

Press Release

September 8, 2021 - N° 25

Investor Day 2021

SCOR builds on its global tier 1 reinsurer position and creates sustainable value for its stakeholders

- **SCOR builds on its leadership position as a global tier 1 reinsurer, which relies on its four tested strategic cornerstones (a robust capital shield, a strong franchise, a high diversification, and a controlled risk appetite), as it embarks in its next chapter and adapts to a fast-changing environment.**
- **SCOR takes proactive actions to create sustainable shareholder value, focusing on delivery and operational performance improvement:**
 - **The recent Life transaction delivers immediate value, while increasing the Group's degrees of freedom for value accretive capital deployment in the P&C business.**
 - **P&C: in an attractive market, estimated GWP growth for 2022 is revised upwards to 15% - 18% from 4-8% in "Quantum Leap", with a net combined ratio trending towards 95% and below. This absorbs a Nat Cat budget increase from 7% to 8% for 2022 to reflect an increasingly volatile environment. Going forward, SCOR will adopt a forward-looking approach to estimate its Nat Cat budget.**
 - **Life: SCOR continues its focus on value and impact. The recent Life in-force transaction reduced the share of US mortality business by c. 20%. The assumption for the 2022 net technical margin (excluding potential Covid-19 impacts) is revised upwards by 100 bps to 8.2% - 8.4%, while the GWP growth for 2022 is revised downwards from +3-6% to +~1%.**
 - **Investments: SCOR intends to reduce its excess liquidity from 16% to 9% by year-end and actively continues diversification into accretive value-creation assets. The Group expects a return on invested assets of 1.8% - 2.3% for 2022.**
- **In an environment of heightened risk awareness, SCOR sees very attractive long-term growth opportunities in its business and will optimally deploy capital in line with its internal framework to create long-term value. The upcoming strategic plan will demonstrate SCOR's commitment to delivery and will be the opportunity to engage proactively with all of our stakeholders.**

At the annual Investor Day taking place this afternoon, SCOR's Executive Committee, led by Laurent Rousseau, Chief Executive Officer, will present an overview of the extension of the "Quantum Leap" strategic plan, which will run until the end of 2022.

SCOR's global Tier 1 position relies on its four tested strategic cornerstones: a robust capital shield, a strong franchise, a high diversification, and a controlled risk appetite. The Group builds on its leadership position to seize the attractive long-term growth opportunities emerging from the fast-changing risk environment. The current environment represents an opportunity for the Group to adapt and embark on its next chapter. SCOR will leverage its strong track record in its capacity to evolve over time. The evolution of the governance structure and the new Group Executive Committee will enable SCOR to focus on execution and delivery and will bring momentum to its transformation and its sustainability journey.

The long-term fundamentals of the (re)insurance businesses offer clear opportunities to further improve the Group's performance. SCOR will make the most of the current heightened risk awareness environment, leading to higher demand and greater discipline, and will rebalance its exposure towards

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P&C business to seize the opportunities created by the hardening market and attractive pricing conditions. SCOR's focus on business and delivery will enable the Group to extract value from underlying risk pools and offer a differentiated value proposition to its stakeholders. The solvency ratio is expected to trend towards the higher end of the optimal solvency range of 185% - 220% within the next two years, given strategic choices made by the Group, as it targets to create sustainable, franchise-strengthening value for its shareholders.

The upcoming strategic plan will be unveiled in March 2022 and will be the opportunity for SCOR to demonstrate its commitment to delivering and to engaging with all stakeholders. SCOR will lead a sustainable growth agenda building on three key themes: Culture & People, Business Leadership, and Financial Performance.

