scientific research partnerships) and in a number of fields linked to risk, uncertainty, and reinsurance, both in France and abroad.

The SCOR Global Life R&D Centers have established various scientific partnerships in the past. Active partnerships are the following: the Assmann Foundation on cardiovascular diseases (EUR 100,000 annually), The ADERA (Association for the development of teaching and research in universities, research centers and businesses of Aquitaine – INSERM) on the long-term care risk (EUR 100,000 annually) and the Pierre and Marie Curie University at the Pitié- Salpêtrière hospital on HIV developments (EUR 30,000 annually).

The Group or its Foundation as appropriate also contribute to the promotion of actuarial science by helping to fund actuarial awards in cooperation with local actuarial institutes both in Europe (Germany, Spain, Portugal, France, Italy, the UK, Switzerland and Sweden) and Asia (Singapore). Besides the actuarial prizes, the SCOR has been organizing since 2015 in partnership with the *Institut des Actuaires* (Institute of Actuaries) a symposium on actuarial sciences, in Paris. In November 2015, the conference was dedicated to "Actuarial and Data Science", in December 2016, it focused on "Scientific laws and mathematical models: from physics to actuarial science", and in December 2017, the theme was "Will Artificial Intelligence revolutionize actuarial science?".

Cofounded in partnership with Nanyang Technological University in March 2011 and part of Nanyang Business School, The Insurance Risk and Finance Research Center (IRFRC) sponsors and conducts primary research on insurance and insurance-related risk management in the Asia-Pacific region. This Center organizes an annual scientific conference in this region of the world. In collaboration with academic experts and insurance industry partners, of which SCOR, the Center leads the CyRiM project (Cyber Risk Management Project). This project aims to pave the way to the development of an efficient cyber risk insurance market.

In France, SCOR has launched significant research partnerships in the field of economics and finance, notably in collaboration with the Foundation Jean-Jacques Laffont – Toulouse School of Economics (TSE) chaired by the 2014 Nobel Prize winner, Jean Tirole. The two chairs financed by SCOR, "Market Risk and Value Creation" (since 2008) and "Finance" (since 2009), have enabled Jean Tirole and the researchers at TSE to conduct outstanding theoretical and empirical research into risk, which may be consulted on SCOR's website.

Additional information on some of these sponsorship and scientific partnership programs is available in Section 1.2.6.2 – Research and development, patents and licenses of this document.

SCOR's commitment to science also involves its corporate foundation too. Registered in the Official Journal of Associations and Foundations in July 2012, the SCOR Corporate Foundation for Science is supported by a Board of Directors chaired by André Levy-Lang. The Foundation is also supported by a very high-level interdisciplinary and international scientific board, which helps it to define its strategic priorities and to select projects to support.

The Foundation benefits from annual financial support from SCOR of EUR 1.5 million to support the Group's existing scientific research operations as well as new projects. SCOR has pledged EUR 7.5 million to the Foundation's five-year program.

Since its very early days, the SCOR Coporate Foundation for Science has been financing seminars and colloquiums on various scientific subjects such as emerging infectious diseases, longevity risk for modern retirement schemes, or economic agents' expectations in an economic crisis. In the same way, it will soon be supporting an international seminar in Paris on meteorites in collaboration the French Muséum national d'Histoire naturelle.

The foundation also co-organises scientific seminars. Following the success of its first international scientific seminar on the question of the anticipation and insurability of climate risks in 2015, the Foundation organized a second conference in partnership with the Geneva Association in March 2017 on "How will risk modeling shape the future of risk transfer?". During this event scientists and insurance industry representatives focused on risk modeling. They discussed the contribution of catastrophe risk models to the (re)insurance industry over the last 25 years, the way in which the latest development/advances in climate and earth observations could be harnessed for designing the next generation of forward-looking models and on how these models could provide the overall population with a better insurance coverage. Furthermore, the Foundation teamed up in 2017 with the Inserm (*Institut de la santé et de la recherche médicale* – Institute of health and medical research) within the framework of an international conference on infectious diseases and pandemic risks which will be held in 2018.

