Investors Day

Company Participants

- Antonio Moretti, Investor Relations Director
- Benjamin Gentsch, Deputy Chief Executive Officer
- Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer
- Frieder Knupling, Chief Risk Officer
- Joe Gilmour, Chief Financial Officer
- Mark Kociancic, Chief Financial Officer
- Paolo De Martin, Chief Executive Officer
- Unidentified Speaker
- Victor Peignet, Chief Executive Officer

Other Participants

- Andrew Ritchie, Analyst
- Ben Cohen, Analyst
- Kamran Hossain, Analyst
- Maxime Dupuis, Analyst
- Thomas Fossard, Analyst
- Unidentified Participant
- Vinit Malhotra, Analyst
- William Hardcastle, Analyst
- William Hawkins, Analyst

Presentation

Antonio Moretti {BIO 17681290 <GO>}

Good morning, good morning everyone and welcome to SCOR 2014 IR day. (inaudible) when you arrived this morning we want to have a bit of an interactive day, so that we can communicate and you can give us your feedback also throughout the section. And still we gave you an iPad. I just want to walk through what we can do with this iPad during the day. First of all you would be able to vote, so during the day we will ask a couple of questions, you already did this morning and we'll (inaudible) vote during the day.

You will also be able to follow the slides during the session, obviously they will be on screen, probably might be difficult for those on the back to see them. So as the slides we'll go through to the day you can also follow this in your iPad. During the day you will also be able to ask questions and obviously we have two Q&A sessions. So we will have questions live during the day, but also if you feel like asking some questions as we go through the slides you can ask them, we will record them and then we will try to cover most of them during the Q&A session.

During the day you can also give us some comments, if you find some session particularly useful or if you find that there is something wrong with the room with anything, please give us your thoughts and then somebody from the IR team or from (inaudible) will be in touch. We also ask you to field preferably one during the morning at the end of the first session and then one at the end of the afternoon to service so that we can get your feedback, this is very important for us so that we can make it better for next year.

And then you have a section containing event materials so you can go in there and see what else is available. And obviously if you have technical issues with the iPad please raise your hand and somebody from the back-office will be in touch.

Just a note, we distributed back at the end of the day, if not for free but of course, you're very welcome to bring back home the presentation which you have on paper on your desk. So just make sure that everybody understood how to use the iPad. Let's do a quick voting.

You'll have three questions here, about -- first one, how do you feel today? The answer for the first question is extremely well, I'm excited to know more about SCOR strategy. Second answer is, very well, although I had too much fear yesterday, and I think it was the case for some of the people in the room. And then the last one, not that's where as -- probably too much fear. So go ahead with the voting. It'd be five more seconds for voting and then we can go through the results.

So let's look at the results. Excellent, well we have a lot of excitement in the room, so I think we keep it up during the day. So we can then move to the next section, which I think will raise your excitement levels. So I clearly will not read the disclaimer that you have on page three of the main presentation, on page two, sorry, of the main presentation, but you can see the agenda over the day on page three. So we are going to cover several items and you can also see the rate which we're going to have throughout the day.

And with this, I would like to give a warm welcome to our CEO and Chairman, Mr. Denis Kessler, who is joined today by the whole SCOR team. Thank you.

Denis Kessler {BIO 1498477 <GO>}

Thank you, Antonio. We had Nobia yesterday and I feel extremely well is the main message I would like to convey this morning to you and my group is feeling very well too. Thank you Antonio, I propose to start right away. It's important for us to be able to answer your questions and to say where we are and where we are heading to. Of course I would like to extend my very warm welcome to all of you on behalf of the whole SCOR group and the entire (inaudible) here present in this room. We have come back to London this year. When was that? Five years ago. Yeah that's a long time ago, 2008 to deliver annual update. I am quite glad to see such a large audience today.

One year ago, after the successful implementation of strong momentum of previous plan, SCOR launched the new Optimal Dynamics strategic plan covering the period mid-2013, mid-2016. And one year later we are going to show you that we are on track. We are on track, that's extremely important. We are on track with the Optimal Dynamics target which confirms the soundness of the main assumptions and strategic choices.

As Antonio pointed out earlier, this year we have prepared some surprises to make the day more entertaining and in line with our innovative spirit of the SCOR Group. However, also help you in enjoy them; here are the three things I want you to retain at the end of this IR day. First of all, SCOR can fully coupe with the current market environment and will benefit from its Tier 1 status in both the P&C and life domain.

Secondly, SCOR is on track with execution of its Optimal Dynamic plan. And we reiterate this morning profitability and solvency targets. Thirdly, SCOR is a global player with a majority of non-euro denominated assets and we will benefit from the US dollar appreciation. Very briefly on the Group today, SCOR is a Tier 1 global reinsurer. We are present across the world with 39 offices across the five continents. This local presence is backed by very solid balance sheet and a strong financial performance. As you know, we're going to move more than EUR11 billion of premium in 2014.

The strategy remains built on four key cornerstones, on which we have consistently executed; strong franchise, high diversification, controlled risk appetite and what we call a robust capital shield to protect the interest of our shareholders in case of a large catastrophe. I will not go into all the details, which many of you are very familiar with it, but suffice to say that thanks to the successful execution of this strategy, SCOR is able to deliver on the profitability and

solvency targets set out in Optimal Dynamics.

SCOR's strategy has demonstrated over the years its capacity to regularly absorb shocks, be the environmental, natural or macro in nature, is demonstrated by the regular increase the group shareholders equity and through successive rating agencies upgrades. All four rating agencies have indeed taken positive rating actions since the past few years. S&P and Fitch was the last ones to put SCOR on the positive outlook.

SCOR business continues to deliver, so P&C combined ratio is continuously been diminishing and is now trending towards the 93%, 94% of Optimal Dynamics assumption. So Life business as in the meantime demonstrated its ability to generate a stable technical margin also trending towards the Optimal Dynamics assumptions. And SCOR Global Investments has continued to deliver a solid ongoing return on invested assets, while maintaining its conservative investment policy.

With a high rate of total return for shareholders and low volatility, SCOR offers a unique proposition of value creation. This is indeed what the graph illustrates, is optimal zone is on the top left hand side on the top left hand quadrant and this is where SCOR -- today position. After this (inaudible) cut of what SCOR represents today, get me aggressive [ph] concerns, which I believe investors and analyst currently have about the reinsurance environment and why we believe SCOR's business model is fit for these challenges. And by the way, as you came in this morning, we asked you, what are the keywords you would use to characterize the reinsurance industry today, let's have a look at what you said when coming in this morning, well resolve, challenging, global, competitive, overcapacity, touring, pressure, dynamic, profitable. Well, I think you're right. I mean, all those words to my country, I have read of this. And if I had to summarize, I could make a sentence which is easy to read in the global but fragmented market, not by numerous changes, regulation, monetary policy.

With increasing competition, leading to softening pressures and eventually lose in terms and conditions, we indeed face challenges, now what is going to deny is price that we're facing challenges, that is John Kennedy once said, yes we face problems but we have more solutions than problems and the task today is to show you the score, we doesn't deny those changes, but we have the answers to those challenges in those words. We believe that we can cope with the situation and we maintain the objectives and target that were set.

It's true that the reinsurance industry is today facing several headwinds, such as the uncertainties around the macroeconomic environment, the increased regulatory burdens, the increased supply not obviously for the ILS phenomenon, and at the same time evolving demand pattern. By quick consulting these key remain high, downside reach for the global economy remain with Central Bankers still colleagues are short as they have done over the last few years since the start of the transaction crisis.

The evolution of interest rates is still uncertain, deflation cannot be fully excluded as a scenario in the Eurozone. While tightening those US monetary policies, it might affect the emerging market economies, especially the BRICS. And at the same time, Central Bankers seem to be lost in translation, with the global economy more and more desynchronized with US and UK economies rebounding when the Eurozone is today stagnating. Moreover, the Central Banks stance remains globally dovish, but exit strategies will be absolutely decisive. Meanwhile, current commodity monetary policies are feeding views and that's verbal.

Our job as a reinsurance company is of course to identify all uncertainties, to make scenarios that's much more importantly, to take actions in order to cope with it. That is why we can say that today we are well positioned to face all main possible macroeconomic scenarios such as, first, an inflationary express recovery; second, an express recovery that would be less inflationary. Another scenario, the third one, could be a global recovery around the world. The fourth one would be a decoupling recovery with the U.S. going through a quick and really remarkable recovery, while the Eurozone would remain stagnating for a while, and five, fifth scenario would be a protracted remission.

(inaudible) principle to interest rates, we have clients who immunize as much as possible the balance sheet of the group against the valuations. The P&C portfolio has a low exposure to long-tail lines and is focused on technical performance. Our life portfolio is focused on biometrics risks with the MCV having a very extremely low sensitivity to interest rates. And lastly, as Francois will explain later on, the current positioning of the investment portfolio maximizes close degrees of freedom for future choices.

Despite the main foreseeable regulatory evolutions or concerns, we believe also in this domain, that SCOR is well positioned. Firstly, SCOR has always supported Solvency II as most of you certainly know. We believe that SCOR will benefit from a full recognition of its highly diversified business model and we are on track to be compliant with Solvency II.

Moreover, SCOR is also well placed to gain from Solvency II by providing capital relief solutions to cedants in need. Second reason why we believe that facing regrettably evolutions we are well positioned, there has been a lot of talk about systemic risk. This is really the talk of the town today. Who is systemically important? What is the potential cost of being systemic? Most of those questions have not been yet fully answered.

But while there is a risk that the Financial Stability Board could take a misguided approach when assessing the systemic status of reinsurance this coming November, it is highly unlikely that SCOR could be designated as systemic given the nature of our activities.

Thirdly, why we believe that we are well positioned facing regulatory evolutions is because the introduction of principle based reserving, as you know, has created an ongoing debate on life captives in the US. However, we think the future limitations with use of captives could create opportunities for highly rated reinsurers domiciled in fortified jurisdictions and this is a case besides the (inaudible).

Lastly, over the past few years we have been observing increasing protectionist trends, we see the legacy usually for enterprises, from countries which apply discriminatory rules to foreign reinsurers. Thanks to SCOR's longstanding presence, in most jurisdictions we can operate through a network of local entities when necessary and therefore will be less concerned by the increase of protectionist measures.

The low interest rates have encouraged as you all know very well the inclusion of alternative capital into the industry. Again this has been the talk of town. However, thanks to a diversified business model, SCOR is much less exposed than its peers to competition from alternative capital. We estimate that less than 10% of the business done by SCOR of P&C is in direct competition with alternative capital while on the life side, the percentage is virtually zero. We then seek opportunities in the increased presence of alternative capital.

Indeed this presence of alternative capital enable us to firstly enhance our product offering by notably helping clients to access capital markets capacity through the recently created alternative solutions business units. This is one of the initiatives of Victor. Second, (inaudible) to improve retrocession efficiency, do not forget, around 30% of the cat retrocession is placed with alternative capital having a non-negligible 0.6% impact on net combined ratios, 60 basis points.

We've also launched a series of Atlas ILS to protect the group against net cat. And as you know, last year, by the way exactly one year ago, we issued a risk transfer contract to protect SCOR against from the decrease.

Thirdly alternative capital also means that SCOR can offer ILS funds to third parties. As of today we have EUR450 million of assets under management in ILS funds open to third parties with, as you can see on the bottom right-hand side of the chart, an excellent performance since inception.

The reinsurance industry is evolving and adapting to change in demand from its clients. Reinsurance has become more strategic than opportunistic for clients and a major consequence of these fundamental changes is the tiering of the reinsurance industry. A client-centric franchise and a diversified multi-line portfolio, combined with the top tier positions in all major markets in both P&C and life, have enabled SCOR to become a preferred partner toward cities. We are indeed the first-tier of reinsurance companies around the world. This has also been achieved, thanks to the capacity to provide alternative solutions, and some capacity to quickly respond to the increasing fragmented demands of the primary markets.

So first it's SCOR business model is fully fit to face the current macroeconomic, regulatory and industry headwinds, is well demonstrated by the group's major achievements since the launch of the optimal dynamic strategy end of September.

We had completed the integration of Generali US, this is less than a year from this acquisition. And we will pay in advance of $228 million bridge loan that we need to adjust finance considerably [ph] this acquisition. We've also successfully placed a fully collateralized sidecar, Atlas X called launched a new, innovative, contingent capital facility.

SCOR Lloyd's Agency [ph] that has delivered a strong renewals on the 1st of January, 1st of February and 1st of July 2014 with a globally broadly stable profitability on a net basis. And since the lean of the year we demonstrate renewals after renewals, so quite different franchise (inaudible) able to adapt the changing market conditions.

We have strengthened the London market results with a launch of a Lloyd's Managing Agency. SCOR (inaudible) is continued to enlarge its footprint, it's a longetive in financial solutions. By competing the longevity transactions in Netherlands by strengthening its financial solutions offering and by participating in pension scheme longevity swaps.

Lastly, it is (inaudible) London environment, and we shows that you notice the both S&P and Fitch have raised to positive the outlook on SCOR's A+ rating. This is clearly demonstrates SCOR's unique and differentiated position in today's reinsurance markets. The third section of my introduction is (inaudible) convinced, SCOR is well positioned to continue to deliver strong value to shareholders.

People, tools and processes are the short answer. (inaudible) is at the SCOR, it's SCOR, we can rely on a team of international experts and experienced professionals leveraging on an innovative and the efficient tools. Over the past two years, the current management team has made huge efforts to make this organization (inaudible) and in line with the offering which we wish to provide for our clients across the group.

The investment in human capital is complemented by SCOR's proceeded by cutting edge and (inaudible) and process based initiatives. As I can hear you sinking, hey, hey here we go again. This year, we're going to show you a few videos, which will become part of a client communication in Europe. So first, you are going to be the first one to look at those videos before we use them. And I hope are going to fully appreciate the tools and processes we have with SCOR.

Later on, you will see some videos on the state-of-the-art tools such as PLC integrated cat platform. The velogica tools that we use in the US to help the clients and writing the life insurance policies. The tools were deterministic risk assessment scenarios. One of the item which was -- receive by investors from optimize dynamics that we presented one year ago, was the clarity and transparency of course solvency scale and related management actions. As you know, solvency is one the target's as a group we have only two targets with the same weight profitability and solvency.

And so we have developed this solvency scale to be able to tell you in full transparency with the level of solvency of the group and now we plan to act in case, we are not in the optimal zone. How would it work in practice, let us show a short video with feed up (inaudible) was not available.

(Video Presentation).

You should start a new carrier, when I look at this and I hope this video, we have just shown has convince you about this gross capacity to manage even highly extremely one out of 250,000. So it's the below probably 80 but in case it happens that we are able to -- we are able to absorb it and thanks to best-in-class people, the existing tools that we've developed and of course the very efficient processes.

In the mean time, the company remains on to move, SCOR continues exhibiting and you can see here on to slide 22 several items which have been launched or being currently pursued by the organization in order to deliver on the solvency and profitability targets. As you heard from Peter, SCOR maintains an extraordinary focus on this capital management in the best interest of our shareholders as well as optimizing our capital management, in order to offer solid returns to our shareholders. SCOR also maintains an unyielding focus on technical profitability.

One year after the launch of Optimal Dynamics, I can confirm that underlying assumptions are confirmed with a P&C combined ratio of 93%, 94% and our Life technical margin of 7%. With Optimal Dynamics, SCOR has set two simple targets as I just told you, profitability and solvency. We are on track and we confirm the two targets as demonstrated by the 2013 and 2014 year to date results that are full in line with both targets, profitability and solvency. In addition, the strong dividend policy remains unchanged, we aim to reinvigorate shareholders through cash dividends without excluding those mix.

As we intend to maintain a minimum payout ratio of 35% over the cycle, while aiming for low volatility into dividend per share, the traffic orders of past years bears testimony to our ability to deliver consistent dividends even in challenging times. This is my presentation, and I now, I hope -- I sincerely hope that you are convinced as I'm that first quarter and fully (inaudible) with a current market environment and will benefit from its tier 1 stages in both P&C and Life. Second, SCOR is on track with execution of its Optimal Dynamics plan and we reiterate a profitability and solvency targets.

And third, SCOR is a global player with a maturity of non-euro denominated assets with a very large bulk of business carried in US zones and we should benefit from a US dollar appreciation, which is very likely to take place in 2014 and '15.

With this I hand to Victor, to presentation of the P&C section. Victor, the floor is yours.

Victor Peignet {BIO 6287211 <GO>}

Good morning. We'll start with the few seconds of silence. This is what you've been reading in the press for -- while during the past six months and there is even more coming of the same as we are approaching Monte Carlo. So now in the year and at this precise moment I probably can't imagine what comes up to your mind. When you see me here, heading Global P&C division of the Group, standing in front of you and when you think about the teams of Global P&C preparing for Monte Carlo and the renewals. I think you got in the back of your mind this sort of music. (Video Presentation).

And, since I'm going to stand here for the next 30 minutes, it means that I accepted the mission. It means also that we have all the teams are ready to carry that mission starting next week in Monte Carlo. We know that the situation is not easy but we think we have the tools, the assets, the strengths to continue to operate and deliver. Now, I've got about 30 minutes, I had to explain to you why we do believe that we can succeed and hopefully to convince you that we will succeed.

As you have seen in the title of the presentation and as you will see in the next slide, while this has got to do with two main business drivers, a very effective client segmentation, which we have demonstrated with the global reinsurer initiated two years ago. And the focus business initiatives that are part of Optimal Dynamics and to which we are heading new initiatives likely alternative solutions that's not going to talk about later.

