

SCOR Forward 2026 Strategy Update

SCOR confirms core targets and its ambition to create significant value over 2025-2026

- **Core Group financial and solvency targets reconfirmed for 2025-2026:** Economic Value growth rate of 9% p.a.¹ and a solvency ratio in the optimal 185%-220% range. The Group maintains an ROE assumption above 12% p.a.² over 2025-2026
- **Group reserve adequacy confirmed by external independent reviewers:** Both P&C and L&H reserve adequacy have been externally confirmed allowing SCOR to move forward from a position of strength
- **P&C strategy confirmed:** Capitalize on Tier 1 franchise and hard market to expand in selected attractive lines to build a balanced and resilient portfolio; P&C net combined ratio assumption of < 87% unchanged
- **Acting decisively to deliver profitability in L&H:** Increase new business margins, accelerate business mix shift and strengthen in-force management; assumptions of L&H insurance service results of ~ EUR 0.4 billion p.a. and new business CSM of ~ EUR 0.4 billion p.a.
- **Investment strategy unchanged:** Maintain prudent and sustainable strategy with investment regular income yield assumption of 3.4% to 3.8% in 2026
- **Forward 2026 Capital Management Framework and dividend policy confirmed**

During its 2024 Investor Day in London, SCOR presents its new L&H strategy and updated **Forward 2026** strategic plan which was approved by Group's Board of Directors at a meeting held on 11 December 2024.

Thierry Léger, Chief Executive Officer of SCOR, comments: *"We are committed to creating significant value over 2025-2026 and shaping the reinsurer of tomorrow. Our updated strategic plan, Forward 2026, reaffirms our ambition to enhance economic value through strategic initiatives in P&C and L&H, while maintaining sustainability at the core of our 'raison d'être'. We are leveraging our Tier 1 franchise, refining our capital allocation, and adopting advanced data analytics to ensure a profitable and resilient future. Since the start of Forward 2026, SCOR has made significant progress in fulfilling its ambition: we have simplified the organization and fostered a new culture for faster decision-making processes; we have reserves at adequate levels, as confirmed by external reviews, with some buffers; and we have accelerated the L&H business transformation. With a clear roadmap and dedicated effort, we are on track to deliver significant value to our shareholders, clients, employees, and society as a whole."*

¹ Annual growth at constant economics (the starting point of each year being adjusted for the dividend for the preceding year).

² Assuming a 30% corporate income tax rate over 2025-2026

Significant value creation over 2025-2026

Today, SCOR confirms the two equally weighted targets of **Forward 2026**, for the remainder of the plan:

- **Financial target:** an Economic Value growth rate of 9% per annum, at constant economics¹.
- **Solvency target:** a solvency ratio in the optimal 185% to 220% range. The Group aims to maintain a AA level of security for its clients.

The Group also maintains an ROE assumption above 12% p.a. over 2025-2026.

SCOR's ambition with **Forward 2026** remains unchanged: to drive value creation for its shareholders, clients, employees, and society as a whole. The Group maintains a controlled risk appetite and disciplined underwriting as it captures business opportunities created by the supportive market conditions, fueling growth in its diversified L&H and P&C portfolios.

Forward 2026 combines the art and science of risk to protect societies, while firmly placing sustainability at the heart of the Group's raison d'être. As a solutions provider, SCOR contributes to a more resilient society while enhancing its well-being and sustainable development.

Group reserve adequacy confirmed by external independent reviewers

SCOR has mandated two external reviewers to perform independent reviews on its L&H assumptions and P&C reserves, with both confirming SCOR's reserves at best estimate:

- Willis Towers Watson's (WTW) review covered 100% of SCOR Group's global P&C claims reserves. WTW concluded that *"The redundancy has increased from that in our prior review as at 30 September 2023."*³
- Following its 2024 L&H internal assumption review, SCOR has, for the first time, appointed Milliman to form an opinion of the gross of retrocession Present Value of Future Cash Flows ("PVFCF"), Risk Adjustment ("RA") and Contractual Service Margin ("CSM") for the Life and Health Business of SCOR as of 30th September 2024. Milliman concluded that *"in aggregate at the Group level the valuation of the PVFCF, RA and CSM gross of retrocession is materially reliable and in a range of reasonableness."*⁴

P&C: Excellent performance generating strong profit, capital and reserve resilience

In Property & Casualty (P&C) (re)insurance, the **Forward 2026** strategy remains unchanged.

SCOR will continue to capitalize on its Tier 1 franchise and the hard market to expand in selected attractive lines. The first year of the **Forward 2026** strategy implementation yielded positive, tangible results, with EGPI⁵ growth exceeding initial expectations and contributing to the strategic goal of building a balanced and resilient portfolio.

³ The review consists of an independent review for 77% of claims reserves and peer review for the rest. The claims reserves reviewed of c. EUR 20 billion are gross of retrocession and undiscounted on an earned basis. Further details of WTW's review are set out in the appendices of the presentation of SCOR 2024 Investor Day (see page 61)

⁴ The details on the review by Milliman are included in the appendices of the SCOR 2024 Investor Day presentation (see page 62).

⁵ Estimated Gross Premium Income (EGPI)

In Reinsurance, SCOR maintains a cautious approach to business exposed to climate change and US Casualty, while accelerating development in attractive treaty lines and Alternative Solutions.

For SCOR Business Solutions (SBS), the Group is expanding into diversifying lines while considering their respective cycles, leveraging its leading position in Construction and Energy to meet global infrastructure and transition needs, and actively managing volatility through external reinsurance.

