04

Consolidated financial statements

Pursuant to Article 19 of Regulation (EU) 2017/1129 of June 14, 2017 of the European Parliament and Council, the following information is incorporated by reference in this Universal Registration Document (URD):

- The consolidated financial statements as at December 31, 2020 are included from pages 161 to 244 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2020 is included from pages 244 to 251 of the universal registration document filed with the AMF on March 2, 2021 under Number D.21-0084 (and from pages 161 to 244 and from pages 244 to 251, respectively, of the free translation into English of the above mentioned universal registration document. The translation is available on SCOR's website: www.scor.com);
- The consolidated financial statements as at December 31, 2019 are included from pages 157 to 240 and the Statutory Auditors' report on these consolidated financial statements as at December 31, 2019 is included from pages 240 to 245 of the universal registration document filed with the AMF on March 13, 2020 under Number D.20-0127 (and from pages 157 to 240 and from pages 240 to 245, respectively, of the free translation into English of the aforementioned universal registration document. The translation is available on SCOR's website: www.scor.com).

The consolidated financial statements for the year ended December 31, 2021 are presented below:

4.1. CONSOLIDATED BALANCE SHEET

ASSETS

		As at December 31	
In EUR millions		2021	2020
Goodwill arising from insurance activities	**Note 6**	**800**	**800**
Goodwill arising from non-insurance activities	**Note 6**	**82**	**82**
Value of business acquired	**Note 7**	**893**	**1,099**
Insurance business investments	**Note 8**	**31,517**	**30,098**
Real estate investments		629	603
Available-for-sale financial assets		20,124	18,243
Investments at fair value through income		180	1,632
Loans and receivables		10,322	9,418
Derivative instruments		262	202
Investments in associates	**Note 3**	**7**	**13**
Share of retrocessionaires in insurance and investment contract liabilities	**Note 16**	**4,136**	**1,781**
Other assets		**12,000**	**10,540**
Accounts receivable from assumed insurance and reinsurance transactions	Note 9	7,582	6,564
Accounts receivable from ceded reinsurance transactions	Note 9	454	286
Deferred tax assets	Note 18	716	562
Tax receivables		175	126
Miscellaneous assets	Note 10	1,579	1,546
Deferred acquisition costs	Note 11	1,494	1,456
Cash and cash equivalents	**Note 12**	**2,083**	**1,804**
TOTAL ASSETS		**51,518**	**46,217**

SHAREHOLDERS' EQUITY AND LIABILITIES

In EUR millions		As at December 31 2021	2020
Shareholders' equity – Group share	**Note 13**	**6,385**	**6,155**
Share capital		1,472	1,471
Additional paid-in capital		609	609
Revaluation reserves		65	315
Consolidated reserves		3,925	3,511
Treasury shares		(196)	(43)
Net Income for the year		456	234
Share-based payments		54	58
Non-controlling interests		**17**	**22**
TOTAL SHAREHOLDERS' EQUITY		**6,402**	**6,177**
Financial liabilities	**Note 14**	**3,226**	**3,210**
Subordinated debt		2,581	2,538
Real estate financing		470	487
Other financial liabilities		175	185
Employee benefits and other provisions	**Note 15**	**151**	**227**
Contract liabilities	**Note 16**	**35,832**	**30,501**
Insurance contract liabilities		35,460	30,162
Investment and financial reinsurance contract liabilities		372	339
Other liabilities		**5,907**	**6,102**
Derivative instruments	Note 8	81	85
Accounts payable on assumed insurance and reinsurance transactions	Note 9	746	710
Accounts payable on ceded reinsurance transactions	Note 9	2,351	1,230
Deferred tax liabilities	Note 18	242	260
Tax payables		78	135
Miscellaneous liabilities		2,409	3,682
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**51,518**	**46,217**

4.2. CONSOLIDATED STATEMENT OF INCOME

In EUR millions		For the year ended December 31 2021	2020	2019
Gross written premiums		17,600	16,368	16,341
Change in unearned premiums reserves		(588)	(47)	(446)
Gross earned premiums	**Note 5**	**17,012**	**16,321**	**15,895**
Other income and expenses		(16)	(17)	(31)
Investment income	Note 19	764	734	754
Total income from ordinary activities		**17,760**	**17,038**	**16,618**
Gross benefits and claims paid		(14,665)	(12,494)	(11,792)
Gross commission on earned premiums		(3,234)	(2,846)	(2,869)
Net retrocession result	Note 20	1,857	(318)	(327)
Investment management expenses	Note 21	(85)	(80)	(75)
Acquisition and administrative expenses	Note 21	(638)	(541)	(564)
Other current operating expenses	Note 21	(182)	(236)	(235)
Total other current operating income and expenses		**(16,947)**	**(16,515)**	**(15,862)**
CURRENT OPERATING RESULT		**813**	**523**	**756**
Other operating expenses		(44)	(55)	(61)
Other operating income		26	11	18
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)		**795**	**479**	**713**
Acquisition related expenses		-	-	-
Gain from bargain purchase	Note 4	-	-	-
OPERATING RESULT		**795**	**479**	**713**
Financing expenses	Note 14	(127)	(142)	(143)
Share in results of associates		(5)	(1)	(1)
CONSOLIDATED INCOME, BEFORE TAX		**663**	**336**	**569**
Corporate income tax	Note 18	(207)	(106)	(147)
CONSOLIDATED NET INCOME		**456**	**230**	**422**
Attributable to:				
Non-controlling interests		(0)	(4)	0
Group share		**456**	**234**	**422**
In EUR				
Earnings per share (basic)	Note 22	2.46	1.26	2.27
Earnings per share (diluted)	Note 22	2.45	1.25	2.25

4.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR millions		For the year ended December 31 2021	2020	2019
Consolidated net income		**456**	**230**	**422**
Other comprehensive income		**269**	**(420)**	**482**
Items that will not be reclassified subsequently to income		**39**	**(12)**	**(24)**
Remeasurements of post-employment benefits		48	(16)	(31)
Taxes recorded directly in equity	Note 18	(9)	4	7
Items that will be reclassified subsequently to income		**230**	**(408)**	**506**
Revaluation – Available-for-sale financial assets		(422)	199	660
Shadow accounting		99	(71)	(202)
Effect of changes in foreign exchange rates		482	(523)	126
Net gains/(losses) on cash flow hedges		(12)	22	30
Taxes recorded directly in equity	Note 18	77	(36)	(110)
Other changes		6	1	2
COMPREHENSIVE INCOME, NET OF TAX		**725**	**(190)**	**904**
Attributable to:				
Non-controlling interests		(0)	(4)	0
Group share		725	(186)	904

4.4. CONSOLIDATED STATEMENT OF CASH FLOWS

		For year ended December 31		
In EUR millions		2021	2020	2019
Net cash flows provided by/(used in) operations	**Note 12**	**2,406**	**988**	**841**
Acquisitions of consolidated entities	Note 4	(8)	(2)	(13) [(1)]
Change in scope of consolidation (cash and cash equivalents of acquired companies)	Note 4	-	-	2 [(1)]
Disposals of consolidated entities, net of cash disposed of		0	-	0
Acquisitions of real estate investments		(45)	(24)	(64)
Disposals of real estate investments		5	110	124
Acquisitions of other insurance business investments [(2)]		(14,004)	(9,328)	(9,168)
Disposals of other insurance business investments [(2)]		12,594	8,915	9,030
Acquisitions of tangible and intangible assets		(87)	(135)	(130)
Disposals of tangible and intangible assets		0	0	0
Net cash flows provided by/(used in) investing activities		**(1,545)**	**(464)**	**(219)**
Issuance of equity instruments		7	3	10
Treasury share transactions		(205)	(43)	(1)
Dividends paid [(3)]		(336)	(0)	(327)
Cash generated by issuance of financial liabilities	Note 14	79	335	150 [(4)]
Cash used to redeem financial liabilities	Note 14	(121)	(208)	(99)
Interest paid on financial liabilities		(113)	(115)	(117)
Other cash flows from financing activities		15	(13)	11
Net cash flows provided by/(used in) financing activities		**(674)**	**(41)**	**(373)**
Effect of change in foreign exchange rates on cash and cash equivalents		92	(114)	11
TOTAL CASH FLOWS		**279**	**369**	**260**
Cash and cash equivalents at January 1	**Note 12**	**1,804**	**1,435**	**1,175**
Net cash flows provided by/(used in) operations		2,406	988	841
Net cash flows provided by/(used in) investing activities		(1,545)	(464)	(219)
Net cash flows provided by/(used in) financing activities		(674)	(41)	(373)
Effect of change in foreign exchange rates on cash and cash equivalents		92	(114)	11
CASH AND CASH EQUIVALENTS AT DECEMBER 31		**2,083**	**1,804**	**1,435**

(1) Cash related to the acquisition of the capital and voting rights of Coriolis Capital, see Note 4 – Acquisitions and disposals.
(2) Acquisitions and disposals of other insurance business investments also include movements relating to bonds and other short-term investments with a maturity of less than three months and classified as cash equivalents.
(3) Of which EUR 1 million in dividends paid by MRM to non-controlling interests in 2021 (EUR 0 million paid in 2020 and EUR 2 million paid in 2019).
(4) Cash generated by issues of financial liabilities includes net proceeds from perpetual deeply subordinated notes in USD issued on December 17, 2019. For further information see Note 14.1 – Subordinated debt.

4.5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2021	**1,471**	**609**	**315**	**3,511**	**(43)**	**234**	**58**	**22**	**6,177**
Allocation of prior year net income	**-**	**-**	**-**	**234**	**-**	**(234)**	**-**	**-**	**-**
Net income for the year ended December 31, 2021	**-**	**-**	**-**	**-**	**-**	**456**	**-**	**(0)**	**456**
Other comprehensive income net of tax	**-**	**-**	**(250)**	**519**	**-**	**-**	**-**	**-**	**269**
Revaluation – Assets available for sale	-	-	(422)	-	-	-	-	-	(422)
Shadow accounting	-	-	99	-	-	-	-	-	99
Effect of changes in foreign exchange rates	-	-	-	482	-	-	-	-	482
Net gains/(losses) on cash flow hedges	-	-	-	(12)	-	-	-	-	(12)
Taxes recorded directly in equity	-	-	73	(5)	-	-	-	-	68
Remeasurements of post-employment benefits	-	-	-	48	-	-	-	-	48
Other changes	-	-	-	6	-	-	-	-	6
Comprehensive income net of tax	**-**	**-**	**(250)**	**519**	**-**	**456**	**-**	**(0)**	**725**
Share-based payments (1)	-	-	-	(4)	(153)	-	(4)	-	(161)
Other changes	-	-	-	-	-	-	(0)	(4)	(4)
Capital transactions (2)	1	0	-	-	-	-	-	-	1
Dividends paid	-	-	-	(335)	-	-	-	(1)	(336)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021	**1,472**	**609**	**65**	**3,925**	**(196)**	**456**	**54**	**17**	**6,402**

(1) EUR (153) million increase in treasury shares following the purchase of shares under the share buy-back program.

(2) Issue of shares related to the exercise of stock options for EUR 7 million (EUR 3 million in share capital and EUR 4 million in additional paid-in capital). This resulted in the creation of 356,000 shares during the year ended December 31, 2021. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 6 million (EUR 2 million in share capital and EUR 4 million in additional paid-in capital).

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2020	**1,473**	**624**	**214**	**3,614**	**(54)**	**422**	**55**	**26**	**6,374**
Allocation of prior year net income	**-**	**-**	**-**	**422**	**-**	**(422)**	**-**	**-**	**-**
Net income for the year ended December 31, 2020	**-**	**-**	**-**	**-**	**-**	**234**	**-**	**(4)**	**230**
Other comprehensive income net of tax	**-**	**-**	**101**	**(521)**	**-**	**-**	**-**	**-**	**(420)**
Revaluation – Assets available for sale	-	-	199	-	-	-	-	-	199
Shadow accounting	-	-	(71)	-	-	-	-	-	(71)
Effect of changes in foreign exchange rates	-	-	-	(523)	-	-	-	-	(523)
Net gains/(losses) on cash flow hedges	-	-	-	22	-	-	-	-	22
Taxes recorded directly in equity	-	-	(27)	(5)	-	-	-	-	(32)
Remeasurements of post-employment benefits	-	-	-	(16)	-	-	-	-	(16)
Other changes	-	-	-	1	-	-	-	-	1
Comprehensive income net of tax	**-**	**-**	**101**	**(521)**	**-**	**234**	**-**	**(4)**	**(190)**
Share-based payments (1)	-	-	-	(4)	11	-	3	-	10
Other changes	-	-	-	-	-	-	0	(0)	(0)
Capital transactions (2)	(2)	(15)	-	-	-	-	-	-	(17)
Dividends paid	-	-	-	-	-	-	-	-	(0)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2020	**1,471**	**609**	**315**	**3,511**	**(43)**	**234**	**58**	**22**	**6,177**

(1) Reduction in treasury shares for EUR 11 million, mainly following the cancellation of shares under the share-buy-back program.

(2) Issue of shares related to the exercise of stock options for EUR 4 million (EUR 2 million in share capital and EUR 2 million in additional paid-in capital). This resulted in the creation of 189,700 shares during the year ended December 31, 2020. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 21 million (EUR 4 million in share capital and EUR 17 million in additional paid-in capital).

In EUR millions	Share capital	Additional paid-in capital	Revaluation reserves	Consolidated reserves	Treasury shares	Net income for the year	Share-based payments	Non controlling interests	Total consolidated
Shareholders' equity at January 1, 2019	**1,521**	**815**	**(145)**	**3,556**	**(338)**	**322**	**69**	**28**	**5,828**
Effect of adoption of new IFRS (1)	**-**	**-**	**-**	**(45)**	**-**	**-**	**-**	**-**	**(45)**
Shareholders' equity at January 1, 2019 after adoption of new IFRS	**1,521**	**815**	**(145)**	**3,511**	**(338)**	**322**	**69**	**28**	**5,783**
Allocation of prior year net income	**-**	**-**	**-**	**322**	**-**	**(322)**	**-**	**-**	**-**
Net income for the year ended December 31, 2019	**-**	**-**	**-**	**-**	**-**	**422**	**-**	**-**	**422**
Other comprehensive income net of tax	**-**	**-**	**359**	**123**	**-**	**-**	**-**	**-**	**482**
Revaluation – Assets available for sale	-	-	660	-	-	-	-	-	660
Shadow accounting	-	-	(202)	-	-	-	-	-	(202)
Effect of changes in foreign exchange rates	-	-	-	126	-	-	-	-	126
Net gains/(losses) on cash flow hedges	-	-	-	30	-	-	-	-	30
Taxes recorded directly in equity	-	-	(99)	(4)	-	-	-	-	(103)
Remeasurements of post-employment benefits	-	-	-	(31)	-	-	-	-	(31)
Other changes	-	-	-	2	-	-	-	-	2
Comprehensive income net of tax	**-**	**-**	**359**	**123**	**-**	**422**	**-**	**-**	**904**
Share-based payments (2)	-	-	-	(17)	284	-	(14)	-	253
Other changes	-	-	-	-	-	-	(0)	(0)	0
Capital transactions (3)	(48)	(191)	-	-	-	-	-	-	(239)
Dividends paid	-	-	-	(325)	-	-	-	(2)	(327)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2019	**1,473**	**624**	**214**	**3,614**	**(54)**	**422**	**55**	**26**	**6,374**

(1) Impact of first-time application of IFRS 16 and IFRIC 23.
(2) EUR 284 million reduction in treasury shares mainly following the cancellation of shares under the share-buy-back program.
(3) Issue of shares related to the exercise of stock options for EUR 9 million (EUR 3 million in share capital and EUR 6 million in additional paid-in capital). This resulted in the creation of 509,135 shares during the year ended December 31, 2019. These movements were offset by a reduction in Group capital through the cancellation of treasury shares for EUR 248 million (EUR 51 million in share capital and EUR 197 million in additional paid-in capital).

4.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 1 ACCOUNTING PRINCIPLES AND METHODS

Note 1.1 GENERAL INFORMATION

SCOR SE (the "Company") is a European Company (*Societas Europaea*) domiciled in France and governed by the provisions of French law relating to European Companies as well as by the provisions of French law applicable to joint stock companies (*sociétés anonymes*) where those provisions are not contrary to the specific provisions applicable to European Companies. SCOR's shares are publicly traded on the Eurolist by Euronext Paris stock market and on the SIX Swiss Exchange. The principal activities of the Company and its subsidiaries (the "Group" or "SCOR") are Life and Non-Life reinsurance.

The consolidated financial statements were presented by Group Management to the Audit Committee. Management and the Audit Committee report to the Board of Directors, which approved the consolidated financial statements on February 23, 2022.

The consolidated financial statements for the year ended December 31, 2021 will be submitted for approval at the 2022 Annual Shareholders' Meeting.

Note 1.2 BASIS OF PREPARATION

SCOR's consolidated financial statements for the year ended December 31, 2021 have been prepared in compliance with IFRS issued by the International Accounting Standards Board (IASB) as endorsed by the European Union (EU) and effective as at December 31, 2021. The term "IFRS" refers collectively to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and to the interpretations of the Standing Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRIC), mandatorily applicable as at December 31, 2021. See Note 1.3 – IFRS standards applied for the first time and IFRS standards published but not yet effective, for a detailed overview of (i) the new and amended standards applicable in 2021 that are relevant to SCOR and have been endorsed by the European Union and (ii) the standards issued by the IASB in 2021 but not yet endorsed by the European Union, which are relevant to SCOR and expected to have a material impact for the Group.

The consolidated financial statements have been prepared under the historical cost convention, with available-for-sale financial assets and financial instruments (including derivative instruments) remeasured at fair value through income.

The financial statements of material subsidiaries are prepared for the same accounting period as the parent company. All material intragroup balances and transactions, including all internally generated Group profits, are fully eliminated.

Reclassification of prior-year comparatives

Certain immaterial reclassifications and revisions have been made to the financial information in respect of the prior years, in order to bring said information in line with the presentation used for the current year.

Use of judgments and estimates

The preparation of the consolidated financial statements requires management to make certain judgments, assumptions and estimates. These may affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the reporting date. Management reviews these estimates and assumptions periodically, based on past experience and other factors. With regard to the Covid-19 pandemic, the assessment of the impact on the exposures of the P&C and Life businesses requires a high degree of judgement and estimation. In general, claims information is still limited. Estimates for determining the accounting positions as at December 31, 2021 are made based on current available information and SCOR's expertise. There is still a high degree of uncertainty regarding future developments in claims and current estimates could evolve as more information becomes available. The actual outcomes could differ substantially from the estimates and assumptions made. The main financial statement captions for which the Group uses estimates and assumptions are reinsurance reserves, accounts receivable from and accounts payable on reinsurance transactions, the fair value and impairment of financial instruments, intangible assets, pension liabilities and other post-employment benefits and deferred taxes, in particular the recognition of deferred tax assets and the availability of future taxable income against which tax loss carryforwards can be used.

Consequences of the United Kingdom's decision to leave the European Union

The impact of the United Kingdom's decision to leave the European Union has led to heightened financial market volatility and increased political and economic uncertainty. To prepare for Brexit the Group set up a new entity, SCOR Europe SE. With effect from January 1, 2019, SCOR Europe SE, a 100%-owned subsidiary of SCOR SE, began underwriting new and renewed business relating to risks located in the EEA that can no longer be accepted by SCOR UK Company Ltd. as a result of Brexit. SCOR Europe SE also took over all commitments resulting from policies previously issued by SCOR UK Company Ltd. which the latter can no longer honor following Brexit and in the absence of specific agreements in this respect.

Significant events of the year

See Note 2 – Significant events of the year and Covid-19, for information on the pandemic and a summary of the financial impacts of Covid-19 in 2021.

Foreign currency translation and transactions

The Group's consolidated financial statements are presented in euros (EUR) and all values are rounded to the nearest EUR million, except where stated otherwise. Percentages and percent changes are calculated on unrounded figures (including decimals), therefore the Notes may contain immaterial differences in sub-totals and percentages due to rounding.

The other key currencies in which the Group conducts business and the exchange rates used for the preparation of the consolidated financial statements are as follows:

EUR per foreign currency unit	Closing rate As at December 31, 2021	Average rate Q4 2021	Average rate Q3 2021	Average rate Q2 2021	Average rate Q1 2021
USD	0.8795	0.8746	0.8485	0.8298	0.8297
GBP	1.1886	1.1790	1.1690	1.1602	1.1440
CAD	0.6958	0.6939	0.6734	0.6756	0.6553
CNY	0.1385	0.1368	0.1311	0.1285	0.1280

EUR per foreign currency unit	Closing rate As at December 31, 2020	Average rate Q4 2020	Average rate Q3 2020	Average rate Q2 2020	Average rate Q1 2020
USD	0.8187	0.8387	0.8552	0.9087	0.9062
GBP	1.1189	1.1076	1.1048	1.1279	1.1604
CAD	0.6432	0.6436	0.6421	0.6555	0.6756
CNY	0.1254	0.1266	0.1237	0.1282	0.1299

EUR per foreign currency unit	Closing rate As at December 31, 2019	Average rate Q4 2019	Average rate Q3 2019	Average rate Q2 2019	Average rate Q1 2019
USD	0.8918	0.9029	0.8996	0.8905	0.8802
GBP	1.1821	1.1628	1.1088	1.1463	1.1465
CNY	0.1285	0.1282	0.1282	0.1307	0.1304

SCOR SE's functional currency is EUR. Where the functional currency of an entity is not the same as the reporting currency used to present the Group's consolidated financial statements, the assets and liabilities of the entity are translated using the exchange rate at the reporting date and the statement of income and the statement of comprehensive income are translated using the average exchange rate for the period. Translation differences are recognized directly in shareholders' equity within reserves, under "Currency translation adjustments".

Movements in currency translation adjustments are primarily due to the translation of financial statements of subsidiaries and branches not using EUR as their functional currency.

As at December 31, 2021, 2020 and 2019, the Group had one net foreign investment hedge in place (see Note 8.9 – Derivative instruments).

The Group reviews the functional currencies of its entities on an ongoing basis to ensure they appropriately reflect the currency of the primary economic environment in which they operate.

Transactions denominated in foreign currencies (currencies other than the functional currency) are translated into the functional currency at the exchange rate applicable at the date of the transaction (for practical purposes, an average rate is used). These rates may differ from the rates used to translate functional currency into the reporting currency as mentioned above.

At each period-end, the items on the balance sheet denominated in a foreign currency must be translated into the functional currency, using the following procedures:

- monetary items and non-monetary items measured at fair value through income are translated at the period-end exchange rates and the resulting gains and losses are recorded in the statement of income;
- other non-monetary items are translated:
  - at the exchange rate prevailing on the transaction date for items measured at historical cost, or
  - at the period-end exchange rate for items measured at fair value, and
  - any gains or losses that arise are directly recorded in shareholders' equity, notably foreign exchange differences on available-for-sale assets and foreign exchange differences resulting from the conversion of available-for-sale assets;
- the gains and losses resulting from the translation of net foreign investment hedges are recorded in other comprehensive income and subsequently in the statement of income upon the disposal of the net investment.

Since July 2018, Argentina has been considered to be a hyperinflationary economy. SCOR is exposed to the provisions of IAS 29 – Financial Reporting in Hyperinflationary Economies through its entity in Argentina, but the impact on the consolidated financial statements is not material.