On top of those two main drivers, we have five main differentiators on which we can count and each of them is going to give us or is already giving us a competitive advantage. What all those five differentiators. And considering my age, I need this equipment. First differentiator is the Tier 1 positioning, the tiering is a reality in the market. And this tiering means that we ourselves work well, between two and five in most of the markets and the segments where we operate. And as we do not underwrite the market as we are the selective underwriting of limited number of clients, our actual rank is even better with individual clients.

Second differentiator is that, well, once we are in competition with alternative capital we are different, we have a positive differentiation, actually believe that in the eyes of our clients. Three characteristic of that differentiation. We have a fundamentally different approach of the business. We have a new story of more than 40 years during which we proved ourselves. And we have capabilities to add more value to clients.

Third differentiator, and I think for people like me having gone through the history of SCOR over 30 years, we all know how deep our franchise has been and how this franchise has been critical in the survival and the revival of the company. So this deep franchise is based on the client-driven strategy and it's back by an effective client segmentation and a lot of automated monitoring tools on which we are continuing to develop and improve.

The fourth, is that we are probably the only one among the global players in the market to be equipped with a single and fully integrated information system. And that allows us to dynamically manage our business. This is what you show, you are being shown quarter after quarter. Our business is changing, we are adapting to the market conditions having profitability as the real target of our operations. I think we are able to detect pockets of profitable growth opportunities and to take advantage of them.

And the last of those five differentiators is the global network. Global network that is composed of local teams of nationals in all regions around the world that ensures proximity with the client market knowledge and market knowledge and market intelligence. This is essential as the role of our insurers now in the P&C business is getting closer to the role of our insurers in the life area. We are bringing products to our clients in not just to clients in emerging markets as well as to clients in mature markets.

I think the cyber insurance opportunity is a very clear example of our reinsurance are being tapped in to provide support to global insurers and the size insurers to tackle this issue and we are very much involved in that working on it.

Well, let's be clear, I mean realistic on this. One side, we acknowledged the trend of the reinsurance industry in particular on the P&C side. On the other side, we have key assets to counterbalance those trends while the key assets are basically the client base, the people in our teams and in the group, the systems we have and the tools we have developed.

Overall, we believe that as it is shown on this slide, the balance is still in our favor. Thanks to our positioning and our strategy, we are confident in our ability to meet our targets as Denis reiterated while in his speech a few minutes ago.

Let's go a bit more into detail of the five differentiators I mentioned starting with the Tier 1 differentiator. This is where we are positioned in each and every market around the world and as I insist on this, we are not fighting to markets. It means that when we are number two or number three in the market we are probably number one and number two with a number of clients because we don't underwrite all those clients in this given market.

We have very well diversified portfolio with leading positions in many countries and many lines of business. Our aim is to be considered as a potential leader by our clients and to be within the small group of our insurers that are influential on their program. Don't forget that this market has always been driven by a limited number of prices and market makers, those prices and the market makers are still the same and we are probably around the world well maximum 12 that has got the capabilities to price and among those 12 probably five or six only have got the capability to price in all the markets, all lines of business and we all along those markets.

We are clearly within the first five, six that are able to deliver that service to our clients and whether you are a local buyer or a global buyer you need pricing of your local operations. This is what we are capable to do deliver. In 2013, Global P&C led 19% of our contracts and is represented 29% of the gross written premium. This is a significant increase compared to 2009 where this percentage of the global risk of the gross written premiums that we were leading was around 12%. We are talking of a general trends in the reinsurance industry. But let's be realistic. We are not just a reinsurance company.

And even in our reinsurance part of our business. I mean a lot of our business is proportional business. That slide shows you basically the books by nature of the business written between reinsurance, insurance and proportional insurance. 76% of Global P&C book is correlated to primary insurance trends and that limits the impacts of the headwinds in the reinsurance market on us. 25% of our book eased or can be assimilated to insurance business.

SCOR Business Solutions, Lloyds and the partnerships. 51% of Global P&C book is composed of proportional treaties in which we shared a portion of the insurers we support. Another important feature I want to mention here is that around 40% of the book is generated from direct relationships with clients and this is only a privilege position that only while the long timers like us having been in the market for 30 years or more can enjoy that position of having a very significant part of our business direct from the client.

What about Alternative Capital. I don't want to insist too much about that, but I think, yes, there is an increased competition from Alternative Capital, no one can deny that the noise is about it and by far exceeding the reality of the penetration of Alternative Capital into our business.

And basically, they are key differentiators which I believe are making us stronger to face that competition and limits basically the damage of the competition to our business. Well, you have the six differentiators here while that goes from while the geopolitical [ph] scope and the business mix we are fully global totally diversified. They are basically I think the niche as Denis mentioned before. While we have a philosophy of a client relationship over time. Well that is fundamentally different from the way Alternative Capital market has been operating at least still operating in terms of mindsets which is very important in my opinion. We are still on the solutions and services to clients. And that's again another difference.

We have a track, we've been facing lot of catastrophes, we been facing very difficult situation with our clients and then while we react and we have been showing a lot of continuity and consistency in our underwriting policy and I think that's one of the strengths of SCOR in terms of (inaudible). While the operational scope of business, we are, we are capable to have a long tail business. We don't have this limitation in horizon to five to seven years that most of them have even lower, and shorter horizon for some of them and the horizon of the commitments is different.

We are also able to provide multi-year covers and very importantly restatements to our clients in case where they are affected by the very large loss and the limits gets apparent in the first part of the given year of the contract. How do we operate, as I said, we operate on a plant-centric basis with a very, very clear segmentation of our business and this is something on which we've been working very hard for the last five years.

Well we can differentiate between reinsurance and insurance through that segmentation, you can see that the four columns on the left is typically reinsurance, global insurers, regional insurers local insurers and mono-liners while the column on the right while is more linked to insurance and alternative platforms where we believe that we have flexible ways to operate and provide a very complete tool kits to this operation. I think this days now well embedded into Global P&C, a common view and a very dynamic views of this granular segmentation as we applied constantly throughout planning, budgeting and running of the business.

There are number of dashboards and analysis that underpin the segmentation and I will show you some examples later on and that drives the decision making of our Chief Underwriting Officers that are all now acting as portfolio managers. We are no longer on deeper with these sorts of approach, we are on the strategic management of portfolios on a global basis, clients to clients with very clear market plans and client plans on three year basis, but also on a yearly basis.

The next two slides I'm going to provide you concrete illustrations of what type of analysis we can produce and what it says to us in the way we have managed and we need to manage our business going forward. I hope you can see that from the back of the room.

While this is the first example of a portfolio management tool that we have developed. Actually this is inspired directly from what our CAT team has been doing on our CAT exposures where they have exactly developed the same sort of mapping of the CAT exposures and then we transposed the mapping that the CAT teams has gone on CAT exposures to enacting of our business.

While this illustrates how the division takes a selective and dynamic approach to growth opportunities. Those pockets of growth that exist for profitable growth that you can seize and operate it. The way you read it each colored box represent the segment and the size of the box represent the table, the relative size of the given segment in gross written premiums versus the total gross written premium of the division.

You see here the segmentation that I showed you. Local insurers, regional insurers, global insurers and then the insurance and alternative platforms and mono-liners. So we find the four segments of reinsurance and you find these segments of insurance and alternative platform. Within each segments you've got a sub-segmentation. Actually the surface of this Europe means that Europe represent in gross written premium surface of this block compared to the entire surface of this block and what you can see here is that on the left we are showing the annual growth for segment over the last four years. 2010-2013 and you've got the scale at the bottom here. So if both, of course, has been above 20% while you are in very green, Asia Pacific is an example of it. China is another example of it and the more you go towards the orange, while there is no red but there could be red, while that areas where basically we had to reduce our gross premium income. And those areas you can see here while we had some reduction in the Lloyd's Syndicate capital provision, because we did a bit of portfolio management in there.

We had a reduction in North America local reinsurers and you remember the comments we made, those local insurers in particular on the capped area well are enjoying or taking advantage of extremely competitive conditions that we are not ready to follow, so we let some of them go and that explains. When you have that as a management you can really see that there is total coherence between what you believe that your operation is doing and what is really doing. And when you see yours in the world as this type of vision, we don't need anyone to tell us where we are. We don't need to tell us -- we don't need anyone to tell us where we are going, we see that. I can have it every day I want. It's total magic.

On the right hand side, you've got the other view, which is the economic profitability trend in terms on returns on the risk-adjusted capital. You remember that basically our profitability is measured according to two criteria; the underwriting ratio, discounted, non-discounted which correlates with the combined ratio, and the return on capital on the other side.

We put off the graph on the underwriting, we can't show you too many, and so we selected the graph on return on risk adjusted capital. You've got here, the scale, how it improve or deteriorated and you can see again where we have improved; well, which is basically the green, where as channel is very simple. It's a start up operation that is maturing, we are now integrating the syndicate, the premium volume has grown. It is no longer having the burden of a cost ratio that is too much of a burden on the P&L, so we have nice improvement of the profitability.

Asia-Pac is been producing pretty well. You can see also that Middle East, Africa, Latin America and Caribbean are areas where we have definitely improved our return on capital; and you see that again with the same segment. So, as a management, you can share with the team whether what you believe is going on is actually materialized in the portfolios.

Moving to the next slide, we have another representation of the same. This is a view of 2013 to 2014, for the previous one was over four years, this one is really showing you the reality of today's market. And you see premium growth on the left and price changing on the right. Again, I mean, we could have selected other parameters, but while just to show you what it provides us a type of information.

Well, again, in terms of growth for last year, 2013 to 2014, you continue to see Asia-Pac and channels, some Middle East Africa on the regional. We believe that Scor that the regional is really an area where we think we can do more, we think we can bring more to those companies and they are more and more regional insurers. A lot of the local have this ambition now in many countries in the world to become regional. And this is the moment in time where we can bring them the tool of capital management that they need. They are in the transition mode. We, ourselves are, I believe, very open and very good actually at transferring our know-how in terms of capital management and we have pretty nice opportunities with regional and this is really what shows here in this graph.

Price changes on the right, again by segment; well, this is not all rosy. I mean, we see that our business solution, which is last corporate, has got a problem with prices and they are struggling to really like keep the momentum on the portfolio, and they have to operate in a difficult market, while you see regional in North America. So there are some segments on which we need to have a particular scrutiny, because we have price changes that can translate into deterioration of expected profitably.

Those are really very powerful management tools, you can share that with the team. It's available, well, any time on a continuous basis, totally automated. I think, it's really powerful to create this common view throughout your team worldwide regarding what are the targets and where are we compared to the targets that we have.

I'm reaching the end of the first part of the presentation, because we have also a film that will give me an opportunity to breathe a bit. Let me -- okay, another advantage is the unified information system. I think it's probably the fact that we are the only player having a fully integrated single worldwide information system, which allows our team worldwide to access to information instantaneously throughout the world. It's very powerful in terms of management of exporters. It's also very powerful to avoid internal competition.

Our systems allows the underwriters, when they have submitted business to identify that slow global PNC can be submitted, the same piece of business in Singapore, New York, London and Paris at the same time, we need to keep the cohesion; we need to give the consistency. The fact that we have this worldwide system will flag basically to the underwriters. We have territoriality priorities; we'll take an example, the piece of Brazilian business lands in London, Paris, and Rio at the same time, the rule would be that well Rio can operate, because that's their territory, their business, unless while the particular client has been identified as a strategic client in which case Rio has got refer to the management of the division for the rest of the business territorially to operate.

In London, they are show a piece of Brazilian business, the first thing they have to do is to refer to Rio taking into account the local view of that particular piece of business and then to 0come to an agreement regarding who is doing what in those submission. Then we can guarantee to the clients which I mean, my opinion is very important.

We guarantee to the client that the price and the condition will be the same. They can come to us in London, in Paris, in Singapore, in Rio or in Bogota with the same piece of business that will have the same price, the same terms and conditions. No game playing. I think they all understand that including the workers, which also facilitate our operation. I think we are not spending our time into trying to find the tricks.

We'll now have a short film on initiatives that we have been communicating on for the last three years almost, which is the Cat platform, while the guest star is Paul Nen [ph] who is sitting at the back of the room. Actually we didn't want George Clooney [ph] for this, we prefer Paul Nen. So Paul is there, you can meet him during the polls, ask him questions that's basically what he is heading, a key project for us, which has already delivered a lot of competitive advantage as you can see in that movie if it wants to. Okay.

(Video Presentation)

I don't think and to say anything more about what it does and why we believe that it is really a breakthrough in the way we do business and this has been fully operational for the last two years. I think it's a tremendous assistance for the underwriters. Paul's team now know that we are conscious about cost in this company, but when the business deserves, we also ready to invest Paul's team today is about 34 PhDs worldwide working full-time on cat bonding.

Coming back to the presentation. Try to accelerate, because normally we only have about five minutes left. But I wanted to give you a bit of an update on where we are on the initiatives. I'll do that a bit fast, but I think you can look at this slide they are pretty much self explanatory. So if you see the six business initiatives there, that are on the Block 1 and Block 2 there are ongoing, the initiative on Block 3 are achieved. We met the targets that we had in terms of increasing our capacities and optimizing our acquisition. This is unknown ongoing work, but this was very efficiently on last year and we believe that this year will be continuity of what we did last year. We don't intend to change the structure.

I will talk more particularly one slide on each. The global clients initiative, the US clients focused initiatives, the Lloyd's Syndicate and the new alternative solutions business unit headed by (inaudible) as always sitting there on the first row, because this is a good people of the company.

And again, I'm invited to talk to him. It's a very important initiative as all -- as got the right background to have this was a (inaudible)out of the group until now moving to the business and we don't only to get that going quickly.

Moving on to -- well, this is basically the global insurance initiative. What is important for us to demonstrate to you that while all of them have reduced their sessions rationalize the way they're place their business as far as we are concerned, we consider that we took advantage of those risk fluctuation for the 12 global insurers that we had as a target list as we communicated on two years ago in Monte Carlo.

I think we have to reach our objective, which is a position very strongly the company. We are still working on improving this positioning but overall, we can say that certainly and this graph is the (inaudible). We did on suffer product. And we managed it and we took the opportunities whenever they came. I think we are now adding two more to the list as we speak. So we are going from 12 to 14. I think this is also showing that about the experience is a success.

We are also moving towards exactly the same coordinated organization for regional insurers. So they are now certain original insurers will benefit from the same organization, the same coordination as the one we are successfully developed and tested for global.

This is our US initiative. While our US initiative is not the casualty initiative even though of course it is focused on guaranteed, but it is a client initiative focused on E&S companies. I think basically the important for us is this graph that is showing how we are saturating the E&S companies that want to do business with us and we want to do business with them, well screw the segments and the three segments are here basically property including, casualty and specialty lines. And you can see here that with 30% of those target company, we only do one segment today with 40% we do two segments with 28, we do three segments.

Our objectives with those 25 target is to move and we can -- where we will of course follow that very closely is to move to as close as possible 100% on the whole segment with those 25 clients. Probably and initiative that needs what couple more years to really come through a total friction but the progress up is there. There was a down in report, I think yesterday that is showing where we are on the E&S market. We were know, we have two years ago. We are within the first 10 in the US market today.

I think this is proving that the conviction is there. Those plans appreciate and value the commitment. Our commitment is very clear, it's very focused, it's not really rolled as under client appreciate and if they are receptive, they appreciate that we are constructing something with them for the long run.

Very important for us in the US to get that image of continuity with those clients where we believe that they share with us a lot of the underwriting principles that we try to apply.

Well, this is channel I believe very successful, I've been able to integrate over three years. Excellent relationship with Lloyd's and they have underwriting management in particular and in a good diversification of the products, this indicate now is entering into much more specialty lines and you're starting to exercise synergies with this SCOR book, synergies with the treaty, synergies with business solutions.

For example, we are going to use this indicate to bring one products to our last scope of clients we have business solution is very well anchored, but is not having a broad enough offering from those clients. And we are developing in areas like political risks, environmental liabilities, through this indicate then Business Solutions and this indicate will join forces and on broaden the overall SCOR to cooperate with clients.

We are doing the same in the 3G area, we are in the number of countries, our students are welcoming us as providers of new products to them. Again we will use this product specificities of this syndicate and the relationship or SCOR in the global market with incidence to create while partnerships and joint venture in new products. Using their distribution forces, their knowledge of the market and adding the syndicate expertise in certain products.

I think we are coming to a moment in this syndicate lies, there is a demand from this syndicate for most profitable but also demand from SCOR teams to use more syndicate. I think there is -- this is the right moment to exercise the synergies because the two teams want to get together and see a lot of opportunities in getting together.

Alternative solutions is basically the recruitment of the ILS initiatives that we've been conducting for the last two years and capital management tools that we have been providing to clients throughout the world, but without having a really dedicated business unit focusing on that, they're hoping particular expertise.

This is basically using the know-how we have on capital management on the regulatory constraints. We have a network, we operates subsidiaries worldwide, we know what are the regulatory constraints in any country in the world. This knowledge we can look right to our clients as we applied to our own operation and we can advise clients regarding how they can better manage their capital and by advising them regarding that we're developing products that can address that they have concern optimize their capital management and at the end of the day optimize their shareholder return.

Just to be clear, this is not coming from scratch. We are already doing about EUR0.5 billion of premium in capital management deals for older wells this clients, but this will be we hoped within that business unit that we will operate in total coordination with the teams in the various countries over Chief underwriters and Chief Underwriting Officer.

But it's importantly as well of course, the market is under pressure and there is basically overcapacity capacity, I think the overcapacity is not actually the problem.

The problem is that they are too many players in this market. Too many mouths to feed. I don't think capacity is the issue; the issue is basically that consolidation has taken place at some time to come back to more rational attitudes and behaviors. But in the meantime, I mean we need to continue to manage the portfolio. We need to continue to drive towards the profitability by being selective, being intelligence and adapt on the mid-term horizon.

