Second quarter 2024 results

Despite very strong P&C results and Investments performances, SCOR posts a EUR -308 million net loss in Q2 2024 (EUR -112 million net loss in H1 2024), driven by the 2024 L&H assumption review

- **Continued very strong performance of P&C,** with a combined ratio of 86.9% in Q2 2024 (-1.6pts compared to Q2 2023) allowing for ongoing reserving discipline
- **L&H insurance service result**[1] of EUR -329 million in Q2 2024 (down EUR -469 million compared to Q2 2023), driven by the best estimate view of 2024 L&H assumption review for EUR -509 million, partly offset by EUR +143 million impact mainly from portfolio actions
- **High Investments regular income yield** of 3.6% in Q2 2024 (+0.5pts compared to Q2 2023) supported by elevated reinvestment rates
- **Group net loss** of EUR -308 million in Q2 2024 (EUR -283 million adjusted[2]) impacted by the 2024 L&H assumption review
- **Group Economic Value**[3] under IFRS 17 of EUR 8.4 billion as of 30 June 2024, down -5.2%[4] (-7.3%[4] at constant economics[5]) compared with 31 December 2023, implying an Economic Value per share of EUR 47 (vs. EUR 51 as of 31 December 2023)
- **Estimated Group solvency ratio** of 201%[6] as of 30 June 2024, within the optimal solvency range of 185%-220%, whilst impacted by the 2024 L&H assumption review for -20 points
- **Annualized Return on Equity** of -23.7% (-21.9% adjusted[2]) in Q2 2024 implying an annualized Return on Equity of -4.7% in H1 2024 (-4.5% adjusted[2])

SCOR SE's Board of Directors met on 29 July 2024, under the chairmanship of Fabrice Brégier, to approve the Group's Q2 2024 financial statements.

Thierry Léger, Chief Executive Officer of SCOR, comments: *"I am disappointed by the L&H H1 results. In response, we have launched an ambitious 3-step plan resulting in a series of determined actions aiming at restoring the profitability of the L&H business in a sustainable way. The still ongoing 2024 L&H assumption review, which will be completed by year-end, has led to a significant negative impact on our results in Q2 2024. We will present full details of an updated L&H business strategy and Forward 2026 assumptions and targets on 12 December 2024.*

[1] Includes revenues on financial contracts reported under IFRS 9.
[2] Adjusted by excluding the mark to market impact of the option on own shares.
[3] Defined as the sum of the shareholders' equity and the Contractual Service Margin (CSM), net of tax. 25% notional tax rate applied on CSM.
[4] Not annualized. The starting point is adjusted for the future payment of dividend of EUR 1.8 per share (EUR 324 million in total) for the fiscal year 2023, paid in 2024.
[5] Growth at constant economic assumptions as of 31 December 2023, and excluding the mark to market impact of the option on own shares.
[6] Solvency ratio estimated after taking into account the dividend accrual for the first six months based on the dividend paid for the fiscal year 2023 (EUR1.8/share).

In P&C, with a combined ratio of 86.9%, we delivered very strong results while continuing our strategy of building reserve buffers. We are very satisfied with the latest round of renewals with a +24% premium growth at unchanged attractive margins in June and July, supported by diversified growth in our preferred lines, and market conditions which remain attractive. Investments continue to produce stable and elevated positive results, with a higher regular income yield in line with our longer-term targets.

SCOR actively manages its solvency position and is confident that its solvency ratio will remain in the optimal range of 185%-220% at year-end 2024.

Frieder Knüpling, CEO of SCOR L&H since 2021, has decided to pursue new professional opportunities and will leave the Group. Until further notice, I will take over the management of L&H. I would like to wish him every success in the next stage of his career."

Group performance and context

Q2 2024 net income is EUR -308 million (EUR -283 million adjusted[2]), driven notably by a negative insurance service result (ISR) in L&H reinsurance, partially offset by very strong P&C and Investments performances:

- In P&C (re)insurance, the combined ratio stands at 86.9% in Q2 2024 including a natural catastrophe claims ratio of 9.9%, in an active period with several mid-sized events. Over the first six months of 2024, the natural catastrophe ratio of 8.6% remains below the budget. The attritional loss and commission ratio stands at 77.6% in Q2 2024, reflecting a satisfactory underlying performance allowing for continued reserving discipline.
- In L&H reinsurance, the insurance service result[1] stands at EUR -329 million in Q2 2024, mainly impacted by the best estimate view of the 2024 L&H assumption review (EUR -509 million), partly offset by a positive effect (EUR 143 million) mainly driven by portfolio actions. Therefore, the L&H ISR in 2024 is expected to be significantly less than the EUR 500m indicated during the Q1 2024 results presentation.
- In Investments, SCOR benefits from still-elevated reinvestment rates in Q2 2024 and records a strong regular income yield of 3.6% (+0.5pts vs. Q2 2023).