Accounting principles and methods specific to reinsurance activities

Certain specific reinsurance accounting principles are described directly in Note 9 – Accounts receivable from and payable on assumed and ceded insurance and reinsurance transactions, Note 11 – Deferred acquisition costs, Note 16 – Net contract liabilities, and Note 20 – Net retrocession result. Further accounting principles and methods related to reinsurance activities are described below:

Classification and accounting of reinsurance contracts

The contracts assumed and retroceded by the Group are subject to different IFRS accounting rules depending on whether they fall within the scope of IFRS 4 – Insurance Contracts or IAS 39 – Financial Instruments: Recognition and Measurement.

Assumed and ceded reinsurance transactions are contracts that transfer significant insurance risk at the inception of the contract. Insurance risk is transferred when the Group agrees to compensate a cedent if a specified uncertain future event (other than a change in financial variables) adversely affects the cedent. Any contracts that do not meet the definition of a reinsurance contract under IFRS 4 – Insurance Contracts are classified as investment and financial reinsurance contracts or derivative contracts as appropriate.

Assumed and ceded reinsurance transactions that do not transfer significant insurance risk are recognized in accordance with IAS 39 – Financial Instruments: Recognition and Measurement. Accordingly, premiums collected are not recognized as income, and reserves and deferred acquisition costs are classified as "Investment and financial reinsurance contract liabilities" or "Financial contract assets" on the balance sheet. These liabilities are measured only on the basis of contractual flows and no longer on the basis of estimated ultimate results as required by accounting principles applicable to insurance transactions. Income from these transactions is equal to SCOR's corresponding gain or loss and is recorded in "Other income and expenses".

Cedent accounts

The Group's reinsurance entities record accounts transmitted by ceding companies upon receipt. At the year-end, estimates are made for those accounts not yet received from ceding companies. Under this method, the amounts recorded in the financial statements reflect as closely as possible the Group's actual reinsurance commitments. This method is applied to the majority of the contracts signed during the year.

Premium estimates

Non-Life gross premiums (both written and earned) are based on reports received from ceding companies, supplemented by the Group's own estimates of premiums (both written and earned) for which reports have not yet been received from ceding companies. Differences between such estimates and actual amounts are recorded in the period in which the estimates are adjusted, or the actual amounts are determined. The difference between ultimate estimated premiums, net of commission, and premiums reported by ceding companies is recorded under accounts receivable from or accounts payable on assumed reinsurance transactions. Premiums are earned over the term of the risk covered by the relevant reinsurance contracts, which is generally one to two years. For certain US and Japanese catastrophe risks, agriculture risks in Brazil and certain other risks, premiums are earned on a basis that is commensurate with the seasonality of the underlying exposure.

Unearned premium reserves represent the portion of premiums written that relate to the outstanding durations of the contracts and policies in force. Such reserves are computed by pro-rata methods based on statistical data or reports received from ceding companies. Reinstatement premiums are estimated after the occurrence of a significant loss and are recorded in accordance with the terms of the relevant contract, based on paid claims and reserves for claims to be paid in the period. Reinstatement premiums are earned when written.

For Life reinsurance contracts qualifying as "insurance contracts", the measurement method consists of estimating ceding companies' outstanding accounts for the current year in addition to information actually received and recorded.

Shadow accounting

For the measurement of deferred acquisition costs (DAC), value of business acquired (VOBA) and reserves recognized for different insurance portfolios, SCOR applies the shadow accounting principles stipulated in IFRS 4. As the amortization of DAC (for the Life business) and VOBA is calculated using estimates of expected income from investments and reserves are measured based on a discount rate that directly reflects the performance of the assets, the corresponding portion of the unrealized gains and losses recorded under available-for-sale investments is considered as shadow DAC, shadow VOBA and shadow reserves and offset directly in shareholders' equity.

Impairment of shadow DAC and shadow VOBA for the Life business is included in the liability adequacy testing conducted by SCOR Global Life.

Participation in Lloyd's syndicates

Participations in Lloyd's of London syndicates are recognized on an annual basis, with a delay due to the transmission of information from syndicates not controlled by the Group. The Group recognizes its proportionate share of the syndicates' insurance and reinsurance premiums and claims, including an estimate of claims incurred but not reported (IBNR). At the end of an underwriting year, typically three years after the policy inception, syndicates reinsure all remaining unsettled liabilities into the following underwriting year, a mechanism known as Re-Insurance To Close (RITC). If the Group participates in both accepting and ceding transactions and has increased its participation, RITC paid is reduced, which generates an RITC receivable. This reflects the fact that the Group has assumed a greater proportion of the business of the syndicate. If the Group has reduced its participation from one year to the next, the RITC receivable is eliminated, generating an RITC payable. This reflects the reduction in the Group's exposure to risks previously written by the syndicates. The Group recognizes Lloyd's RITC in claims and benefits to ensure consistency with other reinsurance transactions and to present a true and fair view.

Note 1.3 IFRS STANDARDS APPLIED FOR THE FIRST TIME AND IFRS STANDARDS PUBLISHED BUT NOT YET EFFECTIVE

IFRS standards applied for the first time

The amendments and interpretations regarding the IFRS Interpretation committee's clarification on IAS 19 and the replacement provisions of the Interest Rate Benchmark Reform, as endorsed by the European Union and applicable for the first time in 2021, did not have a material impact on the financial statements.

In May 2021, the IFRS Interpretation Committee clarified the accounting treatment under IAS 19 of the periods of service to which an entity attributes benefit for a particular type of defined benefit plan, i.e. those meeting the following three criteria : the retirement benefit amount (i) depends on the length of employee service with the entity, (ii) is capped at a specified number of consecutive years of service and (iii) is only paid if the employee is still employed by the entity at retirement age. For SCOR, only one plan, closed to new entrants since 2008, is within the scope of this clarification. Impacts at Group level are not material.

On August 27, 2020, the IASB released the Phase 2 amendments to the Interest Rate Benchmark Reform. In addition to the standards covered in Phase 1 issued on September 26, 2019 (IFRS 9, IAS 39 and IFRS 7), Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) addresses the impacts of the IBOR reform on financial reporting when an existing benchmark rate is replaced by an alternative interest rate.

These amendments are both qualitative and quantitative: qualitatively, the reform does not lead to existing assets being derecognized nor hedging relationships being discontinued but requires the effective interest rate (EIR) and the hedge accounting relationship documentation to be updated with the alternative reference rates (ARR). Quantitatively, the Company should disclose progress on the transition and any related risks at each reporting date.

Since 2019, SCOR has engaged a review of its contracts in order to identify the impacts of the reform and has set up multidisciplinary working groups involving Legal, Finance and Underwriting teams from Life and P&C business units, SCOR Global Investments as well as Group Treasury. As the EURIBOR transition has been effective since 2019, the analyses focus chiefly on IBOR impacts and consist in identifying contracts with IBOR as reference rates, measuring the potential impact and, where relevant, amending such contracts. The Group’s exposure remains limited.

- For the reinsurance business, the impacts are mostly associated with late payment interest on overdue balances, penalties in case of early termination and remuneration on some funds withheld. Consequently, the underwriting guidelines for both P&C and Life business units were amended in 2019 to remove explicit references to IBOR. New and renewed treaties use the new rates.
- Amendments to derivative contracts with IBOR were made on January 22, 2021 when the Group became compliant with the International Swaps and Derivatives Association (ISDA) Fallback Protocol and Supplement. These publications aim to facilitate the multilateral application of the amended reference rates to legacy derivative contracts.

  Foreign currency forwards and swaps are not affected by the reform as they do not use IBOR. EUR/USD cross-currency swaps are also not impacted due to offsetting effects between their different components.
- For the investment portfolio, the exposure to IBOR remains very limited and mainly relates to collateralized loan obligations (CLOs) or leveraged loans and, to a lesser extent, to senior corporate bonds or inflation-linked securities.

  SCOR’s remaining exposure to IBOR reform through its debt instruments is mainly related to USD LIBOR (tenors 1, 3, 6 and 12) which is mainly due to mature after June 30, 2023, the date on which USD LIBOR will be discontinued.

IFRS standards published but not yet effective

The following standards relevant to SCOR and expected to have a material impact on its consolidated financial statements have been issued by the International Accounting Standards Board (IASB) but are not yet effective or have not been endorsed by the European Union:

- The final version of IFRS 9 – Financial Instruments replaces IAS 39 – Financial Instruments: Recognition and Measurement and covers classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The EU endorsed IFRS 9 on November 22, 2016. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

  On September 12, 2016, the IASB published an amendment to IFRS 4 – Insurance Contracts, in order to address the temporary consequences of the different effective dates of IFRS 9 and IFRS 17. The EU endorsed the amendment on November 3, 2017. The amendment introduces two independent options to address the potential additional accounting volatility: a temporary exemption from applying IFRS 9 ("Deferral Approach") and reclassifying the additional volatility from income to other comprehensive income ("Overlay Approach"). The Deferral Approach would result in continued application of IAS 39 and some additional disclosures about the fair value of assets meeting the "solely payment of principal and interest" (SPPI) criterion and disclosures about their credit risk exposure until IFRS 17 becomes effective.

  The Deferral Approach is restricted to companies whose predominant activity is issuing insurance contracts. SCOR meets the predominance criteria and will defer the application of IFRS 9. Its predominant activity is issuing (re)insurance contracts, which is reflected in the fact that liabilities arising from (re)insurance activities represent more than 90% of total liabilities.

The tables below correspond to the additional disclosures required when the IFRS 9 Deferral Approach is applied. The disclosures are based on the current financial assets portfolio and on the assessment conducted in 2021.

Fair value as of end-2021 and changes during the year for the two groups of financial assets meeting or not meeting the SPPI criterion (see definition of the SPPI test in the table below) are the following:

In EUR millions	Fair value as at December 31, 2021	Change in fair value during 2021[2]
Financial assets with contractual terms that meet the SPPI test definition[1]	22,698	(363)
Other financial assets	1,629	7
Total financial assets[3]	24,327	(356)

(1) SPPI test: the SPPI criterion is met when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).
(2) The change in fair value during 2021 corresponds to changes in unrealized gains and losses on financial assets held as at December 31, 2021. The change in fair value includes the impact from changes in foreign exchange rates and reductions in the financial assets held in the portfolio as at December 31, 2021.
(3) Financial assets include those held by the Group on behalf of third parties as part of its asset management activity. The elimination of third-party shares is presented within "Other liabilities".

The following table presents disclosures about the credit risk exposure of financial assets that meet the SPPI criterion. The carrying amount under IAS 39 corresponds to the fair value for financial assets classified as available for sale and financial assets at fair value through income and to the carrying amount before impairment for assets recognized at cost or amortized cost:

In EUR millions	As at December 31, 2021 Carrying amount under IAS 39
AAA	2,968
AA	4,450
A	5,720
BBB	3,741
<BBB	1,571
Not rated	4,247
TOTAL FINANCIAL ASSETS THAT MEET SPPI CRITERIA	**22,698**

The fair value for financial assets that meet the SPPI criterion and that do not have a low credit risk (*i.e.* those rated <BBB or not rated) corresponds to the carrying amount before the impairment shown in the table.

- As described above, SCOR has opted for the Deferral Approach for IFRS 9 as granted by IFRS 4 and can thus defer application of the standard until January 1, 2023. To avoid simultaneous first-time application of IFRS 9 and IFRS 17 for operational reasons, SCOR has decided to adopt IFRS 9 one year earlier than IFRS 17, on January 1, 2022.

  The adoption of IFRS 9 will affect the classification and measurement of the Group's financial assets. IFRS 9 requires financial assets to be classified based on the business model used for managing the financial assets and their contractual cash flow characteristics.

  For equity securities, an accounting policy choice will be made on a case-by-case basis in order to decide whether to recognize them either at fair value through income or at fair value though other comprehensive income without recycling.

  In respect of debt securities, IFRS 9 has introduced the "solely payment of principal and interest" (SPPI) test (see definition in the table the above) and financial assets will be measured at amortized cost or at fair value through other comprehensive income when their cash flows meet the SPPI criterion. Otherwise, debt securities are measured at fair value through income. The new impairment model requires the recognition of expected credit losses based on available historical, current or forward-looking information and defines new criteria for significant increase in credit risk information.

  The hedging model included in IFRS 9 aligns hedge accounting more closely with risk management but does not fundamentally change the types of hedging relationships or the requirements to measure and recognize hedge effectiveness. No significant changes are expected for the hedge accounting as applied by SCOR.

The Group has finalized its transition to IFRS 9. Several test phases were conducted during 2021 to ensure operational readiness for the application of IFRS 9 on January 1, 2022 and the system migration was executed in early 2022.

IFRS 9 has been applied using the "limited retrospective" approach, under which there is no requirement to restate the financial statements for the comparative period. As a result, SCOR does not intend to restate the published financial statements in comparison with the 2022 financial statements, noting that disclosures related to temporary exemption from IFRS 9 have been communicated since the 2018 year-end reporting.

The impact of the first-time application of IFRS 9 on the opening balance sheet as at January 1, 2022 is not material for the Group:

- Reclassifications following the transition to IFRS 9 concern:
  - equity securities: previously classified as available for sale and reclassified either as fair value through income or as fair value through other comprehensive income without recycling;
  - debt securities: previously classified as available for sale (mainly mutual funds) or as loans and receivables and reclassified as fair value through income when their cash flows do not meet the SPPI criterion (see the definition of the SPPI test in the table above).
- Considering the high quality of its debt securities, the transition from an incurred credit loss provisioning model to an expected credit loss provisioning model under IFRS 9 has not resulted in material adjustments for the Group.

On May 18, 2017, the IASB published IFRS 17 – Insurance Contracts, which will replace the current guidance in IFRS 4 – Insurance Contracts. The amendments issued by the IASB address targeted improvements and some of the concerns and implementation challenges that were identified after IFRS 17 was published in 2017. The new standard is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

On November 23, 2021, IFRS 17 – Insurance Contracts as amended by the IASB was endorsed by the European Commission for use in the European Union. The EU effective date is the same as the IASB effective date (annual periods beginning on or after January 1, 2023). However, the EU has provided an optional exemption from applying the annual cohort requirement – *i.e.* whereby a group cannot include contracts issued more than one year apart – to certain types of contracts. SCOR does not have any business that qualifies for the exemption and thus will not make use thereof.

IFRS 17 will significantly change the accounting for insurance contracts as currently applied. IFRS 17 introduces a discounted measurement approach as the general model for all insurance and reinsurance contracts. Insurance liabilities will be measured as the sum of fulfillment cash flows and the unearned profit for a contract or group of contracts. Fulfillment cash flows comprise the discounted expected future cash inflows and outflows within the scope of a contract or group of contracts, including a risk adjustment for non-financial risk. The unearned profit is called the contractual service margin (CSM). For contracts that are onerous on initial recognition, a loss must be immediately recognized. Insurance contracts will be remeasured based on current market information at each reporting date. Under IFRS 17, the performance of the Group will mainly be depicted through the insurance service result (the income earned from providing (re)insurance coverage) and financial income and expenses (investment income from managing assets and financial expenses from discounting insurance liabilities). Gross written premiums will no longer be presented in the income statement. The presentation of the balance sheet and the statement of income will change under IFRS 17 compared to current practice. The new standard also requires additional disclosures and reconciliations to enable users of the financial statements to understand the amounts recognized on the balance sheet and in the statement of comprehensive income, as well as the risks embedded in insurance contracts that the Group issues. IFRS 17 requires significant changes in systems and processes. The IFRS 17 project has entered its final phase and work is underway on the stabilization and initialization of the systems. The focus for next year will be on producing the 2022 comparatives and readying the teams for the first-time application on January 1, 2023.

Note 2 SIGNIFICANT EVENTS OF THE YEAR AND COVID-19

Covid-19

Management continuously monitored the developments and has assessed the impacts of the pandemic on SCOR's consolidated financial statements as at December 31, 2021 considering that a high degree of management judgment is required in making accounting assessments.

The full impact of the Covid-19 crisis on SCOR's business and results cannot be accurately assessed at this stage, in particular given the uncertainty related to the magnitude, evolution and duration of the Covid-19 pandemic, to the short, medium and long-term effects on health and on the economy, and to the possible effects of future governmental actions or legal developments in this context.

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

The Group consolidated financial statements are prepared under the going-concern assumption and include the current assessment of claim costs incurred in 2021 for SCOR's P&C and Life business units (EUR 109 million and EUR 466 million Covid-19 related claims, net of retrocession and before tax), based on data currently available, information received from cedents to date and the results of models used.

For the Life business unit, key assumptions used to determine the claims costs relate to epidemiological assumptions in relation to expected population impacts from Covid-19 and assumptions in relation to how this translates to the (re)insured population, in addition to typical claim reporting delay patterns. A key assumption is how the actual United States population deaths translate to the (re)insured population. SCOR assumes a differential between the general population and (re)insured population driven by the impacts of underwriting and socio-economic differentials and refers to this assumption as the PIPA (Population to Insured Population Adjustment). SCOR monitors its Covid-19 claims experience closely and uses this experience to inform the PIPA assumption. Actual Covid-19 claims experience is compared to expected claims and observed trends from this analysis, including claims size, attained age and gender distribution, are contributing to update the PIPA assumptions. Further impacts, like the reduced flu season in the United States in 2021 were considered in the assumptions as well.

- The main exposure arises in the mortality portfolio in the United States, accounting for EUR 357 million of claim costs in 2021, including IBNR, net of reduced flu claims in the United States, net of retrocession and before tax.
- In other markets, Covid-19 related claims amount to EUR 109 million, including claims from the United Kingdom, South Africa, India and Latin America.

For the P&C business unit, the Group's exposure in 2021 comes mainly from Property Business Interruption lines, due to an increase in direct gross costs incurred by cedents with adverse court decisions in France, the United Kingdom and South Africa, and cedents filing claims for two separate events corresponding to the March and October 2020 lockdowns.

In assessing potential impairment of investments and non-financial assets, management considered whether triggers for impairment were identified. No impairment triggers were identified for goodwill or other intangible assets related to insurance and non-insurance business activities in the course of 2021 and the annual impairment tests performed did not identify impairments as recoverable amounts exceeded in all cases the respective carrying amounts.

Lease payments from SCOR in a lessee position, mainly related to leases of office buildings, were not impacted by Covid-19 as at December 31, 2021. Rent concessions granted by SCOR as a lessor did not have material impacts on the financial performance.

Deferred tax assets and liabilities are recorded in applying accounting policies consistently. Deferred tax asset recoverability tests have been updated following the Covid-19 pandemic and did not result in changes in the overall position.

Settlement agreement with Covéa

On June 10, 2021, SCOR and Covéa announced the signing of a settlement agreement.

- The agreement includes the following key points: The settlement agreement includes an orderly exit by Covéa from the share capital of SCOR. Covéa granted SCOR a call option on the shares it holds, at an exercise price of EUR 28 per share and for a period of five years. The option is transferable to any third party designated by SCOR so that SCOR can organize this exit in its best interests. Covéa will not purchase, directly or indirectly, alone or in concert, for a period of seven years, SCOR shares. For more information see Note 4.6.8.9 – Derivative Instruments.
- As an indemnity settlement, Covéa agreed to pay to SCOR a sum of EUR 20 million, before tax. Covéa and SCOR both agreed to an immediate withdrawal of all legal actions and claims linked to the combination proposal made by Covéa in 2018. For more information see Note 4.6.26 Litigation.
- In connection with the resumption of reinsurance relations between Covéa and SCOR, SCOR ceded to Covéa as of January 1, 2021, 30% of all in force business carried by SCOR's Irish Life entities as of December 31, 2020. The agreed net up-front payment from Covéa amounts to USD 1,014 million and is determined in reference to the net of retrocession Best Estimate Liability[1] as of December 31, 2020 in SCOR's Irish Life entities Solvency II reporting. The payment was received on July 1, 2021. Covéa has exercised its inspection rights as part of the treaty, which is ongoing with exchange of information between the parties. For more information see Notes 4.6.5 Segment information, 4.6.12.2 Net cash flows from operations, 4.6.20 Net retrocession Result, 4.6.11 Deferred acquisition cost, 4.6.7 Value of business acquired.

EUR 200 million share buy-back program starting October 28, 2021, and finalized at the latest by March 2022

For further information on the share buy-back program, see Note 13.2 – Capital management: objectives and approach.

(1) The Best Estimate Liability has been the subject of a specific limited scope audit opinion (excluding the internal model computations) issued directly to the local regulator, the Central Bank of Ireland

Note 3 SCOPE OF CONSOLIDATION

Determining control

All material entities over which SCOR has control are fully consolidated. SCOR controls an entity when it is exposed to, or has rights to, variable returns from its investment in the entity and has the ability to affect those returns through its power to direct the entity's activities.

Critical judgments are sometimes required to determine the consolidation method for certain entities in which the Group holds less than 50% of the voting rights. As such, from its acquisition date to December 31, 2018, despite holding less than 50% of the voting rights, the Group determined that it controlled MRM as it exerted de facto control as defined by IFRS 10 in light of the proportion of voting rights held and the wide dispersion of the other vote holders. As at December 31, 2021, the Group holds more than 50% of MRM's voting rights.

Subsidiaries are consolidated from the date on which the Group acquires control until the date on which control is transferred outside the Group or control ceases.

Certain non-material subsidiaries are accounted for using the equity method.

Interests in joint arrangements and associates

The Group's investments in associates are accounted for using the equity method. Associates are companies in which the Group exercises significant influence but no control or joint control. Significant influence generally occurs when the Group owns, directly or indirectly, between 20% and 50% of the voting rights. For certain associates accounted for using the equity method, the Group consistently uses provisional financial year-end information and makes adjustments, if necessary, in the following reporting period.

SCOR has determined that its Lloyd's participations and reinsurance pools do not constitute joint arrangements as there is no contractually agreed sharing of control requiring unanimous consent for decisions about the relevant activities of those arrangements.

Consolidation of investment funds

The Group, through SCOR Investment Partners, acts as a fund manager for various investment funds. Funds for which SCOR acts as principal are consolidated, even if the Group holds less than 50% of the voting rights.

When determining whether it acts as principal or agent with respect to investment funds, the Group assesses its power to direct the relevant fund activities, *i.e.* the scope of its decision-making authority over the funds, as well as its aggregate economic interest, including the returns and compensation attributable to the Group in respect of its fund management.

Investment funds and real estate entities are fully consolidated in accordance with the aforementioned control principles. Non-controlling interests in fully-consolidated investment funds are presented within "Other liabilities" as the third-party holders have an unconditional right to sell their holdings to SCOR. All of the assets (including insurance business investments and cash and cash equivalents), liabilities, cash flows and income statement items of the fully-consolidated funds are therefore reflected in SCOR's consolidated financial statements.

Certain mutual funds that the Group manages and controls are open to external investors. When certain conditions are met, some of these funds are consolidated using a "short-cut method" under which the total assets under management are recognized as investments at fair value through income under "Insurance business investments", and the elimination of the third-party share is presented within "Other liabilities".

Structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and relevant business activities are directed by means of contractual arrangements.

The Group sponsors a number of catastrophe bond ("Cat bond") notes issued by Atlas special purpose vehicles (SPVs). In addition, SCOR uses a structured retrocession treaty with a protected cell company. These vehicles and entities are not consolidated by the Group as SCOR does not control them, is not liable for any residual risk or benefit of ownership and has no ability to affect their returns.

