



SCOR Global Investments is ideally positioned to achieve the two objectives set in “Optimal Dynamics”

FRANCOIS DE VARENNE, CEO of SCOR Global Investments

IR Day 2015 – SCOR Global Investments is ideally positioned to achieve the two objectives set in “Optimal Dynamics”

4.1	SCOR Global Investments is on track to achieve higher investment returns by the end of “Optimal Dynamics”
4.2	SCOR Global Investments accelerates its position as a niche third-party asset manager
4.3	Case study: SCOR Global Investments generates strong and recurring financial contribution through its real estate portfolio
4.4	Conclusion

The current economic environment is affected by a context of surge in risk aversion and volatility

Main sources of uncertainty

Macro discrepancies / divergence of expected monetary policies

Lack of liquidity

Oil and commodities prices evolution

Geopolitical threats

Consequences of new financial regulation

Unclear timing and pace of interest rate hikes by Fed and BoE

ECB QE program

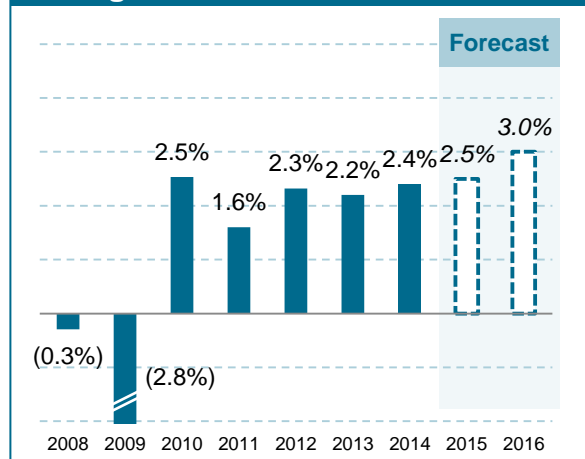
Equity markets correction

China slowdown

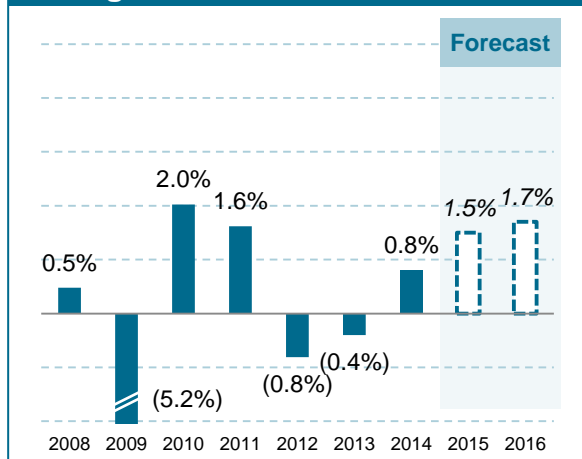
FX movements

Will growth rebound in developed countries be affected by the emerging markets slowdown?

