

Press Release

27 July 2023 - N° 15

Second quarter 2023 results

SCOR generates EUR 192 million net income in Q2 2023, contributing to EUR 502 million net income in H1 2023

- **Insurance revenue** of EUR 3,930 million in Q2 2023, up +4.3%¹ compared to Q2 2022
- **P&C combined ratio** of 88.5% (-24.6 pts compared to Q2 2022)
- **L&H insurance service result** of EUR 140 million, up +103.7% compared to Q2 2022
- **Investments regular income yield** of 3.1% (+0.9 pts compared to Q2 2022)
- **P&C new business CSM** of EUR 271 million and **L&H new business CSM**² of EUR 96 million in Q2 2023
- **Group net income** of EUR 192 million, implying an annualized Return on Equity of 16.9% in Q2 2023 and contributing to a net income of EUR 502 million for the first 6 months of 2023, implying an annualized Return on Equity of 23.2%
- **Group Economic Value**³ under IFRS 17 of EUR 9,374 million as of 30 June 2023, up 7.8%⁴ (+8.7%⁴ on a constant interest and exchange rate basis⁵) compared with 31 December 2022, implying an **Economic Value per share** of EUR 52 (vs. EUR 50 as of 31 December 2022)
- **Estimated Group solvency ratio** of 213%⁶ as of 30 June 2023, towards the upper end of the optimal solvency range

SCOR SE's Board of Directors met on 26 July 2023, under the chairmanship of Fabrice Brégier, to approve the Group's financial statements for the first half of 2023.

Thierry Léger, Chief Executive Officer of SCOR, comments: *"The Q2 results are testimony to both the strength of SCOR's business model and the complementarity of our core activities. Our efforts continue to pay off and I am confident in the Group's ability to take full advantage of the current market conditions. We are now finalizing the new Strategic Plan, which will be presented on 7 September 2023."*

Group performance and context

SCOR reports a strong performance in Q2 2023 across its three business lines, with strong P&C renewals and an increasing return on invested assets:

- In P&C, market conditions remain favorable for reinsurers, regarding both pricing and terms and

¹ At constant exchange rates.

² Includes the CSM on new treaties and change in CSM on existing treaties due to new business (i.e. new business on existing contracts).

³ 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.

⁴ Not annualized. Annualized Economic Value growth stands at +16.2% (+18.2% on a constant interest and exchange rate basis and assuming a constant valuation of the option on own shares as at 31 December 2022). The starting point is adjusted for the payment of a EUR 1.40 dividend per share (EUR 254 million in total) for the fiscal year 2022, paid in 2023.

⁵ Assuming a constant valuation of the option on own shares, as at 31 December 2022.

⁶ Solvency ratio estimated after taking into account a EUR 1.80 annual dividend per share, accrued for the first six months of 2023.

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conditions. The portfolio actions initiated in 2022 have now been completed and SCOR was able to tackle the June / July renewals with the objective of optimizing value creation and technical returns, recording a +9%⁷ price increase and a +7% gross premium growth for its renewed portfolio. Q2 2023 was marked by limited natural catastrophe activity and a higher level of man-made activity, notably including the series of riots that started in France at the end of June.

- In L&H reinsurance, the business continues to grow profitably and generates a strong insurance result.
- In Investments, SCOR continues to benefit from high reinvestment rates and reports a strong increase in the regular income yield.

These strong quarterly results add to the already strong Q1 2023 results: over the first half of 2023, SCOR generated EUR 502 million net income, implying an annualized Return on Equity of 23.2%, and grew its Economic Value by 7.8%⁸.

P&C performance is impacted by the French riots and a prudent approach to reserving in Q2 2023

In Q2 2023, P&C insurance revenue stands at EUR 1,869 million, up +7.9% at constant exchange rates (up +4.5% at current exchange rates) vs. Q2 2022. There has been a strong increase in insurance revenue for Specialty insurance (+18.0% at constant exchange rates), which now represents 33% of P&C overall insurance revenue.

New business CSM in Q2 2023 stands at EUR 271 million, benefiting from strong pricing at the April and June 2023 renewals.

P&C key figures:

<i>In EUR million (at current exchange rates)</i>	Q2 2023	Q2 2022	Variation	H1 2023	H1 2022	Variation
Insurance revenue	1,869	1,789	4.5%	3,659	3,452	6.0%
Insurance service result	186	-195	n.a.	393	-164	n.a.
Combined ratio	88.5%	113.1%	-24.6 pts	86.9%	105.7%	-18.8 pts
New business CSM	271			859		

The P&C combined ratio stands at 88.5% in Q2 2023, compared to 113.1% in Q2 2022⁹. The combined ratio is improving due to (i) a low Nat Cat ratio of 4.2% of net insurance revenue, below the 10% budget announced on 12 April 2023, and (ii) an attritional loss and commission ratio of 78.7% (including the

⁷ SCOR price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts).

⁸ Not annualized. Annualized Economic Value growth stands at +16.2% (+18.2% on a constant interest and exchange rate basis and assuming a constant valuation of the option on own shares as at 31 December). The starting point is adjusted for the payment of a EUR 1.40 dividend per share (EUR 254 million in total) for the fiscal year 2022, paid in 2023.