The annualized Return on Equity stands at -23.7% (-21.9% adjusted[2]) in Q2 2024 and the Group Economic Value over the first half of 2024 decreases by -7.3%[4] at constant economics[5], both impacted by the best estimate view of the 2024 L&H assumption review accounting for EUR -0.5 billion (pre-tax) in insurance service result and EUR -1.0 billion (pre-tax) in contractual service margin (CSM). Over the first half of 2024, SCOR reports a net loss of EUR -112 million (EUR -107 million adjusted[2]), implying an annualized Return on Equity of -4.7% (-4.5% adjusted[2]).

Group solvency ratio is estimated at 201% at the end of Q2 2024, within the optimal range of 185%-220%, and compared to 209% at year-end 2023. This is supported by strong operating capital generation from the P&C and Investments activities and negatively impacted by the 2024 L&H assumption review (-20 points).

Group Economic Value[3] under IFRS 17 stands at EUR 8.4 billion as of Q2 2024, down -5.2%[4] (-7.3%[4] at constant economics[5]) driven by the 2024 L&H assumption review with a EUR -1.0 billion (post-tax) negative impact. As a result, the Group Economic Vale growth target at 9% per annum at constant economics is unlikely to be met in FY 2024.

On-going very strong P&C underlying performance

In Q2 2024, P&C insurance revenue stands at EUR 2,031 million, up 8.4% at constant exchange rates (up +8.7% at current exchange rates) compared to Q2 2023.

New business CSM in Q2 2024 stands at EUR 240 million, supported by growth from the reinsurance business renewed in April and June 2024, while the SCOR Business Solutions (SBS) portfolio has reduced compared to Q2 2023 in the context of an active management of the cycle. Q2 2024 new business CSM is also impacted by a late finalization of the retrocession (in 2023, the retrocession impact was fully booked in Q1).

P&C (re)insurance key figures:

In EUR million (at current exchange rates)	**Q2 2024**	**Q2 2023**	**Variation**	**H1 2024**	**H1 2023**	**Variation**
P&C insurance revenue	2,031	1,869	8.7%	3,868	3,659	5.7%
P&C insurance service result	201	186	8.2%	383	393	-2.6%
Combined ratio	86.9%	88.5%	-1.6 pts	87.0%	86.9%	+0.1 pts
P&C new business CSM*	240	271	-11.5%	891	706	26.2%

(*) H1 2023 new business CSM adjusted following the implementation of IFRS 17 stabilization measures in Q4 2023. See Q4 2023 results presentation page 53.

The P&C combined ratio stands at 86.9% in Q2 2024, compared to 88.5% in Q2 2023. It includes:

- A Nat Cat ratio of 9.9%, mainly impacted by the losses related to floodings in UAE/Oman, as well as in South Germany and Brazil.
- An attritional loss and commission ratio of 77.6%, reflecting a satisfactory underlying performance despite the cost associated with the civil unrest in New Caledonia, and continued reserving discipline.
- A discount effect of -8.0% within the assumed range of -7.5% to -8.5% for FY 2024.
- An attributable expense ratio of 7.2% of net insurance revenue.

The P&C insurance service result of EUR 201 million is driven by a CSM amortization of EUR 267 million, a risk adjustment release of EUR 36 million, a negative experience variance of EUR -95 million and an impact of onerous contract of EUR -7 million.

During the June-July 2024 renewals, SCOR continues to grow in its preferred and diversifying lines, maintaining terms and conditions as well as the still elevated profitability level of its P&C reinsurance book. As a reminder, premiums up for renewals in June-July represent c.13% of annual P&C reinsurance premiums up for renewals. EGPI[7] increases by +24.0%[8] on the business up for renewal in June-July, with a significant growth of the Alternative Solutions book. Specialty Lines increase by c. +25%[8], mainly in diversifying lines such as Engineering, Decennial and Marine. SCOR was able to maintain the pricing trend observed in prior renewals, with a +2.2%[9] price increase overall and a year-to-date improvement on the net expected technical profitability of -1.4 points[9] of underwriting ratio.