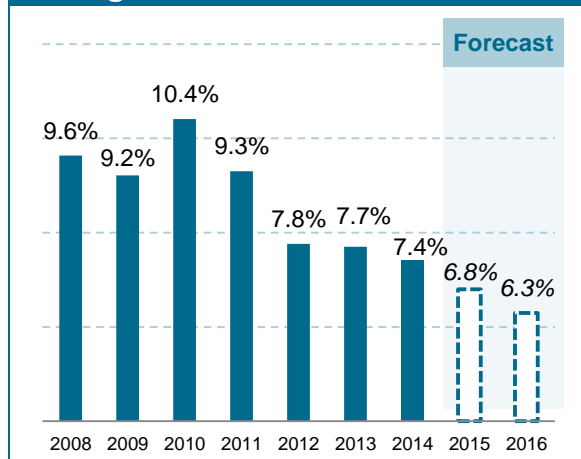
GDP growth – USA



GDP growth – Eurozone



GDP growth – China



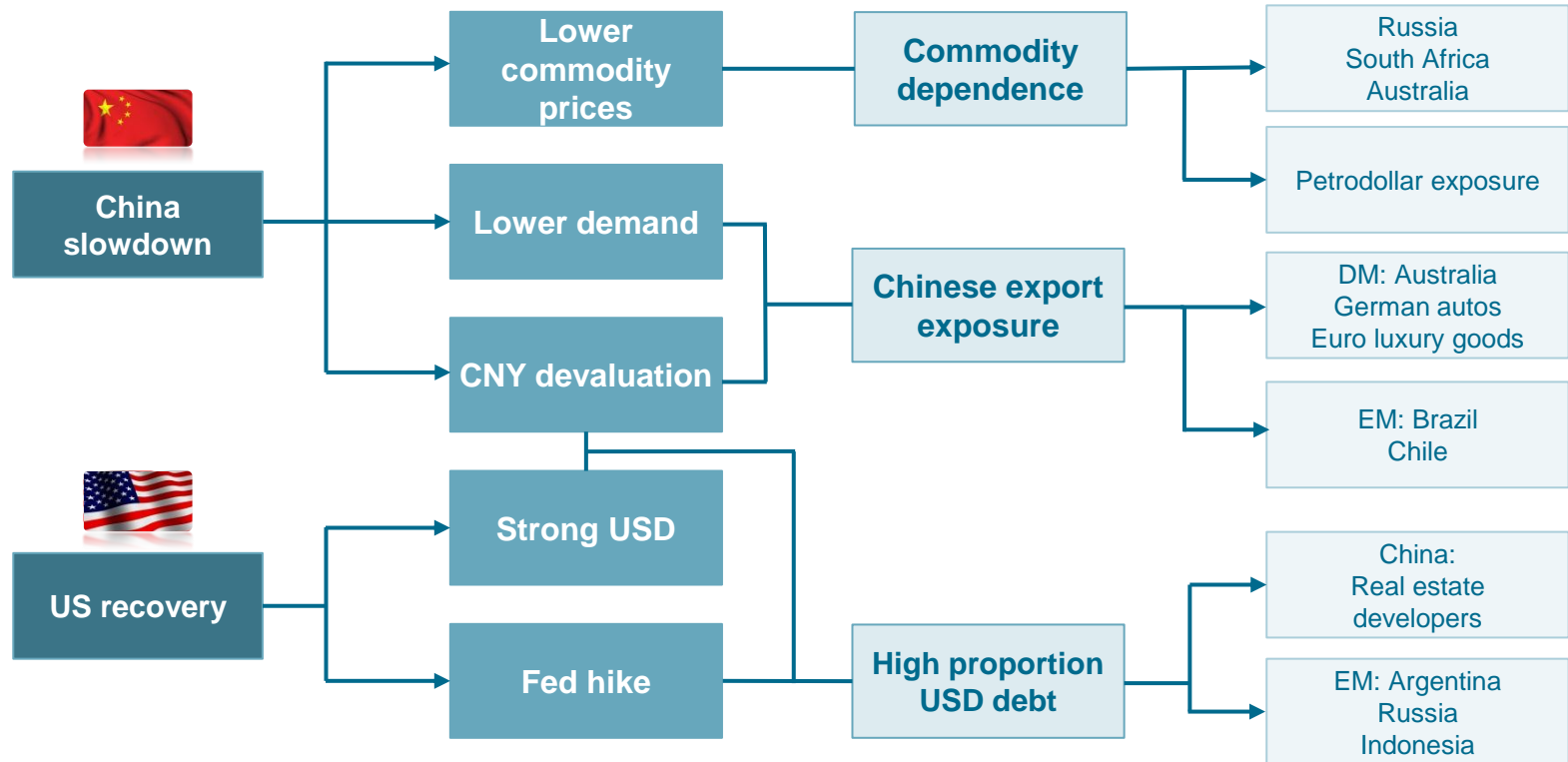
- Jobless rate at lowest level since April 2008
- Very strong Q2 2015 GDP growth
- Inflation still low but accelerating to the 2% target

- Growth expectations positively impacted by ECB QE, EUR exchange rate and commodity prices
- Headwinds generated by the Greek situation