I believe we have areas where have potentials of the government which are absolutely tremendous. And we are listing here, while four areas plus one I guess, alternative solution is already one and Solvency II being implemented, finally we will increase this one. But if you look at products and those products whether it is CAT, Cyber, Agro or IDI which is inherent defect insurance; the rectification or defects for 10 years after the delivery of construction of housing or real estate. But those four products have got an enormous potential development, provided while there is a bit of incentive, there is a bit of support from the governments in the various countries that can be interested in those products in order to create the right environment for the products to be developed.

So I think, as I said at the beginning, the key issue for us at the moment is -- the pie has been shrinking for the last years. The pie has got potentials to expand again. The question is the timing between the shrinking and this re-expansion of the pie. That, in my opinion is inevitable, but in between while there is a slowdown. This is exactly what we are facing and I think the ones who are able manage their business during that transition will be the winners when it is going to restart and it is going to restart at some point.

I mean those risks are very serious risks that the budgets of the different countries that are exposed to those critical risks and strategy risks are not able at the moment to complete. And the market, the commercial market is having for each of them but cyber, on which we're all working, is having solutions to offer that are prudent to be viable. So I think we are ready to jump in, while the only position is to get the right environment.

I'm almost finished. This I won't comment, because that's part of the Monte Carlo, while press conference on Sunday. Those all the traffic lights, there is nothing really strange in this game. I mean you see lesser attractive business, you see more yellow which is just adequate while that's reflection of how the business has been moving for the last year.

You see here at the bottom right, the comparison of the percentages by blocks for Monte Carlo 2013, January 2014 after the renewal, when we produce the same and what we are going to produce from Monte Carlo this year. You have it for 3D [ph] you have it for specialty while that's self-explanatory.

Coming to the conclusion, the conclusion is the reaffirmation of the assumptions of optimal dynamics. We are willing and believe we can continue to manage the combined ratio by managing the portfolio. So this was shown in optimal dynamics, this is the combined ratio evolution over the years. This is what was in optimal dynamics and we maintained that -- well as an assumption, this is probably something -- well is probably, this is reasonably something that we can achieve at the moment.

Regarding the premium, while the same. I just want to make one remark with this that all of this is extremely sensitive to exchange rates. Exchange rates are (inaudible) we have no control over exchange rates and of course our premium -- we are a bit more than 40% of our premium is in US dollars, but if US dollar moves while our premium volume are moving and this is explaining some of the adjustments that you are seeing in our published figures versus those theoretical figures that are based on the exchange rate at 31/12/2012, which -- where the exchange rate we used to produce the plan.

I think that completes my presentation and I will now give the floor to Paolo for his presentation. On the last Life Division. Objectives and Assumptions.

Paolo De Martin {BIO 15930577 <GO>}

Well, thank you, Victor. Good morning to everybody here in the room and to the people following us on the webcast. My name is Paolo De Martin; I'm the CEO of SCOR Global Life. I think, I met some of you both here in the room and following us on the webcast as I was holding my old role as group CFO until 2013.

While let me start our presentation of SCOR Global Life. There are three key messages, I'm confident you will get from my presentation today. The first the Life insurance market is attractive in a specific dynamics and significant opportunities for us. Second, we are confident of our strengths, as a leading global franchise, which we're going to see remarkable track record of both growth and profitability.

And third SCOR Global Life is successfully delivering already on its optimal dynamics plan following a clear execution framework. In the presentation today, I will talk about this framework. I will talk about our team, I will talk about how we are deepening our franchise and while optimizing the value of our in-force book is so critical. So first, let's start with what we do at SCOR Global Life, our track record and talk a little bit, I think we started already yesterday for the those at dinner, talking about the specificities of our market okay.

We like to think of ourselves as solution provider to our customers. We provide risk solutions to help our clients, to mitigate client's volatility. We provide distribution solutions to help our clients generating more profitable business and we provide capital management and financing solution to support our clients and their capital and financial needs.

Just to remind you, our franchise covers biometric risk and our insurance offering as per optimal dynamic protection is concentrated around protection, longevity and financial solutions products. SCOR Global Life has a very strong global footprint, as you can see on the picture, with the strong leadership in many markets including the US, which is the largest market globally.

Since 2010 SCOR Global Life business has more than doubled to reach 6.1 billion in gross written premiums at the end of 2013, demonstrating our ability to capital organic growth and growth through acquisitions. This has been achieved while delivering the steady profitability both looking at IFRS and MCEV results. The combination of growth and profitability has been reached in a foundation of a very strong risk management processes. This process that are used in evaluating all our decision big and small and we have a cautious approach to risk, and a cautious approach to growing our book.

A perfect illustration of this is how effective is SCOR has been able to avoid some of the issue encountered by contractors over the last few years, particularly in the US mortality and in the surrounding visibility. Let's now spend few minutes on the specificity of the Life

reinsurance market.

As the Life reinsurers most dimension of our business are driven by the key trends of the direct life insurance industry. So let me confirm, some of those key trends. First of all, life insurance is fundamentally a long-term business and again with some of you we had this conversation yesterday at dinner. (inaudible) a policy stay with the insurer or the reinsurer till natural expiration for lap session, which is typically a matter of 10 to 20 years and sometimes longer.

This means that we do not reprise our book each year like our P&C colleagues do and also this makes up through on technical analysis even more critical. This has to be supported by highly expertise and large experience database and this is a key source of scale advantage in our business.

The second key trend is that we like to say the life insurance is (inaudible) nobody wakes up in the morning and things well I immediately to buy Life Insurance. It is a complicated purchase process, it requires you to figure out what happens to you, if something happens to you, that happens to your family what your financial commitments are and so on so forth, and it is why the role of process, face-to-face advisors in the life insurance industry is so critical.

It also makes this solution costly with high capital on surplus for life insurers when writing new business. I think the third key trend which is important to note that the life insurance industry is that -- it is very local and very concentrated as you can see on this chart. In any country the top ten insurer trying to control the market and very few foreign companies and maybe to the top ten in any country.

This is because, these markets are driven by the local regulations, state benefit, tax regime and so on and so forth, and that is why it's so critical to be both life insurer and a life reinsurer, to build very strong local operations. These three key traits which I just told you about, as you can imagine, also largely drive the reason why insurance companies do buy life reinsurance. Beyond volatility reduction, which remains the key reason why insurance companies buy life reinsurance products,

insurance companies also buy reinsurance to access services, product development capabilities and capital support. In other words, insurance companies are looking for solutions with very long-term partners. And you can clearly see how this then drives the key characteristics of the life reinsurance market, or to be successful, a reinsurer needs local presence and knowledge, strong technical expertise and databases, and strong capital base and ratings.

These keys to success for the life reinsurance also translates in very high barriers of entry, which again get higher and higher every year and which have prevented the entrance of new and alternative players. I always find this chart very impressive. Life reinsurance remains a very concentrated industry with six players of significant size and no successful global new entrants in the last 20 years. I think now you can start understanding why I mentioned upfront that the life reinsurance market has its very specific dynamics and you can also start understanding why and how this dynamics can make it very attractive for somebody like ourself very well-positioned in the industry.

Let's now move on to see how we're doing in terms of executing on the Optimal Dynamics plan. Optimal Dynamics clearly defines our strategic path. And as I mentioned, we follow a well-structured and clear execution framework to achieve the optimal dynamic plan. We focus on three key areas, the first being to have the best team, organization and tools. And this means, as we're going to see, keeping a strong focus on talent, processes along with strong management and governance. The second is we need to keep deepening our franchise. We add strong franchise. We operate in market that is attractive both in terms of volume and pricing, and we see further room to grow both with new offerings and new geographies.

The third point which we're going to talk about in a second is once the big business is written, we need to constantly manage and optimize our in-force book in order to ensure a consistent generation of cash flow both to self-finance our growth, but also contribute to the Group.

If we briefly look at our teams, (inaudible) very strong and experienced staff with more than 20 years average industry experience, and I say this with pride, without these people, the experience they bring and the experience of their teams, we would not be able to successfully partner with our customers. And we do put a strong emphasis on managing talent, system and processes as I said, and I don't want to bore you further with this, but we do have strong examples of this, and this is how quickly and effectively we have integrated a former Generali US operation.

From a client perspective, the transition has been seamless. We are now fully leveraging the strength of the business that we acquired, which brings into Scor life very strong complementarily of skills, technology and market know-how. This is allowing the new combined entity to securing maintain the market position with no, at this point, material loss of client and staff.

Moving on to our franchise development, first of all, I'd like to confirm the main assumptions of the Optimal Dynamics plan, both in terms of volume and profitability. We are delivering positive business development along our key three product offerings, and each is delivering meaningful growth in a profitable manner.

And we can already talk about some of the successes. In protection, we already talked about, we're going to talk about some more. We did maintain our leadership position in the US, which was a critical goal as we were acquiring the Generali US business. In longevity, we did expand the deal size in the UK. We started the write deals outside the UK. And in financial solution, we got firmly on the map, both in Asia and in the US. And with that, we became a leader in Europe on Value in Force monetization deals.

Just let me confirm, it's very critical. The new business in each of the product lines is currently placed at or above the Group profitability target, and the technical margin as for Optimal Dynamics is expected to remain in the 7% range. I'm sure you can start seeing why I said at the beginning we're confident about our strengths.

When I took my role at the beginning of the year, I asked myself a key question. How can we keep being successful in the life reinsurance market? In other words, how are we going to ensure that we continue on this trend? And I believe that our success is and will be linked to the ability of being a life reinsurer of choice, which means we need to constantly partner with our customer using and developing our knowledge and expertise to create mutual and sustainable value between ourself and our customers. And this is what will enable us to keep deepening (technical difficulty).

I'd like to talk about three very concrete ways for us to achieve this. First is working on our go-to-market approach, which means generating more and better business opportunities, deeper understanding and connection with our clients. Second is expanding our footprint, capturing the opportunities for geographical growth that we still have. And third is expanding our proposition and offering. Let's now go through each of these in some detail.

First and foremost, we need to be continuously improving our go-to-market approach, and particularly bringing the client at the center of what we do. Client-facing processes are critical in life reinsurance to maximize our understanding our client needs and to optimize our client ease of doing business with us. Drawing on key strength and best practices globally, not just in life, but we took a lot of best practice over from our PNC colleagues, we continually refine those processes and adapt them to our local environment, bringing all key functions to the table. We track and analyze all key attach points with our clients and we do ensure a very proactive service.

The second practical way to deepen our franchise is to expand our geographical footprint. Before going through some of the data you see on this slide, I think it is critical to understand the size of the life reinsurance market and the margin of expansions we have. I would like to know that the figures we're showing are our own estimate as very little data is publicly available on a global scale. We estimate that roughly the total primary life insurance market globally, and these are data at the end of 2013, is around EUR2.3 trillion in annual premiums. Out of this, more than half is saving products, which we don't get directly involved in the life reinsurance business.

This leaves us with about 1.1 trillion of insurance biometric risks business, split between roughly 750 billion of health and related business and 350 billion of what we call core protection business; mortality business, personal accident, critical illness, long-term care. And I just want to make it very clear. This excludes, this number excludes any financial solution and longevity business. Out of this 350 billion of primary protection market, roughly 40 billion, and this is really a rough estimate, roughly 40 billion are reinsured. That is to say that 40 billion is the total size of the in-force life reinsurance protection market.

Given the long-term nature of life insurance and reinsurance, the business tends to stick, and we use this term very many times before with all of you guys for a long time, only a fraction of this comes to the market on a yearly basis and this is why we have created a strong set of yearly contestable business. The yearly contestable business is a traditional protection business up for grab on a yearly basis. And this is estimated at

around 5 billion annually. So, if we take this 5 billion, we can split them by region and we can split them by intensity of Scor presence. We can say with confidence that we are a leader in roughly 2 billion of yearly contestable and we'll work hard to protect and further strengthen that leadership. We're going to show in a second what we're doing in the US. We will do the same in Europe and in places like South East Asia. In the remaining 3 billion, we still have potential to grow our presence and we're working on doing precisely that with a clear idea, as you can see, on which markets are more attractive to us. And I'd like to take you through two examples, one that where we are protecting leadership and very selectively and one we actually are reinforcing our presence. So, first let's look at the U.S. we've been growing our pricing extensively here over the last three years.

And individual life business, we're happy to confirm that we maintain a clear number one position over the past 12 months.

As I said now several times, we've been able to successfully combine their book of business for the Generali US one, well experience in minimal business lost due to the acquisition, what has been very good about the Generali US acquisition for us is not only we gain leadership position on the Individual life market, but we are now leveraging the skill set that we acquired with the Generali acquisition to expand in Group and Life & Health, where we have not been pricing historically.

There again as you can see on the chart, we're very selective in picking carefully the areas to target for growth. The second footprint expansion example, I would like highlight is the Asia Pacific region. In Asia Pacific stackable life is still over time at very strong platform and we see several great opportunities ahead and plan to reach roughly 1 billion in written premiums by 2016.

Among our key markets, we're looking at with interest is Australia, very different than some of our competitors. We believe that current market turmoil is creating for us the perfect and free point.

We're in the process here, reinforcing our presence, benefiting from sharp price increases, while competitive capacity has significantly decreased. The third way I've mentioned for us to keep deepening our franchise is by expanding our product offering. Let's start with what we're doing with our global distribution solution capabilities, distribution solutions are a collection of services through which we help our clients profitably grow their own business.

Our U.S. business offers a great example of what we mean by distribution solutions. There a key source of business development and competitive advantage is our real-time underwriting to Velogica. This is without equal in the industry and let me show you why I said that?

(Video Presentation)

Life insurance sales to the middle market have been decreasing for over 20 years, one of the big drivers of this decrease as to process to buy life insurance is very onerous and invasive for both the life insurance agent and the consumer and they simply can be bothered to go through the process.

This represents 52 million households in the United States. SCOR developed of a Velogica platform a radical and revolutionary new underwriting platform. This data driven solution using state of the art technology in order to dramatically simplify the process and make it possible for consumer to purchase life insurance in once.

The sales process is simple, agent and client can visit to discuss their life insurance needs in any place that's convenient for them, in their home, in their office, at a coffee shop. They sit together, collect the necessary information on the application and submit that to the Velogica system, Velogica algorithm goes out to a available databases and collect some additional information's and all of this information together is combined for the Velogica algorithm to develop the risk profile for that client.

Thanks to the information available in the big data environment and the sophisticated Velogica algorithm, SCOR is able to deliver final close in under 60 seconds, 90% of the time and the entire sales process can be completed included policy issue in less than 15. It's very important that we were able to ensure them, that the system was designed in such a way that data privacy of their clients was never compromised.

The Velogica platform introduced by SCOR has been remarkably successful; over 1.5 million policies have been written on the Velogica platform. As of the middle of 2014, this represents over $100 billion of phasing algorithm. With the use of the Velogica tool, SCOR has transformed the way in agent is able to deliver a policy at the point of sale to their client. SCOR's continued commitment, innovation, delivering state of the art tools will continue to push the boundaries of efficiency and deliver even greater solutions to agents in the years to come.

I think this video clearly shows Velogica is a great example of what I would just meant the Distribution Solution and how we're able to support for customers in growing their business. I think the back of the door, we have Joe Gilmour, Joe is our CEO in the Americas and over the break, if you're more interest in understanding about Velogica, I'm sure he can help you with some of the detail. Myself enjoy visited several clients in the U.S. and this has been an incredible item for us to discuss with customers and it is the right use of some of our major companies in the U.S.

Coming back to the presentation, let's talk about financial solutions and longevity. Our operating and financial solution is significantly evolving, addressing capital management and liquidity needs with the wide range of product offerings as you can see on the chart are locally based support our client about the deploys solutions to optimize both for their solvency margin requirements as well available capital.

I think the -- deal in Spain is a great example of this. In longevity we've been broadening our activities in the U.K market and we have successfully recent business in other geographies. Our teams are constantly monitoring the overall development of our clients in longevity needs.

More important, we have identified four key condition needed for a longevity market before clearly, the volume of assets in pension and annuities, the regulatory and accounting environment the presence of so-called early adopters in the market, and for the most important the availability and quality or mortality data in the market.

If you take those core elements, the U.K is still the predominant market, where we are a leading player in the Bulk swap market and are pursuing a market entry in individual proportional market. Outside the UK, we've seen strong client interest in client in countries like Canada, France, Germany and the Netherlands.

The Netherlands represents a particular market, we're known portion of covers seem to be taking off first and we have written such a deal at the end of 2013. In summary, looking back at the chart with the size of the overall insurance and reinsurance market we are deepening our franchise on a number of the nation from enlarging our share of the protection reinsurance market with our go-to-market efforts in our footprint expansion.

To helping our customers, growing their own business with distribution solution and moving beyond the core protection market through financial solution and longevity. And you can better understand, why we think the life reinsurance market is attractive. And a significant opportunity ahead for us. You can also better understand why we feel comfortable today in confirming our optimal dynamics assumptions, both in terms of volume and in terms of profitability.

At this point with, that's the report of strong payment and also the opportunities we have to defend our franchise. The third focus of our execution framework is to manage and optimize our in-force book, just to remind you at any point in time our in-force generates more than 80% of our premiums and a large part of our IFRS technical. So I think the ability to monitor this performance and take action, where relevant is critical.

We've define a set of processes to ensure the highest performance in this regard. And in this phrase, I believe our result really speak for themselves, our in-force has been growing steadily, as major both life's embedded value and also when we look at premiums, a result of consistently profitable with very minimal variance on MCEV operating margin and a very stable IFRS technical margin.

The health of our in-force book capital with strong profitability of new business as indeed allow for self-funding of growth and as we're going to see a significant cash distribution to the group. The cash generation mechanism of the Life business is actually relatively simple.

Each year, some of the in-force book runs off and the release of the related capital 117 million last year. Then new business is underwritten and this requires cash, capital and creates new value for survey.