⁹ The Q2 2022 combined ratio was severely impacted by the droughts in Brazil and latent claims from a period spanning from 1978 to 1985 in the United States related to sexual molestation claims.

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discount effect on claims), mainly impacted by a high level of man-made activity including claims on French riots, and by additional prudence brought to selected P&C reserves.

The P&C attributable expense ratio stands at 7.0% of net insurance revenue in Q2 2023.

The P&C insurance service result is driven by a CSM amortization of EUR 322 million, partly offset by the negative experience variance.

At the June and July 2023 renewals, gross premium¹⁰ renewed increases by +7% (at constant exchange rates) supported by a +9% rate increase. The growth was particularly strong in Latin America & Middle East as well as in Europe & Canada, where the increase in gross premium¹⁰ exceeds +14%. The net underwriting ratio is expected to improve by 2.5 to 3 pts on the renewed portfolio, providing comfort in SCOR's ability to deliver profitable growth.

L&H generates EUR 140 million insurance service result in Q2 2023

In Q2 2023, L&H insurance revenue amounts to EUR 2,061 million, up +1.2% at constant exchange rates (down -1.1% at current exchange rates) compared to Q2 2022. This notably reflects the significant decrease in expected claims related to the Covid-19 pandemic between Q2 2022 and Q2 2023.

SCOR continues to build its L&H CSM through new business generation, mostly from Protection (EUR 96 million new business CSM² in Q2 2023).

L&H key figures:

<i>In EUR million (at current exchange rates)</i>	Q2 2023	Q2 2022	Variation	H1 2023	H1 2022	Variation
Insurance revenue	2,061	2,084	-1.1%	4,196	4,429	-5.3%
Insurance service result ¹¹	140	69	103.5%	411	100	311.6%
New business CSM ²	96			287		

The L&H insurance service result¹¹ amounts to EUR 140 million in Q2 2023. It is supported by the CSM amortization. Experience variance stands at EUR 13 million, including a technical reclassification of experience variance into onerous contracts¹² (which has no impact on the ISR).

Investments generate a regular income yield of 3.1% in Q2 2023, and benefit from a high reinvestment rate of 5.1% as of 30 June 2023

As of 30 June 2023, total invested assets amount to EUR 21.7 billion. SCOR has a high-quality fixed income portfolio with an average rating of A+ and a duration at 3.2 years. SCOR's asset mix is optimized, with 79% of the portfolio invested in fixed income.

¹⁰ Estimated Gross Premium Income (EGPI).

¹¹ Includes revenues on financial contracts reported under IFRS 9.

¹² EUR -34 million impact of onerous contracts was booked as experience variance in Q1 and reclassified as onerous contract in Q2. Adjusted for this effect, the Q2 experience variance would stand at EUR -21 million.

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Investments key figures:

In EUR million (at current exchange rates)	Q2 2023	Q2 2022	Variation	H1 2023	H1 2022	Variation
Total invested assets	21,704	21,425	+1.3%	21,704	21,425	+1.3%
Regular income yield [*]	3.1%	2.2%	+0.9 pts	2.9%	2.0%	+0.9 pts
Return on invested assets ^{*,**}	3.0%	1.5%	+1.5 pts	2.9%	1.6%	+1.3 pts

(*) In H1 2023, regular income yield and RoIA include a negative impact of 7 bps mainly resulting from an adjustment in the amortization trajectory of leveraged loans. Excluding this impact, the H1 2023 regular income yield and the RoIA would both stand at 3.0%.

(**) Annualized and excluding funds withheld by cedants & other deposits. In Q2 2023, fair value through income on invested assets excludes EUR 45 million related to the option on own shares granted to SCOR.

Total investment income on invested assets stands at EUR 162 million in Q2 2023. The return on invested assets stands at 3.0%¹³ (vs. 2.9% in Q1 2023 QTD) and the regular income yield at 3.1% (vs. 2.8% in Q1 2023 QTD).

The reinvestment rate stands at 5.1%¹⁴ as of 30 June 2023, compared to 4.6% at the end of Q1 2023. The invested assets portfolio remains highly liquid and financial cash flows of EUR 8.9 billion are expected over the next 24 months¹⁵, enabling SCOR to benefit faster from high reinvestment rates.

Other items

The Q2 Group net income captures a EUR 45 million¹⁶ pre-tax impact related to the option on own shares granted to SCOR valued at fair value through income.

Preparation of the new strategic plan

The Group's strategic plan for 2024-26E will be detailed at the Investor Day on 7 September 2023 on the back of this robust first half.

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¹³ In Q2 2023, fair value through income on invested assets excludes EUR 45 million related to the option on own shares granted to SCOR. Annualized, return on invested assets excludes funds withheld by cedants and other deposits.

¹⁴ Corresponds to theoretical reinvestment rates based on Q2 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 June 2023.

¹⁵ As of 30 June 2023. Investable cash includes current cash balances, and future coupons and redemptions.

¹⁶ EUR 47 million over the first 6 months.