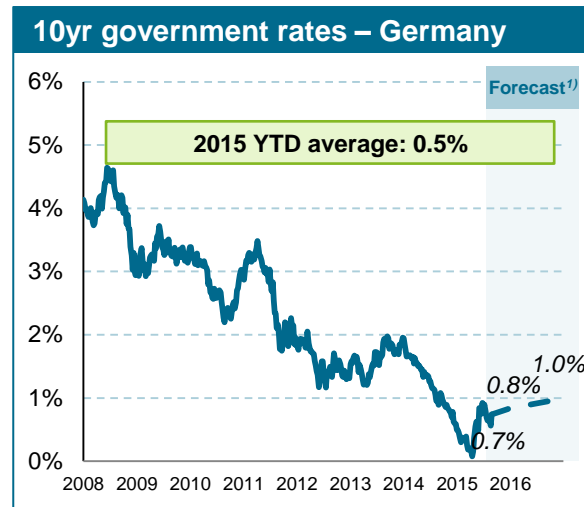
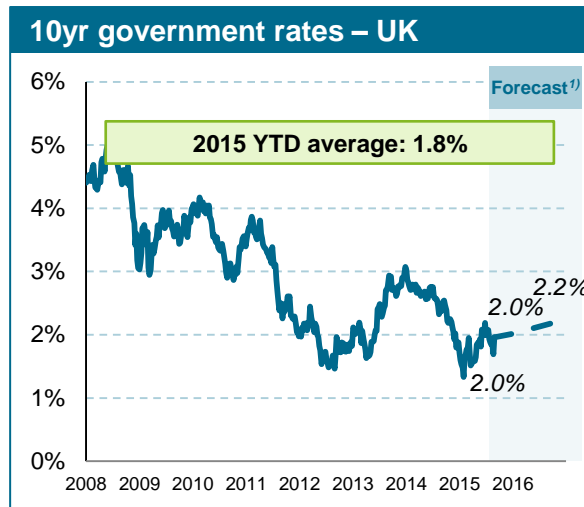
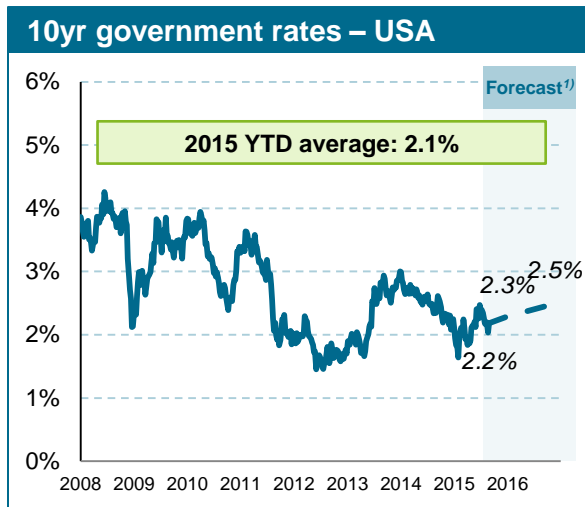
- A likely soft landing
- Multiple channels of China slowdown's contagion to the rest of the world, but limited effect

Is the dichotomy between developed and emerging markets sustainable?

Mapping China contagion



The decoupling of economic cycles and monetary policies is confirmed between the US / UK and the Eurozone



- ❑ Towards the end of the QE in the US and the UK: higher probability of rates increase by Fed and BoE
- ❑ Prolonged non-conventional monetary policies in Eurozone, China and Japan

In this context, SCOR Global Investments sticks to its risk appetite and follows the “Optimal Dynamics” roadmap...

“Optimal Dynamics” strategic asset allocation

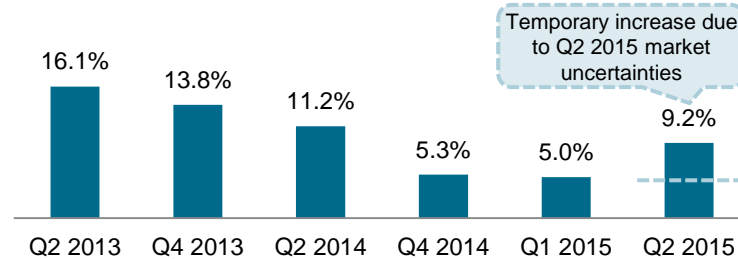
	Q2 2015	“Optimal Dynamics”	
		Min	Max
Cash	8%	5.0¹⁾	-
Fixed Income	79%	70.0%	-
Short-term investments	1%	5.0% ¹⁾	-
Government bonds & assimilated	29%	25.0%	-
Covered bonds & Agency MBS	12%	-	15.0%
Corporate bonds	35%	-	35.0%
Structured & securitized products	2%	-	7.5%
Loans	3%	-	7.5%
Equities²⁾	3%	-	5.0%
Real estate	5%	-	7.5%
Other investments³⁾	2%	-	5.0%