The Foundation also funds scientific research projects as part of its working program. In 2017, its scientific committee and Board of Directors selected two new research projects: (i) a project on the exposure of coastal zones under different scenarios of sea-level rise and its implications in terms of adaptation strategy (University of Amsterdam), (ii) a research chair on macroeconomic risk and its modeling (Paris School of Economics). These new projects add to the commitments taken by the Foundation over the last few years: Death risk modeling for the 90 years old and above in Belgium, France and Quebec and its evolution since 1980 (*Institut national des études démographiques* – National institute of demographic studies), feasibility and development studies on satellite imagery technology-based insurance solutions for the coverage of forage harvest (University of Ontario), modeling of life expectancy at older ages (University of South Denmark), development of a Global Earthquake Forecast System and an early warning system in collaboration with the ETH Zurich Foundation, emprical research on insurance companies' attitude towards risk management in the United-States (HEC Montreal Foundation/Campus Montreal Foundation), research on Alzheimer's disease with the Alzheimer Research Foundation, promotion of actuary in Africa through providing teacher training on actuarial techniques and creating a training program in collaboration with the ISFA of the University Claude Bernard in Lyon.

Besides, the SCOR Corporate Foundation for Science financially supports young scientists with various awards in a variety of areas. Beyond the actuarial prize aformentioned, the Foundation rewards every year a young scientist in the field of Alzheimer's disease research, as part of its financial support which it grants to the Alzheimer Research Foundation (cf. supra). In 2017, the Foundation renewed for the second consecutive year its commitment to the Institut Europlace de Finance by awarding the Best Young Researcher Prize in Finance and Insurance, during the Financial Risk International Forum.

Commitment within local communities

Apart from the involvement described above in the development and diffusion of scientific knowledge, SCOR runs several sponsorship programs throughout the world that get its offices and teams involved in the life of the local population. Steered locally in order to be as close as possible to the needs of the communities, the Group entities strive to develop and roll out their own societal commitment program, with due consideration for the specific cultural and/or regulatory features of the countries from which they conduct their activities.

As an illustration, the SCOR Global Life Americas teams in the United States (Charlotte, Kansas City and Minneapolis), are, with the encouragement from General Management, engaged in social actions by supporting various charity operations under the label "Esprit de Corps". This program which groups together a number of social and philanthropic activities, enables staff to devote four hours per month to voluntary work for the nonprofit associations of their choice. Other charity organizations such as United Way are also supported by SCOR Global Life Americas. Also in the United States, the SEAC (SCOR Employee Activity Committee), an employees' association of SCOR, mobilized twice in 2017 alongside the NGOs Concrete Safaris and Volunteers of America.

In Europe, the EMEA Hub subsidiaries are also engaged in associative activities. In France in 2017, SCOR employees participated for the second year in a row in a charity run called "Les Foulées de l'Assurance", which gathers insurance professionals in support of heart disease prevention research.

Lastly, in Asia, SCOR employees took action on several occasions in defense of the environment. As an example, in October 2017, the SCOR Singapore teams participated alongside the French Chamber of Commerce to the 32nd Singapore coastal clean-up day.

Support for the arts and culture

SCOR is a longstanding partner of culture and the arts, notably in France (Orchestre de Paris), Germany (Walfart Contemporary Art Museum) and the United States where the staff of SCOR Global Life Americas, based in Charlotte, North Carolina are involved in fundraising campaigns for the Art & Science Council.

3.3. OUTSOURCING AND SUPPLIERS

Consideration of societal and environmental challenges in purchasing policy

In the context of its worldwide activities, SCOR endeavors to adopt best practices in each of its locations.

In the French subsidiaries covered by this report, any employee who deals with a supplier or contractor must, before concluding a contractual partnership, ensure that said supplier or contractor complies with the requirements of the Group's Code of Conduct or with equivalent requirements. The purchase contract model developed by the Group's Legal Department, thus contains a specific section on the Code of Conduct. This framework agreement also contains an appendix, the Sustainable Development Charter, which begins with a reminder of SCOR's adherence to the principles of the United Nations Global Compact, and sets out the Group's expectations with regard to its suppliers and subcontractors in the fields of labor relations, health and safety conditions, the environment, ethics and the way in which they must integrate these expectations into the design of their products and services.

Scope of subcontracting and consideration in relation with suppliers and subcontractors of their social and environmental responsibility

The Group's procurement chain is not complex. Assistance from external service providers mainly consists of IT development and maintenance, as well as maintenance and operations of the buildings from which SCOR conducts its business. The diligences stated above are applied to the conclusion these outsourcing contracts. Adopted by the Group in 2017 following the enforcement of UK Modern Slavery Act, the Statement on slavery and human trafficking complements these guidelines (see Section 3.5 – Human Rights).

