

## Press Release

10 February 2015 - N°3

### January 2015 Renewals:

## SCOR Global P&C delivers premium growth of 2.4%, while maintaining expected profitability

At the 1 January 2015 renewals, SCOR Global P&C delivers gross written premium growth of 2.4% at constant exchange rates to EUR 2.7 billion, while maintaining expected technical profitability quasi stable compared to January 2014.

In an increasingly competitive market environment, SCOR Global P&C has capitalised on the quality of its franchise and the active management of its portfolios, completing January renewals that bear witness to its strong competitive position, as illustrated by the main performance indicators set out below:

- A pricing decrease contained at -0.7% across the entire renewed portfolio, which has benefitted from primary insurance price increases, being mainly composed of proportional reinsurance;
- Deterioration in the gross underwriting ratio limited to just 0.2 percentage points, thereby confirming that the teams have successfully achieved their targets in terms of slowing down the deterioration in expected profitability. Moreover, SCOR Global P&C successfully resisted the broader loosening of terms and conditions, particularly certain contract clauses, thanks to a technical and consistent underwriting approach that has notably enabled it to contain the extension of hour clauses and to maintain event aggregation conditions within acceptable limits for non-proportional contracts;
- Improved outward retrocession conditions that provide SCOR Global P&C with broader and more efficient protection, and enable it to confirm its net combined ratio assumption of 94% for the second year of "Optimal Dynamics".

The "Optimal Dynamics" business initiatives, along with an approach centred on the needs of its clients across all of their business lines and markets worldwide, allow SCOR Global P&C to benefit from selective portfolio growth while deepening its franchise. SCOR Global P&C notably continues:

- to grow selectively as part of the US client-focused initiative;
- to expand its activity on the Lloyd's market, thanks to the successful development of The Channel 2015 syndicate;
- to strengthen its presence on emerging markets, with growth of 10% observed on P&C treaties in Asia. This is due to a strong local presence on these markets and to long-term client relationships, based on more than 40 years of stability and continuity and on heightened cooperation with insurer clients in order to further develop their markets;

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- to develop and expand its business with large industrial groups (SCOR Business Solutions), notably with the captives of these groups.

In an increasingly competitive market environment, SCOR Global P&C continues to optimise its growth within the constraints of the Group's two targets: solvency and profitability. For 2015, SCOR Global P&C thus expects to achieve gross premium income of around EUR 5.3 billion.

The premiums up for renewal at 1 January represent 70% of the total annual volume of treaty premiums and are distributed between P&C treaties (72%) and Specialty treaties (28%).

The main business line developments at the 1 January 2015 renewals are as follows:

- For **P&C treaties**: gross premiums increase by 0.9% at constant exchange rates to EUR 2.024 billion. This slight growth is due to active portfolio management designed to maintain the profitability of underwritten business, particularly in the EMEA region which records a 4% reduction in premiums. This is more than offset by premium volume increases in other regions. In Asia, SCOR Global P&C has strengthened its position not only in China but also in most growing markets, such as South Korea and Malaysia. Share increases and new business with existing clients have supported growth in the Americas, particularly in Canada and the US where the client-focused initiative is bearing fruit.
- For **Speciality treaties**: gross premiums increase by 6.5% at constant exchange rates to EUR 788 million. This growth can be seen in most lines of business except engineering, which has been the object of fierce competition on the international markets, and on which SCOR Global P&C has sometimes had to reduce its shares in order to maintain profitability. US nat cat business records volume growth of 3%, notably thanks to successful renewals with global clients as part of the strategic plan initiative, and to SCOR Global P&C's favourable signings on overplaced programs.

**Victor Peignet, CEO of SCOR Global P&C**, comments: *"In an environment that is becoming increasingly competitive on the supply side, and increasingly restricted by budgets on the demand side, and where a number of reinsurance market segments are under pressure from challenging economic and financial factors, SCOR Global P&C has taken advantage of the quality of its organisational structure and the cohesion of its teams to consolidate its position among the leading reinsurers. The strategic initiatives implemented by SCOR Global P&C rely on these differentiating assets to anticipate changes in demand and to offer targeted clients the global and innovative solutions that they need. These renewals confirm the relevance of our organisational and strategic choices and contribute to strengthening the competitive positioning of SCOR Global P&C."*

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#### Forward-looking statements

SCOR does not communicate "profit forecasts" in the sense of Article 2 of (EC) Regulation n°809/2004 of the European Commission. Thus, any forward-looking statements contained in this communication should not be held as corresponding to such profit forecasts. Information in this communication may include "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitations, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, on the one hand, to differ from any results expressed or implied by the present communication, on the other hand.

Please refer to SCOR's Document de référence filed with the AMF on 05 March 2014 under number D. 14-0117 (the "Document de référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including 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.

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".