Historical Value-at-Risk 99.5% 1 year⁴⁾



Evolution of cash and short-term investments

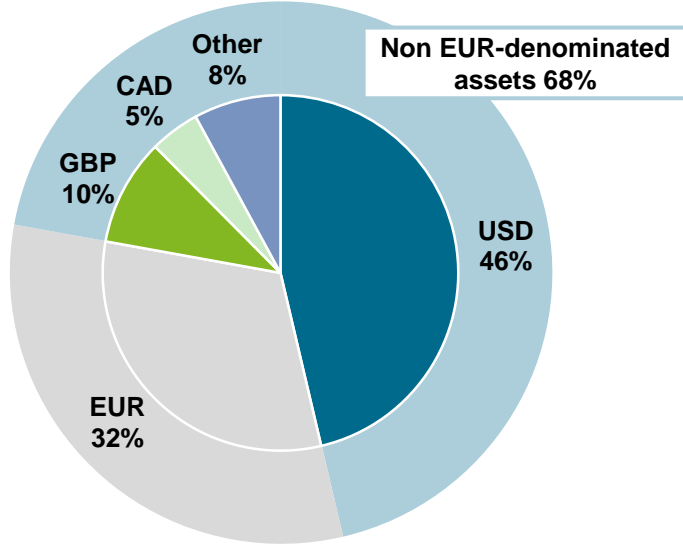
Cash and short-term investments in % of invested assets



... taking advantage of its unique currency mix

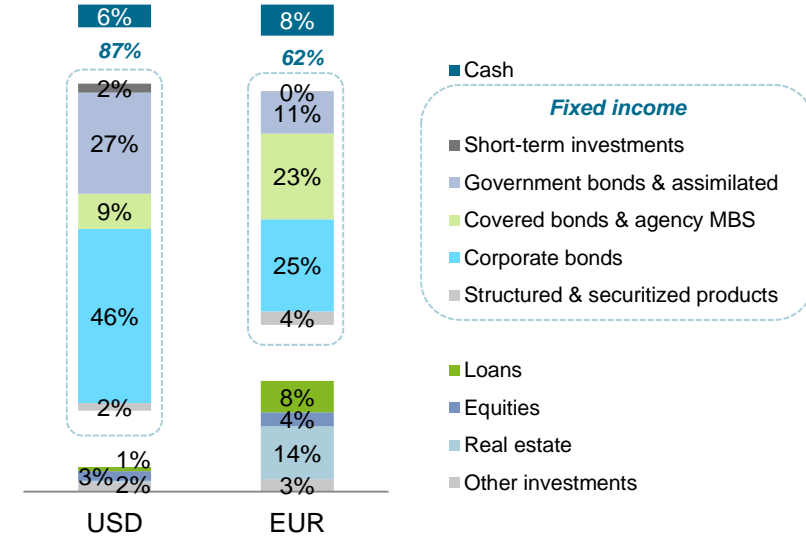
68% of invested assets are denominated in currencies where interest rates are increasing

Total invested assets as at 30/06/2015, in % (rounded)



Asset allocation by currency

Asset allocation at 30/06/2015, in % (rounded)



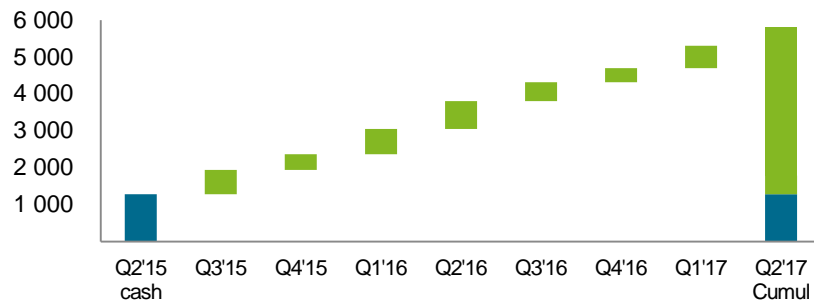
Differentiated investment strategies with a focus on fixed income in USD where the yield curve is steeper, and on loans and real estate in EUR to cope with the low yield environment

The current investment portfolio is very liquid and of high quality, enabling it to benefit quicker from increasing reinvestment rates

Liquid and high quality invested assets portfolio

Two-year cash flow projection (as at 30 June 2015)

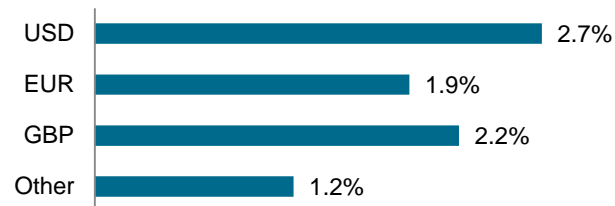
In € millions (rounded), coupons and redemptions in green¹⁾