SCOR has no interests in consolidated structured entities.

Note 3.1 MATERIAL SUBSIDIARIES, INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Country	2021 Percentage		2020 Percentage		Consolidation method
		Control	Interest	Control	Interest	
SCOR SE	France	Parent	Parent	Parent	Parent	Parent
SCOR Global Life Reinsurance Ireland dac	Ireland	100	100	100	100	Full
SCOR Life Ireland dac	Ireland	100	100	100	100	Full
SCOR Switzerland Asset Services AG	Switzerland	100	100	100	100	Full
SCOR Switzerland AG	Switzerland	100	100	100	100	Full
SCOR Underwriting Ltd.	UK	100	100	100	100	Full
SCOR UK Company Ltd.	UK	100	100	100	100	Full
SCOR Holding (UK) Ltd.	UK	100	100	100	100	Full
General Security Indemnity Company of Arizona	US	100	100	100	100	Full
SCOR Global Life USA Holdings Inc.	US	100	100	100	100	Full
SCOR Global Life Americas Holding Inc. (Delaware)	US	100	100	100	100	Full
SCOR Global Life Americas Reinsurance Co. (SGLA)	US	100	100	100	100	Full
SCOR Reinsurance Company	US	100	100	100	100	Full
SCOR U.S. Corporation	US	100	100	100	100	Full
SCOR Global Life USA Reinsurance Company	US	100	100	100	100	Full
SCOR Global Life Reinsurance Company of Delaware	US	100	100	100	100	Full
SCOR Life Assurance Company (SLAC)	US	100	100	100	100	Full
SCOR Life Reassurance Company (SLRC)	US	100	100	100	100	Full
SCOR Fin Life Insurance Company	US	100	100	100	100	Full
SCOR Canada Reinsurance Company	Canada	100	100	100	100	Full
SCOR Reinsurance Company (Asia) Ltd.	Hong Kong	100	100	100	100	Full
SCOR Reinsurance Asia Pacific Pte Ltd.	Singapore	100	100	100	100	Full
SCOR Services Asia-Pacific PTE LTD	Singapore	100	100	100	100	Full
SCOR Africa Ltd.	South Africa	100	100	100	100	Full
NON INSURANCE ENTITIES						
MRM SA	France	59.90	59.90	59.90	59.90	Full
SCOR Investment Partners SE	France	100	100	100	100	Full
SCOR Capital Partner SAS	France	100	100	100	100	Full
SCOR Real Estate	France	100	100	100	100	Full
Château Mondot SAS	France	100	100	100	100	Full

Note 3.2 INVESTMENTS CONSOLIDATED USING THE EQUITY METHOD

The Group has investments that are accounted for using the equity method and which are not material to the Group, either individually or in aggregate. The following table provides a summary of the aggregate amount of SCOR's share of these investments.

	As at December 31	
In EUR millions	2021	2020
Aggregate net book value (in SCOR) of individually immaterial associates	7	13
Aggregate amount of the reporting entity's share of net income/(loss)	(5)	(1)
Other comprehensive income	-	-
Total comprehensive income/(loss)	(5)	(1)

The table above is based on 2021 and 2020 provisional financial information.

Note 3.3 INFORMATION RELATED TO UNCONSOLIDATED STRUCTURED ENTITIES

The Group sponsors a number of special purpose vehicles (SPVs) designed to reduce SCOR's exposure to catastrophe losses and longevity developments through the transfer of risk to external investors.

Depending on the design of the risk transfer agreement with the SPV, the transaction is classified as either a derivative instrument or an insurance contract. Derivatives are recognized at fair value through income and are presented in the balance sheet within "Derivative instruments". Future payments to the SPV scheduled in the risk transfer contract are recognized within "Other liabilities". Assets from the agreements designated as insurance contracts are recognized in the balance sheet within "Share of retrocessionaires in insurance and investment contract liabilities". Payments to the SPV are recognized in the income statement within "Ceded written premiums".

	December 31, 2021				December 31, 2020			
In EUR millions	Atlas Capital Reinsurance 2020 DAC	Atlas Capital UK 2019 PLC	Atlas Capital UK 2018 PLC	Mangrove Insurance PCC Limited	Atlas Capital Reinsurance 2020 DAC	Atlas Capital UK 2019 PLC	Atlas Capital UK 2018 PLC	Mangrove Insurance PCC Limited
Insurance business investments	34	33	-	-	45	56	-	-
Share of retrocessionaires in insurance and investment contract liabilities	-	-	-	224	-	-	-	224
Total assets	**34**	**33**	**-**	**224**	**45**	**56**	**-**	**224**
Other liabilities	38	39	-	220	47	62	-	220
Total liabilities	**38**	**39**	**-**	**220**	**47**	**62**	**-**	**220**

SCOR's maximum exposure to losses from non-consolidated structured entities is the carrying amount of the assets (such carrying amount varies during the coverage period, in particular if a significant catastrophic event occurs), which cannot exceed the maximum residual coverage of the risk transfer agreement. Exposure relates to credit risk, which is very limited due to the use of low-risk collateral. Liabilities are settled by SCOR according to the risk transfer agreement.

Atlas Capital Reinsurance 2020 DAC

In 2020, SCOR sponsored a catastrophe bond ("cat bond"), Atlas Capital Reinsurance 2020 DAC, which provides the Group with multi-year risk transfer capacity of USD 200 million to protect itself against storms in the United States and earthquakes in the United States and Canada. The risk period for Atlas Capital Reinsurance 2020 DAC runs from April 30, 2020 to May 31, 2024. The instrument is accounted for as a derivative instrument.

Atlas Capital UK 2019 PLC – Catastrophe bond

On June 1, 2019, SCOR successfully sponsored a new catastrophe bond, Atlas Capital UK 2019 PLC, which provides the Group with multi-year risk transfer capacity of USD 250 million to protect itself against named storms in the United States, earthquakes in the United States and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 PLC runs from June 1, 2019 to May 31, 2023. The instrument is accounted for as a derivative instrument.

Atlas Capital UK 2018 PLC – Catastrophe bond

On June 1, 2018, as part of its policy of diversifying its capital protection tools, SCOR sponsored a catastrophe bond ("cat bond"), Atlas Capital UK 2018 PLC, which provides the Group with multi-year risk transfer capacity of USD 300 million to protect itself against named storms in the United States, earthquakes in the United States and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2018 runs from June 1, 2018 to May 31, 2022.

The contract has been accounted for as a reinsurance contract, in accordance with IFRS 4 – Insurance Contracts.

Mangrove Insurance PCC Limited – Quota share longevity retrocession Treaty

On December 18, 2019, as part of its policy of diversifying its capital protection tools, SCOR entered into a structured retrocession treaty with Mangrove Insurance PCC Limited Cell, which provides the Group with a multi-year source of retrocessional capacity. The treaty covers longevity risks arising from nine existing in-force reinsurance treaties with clients in the United Kingdom. The risk period for Mangrove Insurance PCC Limited runs from October 1, 2019 to October 1, 2048.

The contract has been accounted for as a reinsurance contract, in accordance with IFRS 4 – Insurance Contracts.

Note 4 ACQUISITIONS AND DISPOSALS

Business combinations are accounted for using the purchase method of accounting, which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. If the business combination is achieved in stages, the acquirer's previously-held equity interest in the acquiree is remeasured to fair value at the acquisition date through income.

A gain from a bargain purchase is generated when the fair value of the net assets acquired by the Group exceeds the acquisition price and is recognized in the statement of income from the date of acquisition.

Provisions, contingent assets and contingent liabilities are assessed at the acquisition date for the entities acquired. Positions taken for the purposes of the initial accounting may be adjusted during the measurement period, which may not exceed one year from the acquisition date. Any adjustment after the initial accounting is finalized, is recognized in accordance with IFRS 3 – Business Combinations.

The Group did not carry out any material acquisitions or disposals of consolidated subsidiaries in 2021.

In 2020, the Group made the following acquisition:

Agrobrasil

On February 13, 2020, SCOR acquired a majority interest (60%) in AgroBrasil Administração e Participações Ltda ("AgroBrasil"), a Managing General Agent (MGA) and leading family-owned Brazilian distributor of fruit and grain loss of crop quality and yield insurance protection to Brazilian farmers.

The AgroBrasil acquisition secures access to a growing and profitable market for SCOR's P&C reinsurance and specialty insurance activities.

The purchase agreement includes both put and call options for the 40% remaining interest, to be exercised in the first quarter of 2023. The interest subject to the put and call options is deemed to have been acquired at the date of acquisition of the 60% interest. No non-controlling interest is recognized from the business combination.

In accordance with IAS 39, the present value of the liability corresponding to the deferred purchase price for the remaining 40% is included in the purchase price and has been recognized in the Group's liabilities.

SCOR obtained control of AgroBrasil at the closing date of the transaction. AgroBrasil has therefore been fully consolidated in the SCOR Group financial statements since February 13, 2020.

The identifiable assets acquired and liabilities assumed were recorded at their provisional fair values for the purposes of the opening balance sheet and included in SCOR's consolidated financial statements, in accordance with IFRS, during the first quarter of 2020. The net assets amounted to BRL 1 million (EUR 0.2 million, based on the EUR/BRL exchange rate at the acquisition date).

The resulting goodwill of EUR 12 million is recognized as goodwill arising from insurance activities.

In 2019, the Group made the following acquisition:

Coriolis Capital (renamed SCOR Investment Partners UK Ltd, « Coriolis Capital »)

On September 10, 2019, SCOR Investment Partner SE acquired 100% of SCOR Investment Partners UK Ltd, « Coriolis Capital ». Coriolis Capital is a London-based fund manager specialized in insurance-linked securities (ILS), investing in catastrophe bonds, options, collateralized reinsurance and climate derivatives. This acquisition will enable SCOR to accelerate its development in the field of ILS.

Coriolis Capital has been fully consolidated in SCOR's consolidated financial statements since September 10, 2019, after SCOR obtained the regulatory approvals from the authorities, notably from the Financial Conduct Authority (FCA) in the United Kingdom.

The identifiable assets acquired and liabilities assumed were recorded at their fair value for the purposes of the opening balance sheet and included in SCOR's consolidated financial statements, in accordance with IFRS, during the third quarter of 2019. The net assets amounted to GBP 2 million (EUR 3 million, based on the EUR/GBP exchange rate at the acquisition date).

The purchase price was allocated based on the fair value of the assets acquired and liabilities assumed at the date of acquisition, determined in accordance with IFRS 3 – Business Combinations. This resulted in goodwill of EUR 11 million, recognized in the balance sheet on the acquisition date as goodwill arising from non-insurance activities.

Note 5 SEGMENT INFORMATION

For management purposes, the Group is organized into three business units (SCOR Global P&C, SCOR Global Life and SCOR Global Investments), of which SCOR Global P&C and SCOR Global Life are considered reportable operating segments, and one corporate cost center: Group Functions.

SCOR Global Investments is the Group's asset management business unit. Its role is complementary to the two reportable operating segments as it manages SCOR Global P&C's and SCOR Global Life's investment assets associated with their contract liabilities. SCOR Global Investments also manages third-party assets, however this activity is currently considered not material. Therefore, SCOR Global Investments is not considered a separate reportable operating segment for the purposes of IFRS 8 – Operating Segments. Investment income and expenses are allocated to SCOR Global Life and SCOR Global P&C based on the allocation of the assets.

The SCOR Global P&C reportable operating segment is responsible for property and casualty insurance and reinsurance (also referred to as "Non-Life"), and the SCOR Global Life reportable operating segment is responsible for Life reinsurance (also referred to as "Life"). Each operating segment underwrites different types of risks. Responsibilities and reporting within the Group are established on the basis of this structure. No reportable operating segments have been aggregated to form the SCOR Global P&C and SCOR Global Life segments.

Management reviews the operating results of the SCOR Global P&C and SCOR Global Life segments individually, in order to assess the operational performance of the business and allocate resources. The amount of inter-segment transactions, primarily in relation to gross written premiums, is not material. Hub shared service costs are allocated to the business units using a headcount allocation key.

Group Functions is not a reportable operating segment and does not generate revenues. Costs relating to Group Functions are not directly attributable to either the SCOR Global P&C or SCOR Global Life segments. Group Functions is the corporate cost center which includes the costs of departments fulfilling duties for the benefit of the whole Group, such as the costs for Group Internal Audit, Group Finance Departments (Tax, Accounting, Group Consolidation and Reporting, Financial Communication, Treasury and Capital Management, Financial Planning and Analysis), Group Chief Sustainability Officer departments (Legal and Compliance, Communication, Human Resources, Sustainability), Investments, Technology, Transformation and Group Corporate Finance departments (Information Technology, Cost Controlling and Budgeting, Group Project Office and Business Continuity) and Group Chief Risk Officer departments (Group Actuarial, Risk Coverage, Risk Governance, Prudential and Regulatory Affairs, Risk Modeling).

The following table shows the operating results for the Group's operating segments and its corporate cost center for the years ended December 31, 2021, 2020 and 2019. Inter-segment recharges of expenses are eliminated at consolidation level.

	2021				2020				2019			
In EUR millions	SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total	SCOR Global Life	SCOR Global P&C	Group Functions	Total
Gross written premiums	9,372	8,228	-	17,600	9,208	7,160	-	16,368	9,194	7,147	-	16,341
Change in unearned premiums reserves	8	(596)	-	(588)	-	(47)	-	(47)	(11)	(435)	-	(446)
Gross earned premiums	**9,380**	**7,632**	**-**	**17,012**	**9,208**	**7,113**	**-**	**16,321**	**9,183**	**6,712**	**-**	**15,895**
Income on reinsurance contracts that do not meet risk transfer criteria	14	-	-	14	21	-	-	21	19	-	-	19
Gross benefits and claims paid	(8,857)	(5,808)	-	(14,665)	(7,720)	(4,774)	-	(12,494)	(7,216)	(4,576)	-	(11,792)
Gross commission on earned premiums	(1,597)	(1,637)	-	(3,234)	(1,203)	(1,643)	-	(2,846)	(1,326)	(1,543)	-	(2,869)
GROSS TECHNICAL RESULT[1]	**(1,060)**	**187**	**-**	**(873)**	**306**	**696**	**-**	**1,002**	**660**	**593**	**-**	**1,253**
Ceded written premiums	(2,041)	(1,218)	-	(3,259)	(892)	(896)	-	(1,788)	(846)	(1,052)	-	(1,898)
Change in ceded unearned premiums reserves	11	131	-	142	-	(16)	-	(16)	-	61	-	61
Ceded earned premiums	**(2,030)**	**(1,087)**	**-**	**(3,117)**	**(892)**	**(912)**	**-**	**(1,804)**	**(846)**	**(991)**	**-**	**(1,837)**
Ceded claims	2,460	1,097	-	3,557	844	423	-	1,267	571	682	-	1,253
Ceded commissions	1,238	179	-	1,417	66	153	-	219	87	170	-	257
Net retrocession result	**1,668**	**189**	**-**	**1,857**	**18**	**(336)**	**-**	**(318)**	**(188)**	**(139)**	**-**	**(327)**
NET TECHNICAL RESULT[1]	**608**	**376**	**-**	**984**	**324**	**360**	**-**	**684**	**472**	**454**	**-**	**926**
Other income and expense excl. income on reinsurance contracts that do not meet risk transfer criteria	**(3)**	**(27)**	**-**	**(30)**	**(2)**	**(36)**	**-**	**(38)**	**6**	**(56)**	**-**	**(50)**
Investment income	127	251	-	378	150	281	-	431	179	343	-	522
Interest on deposits	148	6	-	154	156	7	-	163	152	6	-	158
Capital gains/(losses) on sales of investments	29	190	-	219	62	134	-	196	9	77	-	86
Change in fair value of investments at fair value through income	(1)	5	41	45	(1)	19	-	18	(1)	26	-	25
Change in impairment and amortization of investments	(5)	(19)	-	(24)	(5)	(56)	-	(61)	(6)	(34)	-	(40)
Foreign exchange gains/(losses)	(23)	15	-	(8)	8	(21)	-	(13)	(2)	5	-	3
Investment income	**275**	**448**	**41**	**764**	**370**	**364**	**-**	**734**	**331**	**423**	**-**	**754**
Investment management expenses	(21)	(47)	(17)	(85)	(22)	(50)	(8)	(80)	(19)	(46)	(10)	(75)
Acquisition and administrative expenses	(293)	(326)	(19)	(638)	(262)	(254)	(25)	(541)	(273)	(270)	(21)	(564)
Other current operating expenses	(35)	(42)	(105)	(182)	(72)	(67)	(97)	(236)	(78)	(57)	(100)	(235)
CURRENT OPERATING RESULT	**531**	**382**	**(100)**	**813**	**336**	**317**	**(130)**	**523**	**439**	**448**	**(131)**	**756**
Other operating expenses	(4)	(40)	-	(44)	(4)	(51)	-	(55)	(4)	(57)	-	(61)
Other operating income	2	2	22	26	1	10	-	11	2	16	-	18
OPERATING RESULT (BEFORE IMPACT OF ACQUISITIONS)	**529**	**344**	**(78)**	**795**	**333**	**276**	**(130)**	**479**	**437**	**407**	**(131)**	**713**

(1) The technical result corresponds to the balance of the income and expenses allocated to the insurance and reinsurance business.

SCOR Global Life's technical margin in 2021 was 10.3% compared to 5.8% in 2020 and 7.5% in 2019. This reflects a negative 6.3 points impact due to the Covid-19 pandemic and +4.3 points driven by a one-off impact following the execution of the retrocession agreement with Covéa.

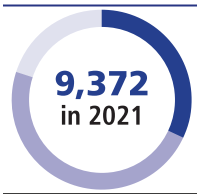
As part of the technical margin, the net technical result stands at EUR 608 million and includes the positive impact of Covéa retrocession contracts, reflecting the payment received, the cession of related reserves, and the amortization of value of business acquired and deferred acquisition costs. The day-1 impact of the Life in-force transaction on 2021 net technical result amounts to EUR 313 million (before tax).

Within the technical margin, the net technical result absorbed EUR 466 million claims caused by the Covid-19 pandemic of which EUR 357 million relates to the Life reinsurance business in the United States and EUR 109 million relates to all other markets, net of retrocession and before tax.

For SCOR Global P&C the net technical result for 2021 reflects a net combined ratio (calculated by dividing the sum of Non-Life claims, including natural catastrophes, commission and management expenses, net of retrocession, by earned premiums, net of retrocession) of 100.6% compared to 100.2% for 2020. Natural catastrophes had an impact of 12.8% on the net combined ratio in 2021, compared to 6.8% in 2020. Covid-19 had an impact of 1.7% on the net combined ratio in 2021.

Note 5.1 GROSS WRITTEN PREMIUMS AND INSURANCE CONTRACT LIABILITIES BY GEOGRAPHIC REGION

Gross written premiums by geographic region for SCOR Global Life, based on market responsibility, break down as follows:



In EUR millions	2021	2020	2019
SCOR GLOBAL LIFE			
32% EMEA	3,023	2,942	3,141
48% Americas	4,467	4,621	4,633
20% Asia-Pacific	1,882	1,645	1,420
TOTAL GROSS WRITTEN PREMIUMS	**9,372**	**9,208**	**9,194**

The main countries contributing to gross written premiums for SCOR Global Life, based on market responsibility, are as follows:

In EUR millions	2021	2020	2019
SCOR GLOBAL LIFE			
United States	4,241	4,405	4,419
United Kingdom	1,344	1,337	1,319
France	618	597	649
China	521	472	431
Other countries	2,648	2,397	2,376
TOTAL GROSS WRITTEN PREMIUMS	**9,372**	**9,208**	**9,194**

Gross written premiums by type of business for SCOR Global Life break down as follows:

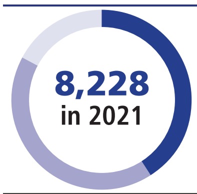
In EUR millions	2021	2020	2019
SCOR GLOBAL LIFE			
Protection	7,746	7,512	7,412
Financial Solutions	723	761	855
Longevity	903	935	927
TOTAL GROSS WRITTEN PREMIUMS	**9,372**	**9,208**	**9,194**

Contract liabilities and the share of retrocessionaires in contract liabilities for SCOR Global Life, allocated on the same basis as gross written premiums, break down as follows:

In EUR millions	As at December 31, 2021		As at December 31, 2020	
	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR Global Life				
EMEA	9,834	767	9,498	398
Americas	3,818	876	3,316	126
Asia-Pacific	2,065	272	1,516	44
TOTAL	**15,717**	**1,915**	**14,330**	**568**

The significant increase in share of retrocessionaires in contract liabilities is mainly due to the retrocession contracts entered into with Covéa (refer to Note 4.6.2 – Significant events of the year and Covid-19).

Gross written premiums by geographic region for SCOR Global P&C, based on the country in which the ceding company operates for the treaty business and the location of the insured for the facultative business, breaks down as follows:



In EUR millions	2021	2020	2019
SCOR GLOBAL P&C			
41% EMEA	3,328	2,517	3,039
42% Americas	3,488	3,400	2,861
17% Asia-Pacific	1,412	1,243	1,247
TOTAL GROSS WRITTEN PREMIUMS	**8,228**	**7,160**	**7,147**

The main countries contributing to gross written premiums for SCOR Global P&C, based on market responsibility, are as follows:

In EUR millions	2021	2020	2019
SCOR GLOBAL P&C			
United States	2,670	2,701	2,234
United Kingdom	892	564	988
France	635	403	476
China	452	356	428
Other countries	3,579	3,136	3,021
TOTAL GROSS WRITTEN PREMIUMS	**8,228**	**7,160**	**7,147**

Gross written premiums by type of business for SCOR Global P&C break down as follows:

In EUR millions	2021	2020	2019
SCOR GLOBAL P&C			
Specialty Insurance	2,161	1,884	1,741
Reinsurance	6,067	5,276	5,406
TOTAL GROSS WRITTEN PREMIUMS	**8,228**	**7,160**	**7,147**

For SCOR Global P&C, contract liabilities, allocated on the same basis as gross written premiums, and the share of retrocessionaires in contract liabilities, based on the location of the retrocessionaire, break down as follows:

	As at December 31, 2021		As at December 31, 2020	
In EUR millions	Contract liabilities	Share of retrocessionaires in contract liabilities	Contract liabilities	Share of retrocessionaires in contract liabilities
SCOR GLOBAL P&C				
EMEA	9,994	1,111	8,363	535
Americas	7,681	924	5,626	590
Asia-Pacific	2,440	186	2,182	88
TOTAL	**20,115**	**2,221**	**16,171**	**1,213**

Note 5.2 ASSETS AND LIABILITIES BY OPERATING SEGMENT

Key balance sheet captions by operating segment, as reviewed by management, break down as follows:

	As at December 31, 2021			As at December 31, 2020		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Goodwill arising from insurance activities	45	755	800	45	755	800
Value of business acquired	893	-	893	1,099	-	1,099
Insurance business investments	13,545	17,972	31,517	13,424	16,674	30,098
Share of retrocessionaires in insurance and investment contract liabilities	1,915	2,221	4,136	568	1,213	1,781
Cash and cash equivalents(1)	850	1,233	2,083	708	1,096	1,804
TOTAL ASSETS	**23,263**	**28,255**	**51,518**	**21,470**	**24,747**	**46,217**
Contract liabilities	(15,717)	(20,115)	(35,832)	(14,330)	(16,171)	(30,501)

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 140 million as at December 31, 2021 (December 31, 2020: EUR 165 million).