[7] Estimated Gross Premium Income (EGPI).
[8] 2023 premiums adjusted for premium revisions, FX and late renewals.
[9] Excluding Alternative Solutions.

Since the start of the year, SCOR achieved a c. +15.5%[8] gross premium growth for its renewed portfolio with an average 3.0%[9] price increase and an expected improvement of the underwriting ratio of -1.4 points[9]. In a slightly more competitive environment, SCOR anticipates a continued disciplined market for the upcoming renewals.

Restore the L&H profitability through a 3-step plan

The 2024 L&H assumption review has been launched in Q1 2024, with deep dives covering the US (including mortality and lapses assumptions and future management actions), Canada, South Korea and Israel. Given the initial indications of this review, an acceleration on the estimation of the overall impact at year-end 2024 has been requested. For Q2, SCOR's best estimate is the following:

- A negative impact of EUR -509m included in the L&H ISR is mainly driven by an increase in loss component on the Israel onerous contracts put in run-off in 2019 (EUR -278 million) and a prudent add-on on the Risk Adjustment (RA) (EUR -200 million).
- In addition, the pre-tax L&H contractual service margin (CSM) at locked-in rate is adjusted by a total of EUR -1.0 billion, driven by negative PVFCF adjustment in US protection portfolio for EUR -0.5 billion, non-US protection PVFCF adjustments for EUR -0.3 billion from Canada and South Korea, and lastly an increase in the Risk Adjustment (RA) for EUR -0.1 billion.
- Although the 2024 L&H assumption review is still ongoing, SCOR provides an estimate of additional future adjustments by year-end 2024 in a range of EUR +/-0.1 billion on the L&H ISR and EUR +/-0.4 billion on the pre-tax L&H CSM at current yield curve[10].

SCOR has launched an ambitious 3-step plan, resulting in a series of determined actions aiming at restoring the profitability of the L&H business in a sustainable way, with the aim to improve margins and the mix of L&H products with a strong focus on diversification. This plan focusses on reserves, in-force management and new business.

The new L&H business strategy and the updated Forward 2026 targets and assumptions will be presented on 12 December 2024.

Frieder Knüpling, CEO of SCOR L&H since 2021, has decided to pursue new professional opportunities and will leave the Group. In addition to his current duties, Thierry Léger will serve as CEO of SCOR L&H to drive the implementation and delivery of the action plan aimed at restoring the profitability of L&H.

In Q2 2024, L&H insurance revenue amounts to EUR 2,054 million, down -1.2% at constant exchange rates (-0.3% at current exchange rates) compared to Q2 2023. SCOR continues to build its L&H CSM through new business generation (EUR 145 million new business CSM[11] in Q2 2024), notably from protection across all regions and with some large transactions in APAC.

L&H reinsurance key figures:

In EUR million (at current exchange rates)	Q2 2024	Q2 2023	Variation	H1 2024	H1 2023	Variation
L&H insurance revenue	2,054	2,061	-0.3%	4,330	4,196	3.2%
L&H insurance service result[1]	-329	140	n.a.	-257	411	n.a.
L&H new business CSM[11]	145	96	50.8%	257	287	-10.4%

[10] CSM is booked at locked-in yield curves, with the difference to current yield curves (as of 30 June, 2024) recorded in OCI.
[11] Includes the CSM on new treaties and change in CSM on existing treaties due to new business (i.e. new business on existing contracts).

As a consequence of the 2024 L&H assumption review, the L&H insurance service result[1] amounts to EUR -329 million in Q2 2024. It includes:

- A CSM amortization of EUR 59 million, which reflects the CSM negative adjustments in the quarter as well as some Q1 negative true-up. The CSM amortization rate is c. 6.8% annualized on a year-to-date basis.
- An experience variance of EUR -26 million, driven by underlying claims experience.
- An impact of onerous contracts of EUR -29 million, reflecting multiple small items.
- Portfolio actions and other impacts of EUR +143 million.
- Best estimate of the 2024 L&H assumption review impact for EUR -509 million which includes EUR -278 million from an increase in the loss component on onerous contracts (Israel), EUR -31m IBNR reserve strengthening (South Korea) and EUR -200 million from added prudence.

