Low rates and heavy regulation: how to deliver shareholder returns?

Denis Kessler, CEO & Chairman of SCOR SE

BofAML conference
London October, 2nd 2014

2014 BofAML conference

1	SCOR's strategy delivers best in class shareholders value creation
2	SCOR's business model is fit to face the current industry headwinds
3	SCOR maintains its focus on optimality and confirms the "Optimal Dynamics" targets

SCOR is a Tier 1 global reinsurance group

4000+ clients around the world

39 offices across 5 continents

€ 10.9 billion[1)] gross written premiums in 2013

€ 4.5 billion 2013 Life embedded value

A leading global reinsurer

€ 897 million operating cash flow in 2013

€ 5.1 billion shareholders' equity

€ 34.8 billion balance sheet

Denis Kessler "Outstanding Contributor of the year – Risk" at the Insurance Insider Honours

"Reinsurer of the Year" 2014 at the Reactions London Market Awards

Cat bond Atlas IX awarded as "Deal of the year 2014"

Club des Trente 2013 "Prize for Best Financial Operation - M&A"

Denis Kessler 2014 Insurance Hall of Fame inductee

All numbers are disclosed as of H1 2014 except when stated differently

1) Pro-forma including Generali US for the FY 2013; on a published basis € 5.4 billion in Life and € 10.3 billion in total

SCOR's tier 1 status has been achieved thanks to the successful execution of its four cornerstones and its relentless focus on profitability and solvency

4 key cornerstones

Strong franchise

- Deep presence in markets in which SCOR operates thanks to:
  - strengthening client relationships
  - best-in-class services
  - product innovation
- Global presence: top-tier positions in all major markets

High diversification

- By Life and Non-Life business
- By geographical presence
- By direct and reinsurance business
- Providing a greater stability of results and delivering high required capital diversification

Controlled risk appetite

- Applied consistently on both sides of the balance sheet
- Focused on the belly of the risk distribution, avoiding exposure to extreme tail events
- Aligned with the Group's diversification and capital base

Robust capital shield

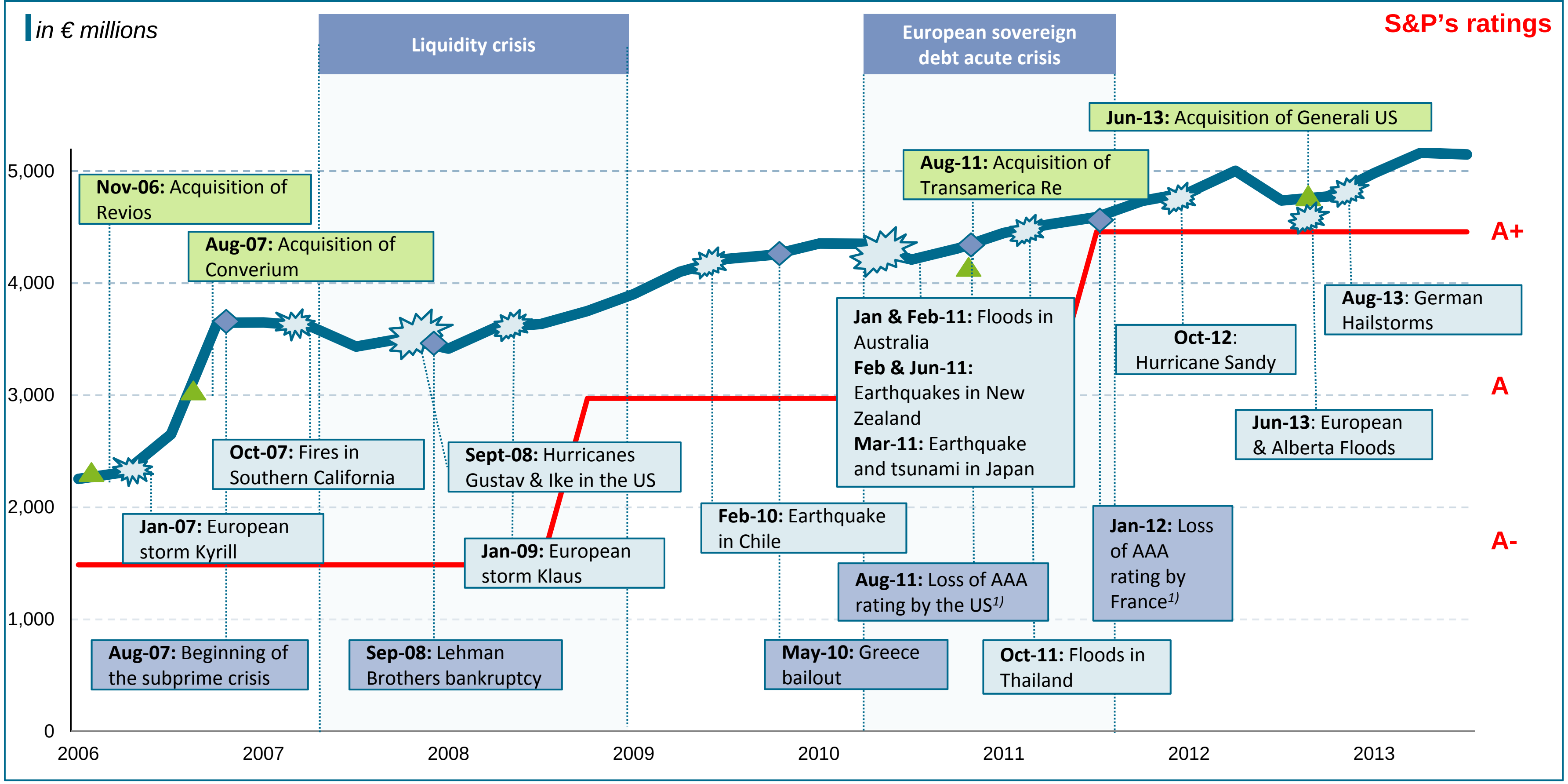
- A four-layer framework:
  - traditional retrocession
  - ART[1] solutions
  - buffer capital
  - contingent capital solutions
- Optimized according to severity and frequency levels of risks