As a day-1 impact of the Life retrocession contracts entered into with Covéa (refer to Note 4.6.2 – Significant events), the value of business acquired was reduced by EUR 269 million and the share of retrocessionaires in contract liabilities increased by EUR 1,242 million.

Note 5.3 ASSETS AND LIABILITIES BY GEOGRAPHIC REGION

Assets and liabilities by geographic region, determined based on the location of the entities, break down as follows:

	As at December 31, 2021				As at December 31, 2020			
In EUR millions	EMEA	Americas	Asia-Pacific	Total	EMEA	Americas	Asia-Pacific	Total
Insurance business investments	22,310	7,040	2,167	31,517	22,512	5,613	1,973	30,098
Share of retrocessionaires in insurance and investment contract liabilities	3,615	476	45	4,136	1,341	392	48	1,781
TOTAL ASSETS	**36,358**	**10,009**	**5,151**	**51,518**	**33,853**	**8,012**	**4,352**	**46,217**
Contract liabilities	(22,124)	(9,509)	(4,199)	(35,832)	(19,471)	(7,585)	(3,445)	(30,501)

The significant increase in share of retrocessionaires in contract liabilities in the Americas region is mainly due to the retrocession contracts entered into with Covéa (refer to Note 4.6.2 – Significant events).

Note 5.4 CASH FLOWS BY OPERATING SEGMENT

Cash flows by operating segment break down as follows:

	2021			2020			2019		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Cash and cash equivalents at January 1	**708**	**1,096**	**1,804**	**593**	**842**	**1,435**	**576**	**599**	**1,175**
Net cash flows provided by/(used in) operations	593	1,813	2,406	(18)	1,006	988	101	740	841
Net cash flows provided by/(used in) investing activities	(359)	(1,186)	(1,545)	2	(466)	(464)	46	(265)	(219)
Net cash flows provided by/(used in) financing activities	(162)	(512)	(674)	205	(246)	(41)	(135)	(238)	(373)
Effect of changes in foreign exchange rates on cash and cash equivalents	70	22	92	(74)	(40)	(114)	5	6	11
CASH AND CASH EQUIVALENTS AT DECEMBER 31[(1)]	**850**	**1,233**	**2,083**	**708**	**1,096**	**1,804**	**593**	**842**	**1,435**

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 140 million as at December 31, 2021 (December 31, 2020: EUR 165 million).

Net cash flows provided by operating activities amounted to EUR 2,406 million in 2021 (2020: EUR 988 million and 2019: EUR 841 million).

The significant increase in net cash flows provided by operations for SCOR Global Life is related to payment on July 1, 2021 of the agreed net upfront payment of USD 1,014 million from Covéa.

Note 6 GOODWILL

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized.

Goodwill represents the excess of (a) the aggregate of the consideration transferred, the value of any non-controlling interest in the acquiree, and, for business combinations achieved in stages, the fair value, at the acquisition date, of any investment previously held by the Group, over (b) the net amount of the identifiable assets acquired and liabilities assumed at the date of acquisition.

It is initially measured at cost, calculated as the difference between the consideration transferred in respect of the business combination and the net amount of the identifiable assets and assumed liabilities at the acquisition date.

Goodwill arising from companies accounted for under the equity method is included within the carrying amount of those investments.

After initial recognition, goodwill is measured at cost less any accumulated impairment.

At least annually, goodwill is tested for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is allocated by SCOR to the groups of cash generating units (CGUs) that are expected to benefit from the profits and synergies of the business combination. SCOR groups its CGUs by operating segment, *i.e.* SCOR Global P&C and SCOR Global Life. This is consistent with the way SCOR manages and monitors its business and cash flow. Goodwill arising from non-insurance activities is allocated to separate CGUs and tested for impairment at CGU level. As part of the impairment testing, SCOR assesses whether the recoverable amount of the CGUs is at least equal to the total carrying amount of the CGUs (including goodwill). If it is determined that impairment exists, the total carrying amount is written down to the recoverable amount. Any impairment loss is allocated to goodwill first, is recorded in income in the period in which it arises and is not reversible.

In EUR millions	Goodwill arising from insurance activities	Goodwill arising from non insurance activities
Gross value at December 31, 2019	**969**	**82**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	12[(1)]	-
Gross value at December 31, 2020	**981**	**82**
Foreign exchange rate movements	-	-
Additions	-	-
Disposals	-	-
Change in scope of consolidation	-	-
Gross value at December 31, 2021	**981**	**82**
Cumulative impairment at December 31, 2019	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2020	**(181)**	**-**
Foreign exchange rate movements	-	-
Impairment for the period	-	-
Shadow accounting	-	-
Cumulative impairment at December 31, 2021	**(181)**	**-**
CARRYING AMOUNT AS AT DECEMBER 31, 2019	788	82
CARRYING AMOUNT AS AT DECEMBER 31, 2020	800	82
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**800**	**82**

(1) Relates to AgroBrasil (see Note 4 – Acquisitions and disposals).

The carrying amount of goodwill allocated to SCOR Global P&C and SCOR Global Life is disclosed in Note 5 – Segment information.

Goodwill arising from insurance activities

In order to estimate the value in use of SCOR Global P&C for the purpose of impairment testing, SCOR uses a discounted cash flow model, comprised of an earnings model, which considers forecasted earnings and other financial ratios for the reportable segment over a five-year period. The first two years are based on the assumptions from the Quantum Leap strategic plan and the last three years are extrapolated using a conservative approach based on past experience. Business plans include assessments of gross and net premium expectations, expected loss ratios and expected expense ratios, together with actuarial assumptions such as the coefficient of changes in ultimate net reserves together with assumptions as to the average time to payment of existing reserves and future business. Future cash flows beyond this period are extrapolated using a growth rate of 4%. SCOR uses risk-free interest rates for each currency as well as the Group's estimated weighted average cost of capital of 6.25%, derived from the Group Capital Asset Pricing Model (CAPM) and a risk-free rate based on the currencies used in the P&C business unit. Covid-19 assumptions have been reflected in the discounted cash flow model and the underlying business plans.

The goodwill impairment test conducted annually shows recoverable amounts in excess of the respective total carrying amounts for the financial years ended December 31, 2021, 2020 and 2019. Risk-free rate is a key assumption used in the model, and depends on macroeconomic environment, on which SCOR does not have influence. A 0.5 point decrease in the risk-free rate would decrease the discounting effect on existing reserves, which in turn would lead to a decrease in the value in use of the P&C business unit. However, this movement in the risk-free rate would not change the conclusion that no impairment is needed. A 10% decrease in the ultimate net premiums or a 3 point increase in the ultimate net combined ratio would not change the conclusion that no impairment is needed.

The goodwill impairment test for SCOR Global Life compares the carrying amount of goodwill with the future profits available from the life reinsurance portfolio of the business unit. A best estimate of the future profits is represented by the surplus of the contract liabilities for assumed reinsurance contracts portfolio, reduced for the share of retrocessionaires in reinsurance contract liabilities under IFRS, over the economic value of the technical provisions measured under Solvency II principles as published in the Solvency and financial condition report of SCOR Group. SCOR's life technical provisions are calculated as the sum of best estimate liabilities and risk margin. The best estimate liability is valued as the net present value of future cash flows. The risk margin is derived by applying a cost of capital calculation considering the time value of future solvency capital requirements as calculated by the approved internal model.

The goodwill impairment test conducted annually shows recoverable amounts in excess of the respective total carrying amounts for the financial years ended December 31, 2021, 2020 and 2019. Management believes that any reasonably possible change in the key assumptions on which SCOR Global Life recoverable amounts are based would not cause their carrying amount to reduce their recoverable amount.

Consequently, no goodwill impairment charges were recognized on goodwill arising from insurance activities.

Goodwill arising from non-insurance activities

The goodwill balance (carrying amount as at December 31, 2021: EUR 71 million) and trademark (carrying amount as at December 31, 2021: EUR 136 million, see Note 10.1. – Other intangible assets) of the Château Mondot CGU were tested for impairment at the end of 2021, using the value in use approach. The value in use of the CGU was measured using both a comparable transactions valuation and a discounted cash-flow ("DCF") valuation. For the latter, the present value of the future cash flows is determined using a long-term business plan to reflect specificities of the wine industry and notably the length of the production and distribution cycles of a vintage.

The annual growth rate applied beyond the business plan horizon is 1.50% (rate used in 2020: 1.50%). After taking tax into consideration, future cash flows were discounted using a post-tax discount rate of 4.50% (rate used in 2020: 4.50%). A standard Capital Asset Pricing Model (CAPM) approach was used to determine the adequate weighted average cost of capital (WACC) of Château Mondot. Based on these assumptions, no impairment was recognized.

As of December 31, 2021, a change of 0.5 point in the post-tax risk adjusted discount rate or in the growth rate applied beyond the plan would not lead to the recognition of an impairment loss.

However, subsequent impairment tests may be based on different assumptions and future cash flow projections, which may result in an impairment of these assets.

Note 7 VALUE OF BUSINESS ACQUIRED

Value of business acquired (VOBA) relates to Life reinsurance portfolios acquired in a business combination. VOBA is calculated as the present value of the expected future cash flows for the assumed and retroceded reinsurance business, using estimates of expected profits from future technical results and future investment income from the investments covering the reinsurance reserves, less deductions for future portfolio administration expenses. The calculation of the present value of future profits reflects assumptions on mortality, morbidity, policyholder behavior, discount rates and margins for relevant risks at the date of acquisition.

VOBA is amortized over the lifetime of the underlying reinsurance portfolio, based on schedules derived from the run-off patterns of the expected profits calculated for future closing dates. The cash flow projections for the acquired portfolio and noneconomic assumptions are reassessed regularly and updated in the actuarial calculations. The review of the future cash flow projections recognizes changes in the portfolio from special events like withdrawals from or recaptures of treaties by the cedents. The subsequent VOBA measurement is consistent with the measurement of the underlying reinsurance reserves. The VOBA amortization schedules are adjusted accordingly. VOBA is subject to impairment testing- *via* the liability adequacy test.

VOBA also includes an intangible asset related to the acquisition of the business portfolio of ReMark Group BV (ReMark), reflecting expected future profits.

In EUR millions	Value of business acquired
Gross value as at December 31, 2019	**1,838**
Foreign exchange rate movements	(123)
Additions	-
Disposals	- (1)
Change in scope of consolidation	-
Gross value as at December 31, 2020	**1,715**
Foreign exchange rate movements	89
Additions	-
Disposals	- (1)
Change in scope of consolidation	-
Gross value as at December 31, 2021	**1,804**
Accumulated amortization and impairment as at December 31, 2019	**(536)**
Foreign exchange rate movements	34
Amortization for the period	(57) (1)
Impairment for the period	-
Shadow accounting	(57)
Accumulated amortization and impairment as at December 31, 2020	**(616)**
Foreign exchange rate movements	(40)
Amortization for the period	(320) (1)(2)
Impairment for the period	-
Shadow accounting	65
Accumulated amortization and impairment as at December 31, 2021	**(911)**
CARRYING AMOUNT AS AT DECEMBER 31, 2019	**1,302**
CARRYING AMOUNT AS AT DECEMBER 31, 2020	**1,099**
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**893**

(1) In 2021 there were no disposals and amortization of VOBA resulting from the derecognition of VOBA due to treaty terminations to report (2020: EUR 0 million). Regular amortization related to business in force amounts to EUR (320) million for the year ended December 31, 2021 and EUR (57) million for the year ended December 31, 2020.
(2) As a day-1 impact of the Life retrocession contracts entered into with Covéa, the value of business acquired was reduced by EUR 269 million.

The IFRS 4 liability adequacy test, which includes VOBA recoverability, showed no indications of impairment for the years ended December 31, 2021, 2020 and 2019.

Note 8 INSURANCE BUSINESS INVESTMENTS

Financial assets

The Group classifies its financial assets in the following categories: available-for-sale, fair value through income, loans and receivables, derivative instruments and cash and cash equivalents. Currently no assets are classified as held-to-maturity. Sales and purchases of assets are recognized on the transaction date. After initial recognition, financial assets are subsequently measured according to their asset category, determined according to the methods set forth below. Financial assets are derecognized when the contractual rights to their cash flows expire or are transferred, and the Group has transferred substantially the risks and rewards incidental to their ownership.

Categories of financial assets

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative assets that are either classified as available-for-sale or not allocated to any another category. They are carried at fair value. Unrealized gains and losses are recorded directly in shareholders' equity. Changes in foreign exchange rates relating to non-monetary available-for-sale assets are recorded directly in shareholders' equity while those relating to monetary available-for-sale assets are recorded in income.

Interest on debt instruments is calculated in accordance with the effective interest rate method, including the amortization of any premiums or discounts, and is recognized as investment income. Dividends on equity instruments are recognized as investment income on the ex-dividend date. Upon the derecognition of an available-for-sale financial asset, the accumulated unrealized gains and losses included in shareholders' equity are transferred to realized capital gains/(losses) on investments, net of any amounts previously recorded in income.

Financial assets at fair value through income

The fair value through income category includes financial assets held for trading and those designated at fair value through income upon initial recognition. Gains and losses from changes in the fair value of the financial assets classified in this category are recognized in the statement of income in the period in which they occur.

Loans and receivables

The loans and receivables category includes cash deposits held by ceding companies as collateral for underwriting commitments, measured at cost. Non-derivative financial assets, where payment is fixed or determinable and which are not listed on an active market, are also included within this category and are recognized at amortized cost using the effective interest rate method. Loans and receivables include short-term deposits or investments with a maturity of more than three months and less than 12 months at the date of purchase or deposit. Loans and receivables include a provision for recoverability if deemed necessary.

Note 8.1 INVESTMENTS BY MEASUREMENT METHOD

The Group's investments and cash by category and fair value hierarchy are presented below:

		As at December 31, 2021				
In EUR millions		Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**629**	**-**	**-**	**-**	**629**
Equity securities		843	215	534	-	94
Debt securities		19,281	17,627	1,654	-	-
Available-for-sale financial assets		**20,124**	**17,842**	**2,188**	**-**	**94**
Equity securities		172	-	172	-	-
Debt securities		8	8	-	-	-
Investments at fair value through income		**180**	**8**	**172**	**-**	**-**
Loans and receivables		**10,322**	**203**	**-**	**-**	**10,119**
Derivative instruments		**262**	**-**	**193**	**69**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**31,517**	**18,053**	**2,553**	**69**	**10,842**
Cash and cash equivalents	**Note 12**	**2,083**	**2,083**	**-**	**-**	**-**
INVESTMENTS AND CASH		33,600	20,136	2,553	69	10,842
Percentage		**100%**	**60%**	**8%**	**0%**	**32%**

In EUR millions		As at December 31, 2020 Total	Level 1	Level 2	Level 3	Cost or amortized cost
Real estate investments		**603**	**-**	**-**	**-**	**603**
Equity securities		654	192	383	-	79
Debt securities		17,589	15,724	1,865	-	-
Available-for-sale financial assets		**18,243**	**15,916**	**2,248**	**-**	**79**
Equity securities		1,618	232	1,386	-	-
Debt securities		14	14	-	-	-
Investments at fair value through income		**1,632**	**246**	**1,386**	**-**	**-**
Loans and receivables		**9,418**	**185**	**-**	**-**	**9,233**
Derivative instruments		**202**	**-**	**98**	**104**	**-**
TOTAL INSURANCE BUSINESS INVESTMENTS		**30,098**	**16,347**	**3,732**	**104**	**9,915**
Cash and cash equivalents	**Note 12**	**1,804**	**1,804**	**-**	**-**	**-**
INVESTMENTS AND CASH		31,902	18,151	3,732	104	9,915
Percentage		**100%**	**57%**	**12%**	**0%**	**31%**

Mutual funds

Total investments and cash include mutual funds (EUR 5,031 million) that the Group manages and controls and which are also open to external investors. As at December 31, 2021, the carrying amount of the share held by external investors in consolidated mutual funds was EUR 1,808 million (December 31, 2020: EUR 3,131 million). This decrease in the share held by external investors in consolidated mutual funds is mainly due to the deconsolidation of two mutual funds previously consolidated using the short-cut method, following SCOR’s control assessment review. As the share held by external investors is no longer reported within “Investments at fair value through income” or “Other liabilities” in the balance sheet, this had no impact on SCOR’s shareholders' equity.

As at December 31, 2021, no funds are consolidated using the short cut method.

Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for EUR 140 million as at December 31, 2021 (December 31, 2020: EUR 165 million).

Available-for-sale investments measured at cost

Available-for-sale investments include EUR 94 million of investments that are measured at cost (December 31, 2020: EUR 79 million). These investments primarily include equity securities and funds which are not listed.

In 2020, there were no material gains or losses realized on the disposal of available-for-sale investments which were previously carried at cost.

In 2021, the Group recognized a pre-tax gain of EUR 89 million following the derecognition of its investment in States Title Holding, Inc. Following the listing of States Title Holding, Inc. (now Doma Holdings) shares on the market, SCOR’s preferred shares were converted into common shares, substantially modifying the rights to the related cash flows.

SCOR’s investment in Doma Holdings is accounted for as available-for-sale equities and is measured at fair value, based on the share price.

Impairment

Total impairment (net of reversals) recognized in 2021 amounted to EUR 6 million (2020: EUR 39 million), relating mainly to EUR 7 million on the equity portfolio (2020: EUR 34 million), EUR 0 million on loans and receivables (2020: EUR 0 million) and EUR (1) million on the debt securities portfolio (2020: EUR 5 million). See Note 2 – Significant events of the year and Covid-19, for information on the impact of the Covid-19 pandemic.

Note 8.2 ACCOUNTING PRINCIPLES FOR MEASUREMENT AND IMPAIRMENT OF FINANCIAL ASSETS

Measurement of financial assets

The fair value of financial instruments that are traded in an active, organized financial market is determined by reference to quoted market bid prices, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations. As the Group is responsible for determining the fair value of its investments, regular analyses are performed to assess whether prices received from third parties are reasonable estimates of fair value. The Group's analyses include: (i) a review of price changes made in the investment management systems; (ii) a regular review of price deviations between two dates exceeding predefined thresholds per investment category; and (iii) a review and approval of measurement changes made on an exceptional basis. The Group may conclude that the prices received from third parties are not reflective of current market conditions. In those instances, SCOR may request alternative price quotations or apply internally developed valuations. Similarly, the Group may measure certain derivative investments using internal valuation techniques based on observable market data.

For unlisted equity instruments, fair value is determined according to commonly used valuation techniques.

The fair value of hedge funds managed by third parties is based on their net asset value (NAV) as issued by external asset managers. NAV is regularly audited, at least annually.

The fair value of variable-rate and overnight deposits with credit institutions is their carrying amount.

If, as a result of a change in management intention or ability or in the circumstance that a reliable measure of fair value is no longer available, it becomes appropriate to carry a financial instrument at cost or amortized cost, then the last reliable fair value available is taken as the new cost or amortized cost, as applicable.

Fair value hierarchy

The Group provides disclosures on the measurements of financial instruments held at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy is determined on the basis of the lowest-level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement. Assessing the significance of a particular input to the fair value measurement requires judgment, considering factors specific to the asset or liability. At each reporting date, the Group considers the classification relevancy of financial instruments that are measured at fair value. The valuation methodology of financial instruments is regularly monitored to identify potential reclassifications. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

  Included in this level are financial instruments for which quoted prices or rates represent actual and regularly occurring transactions that are available from a stock exchange, dealer or broker. Such instruments comprise listed equities, bonds and other securities issued by governments or government-sponsored agencies, as well as short-term fixed-income investments. For investments in closed- or open-ended funds, fund shares and units and derivative financial instruments (including real estate, interest rate and mortality swaps, options, etc.), fair value is determined by reference to other published bid values.
- Level 2: models prepared by internal and external experts using observable market inputs.

  The Group has certain investments for which fair value is determined based on models prepared by internal and external experts using observable market inputs. These primarily comprise structured products, other than securities issued by government agencies for which the market is considered active, senior hybrid tier 1 and tier 2 corporate debt, private placements, inflation-linked government bonds, other specific alternative investments and derivative instruments.
- Level 3: valuation inputs for an asset or liability that are not based on observable market data (unobservable inputs).

  The value of these instruments is neither supported by observable prices for current market transactions in the same instrument nor by available market data. If a fair value measurement is based essentially on unobservable inputs, it is classified within level 3 of the fair value hierarchy. Level 3 instruments consist mainly of derivative instruments, primarily relating to the Atlas catastrophe and mortality bonds.

For further detail on the measurement of derivative instruments, see the paragraphs on derivative instruments below.

Impairment of financial assets

At each reporting date, the Group assesses whether there is any objective evidence of impairment. The amount of impairment is recorded by asset category, as set forth below.

For available-for-sale equity securities which are listed on an active market, a line-by-line analysis is performed when there has been an unrealized loss in the fair value as compared to the initial purchase price of more than 30%, or a consistent unrealized loss over a period of more than 12 months. The different factors considered in this analysis include the existence or inexistence of significant changes in the technological, market, economic or legal environment in which the issuer operates. After consideration of these factors, if a security remains unimpaired, the Group ultimately considers objective evidence of impairment, as per IAS 39, by reference to three further key criteria i.e. the existence or inexistence of:

- a consistent decline of more than 30% for 12 consecutive months; or
- a decline of more than 50%; or
- a consistent decline for more than 24 months.

For certain investments, in addition to the above impairment guidelines, SCOR takes into consideration other important factors, such as:

- whether the asset is excluded from any actively traded portfolio;
- its ability and intention to continue to hold the investment for a significantly longer period than a normal investment;
- its business relationship with the investee; and
- the estimated long-term embedded value of the investment.

For unlisted equity instruments, impairment is assessed using a similar approach to listed equities.

For securities not considered to be traded in an active, liquid market, especially investments in closed-ended funds, SCOR performs a line-by-line analysis based on the expected lifecycle of these instruments and their business model. A security is considered impaired if:

- there has been a decline of more than 50%; or
- there has been a consistent decline for more than 48 months, without any recovery in the net asset value; and
- the net asset value has not recovered to at least the initial purchase price of the security after an additional 12-month period.

For debt securities and loans and receivables, an objective indication of impairment relates primarily to proven default credit risk. To enable the Group to conclude whether there is objective evidence that an instrument or group of instruments is impaired, various factors are taken into consideration to identify debt securities that may be at risk of impairment, including significant financial difficulty or default in payment.

For financial assets whose fair value cannot be measured reliably and which are measured at cost, regular analyses are performed to determine whether this measurement method remains appropriate given the nature of the investment and factors such as amounts realized and the appearance or reappearance of a market or reliable value. Impairment tests are carried out based on the underlying nature of the investment and the expected future cash flows.

If an available-for-sale financial asset is impaired and the decline in the fair value is recognized in revaluation reserves in other comprehensive income, the cumulative loss is reclassified from shareholders' equity to the statement of income. The cumulative loss is calculated as the difference between the cost of the asset (net of any principal repayment and amortization) and its current fair value, less any impairment previously recognized in the statement of income.

