

Press Release

10 November 2023 - N° 20

Third quarter 2023 results

SCOR generates EUR 147 million net income in Q3 2023, contributing to a strong nine-month performance with a net income of EUR 650 million

- **Insurance revenue** of EUR 4,235 million in Q3 2023, up +10.2%¹ compared to Q3 2022
- **P&C combined ratio** of 90.2% in Q3 2023 (-57.8 pts compared to Q3 2022)
- **L&H insurance service result**² of EUR 113 million in Q3 2023, compared to EUR 47 million in Q3 2022
- **Investments regular income yield** of 3.4% in Q3 2023 (+0.8 pts compared to Q3 2022)
- **P&C new business CSM** of EUR 169 million and **L&H new business CSM**³ of EUR 89 million in Q3 2023
- **Group net income** of EUR 147 million QTD (EUR 135 million assuming a constant valuation of the option on own shares), implying an annualized Return on Equity of 13.7% (12.5% adjusted⁴). For the first nine months of 2023, the net income stands at EUR 650 million (EUR 602 million adjusted⁴), implying an annualized Return on Equity of 20.2% (18.8% adjusted⁴)
- **Group Economic Value**⁵ under IFRS 17 of EUR 9.2 billion as of 30 September 2023, up +5.3%⁶ (+7.1%⁶ at constant economics⁷) compared with 31 December 2022, implying an **Economic Value per share** of EUR 51 (vs. EUR 50 as of 31 December 2022)
- **Estimated Group solvency ratio** of 206%⁸ as of 30 September 2023

SCOR SE's Board of Directors met on 9 November 2023 under the chairmanship of Fabrice Brégier, to approve the Group's financial statements for the first nine months of 2023.

¹ At constant exchange rates. Includes L&H insurance revenue growth of 13.5%, capturing the impact of a reclassification. Adjusted for this, the L&H insurance revenue growth would be broadly similar to the GWP growth (+2.0% at constant exchange rates).

² Includes revenues on financial contracts reported under IFRS 9.

³ Includes the CSM on new treaties and change in CSM on existing treaties due to new business (i.e. new business on existing contracts).

⁴ Assuming a constant valuation of the option on own shares.

⁵ Defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM), net of tax. A notional tax rate of 25% is applied to the CSM to calculate Economic Value.

⁶ Not annualized. +5.3% Economic Value growth stands at +7.1% when annualized; +7.1% Economic Value growth at constant economics stands at +9.6% when annualized. The starting point is adjusted for the payment of a EUR 1.40 dividend per share (EUR 254 million in total) in 2023 for the fiscal year 2022.

⁷ At constant economic assumptions of interest rates and exchange rates, and assuming a constant valuation of the option on own shares, as at 31 December 2022.

⁸ Solvency ratio estimated after taking into account a EUR 1.80 annual dividend per share, accrued for the first nine months of 2023.

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Thierry Léger, Chief Executive Officer of SCOR, comments: *“The results over nine months confirm SCOR’s focus on delivering its targets. On the P&C side, we are below our Cat budget over the first nine months of 2023, but continued attention is required on the attritional loss ratio. Our objective as we prepare the 1.1 renewals is to continue to take advantage of the hard market with new business generation at very attractive margins. In L&H and Investments, we deliver stable and positive results. With a EUR 602 million⁹ nine-month result, I see us well placed to deliver on our Forward 2026 plan.”*

Group performance and context

SCOR records positive results in Q3 2023, a quarter historically marked by a strong claims activity:

- In P&C (re)insurance, the combined ratio of 90.2% in Q3 2023 is driven by natural catastrophe losses above budget (including claims related to the Hawaii fires) and large man-made claims. Over the first nine months of 2023, the natural catastrophe ratio is below the budget. Overall, in Q3 2023, while the attritional loss ratio is satisfactory, the level of man-made claims is too high. SCOR continues its efforts to improve the core performance of its P&C business.
- In L&H reinsurance, the business pursues its profitable growth and generates a consistent insurance service result of EUR 113 million² in Q3 2023.
- In Investments, SCOR benefits from high reinvestment rates and reports a noticeable increase in the regular income yield, which reaches 3.4% in Q3 2023 (vs. 3.1% in Q2 2023).