Profitability & **Solvency**

1) ART: Alternative Risk Transfer

SCOR has demonstrated the capacity to regularly increase its Net Worth, shrugging off financial, and natural catastrophes as well as macro external shocks

SCOR's shareholders' equity since 2006



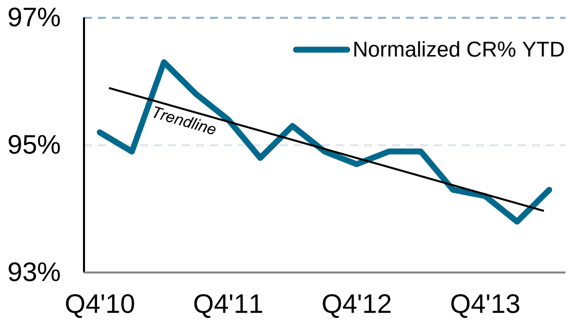
A+ positive outlook[1]	A	A1	A+ positive outlook[2]
FitchRatings	A.M. BEST (Financial Strength, A- Excellent)	MOODY'S	STANDARD & POOR'S

1) On August 20 2014, Fitch raised the outlook on the "A+" rating of SCOR SE and its main subsidiaries to "positive"
2) On November 21 2013 , Standard & Poor's raised the outlook on the "A+" rating of SCOR SE and its main subsidiaries to "positive"

SCOR's 3 engines deliver robust and consistent profitability

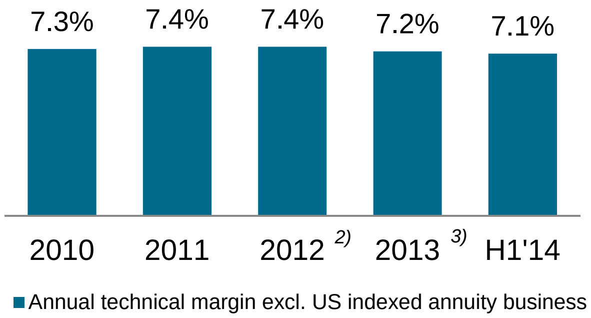
SCOR Global P&C

P&C combined ratio[1) trending downwards and in line with the "Optimal Dynamics" assumption (93-94%)



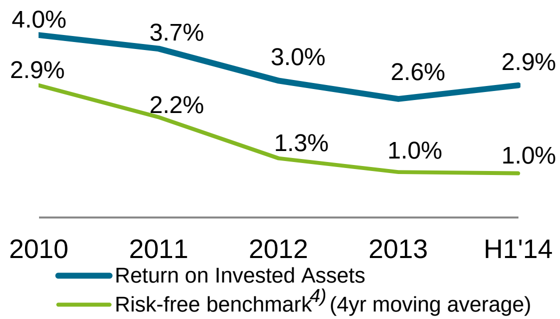
SCOR Global Life

Stable Life technical margin, well within the "Optimal Dynamics" assumption



SCOR Global Investments

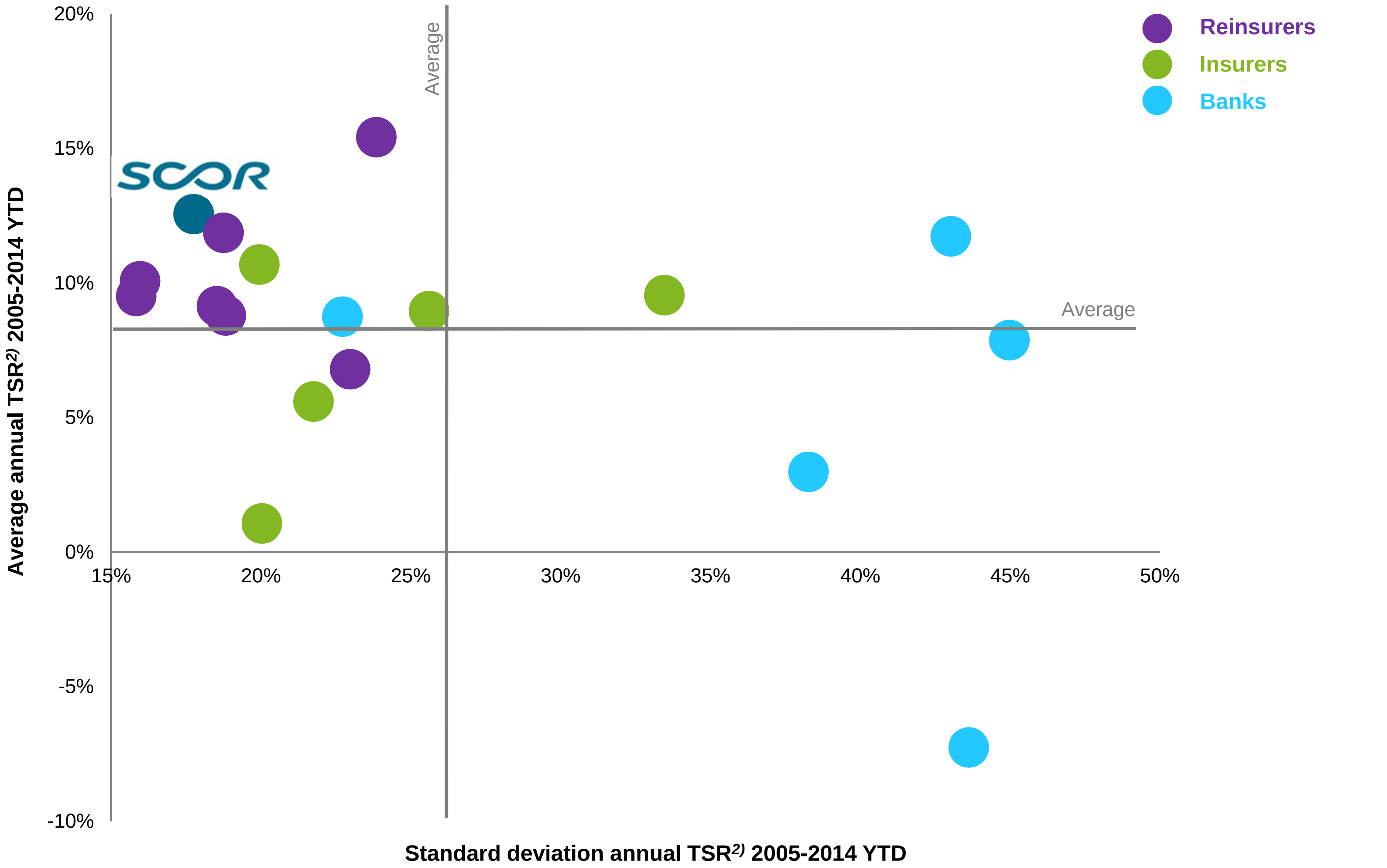
Solid ongoing return on invested assets, combined with a prudent investment policy