A subsequent increase in the value of an impaired available-for-sale equity instrument is not recognized in the statement of income. A subsequent increase in the value of an impaired available-for-sale debt security is recorded through income if the increase in the fair value of the instrument can be objectively related to an event occurring after the impairment was recognized.

Note 8.3 MOVEMENTS IN FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3 OF THE FAIR VALUE HIERARCHY

The following table shows the reconciliation between the opening and closing balances for assets categorized within level 3 of the fair value hierarchy:

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount as at January 1, 2021	**-**	**-**	**-**	**104**	**104**
Foreign exchange rate movements	-	-	-	-	-
Income and expense recognized in the statement of income	-	-	-	(35)[(1)]	(35)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**-**	**-**	**-**	**69**	**69**

(1) Movements in derivative instruments are due to changes in the fair value of Atlas Capital UK 2019 PLC and Atlas Capital Reinsurance 2020 DAC derivatives recorded in other operating expenses, and of the contingent capital facility, recorded in investment income.

In EUR millions	Equity securities	Debt securities	Loans and receivables	Derivative instruments	Total
Carrying amount as at January 1, 2020	**-**	**-**	**-**	**85**	**85**
Foreign exchange rate movements	-	-	-	-	-
Income and expense recognized in the statement of income	-	-	-	(48)[(1)]	(48)
Additions	-	-	-	67	67
Disposals	-	-	-	-	-
Transfers into level 3	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Change in fair value through OCI	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-
CARRYING AMOUNT AS AT DECEMBER 31, 2020	**-**	**-**	**-**	**104**	**104**

(1) Movements in derivative instruments are due to changes in the fair value of Atlas Capital UK 2019 PLC and Atlas Capital Reinsurance 2020 DAC derivatives recorded in other operating expenses, and of the contingent capital facility, recorded in investment income.

There were no material transfers between level 1 and level 2 in 2021 and 2020, respectively. There were also no changes in the purpose of a financial asset that subsequently resulted in a different classification of that asset.

Note 8.4 REAL ESTATE INVESTMENTS

Investment property

Real estate held by the Group is classified as investment property when it is held to earn rental income, for capital appreciation or both. Real estate is measured at cost less any accumulated depreciation and impairment. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Category	Useful life
Land	Indefinite (not depreciated)
Buildings	
Building structure and exterior	30-80 years
Insulation	30 years
Technical installations	20 years
Fixtures and fittings	10-15 years

Repair and maintenance costs are charged to the statement of income during the period in which they are incurred. All costs directly associated with purchases or construction of real estate are capitalized. All subsequent valueenhancing capital expenditures are classified as acquisition costs and capitalized when it is probable that future economic benefits will flow to the Group and the cost of the investment property can be measured reliably.

Every five years, the market (or fair) value of each investment property is subject to an in-depth analysis by an independent appraiser with recent experience in the location and category of the investment property being assessed and approved by the domestic regulators (*Autorité de contrôle prudentiel et de résolution* in France). Annually, the appraised market value is updated by the same independent appraiser based on changes in the local market and/or the property's rental and technical situation.

At each reporting date, an impairment test is required if there is an indication of possible impairment, such as the market value of the property being below its carrying amount. In such cases, the Group assesses the recoverable amount of the property in question. The recoverable amount is the higher of the property's fair value less cost to sell and its value in use. Value in use is assessed using an internal discounted cash flow model that is based on current market estimates and takes into account the rental situation, the completeness of construction and renovation work, as well as recent developments within the local real estate market. If the recoverable amount is more than 20% below the carrying amount, the resulting impairment loss is recognized in the statement of income.

Rental income

In accordance with rental agreements, rental income from investment properties is recognized on a straight-line basis over the term of the agreements.

The properties held by the Group and considered as investment property are owned either by wholly-owned subsidiaries of SCOR or by MRM (a listed real estate investment company). They consist mainly of office buildings (held by wholly-owned subsidiaries and MRM), and retail buildings (held by MRM).

Movements in real estate investments are analyzed as follows:

In EUR millions	Real estate investments	Finance leases	Total
Gross value as at December 31, 2019	**804**	**-**	**804**
Foreign exchange rate movement	-	-	-
Additions	25	-	25
Disposals	(84)	-	(84)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value as at December 31, 2020	**745**	**-**	**745**
Foreign exchange rate movement	-	-	-
Additions	46	-	46
Disposals	(5)	-	(5)
Reclassification	-	-	-
Change in scope of consolidation	-	-	-
Gross value as at December 31, 2021	**786**	**-**	**786**
Accumulated depreciation and impairment as at December 31, 2019	**(143)**	**-**	**(143)**
Depreciation for the period	(14)	-	(14)
Impairment for the period	(8)	-	(8)
Other	23	-	23
Reclassification	-	-	-
Accumulated depreciation and impairment as at December 31, 2020	**(142)**	**-**	**(142)**
Depreciation for the period	(15)	-	(15)
Impairment for the period	(2)	-	(2)
Other	2	-	2
Reclassification	-	-	-
Accumulated depreciation and impairment as at December 31, 2021	**(157)**	**-**	**(157)**
CARRYING AMOUNT AS AT DECEMBER 31, 2019	**661**	**-**	**661**
CARRYING AMOUNT AS AT DECEMBER 31, 2020	**603**	**-**	**603**
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**629**	**-**	**629**

In EUR millions	Real estate investments	Finance leases	Total
Fair value as at December 31, 2019	809	-	809
Fair value as at December 31, 2020	735	-	735
FAIR VALUE AS AT DECEMBER 31, 2021	**755**	**-**	**755**

In 2021, additions in respect of real estate investments related to the costs incurred for construction and renovation work on existing properties, for a total of EUR 46 million. Disposals related to the sale of two buildings, resulting in a total gain on sale of EUR 1 million.

In 2020, additions in respect of real estate investments related to the costs incurred for construction and renovation work on existing properties, for a total of EUR 25 million. Disposals related to the sale of one property, resulting in a gain of EUR 47 million.

Real estate financing is presented in Note 14.2 – Real estate financing.

Valuation techniques and unobservable inputs

The fair value of real estate investments is categorized within level 3. The valuation techniques and unobservable inputs were as follows as at December 31, 2021 and 2020:

Real estate	Carrying amount Dec. 31, 2021 *(in EUR millions)*	Fair value Dec. 31, 2021 *(excluding transfer taxes and in EUR millions)*	Valuation method	Average rent *(in EUR per sqm)*	Average price *(in EUR per sqm)*	Average net cap rate *(value including transfer taxes)*	Rent range *(in EUR per sqm per annum)*	Net cap rate range	Price range *(in EUR per sqm)*
Offices portfolio	387	462	Market comparison and income capitalization(1)	335	5,739	4.56%	[158-526]	[4.31%-9.10%]	[2,632-9,761]
Retail portfolio	242	293	Market comparison and income capitalization(1)	368	8,601	5.16%	[6-1,000]	[3.26%-9.25%]	[312-14,026]

Real estate	Carrying amount Dec. 31, 2020 *(in EUR millions)*	Fair value Dec. 31, 2020 *(excluding transfer taxes and in EUR millions)*	Valuation method	Average rent *(in EUR per sqm)*	Average price *(in EUR per sqm)*	Average net cap rate *(value including transfer taxes)*	Rent range *(in EUR per sqm per annum)*	Net cap rate range	Price range *(in EUR per sqm)*
Offices portfolio	452	549	Market comparison and income capitalization(1)	338	5,376	5.40%	[188-533]	[0%-8.10%]	[2,632-9,922]
Retail portfolio	151	186	Market comparison and income capitalization(1)	138	1,820	5.70%	[21-789]	[5.25%-8.75%]	[156-5,547]

(1) The discounted cash flows (DCF) approach or the transaction price (for real estate investments under offer) may also be used for some real estate investments.

Property-related commitments received and granted

Rental income

As part of its real estate investment activities described above, SCOR leases its investment properties. The leases generally conform to the local market conditions and have annual indexation clauses for the rental payments. The estimated minimum future rental income is as follows:

In EUR millions	2021 Minimum rental income	2020 Minimum rental income
30% Less than one year	32	28
62% One to five years	66	49
8% More than five years	8	10
TOTAL MINIMUM RENTAL INCOME	**106**	**87**

The rental income from investment properties was EUR 30 million in 2021 (2020: EUR 31 million) and the related direct operating expenses amounted to EUR 13 million (2020: EUR 9 million).

Property-related commitments

As part of its real estate investment activities, the Group has committed to purchasing several properties through off-plan sales contracts. As at December 31, 2021, SCOR has off-balance sheet commitments of EUR 1 million in respect of such contracts (December 31, 2020: EUR 11 million). The decrease compared to 2020 is mainly due to the completion of work on two buildings.

Note 8.5 BREAKDOWN OF AVAILABLE-FOR-SALE SECURITIES AT FAIR VALUE THROUGH INCOME

The following table shows debt and equity securities and unrealized gains and losses by class of security classified as available-for-sale and at fair value through income:

	As at December 31, 2021		As at December 31, 2020	
In EUR millions	Carrying amount	Net unrealized gains/(losses)	Carrying amount	Net unrealized gains/(losses)
GOVERNMENT BONDS & SIMILAR				
France	73	(1)	76	-
Germany	91	-	54	1
Netherlands	58	(1)	46	1
United Kingdom	95	(1)	80	-
Other EU	67	(1)	67	(1)
United States	2,668	4	2,484	12
Canada	296	14	281	25
Japan	27	-	33	-
China	952	9	770	2
Supranational	236	(2)	212	3
Other	1,422	(2)	1,266	32
Total government bonds & similar	**5,985**	**19**	**5,369**	**75**
Covered bonds & mortgage-backed securities	**1,586**	**14**	**1,393**	**40**
Corporate bonds	**10,112**	**55**	**9,021**	**407**
Structured & securitized products	**1,606**	**(9)**	**1,820**	**(23)**
TOTAL DEBT SECURITIES	**19,289**	**79**	**17,603**	**499**
Equity securities	**1,015**	**28**	**2,272**	**16**
TOTAL AVAILABLE FOR SALE AND FAIR VALUE THROUGH INCOME	**20,304**	**107**	**19,875**	**515**

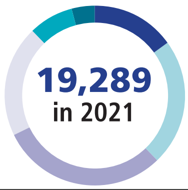
As at December 31, 2021, the net unrealized gain (loss) on debt securities included EUR 249 million in unrealized gains and EUR 170 million in unrealized losses (December 31, 2020: EUR 566 million in unrealized gains and EUR 67 million in unrealized losses).

The net unrealized gain (loss) on equity securities as at December 31, 2021 comprised EUR 91 million in unrealized gains and EUR 63 million in unrealized losses (December 31, 2020: EUR 50 million in unrealized gains and EUR 34 million in unrealized losses).

As at December 31, 2021, revaluation reserves amounted to EUR 65 million (December 31 2020: EUR 315 million) and also included:

- tax effects in respect of net unrealized gains and losses on available-for-sale securities, in a negative amount of EUR 23 million (2020: negative EUR 115 million);
- unrealized foreign exchange gains and losses, net of tax effects, in a positive amount of EUR 3 million (2020: positive EUR 3 million);
- shadow accounting impacts, net of tax impacts, in a negative amount of EUR 30 million (2020: negative EUR 109 million);
- elimination of unrealized gains and losses in respect of available-for-sale assets under management for external clients in other liabilities in a positive amount of EUR 6 million (2020: positive EUR 12 million);
- unrealized gains and losses in respect of available-for-sale securities held by equity-accounted companies in an amount of EUR 0 million (2020: EUR 0 million);
- unrealized gains and losses, net of tax effects, in respect of funds held by ceding companies in a positive amount of EUR 2 million (2020: positive EUR 9 million).

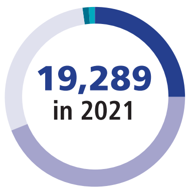
Note 8.6 DEBT SECURITIES CREDIT RATING STRUCTURE



In EUR millions	As at December 31, 2021		As at December 31, 2020	
AAA	2,854	15%	2,561	15%
AA	4,395	23%	4,252	24%
A	5,729	30%	4,888	28%
BBB	3,798	20%	3,396	19%
<BBB	1,628	8%	1,443	8%
Not rated	885	4%	1,063	6%
TOTAL DEBT SECURITIES	**19,289**	**100%**	**17,603**	**100%**

Note 8.7 DEBT SECURITIES MATURITY SCHEDULE

The table below presents the estimated maturity profiles of financial assets for which the Group expects to generate cash inflows to meet cash outflows for the settlement of financial and reinsurance contract liabilities:



In EUR millions	As at December 31, 2021		As at December 31, 2020	
Less than one year	4,782	25%	3,102	18%
One to five years	8,433	44%	9,170	52%
Five to 10 years	5,657	29%	4,782	27%
10 to 20 years	304	1%	410	2%
More than 20 years	113	1%	139	1%
TOTAL DEBT SECURITIES	**19,289**	**100%**	**17,603**	**100%**

Note 8.8 LOANS AND RECEIVABLES

In EUR millions	As at December 31, 2021	As at December 31, 2020
Funds held by ceding companies	8,637	7,914
Short-term investments	225	294
Loans secured against collateral	-	-
Infrastructure and Real estate loans	1,387	1,199
Other loans maturing in more than one year	66	3
Deposits	7	8
TOTAL	**10,322**	**9,418**

Loans and receivables primarily include cash deposits made at the request of ceding companies as collateral for Group commitments (insurance contract liabilities), short-term investments and related accrued interest. Short-term investments include government bonds, certificates of deposit (CDs) and treasury bills (T-bills) maturing between 3 and 12 months from the date of purchase. CDs and T-bills maturing in more than 12 months from the date of purchase are included in "Other loans maturing in more than one year".

As at December 31, 2021, the increase in loans and receivables of EUR 904 million compared to end-2020 was mainly due to the increase in funds held by ceding companies (linked to the Non-Life business) and in infrastructure and real estate loans partially offset by the decrease in short-term investments.

Short-term investments include EUR 203 million carried at fair value at December 31, 2021 (December 31, 2020: EUR 183 million). Other loans and receivables are carried at cost, which approximates their fair value as at December 31, 2021 and 2020.

Note 8.9 DERIVATIVE INSTRUMENTS

Derivative instruments and hedging instruments

Derivative instruments are recorded and classified at fair value through income unless they are designated as hedging instruments.

All derivatives are carried as assets when their fair values are positive and as liabilities when their fair values are negative.

The accounting method varies according to whether or not the derivative instrument is designated as a hedging instrument, as described below in "Hedging instruments".

When the Group has not designated the derivative as a hedging instrument, the gains and losses resulting from changes in the fair value of the instrument are recorded in the statement of income in the period in which they occur. The Group uses the following derivative instruments to reduce its exposure to various risks: interest rate swaps, foreign currency forward purchase and sale contracts, caps and floors, puts and calls and insurance-linked securities (ILS).

Embedded derivative instruments

An embedded derivative is a component of a hybrid instrument that includes a non-derivative host contract, with the effect that a portion of the cash flows of the hybrid instrument fluctuate in the same way as those of a freestanding derivative. The host contract can be a financial instrument or an insurance contract.

A material embedded derivative is separated from the host contract and recognized as a derivative when:
- the economic features and risks of the embedded derivative are not closely linked to the economic features of the host contract;
- the embedded instrument has the same conditions as a separate derivative instrument; and
- the hybrid instrument is not measured at fair value through income.

Where an embedded derivative has been separated from its host contract, it is recognized in accordance with the guidelines on accounting for derivative financial instruments.

Where the embedded derivative represents a significant part of the instrument and cannot be separated from the host contract, the hybrid instrument is treated as an instrument held for trading. Gains and losses resulting from changes in the fair value of the hybrid instrument are recognized in the statement of income in the period during which they occur.

Hedging instruments

A hedging instrument is a derivative instrument designated as a hedging instrument or, in the case of a foreign currency hedge, a non-derivative asset or liability designated as a hedging instrument, for which the fair value or cash flows offset changes in the fair value or cash flows of the hedged item.

The hedged item may be an asset, a liability, a firm commitment, a highly probable transaction or a net investment in a foreign operation that exposes the Group to changes in fair value or future cash flows, and which is designated as being hedged.

Hedge effectiveness is monitored periodically by comparing the changes in the fair value or cash flows of the hedged item with the changes in the fair value or cash flows of the hedge instrument, in order to determine the degree of effectiveness.

A derivative instrument designated as a fair value hedge is initially recognized at fair value on the date on which the derivative contract is entered into. The carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged. The derivative is remeasured at fair value and gains and losses are recognized in the statement of income.

A derivative instrument designated as a cash flow hedge is initially recognized at fair value on the date on which the derivative contract is entered into. The effective portion of gains or losses on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognized in the statement of income. Amounts taken to other comprehensive income are transferred to the statement of income when the hedged transaction is reflected in the statement of income, such as when financial income or financial expenses related to the hedge are recognized or when the expected sale or purchase occurs.

For hedges of net investments in a foreign operation, the portion of gains or losses on the hedging instrument considered as the effective portion of the hedge is recorded directly in shareholders' equity. Any ineffective portion of the hedge is recognized in the statement of income.

Derivative financial instruments include the following items:

	Derivative assets as at December 31,		Derivative liabilities as at December 31,		Fair value through income		Gains or losses recognized through other comprehensive income	
In EUR millions	2021	2020	2021	2020	2021	2020	2021	2020
Atlas Re 2020 & Atlas UK 2019	67	100	-	-	(33)	(46)	-	-
Interest rate swaps	-	-	1	2	-	-	1	-
Cross currency swaps	72	42	-	-	43	(60)	(13)	22
Foreign currency forwards	80	57	80	83	45	(59)	(19)	12
Other	43	3	-	-	40	(2)	-	-
TOTAL	**262**	**202**	**81**	**85**	**95**	**(167)**	**(31)**	**34**

Catastrophe bonds

Atlas Capital UK 2019 PLC provides the Group with multi-year risk transfer capacity of USD 250 million to protect itself against named storms in the United States, earthquakes in the United States and Canada, and windstorms in Europe. The risk period for Atlas Capital UK 2019 runs from June 1, 2019 to May 31, 2023.

In 2020, SCOR sponsored a new catastrophe bond ("cat bond"), Atlas Capital Reinsurance 2020 DAC, which provides the Group with multi-year risk transfer capacity of USD 200 million to protect itself against storms in the United States and earthquakes in the United States and Canada. The risk period for Atlas Capital Reinsurance 2020 DAC runs from April 30, 2020 to May 31, 2024.

These instruments are recognized as derivatives and measured using a cumulative expected loss model that is based on a combination of market inputs, where the instrument is traded in an active market, and catastrophe modeling tools developed by a third-party service provider (AIR).

The material unobservable inputs used in the valuation model are:

Unobservable inputs	Atlas Capital UK 2019 PLC	Atlas Capital Re 2020 DAC
Expected loss from US named storms, based on AIR model	6.31%	5.56%
Expected loss from US and Canadian earthquakes, based on AIR model	3.54%	3.87%
Expected loss from European windstorms, based on AIR model	1.64%	N/A

A significant catastrophic event (earthquake in the United States or Canada, named storm in the United States or a windstorm in Europe) during the coverage period of the respective bond would lead to a change in the fair value of the derivative instrument.

Interest rate swaps

SCOR has entered into interest rates swaps to hedge its exposure to variable-rate financial liabilities, mainly relating to real estate investments. The fair value of these swaps is obtained from the banking counterparty and is based on market inputs. As part of the usual analysis of accounts processes, these third-party valuations are checked for reasonableness against internal models. The total notional amount of these swaps was EUR 46 million as at December 31, 2021 (December 31, 2020: EUR 44 million). The net interest paid on these swaps was not material in 2021 (2020: EUR 0 million).

Measurement and presentation

Cash flow hedge accounting is applied when the hedging relationship is determined to be highly effective at the inception of the hedge and throughout its term. Effectiveness testing is performed at the inception of the hedging relationship and at each reporting date throughout the term of the hedge. Where hedge effectiveness is not attained, the hedging instrument (interest rate swap) is measured at fair value through income from the date on which the hedging relationship ceases to be effective. As at December 31, 2021, the fair value of the Group's interest rate swaps was a negative EUR 1 million, recognized within liabilities (December 31, 2020: negative EUR 2 million, recognized within liabilities). The amount recognized in other comprehensive income in 2021 was EUR 1 million (2020: EUR 0 million). The amount recognized in the statement of income in 2021 was not material (2020: EUR 0 million).

Cross-currency swaps

In order to hedge the foreign exchange risk associated with debt issued in USD (USD 625 million issued in 2018 and USD 125 million issued in 2019, see Note 14 – Financial liabilities), SCOR has entered into two cross-currency swaps that exchange the principal and coupons on the notes from USD into EUR. The swaps mature on March 13, 2029.

Measurement and presentation

Cash flow hedge accounting is applied. The fair value of these swaps is obtained from the banking counterparty and is based on market inputs. As part of the usual analysis of accounts processes, these third-party valuations are checked for reasonableness against internal models. The total notional amount of these swaps was USD 750 million as at December 31, 2021 (December 31, 2020: USD 750 million). The fair value of these cross-currency swaps was EUR 72 million as at December 31, 2021 (EUR 42 million as at December 31, 2020). No ineffectiveness was identified in respect of the swap during 2021.

Foreign currency forwards

SCOR purchases and sells foreign currency forwards to reduce its overall exposure to balances held in currencies other than the functional currencies of its subsidiaries. These contracts are recorded at their fair value, based on valuations provided by the banking counterparty using market inputs.

Hedge of a net investment

At December 31, 2021 and 2020, one forward foreign currency forward was designated as a hedge of a net investment (see Note 13 – Information on share capital, capital management, regulatory framework and consolidated reserves).

The outstanding contracts as at December 31, 2021 and 2020, converted into EUR at the closing rates, were as follows:

	Forward sales		Forward purchases	
In EUR millions	Notional	Fair value	Notional	Fair value
December 31, 2021	1,726	(57)	1,859	57
December 31, 2020	1,495	33	1,996	(59)

Other

Contingent capital facility

See Note 13 – Information on share capital, capital management, regulatory framework and consolidated reserves, for details on the issue of share warrants to J.P. Morgan as part of the contingent capital facility program.

The transaction gave rise to the recognition within balance sheet assets of an instrument recognized at fair value through income and within balance sheet liabilities of other liabilities corresponding to the amount of the commission payable. In the absence of observable market inputs and parameters to reliably determine a fair value for this derivative instrument, the best measure of fair value is the expected cost of the instrument, corresponding to the total annual fees payable under the terms of the facility, net of the warrant subscription amounts, amortized over the life of the instrument. This instrument is presented as a level 3 investment within insurance business investments (see Note 8.1 above).

The changes in fair value, as presented above, are recognized in investment income.

Call option on SCOR shares granted by Covéa

In connection with the settlement agreement (please refer to Note 1.3.3 – Significant events), Covéa granted a call option to SCOR on the shares it holds, at an exercise price of EUR 28 per share and for a period of five years. The exercise price is subject to amendment in certain conditions. The call option is transferable to any third party designated by SCOR, so that SCOR can organize the change in the best interest of its shareholders. The option was recognized as a derivative instrument at fair value as determined by an external valuation and the carrying amount of the option as at December 31, 2021 amounts to EUR 41 million.