Laurent Rousseau, Chief Executive Officer of SCOR, comments: *“SCOR’s franchise has never been stronger, the Group is poised to reap the benefits of its leadership position and seize the attractive long-term growth opportunities emerging from the fast-changing risk environment. The Group Executive Committee is focused on delivery and operational improvement to create sustainable, franchise-strengthening value for our shareholders. In the next strategic plan, to be unveiled in March 2022, we will focus on Culture & People, Business Leadership, and Financial Performance to transform the Group and build a differentiated value proposition for all stakeholders.”*

SCOR Global P&C accelerates its development in the current hardening market environment

SCOR Global P&C successfully delivers upon the key pillars of the “Quantum Leap” strategic plan based on redeploying capital in value-creative segments and clients, growing P&C Partners as an innovation enabler, and accelerator as well as fostering operational excellence, and building a 360° risk taking platform. While the profitability has been impacted by the Covid-19 shock and an elevated CAT activity, SCOR's exposures are in line with its peer group.

SCOR Global P&C is ready to accelerate its development in the current hardening market environment, with an increased focus on non-Natural Catastrophe lines of business. The outlook for the P&C (re)insurance market is attractive and sustained by strong fundamentals. In Reinsurance, there are strong growth opportunities in Europe, Fast Growth Markets, and Global Lines, with the best market dynamics in a decade. Specialty Insurance remains the most attractive segment of the market, the share of this business unit is expected to trend towards 30% of SCOR Global P&C's gross written premiums. The increased capital allocated to P&C will accelerate planned growth at a very attractive point in the cycle. SCOR Global P&C will pro-actively reduce the adverse impact of Nat Cat volatility on its portfolio by limiting growth on Cat business, as well as further optimizing the P&C retrocession program in 2022 to better cover against Cat frequency claims.

Leveraging the improving market conditions, in 2022, SCOR Global P&C expects to deliver stronger growth than provided for in “Quantum Leap”. SCOR Global P&C's revised assumptions for 2022 are:

- An Estimated Gross Premium Income¹ growth between +15% to +20%², translating into Gross Written Premium growth between 15% to 18%² at constant exchange rates;
- A combined ratio trending down to ~95% and below, better than the “Quantum Leap” assumption of ~95% to 96%, with an increase in the nat cat budget from 7% to 8% to reflect the influence of climate change and rising trends of mid-sized catastrophic events.

¹ EGPI - Underwriting Year

² Could be revised down if market not improving as expected

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SCOR Global Life delivers “Quantum Leap” despite the pandemic and builds the future of Life insurance

SCOR Global Life is successfully executing on the “Quantum Leap” plan while absorbing the Covid-19 pandemic costs thanks to its large, global and diversified franchise.

The pandemic has accelerated the transformation of the Life insurance industry with changing consumer demands and a massive increase in digitalization. SCOR Global Life’s offering has transformed with a much richer Purpose-driven proposition to clients leading to deeper strategic relationships. Its value proposition focuses on value and impact and is enabled by an operational transformation based on agility and technology, leaving the business unit well positioned to build the future of insurance.

Looking forward, the financial impact of Covid-19, largely driven by the US, will remain manageable although 2021 impacts will be higher than expected due to the emergence of the delta variant. However, the impact on the reinsured population is still expected to be significantly lower than on the general population with vaccines continuing to give strong protection from severe Covid-19. While much uncertainty remains in the short term, learnings from past pandemics would suggest long-term positive impacts on mortality driven by advances in the healthcare and pharmaceutical industries.

SCOR Global Life’s revised assumptions are:

- Gross Written Premium for 2022 up 1.0% at constant exchange rates, pursuing profitable growth in the core protection business of 3-4% and focusing on markets where SCOR Global Life can have an impact;
- Net technical margin for FY 2021 estimated at ~10%, or between 5.5% and 6.0% excluding the “day one” impact from the recent in-force transaction;
- New run rate of 8.2%-8.4%, excluding Covid-19 impact, for the net technical margin in 2022 (vs 7.2%-7.4% provided for in “Quantum Leap”) reflecting faster profit emergence following the in-force transaction. This net technical margin increase is non-dilutive on 2022 earnings;
- Maintaining a strong value creation with an annual VNB³ above EUR 300 million over 2021 and 2022.