SCOR

1) *The net combined ratio is obtained by calculating the difference between the cat budget and the actual cost of catastrophes (in %) and by normalizing reserve releases*
2) *Excluding 0.3pts of non-recurring items linked to GMDB run-off portfolio reserve release*
3) *Excluding 0.1pts of non-recurring items linked to GMDB run-off portfolio reserve release*
4) *The 4-year risk-free benchmark has been derived by calculating the average generic government bond yields for the respective years and weighting these as follows: actual breakdown of the portfolio by currency at the end of each quarter*

SCOR provides superior and stable returns to its shareholders[1)]

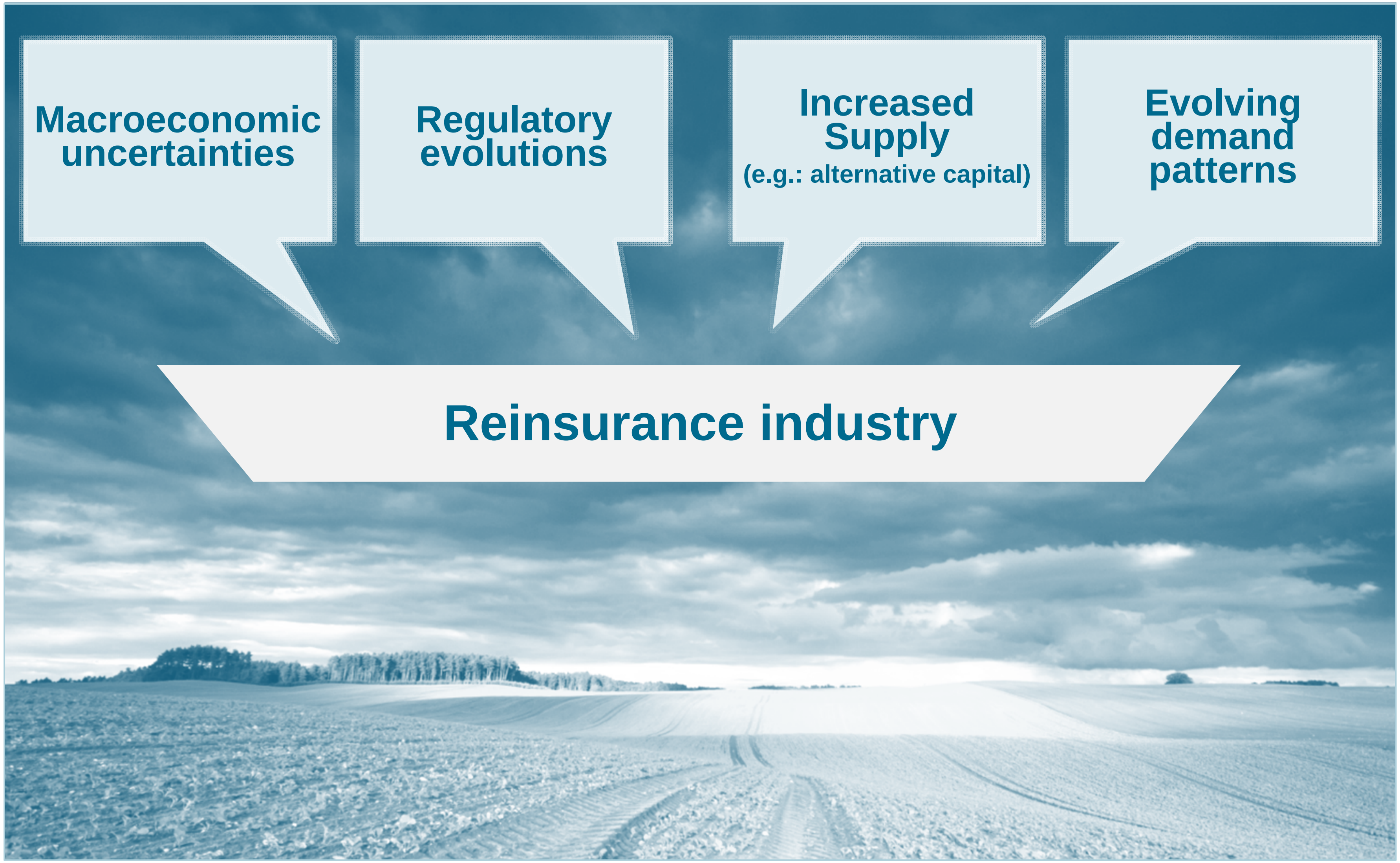


1) *Source Factset. Peers shown in this analysis are: Reinsurers: Axis, Everest Re, Hannover Re, Munich Re, Partner Re, Renaissance Re, Swiss Re; Insurers: Allianz, Aviva, Axa, Generali, Zurich Insurance Group; Banks: BNP, Citigroup, Deutsche Bank, JP Morgan, Société Générale*
2) *TSR: Total Shareholder Returns, represents the share price appreciation + dividends paid out*

2014 BofAML conference

1	**SCOR's strategy delivers best in class shareholders value creation**
2	**SCOR's business model is fit to face the current industry headwinds**
3	**SCOR maintains its focus on optimality and confirms the "Optimal Dynamics" targets**

Low rates and regulatory environment are among the main headwinds in today's reinsurance industry



Macroeconomic uncertainties:
SCOR is prepared for a whole range of different scenarios

Downside risks for the global economy remain[1], with central bankers still calling the shots