Note 9 ACCOUNTS RECEIVABLE FROM AND PAYABLE ON ASSUMED AND CEDED INSURANCE AND REINSURANCE TRANSACTIONS

Under reinsurance contracts, a reinsurance asset is recognized to reflect the estimated recoverable amount of any outstanding claims reported in respect of the reinsurance liabilities assumed. The amount recoverable from retrocessionaires is initially measured on the same basis as the underlying claims reserves, except in the case of nonproportional reinsurance (whether by risk or by event), where SCOR only recognizes recoveries, including IBNR recoveries, when an assumed claim has been reported, the amount of which triggers the retrocession contract.

The amount recoverable is reduced by a bad debt provision when an event arises that provides objective evidence that the Group may not receive all the amounts due under the contract and such event has a reliably measurable impact on the expected amount that will be recovered from the reinsurer.

Premiums payable in respect of reinsurance ceded are recognized in the period in which the reinsurance contract is entered into and includes estimates of any amounts that cannot be determined at the reporting date. Retroceded premiums are recognized over the term of the reinsurance contract in the same manner as assumed business.

SCOR contracts with Atlas vehicles which meet the criteria of risk transfer according to IFRS 4 are accounted for as reinsurance ceded.

	As at December 31, 2021			As at December 31, 2020		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Receivables from ceding companies, gross	183	643	826	48	400	448
Provision for bad debts	(2)	(9)	(11)	(2)	(8)	(10)
Estimated premiums receivable from cedents, net of commission	3,671	3,096	6,767	3,496	2,630	6,126
Accounts receivable from assumed insurance and reinsurance transactions	**3,852**	**3,730**	**7,582**	**3,542**	**3,022**	**6,564**
Amount due from reinsurers	253	204	457	150	140	290
Provision for bad debts	-	(3)	(3)	-	(4)	(4)
Accounts receivable from ceded reinsurance transactions	**253**	**201**	**454**	**150**	**136**	**286**
Amounts payable on assumed insurance and reinsurance transactions	**(296)**	**(450)**	**(746)**	**(375)**	**(335)**	**(710)**
Liabilities for cash deposits from retrocessionaires	(66)	(581)	(647)	(72)	(317)	(389)
Payables to reinsurers	(22)	(113)	(135)	(15)	(65)	(80)
Estimated premiums payable to retrocessionaires, net of commission	(1,102)	(467)	(1,569)	(477)	(284)	(761)
Accounts payable on ceded reinsurance transactions	**(1,190)**	**(1,161)**	**(2,351)**	**(564)**	**(666)**	**(1,230)**

Accounts receivable from and payable on assumed and ceded insurance and reinsurance transactions are mostly due in less than one year. A complete aging of financial assets is included in the Universal Registration Document, in Section 3.2.5 – Management of credit risks.

Note 10 MISCELLANEOUS ASSETS

Miscellaneous assets consist of:

In EUR millions	As at December 31, 2021	As at December 31, 2020
Other intangible assets	506	457
Right-of-use assets	148	161
Property, plant and equipment	733	747
Other	192	181
Miscellaneous assets	**1,579**	**1,546**

Note 10.1 OTHER INTANGIBLE ASSETS

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment.

Intangible assets have either finite or indefinite useful lives.

Intangible assets with finite useful lives are amortized over their expected useful economic life and tested for impairment whenever there is an indication that they may be impaired. The amortization period and method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of future economic benefits are accounted for prospectively by adjusting the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category corresponding to the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment at least annually. An additional test is performed in the event of an indication of a loss of value. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assumption remains appropriate. If not, the change in the useful life assumption from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Other intangible assets consist primarily of client-related intangible assets arising from Non-Life business combinations and purchased software or software development expenditure.

The Group amortizes its other intangible assets with finite useful lives using the straight-line method, over a period of one to ten years.

In EUR millions	Other intangible assets
Gross value as at December 31, 2019	**563**
Foreign exchange rate movements	(5)
Additions	92
Disposals[(1)]	(1)
Change in scope of consolidation	-
Gross value as at December 31, 2020	**649**
Foreign exchange rate movements	4
Additions	80
Disposals [(1)]	(1)
Change in scope of consolidation	-
Gross value as at December 31, 2021	**732**
Accumulated amortization and impairment as at December 31, 2019	**(165)**
Foreign exchange rate movements	2
Amortization for the period	(29)
Impairment for the period	-
Accumulated amortization and impairment as at December 31, 2020	**(192)**
Foreign exchange rate movements	(3)
Amortization for the period	(31)
Impairment for the period	-
Accumulated amortization and impairment as at December 31, 2021	**(226)**
CARRYING AMOUNT AS AT DECEMBER 31, 2019	**398**
CARRYING AMOUNT AS AT DECEMBER 31, 2020	**457**
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**506**

(1) Disposals are mainly related to the scrapping of fully amortized software.

Other intangible assets include all intangible assets except for goodwill and VOBA (see Note 6 – Goodwill and Note 7 – Value of business acquired).

As at December 31, 2021, they include other intangible assets with finite useful lives for a net amount of EUR 352 million (December 31, 2020: EUR 304 million) and other intangible assets with indefinite useful lives for a net amount of EUR 154 million (December 31, 2020: EUR 153 million).

Similar to the increase of EUR 59 million, net of amortization, during the year ended December 31, 2020, the increase of EUR 48 million, net of amortization, during the year ended December 31, 2021 mainly relates to the capitalization of software development costs relating to the Group's accounting system and technical accounting system.

The Group conducted its annual assessment of the amortization periods and methods of its intangible assets with finite useful lives and concluded that both the amortization periods and methods are appropriate. The amortization expense recognized for other intangible assets with finite useful lives was EUR 31 million, EUR 29 million and EUR 8 million, respectively, for the years ended December 31, 2021, 2020, and 2019.

Other intangible assets with indefinite useful lives mainly include the Château Mondot SAS trademark for EUR 136 million. The Château Mondot SAS trademark was tested for impairment, with the result that no impairment loss had to be recognized (see Note 6 – Goodwill, for details). They also include the intangible assets associated with the Lloyd's syndicate participations acquired as part of the Converium business combination. The Lloyd's intangible assets amounted to EUR 4 million as at December 31, 2021 (December 31, 2020: EUR 4 million) and are deemed to have an indefinite useful life as cash flows relating to the syndicate participations may be realized through the Lloyd's auction process.

The prices of the Lloyd's syndicate participations, obtained from the Lloyd's auction process, are key inputs in the impairment tests conducted. In 2021, no impairment was recognized. In 2020, no impairment was recognized.

Note 10.2 RIGHT OF USE ASSETS

Under IFRS 16 – Leases, right-of-use assets are assets that represent SCOR's rights as lessee to use an underlying asset for the term of the respective lease contract, determined as the non-cancelable period of the lease together with periods covered by an extension option that is reasonably certain to be exercised and periods covered by a termination option that is reasonably certain not to be exercised. Right-of-use assets are recognized within "Miscellaneous assets" in the balance sheet and are measured at the amount of the related lease liability, plus any up-front payments made, lease incentives received and initial direct costs incurred. Subsequently, right-of-use assets are measured at cost less any accumulated depreciation and impairment. Depreciation is determined in accordance with IAS 16 and recognized in the statement of income.

SCOR uses the exemptions for short-term leases and leases of low-value assets and continues to recognize the lease payments for those contracts as an expense on a straight-line basis. IFRS 16 is not applied to leases of intangible assets (e.g. IT licenses).

Right-of-use assets amounted to EUR 148 million as at December 31, 2021. They correspond mainly to EUR 147 million in leased office space and EUR 1 million in car and office equipment leases.

In EUR millions	Right-of-use assets	Land and buildings	Transport	Other equipment
Gross value at January 1, 2020	**201**	**196**	**2**	**3**
Foreign exchange rate movements	(9)	(9)	-	-
Additions	119	119	-	-
Reclassification	(1)	(1)	-	-
Disposals	(76)	(75)	-	(1)
Change in scope of consolidation	-	-	-	-
Other	(2)	(2)	-	-
Gross value as at December 31, 2020	**232**	**228**	**2**	**2**
Foreign exchange rate movements	11	11	-	-
Additions	4	3	1	-
Reclassification	-	-	-	-
Disposals	(12)	(11)	(1)	-
Change in scope of consolidation	-	-	-	-
Other	3	3	-	-
Gross value as at December 31, 2021	**238**	**234**	**2**	**2**
Accumulated depreciation and impairment as at January 1, 2020	**(120)**	**(118)**	**(1)**	**(1)**
Depreciation for the period	(27)	(26)	-	(1)
Impairment for the period	-	-	-	-
Reclassification	-	-	-	-
Disposals	76	75	-	1
Accumulated depreciation and impairment as at December 31, 2020	**(71)**	**(69)**	**(1)**	**(1)**
Depreciation for the period	(29)	(28)	-	(1)
Impairment for the period	-	-	-	-
Other	-	-	-	-
Disposals	10	10	-	-
Accumulated depreciation and impairment as at December 31, 2021	**(90)**	**(87)**	**(1)**	**(2)**
CARRYING VALUE AS AT JANUARY 1, 2020	**81**	**78**	**1**	**2**
CARRYING AMOUNT AS AT DECEMBER 31, 2020	**161**	**159**	**1**	**1**
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**148**	**147**	**1**	**-**

In 2021, increases are mainly due to the recognition of new real estate leases and decreases mainly relate to the corresponding previous leases that expired.

Lease commitments

There were no commitments in progress at the 2021 year-end.

IFRS 16 exemptions

In 2021, no significant expense relating to short-term leases and to leases of low-value items has to be reported.

Income from subleases amounted to EUR 2 million in 2021 (2020: EUR 3 million, 2019: EUR 4 million) and are related to Switzerland, France and the United States.

Total cash outflows in respect of leases represented EUR 27 million in 2021 (2020: EUR 27 million).

See Note 14 – Financial liabilities, for further information on lease liabilities.

Note 10.3 PROPERTY, PLANT AND EQUIPMENT AND RELATED COMMITMENTS

Owner-occupied property is classified as tangible assets. Some properties may be partially occupied by Group entities. Properties are recognized at cost, net of accumulated depreciation and impairment. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Category	Useful life
Land	Indefinite (not depreciated)
Buildings	
Building structure and exterior	30-80 years
Insulation	30 years
Technical installations	20 years
Fixtures and fittings	10-15 years

Repair and maintenance costs are charged to the statement of income during the period in which they are incurred. All costs directly associated with purchases or construction of real estate are capitalized. All subsequent value-enhancing capital expenditures are classified as acquisition costs and capitalized when it is probable that future economic benefits will flow to the Group.

Owner-occupied property is assessed for impairment whenever there is an indication that it may be impaired. It is considered a corporate asset, which does not generate cash inflows independently. Hence, the assessment is made at the level of the cash generating units (CGU) or groups of CGUs to which the property belongs. Should impairment indicators exist, the Group determines the recoverable amount of the CGU or group of CGUs to which the property belongs and compares it to its carrying amount.

Tangible assets

Tangible assets amounted to EUR 733 million as at December 31, 2021 (December 31, 2020: EUR 747 million) and primarily relate to owner-occupied property, office furniture and equipment, and building fixtures and fittings.

In EUR millions	Tangible Assets
Gross value as at December 31, 2019	**929**
Foreign exchange rate movement	(13)
Additions	53
Reclassification	-
Disposals	(48)
Change in scope of consolidation	-
Other	-
Gross value as at December 31, 2020	**921**
Foreign exchange rate movement	12
Additions	8
Reclassification	-
Disposals	(5)
Change in scope of consolidation	-
Other	-
Gross value as at December 31, 2021	**936**
Accumulated depreciation and impairment as at December 31, 2019	**(191)**
Depreciation for the period	(25)
Impairment for the period	-
Reclassification	-
Disposals	42
Accumulated depreciation and impairment as at December 31, 2020	**(174)**
Depreciation for the period	(34)
Impairment for the period	-
Reclassification	-
Disposals	5
Accumulated depreciation and impairment as at December 31, 2021	**(203)**
CARRYING AMOUNT AS AT DECEMBER 31, 2019	**738**
CARRYING AMOUNT AS AT DECEMBER 31, 2020	**747**
CARRYING AMOUNT AS AT DECEMBER 31, 2021	**733**

The increase in 2021 is mainly related to work in progress and to improvement costs for office space for a total of EUR 8 million. The increase is partially offset by the disposal of partially depreciated tangible assets (furniture and office equipment) of EUR 5 million.

The increase in 2020 was mainly related to fixtures and fittings and work for office space for a total of EUR 53 million. The increase was partially offset by the disposal of partially depreciated tangible assets (furniture and office equipment) for EUR 48 million.

Property-related commitments received and granted

No commitments were received or granted at end-2021 and end-2020.

Note 11 DEFERRED ACQUISITION COSTS

In reinsurance, the costs directly associated with the acquisition of new contracts, mainly comprising commission, are recorded as assets on the balance sheet, to the extent that the contracts are profitable. They are amortized on the basis of the residual term of the contracts in Non-Life, and on the basis of the expected recognition of future margins for Life contracts.

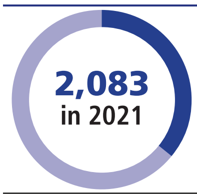
	2021			2020			2019		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Carrying amount at January 1	**791**	**665**	**1,456**	**862**	**735**	**1,597**	**886**	**615**	**1,501**
Capitalization of new contracts for the period/Change of the period	127	743	870	121	716	837	196	726	922
Change in scope of consolidation and contract portfolio exchanges	-	-	-	-	-	-	-	-	-
Amortization for the period	(265)(1)	(665)	(930)	(134)	(740)	(874)	(155)	(617)	(772)
Impairment for the period	-	-	-	-	-	-	-	-	-
Foreign exchange rate movements	30	35	65	(32)	(46)	(78)	2	11	13
Other changes (including in shadow accounting)	33	-	33	(26)	-	(26)	(67)	-	(67)
Carrying amount at December 31	**716**	**778**	**1,494**	**791**	**665**	**1,456**	**862**	**735**	**1,597**

(1) As a day-1 impact of the Life retrocession contracts entered into with Covéa, the deferred acquisition costs were reduced by EUR 132 million.

Note 12 CASH FLOW INFORMATION

Cash and cash equivalents comprise cash, net bank balances and short-term deposits or investments with a maturity of less than three months at the date of purchase or deposit. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value. Money market funds are also classified as cash and cash equivalents, though only to the extent that the fund assets qualify as cash equivalents, or there are strict fund management policies and limits that allow the funds to qualify as cash equivalents.

Note 12.1 CASH AND CASH EQUIVALENTS

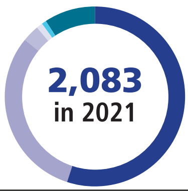


In EUR millions	As at December 31, 2021	As at December 31, 2020
36% Cash	759	574
64% Short-term deposits and investments	1,324	1,230
CASH AND CASH EQUIVALENTS[(1)]	**2,083**	**1,804**

(1) Cash and cash equivalents include cash held by the Group on behalf of third parties as part of its asset management activity for a total amount of EUR 140 million as at December 31, 2021 (December 31, 2020: EUR 165 million).

The Group's liquidity, defined as cash, cash equivalents, bank overdrafts and short-term government bonds with maturities of more than 3 months and less than 12 months, and is well diversified across a limited number of banks. It amounted to EUR 2,286 million as at December 31, 2021 (December 31, 2020: EUR 1,988 million), including EUR 203 million of short-term government bonds (December 31, 2020: EUR 184 million).

The table below shows the breakdown by currency of the Group's cash and cash equivalents as at December 31, 2021:



In EUR millions	As at December 31, 2021	As at December 31, 2020
55% USD	1,141	900
31% EUR	654	646
3% GBP	70	56
1% CAD	17	33
1% CHF	14	20
9% Other	187	149
CASH AND CASH EQUIVALENTS	**2,083**	**1,804**

Note 12.2 NET CASH FLOWS FROM OPERATIONS

The following table reconciles consolidated net income to net cash flows provided by/(used in) operations as presented in the consolidated statement of cash flows:

In EUR millions	2021	2020	2019
Consolidated net income	**456**	**234**	**422**
Realized gains and losses on investment disposals	(256)	(149)	(128)
Change in accumulated amortization and other provisions	451	131	175
Changes in deferred acquisition costs	65	33	(125)
Net increase in contract liabilities	1,797	895	511
Change in fair value of financial instruments recognized at fair value through income (excluding cash and cash equivalents)	(92)	130	(68)
Other non-cash items included in operating results	1,681	369	155
Net cash flows provided by/ (used in) operations, excluding changes in working capital	**4,102**	**1,643**	**942**
Change in accounts receivable and payable	(1,639)	(730)	(171)
Cash flows from other assets and liabilities	57	32	7
Change in taxes receivables and payables	(114)	43	63
Net cash flows provided by/ (used in) operations	**2,406**	**988**	**841**

Cash inflows in respect of dividends and interest on investments held during the year amounted to EUR 32 million (2020: EUR 20 million and 2019: EUR 30 million) and EUR 532 million (2020: EUR 460 million and 2019: EUR 551 million), respectively.

Tax-related cash outflows during the year amounted to EUR 412 million (2020: outflow of EUR 137 million and 2019: outflow of EUR 97 million).

The significant increase in net cash flows provided by operations is related to payment on July 1, 2021 of the agreed net upfront payment from Covéa amounting to USD 1,014 million (EUR 840 million).

Note 12.3 MOVEMENTS IN LIABILITIES FROM FINANCING ACTIVITIES

In EUR millions	As at January 1, 2021	Issue of financial liabilities	Redemption of financial liabilities	Acquisitions	Foreign exchange rate movements	Other	As at December 31, 2021
Long-term debt[(1)]	**3,029**	**79**	**(97)**	**-**	**42**	**3**	**3,056**

(1) Long-term debt excludes liabilities under IFRS 16.

See Note 14 – Financial liabilities, for further information.

Note 13 INFORMATION ON SHARE CAPITAL, CAPITAL MANAGEMENT, REGULATORY FRAMEWORK AND CONSOLIDATED RESERVES

A breakdown of the movements in the various reserves is provided in Section 4.5 – Consolidated statement of changes in shareholders' equity.

Share capital

Ordinary shares are classified in shareholders' equity when there is no contractual obligation to transfer cash or other financial assets to the holders.

Share issue costs

External costs directly attributable to the issue of new shares are shown in "Additional paid-in capital" within shareholders' equity as a deduction, net of tax, from the issue proceeds.

Treasury shares

Treasury shares and any directly related costs are recorded as a deduction from shareholders' equity. When treasury shares are subsequently sold or reissued, any consideration received is included within consolidated shareholders' equity net of any directly related costs and tax effects. Accordingly, no gain or loss is recognized in the statement of income.

Share-based payments

The caption "Share-based payments" is used to offset the cost of services received in exchange for the granting of shares or stock options to Group employees. As the instruments granted are subject to the fulfillment of a vesting period by the employee, the capital increase is initially recognized at the grant date in the line "Share-based payments". Once the shares are fully vested, they are recognized as ordinary shares under "Share capital" and "Additional paid-in capital".

Dividends

Dividends on ordinary shares are recognized as a liability when they have been approved by shareholders at the relevant Annual Shareholders' Meeting.

Note 13.1 SHARE CAPITAL

Authorized share capital

The authorized share capital of the Company comprised 186,896,376 shares as at December 31, 2021, 186,730,076 shares as at December 31, 2020 and 187,049,511 shares as at December 31, 2019, with a par value of EUR 7.8769723 each.

Issued shares

The number of outstanding ordinary shares issued and fully paid-up as at December 31, 2021, 2020 and 2019 was as follows:

	2021	2020	2019
As at January 1	**186,730,076**	**187,049,511**	**193,085,792**
Share capital decrease – decision of the Board	(189,700)	(509,135)	(6,545,416)
Share capital increase – exercise of stock options	356,000	189,700	509,135
As at December 31	**186,896,376**	**186,730,076**	**187,049,511**
Nominal price per share in EUR	7.8769723	7.8769723	7.8769723
Share capital in EUR	**1,472,177,577**	**1,470,867,636**	**1,473,383,817**

Movements in 2021 were due to the following operations:

- the Board of Directors' meeting held on June 30, 2021 decided to reduce the Group's share capital by canceling 189,700 treasury shares for EUR 6 million (EUR 2 million in share capital and EUR 4 million in additional paid-in capital); and
- the issue of new shares relates to the exercise of stock options for EUR 7 million (EUR 3 million in share capital and EUR 4 million in additional paid-in capital), resulting in the creation of 356,000 new shares during the year.

Movements in 2020 were due to the following operations:

- the Board of Directors' meeting held on April 28, 2020 decided to reduce the Group's share capital by canceling 509,135 treasury shares for EUR 21 million (EUR 4 million in share capital and EUR 17 million in additional paid-in capital); and
- the issue of new shares relates to the exercise of stock options for EUR 4 million (EUR 2 million in share capital and EUR 2 million in additional paid-in capital), resulting in the creation of 189,700 new shares during the year.

Movements in 2019 were due to the following operations:

- the Board of Directors' meeting held on April 26, 2019 decided to reduce the Group's share capital by canceling 6,545,416 treasury shares for EUR 248 million (EUR 51 million in share capital and EUR 197 million in additional paid-in capital); and
- the issue of new shares relates to the exercise of stock options for EUR 9 million (EUR 3 million in share capital and EUR 6 million in additional paid-in capital), resulting in the creation of 509,135 new shares during the year.

The shares issued in 2021, 2020 and 2019 were all issued at a par value of EUR 7.8769723 each.

Treasury shares

The number of shares held in treasury by the Group and/or its subsidiaries as at December 31, 2021 was 5,798,221 shares (December 31, 2020: 259,567 shares). Treasury shares are not entitled to dividends.

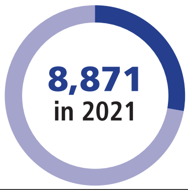
Information on dividend distributions

At the Annual Shareholders' Meeting to be held in the first half of 2022 to approve the financial statements for the year ended December 31, 2021, the shareholders will be asked to approve the distribution of a dividend of one euro and eighty cents (EUR 1.80) per share in respect of 2021.

At the Annual Shareholders' Meeting of June 30, 2021, the shareholders resolved to distribute a dividend of one euro and eighty cents (EUR 1.80) per share in respect of 2020, representing a total payout of EUR 335 million based on the number of shares eligible for dividends as of the payment date. The ex-dividend date was July 2, 2021 and the dividend was paid on July 6, 2021.

Note 13.2 CAPITAL MANAGEMENT: OBJECTIVES AND APPROACH

The primary source of capital used by the Group is shareholders' equity and subordinated debt. The leverage ratio as at December 31, 2021 was 27.8%. For a description of the leverage ratio, see the Universal Registration Document, Section 1.3.6 – Financial position, liquidity and capital resources.