- ❑ Total investments of € 26.1 billion, of which total invested assets of € 17.3 billion²⁾ and funds withheld of € 8.8 billion as at 30 June 2015
- ❑ High quality of the fixed income portfolio maintained:
 - average AA- rating
 - no sovereign exposure to GIIPS
- ❑ 36% of the portfolio to be reinvested over the next 24 months, with financial cash flows of € 5.8 billion expected to emerge from the portfolio over the next 24 months

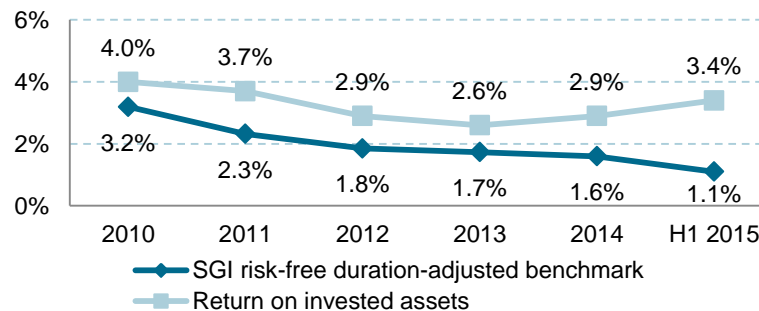
Increasing reinvestment yields

Current reinvestment yields³⁾ in %



Weighted average: 2.2%

SGI delivers strong and recurring financial contribution



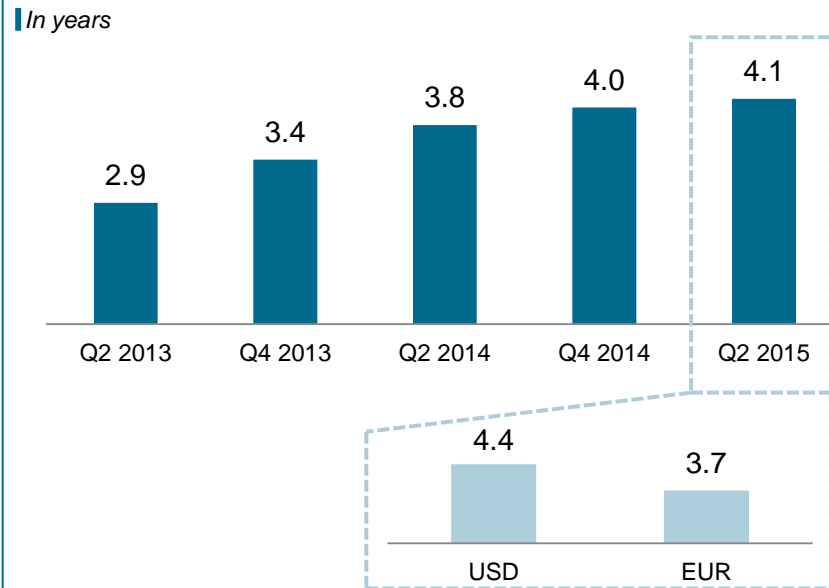
SCOR Global Investments reduces progressively and selectively the ALM duration gap, in line with “Optimal Dynamics” strategy

Target effective duration of invested assets

Bucket	01/01/2013	01/01/2014	01/01/2015
P&C division	3.9 years	3.7 years	4.0 years
Life division	4.8 years	4.2 years	4.6 years
Average Group	4.2 years	3.9 years	4.2 years

- ❑ Bucket modelling performed on Economic Balance Sheet, i.e. on fair values
- ❑ Interest rate sensitivity estimated on the basis of fair values across the entire economic balance sheet
- ❑ Target effective durations (i.e. interest rate sensitivity) of the invested assets portfolio estimated in order to immunize the Economic Value of the Group

Effective duration of the fixed income portfolio¹⁾



A differentiated approach by currency bucket to benefit from the relative steepness of yield curves

The loan platform of SCOR Global Investments delivers attractive returns on the EUR-denominated portfolio