- Increased geopolitical risks
- Foreign exchange risks
- Uncertain evolution of interest rates
  - Depression cannot be excluded from the Eurozone
  - Tightening of US monetary policy might affect emerging market economies, especially the BRICs
- Central bankers seem to be "lost in translation"
  - The global economy is increasingly desynchronized, with the US and UK economies rebounding while the Eurozone is stagnating
  - The Central banks' stance remains globally dovish but exit strategies will be decisive
  - Meanwhile, current accommodative monetary policies are feeding an asset bubble

SCOR is ready to face different macroeconomic scenarios

1	2	3	4	5
Inflationary express recovery	Express recovery	Global recovery	Decoupling recovery	Protracted remission

SCOR has built a balance sheet with a low sensitivity to interest rates

SCOR Global P&C
- Low exposure to long-tail business
- Disciplined underwriting and focus on technical performance

SCOR Global Life
- Strong technical performance with a focus on biometric risks
- Very low MCEV sensitivity to interest rates

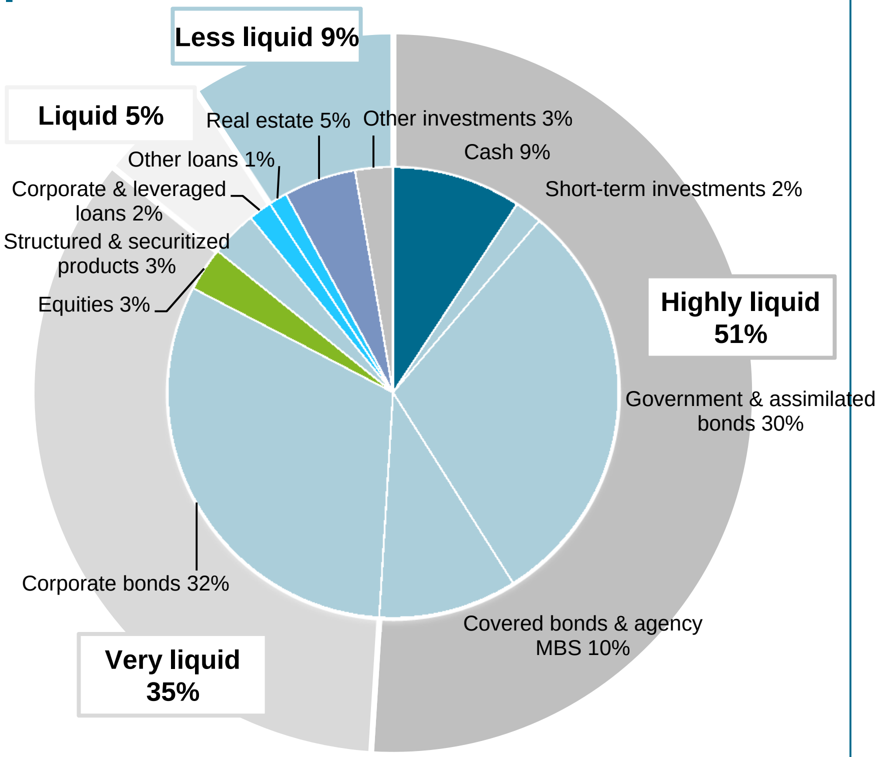
SCOR Global Investments
- Relatively short duration of the fixed income portfolio[2]
- Current positioning of the investment portfolio maximizes degrees of freedom for future choices

1) Source: IMF World Economic Outlook, July 2014
2) 3.8 years at 30/06/2014

Macroeconomic uncertainties:
SCOR's asset portfolio can benefit from a global recovery

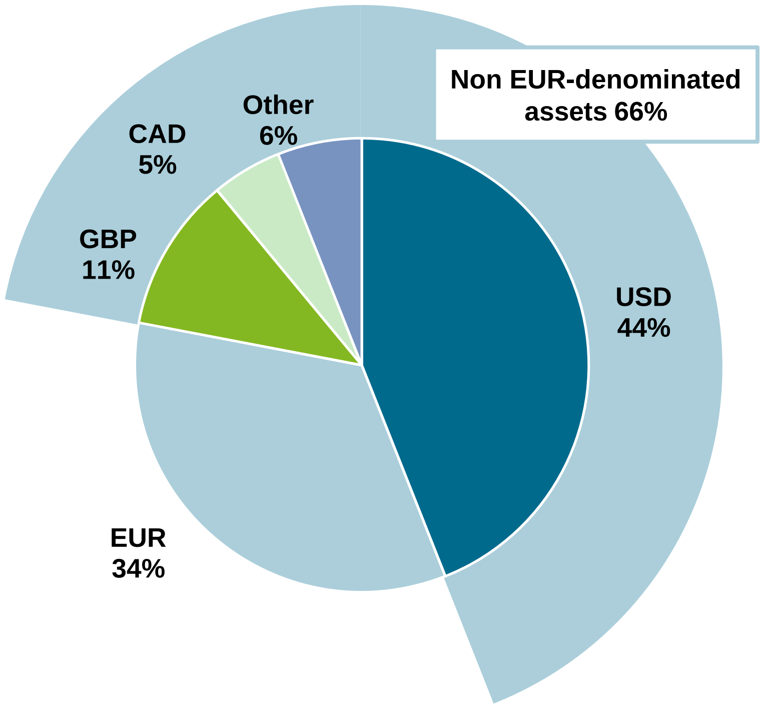
The current investment portfolio is highly liquid, enabling to quickly seize market opportunities

Total invested assets as at 30/06/2014, in % (rounded)



66% of invested assets are denominated in currencies where interest rates are increasing