			As at December 31, 2021	As at December 31, 2020
In EUR millions			Carrying amount	Carrying amount
	■ 28%	Subordinated debt	2,581	2,538
		Accrued interest on subordinated debt	(40)	(39)
	■ 72%	Swaps on subordinated debt	(72)	(42)
		Carrying amount of shareholders' equity	6,402	6,177
TOTAL SHAREHOLDERS' EQUITY AND DEBT			**8,871**	**8,634**

The Group's capital management policy is to optimize the utilization of its shareholders' equity and debt in order to maximize the short- and long-term return for shareholders, while at the same time providing its clients with an adequate level of security as measured by internal capital allocation models, rating agencies and national regulators. Achievement of the capital management policy objectives is ensured through integrated supervision of regulatory constraints at Group level, an annual strategic and financial planning process and regular updates of forecasts. The Group's capital management process is subject to approval by the Board of Directors after a formal presentation to the Accounts and Audit Committee. The Board of Directors and Executive Committee regularly review the Group's risk profile to ensure that its risk appetite remains aligned with the Group's strategy.

The Group's capital management objectives are to:

- match the profile of its assets and liabilities, taking into account the risks inherent to its business;
- maintain strong credit ratings and healthy capital ratios, in order to support its business objectives and maximize shareholder value;
- ensure a high degree of capital fungibility;
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- allocate capital efficiently and support the development of its business, by ensuring returns on capital employed meet the requirements of regulators and shareholders; and
- manage exposure to exchange rate fluctuations.

The purpose of the Group's overall capital management process is to set target risk-adjusted rates of return for the business units, which are aligned with performance objectives, and to foster the creation of shareholder value.

To that end, and in line with the Quantum Leap strategic plan for the period from mid-2019 to 2022, the Group aims to achieve the following two specific targets:

- an ROE ≥ 800 basis points above the five-year risk-free rate across the cycle (1);
- an optimal solvency ratio (2) in the 185%-220% range.

SCOR believes that its working capital is sufficient to meet the requirements of its consolidated companies. The Group reconciles its strategic objectives with the protection of its capital through its capital shield policy, which reflects the Group's risk appetite. This policy is based on an economic approach and aims to protect the Group against potential shock losses, some of which are not immediately recognized from a pure accounting view. The policy is built on the following four concepts:

Traditional retrocession

Retrocession used by the Group comprises a wide range of protections including proportional and non-proportional coverage. The Group selects the level of its retrocession to third parties once a year and ensures that its retained risk profile is in line with its predefined risk tolerance limits, in order to achieve its return on capital and solvency objectives.

(1) Based on the five-year rolling average of the five-year risk-free rates.
(2) Ratio of eligible own funds over the SCR according to the internal model.

Capital market solution

SCOR uses catastrophe bonds, mortality bonds and sidecars to protect the Group against catastrophic and extreme mortality events.

Solvency scale

SCOR's solvency ratio is actively monitored and managed through a solvency scale coupled with a clear escalation process. The solvency scale includes an optimal solvency range between 185% and 220%, as well as various management initiatives for steering the solvency position back to the optimal range if required.

The optimal range is designed to absorb a significant amount of the volatility inherent to the reinsurance business, thereby limiting too-frequent recourse to the markets to maintain the Group's own funds above the solvency capital requirement (SCR).

Contingent capital facility

On December 3, 2019, SCOR arranged a contingent capital facility with J.P. Morgan, providing the Group with EUR 300 million of coverage in case of extreme natural catastrophes or mortality events. In connection with the facility, SCOR issued 9.4 million share warrants to J.P. Morgan, each of which gives J.P. Morgan the right to subscribe to two new SCOR shares. J.P. Morgan has undertaken to exercise the number of warrants necessary for the subscription of a maximum of EUR 300 million (issuance premium included) of new shares, without exceeding 10% of SCOR's share capital, when the aggregate amount of (i) the estimated ultimate net losses incurred by the Group (in its capacity as insurer/reinsurer) as a result of eligible natural catastrophes between January 1, 2020 and December 31, 2022 or (ii) the ultimate net claims amount recorded by SCOR Group Life (in its capacity as insurer/reinsurer) over two consecutive half-years between July 1, 2019 and December 31, 2022 reaches certain contractual thresholds as verified by SCOR's Statutory Auditors. In addition, subject to no drawdowns having already been made under the facility, if SCOR's daily volume-weighted average share price falls below EUR 10, an individual tranche of EUR 150 million will be drawn down from the EUR 300 million facility.

J.P. Morgan has committed to subscribing to new shares by exercising the warrants, but it does not intend to become a long-term shareholder of SCOR and would therefore resell the shares by way of private placements and/or sales on the open market. To that end, SCOR and J.P. Morgan have entered into a profit-sharing arrangement, whereby 75% of any gain generated by the resale of the new shares would be retroceded to SCOR. If the new shares are sold through an off-market transaction immediately after exercising the warrants, the share of the gain owed to SCOR would be paid in the form of SCOR shares in order to limit the dilutive impact of the transaction for SCOR's shareholders.

In the absence of any extreme triggering event, no shares would be issued under the facility and the facility would therefore remain without any dilutive impact for the shareholders.

Share buy-back program

During 2021, SCOR launched a share buy-back program for EUR 200 million that started on October 28, 2021, and will be fully executed in the market at the latest by the end of March 2022. Execution of the share buy-back will be subject to market conditions. This share buy-back program is expected to impact the Group's solvency ratio by c. -4 points [(1)], to 225%. SCOR intends to allocate the repurchased shares to cancellation.

The share buy-back will be conducted within the framework approved by the annual general meeting held on June 30, 2021. To carry out the program, SCOR granted mandates to independent investment services providers.

Note 13.3 REGULATORY FRAMEWORK

The main objective of insurance and reinsurance regulators is protecting the interests of policyholders. They ensure that the Group maintains an adequate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The Group is subject to regulatory requirements in each of the jurisdictions in which it conducts business. Local authorities have broad supervisory and administrative powers over many aspects of the insurance and reinsurance industries.

Such regulations not only prescribe approval and monitoring of activities, but also impose obligations related to maintaining a certain level of capital (*i.e.* capital requirement) to cover the risk of default and insolvency by reinsurance and insurance companies and meet unforeseen liabilities.

The Group actively monitors the capital requirements of each of its subsidiaries within the capital management framework and aims to ensure full compliance with all regulatory and solvency requirements in the countries in which it operates.

The failure by an operating company to meet the local regulatory capital requirements of the jurisdiction in which it operates could lead to action by the local regulator.

In the majority of countries in which the Group operates, regulatory filings are not prepared on an IFRS basis.

Note 13.4 CONSOLIDATED RESERVES

Included in other changes in consolidated reserves for the 2020 financial year is a net impact of EUR 5 million (net of tax) resulting from unrecognized intercompany expenses and overstated claims payments in prior years.

(1) The volume of monthly acquisitions of SCOR shares will depend on market conditions, within the limits set by the Market Abuse Regulation (EU) No 596/2014 (MAR), as amended, and the resulting delegated legislation. Based on the share price of SCOR as at October 26, 2021, the share buy-back corresponds to a maximum of 8.0 million shares or 4.3% of the capital.

Note 14 FINANCIAL LIABILITIES

Interest on financial liabilities is included within investment expenses.

Subordinated debt and debt securities

These items comprise various subordinated debt or unsubordinated bonds issued by the Group. These borrowings are classified as financial liabilities, in accordance with IAS 32 – Financial Instruments: Presentation.

At initial recognition, all borrowings are recorded at fair value less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

Real estate financing

This caption includes debt relating to the acquisition of real estate. At initial recognition, real estate financing is recorded at fair value less directly attributable transaction costs. After initial recognition, it is measured at amortized cost using the effective interest rate method.

Other financial liabilities

At initial recognition, other financial liabilities are recorded at fair value less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

Lease liabilities are included in the balance sheet within "Other financial liabilities". Interest expense on the lease liability is calculated in accordance with the effective interest rate method and recognized in the statement of income.

The following table presents an overview of the debt issued by the Group:

		As at December 31, 2021		As at December 31, 2020	
In EUR millions	Maturity	Carrying amount	Fair value	Carrying amount	Fair value
SUBORDINATED DEBT					
EUR 250 million	Perpetual	251	281	250	283
USD 625 million	Perpetual	557	581	522	553
USD 125 million	Perpetual	111	115	104	110
EUR 250 million	06/05/2047	253	284	253	292
EUR 600 million	06/08/2046	603	661	603	682
EUR 500 million	05/27/2048	509	589	509	608
EUR 300 million	09/17/2051	297	293	297	302
Total subordinated debt(1)		**2,581**	**2,804**	**2,538**	**2,830**
Investments property financing		156	156	176	176
Owner-occupied property financing		314	314	311	311
Total real estate financing(2)		**470**	**470**	**487**	**487**
OTHER FINANCIAL LIABILITIES(2)		**175**	**175**	**185**	**185**
TOTAL FINANCIAL LIABILITIES		**3,226**	**3,449**	**3,210**	**3,502**

(1) Includes EUR 40 million in accrued interest as at December 31, 2021 (December 31, 2020: EUR 39 million).
(2) These debts are not publicly traded. Therefore, the carrying amounts are reflective of their fair value.

Note 14.1 SUBORDINATED DEBT

SCOR's subordinated debt is classified as financial liabilities as, under the terms and conditions of the issue agreements, SCOR does not have an unconditional right to avoid settling the contractual obligations in cash and, based on projected cash flows, the instruments do not have an equity component.

EUR 250 million perpetual subordinated debt

On October 1, 2014, SCOR issued EUR 250 million in perpetual subordinated notes, redeemable by SCOR on each interest payment date, from October 1, 2025. The coupon has been set at 3.875% (until October 1, 2025), and resets every 11 years at the prevailing 11-year EUR mid-swap rate +3.7%.

USD 625 million perpetual subordinated debt

On March 13, 2018, SCOR issued USD 625 million in perpetual deeply subordinated notes on the "Regulation S" USD market. The coupon has been set at 5.25% (until the first call date of March 13, 2029) and resets every five years thereafter at the prevailing five-year US Treasury yield plus 2.37% (no step-up).

In order to hedge the foreign exchange risk, SCOR entered into two new cross-currency swaps which exchange the principal and coupons on the USD notes into EUR and mature on March 13, 2029. See Note 8 – Insurance business investments (Derivative instruments).

USD 125 million perpetual subordinated debt

On December 17, 2019, SCOR issued USD 125 million in perpetual deeply subordinated notes on the "Regulation S" USD market. The new notes are fungible and form a single series with the existing USD 625 million in perpetual deeply subordinated notes issued on the "Regulation S" USD market on March 13, 2018. The new issued notes bear the same terms and conditions as the original notes. The coupon has been set at 5.25% (until the first call date of March 13, 2029), and resets every five years thereafter at the prevailing five-year US Treasury yield plus 2.37% (no step-up).

In order to hedge the foreign exchange risk, SCOR entered into a new cross-currency swap which exchanges the principal and coupons on the USD notes into EUR and matures on March 13, 2029. See Note 8 – Insurance business investments (Derivative instruments).

EUR 250 million dated subordinated debt

On June 5, 2015, SCOR issued EUR 250 million in dated subordinated notes on the Luxembourg EUR market, redeemable by SCOR at each interest payment date, from June 5, 2027. The coupon has been set at 3.25% (until June 5, 2027, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.20% (until June 5, 2047, the final redemption date).

EUR 600 million dated subordinated debt

On December 7, 2015, SCOR issued EUR 600 million in dated subordinated notes on the EUR market, redeemable by SCOR at each interest payment date, from June 8, 2026. The coupon has been set at 3% (until June 8, 2026, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.25% (until June 8, 2046, the final redemption date).

EUR 500 million dated subordinated debt

On May 27, 2016, SCOR issued EUR 500 million in dated subordinated notes on the EUR market, redeemable by SCOR at each interest payment date, from May 27, 2028. The coupon has been set at 3.625% (until May 27, 2028, the first call date), and resets every 10 years at the prevailing 10-year EUR mid-swap rate +3.90% (until May 27, 2048, the final redemption date).

EUR 300 million dated subordinated debt

On September 17, 2020, SCOR issued EUR 300 million in dated Tier 2 subordinated notes. The coupon has been set at 1.375% until September 17, 2031, and resets every 10 years at the prevailing 10-year EUR mid-swap rate +2.6% (until September 17, 2051, the final redemption date).

Early redemption clauses

Some provisions in the terms and conditions of the notes allow for early redemption in certain cases other than the liquidation of the issuer (e.g. tax, accounting and regulatory reasons). However, these early redemption cases are always (i) at the exclusive option of the issuer and no redemption can be imposed on the issuer by the noteholders; and (ii) subject to prior approval by the relevant supervisory authority.

Note 14.2 REAL ESTATE FINANCING

Real estate financing relates to the acquisition of investment property financed by bank loans of EUR 470 million (December 31, 2020: EUR 487 million), including real estate financing related to MRM property for EUR 76 million (December 31, 2020: EUR 77 million). The main real estate financing contracted by the Group has been used for its head office in Paris (avenue Kléber) in the amount of EUR 199 million as at December 31, 2021.

The other real estate financing – with maturities between 2022 and 2026 – is used to finance other property owned by the Group and bears fixed-rate interest or variable-rate interest indexed to 3-month. In order to hedge against interest rate risk, the Group has contracted interest rate swaps, which are accounted for as cash flow hedges (for further details, see Note 8 – Insurance business investments (Derivative instruments).

The majority of real estate financing contracts contain standard early repayment clauses and other debt covenants. Such covenants define thresholds to be respected for certain ratios, among which the loan to value (LTV) ratio, defined as the ratio between the amount of the financing and the market value of the real estate being financed, the interest coverage ratio (ICR), representing the extent to which interest expense is covered by rental income, and the debt service coverage ratio (DSCR), representing the extent to which payments of principal and interest are covered by rental income. Under existing financing contracts, the LTV ratios vary between 40% and 50% and the ICR/DSCR ratios between 387% and 502%. As at December 31, 2021, the Group is in compliance with the LTV and ICR/DSCR covenants with respect to its banking partners.

In 2021, the main changes in real estate financing were due to the reimbursement of the loan subscribed by the SCI Garigliano and the amortization of the existing loans.

Note 14.3 OTHER FINANCIAL LIABILITIES

In EUR millions	As at December 31, 2021	As at December 31, 2020
Deposits and guarantees	2	2
Lease liabilities	170	181
Other	3	2
TOTAL OTHER FINANCIAL LIABILITIES	**175**	**185**

The amount of lease liabilities was calculated in accordance with IFRS 16 – Leases. In 2021, the decrease compared to 2020 was mainly due to updating of real estate rental contracts.

Note 14.4 FINANCING EXPENSES

In EUR millions	2021	2020	2019
Interest on subordinated debt	(48)	(45)	(44)
Interest on perpetual subordinated debt	(43)	(48)	(43)
Interest on lease liabilities	(3)	(3)	(3)
Finance leases	-	-	-
Real estate financing	(17)	(15)	(14)
Other financial liabilities	(16)	(31)	(39)
TOTAL	**(127)**	**(142)**	**(143)**

The amounts presented within other financial liabilities include expenses related to letters of credit, custodian and overdraft fees, amortization of issue fees and other bank charges (commission, etc.).

Note 14.5 MATURITY

Maturity profiles are based on undiscounted contractual maturities and include contractual interest payments (including in connection with cross-currency and interest rate swaps). In respect of perpetual debt and debt with multiple reimbursement/redemption dates, the analysis below has been prepared based on the assumption that the Company will not make use of any of the early optional reimbursement/redemption dates. Perpetual debt is classified in the last column “More than 5 years” (no maturity date).

As at December 31, 2021	Debt maturity profiles				
In EUR millions	Interest rate ranges	Less than 1 year	1-5 years	More than 5 years *	Total **
Subordinated debt	1.38%-5.25%	106	196	3,864	4,166
Real estate debt	0.57%-3.57%	59	84	390	533
Lease liabilities	0.04%-5.00%	24	82	64	170
Other financial liabilities	0.07%-0.80%	2	1	2	5
TOTAL		**191**	**363**	**4,320**	**4,874**

As at December 31, 2020	Debt maturity profiles				
In EUR millions	Interest rate ranges	Less than 1 year	1-5 years	More than 5 years*	Total**
Subordinated debt	1.38%-5.25%	91	596	3,706	4,393
Real estate debt	-0.55%-4.34%	77	139	335	551
Lease liabilities	0.04%-5.00%	25	77	79	181
Other financial liabilities	0.07%-0.80%	1	1	2	4
TOTAL		**194**	**813**	**4,122**	**5,129**

* *Accrued interest on perpetual debt of EUR 13 million as at December 31, 2021 (December 31, 2020: EUR 12 million).*
** *Of the amounts above, EUR 26 million relates to variable-rate debt (December 31, 2020: EUR 13 million). These amounts exclude debt which has been swapped from a variable interest rate to a fixed interest rate.*

Note 15 EMPLOYEE BENEFITS AND OTHER PROVISIONS

Provisions are recognized when the Group has a present legal, contractual or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where the Group expects the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event for which either payment is not probable or the amount cannot be reliably estimated.

The following table summarizes the amounts included in employee benefits and other provisions:

In EUR millions	Reserves for post employment benefits	Other reserves	Total
As at January 1, 2020	**237**	**31**	**268**
Change in scope of consolidation	-	-	-
Additions	1	3	4
Utilizations	(57)	(1)	(58)
Surplus (reversed)	-	-	-
Foreign exchange rate movements	(3)	-	(3)
Actuarial and experience (gains)/losses	16	-	16
As at December 31, 2020	**194**	**33**	**227**
Change in scope of consolidation	-	-	-
Additions	9	3	12
Utilizations	(17)	(25)	(42)
Surplus (reversed)	-	-	-
Foreign exchange rate movements	2	-	2
Actuarial and experience (gains)/losses	(48)	-	(48)
AS AT DECEMBER 31, 2021	**140**	**11**	**151**

Note 15.1 PROVISIONS FOR EMPLOYEE BENEFITS

The post-employment benefits granted by the Group vary based on legal obligations and local requirements. Group employees are entitled to short-term benefits, recognized as an expense for the period by Group entities (paid leave, sick leave and profit-sharing), long-term benefits and post-employment benefits (supplementary defined benefit or defined contribution pension plans).

Pension liabilities

The Group provides retirement benefits to its employees, in accordance with the laws and practices of each country. The main plans are in France, Switzerland, the US and Germany. Group employees in some countries receive additional pension benefits, paid as an annuity or in capital upon retirement. The benefits granted to Group employees are either in the form of defined contribution or defined benefit plans. Plan assets are generally held separately from the Group's other assets.

For defined contribution plans, the employer pays fixed contributions to an external organization, with no legal or constructive obligation to pay further contributions. As a result, only contributions paid or due for the financial year are charged to the Group's statement of income as general expenses. The payments made or due by the Group are expensed in the period to which they relate.

Under defined benefit plans, an amount is paid to the employee upon retirement based on one or several factors such as age, years of service and salary. Defined benefit obligations are calculated annually by independent qualified actuaries using the projected unit credit method. They use information provided by the Group, taking into consideration actuarial assumptions such as salary increase, retirement age, mortality, turnover and discount rates. The assumptions are based on the macroeconomic environment of each country where the Group operates. Modifications to actuarial assumptions, or differences between the assumptions and actual outcomes, give rise to actuarial differences which are recorded in other comprehensive income during the period in which they occur, in accordance with Group accounting principles. The obligation recognized on the balance sheet represents the present value of the defined benefit obligation at the reporting date, less the market value of any plan assets as defined by IAS 19, where appropriate.

In assessing its liabilities under these plans, the Group uses external actuarial valuations which involve subjective judgment and estimates in respect of mortality rates, employee turnover rates, disability, early retirement, discount rates, future salary increases and pension liabilities. These assumptions may differ from actual results due to changing economic conditions, higher or lower departure rates or beneficiaries having longer or shorter life spans. These differences may result in fluctuations in pension income or expenses recorded in future years. Actuarial gains and losses arising from experience adjustments and the effects of changes in actuarial assumptions are reflected in shareholders' equity.

Changes in past service costs resulting from the adoption or modification of a defined benefit plan are fully and immediately recorded in income or expenses. If a defined benefit plan is not wholly funded, provisions are recognized.

Other long-term benefits

In some countries, the Group rewards employees for length of service by granting them a lump sum after certain periods of service. The primary country providing length-of-service awards is France. In France, the present value of the obligation is calculated annually by an independent actuary using the projected unit credit method and is recognized on the balance sheet.

Post-employment and other long-term benefits

Provisions amounted to EUR 140 million and EUR 194 million as at December 31, 2021 and 2020, including post-employment benefits related to pension plans of EUR 135 million (December 31, 2020: EUR 189 million) and provisions for other long-term benefits of EUR 5 million (December 31, 2020: EUR 5 million).

Defined contribution plans

Under defined contribution plans, the employer makes periodic contributions to an external organization which manages the administrative and financial aspects of the plans. The employer has no future obligations under the plans, as the external organization manages the payment to employees of all amounts due (e.g. statutory pension scheme, complementary pension schemes (AGIRC/ARRCO in France), defined contribution pension plans).

For the year ended December 31, 2021, a total of EUR 33 million was paid under defined contribution plans (2020: EUR 29 million; 2019: EUR 28 million). Contributions are expensed in the period to which they relate.

Defined benefit plans

Under defined benefit plans, the employer has an obligation to pay an agreed amount of benefits to current and future beneficiaries. If a defined benefit plan is not wholly funded, provisions are recognized.

Breakdown of the obligation by geographical area

Defined benefit pension plans are mainly located in Switzerland, North America, France and Germany. As at December 31, 2021, these locations represented 44%, 22%, 17% and 12%, respectively, of the Group's obligation under defined benefit plans (December 31, 2020: 45%, 22%, 15% and 13%, respectively).

These plans are mostly pre-financed via payments to external organizations which are separate legal entities.

Actuarial assumptions

	Switzerland	UK	Euro zone	US	Canada
ASSUMPTIONS AS AT DECEMBER 31, 2021					
Discount rate	0.35%	1.90%	0.90%	2.85%	3.00%
Salary increase	1.50%	-	2.50%	-	-
ASSUMPTIONS AS AT DECEMBER 31, 2020					
Discount rate	-	1.40%	0.45%	2.39%	2.35%
Salary increase	1.50%	-	2.50%	-	-
ASSUMPTIONS AS AT DECEMBER 31, 2019					
Discount rate	0.20%	2.00%	0.77%	3.17%	2.90%
Salary increase	1.50%	-	2.50%	-	-

Discount rates are defined by reference to high quality long-term corporate bonds with maturities consistent with the duration of the obligations measured. Management considers "AAA" and "AA" rated bonds to be high quality.

As at December 31, 2021 and 2020, the sensitivity of the provisions to a change in the discount rate was as follows:

	Impact on obligation*	
In EUR millions	2021	2020
Impact of an increase in the discount rate by 0.25 bps	(16)	(18)
Impact of a decrease in the discount rate by 0.25 bps	17	19

* *The impact of the change in the discount rate is recorded with an offsetting entry to other comprehensive income.*

The average duration of plans by geographical area is presented in the table below:

	Switzerland	UK	Euro zone	US	Canada	Global
Duration as at December 31, 2021	17 years	27 years	10 years	13 years	9 years	15 years
Duration as at December 31, 2020	19 years	27 years	11 years	14 years	9 years	16 years

Defined benefit pension costs

	2021				2020				2019			
In EUR millions	Total	Switzerland	Europe	North America	Total	Switzerland	Europe	North America	Total	Switzerland	Europe	North America
Service cost, net of plan amendments	6	1	5	-	(2)	(7)	5	-	11	6	5	-
Interest cost on the obligation	4	-	1	3	5	-	2	3	9	2	3	4
Interest income on plan assets	(2)	-	-	(2)	(3)	-	(1)	(2)	(5)	(2)	(1)	(2)
Actuarial (gains)/losses recognized immediately in income in respect of other long-term benefits	-	-	-	-	-	-	-	-	1	-	1	-
Administrative expenses recognized in income	1	-	-	1	1	-	-	1	1	-	-	1
(Gains)/losses on settlement	-	-	-	-	-	-	-	-	-	-	-	-
Total pension cost	**9**	**1**	**6**	**2**	**1**	**(7)**	**6**	**2**	**17**	**6**	**8**	**3**

The actual return on plan assets was EUR 32 million for the year ended December 31, 2021 (2020: EUR 13 million and 2019: EUR 25 million).