Over the first nine months of 2023, and assuming a constant valuation of the option on own shares, SCOR delivers a strong performance with a net income of EUR 602 million⁹, implying an annualized Return on Equity of 18.8%⁹, and grows its Economic Value by 7.1%¹⁰.

Challenging P&C performance in a quarter historically subject to high loss activity

In Q3 2023, P&C insurance revenue stands at EUR 1,897 million, up +6.4% at constant exchange rates (down -0.1% at current exchange rates) compared to Q3 2022. There has been a strong increase in insurance revenue for Specialty Insurance (+16.4% at constant exchange rates), representing 33% of the total P&C insurance revenue.

New business CSM in Q3 2023 stands at EUR 169 million.

⁹ Assuming a constant valuation of the option on own shares. Amounts taking into account the impact of the variation of the fair value of the option on own shares: net income of EUR 147 million and ROE of 13.7% in Q3 2023; net income of EUR 650 million and ROE of 20.2% in the first nine months of 2023.

¹⁰ Not annualized. Growth at constant economic assumptions of interest rates and exchange rates, and assuming a constant valuation of the option on own shares as at 31 December 2022. Economic Value defined as the sum of the shareholders’ equity and the Contractual Service Margin (CSM), net of tax. The starting point is adjusted for the payment of a EUR 1.40 dividend per share (EUR 254 million in total) in 2023 for the fiscal year 2022. Annualized Economic Value growth stands at +9.6% at constant economic assumptions of interest rates and exchange rates, and assuming a constant valuation of the option on own shares, as at 31 December 2022.

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P&C (re)insurance key figures:

<i>In EUR million (at current exchange rates)</i>	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
P&C insurance revenue	1,897	1,900	-0.1%	5,557	5,352	3.8%
P&C insurance service result	152	-765	n.a.	544	-928	n.a.
Combined ratio	90.2%	148.0%	-57.8 pts	88.0%	120.7%	-32.7 pts
P&C new business CSM	169			1,028		

The P&C combined ratio stands at 90.2% in Q3 2023, compared to 148.0% in Q3 2022. The combined ratio is improving due to (i) a Nat Cat ratio at 13.3%, including 4 points related to claims on the Hawaii fires, largely below that of last year (32.5% impacted mostly by Hurricane Ian), and (ii) an attritional loss and commission ratio of 70.4% (mainly impacted by a high level of man-made claims and by additional prudence on selected P&C reserves) that remains significantly lower than last year's level (104.2%, impacted by c. 30 pts of reserves increase).

The P&C attributable expense ratio stands at 6.8% of net insurance revenue in Q3 2023.

The P&C insurance service result of EUR 152 million is driven by a CSM amortization of EUR 183 million, partly offset by the negative experience variance.

L&H generates EUR 113 million insurance service result in Q3 2023

In Q3 2023, L&H insurance revenue amounts to EUR 2,338 million, up +13.5%¹ at constant exchange rates (up 5.4% at current exchange rates) compared to Q3 2022.

SCOR continues to build its L&H CSM through new business generation, mostly from Protection (EUR 89 million new business CSM³ in Q3 2023, including EUR 77 million from Protection).

L&H reinsurance key figures:

<i>In EUR million (at current exchange rates)</i>	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
L&H insurance revenue	2,338	2,218	5.4%	6,534	6,647	-1.7%
L&H insurance service result ²	113	47	142.1%	525	147	257.9%
L&H new business CSM ³	89			376		

The L&H insurance service result² amounts to EUR 113 million in Q3 2023. It is supported by a CSM amortization of EUR 114 million and a Risk Adjustment release of EUR 29 million. Experience variance remains limited at EUR -9 million despite the impact of a negative one-off accounting change on accruals of EUR -32 million, with onerous contracts standing at EUR -23 million.