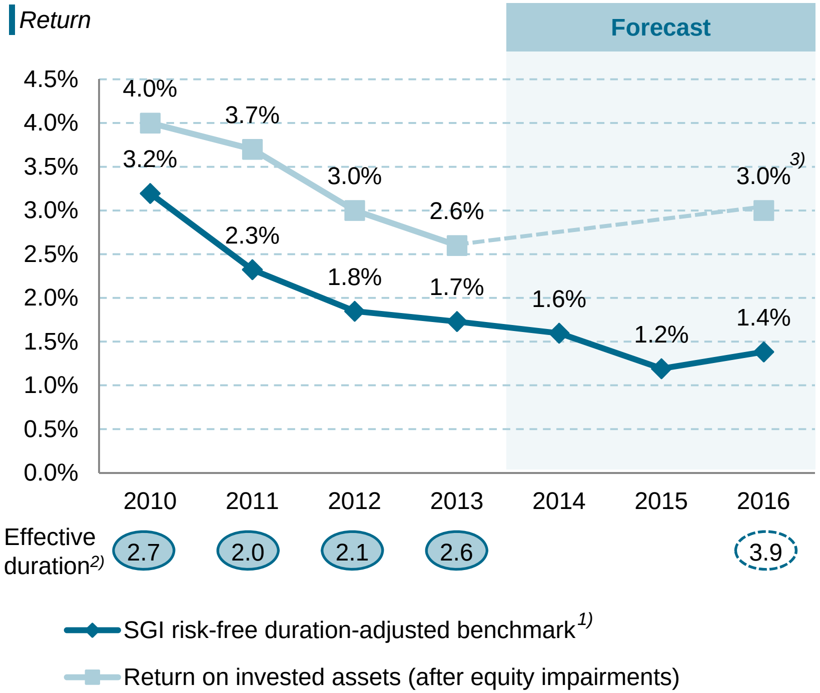
Total invested assets as at 30/06/2014, in % (rounded)



After having paid the cost of flexibility and hedging, SCOR's investment portfolio will be reinvested at higher rates over the next 3 years

Macroeconomic uncertainties:
SGI confirms a return on invested assets above 3.0% by 2016

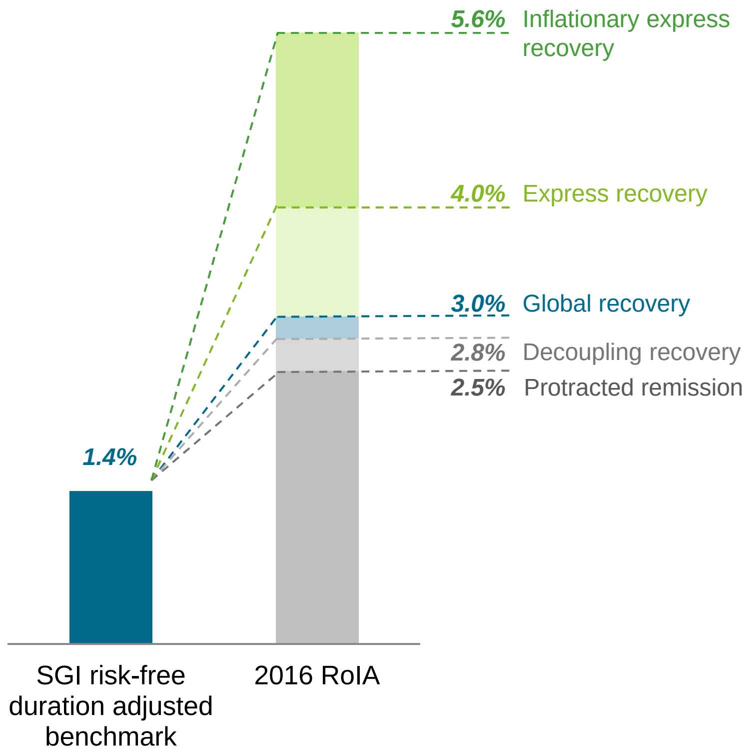
Return on invested assets vs. SGI benchmark



The objective of the risk-free duration adjusted benchmark is to measure the return of a theoretical portfolio invested in risk-free assets:

- with the same duration as the actual investment portfolio
- consistent with the actual currency split of SCOR invested assets (USD, EUR[4] and GBP)

Expected 2016 return on invested assets



1) Source: Bloomberg as at 14/07/2014. Benchmark refers to yearly average for each calendar period
2) End of period duration, in years
3) Under the central scenario ("global recovery")
4) For EUR, German government rates are used as a benchmark

Regulatory evolutions:
SCOR is well positioned to cope with or gain from regulatory evolutions

Solvency II	Systemic risk	Captives & US collateral	Protectionist trends
❑ Solvency II will apply on the 1st of January 2016, with official review of internal models starting April 2015	❑ The Financial Stability Board may designate systemic reinsurers in November 2014, which might distort fair competition (in both ways)	❑ Ongoing debate on Life captives in the US, with the introduction of principle-based reserving	❑ Some countries continue to apply discriminatory rules to foreign reinsurers
✓ SCOR is on track to be Solvency II-compliant, in line with its initial plan ✓ SCOR will benefit from the recognition of its highly diversified business model ✓ SCOR stands ready to provide capital relief solutions to cedants	✓ SCOR is focused on traditional reinsurance (biometric risks on the Life side) and does not carry any business with potential systemic implications	✓ Future limitations on the use of captives could create opportunities for highly-rated reinsurers domiciled in qualified jurisdictions	✓ SCOR has a longstanding presence in most jurisdictions and operates through its network of local entities when necessary

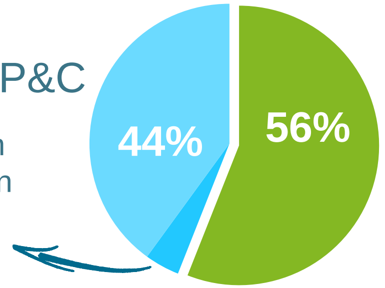
SCOR

Increased supply:
SCOR sees opportunities in the presence of alternative capital

SCOR's diversified business model is less exposed than peers to competition from alternative capital

In % of GWP, 2014

Less than 10% of SGPC business, which is mostly proportional business (76%) is in direct competition with alternative capital



SGL business' direct competition with alternative capital is "negligible"

SCOR sees opportunities in the increased presence of alternative capital

Enhanced product offering

- SCOR helps clients to access capital market capacity through its Alternative Solutions business unit
- The initiative, officially launched on 14 May 2014 provides fee income and allows SCOR to leverage and develop on existing relationships