Last year new business production demanded 88 million of cash. We generated 428 million of additional buffer and required 159 million of capital as you can see on the chart. Net of all these movements, we were able to upstream 183 million for the Group.

Now, such a cash generation has been a key traits of our business for several years. With almost 700 million transferred to the Group over four years, while investing 900 million in new business. Again this regularity and consistency is a key aspect of our life business model.

Now concluding my presentation today, I would like to reiterate my three key messages. The first, the life reinsurance market is attractive. It has specific dynamics and significant opportunities ahead for us. The second point is that we are confident about the strength as a leading global franchise, as I said, with a remarkable track record of growth and profitability.

And the third point I like you to take away is, we are successfully delivering on the optimal dynamic plan following a very clear execution framework.

With these, I would like to thank you all for your attention and I pass it over to Antonio.

Antonio Moretti {BIO 17681290 <GO>}

And we have an exercise work cloud, so you can see what are the three key messages that you've seen from the morning session and then within over the last meet. But let's go over the Q&A first. So raise your hand and then we'll come over with the mike or you can also put your questions in iPad.

Questions And Answers

Q - Ben Cohen {BIO 1541726 <GO>}

Thank you. Ben Cohen at Canaccord Genuity. I just had a question on the P&C business and specifically in terms of the plan and the outlook for the plan, the assumption that you've made for volumes of proportional business and the margins that you see any changes in the margins, because I think you've made the point that a lot of your business is not catastrophe exposed, but how much do you see that claims will continue to increase their retentions given levels of over capacity and other markets where you may be seeing different facts? Thanks.

A - Victor Peignet {BIO 6287211 <GO>}

I think there is no general answer to your question. I think, first of all, there is a movement to non-proportional reinsurance. There is an increase of retention, yes. But there also movements towards perfect for personal reinsurance at the same token under solvency constraints or whatever. So I think it's not as simple as that.

And if you look at our experience with when clients are entering into transformation of their reinsurance program eliminating proportional, eliminating a lot of the equities and consolidating into larger treaties worldwide with retentions, your volume may reduce, may not.

And we have proven with our global reinsurance initiative that in some cases we have increased our volumes. Don't forget we have confirmed that. We confirmed a position where we have been recouping and cashing up and this is continuing. And as long as the rating agencies are providing more support, I don't -- as long as we prove ourselves quarter-after-quarter, the confidence of the clients in the Group is also increasing and the clients are redistributing. So I think it's a very complex sort of situation we are facing and I think only what -- I believe only what we do which is be selective market-by-market and globally on the (Technical Difficulty) global finance we want to work with.

We went through almost a tailor-made approach to each and every flat-end, well this is the way to manage and then basically you try to steer the business. And I think that's what we have been doing. That's what we're continuing. So I don't think you can apply general trend and you've got to think about the tearing of the market.

When the client is globalizing their purchase, it means that they need -- they need people who are able to write their business worldwide. In order to underwrite business worldwide either you do blind underwriting, but that generally is not a good recipe for profitability or you have the knowledge and the teams to assess the business of that particular company worldwide.

How many reinsurers are there today? I mean coming back to my comments about the 11, 12 -- well, I think, so I'm not particularly pessimistic. (Technical Difficulty) where we are demanding a lot to our teams in terms of knowledge, in terms of talking to the client between the renewals, getting much better knowledge and directions we want to take and I think -- that was to navigate and at the end the objective is twofold.

But first of all, we stick to our profitability target and secondly to be better than the others or leaders. The two are really essential for me. If we are perceived as being better and we can steer our business, I think we are in good shape even though, yes, it's more difficult this year than it was last year, but that's the market.

Q - Unidentified Participant

(inaudible). Three questions, if I may. First is about casualty for the underwriting. Could you be interested in underwriting mortgage type of business with pricing no in line with targeted profitability?

Second question is longevity transactions. There is a strong competition between the reinsurance basically with leverage, what is the competitive advantage at Scor to gain this kind of agreement?

And maybe the last question, if we go on slide 34, I think, there are various initiative about the trend and business solutions, could you give us more color about the price trend? Thank you.

A - Paolo De Martin {BIO 15930577 <GO>}

Yeah. I think our comparative advantage in longevity is, we do have a very strong team, UK-based, right now. We've been quickly developing capabilities outside the UK. We have a relatively strong team now in the Americas. Again, Joe can talk more of the infrastructure over the break.

I mean it is competitive like every other part of business. Relatively speaking, I can safely when you don't see us on the deal, it is very likely that that deal did not meet our profitability targets.

So if you look at optimally in any plan, we don't have -- we're not going to write billions of longevity, it is not available in the market. I think we're in line with probably more than meet our optimal dynamics plan at this point. So for the targets we have, I think it is competitive, but we're still meeting our ROE targets.

And again, we have a very, very strong team in the UK with a very strong reputation in the market.

A - Joe Gilmour {BIO 3531247 <GO>}

Yes, indeed. Of course and that's what we've been communicating on for the past years. I think we are still at the moment. Our casualty proportion in our business is pretty low on the reserve side. And again, we have to ensure -- so we believe that if the market conditions are there, we are very well positioned. I mean we are diversifying in terms of credit risk from the clients that are full of recoverable and have no recoverable from us. So I think we should be an attractive partner. We have the security, we have the financial solidity. We are less exposed to inflation, again, because of the offshore in our reserve we're less exposed to inflation than the others. So I think if interest rates pick up and if the market strengthens, yes, we are definitely interested.

There will be limits though in our interest in Europe [ph]. We have, we are developing tools and to really manage our accumulations and for very exposures of the Casualty books, we would have and we will be extremely selective on the number of clients, because in the casualty area, we want to be careful not to underwrite the same Casualty risk from too many providers while of course I mean those are very Casualty risk or return in coinsurance and extremely complicated to follow the accumulation that you may get on the profitable last scope for casualty risk throughout [ph] the world if you start to underwrite to many casualty activities. We have the same problem on the large industrial property and we manage it some way, I think develop particular tools.

Second question is Business Solutions, I mean, first of all if we can go back to the slide, the scale is the scale I mean, this is done, this is automatic process, so you have to fix the scale, so the red is representing a price reduction of more than 4%. So we are not talking necessarily of 25 or whatever percent price reduction, but it is true that in this map.

Business solution is at the moment facing a market where prices are declining depending on the business sectors and the industry sectors and the nature of the risk of prices are decreasing between 5 and 10%, with this some mix that are nicely published about 10 but those are have no more features than in very particular case that do not represent the -- of the market trend but the general market trend and the softer the risk is, the more the trend is there or the trend overall is very large corporate again, and that doesn't apply for the mid-range of the industrial risk, that applies for very are enjoying at the moment price reductions, whether it is in the energies side or in other areas of business. But again not price collapse, price reduction.

Q - Andrew Ritchie {BIO 18731996 <GO>}

Thanks. It's Andrew Ritchie from Autonomous. Just going back again to slide 30, but I'm still bit confused in what message you're trying to give us by telling us 76% of your book is covered at the point where reinsurance trends, because we've now learned that Business Solutions is actually facing as much of a price pressure as the reinsurance book.

And presumably on proportional business, your ceding are pretty clever people, they're going to be adjusting ceding commissions and not going to parcel on all the economics of foreign reserve.

Why -- I just try to understand what the message is, are you trying to tell us that means you're more resilient, I'm not sure that's coming through. Secondly on your assumptions on the combined ratio, I think is it fair to say on the 93-94, is an assumption of an underlying gross deterioration offset by net savings on retro and offset also by mix changes, which will depend (inaudible) broadly, I think that was what you were suggesting last year just remind us just roughly how we should think about it.

And then two quick questions on Life, on (inaudible) how do you get paid for that, is not just a service you provide and then you get paid by getting business or is there any specific fee income for that. And on the protection business in the US is not growing, but life protection, is that growing market or is it still a shrinking market? Thanks.

A - Unidentified Speaker

Yeah. On the logical side, optimal combination is where we get the fees, we do usually a fee to process the data, then, the key question is do we get reinsurance at the back end of that? In most cases, we do get reassurance at the backend and some customers that give us other businesses, we're actually open to negotiate the fee structure.

So it is a tool that we see to help our customers and in function of our global relationship with the customer then we'll see case-by-case effectively figure out what was the optimal partnership that we can add with the customer. But we do have a certain amount of fees with that going through our P&L right now.

On the protection life market, as you know section rate had come down significantly over time in the US from a peak in fairly 2000 is around, I think it picked around 62% down to 27-28% in terms of cession rates. There are two key trends in the market, one is the cession rate itself when you look at premiums and one is the general tendency of the market right now to move from co-insurance to other [ph] fee, which also determines a different emergence of premiums in the market.

We believe cession rates have rapidly bottom out. We could see probably another kind of the marginal movements of 150-200 basis points of where we are now at 27%.

But we think we're kind of there to stay in that region, it looks reasonable. The movement out of co-insurance into other fee definitely have some impact on premiums and the emergence of premiums, we actually liked this trend that we have acquired through the

Generali US business, a very strong team in terms of other pricing, which together with our own capability fees, I think we're very well positioned to those changes in the market.

Combined ratio we have communicated and I think we've demonstrated over the past five years that we have been moving our attritional downwards. And the attritional has moved downwards its proven track record since 2008. So I think this is Portfolio Management driven selection of clients, selection of the mix of business.

So I think our 93-94 is coming from a successful effort from the team to manage the book, good response from the market to recognize basically and the clients to recognize that we need to improve the balance of the business we get from them. I mean they are not placing a single contracts, they're placing multiple contracts, our role is to negotiate the best mix with each and every client and overall to improve the profitability of the entire mix.

Secondly, while we are not hiding it, we're benefiting from multiple conditions, but we are also very careful on that. We are not, we have both retrocession historically in Scor. We have partners in retrocession and have traditional retrocession.

We are not going to let them down. They're growing with us more than 30 years and we have had bad years and good years, those are very solid support. We will protect those relationship, just like our own clients protect us when they use alternative carriers. I mean, we're placing 30% of our retrocession with alternative capital. I don't think we are interested to increase that. We think that it is a good mix 77. And by doing that we believe that while we are improving, we're having an efficiency gain, but we are not going to be fooled about maximizing this gain.

For us this is long-term business, this is not just opportunistic trial with whomever comes to the market. So the combination of the two makes us to believe that today, yes, the 93-94 is the realistic assumption and we have no reason to change it. Regarding insurance and well our ceding companies are negotiating the commission. And the gain, everything is (inaudible) of what sort of power of negotiation you have, what sort of leverage you have.

Don't forget that even though the placement are still syndicated, we are moving away from syndication. Well whether we move away from syndication because it's a patchwork of private deals, whether we move away because not everyone on the syndication is exactly having the same condition that to me that has been obvious. Then again, it's a question how we negotiate.

So on the proportional side, basically again, yes, there will be concessions on commission, but don't forget also that some of our ceding, thanks to our systems are improving their lost ratio.

Look at the report of the insurance companies in certain areas. If they improve their underwriting and if they improve their loss ratios, well, yes, there is a normal sharing and we will increase the commission while -- whether, of course, we don't intend to offset total again by increasing the commission, but there is a normal trade.

So I think, again this is a bit more -- a bit more complex, but we believe that what we wanted to show here is very simple, we are an average company, that's what we are showing. We are an average which was 25% of our business is insurance business, while the rest is reinsurance. And in the reinsurance, there is: one, a lot of proportional; two, there is a lot of direct relationships with clients. Well, if you have a direct relationship with clients and we are not so many towards that volume of direct, but it gives you a different trading platform and business solutions.

We are talking again of price reduction. If my price reduces by 5%, what about the margin. Business Solutions has historically been a superior margin provider to the company. So I think you need to look at the margin and you need to look at the price. I mean if you look to this slide before the profitability trend slide 33, spot business solution. So it's not because you are facing a price reduction that necessarily your margin is reducing.

So again, I mean all those things, all those dashboards, you need to read them together, you don't need to -- you cannot just take one and do a conclusion, you just get them all together. What we were willing to show you here is that we are transparent. Those are automated and they are provided to the rating agencies and they are provided to the convex of the book. There is no tweaking. So it's very powerful tools to manage, and secondly, well, I mean this shows us exactly where we are and where we have been growing for the last three years. So it basically helps us to drive our business.

Q - William Hardcastle {BIO 16346311 <GO>}

Will Hardcastle, Bank of America. You mentioned in the P&C that one of the issues is the number of players rather than necessary the level of capacity. And that should invoke some more consolidation. Why do you think consolidation has been light in the market over recent years, and is there any barriers there and are they moving away?

A - Unidentified Speaker

Well, I think, first of all, we had an exceptional cycle from 2001 to 2005, where I mean there has been an accumulation of wells during four, five years that new market had never seen before. So these accumulations, the ones who were there to enjoy, regretfully we were not, but the ones who were there to enjoy it as accumulated wells and they are definitely using that, which is totally normal. So there is a kind of the trend, well, there is also probably a level of tolerance today of the capital market that allows company to continue to sale, even though maybe strategically, they are not there anymore.

But, I think to summarize the position and I don't know when and if or what I know for sure is that Paolo is talking about barriers of entry of life. Well, we are starting now very seriously to talk about economic barriers of variable life and survival in the P&C industry. And those barriers of variable economy life or even survival for certain companies are into critical size. I mean the regulatory costs of looming [ph], the cost of the models and Paolo is a big spender in this company, but I mean we need that, without the tools and the models and the cost of that is phenomenal.

The cost of entertaining the network that we have is a very high cost for a lot of companies today. And I think you can do the strategic review as I can do it, if you don't have the network today, there is no network to buy, there is no signal. There is no Winterthur to buy talking by today, no network. You have to create a network. But is it easy to create a network. No, I mean, you've got to get the licenses. But this is not for free, it takes time. You've got to get the people in countries you don't know, you have never been in market to ignore. You ask to employ local people, you've got to have worldwide system being deployed, where you are maybe a company with one operation in London and one operation somewhere else.

So I think this attempt, desperate attempt to create network. Well, first of all, I mean it's not existing today, well there are some attempts and you have seen that and I've seen that. How successful is it going to be? So regulatory, tools, big data, well, that is the requirement to be profitable and to enhance your profitability and the network. If you know that will be critical size. But overtime, when, I don't know, but if you are not the critical size you are running, you are bound to run into problems. But I have no crystal ball, and I don't know when the problems are going to be there, I think that's the position.

Okay. Can I add just one point. We are just one point, we enter a Solvency II environment, where diversification is recognized as a way to reduce capital requirements. And so people try now, or companies try to diversify is not that easy. It's a new business line, new clients. No one is expecting you, so when you try to reallocate capacity and capital to business lines of geographies you are not really good at or entries you don't know, just generates diversification gains in searching for us a venture. So that could be for some companies extremely detrimental to the (inaudible).

And we knew it because the diversification would be one of the main tool to manage capital. At the time, where rating agencies would give no credit to distribution, and at the time, where the raters were giving no credit to diversification. And so it's companies that start late, (inaudible) to diversify profitably. We have a kind of competitive disadvantage for a long time. And it's too late to now start to expand the business lines. If you are a $1 billion, $2 billion company, I mean sorry, what are going to do? If it's marginal, it obviously need us to do it.

(inaudible) that would benefit from the new regulatory and rating environment. And at the time of heavy, let's say, sometimes negative trend for certain business lines. When you are diversified you can relocate your capacity. You are going to do that when you are close to be above the line or when you are highly specialized in (inaudible). So it's -- we insist each share and say we have to face market trends and (inaudible). And if you don't do it, you can follow market trends, but you forgot to adapt the regulatory changes. So to my point of view, we shape the world in the future between a well diversified company (inaudible) company and you can save 10%, 20% of your capital, so it's absolutely possible to compensate for any kind of management action.

So that's our strategy choice and here with some strategic (inaudible) and what we try to convey to you is the prices of choices were made in the past consistent with today's market developments. Last point, which is extremely important and Victor should -- sorry I did mention it as (inaudible) markets are evolving extremely rapidly right now. So it's -- before with a one, the underwriting plan and we were slightly adapting it towards the renewal season to the 1st of January. So today it goes up and down, so quickly that only the companies has the capacity of tools to reallocate capacity and adapt towards a renewal period to the changing environment.

It's also -- because you have some going to world, where you say if you are not quick enough, you jumped as a tools to reshuffle on time, on real time which we wanted (inaudible) 1st of January. You are likely to be structural with business lines that suffer a lot, because there is a capacity to touch profitable business that can appear somewhere.

So it's also something -- will go more towards what I call a spot market approach. We are markets (inaudible) more like a financial markets and you know because the total market (inaudible), where you had a good visibility of the demand to the prices overtime, since adapting equatorial way and therefore, yourself to be adaptable when you carrying the underwriting policy. (inaudible) what Victor has said, historically when recognize the scope of the of the write, recognize the scale of the write, it means M&A. (inaudible) sales go exclude M&A, to be very clear, Optimal Dynamics, we have no M&A, neither for Life nor for P&C. We believe that we can grow and then we can, we maintain the all the hypothesis including the growth assumptions. We believe that with capacity to grow without any acquisition.

Having said that, I mean, as you know, there is an opportunity which is really linked through profitability criteria and solvency criteria, linked to what we want to do in business, it should just accelerate the development, not change the development. And so, therefore, in Asia we represent no acquisition and we believe that we're well placed to benefit from nice growth, without any need to acquire anything.

Having said that, these two acquisitions of Life were more driven by sales decisions to disposal, their life entity, like licenses entity. So for us desperately running around two points something. So, I never say never, there is a meantime. It was important to say that we believe that we can organically, a very nice growth in the next two years till the end of the plan. Yes, please?