Investments delivering strong results with a regular income yield of 3.6% in Q2 2024

As of 30 June 2024, total invested assets amount to EUR 22.7 billion. SCOR's asset mix is optimized, with 80% of the portfolio invested in fixed income. SCOR has a high-quality fixed income portfolio with an average rating of A+ and a duration of 3.4 years.

Investments key figures:

In EUR million (at current exchange rates)	**Q2 2024**	**Q2 2023**	**Variation**	**H1 2024**	**H1 2023**	**Variation**
Total invested assets	22,682	21,704	+4.5%	22,682	21,704	+4.5%
Regular income yield*	3.6%	3.1%	+0.5 pts	3.5%	2.9%	+0.6 pts
Return on invested assets*, **	3.3%	3.0%	+0.3 pts	3.3%	2.9%	+0.4 pts

(*) Annualized. 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%.
(**) Fair value through income on invested assets excludes EUR -34 million in Q2 2024 and EUR -7m in H1 2024 related to the pre-tax mark to market impact of the fair value of the option on own shares granted to SCOR.

Total investment income on invested assets stands at EUR 184[12] million in Q2 2024. The return on invested assets stands at 3.3%[12] (vs. 3.4% in Q1 2024) and the regular income yield at 3.6% (vs. 3.5% in Q1 2024).

The reinvestment rate stands at 4.8%[13] as of 30 June 2024, marginally increasing compared to 4.7% as of 31 March 2024. The invested assets portfolio remains highly liquid and financial cash flows of EUR 9.7 billion are expected over the next 24 months[14], enabling SCOR to benefit from still-elevated reinvestment rates.

[12] Excluding the mark to the market impact of the option on own shares. Q2 2024 impact of EUR -34 million before tax.
[13] Reinvestment rate is based on Q2 2024 asset allocation of yielding asset classes (i.e. fixed income, loans and real estate), according to current reinvestment duration assumptions. Yield curves & spreads as of 30/06/2024.
[14] As of 30 June 2024. Includes current cash balances and future coupons and redemptions.

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APPENDIX

1 - SCOR Group Q2 2024 key financial details

In EUR million (at current exchange rates)	**Q2 2024**	**Q2 2023**	**Variation**	**H1 2024**	**H1 2023**	**Variation**
Insurance revenue	4,085	3,930	+4.0%	8,198	7,855	+4.4%
Gross written premiums[1]	5,076	4,830	+5.1%	10,029	9,574	+4.7%
Insurance Service Result[2]	-127	326	-139.0%	126	804	-84.3%
Management expenses	-318	-268	+18.4%	-612	-541	+13.2%
Annualized ROE[3]	-23.7%	16.9%	-40.6 pts	-4.7%	23.2%	-27.9 pts
Annualized ROE excluding the mark to market impact of the option on own shares from Q2 2024	-21.9%	n.a.	n.a.	-4.5%	n.a.	n.a.
Net income[3,4]	-308	192	n.a	-112	502	n.a
Net income[4] excluding the mark to market impact of the option on own shares from Q2 2024	-283	n.a.	n.a.	-107	n.a.	n.a.
Economic value[5,6]	8,425	9,374	-10.1%	8,425	9,374	-10.1%
Shareholders' equity	4,500	4,663	-3.5%	4,500	4,663	-3.5%
Contractual Service Margin (CSM)[6]	3,924	4,711	-16.7%	3,924	4,711	-16.7%

1: GWP is not a metric defined under the IFRS 17 accounting framework (non-GAAP metric); 2: Includes revenues on financial contracts reported under IFRS 9; 3: Taking into account the mark to the market impact of the option on own shares. Q2 2024 impact of EUR-34 million before tax, H1 2024 impact of EUR -7 million before tax. 4: Consolidated net income, Group share; 5. Defined as the sum of the shareholder's equity and the Contractual Service Margin (CSM); 6: Net of tax. A notional tax rate of 25% is applied to the CSM.