3.4. FAIR PRACTICE

Anti-bribery measures

SCOR conducts its business in a manner reflecting a high degree of integrity, professionalism and responsibility. SCOR is a member of the United Nations Global Compact and is in line with its principles, and particularly with its 10th principle concerning the fight against corruption.

SCOR's Code of Conduct, which was updated in 2017 to comply with the Sapin II law (Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the moralization of economic life), forbids all forms of bribery or intimidation, in France and in other countries, in both private and public sectors.

The breadth and scope of the anti-bribery program has also been reexamined, so as to comply with the requirements of this new law (policy update, risk mapping and preparation of awareness measures).

The Group has implemented a zero-tolerance anti-bribery policy, providing guidance on banned activities, key principles and requirements regarding (i) gifts, hospitality and entertainment, (ii) dealing with business partners, (iii) interacting with public officials, (iv) charitable and political contributions and sponsorships, (v) payments and financial controls (management of expenditures, payments and authorizations), (vi) illegal facilitation payments.

The policy identifies special situations that need careful attention, indicating that the legal and compliance departments must be contacted in case such situations are identified. The policy also outlines the roles and responsibilities of SCOR's control functions to combat bribery.

SCOR maintains other relevant Group policies and guidelines supporting the Group policy on Anti-bribery, including anti-fraud policy, policy on conflicts of interest, anti-money laundering & combating terrorism financing guidelines, guidelines on reporting concerns and further operational Group policies and guidelines such as the management expenses policy and travel policy.

The Group compliance framework is regularly updated to reflect new regulatory and statutory provisions or other trend developments over time.

Since 2013, the Group has had a Compliance Policy, annually reviewed, summarizing SCOR's compliance approach. The Policy, which focuses on measures to prevent, detect and respond to the risk of non-compliance, consolidates the overarching principles, tools and processes stated in the Group Compliance Policies and Guidelines and also contributes to the Group's efforts towards a more formalized/documented approach which regulators and others increasingly require. The Policy also contributes to the efficient coordination of compliance activities between the Group, its Hubs and locations as it documents current practices on interactions and reporting processes of Group, Hub and local compliance functions.

In order to ensure proper dissemination of other compliance requirements (e.g. anti-fraud, anti-bribery, antimoney laundering and sanctions & embargoes compliance, anti-trust/competition law) 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.

Measures taken to protect consumers' health and safety

Not applicable due to the nature of the Group's business to business activities in the financial services industry.

3.5. HUMAN RIGHTS*

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.

Aside from the processing of personal data relating to its employees, SCOR's activities may lead to the processing of other personal data, which notably implies compliance with European Directive 95/46/EC of October 24, 1995 on personal data protection and with the French Law No. 78-17 of January 6, 1978 on Information Technology, Data Records, and Freedoms, amended several times since its first inception.

Pending the European Regulation 2016/679 on data privacy due to come into force in May 2018, the Group set up a action plan and since 2011 has notably appointed a Data Protection Officer (DPO) in charge of personal data protection which the Group's four European companies (SCOR SE, SCOR Global P&C SE, SCOR Global Life SE and SCOR Global Investment Partner SE) have designated as Data Protection and Fredoom correspondent (*Correspondant Informatique et Libertés*). This employee is responsible for the relations of the Group with the French Data Protection Authority (*Commission nationale de l'informatique et des libertés* – CNIL), as well as for the monitoring of data processing within the Group; the DPO independently monitors compliance with the law and is responsible for:

- providing information, advising and making recommendations to those responsible for data processing;
- updating a list of processed data and the accessibility of this list;
- spreading a culture of data protection and freedom;
- sounding any alarms as necessary;
- mediation and coordination in terms of informing people of their rights regarding access, rectification and opposition.

Moreover, in the context of the CRO Forum (Chief Risk Officer Forum), SCOR participated in the drafting of a brainstorming paper on human rights and insurance. The purpose of this document published in 2014 is to better understand why the insurance and reinsurance industry would integrate respect for human rights into its risk management framework and how it can address human rights issues in its business relationships with other companies.