Q - Thomas Fossard {BIO 1941215 <GO>}

Thomas Fossard from HSBC. Just wanted to touch upon the opportunities you're underlying on the slide 43. And two questions related to the slide. The first one on Agro, could you remind us where you stand currently, because some of your peers in Europe and in the U.S. have taken, I would say, some of these opportunities, but had a view. So, what are you expecting or what are you waiting in terms of further development to maybe enter more drastically in this field? And where will it be; U.S., Europe, and could you be a bit more granular on this one?

And sort of into Cyber, where do you stand in terms of product development? Is it already going live and potentially what could be the size of these markets? Thank you.

A - Victor Peignet {BIO 6287211 <GO>}

Well, on the Cyber, we are in the very, very early stage, like everyone in the market. I think there is a real, of course, a real interest that starts to be a real demand, which is and by what basically the problems and the losses that are coming from certain number of attacks. So, we believe in the potential, we hope that the market is going to seize this opportunity in a much better way that it missed totally the opportunity of contingent business interruption after (inaudible) and the Thailand floods. So let's hope that, there is a consensus from the market that's sort of rates needs to be underwritten.

There are certain numbers of risk that are -- and policies that are floating around, not to any real size at the moment in terms of total portfolio. So I think, we are in the infancy of that, and well, together with global insurers and others of the reinsurance side, we are working on it incorporation with experts. Because this, as you can imagine, requires a lot of expertise that we are having partly in-house, but also that we get from partnerships with expert companies for the industries and the services.

On the Agro, I would let Benjamin to comment. But my only remark is, we are not late, we have not missed any opportunity, we have just chosen not to go in certain areas. But when we're in, maybe we can give a bit more precise.

A - Benjamin Gentsch {BIO 5633839 <GO>}

And maybe a few additions on the Agricultural market. Our focus continues to be in Europe, Asia and Latin America. The U.S. is of a lesser focus for us, if you would want to expand into U.S. dramatically, we'll possibly have to look at NGA. But even with that significant NGA, it would be possible, it would result the other business. So it's not the current key of our focus in the agricultural development.

Agricultural development, I think, not only for us is not limited by opportunities, more limited by capacity, intellectual capacity. I mean, you need to have the teams available, but we have our team very stable, and that has been a question asked yesterday a few times. Whether those teams are not being hold by competitors. These people, they preferred to stay out of the intruders, because that's where they have to global reach. That's where they have the big capacity, that's where they have the technology to develop products. And that's exactly where we are acting.

There is a, for example, initiatives to develop more of the satellite images in order predict that they yield, that they can be achieved in certain fields, in a certain area, or the certain crop. There is potential to use technology much more than what we have been doing so far. So it's hard and the abundance of opportunities that we see in the agricultural business that limited our number of opportunities also supported by the fact that government still strongly support the development of the agricultural sector.

Seeing many of those promises, it is a strategic sector and this strategic sector is supported by the governments, for example, also by means of subsidies that they give for the payment that the farmer has to pay. So, we see lots of opportunities and as Victor has said, we are not late there; we are just extremely busy in really dealing with all these opportunities that we see.

Q - William Hardcastle {BIO 16346311 <GO>}

(inaudible).

A - Victor Peignet {BIO 6287211 <GO>}

There is a question. Yes, go ahead.

Q - Unidentified Participant

Yeah, good morning. I'm (inaudible) from JP Morgan. Just going back to your growth target, the 8% to 9%. It's quite an ambitious growth target still, I think in this environment. And I appreciate there are pockets of growth in the P&C market and probably in Life as well. But focusing on P&C, how flexible is that target? Is that a very hard target you want to sort of achieve in the next two years or if the market remains soft, is that a target you could flex down to protect profitability?

And the second question, again on that growth. Has the mix of that growth changed since you launched your three-year strategic plan? Thank you.

A - Victor Peignet {BIO 6287211 <GO>}

First of all, you asked about the target, it's an assumption of the plan. And I think the difference is a major difference in the way we run and we manage our operation. There's absolutely no pressure on our underwriting teams. What is the -- I used to be an underwriter. Well, if you are an underwriter and imagine you run the business line and you are at, I don't know, 25% margin. You run nicely and you are constantly profitable, the question you'll get inevitably by your management is, can't you write more? Reduce the margin to -- from 25 to 20, but then boost your volume by 50%.

Well, I think the mix between science and feeling in underwriting is that, if you are a good underwriter you probably sense that there is a limit at which you will destroy a lot of value if you attempt to grow. What is the discussion between the management of the division, Benjamin and myself on the back of the room and the underwriters? What we want is the underwriter, first of all, we agree with them on profitability, underwriting ratio, return on capital, we then discuss the allocation of capital.

Once we have allocated the capital, this is the plan, we have allocated the target and each underwriting team, each business unit has got different targets, of course, we can't have a uniform target. Once we have discussed that, what we want is that seem to be able to prove to us, one way or another to them, that they have maximized the volume with this profitability target. And that is the job of the underwriter.

And then, if at some point in the renewals or during the year, they see that basically the volume they have indicated, and we have agreed with them, they are not going to be able to reach it at the profitability target, they need to come back to the management and we have another discussion. Do we accept that when we set the new target to allow them to continue, do we stick to the target? In which case, well, basically there is capital available, because the volume will not be there. And then, we are talking to other business units that seem to be more positive and we ship capital.

So I think, I insist, there is no target. Target is really for the Chief Underwriting Officers and they seem to prove to us that, with the set of targets and the targets of the profitability of that set, within that set, they maximize the volume. And it's not an easy job to prove that, but that's what they have to do. And if they do that, well, we are happy and we accept. I think, this year year-to-date, look at half year, half year, we are not at 8% or 9%. We are where we are, about 4%, at mid-year this year, where you'll see in the few weeks where we are at the end of the third quarter. But this is not the target, even though if you look some of the products that I was mentioning in your own direct insurance, if it would suddenly develop in Colombia, where there is a low that was prolonged after a dramatic collapse of buildings where a lot of children were killed. If that low would really well make the market to be created and we are one of the drivers of this -- the construction of an IDI police in Colombia, well that's the flu of premium that can be very substantial.

So you can reach maybe the target or you the assumption or you won't reach the assumption. I think in the plan, we cannot totally discount the fact that, yes, those are potentials and they may materialize pretty quickly. If there is the environment, as I was saying if there is the portfolio environment, Benjamin was talking about our strategic agriculture is, yes, if some countries mobilized the subsidies look at the penetration of agro insurance in countries like India, like China, like Brazil where they are basically the self-sufficiency in food is up to essential.

Well, slight increase of the penetration whereas a good program of subsidies, where there is certainty about this subsidy. Where insurers can really believe in it and the range there is as well. Well, there is a very large premium volume with profitable expectancy that can be generated, but this we work on it. We have been working on some products in certain country for three, four, five years, but we are still hoping that, that we all there. It means that, if it opens up we are almost the ones that are well placed to take advantage of it.

And if we don't do the eight or nine, suppose we would do three or two, well, again, we have the critical mass today to be able to continue to invest and to bring the right total contribution to the Group at the size where we are today.

Q - Vinit Malhotra {BIO 16184491 <GO>}

Vinit from Goldman Sachs. So, one question each on the three topics covered today. Firstly on the P&C. Victor, you talked a lot about tools and information systems and dictate and those kinds of things that we're taking to a client. Is that you think a source of growth as well or is it more to contain profitability, manage the portfolio. Where do you think in your mind this is going to be used in the next three years.

Second question is for Denny. A lot of mention of FX now, we've heard you in the last three years, feel a bit frustrated about central banking actions. And this time the central banking action seems to be helping this course cause and as a little bit. Is it safe to rely this time as well.

And lastly for follow on life. This more clarification then question. Think I remember that there was a cash flow number also in original target set for this last year, 250 million. Is there something, could you just comment on the cash generation as well. I know, there is a slide here, but I just want to confirm or you could take it offline as well, but just to confirm whether there is any change to any cash flow or dividend capacity of life from now. Thanks.

A - Victor Peignet {BIO 6287211 <GO>}

The investment in the tools and the system it's threefold, it's first of all by the date with clarity, it's risk management definitely, we need to be able to estimate it or possible maximum loss, but not just the possible maximum loss, we need also to be able to estimate losses and main losses and for our pricing. So it's risk management pricing hence profitability and it's also development and we all are tried to transfer and allow to clients. And then I think that's of the whole of reinsurer to be able to transfer and although exchange these clients and share basically to benefit of those two.

So in agro for instance we are having an initiative and the moment to reinforce that there is definitely being shared with certain clients already we are partnering more satellite ranging, this is being shared as well. I mean, and the teams are building a lot of technical assistance on a number of clients offering just to give them for instance external ways to compare and assess more though. So that's part of the relationship with the client, where you've got this risk management optimization and profitability and development by bringing value and transferring you on the wall.

Thank you, Vinit for asking me this question, because it allows me to make a point, I mean we're investing to see by too many investors observe us or whatever. There is a kind of French company, very strong foothold in Continental Europe and some developments in UK and a marginal role in U.S. This is absolutely wrong. We have met more U.S. companies than Continental Europe company. We book much more as U.S. and we do it, anywhere (inaudible).

We book more in U.S. dollars and we do in Europe. We are more success in U.S. dollars and we do in Europe. We are a global group and all the strategic development was done with U.S. was to reach a point where we've replicate the world market rather than strong footwalls somewhere and marginal information. This needs to be revisit, okay. Because it's absolutely fundamental.

It's a trebles worth in Europe with less concerns of many of our peers because we have less results in Europe and we do the process work. So it was recently want to convey. And this strategic development has been accelerated over time, because the two important acquisitions we've done in U.S. namely (inaudible) did accelerate as a redeployment worldwide.

Asia, we just mention Asia before, Asia is now a significant part of book. Is not a strategic development to come. We have done it. Where in Asia for years and years and years and we choose the right decisions towards the last 10 years to expand the franchise in China, as everyone knows in India and substantial. So it's a key message, it's a global group and please do not consider (inaudible) overall who are still let's say that breakthrough concern by European stagnation or by progress of the Eurosol or by eventual of Europe programs lead to so the six of very important segment. That's why I mention the U.S. dollar.

Okay. If you refer on page, slide 23, and if you see it on screen, since we have a huge amount of exposure to the U.S. dollar. What we're saying is just imagine now an increase of 10% of the value of the dollar as compared to the euro, which is an hypothetical case. But given what I see and given what we've seen already almost the last few weeks of course meet you if the depreciation at high end, is a tough return goes on into U.S., if finally you have (inaudible) towards let's see where it stands. I believe that U.S. dollars going to constraints as years to come.

And so what we say for group such as coal 10% of the shares are in dollar, it means for us we expected most recent periods to increase by 4.6% technical reserves report 4% shareholders equity by 5.1% wide. It was a large amount of equity in the U.S. today. This wasn't people usually consider because you need to really see it's our case each year and investment portfolio with 44% of those invested assets in U.S. those, if interest rates are increasing into U.S. also we demonstrate that will directly benefit from this trend. But even so, the interest rates in Europe are going to stagnate for long as expected.

So that's since the idea we would like to convey diversification is not only by business lines, diversification by geographies, but the group relevantly global, is a global let's say, we are quite well positioned today to benefit from such development. So, now, as of now anticipate our discussions this afternoon, I promise you to anticipate or to predict Central Bankers behavior is something which is, so it is worst difficult to do for any economist today. It's easier to understand a market and to understand and to understand immense decision. When is going to tougher, look at the (inaudible) Look at even -- today, you go from one meeting to next and you always surprised what if they do it, as made to do it now as we are going to do what they say.

I like the FT article a few weeks ago, lost in translation, Central Bank has lost in translation. It is always difficulties to understand the labor and difficulties to understand the FX markets and difficulties to understand the budgetary multipliers, difficulties to understand today's functioning of some other economies in other part of the world. And so, that's why, so where is it carries monitory policies, it's full of uncertainties and postponements and discussions and hesitations just because it's doesn't work as it used to work in the past. So, that's why we call it unconventional monitory policies, I mean it describes exactly what a (inaudible).

It's unconventional just because, if it was conventional we would -- you and I we need to clearly anticipate what we are going to do and not be misled by what (inaudible), so we will be caught by surprises we have been quite a few times over the recent years. So, we will demonstrate this afternoon. I don't know what Central bankers are going to do, as I said it's largely sarcastic. But what we have to be sure, so whatever they do, whatever the scenario is, we minimize the cost of the decision score, which is my duty and it's a duty of my team.

And so this afternoon we will try to demonstrate that whatever decisions the synchronize on absence of synchronicity between U.S. and Europe. I mean whatever the scenario, we try to maximize the benefit score, minimize the cost of any kind of (inaudible) decisions. So, as far we'll go through this afternoon, since we don't know what falls to this scenarios, you will pick vis-a-vis scenario you prefer and we'll tell exactly what's called what it would mean in terms of return on the assets.

So again, we don't bet on to the U.S. Dollar, as it positions a group, because we anticipated Euro zone to be more satisfied. For the last 200 years, if some of your recoveries the U.S. started, U.K. followed and Europe was (inaudible) we know it, it has been the case for long period of time. And so the decision to invest in U.S. -- when the U.S. Dollar was weak (Technical Difficulty) It is better to enters to lift before it the lift takes U.S. starts to move up. I know it's a common -- so we enter the lift at the right time and we should benefit from what we anticipate.

A - Unidentified Speaker

I think one question on the -- Life there is no changes to last year. I think there is usually intense conversation and discussion with market in terms of, if we see opportunities, there are more cash intensive that we had originally expected, what we do about it while preserving the ability of the group to gather from the various entities that dividend. So, there are no changes to -- there are changes last year and I am sure Mark will talk further on in his presentation about the dividend and what we're seeing there.

When previously Paolo said that -- is ready to explain -- is also ready to and write a policy if you need one. So, it's a logic on sight, so I mean we are there to offer full service. If there are no questions, I propose to break for lunch and we will resume the session.

We will resume one hour from now or just -- and again let's get back about one hour from now. Thank you.

Good afternoon and welcome back. So, before the lunch break, we asked you what were the two three key messages that we got from the morning session, so together now the -- so we look at what you wrote.

I say that we try to make a difference with the peers and we do invest heavily on good launches. Having said that, when you look at the -- when you emit, you always ask yourself before you see you try to convey, so and quite satisfied to see that message has been received the way it wanted the way it to be received, because -- on track -- community already strong growth resilience opportunities good, I like the word good and well.

This is a exactly -- attitude and may I say pre-occupation and one true to our peers, I don't see it here which is commitment, dedication, focus which are also in to my -- extremely important word. Thank you for the feedback and really appreciate the -- so why don't we move to the management now.

Good afternoon, everybody. I will spend the next half hour new ones cost view on the current economic and financial environment. I will show you how confident I am in the current environment and our ability the achieve the two objectives set forth proper investments in the optimal dynamic plan. The first and the main objective for the division to achieve higher investment returns by 2016. And the second objective is to accelerate -- positioning as a niche self party asset manager.

In particular, I will demonstrate how the current global or recovery which has developed positively since the optimal -- plan was presented last year in September. We learned that -- to generate higher investments return by 2016. I strongly believe that our investment portfolio is indeed well positioned to benefit from the global rebound. I strongly believe that global recovery becoming clear and clear months after months. Most indicators are indeed gradually improving and multi monitory policies and structural reforms are starting to bear fruits in most of the advanced economies, particularly in the U.S. and in the U.K.

In the U.S, the implementation is near its six year low, activity indicator as a positive overall, corporate are delivering strong earnings, and as a result stock markets are breaking their historical heights. The U.K. is enjoying a similar story, clear confirmation of the recovery, supported by the deep structural reforms that have been implemented. GDP forecast in the U.K. are regularly revised upward and the possible reductions of inflation is becoming a hot discussion topic. Unfortunately, as all of you will know pretty well the Euro zone is an Outlier. Recovery is delayed and activity remains weak, as a consequence of the sovereign crisis and postponing structural reforms in a few countries such as France. We believe that we might have entered within the Eurozone a protracted period of low growth, low inflation, but not deflation I will come back on this point in a few minutes.

This slide is a direct consequence of the macroeconomic environment I just commented and of the accommodative monetary policies that have been used by the central banks for the past few years. The central banks' stance remains globally dovish. If you remember my presentation last year, I was expecting desynchronized exit between the US, the UK and the Eurozone. This is not -- this is now for me very clear and this is now (inaudible) by the market as well. When you keep looking at market anticipation, we will serve a clear disconnect between on one side the US and UK and on the other side the Eurozone.

Let's look first to the US and UK situation since they are lowest interest -- lowest levels interest rates have already significantly increased. Forward hikes anticipate a material increase over the next few years. This is pretty much linked to market anticipation of both the Fed and the Bank of England exit strategies from unconventional monetary policies. Both central banks have publicly expressed their concern and also their willingness to normalize their strategies at some point in time. How, when -- there are still a lot of uncertainties, but I strongly believe today that (inaudible) is clearly more positive for the next few years.

If we look now at the situation in the Eurozone it is still facing some headwinds and the ECB is implemented as you know another quantitative easing program, which is pushing interest rates on -- all along the yield curve. In the Eurozone, this will probably postpone a little bit the trend of sales in the US and in the UK probably by the next two quarters.

In this current global environment, where we feel quite comfortable this slide is really key to understanding why we will benefit in the next few quarters from this global recovery and the increasing interest rates. I would like here to convey two very strong message to you. The first message, our investment portfolio, which is highly liquid, as you know is ably positioned to quickly seize market opportunities and to be reinvested more rapidly at higher reinvestment rates. I am convinced that we have paid already the cost of flexibility and hedging the uncertainty over the last two years and it is now really time to grab the benefits of this strategy.