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Investments delivers a regular income yield of 3.4% in Q3 2023, benefiting from high reinvestment rates (5.4% as of 30 September 2023)

As of 30 September 2023, total invested assets amount to EUR 22.0 billion. SCOR's asset mix is optimized, with 78% of the portfolio invested in fixed income. SCOR has a high-quality fixed income portfolio with an average rating of A+ and a duration at 3.0 years.

Investments key figures:

In EUR million (at current exchange rates)	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
Total invested assets	22,005	22,165	-0.7%	22,005	22,165	-0.7%
Regular income yield*	3.4%	2.6%	+0.8 pts	3.1%	2.2%	+0.9 pts
Return on invested assets*, **	3.4%	2.3%	+1.1 pts	3.1%	1.9%	+1.2 pts

(*) Annualized.

(**) Fair value through income on invested assets excludes EUR 17 million in Q3 2023 and EUR 64 million in 9M 2023 related to the option on own shares granted to SCOR (before tax)

Total investment income on invested assets stands at EUR 185¹¹ million in Q3 2023. The return on invested assets stands at 3.4%¹¹ (vs. 3.0% in Q2 2023) and the regular income yield at 3.4% (vs. 3.1% in Q2 2023).

The reinvestment rate stands at 5.4%¹² as of 30 September 2023, compared to 5.1% at 30 June 2023. The invested assets portfolio remains highly liquid and financial cash flows of EUR 9.7 billion are expected over the next 24 months¹³, enabling SCOR to continue to benefit fully from the increase in reinvestment rates.

Other items

The published Q3 Group net income of EUR 147 million includes a EUR 17 million¹⁴ pre-tax impact related to the option on own shares granted to SCOR, valued at fair value through income. Adjusting for this item, the Group net income stands at EUR 135 million.

The impact of the transaction with BNP Paribas Cardif announced on 4 October 2023 will be captured in the Q4 2023 results.

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¹¹ In Q3 2023, fair value through income on invested assets excludes EUR 17 million related to the option on own shares granted to SCOR. Annualized, return on invested assets excludes funds withheld by cedants and other deposits.

¹² Corresponds to theoretical reinvestment rates based on Q3 2023 asset allocation of asset yielding classes (i.e. fixed income, loans and real estate), according to current reinvestment duration assumptions and spreads, currencies, yield curves as of 30 September 2023.

¹³ As of 30 September 2023. Investable cash includes current cash balances, and future coupons and redemptions.

¹⁴ EUR 64 million pre-tax impact over the first nine months of 2023.

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APPENDIX

1 - Group Q3 2023 key financial details

<i>In EUR million (at current exchange rates)</i>	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
Insurance revenue	4,235	4,118	+2.8%	12,090	11,999	+0.8%
Gross written premium ¹	4,870	5,141	-5.3%	14,444	14,827	-2.6%
Insurance service result ²	265	-718	n.a.	1,069	-782	n.a.
Group management expense ratio	6.8%	6.4%	+0.4 pts	6.7%	6.5%	+0.2 pts
Annualized ROE ³	13.7%	n.a.	n.a.	20.2%	n.a.	n.a.
Annualized ROE assuming a constant valuation of the option on own shares	12.5%	n.a.	n.a.	18.8%	n.a.	n.a.
Net income ^{3,4}	147	-752	n.a.	650	-1,027	n.a.
Net income assuming a constant valuation of the option on own shares	135	n.a.	n.a.	602	n.a.	n.a.
Economic Value ^{5,6}	9,157	9,884	-7.4%	9,157	9,884	-7.4%
Shareholder's Equity	4,459	4,800	-7.1%	4,459	4,800	-7.1%
Contractual Service Margin (CSM) ⁶	4,699	5,085	-7.6%	4,699	5,085	-7.6%