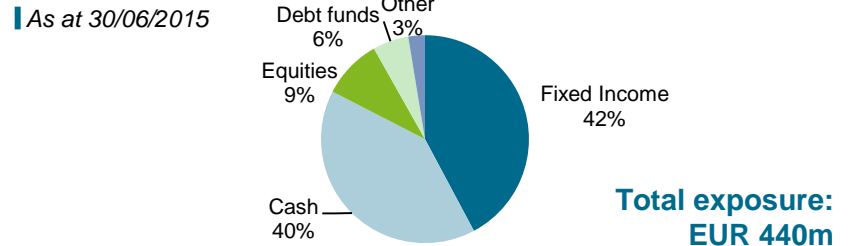
	Target return	Recent developments	SCOR invested assets (in € million) ¹⁾												
Leveraged Loans	Libor/Euribor + 400-500 bps	<ul style="list-style-type: none"> Strategy launched mid-2011 5 funds managed, with 4 club deals Increasing size of assets under management thanks to third party clients, provides visibility to the SCOR Global Investments team and enables better terms and conditions with banks 	<table border="1"> <tr> <th>Period</th> <th>Invested Assets (€ million)</th> </tr> <tr> <td>Q4 2011</td> <td>59</td> </tr> <tr> <td>Q4 2012</td> <td>197</td> </tr> <tr> <td>Q4 2013</td> <td>244</td> </tr> <tr> <td>Q4 2014</td> <td>292</td> </tr> <tr> <td>Q2 2015</td> <td>311</td> </tr> </table>	Period	Invested Assets (€ million)	Q4 2011	59	Q4 2012	197	Q4 2013	244	Q4 2014	292	Q2 2015	311
Period	Invested Assets (€ million)														
Q4 2011	59														
Q4 2012	197														
Q4 2013	244														
Q4 2014	292														
Q2 2015	311														
Infrastructure Loans	Libor/Euribor + 250-300 bps	<ul style="list-style-type: none"> Strategy launched mid-2013 Diversified portfolio including renewable energy, transport infrastructure, and construction projects, both greenfield and brownfield First fund successfully ramped-up, in a club deal format with external institutional investors 	<table border="1"> <tr> <th>Period</th> <th>Invested Assets (€ million)</th> </tr> <tr> <td>Q4 2011</td> <td>0</td> </tr> <tr> <td>Q4 2012</td> <td>0</td> </tr> <tr> <td>Q4 2013</td> <td>49</td> </tr> <tr> <td>Q4 2014</td> <td>64</td> </tr> <tr> <td>Q2 2015</td> <td>84</td> </tr> </table>	Period	Invested Assets (€ million)	Q4 2011	0	Q4 2012	0	Q4 2013	49	Q4 2014	64	Q2 2015	84
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Real Estate Loans	Libor/Euribor + 300-350 bps	<ul style="list-style-type: none"> Strategy launched mid-2013 Diversified portfolio including offices, hotels and retail parks on value-added assets First fund successfully ramped-up, in a club deal format with external institutional investors 	<table border="1"> <tr> <th>Period</th> <th>Invested Assets (€ million)</th> </tr> <tr> <td>Q4 2011</td> <td>32</td> </tr> <tr> <td>Q4 2012</td> <td>49</td> </tr> <tr> <td>Q4 2013</td> <td>92</td> </tr> <tr> <td>Q4 2014</td> <td>185</td> </tr> <tr> <td>Q2 2015</td> <td>163</td> </tr> </table>	Period	Invested Assets (€ million)	Q4 2011	32	Q4 2012	49	Q4 2013	92	Q4 2014	185	Q2 2015	163
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Only 2% of invested assets are exposed to emerging markets

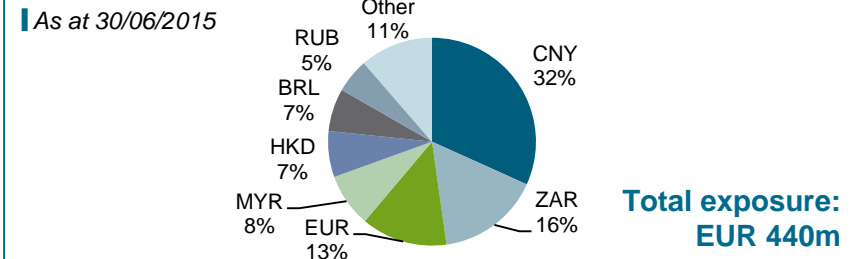
Invested assets exposure to emerging markets