SCOR also aims to maintain its engagement with clients and develop solutions that address their needs in an evolving risk landscape, through strategic partnerships and innovation.

As part of the **Forward 2026** update, SCOR has increased its ambition for Alternative Solutions, aiming to triple rather than double its premiums⁶ by 2026 (compared to full-year 2023).

L&H: acting decisively to deliver profitability

Since Q2 2024, SCOR has made strong progress in its three-step plan to enhance the L&H profitability. Today, SCOR presents its comprehensive L&H strategy, which focuses on four key areas:

- **Increase New Business margins:** Higher return thresholds for new business in the L&H Protection book have been implemented. New business pricing is overseen by a centralized team focused on ensuring a robust pricing process and disciplined margin delivery. The revised pricing thresholds have led SCOR to re-define its position in certain markets.
- **Accelerate business mix shift towards capital-efficient and higher-margin products:** SCOR increased its growth ambitions in Longevity and in Financial Solutions, and reduced its exposures to living benefits with very long-term guarantees. The new business CSM is expected to be circa EUR 0.4 billion p.a., with a split of around 60% Protection, 20% Longevity, and 20% Financial Solutions by 2026. The combination of higher new business margins and improved business mix is expected to deliver an increase in the new business IFRS ROE of more than 2 percentage points.
- **Strengthen in-force management:** To protect and deliver the value of its in-force business, SCOR has introduced centralized steering of in-force management, with a systematic global approach to monitoring and improving performance. The team assumed responsibilities in Q4 2024, with strengthened governance and quarterly reporting to the Board and Executive Committee. SCOR actively manages its L&H portfolio, aiming to protect and deliver the value of its in-force book. SCOR will continue to rely on its team and proven track record of in-force management in the US.
- **Improve competitiveness through higher cost efficiency:** A more efficient and focused L&H organization will contribute additional management expense savings of EUR 30 million from 2025.

⁶ Measured by Estimated Gross Premium Income (EGPI).

Group transformation: EUR 150 million of savings to be delivered a year in advance, additional flexibility for reinvestment in growth areas

SCOR has accelerated its Group Transformation and Simplification initiatives, leading to EUR 150 million savings to be delivered by 2025, almost one year ahead of the **Forward 2026** plan.

The additional EUR 30 million savings in L&H will allow for Group savings of more than EUR 150 million, and reinvestment in growth areas and operational excellence.

Overall, SCOR continues to target stable management expenses⁷ of EUR 1.2 billion between 2023 and 2026.

Capital management: Forward 2026 framework and dividend policy confirmed

SCOR intends to distribute a significant portion of the Economic Value growth to its shareholders, and to pay a resilient and predictable dividend.

SCOR's capital management framework favors cash dividends and may also include share buybacks or special dividends.

The capital management framework follows an unchanged four-step process:

- Ensure the Solvency Ratio remains in the optimal range (185%-220%), accounting for future growth or potential management actions.
- Consider the Economic Value growth and analyze its drivers.
- Set the regular dividend for the current year at a level at least equal to the level of the regular dividend of the previous year.
- Complement the regular dividend with share buybacks or special dividends on an optional basis.

⁷ "Other income and expenses", "Other operating income and expenses" as well as financing expenses are excluded from the management expenses.

Overview of the Forward 2026 targets and 2025-2026 assumptions⁸

2025-2026 targets	
Economic Value growth	9% p.a. over 2025-2026
Solvency ratio	Optimal range of 185% to 220%

2025-2026 assumptions	
Growth	P&C insurance revenue: 4% to 6% CAGR ⁹
Technical profitability	P&C net combined ratio: < 87%
	L&H insurance service result: ~EUR 0.4 billion p.a. <i>Updated</i>
	Investment regular income yield: 3.4% to 3.8% in 2026
	Management expenses: ~EUR 1.2 billion in 2026
Return on Equity	ROE: > 12% p.a. over 2025-2026
Value creation	P&C new business CSM: 1% to 3% CAGR ⁹
	L&H new business CSM: ~EUR 0.4 billion p.a. <i>Updated</i>
	L&H CSM growth: 1% to 3% p.a. <i>New</i>
	Group CSM growth: 1% to 3% p.a. <i>New</i>

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SCOR, a leading global reinsurer

As a leading global reinsurer, SCOR offers its clients a diversified and innovative range of reinsurance and insurance solutions and services to control and manage risk. Applying “The Art & Science of Risk”, SCOR uses its industry-recognized expertise and cutting-edge financial solutions to serve its clients and contribute to the welfare and resilience of society.

The Group generated premiums of EUR 19.4 billion in 2023 and serves clients in around 160 countries from its 35 offices worldwide.

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⁸ Under IFRS 17, there remains an ongoing potential for volatility in L&H resulting from BAU activity, ongoing management actions, lapse and other variances. On management actions, variations may arise from the actual outcome vs the modelled result in the best estimate liability.

⁹ Compound annual growth rate over 2023-2026

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In particular, it should be noted that the full impact of the economical and geopolitical risks including, but not limited to, the ongoing conflicts in Ukraine and in middle eastern countries on SCOR's business and results cannot be accurately assessed.

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Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2023 Universal Registration Document filed on March 20, 2024, under number D.24-0142 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.

The forward-looking statements, assumptions, and information provided in this press release are only valid at the date hereof and SCOR has no intention

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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.

Any financial results subsequent to June 30, 2024 included in this press release have not been audited by, or have not been the subject of a limited review by, SCOR's statutory auditors.

Any figures for a period subsequent to September 30, 2024 should not be taken as a forecast of the expected financials for these periods.