1: Gross written premium is not a defined indicator under IFRS 17 (non-GAAP indicator). 2: Includes revenues on Financial contracts reported under IFRS 9. 3: Amounts taking into account the impact of the variation of the fair value of the option on own shares. Q3 2023 impact of EUR 17 million before tax (EUR 13 million after tax). 9M 2023 impact of EUR 64 million before tax (EUR 48 million after tax). 4: Consolidated net income, Group share. 5: Defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM). 6: Net of tax. A notional tax rate of 25% is applied to the CSM.

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2 - P&L key figures Q3 2023

In EUR million (at current exchange rates)	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
Insurance revenue	4,235	4,118	+2.8%	12,090	11,999	+0.8%
▪ P&C insurance revenue	1,897	1,900	-0.1%	5,557	5,352	+3.8%
▪ L&H insurance revenue	2,338	2,218	+5.4%	6,534	6,647	-1.7%
Gross written premium¹	4,870	5,141	-5.3%	14,444	14,827	-2.6%
▪ P&C gross written premium	2,476	2,636	-6.1%	7,090	7,463	-5.0%
▪ L&H gross written premium	2,394	2,505	-4.4%	7,355	7,364	-0.1%
Investment income on invested assets	185	124	+49.3%	505	305	+65.3%
Operating result	257	-845	n.a.	1,016	-1,069	n.a.
Net income^{2,3}	147	-752	n.a.	650	-1,027	n.a.
Net income assuming a constant valuation of the option on own shares	135	n.a.	n.a.	602	n.a.	n.a.
Earnings per share³ (EUR)	0.82	-4.22	n.a.	3.63	-5.77	n.a.
Earnings per share (EUR) assuming a constant valuation of the option on own shares	0.75	n.a.	n.a.	3.36	n.a.	n.a.
Operating cash flow	655	422	+55.2%	892	54	+1,551.9%

1: Gross written premium is not a defined indicator under IFRS 17 (non-GAAP indicator); 2: Consolidated net income, Group share. 3: Amounts taking into account the impact of the variation of the fair value of the option on own shares. Q3 2023 impact of EUR 17 million before tax (EUR 13 million after tax). 9M 2023 impact of EUR 64 million before tax (EUR 48 million after tax)

3 - P&L key ratios Q3 2023

	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
Return on invested assets^{1,2}	3.4%	2.3%	+1.1 pts	3.1%	1.9%	+1.2 pts
P&C combined ratio³	90.2%	148.0%	-57.8 pts	88.0%	120.7%	-32.7 pts
Group management expense ratio⁴	6.8%	6.4%	+0.4 pts	6.7%	6.5%	+0.2 pts
Annualized ROE⁵	13.7%	n.a.	n.a.	20.2%	n.a.	n.a.
Annualized ROE excluding the fair value impact of the option on own shares	12.5%	n.a.	n.a.	18.8%	n.a.	n.a.
Economic Value growth⁶	n.a.	n.a.	n.a.	7.1%	n.a.	n.a.

1: Annualized and calculated excluding funds withheld by cedants according to IFRS 9 standard; 2: In Q3 2023 and 9M 2023, fair value through income on invested assets excludes respectively EUR 17 million and EUR 64 million related to the option on own shares granted to SCOR; 3: The combined ratio is the sum of the total claims, the total variables commissions, and the total P&C management expenses, divided by the net insurance revenue for P&C business; 4: The Group management expense ratio is the total management expenses divided by the insurance revenue; 5: Amounts taking into account the impact of the variation of the fair value of the option on own shares. Q3 2023 impact of EUR 17 million before tax (EUR 13 million after tax). 9M 2023 impact of EUR 64 million before tax (EUR 48 million after tax). 6: Growth at constant economic assumptions of interest rates and exchange rates, and assuming a constant valuation of the option on own shares as at 31 December 2022. Economic Value defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM), net of tax. A notional tax rate of 25% is applied to the CSM. The starting point is adjusted for the payment of a EUR 1.40 dividend of per share (EUR 254 million in total) in 2023 for the fiscal year 2022.