- ❑ SCOR has exposures to emerging markets due to its strict policy of congruency between assets and liabilities (consisting of mainly cash and local government bonds) and also through active positioning of invested assets towards these markets
- ❑ Exposure to emerging markets has been significantly reduced in 2013
- ❑ As of 30 June 2015, exposure to emerging markets through the invested assets portfolio stands at EUR 440m, representing ~2% of SCOR invested assets
- ❑ Out of this, EUR 171m is exposure to China, mainly consisting in cash at bank
 - EUR 38m are invested in securities (equities and bonds)
 - EUR 133m are held in cash

Breakdown of emerging markets exposure by type of asset



Breakdown of emerging markets exposure by currency

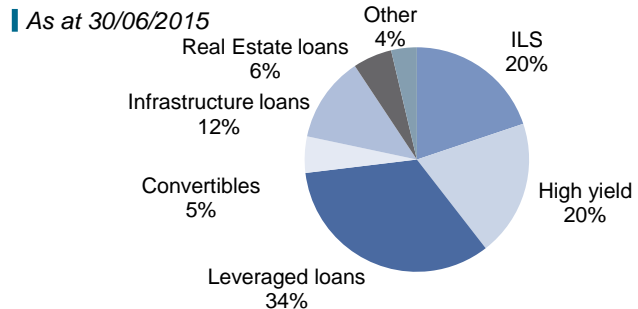


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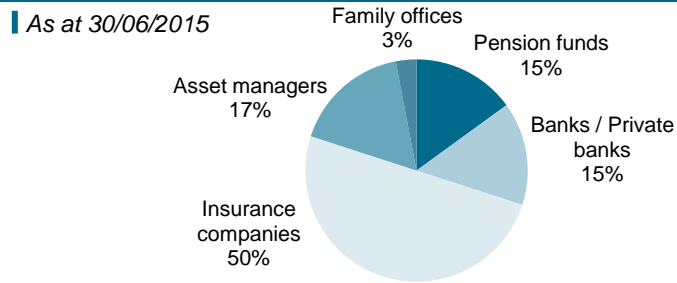
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SCOR Global Investments is accelerating its position as a niche third-party asset manager, reaching a high momentum

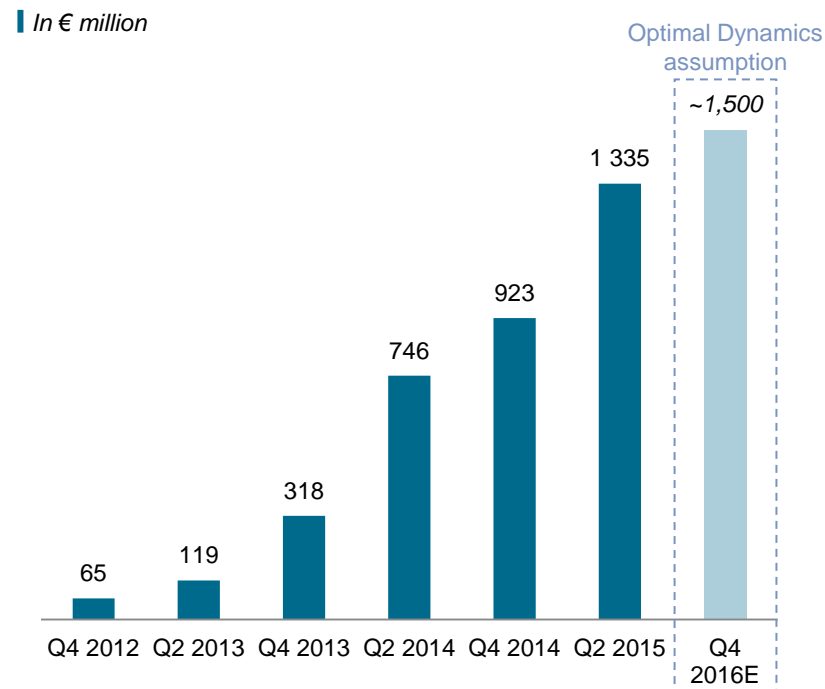
Third-party AuM breakdown by asset type



Third-party AuM breakdown by client type



Evolution of third-party assets under management¹⁾



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Case study: SCOR Global Investments real estate investment strategy

A tailored real estate investment strategy...