SCOR is fully aware of society's growing awareness regarding the role businesses should play in the defence and promotion of Human Rights. In order to meet such expectations, SCOR published in 2017 a Statement on slavery and human trafficking following the United Kingdom's adoption of the Modern Anti-Slavery Act. Even though not all sites of the Group are legally subject to this British law, the statement was published by the parent company, SCOR SE, as a means to show its commitment to the promotion of human rights and ethics at a Group level; it is thus applicable to the whole Group. This declaration, which was approved by SCOR SE's Board of Directors, is published on the Group's website.

* Other actions taken in support of human rights.

4. STATUTORY AUDITOR'S REPORT ON THE REVIEW OF SELECTED SCOR SE ENVIRONMENTAL AND SOCIAL INDICATORS

Report by the independent third party, on the consolidated human resources, environmental and social information 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, 2017

To the Shareholders,

In our capacity as independent third party and certified by COFRAC under number 3-1058 available at www.cofrac.fr, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code in accordance with the protocols used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

It is however not our responsibility to attest 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).

Our work involved five persons and was conducted between mid-November and end of January during a five-week period.

We performed our work in accordance with the professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[1] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by Article L. 233-1 and the controlled entities as defined by Article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the sections "Methodological note" of the management report.

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[(1)]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us[(2)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 27% of headcount considered as material data of social issues and between 20% and 29% of quantitative environmental data considered as material data[(3)] of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris-La Défense, February 21, 2018

Jean-Claude PAULY	Guillaume WADOUX	Edwige REY
Partner	Partner	Sustainable Development Partner

(1) Headcount on the last day of the period by gender, Hub, status and type of contract; Hirings by contract type; Departures; Total compensation; Average fixed remuneration; Average bonus; Total granted shares; Distribution of Group employees on working time; Number of meetings with staff representatives; Number of European Committee meetings; Number of collective agreements signed; Number of meetings with staff representatives to discuss health and safety conditions; Number of collective agreements signed regarding health and safety at work; Number of training hours; Measures to promote gender equality; Number of employees with disability; Volume of sorted and recycled paper waste; Water consumption; Energy consumption; Greenhouse gas emissions related to operational processes; Actions to prevent corruption.

(2) Paris, Zurich, Dublin and London sites.

(3) Energy consumptions and Greenhouse gas emissions related to operational processes.

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 three-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 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).

RETURN ON INVESTMENT (ROI)

The return on investment 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).

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.

SCPR 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 2017, as approved by the Board of Directors on February 21, 2017 (the "Report"), are included and presented in the 2017 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, 2017.

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.

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;
- the 2017 stock option plans; and
- the 2017 free share allocation plans,

are presented in separate reports of the Board of Directors.

1. OPERATING AND FINANCIAL REVIEW OF SCOR SE

1.1. YEAR 2017

1.1.1. OPERATING AND FINANCIAL REVIEW OF SCOR SE IN 2017

The total assets of SCOR SE as at December 31, 2017 amounted to EUR 11,232,584,180.

The total financial assets (investments) amounted to EUR 9,113,355,920.

Shareholders' equity stood at EUR 3,439,456,014 and subordinated liabilities at EUR 2,210,632,502. Liabilities amounted to EUR 504,559,150 including other loans of EUR 26,856,415.

The net amount of underwriting reserves was EUR 3,688,913,435.

The technical result of SCOR SE as at December 31, 2017 was EUR (28,997,902) while the financial result was EUR 59,812,608.

SCOR SE's net income amounted to EUR (4,719,520) in 2017.

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 2017, 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 million	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	127					126	107					134
Total amount of concerned bills without taxes	37	-	-	-	1	1	55	5	1	-	21	27
Percentage of total expenses of the year, without taxes	18.12%	0.01%	0.04%	-	0.60%	0.64%						
Percentage of total gross sales of the year, without taxes							25.01%	2.07%	0.37%	-	9.84%	12.27%
(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 2017 totals EUR 92,278 and the amount of taxation borne by the Company due to the non-deductibility of such charges should amount to a total of EUR 41,000.

Add-back of general expenditures

In application of paragraph 5 of Article 39 of the French General Tax Code, EUR 5,688,401 of expenses are considered as non-deductible for tax income 2017. The related amount of taxation due by the Company adds up to EUR 2,527,357.