Second key message of this slide mentioned by Denis this morning after the Transamerica Re and the Generali US acquisitions, the dollar has become the predominant currency in our investment portfolio. We are no longer euro-centric asset manager. We are no longer euro-centric asset manager since those two acquisitions. And the good news -- and the good news is that today two-third of the portfolio are denominated in currencies, where interest rates are already increasing.

As I have just mentioned, our investment portfolio is still highly liquid even if we have started to the invested cash. As you saw on the previous slide, 91% of invested assets are highly liquid, very liquid or liquid. The duration of the fixed income portfolio even if it is increasing quarter after quarter is still relatively short at 3.8 years at the end of June.

As you can see on the left hand side of the slide, financial cash flows expected over the next 24 months amounts to EUR5.3 billion. These figures exclude operating cash flows that are on top of this (inaudible). This mean what in practice it means that at least certainly 36%, which is a huge number 36% of the investment portfolio will be reinvested over the next two years. Thanks to this huge amount of available cash, we are in a position to quickly benefit from the improving economic environment and increasing interest rate.

Believe me our currency mix is a fabulous advantage in the current global recovery, which is being led by the US and by the UK. Indeed we have the opportunity to capture happily [ph] increased reinvestment rate in those two areas by lengthening the average duration of our dollar and GBP denominated buckets. On the left hand side of the slide, you've got our current fixed income reinvestment rates per currency.

You can see the massive differences between currency. These figures embedding practice two effects. The first one, of course, interest rates are higher, as we saw it on previous slide are higher in the US and the UK compared to the Eurozone. And the second effect, which is key given the rebound of the economy in the US and in the UK, we are reinvesting within those two buckets at longer maturities and we are postponing for the time being the lengthening of the duration within the euro denominated portfolio.

The pick-up to lengthen the duration within the euro denominated bucket is indeed today in the range of 30, 40, 50 basis points and when considering that this pick-up is too small today and as a consequence there is still value to wait within the euro denominated bucket before we lengthen its duration.

So, I confirm in the current environment and on all-in reinvestment rates, which means including fixed income and other asset classes of 2.5% for the second half of 2014. This reinvestment rate should increase quarter after quarter, which is very good news. As you may see this, I am more optimistic about the global economy than last year. I think the level of uncertainty has decreased and the trend is indeed more positive globally. Having said this I am not blind and the profile of the global recovery I just described might still be affected by some headwinds.

Let me list a few of them. What will be the precise timing and profile of the exit strategies by central banks? Nobody knows exactly today. Should we expect a sharp increase in interest rates in some regions especially if the central banks miss the exit strategies? How long will the lower yield environment last especially in the Eurozone? What is the impact of unconventional monetary strategies and financial asset? Should we see any particular bubble on those assets? Within the core Eurozone, should we see a deflation? And will the market be affected for a long period by the current geopolitical risks?

I would like to quickly show how we assess potential risks that could affect us and how we monitor those potential risks. Let me pick as a case study the deflation risk within the Eurozone. We have over the last few months; we have analyzed the Japanese precedent and the existing academic research around deflation risks. We have taken into account of course the current situation and the probable situation in the next few quarters. We came to the conclusion that the combination of several factors that you can see on this table is necessary to trigger chronic deflation in the core Eurozone and that most of those factors are not currently present inside the Eurozone.

Hence I really strongly believe that a series of unexpected adverse shocks is still necessary to cause Eurozone's core entering into a protracted period of deflation and clearly this is not our main assumption today.

Whether from a macroeconomic or form a market point of view, deflation is not a central scenario. However you might remember in the Japanese precedent that economists and investors fail to detect that they were in a deflationary environment at the very moment when deflation was present that's why we take this risk very seriously and we put in place the right tools to monitor it closely. The inflation could of course have negative consequences on all euro denominated portfolio, but we believe that the quality relatively prudent and short positioning of the euro portfolio would enable us to react quickly through the deflation materialize in the euro zone. And let me also remind you that euro represents only one-third of core invested assets.

In the current environment, I just described, which is mobility globally than one year ago, I confirm our ability to achieve the two objectives set for Optimal Dynamics. Let me spend the rest of my presentation further demonstrating my strong conviction in this regard. You know Antony mentioned in this morning, you know that we use a multiple scenario analysis to access resilience of our investment portfolio. Compared to what I presented last September, scenarios of course have been abated to the current situation. Global recovery, is indeed confirm while we thought last year that's we still were in the middle of (inaudible) period.

Let me start with scenario number three, the one we name global recovery, which is based on current market over lights. As you will see on the next slide, this scenario assumes a strong recovery led by the US and the UK and then much slower recovery for the euro zone, which is lagging behind, struck during the next quarters in the low growth, low inflation regime. We are developed around this total scenario for alternative scenarios. Let me go quickly through the four of them. You can see the first two scenario, number one and number two, that I would clarify as relatively a very optimistic. Here recovery is much stronger than expected with the euro zone positively catching up with the US and the UK.

The first scenario inflationary express recovery assumes significantly retentions driven by the activation of excess money put in the financial system over the past year by central banks. The second scenario, the express recovery scenario assumes that in the same macroeconomic context inflation remains under control even in these some tensions might appear as well. The last two scenario at the bottom of the slide are clearly more pessimistic. Scenario number four, decoupling recovery assumes a strong recovery still in the US and in the UK, in line with the global recovery scenario. But in this scenario, the Euro zone remained stuck in a low interest rate, low inflation regime, not to say protected period of deflation.

Scenario five, should be for me, more analyzed as stress test of the resilience of the portfolio in a very, very adverse environments such as a global depression. Let's now take the iPads. We have the five scenarios of scroll as it lead to get your views on those scenarios. You can vote and then certainly to the question which macroeconomic scenario do you definitely expect for the next quarter? And I think what we see in a few second, if you share our views of -- if the consensus of the room is a little bit different from our scenario. So the -- our vote consensus of overall is a little bit less optimistic than us, is the fund obligation that is -- let's say visible on the screen.

Let's look at the results of the -- the stimulation. If you can --. So let's look at the first scenario, the stimulation of let's say, stress case, the protects reinsurance, so a global depression in the economy. We have return on invested assets expected in 2016, we just show here the 2016 results. You got return on invested assets of 2.5%. The decoupling recovery scenario, so with the strong recovery in the US and in the UK and the deflation in the euro zone will reach 2.8% return on invested assets by -- in 2016. In our central scenario again, which is based on 418 and the strong conviction that chronic deflation is not inside the euro zone today and won't be inside the euro zone over the next two quarters. We reach and we expect return on invested assets of 3% in 2016.

In the last two and more optimistic scenario in the Express recovery, so remember Express recovery is still a strong recovery in the UK and in US like in Global recovery scenario. And euro zone, it is touching more rapidly and rebounding more rapidly. So in this case, the return, the stimulated or expected return on invested assets by 2016 will be 4%. And in the very optimistic scenario, we are, as you can see on the slide above 5% we reached 5.6%. Let's have a few comments on those simulation and those number. I would like to convey six, just six key messages to you here.

The first one is given, our central scenario has given us strong conviction about the current situation of the economy in the UK, in the US and within the euro zone. I confirm that we will deliver our return on invested assets above 3% by 2016 in the current market environment. This is illustrated by the stimulation of reinsured. I think maybe we should have the consensus of the room, if we wait, we are at 3.2%. So the average of the room weighted by your votes is at 3.2%. So I vividly encourage you to plug the consensus into your model instead of all pessimistic ascertain of 3% for the return in 2016.

If we move to the slide. It is interesting to compare or expected 2016 retail on invested assets to our risk-free benchmark. You remember last year, we introduce a concept of risk-free benchmark to understand a little bit the reference return on invested assets, if no capital is allocated to investment risk within the company. If you look at the left part of the slide, you will see that we have enhanced of a risk-free benchmark, why? Indeed since one of the objectives of the optimal dynamic plan is to positively and selectively increase the duration of the fixed income portfolio throughout the target duration. We want to take into account this effect, this dynamic effect in our risk-free benchmark.

So as a consequence of risk-free benchmark is now adjusted for the past but also for the future, is adjusted to the effective duration of the portfolio or to the targeted duration in the future. What can we learn at this stage from the benchmark and from what you see on the left part of the slide. Based on the current forward heights, we are increasingly going to over perform our risk-free benchmark in the future. The extra return today or where the risk-free benchmark is currently in the range of 90 or 100 basis point and it should in the region of 150 basis point by 2016, which is of course an excellent news.

The second and third key messages based on the simulation you have just seen on our portfolio, the resilience -- the resilience of the return in the event of a very adverse economics in iOS front. So that's the key message. The resilience of the return is very strong even in the case of an adverse economic scenario. Since in the stress case, we still deliver a return of invested assets of 2.5%. But we have more than this. We have more than this.

If you look at scenario one and two, so the most optimistic scenario, we have high upside in the event of faster than expected global recovery. So we have resilience on one side, high upside on the other side, good news as well.

Fourth key message, given its provisioning, our investment portfolio has a significant capacity to absorb adverse and unexpected shocks. This is illustrated by the table on the slide where we present a few tests on our portfolio. I won't comment individually on the value of shops, but I really strongly believe that the positioning of our investment portfolio and others to propose ship value of value proposal compared to its case.

The fifth key message on the portfolio I want to convey to you, even if we have relatively lower risk appetite than our peers in the current environment, you will see deliver superior and high curing performance on the risk and duration on adjusted basis.

To demonstrate this very strong message, let's spend a few minutes on this two table that you see on the screen. Let's look first at the left-handed table. When speaking with you, with analysts, with investors, a lot of people, one of the most occurring question I hear is of course, why do you deliver lower return on investments than your reinsurance peers? And indeed it's a fair question.

But I really convince that a proper comparison is needed to take into consideration the various portfolio positioning. We have to consider, of course, risk appetite, asset allocation, currency mix, but more importantly ALM which mean duration traces. The size to compare everybody is complex, but based on public disclosure and few assumptions we have tried to estimate the amount of capital allocated to the investment portfolio for our peers.

For the purpose of this, let's say, simple analysis, we have used a simplified sample capital model hired from the S&P model as this was the practical way to apply a similar methodology to Scor and its peers to get consistent and compatible results.

The chart on the left-hand side delivers a very interesting results. Of course, the suspected Scor has historically been prudent in its portfolio positioning, but we have the proof here with a lower duration than its peers and a more defensive asset allocation. It places Scor at the extreme left of the pack.

It illustrates the fact that for given units of invested assets, Scor -- peers to allocate less capital to investment risk. However, as you can see on the table, in spite of this clear differentiation we managed to deliver results that are comparable to those of our peer on an average over 2010-2013 period. But again, we have more interesting results.

Looking now at the chart on the right-hand side, we try here to access the excess return on allocated capital to investment risk that each reinsurance companies delivers a growth of risk free and duration adjusted benchmark till all of course to issuance in mix and duration position.

We try here to estimate the marginal remuneration of EUR1 of capital allocated to investment risk. Indeed, if not capital were allocated to investments this excess return above the risk free benchmark should be equal to zero.

As you can see over the 2010-2013 period, favorable investments massively -- in terms of profitability and capital allocated to investment risk. On top of this, you should note that this excess return is well in line with the Group profitability targets of 1,000 basis point over history rate.

I strongly believe really that we are on full value proposition on the asset side. The issue is not about delivering the highest return among our peers, but delivering in the interest of our shareholders, return on allocated capital in line with our Group profitability and solvency targets. And this is clearly the case. Scor is a fully capital-driven company, it's true on the business side. It's of course true also on the asset side.

The six and last key message on our investment portfolio, as announced last September when we present you the optimal dynamics we are on track on the progressive and selective rebalancing of the investment portfolio.

Regarding to the optimal dynamic roadmap, both in terms of the allocation toward the new strategic asset allocation and the re-matching of the duration. I'll go very quickly on this slide as I give new updates on asset allocation on the quarterly basis and my time is limited today.

But as you can see and as you know, we are in line with optimal dynamic strategic asset allocation. The second important item in implementation of the optimal dynamic investment strategy is the progressive re-matching or the extent of the duration gap within the investment portfolio.

Looking at the right-hand side of the slide, you will appreciate the material duration increase that we have implemented over the past two quarters, which has mostly been done on the USD and GDP denominated brackets given the strong rebound, I mentioned of the US and UK economies.

We will -- over the next few months and quarters, we will continue to progressively reduce this duration gap. And benefits on this particular point on our unit currency mix.

Moving to the slide and also we mentioned last year in the roadmap of the reallocation of the portfolio that we will enter and increase our exposure to a new asset class, namely loans.

I'm very proud to announce today that our loan platform has not been fully operational for more than one year and that it is delivering a promising results. Initial target returns on this asset class are confirmed and within this theory as we expected 12 or 18 months ago. And we still target in the current environment an overall exposure of this asset class between 5% and 7.5% by 2016, again in line with our strategic asset allocation.

Before I conclude my presentation, let me give you a quick overview of where we are in terms of asset management. The second objective assigned to SGI in the optimal dynamic plan. My goal is to position SGI as a third-party asset manager with a boutique approach on some niche strategies. Well, my team has strong expertise and a differentiating edge.

Where are we today? Scor has expanded its product offering over the past 12 months through the launch of the new funds leveraging our expertise, focusing on strategies with high-entry barrier, such as loan, ILS, IELD and convertibles. On loan, IELD and ILS products, we are generating strong momentum surpassing this. Our commercial reports and our established tactical uphill. It is managing today of around EUR750 million of past year assets versus 120 million one year ago, which is a great success for us. Client base, as you can see on the slide, is expanded and we are now able to secure meaningful orders from top-tiers, which is a tremendous progress compared to where we were just one year ago.

I am personally very convinced on the future success of this platform and I have set to the team ambitious objective of EUR1.5 billion under management, which mean 10% of Scor invested assets on behalf of third-party investors by end of present scheme.

Let's now move to last slide. So just still one minute. Let's now move to the conclusion of this presentation. If you are sleeping, you have just one thing to remember from my presentation is very simple. One year after the launch of our strategic plan I am proud to say to you that SGI is on track to achieve its optimal dynamics objectives. In particular, I confirm that in the current environment objectives to deliver a return on invested assets above 3% by 2016 is maintained and I've just shown how our portfolio will benefit more quickly of better investment rates in case of faster than expected global (inaudible). My firm conviction but this is only my conviction is that the news flow, the current news flow, which has been globally more positive over the last 12 months that expected one year ago will continue to improve.

My main mission is to get on the asset side, the remuneration of the capital allocated to the investor risk in line with our Group profitability targets and with a Group solvency target in the best interests of our shareholders, clients and stakeholders. This has been the case over the last few years and all our internal production over the, a few more dynamics plan makes me very confident about the future. With this I come to the end of my presentation dedicated to SCOR Global Investments and I hand over the presentation to Frieder on the year end section. Thank you very much for your attention.

A - Frieder Knupling {BIO 17247809 <GO>}

So thank you (inaudible) and good afternoon everybody. My presentation leads with three main subjects, which I keep the scores enterprise risk management. The level of maturity, it has reached over the past years, which is clearly recognized and continuously improved. The way we effectively use our risk management tools in order to control our risk exposures and our economic solvency position, its main drivers and the importance of diversification for Scor.

So, beginning with the first subject, Scor's risk management team is firmly embedded in the organization relying on a wide network of risk managers working at all levels and locations. We are well integrated risk management teams at group level in the divisions in all our operating entities. They insurer quick and comprehensive upward reporting of risks and exposures and in turn the strong governance and oversights starting at the Board of Directors and the Risk Committee down to all management layers. For example the risk appetite is set at the level of the Board and then cascaded down to the organization.

The board Risk Committee is firmly established and place a very strong role discussing all risk matters with management on a regular basis, challenging our views, suggesting further analysis and making good related recommendations to the Board. A key and very powerful tool for communicating risks from all parts of the organization up to management, the Risk Committee and the Board is the risk dashboard. This tool combines a highly summarize and high level assessment of the entire risk spectrum of score with very details, comprehensive bottom up analysis of all risks which have been identified as part of very thorough quarterly process involving the entire organization.

The risk cash (inaudible) has been in use for several years at Scor now and it represents the cause rule for a very active discussions with the Boards, the risk committee and encourages challenges by all readers and it is continuously evolving as the group develops further. Our risk analysis in control mechanisms are (inaudible) of specific risk profile, which is represented in a stylized way on this slide here, it indicates the relative importance of the main risk factors we are exposed to. Some example shows how specific risk our risk landscape is. In particular that our key exposures are technical underwriting risks and that we are less exposed to market risks, the most primary insurers.

The foundation of our risk management activities is the risk appetite framework, which sets out the types of risks we are seeking, those we are avoiding and the main risk limits we have imposed on ourselves. We continue to pursue a mid-level risk profile with volatility control by diversification and our capital shield strategy. Lower appetite to interest rate risks and no appetite for the asset risks policy needs. Recent number of different instruments to monitor our risk exposures which includes the impact of single events both historical and hypothetical and of potential losses at different aggregation levels. So the main limits which define our risk tolerance are the following.

On a very aggregate level, a dynamics solvency approach based on well-defined capital targets for the Group and based on a clear and flexible escalation framework covering potential deviations from the optimal capital range and then on a less aggregate basis, limits on the annual aggregate loss per main risk driver essentially for the top risks listed in the risk universe which I've just shown to you and finally on an event level, risk limits on the annual per event loss for a list of defined extreme scenarios.

These limits have been set out and calibrated for optimal dynamics, they are unchanged. I'; show how current risk exposures capacities limits in a minute. We touched upon our (inaudible) solvency this morning as part of the movie but I'll try to summarize it quickly here using this graph, which we call the solvency scale and which we've as I said discussed this morning quickly. The graph describes our solvency targets plus the associated escalation process of management actions in each solvency range. You see at the bottom of the scale, the SCR means the solvency capital requirements or required capital as per our internal model and the threshold Capital.