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4 - Balance sheet key figures as of 30 September 2023

<i>In EUR million (at current exchange rates)</i>	As of 30 September 2023	As of 31 December 2022	Variation
Total invested assets¹	22,005	22,179	-0.8%
Shareholders' equity	4,459	4,351	+2.5%
Book value per share (EUR)	24.68	24.11	+2.4%
Economic Value²	9,157	8,947	+2.3%
Economic Value per share (EUR)³	50.87	49.77	+2.2%
Financial leverage ratio	21.2%	21.6%	-0.4 pts
Total liquidity⁴	2,036	2,791	-27.0%

1: Excluding 3rd party net insurance business investments; 2: The Economic Value (defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM), net of tax) includes minority interests; 3: The Economic Value per share excludes minority interests; 4: Includes cash and cash equivalents and short-term investments classified as "other loans and receivables".

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General

Numbers presented throughout this press release 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 press release 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 press release includes forward-looking statements, assumptions, and information about SCOR's financial condition, results, business, strategy, plans and objectives, including in relation to SCOR's current or future projects.

These statements are sometimes identified by the use of the future tense or conditional mode, or terms such as "estimate", "believe", "anticipate", "expect", "have the objective", "intend to", "plan", "result in", "should", and other similar expressions.

It should be noted that the achievement of these objectives, forward-looking statements, assumptions and information is dependent on circumstances and facts that arise in the future.

No guarantee can be given regarding the achievement of these forward-looking statements, assumptions and information. These forward-looking statements, assumptions and information are not guarantees of future performance. Forward-looking statements, assumptions and information (including on objectives) may be impacted by known or unknown risks, identified or unidentified uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

In particular, it should be noted that the full impact of the inflation and geopolitical risks including but not limited to the Russian invasion and war in Ukraine on SCOR's business and results cannot be accurately assessed.

Therefore, any assessments, any assumptions and, more generally, any figures presented in this press release will necessarily be estimates based on evolving analyses, and encompass a wide range of theoretical hypotheses, which are highly evolutive.

These points of attention on forward-looking statements are all the more essential that the adoption of IFRS 17, which is a new accounting standard, results in significant accounting changes for SCOR.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2022 Universal Registration Document filed on 14 April 2023, under number D.23-0287 with the French Autorité des marchés financiers (AMF) posted on SCOR's website www.scor.com.

In addition, such forward-looking statements, assumptions and information are not "profit forecasts" within the meaning of Article 1 of Commission Delegated Regulation (EU) 2019/980.

SCOR has no intention and does not undertake to complete, update, revise or change these forward-looking statements, assumptions and information, whether as a result of new information, future events or otherwise.

Financial information

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

IFRS 17 is a new accounting standard applicable to insurance and reinsurance contracts. IFRS 17 has replaced IFRS 4 since 1 January 2023. The adoption of IFRS 17 results in significant accounting changes for SCOR. Any assessments, assumptions, estimates or expectations under or relating to IFRS 17 in this press release reflect SCOR's current view of the impact of IFRS 17. The 1 January 2023 IFRS 17 opening balances have not been fully audited and are consequently potentially subject to change. Accordingly, no undue reliance should be placed on such assessments, assumptions, estimates or expectations.

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

The calculation of financial ratios (such as economic value per share, return on investments, return on invested assets, Group cost ratio, return on equity and combined ratio) is detailed in the Appendices of the presentation related to the financial results of Q3 2023 (see page 21).

The nine months 2023 financial information included in this press release is unaudited.

Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to 30 September 2023 should not be taken as a forecast of the expected financials for these periods. The solvency ratio is not audited by SCOR's statutory auditors.