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	2017	2016	2015	2014	2013
I. Financial position at the end of the year					
a) Social capital *(in EUR million)*	1,524	1,517	1,518	1,518	1,518
b) Number of issued shares	193,500,317	192,534,569	192,653,095	192,691,479	192,757,911
c) Number of convertible bonds to shares	-	-	-	-	-
II. Global Profit and loss of effectives transactions *(in EUR million)*					
a) Turnover without taxes	2,266	2,053	1,748	1,585	1,369
b) Net profit before taxes, depreciations and reserves	(90)	507	802	355	240
c) Current income tax	101	46	-	14	1
d) Net profit after taxes, depreciations and reserves	(5)	647	844	387	227
e) Allocated net profit amount	319[(1)]	318	289	270	251
III. Profit and loss per share:					
a) Net profit after taxes, and before depreciations and reserves	0.05	2.87	4.16	1.92	1.25
b) Net profit after taxes, depreciations and reserves	(0.02)	3.36	4.38	2.01	1.18
c) Paid dividend per share	1.65[(1)]	1.65	1.50	1.40	1.30
IV. Salaries:					
a) Number of salaries	805	744	716	648	591
b) Gross wages amount	124	132	124	105	77
c) Amount of paid employees benefits (Healthy contribution, others benefits, etc.)	33	29	27	26	29

(1) Subject to adjustment based on 2018 Shareholders' Meeting's decision regarding the allocation of 2017 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:	12/31/2016	12/31/2015	12/31/2014
Number of shares[(1)]	192,746,124	192,653,095	192,691,479
Net dividend per share	EUR 1.65	EUR 1.50	EUR 1.40
Amount eligible for the deduction allowance specified by Article 158-3 of the French General Tax Code[(2)]	EUR 1.65	EUR 1.50	EUR 1.40

(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 2015, 2016 and 2017 for the financial years 2014, 2015 and 2016 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 2017

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 2017:

Month	Volume	Value *(in EUR million)*	Higher *(In EUR)*	Lower *(In EUR)*
January	8,119,687	262	34.11	31.20
February	7,165,653	236	34.71	31.46
March	9,408,243	331	35.91	34.23
April	7,780,838	275	36.50	34.24
May	8,807,519	308	36.00	33.86
June	9,101,583	321	36.53	34.02
July	7,892,725	288	37.75	34.86
August	6,679,300	241	37.09	34.70
September	9,324,083	319	35.55	32.70
October	7,439,654	265	36.60	34.25
November	8,331,148	289	35.92	33.38
December	8,109,652	278	35.28	33.32

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 IMPACT OF SCOR'S ACTIVITY

See Appendix D – Social and environmental information.

4. ENVIRONMENTAL IMPACT OF SCOR'S ACTIVITY

See Appendix D – Social and environmental information.

5. INFORMATION RELATED TO SOCIETAL COMMITMENTS IN SUPPORT OF SUSTAINABLE DEVELOPMENT

See Appendix D – Social and environmental information.

6. RELATED PARTY AGREEMENTS

See Section 2.3.2 – Related party transactions and agreements.

7. 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 2017	
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
Social and environmental information	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 – 2.2
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	Appendix D – 1
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
Implementation of the principle of balanced representation of women and men within the Board	Section 2.1.2.2
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 and 2.3.1.3
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 and 5.1.5
Powers of the Board in particular with respect to the issuance or the redemption of shares	Sections 2.3.1.6 and 5.1.3
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, 5.1 and 5.2
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 2017.

APPENDIX G:

REGULATION (EC) OF APRIL 29, 2004 – CORRESPONDENCE TABLE

Headings as listed in Appendix 1 of European Regulation n°809/2004		Paragraph		Pages
1	**Person responsible**			
1.1	Name and title of person responsible	Appendix B	Person responsible for the Annual Report	263
1.2	Declaration by person responsible	Appendix B	Person responsible for the Annual Report	263
2	**Statutory Auditors**			
2.1	Auditors	4.8	Statutory Auditors	233
2.2	Resignation or non-renewal of Auditors	4.8	Statutory Auditors	233
3	**Selected financial information**	**1.1**	**Selected financial information**	**5 to 7**
4	**Risk factors**	**3**	**Risk factors and risk management mechanisms**	**121 to 152**
5	**Information about the issuer**			
5.1	History and development of the issuer	1.2.1 & 1.2.2	Introduction & History and development of SCOR	8 to 11
5.2	Investments	1.2.6	SCOR investments in tangible and intangible assets	20 to 23
6	**Business overview**			
6.1	Primary activities	1.2.5	Business overview	14 to 20
6.2	Principal markets	1.3.1 & 1.3.2	Reinsurance market developments & Financial market developments	24
6.3	Extraordinary events influencing the principal business and markets	1.3.3	Significant events of the year	24 to 25
6.4	Dependency of the issuer with respect to patents or licenses, industrial, commercial or financial contracts and new manufacturing processes	1.2.6.2	Research and development, patents and licenses	21 to 23
6.5	Information on SCOR's competitive position	1.3.4	Information on SCOR's competitive position	25
7	**Organizational structure**			
7.1	Brief description of the Group and of the position of the issuer	1.2.3	Organizational structure of SCOR	11 to 13
7.2	List of issuer's significant subsidiaries	1.2.3	Organizational structure of SCOR	11 to 13
8	**Property, plant and equipment**			
8.1	Major existing or planned property, plant and equipment	1.2.6	SCOR investments in tangible and intangible assets	20 to 23

Headings as listed in Appendix 1 of European Regulation n°809/2004		Paragraph		Pages
8.2	Environmental issues that may affect the utilization of property, plant and equipment	1.2.6	SCOR investments in tangible and intangible assets	20 to 23
9	**Operating and financial review**			
9.1	Financial position	1.3.6	Financial position, liquidity and capital resources	36 to 37
9.2	Operating results	1.3.5	Revenues & earnings summary	25 to 35
10	**Capital resources**			
10.1	Capital	1.3.6	Financial position, liquidity and capital resources	36 to 37
10.2	Cash flow	1.3.8	Cash flows	38
10.3	Borrowing conditions and financing structure	1.3.6	Financial position, liquidity and capital resources	36 to 37
10.4	Restrictions on the use of capital	1.3.6	Financial position, liquidity and capital resources	36 to 37
10.5	Sources of financing relating to the future investments by the Company and to its property, plant and equipment	1.3.6	Financial position, liquidity and capital resources	36 to 37
11	**Research and development, patents and licenses**			
11.1	Research and development activities	1.2.6	SCOR investments in tangible and intangible assets	20 to 23
11.2	Information technologies	1.2.6	SCOR investments in tangible and intangible assets	20 to 23
12	**Trend information**			
12.1	Most significant trends in production, sales, inventory, costs, and selling prices since the end of the last financial year	1.3.4 & 1.3.5	Information on SCOR's competitive position & revenues and earnings summary	25 to 35
12.2	Known trends, uncertainties, demands, commitments and events reasonably likely to have a material effect on the issuer's prospects	1.3.4 & 1.3.5	Information on SCOR's competitive position & Revenues and earnings summary	25 to 35
13	**Profit forecasts or estimates**	**N/A**	**N/A**	**N/A**
14	**Administrative and management bodies**			
14.1	Information on the members of the Board of Directors and Senior Management	2.1.2 & 2.1.4	Board of Directors & Executive Committee	45 to 63 & 67 to 68
14.2	Administrative, management, and supervisory bodies and Senior Management conflicts of interest	2.1.2	Board of Directors	45 to 63
15	**Compensation and benefits**			
15.1	Amount of compensation paid and benefits in-kind	2.2.1 to 2.2.3	Compensation of the executive corporate officer and directors in the form of stock options and performance shares	70 to 103
15.2	Total amounts set aside or accrued to provide pension, retirement, or similar benefits for financial year 2015	2.2.1	Compensation of the executive corporate officer and directors	70 to 84
16	**Board practices**			
16.1	Date of expiration of the current term of office	2.1.2	Board of Directors	45 to 63
16.2	Information on service contracts of members of administrative and management bodies	2.1.2	Board of Directors	45 to 63
16.3	Information on the Audit Committee and the Compensation and Nomination Committee	2.1.3	Board of Directors' Committees	63 to 67
16.4	Corporate governance regime	2.1.1	Corporate governance principles	44 to 45