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APPENDIX

1 - Group Q2 2023 key financial details

In EUR million (at current exchange rates)	Q2 2023	Q2 2022	Variation	H1 2023	H1 2022	Variation
Insurance revenue	3,930	3,873	+1.5%	7,855	7,881	-0.3%
Gross written premium ¹	4,830	4,971	-2.8%	9,574	9,686	-1.2%
Insurance service result ²	326	-126	n.a.	804	-64	n.a.
Group management expense ratio	6.6%	6.7%	-0.1 pts	6.6%	6.6%	+0.1 pts
Annualized ROE	16.9%	n.a.	n.a.	23.2%	n.a.	n.a.
Net income ³	192	-240	n.a.	502	-275	n.a.
Economic Value ⁴	9,374	10,632	-11.8%	9,374	10,632	-11.8%
Shareholder's Equity	4,663	5,722	-18.5%	4,663	5,722	-18.5%
Contractual Service Margin (CSM) ⁵	4,711	4,910	-4.1%	4,711	4,910	-4.1%

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: Consolidated net income, Group share. 4: Defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM), net of tax. 5: Net of tax

2 - P&L key figures Q2 2023

In EUR million (at current exchange rates)	Q2 2023	Q2 2022	Variation	H1 2023	H1 2022	Variation
Insurance revenue	3,930	3,873	+1.5%	7,855	7,881	-0.3%
▪ P&C insurance revenue	1,869	1,789	+4.5%	3,659	3,452	+6.0%
▪ L&H insurance revenue	2,061	2,084	-1.1%	4,196	4,429	-5.3%
Gross written premium¹	4,830	4,971	-2.8%	9,574	9,686	-1.2%
▪ P&C gross written premium	2,339	2,511	-6.8%	4,614	4,827	-4.4%
▪ L&H gross written premium	2,491	2,460	+1.3%	4,960	4,859	+2.1%
Investment income on invested assets	162	83	+95.9%	320	181	+76.3%
Operating result	316	-229	n.a.	759	-224	n.a.
Net income²	192	-240	n.a.	502	-275	n.a.
Earnings per share (EUR)	1.07	-1.37	n.a.	2.80	-1.55	n.a.
Operating cash flow	-44	-252	n.a.	237	-368	n.a.

1: Gross written premium is not a defined indicator under IFRS 17 (non-GAAP indicator); 2: Consolidated net income, Group share.

3 - P&L key ratios Q2 2023

In EUR million (at current exchange rates)	Q2 2023	Q2 2022	Variation	H1 2023	H1 2022	Variation
Return on invested assets^{1,2,3}	3.0%	1.5%	+1.5 pts	2.9%	1.6%	+1.3 pts
P&C combined ratio⁴	88.5%	113.1%	-24.6 pts	86.9%	105.7%	-18.8 pts
Group management expense ratio⁵	6.6%	6.7%	-0.1 pts	6.6%	6.6%	+0.1 pts
Annualized ROE	16.9%	n.a.	n.a.	23.2%	n.a.	n.a.
Economic Value growth⁶	n.a.	n.a.	n.a.	8.7%	n.a.	n.a.

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1: Annualized and calculated excluding funds withheld by cedants according to IFRS 9 standard; 2: In Q2 2023, fair value through income on invested assets excludes EUR 45 million related to the option on own shares granted to SCOR; 3: In H1 2023, regular income yield and RoIA include a negative impact of 7 bps mainly resulting from an adjustment in the amortization trajectory of leveraged loans. Excluding this impact, the H1 2023 regular income yield and the RoIA both stand at 3.0%; 4: 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; 5: The Group management expense ratio is the total management expenses divided by the insurance revenue; 6: Growth at constant economic assumptions of interest rates, 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 of per share (EUR 254 million in total) for the fiscal year 2022, paid in 2023.

4 - Balance sheet key figures as of 30 June 2023

In EUR million (at current exchange rates)	As of 30 June 2023	As of 31 December 2022	Variation
Total invested assets ^{1,2}	21,704	22,179	-2.1%
Technical reserves (gross) ³	18,337	19,400	-5.5%
Shareholders' equity	4,663	4,351	+7.2%
Book value per share (EUR)	25.84	24.11	+7.2%
Economic Value ⁴	9,374	8,947	+4.8%
Economic Value per share (EUR) ⁵	52.11	49.77	+4.7%
Financial leverage ratio	20.7%	21.6%	-0.9 pts
Total liquidity ⁶	2,015	2,791	-27.8%

1: Total investment portfolio includes invested assets, accrued interest, cat bonds, mortality bonds and FX derivatives; 2: Excluding 3rd party net insurance business investments; 3: Gross of retrocession and includes "accounts payable on assumed insurance and reinsurance transactions" net of "accounts receivable on assumed insurance and reinsurance transactions". 4: The Economic Value (defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM), net of tax) includes minority interests; 5: The Economic Value per share excludes minority interests; 6: 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.

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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 Q2 2023 (see page 22).

The first half 2023 financial information included in this press release has been subject to the completion of a limited review by SCOR's auditors.

Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to 30 June 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.