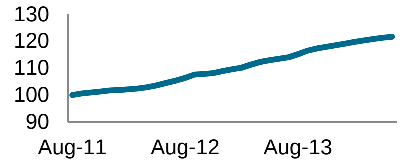
Improved retrocession efficiency

- ~30% of the cat retrocession is placed with alternative capital tools having a 0.6% positive impact on the net combined ratio
- The Group is protected by the Atlas ILS series, coupled with issuance of extreme mortality risk transfer contract on the Life side

Proposed ILS funds to third parties

- $ 450 million AuM[1] ILS funds opened to third parties
- Excellent track record with a return of 7.15%[2] since launch

Atropos performance since inception



1) *As at 30/06/2014*
2) *Annualized performance of Atropos fund*

Evolving demand: SCOR's strong client-centric approach is a key differentiator at times when cedants are looking for Tier 1 partners

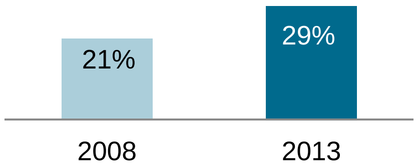
Demand for reinsurance is changing

- ❑ Reinsurance is progressively seen as a long-term risk and capital management tool
- ❑ Insurers are increasingly selective and reducing the number of partners
- ❑ Insurers are increasingly centralizing, with the involvement of top management and Board members
- ❑ Insurers have greater demand for capacity to offer security, line sizes, global offering and network of local presence and support

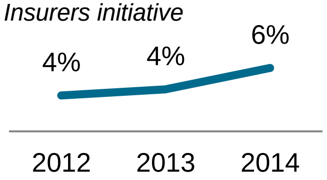
SCOR Global P&C

- ❑ Client-centric franchise backed by granular segmentation and pro-active book monitoring, focusing on longstanding and close partnerships
- ❑ Diversified multi-line portfolio with global reach, capable of responding to the increasing, fragmented demand, also for private deals

Leads in % of Gross Written Premium



SCOR's share of wallet[1] in its Global Insurers initiative



SCOR Global Life

- ❑ Top-tier positions in all major markets in an increasingly concentrated industry (market share of top 6 players in excess of 80%[2]) requiring growing economies of scale and scope and specific expertise on regional and local regulation, accounting, tax and products
- ❑ Further broadening of client reach and product offering thanks to Generali US acquisition, creating new business opportunities
- ❑ Provider of innovative solutions and customer facing services
- ❑ Strengthening of footprint in the longevity and financial solutions markets

1) P&C Treaties and Specialty Treaties
2) Source: Reinsurers' Annual reports, AM Best, S&P. The top 6 players are Gen Re, Hannover Re, Munich Re, RGA, SCOR and Swiss Re

SCOR's business model is fit to face the current headwinds

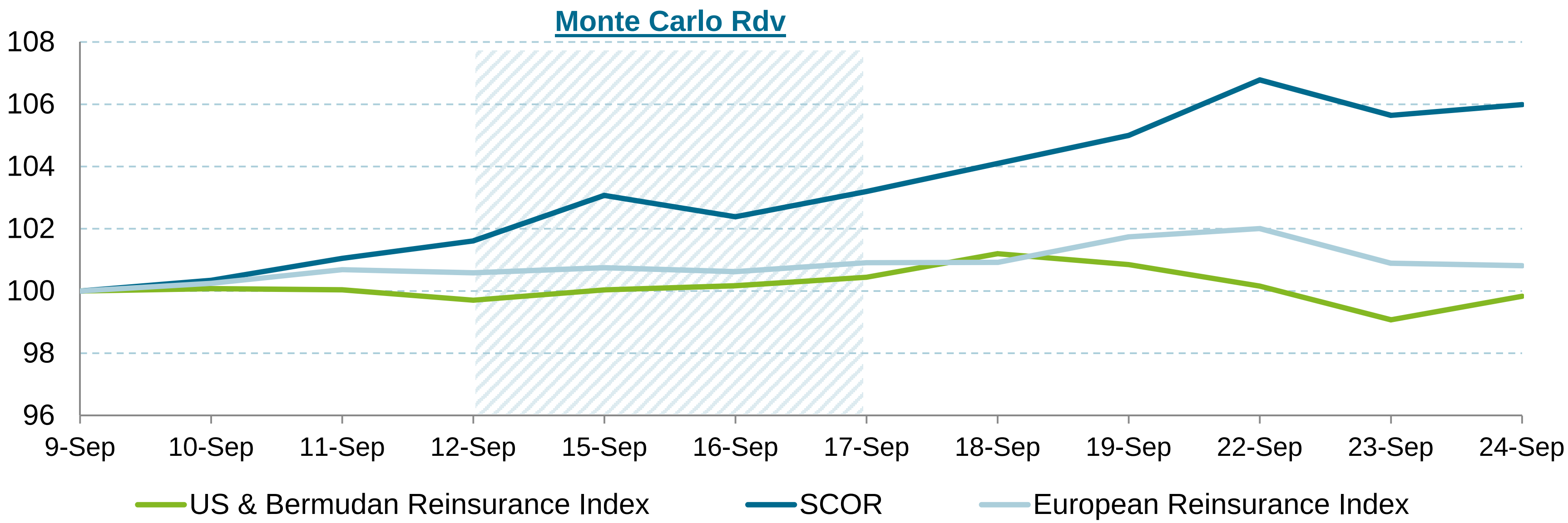
SCOR's major achievements since the launch of "Optimal Dynamics"

- ✓ SCOR finalises the integration of Generali US and repays in advance the $ 228 million bridge loan
- ✓ SCOR successfully places a fully collateralized sidecar, Atlas X Reinsurance Ltd, and launches a new, innovative, contingent capital facility
- ✓ SCOR delivers strong January (premiums +5%, price -0.2%, ~70% of premiums), April (premiums +8.5%, price -2.7%, ~10% of premiums) and July renewals (premiums +4.6%, price -3.2%, ~10% of premiums) with broadly stable profitability on a net basis
- ✓ SCOR strengthens its London market presence with the launch of a Lloyd's Managing Agency
- ✓ SCOR completes innovative longevity transaction in the Netherlands, strengthens its financial solutions offering with an important VIF monetization transaction and participates in a pension scheme Longevity swap with Aviva
- ✓ SCOR successfully places € 250 million and CHF 125 million perpetual subordinated notes at record conditions, showing the attractiveness of the SCOR name and the strong support of credit investors
- ✓ S&P and Fitch raise to "positive" the outlook on SCOR's "A+" rating