Headings as listed in Appendix 1 of European Regulation n°809/2004		Paragraph		Pages
17	**Employees**			
17.1	Number of employees	2.1.5	Number of employees	69
17.2	Information on shareholdings and stock options or Company stock purchases by members of administrative and management bodies	2.2.3	Stock options and performance shares	86 to 103
17.3	Employee profit sharing plans	2.2.3	Stock options and performance shares	86 to 103
18	**Principal shareholders**			
18.1	Significant shareholders known to SCOR	2.3.1	Capital ownership	105 to 115
18.2	Statement as to the absence of differences between the voting rights of various shareholders	2.3.1	Capital ownership	105 to 115
18.3	Direct or indirect control by a shareholder	2.3.1	Capital ownership	105 to 115
18.4	Agreement which could result in a subsequent change in control	2.3.1	Capital ownership	105 to 115
19	**Related party transactions**			
19.1	Related party transactions	2.3.2	Related party transactions and agreements	116
19.2	Related party agreements	2.3.2	Related party transactions and agreements	116
19.3	Special report of the Auditors on related party agreements and commitments	2.3.3	Special report of the Statutory Auditors on related party agreements and commitments	117 to 119
20	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**			
20.1	Historical financial information: consolidated financial statements	4	Consolidated financial statements	153 to 239
20.2	Pro forma financial information	N/A	N/A	N/A
20.3	Financial statements	4	Consolidated financial statements	153 to 239
20.4	Auditing of historical consolidated financial information	4.9	Auditing of historical consolidated financial information	234 to 239
20.5	Date of most recently audited financial information	4.9	Auditing of historical consolidated financial information	234 to 239
20.6	Interim and other financial information	N/A	N/A	N/A
20.7	Dividend distribution policy	1.1.3	Dividend distribution policy	7
20.8	Litigation and arbitration procedures	4.6.25	Notes to the consolidated financial statements – Note 25 – Litigation	230
20.9	Material change in financial or commercial situation	4.6.26	Notes to the consolidated financial statements – Note 26 – Subsequent events	231
21	**Additional information**			
21.1	Share capital	5.2	Description of SCOR's share capital	248 to 249
21.2	Charter and Bylaws	5.1	Charter and Bylaws	242 to 247
22	**Material contracts**	**N/A**	**N/A**	N/A
23	**Third-party information and statements by experts and declarations of any interest**			
23.1	Expert's report	5.3.1	Expert's report	250
23.2	Information from third parties	5.3.2	Information from third parties	250
24	**Documents on display**	**1.3.11**	**Documents on display**	41
25	**Information on holdings**	**4.7**	**Information on holdings**	232

APPENDIX H:

ANNUAL FINANCIAL REPORT – CORRESPONDENCE TABLE

In order to assist readers of the Annual Financial Report, the following table cross-references the information required by Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the AMF.

	Section	Page
STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT	**APPENDIX B**	**263**
MANAGEMENT REPORT	**APPENDIX F**	**329 TO 334**
Review of the parent company's and consolidated Group's net income or loss, financial position, main risks and uncertainties, and share issue authorizations (Articles L. 225-100 and L. 225-100-2 of the French Commercial Code)	1.1.1	5
	1.3.5	25 to 35
	2.3.1.6	108 to 115
	3.1	122
Information about items that could affect a public offer, as required by Article L. 225-37-5 of the French Commercial Code	2.3.1.6 5.1	108 to 115 242 to 247
Information about share buybacks (Article L. 225-211, paragraph 2, of the French Commercial Code)	2.3.1.6	108 to 115
Statutory Auditors' fees	4.6 Note 20	225 to 226
	4.8.4	233
Report of the Board of Directors on the corporate governance	see correspondence table of the Management Report	334
Statutory Auditors' report on the report on the corporate governance prepared in accordance with article L. 225-37 of the French Commercial Code	2.4	120
FINANCIAL STATEMENTS		
Corporate financial statements	Appendix C	264 to 299
Statutory Auditors' report on the financial statements	Appendix C – 6	295 to 299
Consolidated financial statements	4	153 to 239
Statutory Auditors' report on the consolidated financial statements	4.9	234 to 239

Design and production: **côté**corp.
Tel. +33 (0)1 55 32 29 74

The Art & Science of Risk

SCOR SE
European Company
With a share capital
of EUR 1,524,196,637.05
RCS Paris B 562 033 357

Corporate Office
5, avenue Kléber
75116 Paris
France

Mail address
5 avenue Kléber
75795 Paris Cedex 16 – France
Telephone: +33 (0)1 58 44 70 00
Fax: +33 (0)1 58 44 85 00

www.scor.com