The solvency capital requirement is the 99.5 value at risk of our economic loss distribution in line with the Solvency II definition as a threshold capital as today's buffer capital, which is 97% value at risk or about 50% of the SCR. This means that if we have capital at this threshold level there would only be a 3% chance every year of falling below the SCR one year later. We don't want to fall below this threshold of about 150% of the required capital and if happened, then we will take actions to bring our solvency ratio back to a level higher than this threshold.

Above this threshold level we defined a range up to solvency ratio of 220% in which the management feels comfortable to operate and our target is to be in the upper half of this strange that range between 185% and 220%, which we consider optimal solvency range for the company. In this area we expect to be able to achieve the best balance between a strong solvency level, offer to our clients and the efficient use of our capital, which will maximize the overall profitability for the Group.

We therefore target to manage our capital such that our capitalization level remains in this optimal area and we will adjust our underwriting investment or capital management otherwise, as shown in the example in the movie this morning. The graph shows that our capitalization in 2014 is currently slightly about but close to the upper end of this solvency -- optimal solvency range. The main building blocks of our overall year end approach are the risk appetite framework, our internal model. Our ability to manage and control risks and to optimize the use of capital.

Our ERM has gained wide recognition, in particular it is considered very strong by S&P, which is the highest level found in the industry and our aim is to maintain a best-in-class ERM by constantly developing and refining these key building blocks. Moving on to the second main subjects maybe to how we control our risk exposures, this follows a quite clear and simple process. First the both set our risk appetite in line with our strategic plan. And based on this retailer, our capital shield mechanisms and continues to be rebalanced in order to ensure that the exposure stay within the limits of the risk appetite.

We use a wide spectrum of mechanisms to achieve this, which include among others, traditional retrocession, capital market solutions where we passed on certain deep risks directly to the capital markets leveraging on the experience we have accumulated over the past decade.

Our solvency management and capital buffers embedded in it plus our contingent capital facility, a very cost effective to giving us access to capital in case of pre-fine extreme events. These cover different risks to the balance sheets and they kick in at different trigger points. We pay a lot of attention to the continuous optimization of the entire program ensuring that it is complete, effective, cost efficient and safely available when it is needed.

As a consequence, the risk exposures developed in a very controlled manner. It generally increase compared to 2013 in line with the optimism and its plan but ensure that they stay below the limits as shown on this table here. The exposure to pandemic to take an example has reduced from about EUR1 billion to EUR820 million. This has been largely driven by the inclusion of the mortality triggering the contingent capital facility which we renewed at the end of last year. This is a good example of our active exposure management using our capital shield mechanisms.

I want to show you a little movie illustrating the neutral, which we've been using a bit more systematically in the recent one or two years and you see SCOR employee featuring this movie, Frieder Knupling is heading the Group Risk Management Department.

And actually, you should be disappointed if you continue to see George Clooney doing coffee commercials, that's why it wasn't available. He's actually here, he is sitting there at the back end, please be free to have a chat with them about this tool later of the session if you're interested.

(Video presentation)

Enterprise risk management is particularly important for company like SCOR, which is an international reinsurer, we write risks in virtually every country throughout the world. We like all types of risks that we could imagine in from an insurance point of view, because all of the risks related to mortality, mobility, property, casualty and all the risks that come with managing an asset portfolio.

SCOR has developed a risk-appetite framework, which is an integral part of the strategic plan. Within this appetite framework, we have this system of doing it. Our system limits is very formalized, probabilistic and based on the internal model.

To complement we've devised a whole system of footprint scenario, a footprint scenario is simply in the -- past event a very big event applying it to SCOR's portfolio and seeing what impacts would be on SCOR's balance sheet, taking into account all of our risk transfer mechanisms. So we don't just look at the months of loss.

We look at the impact on the Group's solvency ratio and - leverage, liquidity and even the impact on the Group's own operations, if you could just give a couple of examples of the footprints scenarios that we're going to add. I think many people can remember back in 99 December just after Christmas there were two very major storms that swept across Northern Europe particularly France.

The first one was called Lothar in the North of France and the second one was Martin, which came from the southwest, this has a major impact on insurers and reinsurers portfolios so we've taken that events and we've applied it to our current portfolio.

The Lothar, Martin storms for instance with only reduce SCOR's solvency ratio by about 9 points which is completely manageable. An event, which is further back in history, if you like the 1906 San Francisco earth quake apply in the same technology disclose American portfolio we would find that SCOR would lose about 10 points of a solvency ratio.

Footprint scenarios are a key contributor to the risk culture of the group.

I move on to the key subject of my part in this call solvency position. After the acquisition of Generali U.S. which we had already reflected in the 2013 solvency numbers released last year. The risk distribution has changed only marginally as shown on this graph. And maybe as a quick reminder of how this graph works.

We use this for a couple of years now. Economic profits and losses are shown on the X-axis or on the Y-axis so profits at the top losses at the bottom. And then the X-axis shows return periods which the other way of off shoring quintiles of the distribution and when we use logarithmic scale in order to expand the tail of the loss distribution. So the main part, you're seeing here we do deals with the losses, but that's because we've expanded this, this part on the graph.

And you see the buffer here, which can read off at the 33-year return period, same to the solvency cap requirement at the 200 year return period. Modeled economic losses at this one in 200-year period, which is final solvency cap requirement increased only slightly from EUR3.2 to EUR3.3 billion year-on-year.

Development capital rose strongly from EUR7.2 to EUR7.5 billion, leading to an increase in our economic solvency ratio from 221% to 231%, slightly above the close to the optimal range. The economic changes during 2013 somewhat reduced the capital requirements. However, the impact of changes in market parameters on our risk profile is generally limited as shown in the table at the bottom right hand side, which includes a number of sensitivity solvency ratio to changes in market parameters.

Here are some more details on how the capital requirements develops during 2013. A number of smaller model improvements have reduced the SCR by EUR38 million. The growth of the business has led to an increase in the SCR by EUR164 million and increases in interest rates during 2013 and the strengthening of the euro against non-euro currencies have reduced the SCR by EUR120 million. Altogether this is led to a final SCR of 3 billion EUR252 million, almost identical to the one of last year. The economic changes mostly affected long-term life risks which decreased because of higher discounting.

And because the fall in non-euro currencies decreased the corresponding risk exposures. The share of some of the smaller risks has increased in turn as you can see at the bottom of the page. And the P&C risk contribution has benefited from optimized retrocession which has dampened the effect of the growth in business and to a lesser extent, it is also benefited from the economic changes, therefore the share the P&C risks as a percentage of the total SCR has remained stable compared to last year.

This graph illustrates the benefits which diversification provides to SCOR, its Global life and Global P&C would two separate unrelated companies that's half capital requirement would be given by the graph called 2014 undiversified on this page here. The fact that there is largely independent means that as a combined business within SCOR, the capital requirements actually represented by the graph called 2014. We can see the effect of diversification at all return periods demonstrating a reduced risk of losses, not only in extreme cases but also of shorter return periods.

The graph highlights the effect that -- at the 200 year return period, the undiversified capital requirements, that means for some of the standalone requirements would be

EUR4.4 billion however, the diversified requirements, the actual capital requirements fiscal, which takes into account that the businesses are largely uncorrelated is only EUR3.3 billion. The difference of 27% to some of the standalone requirements is what we call diversification benefit at the segregation level. It is marginally lower than last year, but still very close to an optimal level and we expect it to remain at this level over the plan horizon.

To conclude my presentation, this slide summarizes the main sources of economic available capital in comparison to our IFRS group accounts. Economic capital is significantly larger than IFRS equity for a number of reasons. The Life and P&C technical reserves are valued more realistically, which leads to the largest difference between IFRS and economic balance sheet. High prudent is considered part of the available capital. Then on the other hands, there's no goodwill on the economic balance sheet as the franchise is not reflected the dividend for the coming years deducted. In total, the economic available capital is EUR2.5 billion higher than IFRS, our IFRS equity. So this gives a good illustration of the sources of our economic available capital.

And with this, I hand over to Mark. Thank you.

A - Mark Kociancic {BIO 17852409 <GO>}

So thanks, Frieder, Good afternoon, everybody. After one year of Optimal Dynamics, I'll provide an update on how SCOR's active capital management supports the strategic plan and targets to maximize shareholder value over time. For us, there are four drivers for the efficient management of capital in the group. First to have a solvency ratio in the 185% to 220% range. This is the optimal solvency range whether group can meet its profitability target of the thousand basis points above risk-free over the horizon of the Optimal Dynamics plan.

Second, to have a high level of capital fungibility with optimal currency management as a global organization with 39 major operating entities facing growth and business opportunities across five continents. The fungibility of capital is essential, on a daily basis, we are dealing with multiple currencies facing market volatility. SCOR follows a very tight asset and liability management approach to minimize this volatility and protect our various legal entity balance sheets.

Third, to have a high degree of financial flexibility, earnings capacity and earnings stability. For years SCOR has delivered strong and stable earnings and we continue to benefit from improved capital efficiency, technical product profitability and productivity gains. Due to SCOR's excellent reputation and credit strength, the company has strong access to credit markets, which provides us significant financial flexibility. And lastly, to offer our shareholders a consistent and attractive remuneration, SCOR has followed an active and very strict dividend distribution policy for many years. It is SCOR's Board and management teams at most objective to provide a superior risk return value proposition to our shareholders. So let's start with solvency.

Our state of the art group internal model is key and defining the optimal range of solvency level. As disclosed during the Optimal Dynamics plan last year, we define the solvency range of 185% to 220% as a level which optimizes SCOR's profitability and growth in function of the risk appetite defined by our Board of Directors. We also believe that this range perfectly meets the constraints and requirements of our various external stakeholders displayed in the outer ring such as investors, clients, regulators and rating agencies.

As presented in Frieder's part, our solvency ratio is currently 231%, which is approximately 5% above the Optimal Dynamics target range on a relative basis. It is worth noting that SCOR is seeking approval from our EU regulator, the ACPR regarding the use of our group internal model under Solvency II. We anticipate this to occur by mid-year 2015, as a result, there may be changes made in the model, which affect the solvency ratio. So we are in a period of transition until the model is finalized. Therefore we'll address the subject of excess capital next year after the group internal model is approved.

I should also mention that the group looks at the solvency level over the course of the strategic plan rather than just on a quarterly basis. It's important for us to manage the company with a longer time horizon in mind. It's also worth mentioning that we review our solvency position frequently on a quarterly basis and as needed for specific initiatives such as M&A, retrocession planning or other business ventures. Annually, we review it for purposes of ensuring a secure solvency position, setting our annual dividend and funding future business growth.

If you compare the 231% to last year's level, the solvency ratio has increased by 10 points. The required capital is almost unchanged compared to 2013 at EUR3.3 billion as the business growth has been offset by further improvements to our capital shield and favorable economic developments. The available capital has grown to EUR7.5 billion, up from 7.2 billion last year, mainly due to the strong value of new business written during 2013 and the rise in interest rates.

So what should we expect for the rest of the plan. We believe, the solvency ratio should remain within the optimal solvency range. At the same time, you need to consider that the solvency ratio can be impacted positively or negatively by many factors such as profitable growth, asset allocation decisions, dividend increases interest rates that economic environment and potentially regulatory namely Solvency II model changes.

Here we go. So even though SCOR's capital is managed according to the group internal model, we also consider other constraints such as local regulators, the solvency one regime and rating agencies. Score A plus were equivalent by the four major rating agencies with positive outlooks from S&P and Fitch, they all utilize different quantitative and qualitative factors in the ratings process and they all consider SCOR's capital position is very strong, demonstrating the group's financial strength under different approaches. As you can see on the chart on the right side, according to SCOR's view of the S&P model, SCOR's Capital is well within the double A level.

So when it comes to capital management actions, we do not only consider the amount of capital, but also its quality and fungibility. As Marco Circelli, our Head of Capital and Treasury management will explain to you in this short video. (Video Presentation) So we've included slide 140 as a summary of Marco's comments. So I'm going to turn to slide 141 and speak about earnings capacity. Capital management is directly linked to earnings capacity and stability. On the top right of this slide, you can see that we've optimized and continue to optimize our use of capital. In 2010 for every EUR1 of capital, we wrote EUR1.5 of premiums. In 2014, we're writing proximity EUR2.1 of premiums for every euro of capital. Together with a robust P&C combined ratio, stable life technical margin and decreasing cost ratio, the optimization of capital is a key driver for SCOR's capacity to deliver strong and stable profitability and our return on equity track record speaks to the stability of our earnings.

Debt policy. You can see that our debt policy is unchanged from last year. We continue to emphasize high quality Solvency II compliant debt with an ultimate underlying euro currency position. Historically, we've maintained a relatively modest debt leverage ratio and we expect to keep it underneath the 25% sealing. A few words on financing capacity. The Group has a high degree of financial flexibility as shown on the slide, we are well perceived by the credit market as demonstrated by the number and size of past issuances, but also the current CDS levels now within the Double-A minus rated benchmark as highlighted by the dark blue line on the graph, all of which provides the Group with a high degree our financing capacity.

Cash flow score remains focused on cash flow generation. We generated substantial operating cash flow since 2009 of approximately EUR4.1 billion on a normalized basis. In addition, scores liquidity is expected to be further supported through bond coupons and redemptions over the next 24 months, amounting to a total cash generation of EUR5.3 billion from the invested asset portfolio. Dividend policy, as you can see, SCOR has a consistent history of paying stable or increasing cash dividends even during years of financial crisis or high levels of natural catastrophes. With this slight score reaffirms its dividend policy and will continue to remunerate shareholders through cash dividends on an annual basis with an expected minimum payout ratio of 35%.

And to conclude, thanks to the SCOR strategy and continuous application of our four cornerstones, the Group continues to provide shareholders with a superior risk reward profile on the efficient frontier by providing an attractive return on equity at low volatility as the graph on the left side demonstrates. Additionally as the chart for Moody's on the right side shows SCOR has also the best sharp ratio in the industry, confirming the quality of our unique risk reward value proposition and our efficient management of capital.

So with this, I'll turn it over to Denny for the Q&A session.

A - Unidentified Speaker

Thank you, Mark.

A - Denis Kessler {BIO 1498477 <GO>}

There is lot of question to ask, maybe I propose to turn to the audience and please don't hesitate to ask you question. Can we have some more light, please. Yes, please, just on.

Q - William Hardcastle {BIO 16346311 <GO>}

Hi, Denny. It's Will Hardcastle, Bank of America. On page 130, on the SCR competition, you've got the outdoor increasing from 5% to 11% as a proportion. Can you just get clarity on what's within the other and what drove the increase. And then the question is on the solvency ratio linked with the investment de-risking, if you get to the level of investment re-risking, you want to be that the level by 2016. How many incremental percentage points with that discounted from today's solvency ratio?

A - Unidentified Speaker

Yes, on the other risks, this is comprising mainly FX risk, credit risk and interest rate risk on the liabilities. And that's gone up for a number of reasons, part of this was due to the fact was a bit more FX volatility at the end of last year, the year before, but also some of the model improvements, which we've made last year have changed little bit the allocation and contribute to this increase. Going forward, we'll, we expect this to trend down level, which level, which is closer to the year before. So that's -- I think, that's something you should see on a permanent basis.

On the second question, you should expect any material change of solvency ratio because of the re-risking strategy above, basically two reasons. Firstly, the model is -- we model risks over the horizon of 12 months, that means the change in the assets allocation, which is including the optimal dynamics plant is already included in the model obviously the model is consistent with our allocation strategies. So it does anticipates the re-risking and the change in asset allocation over the course of the year.

And even if there is a deviation between the actual asset allocation and what's -- what's been in the model on the basis of the optimal dynamics plant and the contribution of asset risks to the group diversified risk is only 7%. So any deviation would have a completely marginal impact on the group SCR at this point.

Q - William Hawkins {BIO 1822411 <GO>}

Thanks. William Hawkins from KBW. Just one question. I was getting myself bit confused understanding what you were saying about the relationship between yield scenario and expected investment returns. I was wondering if you can help me sort of specifically, your base case scenario has loan yields rising to about 3% and that's in line with your 3% return on invested assets.

But when you showed, on slide 94, the protracted remission scenario, I'm a bit confused about why you got yields down, risk free yields down as low as 1% to 1.5%, but you're still thinking you can do a return on investments of 2.5%. It seems to be sort of 100 basis points yields pick up that occurs in the protracted remission scenario. So, there is not a linear relationship between the outlook for yield and the outlook for channel investment, which may be fair, but particularly on the downside I don't understand how you have such a resilience assumption.

A - Unidentified Speaker

Before I answer to your question, how we model is on a line by line basis. So, it's not micro simulation of the portfolio. So, we have the entire portfolio line by line. So, we know the maturity of any fixed income security and we simulate for given scenario the prevailing reinvestment rates when we have the cash, coupon or the redemption of the bonds. So, it's not a micro assumption, it's really micro simulation of the portfolio.

I think the main effect that you see, and of course, given the scenario, we change a little bit of strategy on certain location, whether seeing or lengthening the duration of the -- portfolio. Having said this, don't forget that we are and we see from the graph, and especially, and that's one I mean -- benchmark to disclose also what we call the lag effect. So, don't forget that the portfolio is currently invested, even if this liquid and we have cash and short-term investment, the portfolio is invested, even if the average maturity or the average duration is invested.

So, we have it in both directions. So, we have also the lag effect of past coupon or current coupon that will disappear in the future. So, in case on adjusted scenario, it will mitigate the effect of the negative environment, and of course in case of an upside of the economy, you see that the lag and you see kind of a see the curve on the history benchmark. We don't, at the full effect, invest (inaudible) we have those two effects.