Macroeconomic uncertainties	Regulatory evolutions	Increased Supply (e.g.: alternative capital)	Evolving demand patterns

The 2014 Monte-Carlo Rendez-vous confirmed SCOR's tier 1 position in the current environment as detailed in the 2014 IR day

Share price performance index



Take-aways from analysts after Monte-Carlo

"Top tier players able to meet client demands will increasingly stand out, while marginal players will be taken over or disappear", *Deutsche Bank*

"Given the well publicised softening in pricing it was hardly going to be an upbeat affair. But amidst the gloom some evidence of discipline. It is clear that the tier 1 large European reinsurers still retain some power, notwithstanding plentiful capacity", *Autonomous*

"Pressure on US Cat prices is immaterial. Alternative capital competing with less than 10% of SCOR Global P&C business, which is mostly proportional (76%)", *Mediobanca*

SCOR

Source: Factset, 24th September 2014
SCOR's proprietary reinsurance Indices. These stock indices are based on Free Float Market Capitalizations. Each of them is composed of the biggest capitalization on their relevant geographical market. They comprise: Munich Re, Swiss Re, Hannover Re and SCOR for the European one. US index is composed of: Ace, Arch, Axis, Everest Re, Partner Re, Renaissance Re, RGA, XL Group, Berkshire, Alleghany, Validus, Endurance.

2014 BofAML conference

1	SCOR's strategy delivers best in class shareholders value creation
2	SCOR's business model is fit to face the current industry headwinds
3	**SCOR maintains its focus on optimality and confirms the "Optimal Dynamics" targets**

SCOR's strength relies on international and expert professionals, leveraging on innovative and efficient tools

SCOR relies on international, expert and experienced human resources

Experienced and international management team	❑ Executive committee includes 5 nationalities out of 8 members, with an average experience in the reinsurance industry of 25 years ❑ SCOR is led by 650 partners[1)], representing 33 nationalities ❑ Franchise strength leverages on local management teams

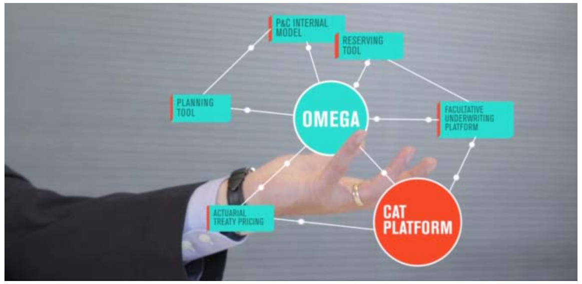
Agile HR organisation which combines stability and dynamism	1 – High expertise: over 450 PhDs, MBAs, and MAs
	2 – Multicultural talent pool: with ~2 400 employees from 50 different nationalities
	3 – Long-term commitment: compensation policy ensures the fulfilment of long-term objectives
	4 – Active talent development: regular strategic talent workforce reviews and trainings

SCOR continuously develops state-of-the-art tools

Few examples:

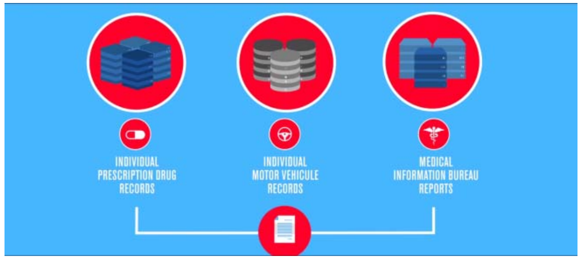
Integrated cat platform

(real time Nat Cat exposure synchronisation)



Velogica tool

(underwriting decision engine)



Footprint scenarios

(deterministic risk assessment tool)

1) As at June 2014

SCOR is on the move

SCOR Global P&C

1. Continues to focus on Global Insurers
2. Develops US Client-focused initiative
3. Further expands Emerging Markets franchise
4. Leverages the large corporate business
5. Continues building Channel 2015 Lloyd's Syndicate
6. Provides clients a wide range of alternative risk transfer solutions
7. Increases cat capacities
8. Optimizes retrocession strategy

SCOR Global Life

Protection

1. Integrates Generali US operations
2. Deepens franchise globally through:
   - Go-to market approach
   - Footprint expansion
   - Offering extension

Longevity

3. Expands product range
4. Leverages UK success in other markets

Fin. Solutions

5. Becomes a leading player in Capital Management and Financial Solutions
6. Increases presence in Asia and the US

SCOR Global Investments

1. Recalibrates of risk appetite and enhanced ALM process
2. Reallocates progressively and selectively the portfolio towards the new SAA
3. Re-matches progressively the fixed income portfolio towards the target effective duration
4. Minimizes the cost of the transition of the economic policy
5. Accelerates SGI positioning as a niche third-party asset manager

SCOR confirms its "Optimal Dynamics" assumptions

Key assumptions confirmed

	"Optimal Dynamics" (2013-2016)
GWP organic growth[1)]	*~7%*
Non-Life[1)]	*~8.5%*
Life[1)]	*~6%*
P&C combined ratio	*~93-94%*
Life technical margin	*~7.0%*
Return on invested assets	>3% by 2016[2)]
Group cost ratio (average)	*~4.8%*
Tax rate	*~22%*

- "Optimal Dynamics" assumptions are unchanged
- SCOR is likely to benefit from a USD appreciation. For example USD/EUR +10% would have a positive impact on:
  - 2014 expected GWP: +4.6%
  - 2014 expected technical results[3)]: +4%
  - 2013 shareholders' equity: + 5.1%
  - Investment portfolio, as 44% of the invested assets are in USD[4)]

1) FX rates assumptions as of 8 September 2014
2) Excluding funds withheld
3) Pre-tax
4) As of 30 June 2014

SCOR confirms its "Optimal Dynamics" targets and its consistent shareholder remuneration policy