- ❑ Acquisition of assets close to lease maturity
- ❑ Restructuration and marketing of the assets
- ❑ Disposal once adequately rented

In Europe

Comprehensive team of experts

- ❑ Initial focus on direct real estate transactions
- ❑ Expansion to senior secured loans in 2013
- ❑ Opportunistically, extension to mezzanine transactions

Outside of Europe

SCOR is relying on external asset managers:

- ❑ Selection criteria are based on asset management teams track record
- ❑ SCOR also focuses on value-added investment strategies

... throughout the capital structure

SCOR Global Investments capabilities

Equity

- ❑ Experienced team of professionals with technical and asset management background
- ❑ Primarily office buildings portfolio located in the Paris area
- ❑ Focus on value-added transactions
- ❑ Prime tenants

Mezzanine

- ❑ Opportunistic approach
- ❑ Combination of skills of the equity and debt teams to deliver tailored solutions in a flexible way

Senior Secured Financing

- ❑ Experienced team of professionals with banking background
- ❑ Focus on senior secured loans
- ❑ Focus on value-added transactions
- ❑ Diversified portfolio including offices, retail, hotels, etc.

Thanks to its in-house expertise, SCOR Global Investments is generating strong and recurring financial contribution through its real estate portfolio

SCOR owns a prime real estate portfolio

Portfolio key features

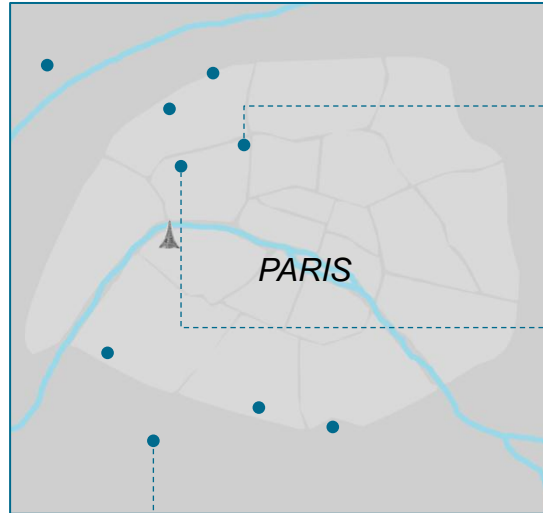
Prime location, concentration in West Paris

Office buildings

Prime tenants

Sustainable buildings / "green" certifications

Location of key assets



Selected examples¹⁾

Londres Budapest

PARIS
20,450 sqm



3/5 Friedland

PARIS
11,840 sqm



Green Office

MEUDON
21,819 sqm



SCOR Global Investments focuses on value-added real estate operations

Typical lifecycle of a value-added real estate operation – Rue de Clichy (Paris 9) case study

Disposal

- Sale occurred in 2014 for an amount of € 38.7 million
- Strong financial contribution to the Group, mainly through realized gains

All-in IRR²⁾:
9.5%

Acquisition / Restructuring preparation

- Acquisition of Rue de Clichy building in 2007
- Purchase price: € 23 million



View of building
in 2007

Marketing / Rental

- Building is let to a single tenant (Atout France¹⁾)
- Appraisal value stands at € 34.5 million on Dec-2013



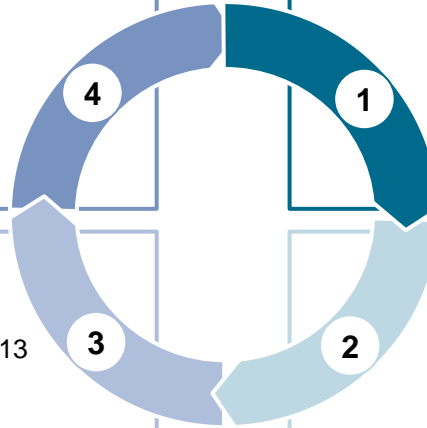
View of building
after completion of
renovation

Restructuring

- Heavy refurbishing throughout 2009/2010
- Total amount of € 6 million



View of building
during the heavy
renovation works



1) Atout France is a French government agency
2) Leveraged internal rate of return since inception (unlevered IRR of 7.4%)

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In the current environment, SCOR Global Investments is on track to achieve the two objectives set for "Optimal Dynamics"

SCOR Global Investments "Optimal Dynamics" objectives		H1 2015	2016E
Achieve higher investment returns	RoIA ¹⁾ > 3.0% by 2016	3.4%	> 3.0%
Accelerate SCOR Global Investments' position as a niche third-party asset manager	€ 1.5 billion AuM ²⁾ from third-party clients by 2016	€ 1.3 billion	> € 1.5 billion