2 - P&L key figures Q2 2024

In EUR million (at current exchange rates)	Q2 2024	Q2 2023	Variation	H1 2024	H1 2023	Variation
Insurance revenue	**4,085**	**3,930**	**+4.0%**	**8,198**	**7,855**	**+4.4%**
▪ P&C insurance revenue	2,031	1,869	+8.7%	3,868	3,659	+5.7%
▪ L&H insurance revenue	2,054	2,061	-0.3%	4,330	4,196	+3.2%
Gross written premiums[1]	**5,076**	**4,830**	**+5.1%**	**10,029**	**9,574**	**+4.7%**
▪ P&C gross written premiums	2,438	2,339	+4.2%	4,865	4,614	+5.4%
▪ L&H gross written premiums	2,637	2,491	+5.9%	5,164	4,960	+4.1%
Investment income on invested assets	**184**	**162**	**+13.2%**	**376**	**320**	**+17.8%**
Operating results	**-227**	**316**	**n.a.**	**60**	**759**	**n.a.**
Net income[2,3]	**-308**	**192**	**n.a.**	**-112**	**502**	**n.a.**
Net income[2] excluding the mark to market impact of the option on own shares from Q2 2024	**-283**	n.a.	n.a.	**-107**	n.a.	n.a.
Earnings per share[3] (EUR)	**-1.72**	**1.07**	**n.a.**	**-0.63**	**2.80**	**n.a.**
Earnings per share (EUR) excluding the mark to market impact of the option on own shares from Q2 2024	**-1.58**	n.a.	n.a.	**-0.60**	n.a.	n.a.
Operating cash flow	**134**	**-44**	**n.a.**	**286**	**237**	**+20.6%**

1: GWP is not a metric defined under the IFRS 17 accounting framework (non-GAAP metric); 2: Consolidated net income, Group share; 3: Taking into account the mark to the market impact of the option on own shares. Q2 2024 impact of EUR -34 million before tax, H1 2024 impact of EUR -7 million before tax.

3 - P&L key ratios Q2 2024

In EUR million (at current exchange rates)	Q2 2024	Q2 2023	Variation	H1 2024	H1 2023	Variation
Return on invested assets [1,2]	3.3%	3.0%	+0.3 pts	3.3%	2.9%	+0.4 pts
P&C combined ratio [3]	86.9%	88.5%	-1.6 pts	87.0%	86.9%	+0.1 pts
Annualized ROE[4]	-23.7%	16.9%	-40.6 pts	-4.7%	23.2%	-27.9pts
Annualized ROE excluding the mark to market impact of the option on own shares	-21.9%	n.a.	n.a.	-4.5%	n.a.	n.a.
Economic Value growth[5]	n.a.	n.a.	n.a.	-7.3%	8.7%	n.a.

1: Annualized; 2: In Q2 2024 and H1 2024, fair value through income on invested assets excludes respectively EUR -34m and EUR -7m pre-tax mark to market impact of the fair value of 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 P&C attributable management expenses, divided by the net insurance revenue for P&C business; 4: Taking into account the mark to the market impact of the option on own shares. Q2 2024 impact of EUR -34 million before tax, H1 2024 impact of EUR -7 million before tax; 5: Not annualized. Growth at constant economic assumptions, and excluding the mark to market impact of the option on own shares. The starting point is adjusted for the payment of dividend of EUR 1.8 per share (EUR 324 million in total) for the fiscal year 2023, paid in 2024. 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.

4 - Balance sheet key figures as of 30 June 2024

In EUR million (at current exchange rates)	As of 30 June 2024	As of 31 December 2023	Variation
Total invested assets [1]	22,682	22,914	-1.0%
Shareholders' equity	4,500	4,723	-4.7%
Book value per share (EUR)	24.98	26.16	-4.5%
Economic Value[2]	8,425	9,213	-8.6%
Economic Value per share (EUR)[3]	46.89	51.18	-8.4%
Financial leverage ratio[4]	22.7%	21.2%	+1.5 pts
Total liquidity[5]	1,934	2,234	-13.4%

1: Excludes 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: The leverage ratio is calculated as the percentage of subordinated debt compared to the sum of Economic Value and subordinated debt in IFRS 17; 5: Includes cash and cash equivalents and short-term investments.

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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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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 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 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 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.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2023 Universal Registration Document filed on 20 March 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.

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.

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

The calculation of financial ratios (such as return on invested assets, regular income yield, return on equity and combined ratio) is detailed in the Appendices of the presentation related to the financial results of Q2 2024 (pages 33-68).

The financial results for the first half of 2024 included in this press release have been subject to the completion of a limited review by SCOR's statutory auditors.

Unless otherwise specified, all figures are presented in Euros.

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