Two targets for the "Optimal Dynamics" plan

Profitability (ROE) Target	Solvency Target
1 000 bps above risk-free[1)] rate over the cycle	**Solvency ratio[2)] in the 185% - 220% range**
FY 2013: 1 129 bps **H1 2014: 1 016 bps**	**2013: 221%[3)]** **2014: 231%[3)]**

SCOR has a consistent dividend policy

- SCOR aims to remunerate shareholders through cash dividends
- If relevant, SCOR does not exclude other means
- Overall the Board will aim to maintain a minimum dividend payout of 35% over the cycle, while aiming for low volatility in the dividend per share (DPS) from year to year

	'08	'09	'10	'11	'12	'13
Payout %	45%	48%	48%	62%	53%	44%
DPS (€)	0.80	1.00	1.10	1.10	1.20	1.30

1) "Risk-free rate" is based on 3-month risk-free rate
2) As per the Group Internal Model; it is the ratio of Available Capital over SCR (Solvency Capital Requirements)
3) As per the Group Internal Model; the 2014 solvency ratio is available capital at year-end 2013 divided by the SCR as at that date, allowing for planned business in 2014

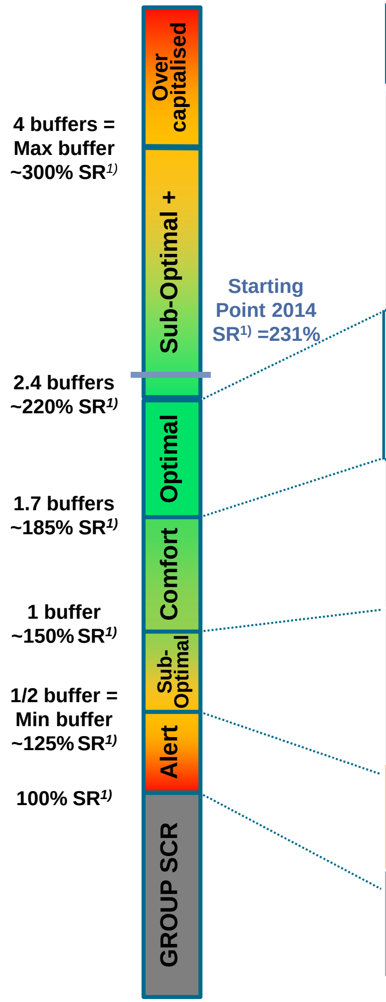
Can fully cope with the current market environment and will benefit from its Tier 1 status in both P&C and Life

Is on track with the execution of its Optimal Dynamics plan and reiterates its profitability and solvency targets

SCOR is a global player with a majority of non-EURO denominated assets and will benefit from a USD appreciation

Appendix

SCOR's solvency is actively monitored through a clear and flexible escalation framework



Action	Escalation level
Redeploy capital	Board/AGM
Fine-tune underwriting and investment strategy	Executive Committee
Re-orient underwriting and investment strategy towards optimal range	Executive Committee
Improve efficiency of capital use	Board/AGM
Restore capital position	Board/AGM
Below minimum range - submission of a recovery plan to the supervisor[2]	Board/AGM

- The optimal capital range enables the Group to achieve maximum profitability and satisfy the level of solvency which SCOR aims to offer its clients
- SCOR aims to make optimal use of the numerous options at its disposal to manage its capital position

SCOR

1) As per Group Internal Model, ratio of Available Capital over SCR
2) When solvency II comes into force – Article 138 of the Solvency II directive

Our multiple scenario analysis has been updated to fit the current economic and market environment

Global recovery materializes…

Long-term yields (US, 10Y)[1] in %

… but its timing and its profile could be affected by some headwinds

"Inflationary express recovery"
- Global recovery in line with "express recovery" scenario
- Increase in inflation, driven by the activation of excess central bank money

"Express recovery"
- Strong economic rebound, especially in the US and in the UK, with the Eurozone progressively catching up
- Increasing interest rates and potential inflationary tensions

"Global recovery"
- Strong recovery led by the US and the UK with a successful monetary policy
- Lagging recovery in the Eurozone

"Decoupling recovery"
- Strong recovery in the US and the UK
- Stagnation in the Eurozone but no depression (inspired by the Japanese deflation precedent)

"Protracted remission"
- Global depression, triple dip scenario
- Deflation or quasi-deflation in advanced economies

1) Source: Bloomberg

Disclaimer

Certain statements contained in this presentation may relate to forward-looking statements and objectives of SCOR SE, specifically statements announcing or relating to future events, trends, plans, or objectives, based on certain assumptions.

These statements are typically identified by words or phrases indicating an anticipation, assumption, belief, continuation, estimate, target, expectation, forecast, intention, and possibility of increase or fluctuation and similar expressions or by future or conditional verbs. This information is not historical data and must not be interpreted as a guarantee that the stated facts and data will occur or that the objectives will be met. Undue reliance should not be placed on such statements, because, by nature, they are subject to known and unknown risks, uncertainties, and other factors, which may cause actual results, performance, achievements or prospects of SCOR SE to differ from any future results, performance, achievements or prospects explicitly or implicitly set forth in this presentation.

Any figures for a period subsequent to 30 June 2014 should not be taken as a forecast of the expected financials for these periods and, except as otherwise specified, all figures subsequent to 30 June 2014 are presented in Euros, using closing rates as per the end of 31/12/2013. “Optimal Dynamics” and “Strong Momentum” figures previously disclosed have been maintained at unchanged foreign exchange rates unless otherwise specified.

In addition, such forward-looking statements are not “profit forecasts” in the sense of Article 2 of Regulation (EC) 809/2004.

The 2013 pro-forma figures in this presentation include estimates relating to Generali USA to illustrate the effect on the Group’s financial statements, as if the acquisition had taken place on 1 January 2013.

Finally, SCOR is exposed to significant financial, capital market and other risks, including, but not limited to, movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

Additional information regarding risks and uncertainties that may affect SCOR’s business is set forth in the 2013 reference document filed 5 March 2014 under number D.14-0117 with the French Autorité des Marchés Financiers (AMF) posted on SCOR’s website www.scor.com. SCOR undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.