Q - William Hawkins {BIO 1822411 <GO>}

(inaudible).

A - Unidentified Speaker

The reason the 2.5% is so high is purely the lag effect. So, in that protracted remission scenario, it will be 2.5%, but still clearly heading downwards towards the 1% rate.

Q - William Hawkins {BIO 1822411 <GO>}

Sure.

Q - Kamran Hossain {BIO 17666412 <GO>}

Hi, it's Kamran Hossain from RBC. A quick question about the capital shield. So, in the video that we saw this morning, also promised the enormous recoveries you get on such an extreme loss, so I think the numbers we had were EUR1 billion recovery on a 2 billion pre-retro loss. Do you think that the capital shield is appropriate for where score is and in kind of where you've come and where you are now. So, clearly you see for loss the capital on a double AA basis, and then in your own internal model. So, without the risk appetite on the capital shield (inaudible). Just further one on that. On the Solvency II, are there any kind of gray areas on having your capital shield accepted by the regulators, so anything like basis risk or something around that? Thanks.

A - Unidentified Speaker

With the way the capital shield currently works, it's -- we've discussed and revisited our risk appetite a year ago when we set out the new plan. We made a very conscious decision to keep the risk appetite at the current level, maybe it's marginally increased, but overall it's still mid-level risk appetite and for the purpose of this plan, we clearly want to keep it there and the capital shield is the key tool we need in order to keep our exposures at the level we want them to be and not to exceed the risk limit. Can't remember the second question, if you could just give me a hint.

Solvency II and (inaudible) Yes, where there is basis risk, we model it and we make allowance for it. And that's clear obviously through guidance on how that should be done and we've always been doing that. We model our credit risk on retrocession. So, I think our model is quite complete in that sense and we are confident that it appropriately reflects the benefits of our capital shield strategy and that is the way it should also be treated on the Solvency II.

Maybe Victor can take to places (inaudible) Japan to see how we go from a gross to net with the capital shield, which is a reduction of almost 50%.

It will depend on the configuration, but we have increased over the last five years the number of aggregate programs. So, capital shield is not only a vertical program that would protect us against one major event, but it's a program which is also protecting us laterally against the accumulation of events during the year.

So, after you've got the first one, the second one starts to trigger aggregates. Those aggregates can be per event an aggregate and this is the reason why this morning, well, actually all the aggregate covers have been triggered by this series of major event. So, I think the advantage we are having now is, thanks to the work we've done on the CapEx form, we're capable to model this and this allowed us to sophisticate quite considerably the purchase of our aggregate programs.

Q - Maxime Dupuis {BIO 15974050 <GO>}

Maxime Dupuis, Oddo Securities. Three questions, if I may. First one is the growth rate, if rerating by S&P confirm, what could be the impact in terms of business for Scor? In other words, is there a business impact or only a reputation one-off? Second question is about Scor global investments on third-party assets and the management targeted for the EUR1.5 billion. Could you give us more color on maybe about the margins and assets under management for this business, operating profit generated by this business? And the last one is about dividend. Could we hope a change in the dividend policy following final -- Solvency II rules or it won't be sufficient? Thank you.

A - Unidentified Speaker

Let me address the S&P question first. So, with -- if we were fortunate enough to get the AA minus upgrade, the impact would be largely reputational, but I think it will be minimal business impact. You can see the fact that we're within one rating band already of our European peer group is basically it's close enough in terms of the business impact. And I think the other side of it is, just take a look where our CDS trades. It's basically on par with them. So, that's recognized by clients, by risk managers already. So, any kind of upgrade will be well-received and certainly welcome on our part, but I'm not sure it'd have that significant impact on the business side.

It will, such as long term of course you know it could comfort the position of Scor if we want to expand, if conditions are made to expand in those business lines. So, it's not a gate to open, it's just the image we have in the head. It's more like given an amount of comfort to client, it gives an amount of comfort to brokers, to be perceived at par with the big players for (inaudible) business and sort of (inaudible) So, it's not a -- and confirm what Mark says, it's not a change of business plan, like we're going to spend at a much higher rate not at all, but it will come for the position of Scor, and process we'll consider about business for certain clients that are highly rating sensitive. So it's nice to hear. And there is a point, we drive the group now with an own solvency scale that we've presented. We're surely this morning and (inaudible) and as you can see, it's equivalent to a dividend level of rating that's where we manage with an own solvency scale today.

We would be extremely happy with (inaudible) agencies feature room would consider as ratings where we are is equivalent to the level of rating with the own scale, it would mean that we're certainly a (inaudible) about the consistency of their approach and our approach. So it's certainly nice to hear, certainly comfort our position, it's not great to be very revolutionary because we all really hope for the level of waiting as far as we're concerned, so it's a intimate condition.

As you know it's a pure fee businesses or sometimes we charge on the management fees and some extent we charge management fees and performance fees. So it's a pure fee business, we don't put any capital at risk in this product. Basically the type of funds we sell today we charge Olean, let's say around 40, 50 basis points of management fees on assets under management.

So the platform is in place since we use the same platform and I mean the same team at managed assets for Scor. So that cost is marginally and the cost of a few sales people. So it gives you the magnitude of a few million.

Maybe just to conclude on your third question with dividend policy impact, so to kind of come back to one of my earlier slides. We go through an annual process within the company in terms of the operating plan and a subset of the strategic plan where we evaluate what we will do with excess capital or capital was generated during the year.

So ultimately we will start with securing our solvency position that's not secure going forward for the plan and then we take into account a combination of things you have the dividend policy that we currently have, which is been something we're very proud of.

It's clearly one of the key areas of shareholder remuneration and then the ability to fund future growth, I think that's the other key aspect, making sure that capital can be remunerated after targets is set by the Group the thousand basis points over the risk free. So that's balanced against these three areas in terms of that decision making process.

The only thing that's complicating it right now and I think complicates it for everyone in the industry right now is that the internal model finalization process is really a work in process for the next ten months or so until the summer of 2015, which is why we're somewhat cautious or even conservative with our remarks today about the level of any excess capital.

So that, that process is subject to change, we don't know exactly what the outcome will be until it's finalized, just like every other company. So we need that finality that comes with the model approval next year before we can give you more concrete answers on those.

Q - Unidentified Participant

(Technical Difficulty) if I look at slide 120 and the possible management responses to redeploy capital about the 220% solvency ratio, the list of possible responses is very similar to last year's presentation with the one exception being consider acquisitions as made from the bottom to second in the list and presume that's no coincidence so I wondered what the change in thinking was.

A - Unidentified Speaker

No, I don't see no intention unless the Mark decided to change it. No, it's in agenda, so it's don't give too much importance to it. It's important to really have a complete list of management actions to redeploy capital. And as you have seen for instance, we -- there is one change more important which is a buyback of shares.

When we throughout the last years we decided to reach the level of ranging and the level solvency to clients, so we had to crawl back to our way, it was quite an easy size for the team, which is capital management combined with some management, book management so and so.

And it's a period I don't see what we should have done buybacks, because we wanted to reach this level solvency by the way which is a relationship between the book of -- one side (Technical Difficulty) side.

Once we have reach this level of solvency and we are both among what we could do could be share buybacks. It was top of the list till now, because I don't how we could have done share buy backs if we were still up in solvency level. So it's quite consistent. So as soon as we're at the level of comfort to be above the optical range, we have a series of fraction that we envisage, including what sort of peers that were not done for now with our share buybacks.

What we seeing is special dividend and acquisition is of course one of the possibility that anyone can envisage in case if excess capital this is not the top priorities. So we have a vast range of management action in favor of the shareholders as soon as we reach or we have above the zero level of solvency.

By the way, maybe around well not too many in this industry not to say in this industry now such a transparent solvency scale. And we are able to implement the management actions, when we are little above the optimal solvency range. So with the stakeholders and with the shareholders and also where solvency. So it's (Technical Difficulty) latest solvency level we have reached in solvency virtually you will ask us what management consider in case we have (inaudible) solvency ratio. So it's extremely transparent and I believe the Jayhawks [ph] Capital Management.

(inaudible) the way of progress we made, the innovation we made, when we announced the (Technical Difficulty) plan so we stick to it and we have full transparency on where we are and what we intend to do.

Q - Unidentified Participant

Good. Two questions, the first one is on the approval if your internal SEPR, you indicated during the presentation that about potential share changing is any weak spots you will probably highlight of risk, we should be focusing on during the process? The second question will be on the dividend against our budget.

But if I'm right, your minimum ratio of 75% has been stable over the price slide six years, or in the meantime, your solvency, your capital position has significantly increased. Your current P&L, 220%, you have close to AAA level on a SMP [ph] basis. You're showing that your gross on an economic basis is not, I would say consuming more capital.

So I mean how is the 75% is approached internally and is it still a relevant level?

A - Unidentified Speaker

I can't answer that, it not an objectively, we say it's a constrained. Whatever the situation is, the group will have a payout ratio, so it's a minimum. Now, as the payout ratio is not an objective for the group, because we -- as you have seen it has been fluctuating over the -- was want to have a consistent predictable dividend policy. Probably, you look at what we've done in the past, you can infer what the group will do in the future, highly consistent and low volatility, and predictability.

You know now that we have particular solvency, when we reach it, we know that we can -- there is a freedom without have if we don't reach it. The only thing we say is, we will have a minimum payout of 35% it's not the objective at all, as the payout can fluctuate as it has been in the past quite widely. So, creditability, consistency is the two key words for the dividend policy of the group. As I said, the priority is a cash dividend decided as a --.

Now, in what we can do as I said, before a balls -- solvency range we can -- some share buybacks which were not on the list up to now, since early news this year. But nothing we change as far as the philosophies, the understanding and of the way we want to remunerate are --. It's so consistent of really, by looking at the past, you can easily infer what we're going to do in the future very easily. So, it's your job to do it. We give as much as we can once we're satisfied with the solvency ratio.

It's a very tricky question, I would like to hand the floor to Freder. The regulators, it's a first time exercise, by the way bet for Switzerland. No regulators have approved internal models yet in the insurance and -- fields. So Solvency II is applied now 27 countries in Europe and we have 27 regulations and so as we try to -- in, you know it's a policy and where they are going approve inter models, but it's still a -- conductor it's something which has no president. And so you ask us a question about, it's learning by doing to tell you, so with file extensively with certain incredible amount of documents to the regulator.

And the process is -- it approves a model, so long now payout in front of us for the next six, seven months, so there will be dialog with the regulator to precise document and correct and so on so. But at the end we file and they say yes, it's approved and no, it's not approved, so it's binary. And so it's another question, like we approve partially or give you an additional delay, you have a date and you have --. So it's extremely fair for us to tell you what's the end-game were a process, just because, as I have said, we are in the middle of (inaudible) process. I see we are on the right track, I think there file we need to filed. I think that we are seeing some is operational. As we said, we have already filed it with the Swiss regulator.

We use it for managing the group, by the way the internal model is first and foremost for us, because that's the way we allocate capital, that's the way we define underwriting policy and so on. But as the end of the day, we need the approval by the regulator, because this is solvency II. So, we are confident into the file that we should allocate. We have equal expertise, we've been this model for years, we have build it out about 10 years now. But as I said the approval is not in our hands, the approval is in the hands of the lead regulator which is the -- for as far as SCOR is concerned. So, we are not in only one in this position, but as far as I know companies as far as intermodal are -- did the same position as well.

Not up to be fully let's say aware of the process and the way it's going to be into months and weeks and quarters to come, so there is a little bit bigger uncertainty about-- to stamp the inter models that have been filed. But we are well on track, and as I said -- as a group, so and by the way we have quite lot of expertise in the reactions field.

Yeah. I agree just as we have sales -- what's called the pre-applications for the ACPR at the EU regulations, work that have gone through our internal model on a trial basis like in other countries and that's still not complete and it's going to take a couple of months before this is going to be the case and will get some firmer and more definitive feedback on this pre-application and will try to file pre-application for internal model approval at the middle of next year. -- has been implemented International law and that is still have to come.

So, the text of European level are now stabilizing or there are going to be any surprise, but we don't think there's a lot of uncertainty at the European level for us. But the big step, which is outstanding is the transposition international law which can have consequence on part of the processes and we need to make sure we completely understand this. When we file the internal model at early summer next year then regulators have six months under the current plans or -- to take decision on approval not which we then expect to have by the end of next year's, so bit of time which is going to ahead of us before we really --

Q - Unidentified Participant

--I have two questions around the interest rate environment in the first sections for --. And regarding the bond portfolio. So, I guess that your positive view over on the U.S. interest versus the Euro zone interest rate. Should we expect that you intentionally shifted even from the Euro zone bonds into your S bonds and, so could you elaborate a little bit on (Technical Difficulty) your bond portfolio develops there? And my second question goes to Mark. On the other side, certainly interest yield environment so also opportunities for lower refinancing or financing costs. And you indicated that currently debt cost is 5.9%.

Do you see any potential room for lowering these cost there?

A - Unidentified Speaker

So on the first question, and I mean as a key principal as a key ALM, principal in the group. We don't take any if it's a risk, so we are strictly congruence between the assets and the liability, so we invest in the same currency as the liabilities. So, then given the split of the business and the acquisition we recently made in the U.S, then we are very unique composition of the portfolio and the unique mix in terms of currency, especially in favor of the dollar and the Pound to-date.

So, even if we could be more bullish or bearish on specific currency, we won't change the assets allocation in terms of currency split. But what we do and the main advantage of the currency split today, is that we can, the portfolio was liquid in each currency to two years ago, 18 months ago, but now we can desynchronize also this strategy from what we did for the last two year and we started either since the last summer to lengthen progressively the duration under the standing portfolio and not yet (inaudible).

Q - Unidentified Participant

(inaudible).

A - Denis Kessler {BIO 1498477 <GO>}

USA (inaudible) half of the assets were liquid, so were cash. So, half of the assets were already held by the government transferred to us, but we must will be limited to portfolio. But half of it was in cash flows, so it explains why we acquired liquid in U.S. also. Because when everything was transferred to score, half of the assets were in cash.

To your second question. Clearly, it's a very attractive environment today, if you go into issue in the markets, we've seen a few this months. And I think for us, it's something that we monitor constantly and certainly an option that's on the table for us. I think the criteria that I laid out on Slide 142 are the types of things that we would be looking at, if we were to do something in that area. But it's definitely an option that we would consider.

It's better a bird, before it fly. So, if we are consistent, there is a probably for rates increase higher than opportunity for rate decreases, that's what they understood. And therefore close many issues, let's say, more need to some market to see an increase, an opportunity to target. Thank you for reminding, so we are going to think about it.

If someone has questions or remarks. So, yes please.

Q - Vinit Malhotra {BIO 16184491 <GO>}

Yeah, it's Vinit from Goldman. So you have very comprehensively addressed the solvency part, so that I don't want to go back, but just literally one down. If there was a significant revision by the regulator, then your ban should also change, because in the definition of the model, and that's changed. Do you think that's a fair expectation?

A - Victor Peignet {BIO 6287211 <GO>}

No, not necessarily. I mean, we are confident that the model is currently an appropriate representation of the risk profile and that's how we manage the capital. So, I don't want to speculate about changes to that, we believe that it is a good reflection of the risk profile in our capital management, so that's the tool we're using.

Q - Vinit Malhotra {BIO 16184491 <GO>}

Hello. Can I ask one quick clarification from France? The next 24 months maturity number has been stable at roughly 5 billion for many years now, whereas the duration has been increasing. So could you just comment on what tools you're using to steady the maturity profile and it doesn't seem to be moving that much, what is that? Is something you can comment on that? Thank you.

A - Victor Peignet {BIO 6287211 <GO>}

So the competition is just we -- the competition of 5.3 million, it's over the window of the next 24 months. We just include all the coupon that are emerging from the fixed income portfolio and all the (Technical Difficulty) plus the cash that we've got today. So, that's true, that's behind the scene and we reduced the amount of cash. And on an average, especially on the GWP, we invest much above 24 months. So you should expect a decrease, but we still also have the lag effect in front of this securities, investors in one or three years ago. So that, we have that mix effect, which you should expect to decrease at December or over the next quarter.

A - Denis Kessler {BIO 1498477 <GO>}

If there are any additional comments or remarks? I do understand that you're fully satisfied, more than satisfied. And so, what's next now?

A - Victor Peignet {BIO 6287211 <GO>}

Conclusion.

A - Denis Kessler {BIO 1498477 <GO>}

Conclusion, I'm not going to conclude (Technical Difficulty) material. We have lots of slides, information, data and so on, and the team is here to help. So if you have any questions, please do not hesitate and contract Antonio Moretti, who will provide some real information for you to be able to assess the Group.

Well, we are quite confident. I know it's a gloomy situation. I know it's doomsday for so many people, who talk about industries. It's extremely difficult to take the flow, as we're confident in 5 to 12 position, and then we're still optimistic about this industry and market whatever is the development. So as far as the management of Scor to find the ways and means in order to cope with this situation and go on, making profits, increasing solvency and satisfying needier or shareholders' request for (inaudible). And so, the management team is quiet confident, and in fact we have all the tools to achieved what we have decided to achieve.

Now, for the remaining two years as a plan, we have already done almost one year successful and we still have two years. And so, I reiterate convictions that we're going to make. I proposed you to go on the -- with your high problems, give the materials if you could peruse. So, (inaudible) in front of them, so you can go on your -- in person with given materials, just do it.

So here (Technical Difficulty) schedule, it's too late, and it's the end of the day. Speakers' biographies, it didn't change since this morning as always to my point of view. The advertising campaigns to here throughout the day, so it's just to attract attention to the changing environment, changing world. And now, you have the right (inaudible) do not treat this, and better you try this throughout the day, so you can do it now with confidence.

Okay. And so, you guys keep messages and now you can relate, and very best to all of you. Thank you very much.