SCOR Global Investments actively continues diversification into accretive value-creation assets

SCOR Global Investments delivers on its commitment to act as a responsible investor. SCOR is finalizing the reinvestment of its excess liquidity into corporate bonds exposure by the end of 2021 and actively diversifies invested assets into value-creation assets (private equity, private debt and infrastructure), which are expected to represent over 10% of total invested assets by the end of 2022. Under current market conditions, the return on invested assets is expected to be between 1.8% and 2.3% for the full year 2022.

SCOR expands its third-party asset management franchise and is actively preparing for the transition to IFRS 9 on January 1, 2022.

***The SCOR Investor Day 2021 webcast starts at 1:00pm CEST today
[Click here](#) to watch it live.***

³ Value of New Business after Risk Margin and tax

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General

Numbers presented throughout this document may not add up precisely to the totals in the tables and text. Percentages and percent changes are calculated on complete figures (including decimals); therefore the document might contain immaterial differences in sums and percentages due to rounding. Unless otherwise specified, the sources for the business ranking and market positions are internal.

Forward-looking statements

This document includes forward-looking statements and information about the objectives of SCOR, in particular, relating to its current or future projects. These statements are sometimes identified by the use of the future tense or conditional mode, as well as terms such as “estimate”, “believe”, “have the objective of”, “intend to”, “expect”, “result in”, “should” and other similar expressions. It should be noted that the achievement of these objectives and forward-looking statements is dependent on the circumstances and facts that arise in the future.

Forward-looking statements and information about objectives may be impacted by known and unknown risks, uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

The full impact of the Covid-19 crisis on SCOR’s business and results can still not be accurately assessed at this stage, given the uncertainty related both to the magnitude and duration of the Covid-19 pandemic and to the possible effects of future governmental actions and/or legal developments in this context. This uncertainty follows from the considerable difficulty in working on sound hypotheses on the impact of this crisis due to the lack of comparable events, the ongoing nature of the pandemic and its far-reaching impacts on the global economy, on the health of the population and on our customers and counterparties.

These hypotheses include, in particular:

- the duration of the pandemic, its impact on health on the short and long term,
- the availability, efficacy, effectiveness and take-up rate and effect of the vaccines;
- the response of government bodies worldwide (including executive, legislative and regulatory);
- the potential judicial actions or social influences;
- the coverage and interpretation of SCOR’s contracts under these circumstances;
- the assessment of the net claim estimates and impact of claim mitigation actions.

Therefore:

- any assessments and resulting figures presented in this document will necessarily be estimates based on evolving analyses, and encompass a wide range of theoretical hypotheses, which are still highly evolutive;
- at this stage, none of these scenarios, assessments, impact analyses or figures can be considered as certain or definitive.

Information regarding risks and uncertainties that may affect SCOR’s business is set forth in the 2020 Universal Registration Document filed on March 2, 2021, under number D.21-0084 with the French Autorité des marchés financiers (AMF) posted on SCOR’s website www.scor.com.

In addition, such forward-looking statements are not “profit forecasts” within the meaning of Article 1 of Commission

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Delegated Regulation (EU) 2019/980.

Financial information

The Group's financial information contained in this document is prepared on the basis of IFRS and interpretations issued and approved by the European Union.

Unless otherwise specified, prior-year balance sheet, income statement items and ratios have not been reclassified.

The calculation of financial ratios (such as book value per share, return on investments, return on invested assets, Group cost ratio, return on equity, net combined ratio and life technical margin) is detailed in the Appendices of the H1 2021 presentation (see page 15).

The first half 2021 financial information has been subject to the completion of a limited review by SCOR's independent auditors.

Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to June 30, 2021 should not be taken as a forecast of the expected financials for these periods.

The solvency ratio is not an audited value.