Balance sheet amounts

In EUR millions	As at December 31, 2021	As at December 31, 2020	As at December 31, 2019
Defined benefit obligation	467	475	503
Plan assets	333	281	266
Deficit	134	194	237
Asset ceiling limit	6	-	-

The following table reconciles movements in the balance sheet amounts as at December 31, 2021, 2020 and 2019:

In EUR millions	Total 2021	Switzerland	Europe	North America	Total 2020	Switzerland	Europe	North America	Total 2019	Switzerland	Europe	North America
RECONCILIATION OF DEFINED BENEFIT OBLIGATION												
Obligation as at January 1	**475**	**215**	**158**	**102**	**503**	**217**	**184**	**102**	**450**	**187**	**164**	**99**
Service cost	12	7	5	-	12	7	5	-	11	6	5	-
Interest cost on the obligation	4	-	1	3	5	-	2	3	9	2	3	4
Employee contributions	4	4	-	-	4	4	-	-	4	4	-	-
Past service cost	-	-	-	-	(14)	(14)	-	-	-	-	-	-
Acquisitions/disposals	-	-	-	-	-	-	-	-	-	-	-	-
Settlement	(6)	(6)	-	-	-	-	-	-	(11)	-	-	(11)
Benefits paid	(14)	(4)	(5)	(5)	(54)	(6)	(44)	(4)	(21)	(11)	(5)	(5)
Actuarial (gains)/losses due to changes in assumptions(1)	(30)	(16)	(7)	(7)	24	8	6	10	56	25	19	12
Actuarial (gains)/losses due to experience adjustments	6	-	5	1	2	(4)	6	-	(4)	(1)	(3)	-
Foreign exchange rate movements	16	8	1	7	(7)	3	(1)	(9)	9	5	1	3
Obligation as at December 31	**467**	**208**	**158**	**101**	**475**	**215**	**158**	**102**	**503**	**217**	**184**	**102**
RECONCILIATION OF THE FAIR VALUE OF PLAN ASSETS												
Fair value of assets as at January 1	**281**	**182**	**35**	**64**	**266**	**174**	**35**	**57**	**248**	**159**	**30**	**59**
Interest income on plan assets	2	-	-	2	3	-	1	2	5	2	1	2
Employer contributions	17	6	5	6	57	7	44	6	15	6	6	3
Employee contributions	4	4	-	-	4	4	-	-	4	4	-	-
Acquisitions/disposals	-	-	-	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	(11)	-	-	(11)
Benefit payments	(14)	(4)	(5)	(5)	(54)	(6)	(44)	(4)	(21)	(11)	(5)	(5)
Actuarial (gains)/losses due to experience adjustments	30	18	3	9	10	1	-	9	20	10	2	8
Administration expenses paid	(1)	-	-	(1)	(1)	-	-	(1)	(1)	-	-	(1)
Foreign exchange rate movements	14	8	1	5	(4)	2	(1)	(5)	7	4	1	2
Fair value of assets as at December 31	**333**	**214**	**39**	**80**	**281**	**182**	**35**	**64**	**266**	**174**	**35**	**57**
FUNDED STATUS AS AT DECEMBER 31	**134**	**(6)**	**119**	**21**	**194**	**33**	**123**	**38**	**237**	**43**	**149**	**45**
Asset ceiling limit	6	6	-	-	-	-	-	-	-	-	-	-
Accrued/(prepaid)	**140**	**-**	**119**	**21**	**194**	**33**	**123**	**38**	**237**	**43**	**149**	**45**
Analysis of funded status												
Funded or partially funded obligation as at December 31	365	208	62	95	371	209	66	96	372	213	63	96
Fair value of plan assets as at December 31	**333**	**214**	**39**	**80**	**281**	**182**	**35**	**64**	**266**	**174**	**35**	**57**
FUNDED STATUS AS AT DECEMBER 31 – DEFICIT	**32**	**(6)**	**23**	**15**	**90**	**27**	**31**	**32**	**106**	**39**	**28**	**39**
Unfunded obligation as at December 31	102	-	96	6	104	6	92	6	131	4	121	6
Asset ceiling limit	6	6	-	-	-	-	-	-	-	-	-	-
TOTAL FUNDED STATUS AS AT DECEMBER 31 – DEFICIT	**140**	**-**	**119**	**21**	**194**	**33**	**123**	**38**	**237**	**43**	**149**	**45**

(1) Actuarial (gains)/losses due to changes in assumptions include for 2021 actuarial (gains)/losses due to changes in financial assumptions for EUR (22) million (2020: EUR 25 million) and actuarial (gains)/losses due to changes in demographic assumptions for EUR (8) million (2020: EUR 0 million).

The following table summarizes the movements in accrued and prepaid balances recorded in the balance sheet as at December 31, 2021, 2020 and 2019:

In EUR millions	Total 2021	Switzerland	Europe	North America	Total 2020	Switzerland	Europe	North America	Total 2019	Switzerland	Europe	North America
Accrued/(prepaid) as at January 1	**194**	**33**	**123**	**38**	**237**	**43**	**149**	**45**	**202**	**28**	**134**	**40**
Total pension cost	9	1	6	2	1	(7)	6	2	17	6	8	3
Benefits paid by the employer	-	-	-	-	-	-	-	-	-	-	-	-
Employer contributions	(17)	(6)	(5)	(6)	(57)	(7)	(44)	(6)	(15)	(6)	(6)	(3)
Acquisitions/disposals	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (gains)/losses immediately recognized in other comprehensive income	(48)	(28)	(5)	(15)	16	3	12	1	31	14	13	4
Foreign exchange rate movements	2	-	-	2	(3)	1	-	(4)	2	1	-	1
ACCRUED/(PREPAID) AS AT DECEMBER 31	**140**	**-**	**119**	**21**	**194**	**33**	**123**	**38**	**237**	**43**	**149**	**45**

Plan assets

The following table shows the breakdown of plan assets as at December 31, 2021 and 2020:

In EUR millions	Total	Switzerland	Europe	North America
2021				
Equity securities	123	26%	53%	57%
Debt securities	142	57%	11%	21%
Real estate	33	16%	-	-
Insurance contracts	12	-	31%	-
Other	23	1%	5%	22%
TOTAL	**333**	**100%**	**100%**	**100%**
2020				
Equities	98	24%	46%	59%
Debt securities	132	59%	12%	31%
Real estate	30	16%	-	-
Insurance contracts	12	-	35%	-
Other	9	1%	7%	10%
TOTAL	**281**	**100%**	**100%**	**100%**

As at December 31, 2021, employer contributions for the year ahead are expected to amount to EUR 14 million (December 31, 2020: EUR 13 million).

Note 15.2 OTHER PROVISIONS

As at December 31, 2021, other provisions in the amount of EUR 11 million (December 31, 2020: EUR 33 million) mainly include EUR 7 million in provisions for litigation (December 31, 2020: EUR 22 million) and EUR 4 million in contingent liabilities related to the Generali US acquisition in 2013 (December 31, 2020: EUR 4 million). For more information on litigation, see Note 26 – Litigation.

Note 16 NET CONTRACT LIABILITIES

Reinsurance reserves

The Group maintains reserves to cover its estimated liability for future claims and benefit payments under reinsurance treaties in respect of known events and incurred but not reported (IBNR) events. Reserves are reviewed by management during the year, using new information as soon as it is available, and are adjusted if necessary. Management considers many factors when establishing reserves, including:

- information from ceding companies;
- historical developments, such as reserve patterns, claims payments, number of claims to be paid and product mix;
- the Group's internal analysis methods;
- most recent legal interpretations concerning coverage and liabilities;
- economic conditions;
- biometric developments, such as mortality, morbidity and longevity; and
- socio-economic factors, such as policyholder behavior.

Reinsurance reserves are presented gross excluding the share retroceded to reinsurers and are measured at the level of individual reinsurance contracts or at the level of groups of contracts with similar characteristics. Retroceded reserves are estimated using the same methods and assumptions and are presented as assets.

P&C business

In determining the amount of its reserves, the Group uses actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. The reserves are also adjusted to reflect the volume of business written, reinsurance contract terms and conditions and different claims handling processes, all of which may potentially affect the Group's liability over time.

However, it is difficult to accurately determine the amount of reserves required, especially in view of changes in the legal environment, including civil liability law, which may impact the development of the reserves. While this process is complicated and subjective for ceding companies, the uncertainties inherent in these estimates are even greater for the reinsurer, primarily because of the longer time period between the date of occurrence of an event and the request for payment of the claim to the reinsurer, the variety of contract development schemes, whether treaty or facultative, the dependence on ceding companies for information regarding claims, and different reserving practices among ceding companies. In addition, trends that have affected the development of liabilities in the past may not necessarily reoccur or affect liability development to the same degree in the future. Thus, actual losses and policy benefits may deviate, perhaps significantly, from the estimated reserves reflected in the Group's consolidated financial statements.

Reserves for claims and claims settlement expenses are recognized to cover payments in respect of reinsurance losses that have occurred but have not yet been settled. They are recognized for reinsurance losses reported before the reporting date and for IBNR claims, and are calculated based on their ultimate, undiscounted cost, except for workplace accident claims in the US, annuity payments on Motor Liability and Medical Malpractice which are discounted.

Life business

In the Life business, contract liabilities include mathematical reserves, unearned premiums reserves and claim reserves.

Mathematical reserves are recorded for expected claims and benefit payments to ceding companies in Life reinsurance. Mathematical reserves are calculated as the present value of future payments to cedents less the present value of premiums still payable. The calculation includes assumptions relating to mortality, morbidity, longevity, disability and lapses, as well as future projected interest rates and expenses. The actuarial methods used provide an adequate safety margin against the risk of change, error or random fluctuation.

Reserves for claims and claims settlement expenses are recognized to cover payments in respect of reinsurance losses that have occurred but have not yet been settled. They are recognized for reinsurance losses reported before the reporting date and for IBNR claims.

Unearned premiums reserves (P&C and Life business)

Unearned premiums reserves correspond to the portion of written premiums that are allocated to future risk periods.

Retrocessionaires' share (P&C and Life business)

The share of retrocessionaires in insurance and investment contract liabilities is calculated according to contractual conditions based on gross reinsurance reserves. Allowances are established for estimated credit risks.

Contracts not meeting risk transfer criteria

Reserves for financial contract liabilities and financial reinsurance contract liabilities are recognized for reinsurance contracts that do not meet the risk transfer criteria described in IFRS 4.

Liability adequacy test

Assets and liabilities relating to reinsurance contracts are subject each year to a liability adequacy test under IFRS 4.

For the P&C segment, the test is performed in the event the ultimate underwriting combined ratio is in excess of 100% of the unearned premium reserve, net of deferred acquisition costs. The liability adequacy test is performed at the level of the actuarial segment and then aggregated at the entity level.

The liability adequacy test for the Life segment compares the carrying amount of the reserves, less deferred acquisition costs and value of business acquired, with the fair value of the liabilities from the reinsurance portfolio recognized. Fair value is calculated as the present value of the projected future cash flows using current actuarial assumptions and inputs. In case of deficiency, SCOR would impair deferred acquisition costs and value of business acquired and increase reserves. The liability adequacy test is performed at the level of portfolios that are managed together and are subject to broadly similar risks.

Embedded derivatives

Derivatives embedded in reinsurance contracts that meet the definition of an insurance contract and are closely linked with the features and risks of the host contract are not separated from the host contract and are measured together with the reinsurance host contract.

Derivatives embedded in reinsurance contracts that do not meet the definition of an insurance contract are separated from the host contract and measured at fair value in accordance with IAS 39, with changes in fair value recognized in income.

	As at December 31, 2021			As at December 31, 2020		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
GROSS CONTRACT LIABILITIES						
Gross claim reserves	8,145	16,162	24,307	7,163	13,001	20,164
Mathematical reserves	7,400	-	7,400	6,994	-	6,994
Unearned premiums reserves	172	3,581	3,753	173	2,831	3,004
Total gross insurance contract liabilities	**15,717**	**19,743**	**35,460**	**14,330**	**15,832**	**30,162**
Financial contracts	-	372	372	-	339	339
Total gross contract liabilities	**15,717**	**20,115**	**35,832**	**14,330**	**16,171**	**30,501**
REINSURANCE RECOVERABLE						
Ceded claims reserves & claims expense reserves	(1,487)	(1,833)	(3,320)	(624)	(971)	(1,595)
Ceded mathematical reserves	(416)	-	(416)	56	-	56
Ceded unearned premiums reserves	(12)	(388)	(400)	-	(242)	(242)
Ceded contract liabilities	**(1,915)**	**(2,221)**	**(4,136)**	**(568)**	**(1,213)**	**(1,781)**
NET CONTRACT LIABILITIES	**13,802**	**17,894**	**31,696**	**13,762**	**14,958**	**28,720**

Reinsurance reserves are subject to the use of estimates. Settlements in respect of reinsurance reserves are usually not fixed, neither in amount nor by due date. Liquidity information in respect of reinsurance reserves is included in the Universal Registration Document, in Section 3.1.5 – Liquidity risks.

An aging analysis of reinsurance assets is included in the Universal Registration Document, in Section 3.2.5 – Management of credit risks.

See Note 2 – Significant events of the year and Covid-19, for information on the impact of the Covid-19 pandemic.

Note 16.1 SCOR GLOBAL P&C

The first table of this section presents net reinsurance reserves, net unearned premiums reserves and net deferred acquisition costs over a ten-year period, recorded at the exchange rates applicable at each corresponding reporting date.

The next table of the section provides Non-Life claims development information per underwriting year and reporting period, taking into account the neutralization of fluctuations in foreign exchange rates.

A significant portion of SCOR Global P&C's reinsurance reserves are denominated in currencies other than EUR. To permit an analysis of claims developments excluding the impact of foreign exchange rate movements, all figures are translated into EUR at the prevailing rates as at the reporting date.

The first part of the table shows net incurred losses as the sum of paid claims, claims handling expenses and changes in reinsurance reserves and provisions for late claims, net of external retrocession.

The second part of the table shows net paid claims at constant exchange rates.

Lastly, the third part of the table presents net earned premiums per underwriting year at the exchange rates applicable at each corresponding reporting date.

In EUR millions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross claims reserves & estimates – end of year[1]	10,602	10,857	10,691	11,088	11,750	11,784	12,318	12,815	13,253	13,001	16,162
Ceded claims reserves & estimates – end of year[1]	765	690	629	619	634	660	1,175	1,283	1,300	971	1,833
Net claims reserves & estimates – end of year	9,837	10,167	10,062	10,469	11,116	11,124	11,143	11,532	11,953	12,030	14,329
UNEARNED PREMIUMS RESERVES (UPR)											
Gross UPR – end of year	1,516	1,683	1,663	1,938	2,239	2,261	2,270	2,496	2,980	2,831	3,581
Ceded UPR – end of year	84	93	101	142	187	167	160	208	275	242	388
Net UPR – end of year	1,432	1,590	1,562	1,796	2,052	2,094	2,110	2,288	2,705	2,589	3,193
DEFERRED ACQUISITION COSTS (DAC)											
Gross DAC – end of year	325	359	379	441	536	551	560	615	735	665	778
Ceded DAC – end of year	5	7	8	10	14	13	9	25	34	27	33
Net DAC – end of year	320	352	371	431	522	538	551	590	701	638	745

In EUR millions	≤2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NET CLAIMS INCURRED TRIANGLES[2]											
Current year	-	1,707	1,825	1,749	1,805	1,873	2,257	2,276	2,272	2,138	2,896
1 year later	-	2,788	2,893	2,930	2,977	3,336	3,728	3,920	4,216	3,977	-
2 years later	-	2,801	2,874	2,984	3,059	3,468	3,872	4,169	4,379	-	-
3 years later	-	2,759	2,812	2,999	2,990	3,450	3,883	4,182	-	-	-
4 years later	-	2,727	2,788	2,956	3,000	3,466	3,913	-	-	-	-
5 years later	-	2,760	2,728	2,918	3,001	3,481	-	-	-	-	-
6 years later	-	2,704	2,700	2,919	3,036	-	-	-	-	-	-
7 years later	-	2,702	2,698	2,920	-	-	-	-	-	-	-
8 years later	-	2,692	2,685	-	-	-	-	-	-	-	-
9 years later	-	2,683	-	-	-	-	-	-	-	-	-
10 years later	(13)	-	-	-	-	-	-	-	-	-	-
NET CLAIMS PAID TRIANGLES[2]											
Current year	-	55	76	73	36	69	116	(5)	(3)	42	74
1 year later	-	976	1,081	1,094	981	1,197	1,557	1,520	1,424	1,065	-
2 years later	-	1,458	1,559	1,540	1,470	1,834	2,147	2,229	2,161	-	-
3 years later	-	1,930	2,059	2,199	2,169	2,531	2,899	2,833	-	-	-
4 years later	-	2,060	2,202	2,349	2,359	2,738	3,093	-	-	-	-
5 years later	-	2,171	2,292	2,437	2,492	2,853	-	-	-	-	-
6 years later	-	2,261	2,380	2,529	2,582	-	-	-	-	-	-
7 years later	-	2,330	2,430	2,577	-	-	-	-	-	-	-
8 years later	-	2,363	2,467	-	-	-	-	-	-	-	-
9 years later	-	2,388	-	-	-	-	-	-	-	-	-
10 years later	155	-	-	-	-	-	-	-	-	-	-
Earned premium[2]	**155**	**25**	**37**	**48**	**90**	**115**	**194**	**604**	**737**	**1,023**	**74**

(1) At period-end exchange rates.
(2) At constant exchange rates.

The table below presents a reconciliation of SCOR Global P&C's opening and closing claims reserves and incurred claims for the years ended December 31, 2021 and 2020.

In EUR millions	2021	2020
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT JANUARY 1	**13,001**	**13,253**
Ceded claims reserves and claims estimates as at January 1	**(971)**	**(1,300)**
Net claims reserves and claims estimates as at January 1	**12,030**	**11,953**
Remeasurement at year-end exchange rates	444	(573)
Net claims reserves and claims estimates as at January 1 – remeasured	**12,474**	**11,380**
Net claims incurred during the year	2,896	2,063
Net claims incurred during prior years	2,061	2,071
Total net claims incurred	**4,957**	**4,134**
Claims payments during the year	(74)	(39)
Claims payments during prior years	(3,028)	(3,445)
Total claims payments	**(3,102)**	**(3,484)**
Other movements	-	-
Net claim reserves and claims estimates as at December 31	**14,329**	**12,030**
Ceded claims reserves and claims estimates as at December 31	**(1,833)**	**(971)**
GROSS CLAIMS RESERVES AND CLAIMS ESTIMATES AS AT DECEMBER 31	**16,162**	**13,001**

Net claim reserves as at December 31, 2021 for the 2021 events included in the natural catastrophes ratio

Net claim reserves as at December 31, 2021 corresponding to the 2021 events that impacted the natural catastrophes ratio amount to EUR 704.5 million and mainly comprise the following events :

- Hurricane IDA (August 2021): EUR 131.6 million;
- European flooding (July 2021): EUR 181.3 million;
- US severe winter storm (February 2021): EUR 159.0 million.

Analysis of asbestos & environmental IBNR reserves and claims paid

	For the year ended December 31			
	Asbestos		Environment	
	2021	2020	2021	2020
Gross reserves, including IBNR reserves *(in EUR millions)*	45	49	5	5
% of Non-Life gross reserves	0.3%	0.3%	0.0%	0.0%
Claims paid *(in EUR millions)*	4	6	1	1
Net % of Group Non-Life claims paid	0.1%	0.2%	0.0%	0.0%
Actual number of claims reported under non-proportional and facultative treaties *(in units)*	11,321	11,268	8,680	8,641
Average cost per claim *(in EUR)*[1]	21,486	20,114	5,303	4,892

(1) Excluding claims which do not incur any cost and claims reported only for precautionary reasons and whose amount is not measured.

Note 16.2 SCOR GLOBAL LIFE

The change in SCOR Global Life's mathematical reserves for the years ended December 31, 2021 and 2020 is as follows:

In EUR millions	2021	2020
Gross mathematical reserves as at January 1	**6,994**	**7,884**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	278	(726)
Foreign exchange rate movements	128	(164)
Gross mathematical reserves as at December 31	**7,400**	**6,994**
Share of retrocessionaires in mathematical reserves	**-**	**-**
Ceded mathematical reserves as at January 1	**56**	**33**
Change in scope of consolidation	-	-
Change in reserves from portfolio movements and actuarial calculation	(474)	34
Foreign exchange rate movements	2	(11)
Ceded mathematical reserves as at December 31	**(416)**	**56**
NET MATHEMATICAL RESERVES AS AT JANUARY 1	**7,050**	**7,917**
NET MATHEMATICAL RESERVES AS AT DECEMBER 31	**6,984**	**7,050**

Liability adequacy test

The liability adequacy test conducted at each reporting date did not detect any deficiency for either SCOR Global P&C or SCOR Global Life.

Rating: Share of retrocessionaires in contract liabilities

The share of retrocessionaires in contract liabilities and the amounts received by SCOR as collateral break down as follows by the retrocessionaires' credit rating as at December 31, 2021 and 2020:

In EUR millions	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2021
Share of retrocessionaires in contract liabilities	**-**	**898**	**2,460**	**103**	**13**	**662**	**4,136**
Securities pledged	-	-	18	5	-	927	950
Deposits received	-	265	339	20	-	23	647
Letters of credit	-	3	114	-	-	10	127
Total collateral received by SCOR from retrocessionaires(1)	**-**	**268**	**471**	**25**	**-**	**960**	**1,724**
Share of retrocessionaires in contract liabilities net of collateral	**-**	**630**	**1,989**	**78**	**13**	**(298)(2)**	**2,412**

(1) The total collateral from retrocessionaires is related to the contract liabilities recorded in the balance sheet and also to potential losses that have not yet occurred.
(2) To limit credit risk related to retrocessionaires, certain unrated retrocessionaires are obliged to pledge securities for the value of their maximum potential contractual obligations, even if the actual retrocessionaire liability recorded in SCOR's balance sheet is lower.

In EUR millions	AAA	AA	A	BBB	< BBB	Not rated	Total as at December 31, 2020
Share of retrocessionaires in contract liabilities	**-**	**451**	**846**	**60**	**9**	**415**	**1,781**
Securities pledged	-	-	18	5	-	600	623
Deposits received	-	24	294	19	-	50	387
Letters of credit	-	15	113	-	-	9	137
Total collateral received by SCOR from retrocessionaires(1)	**-**	**39**	**425**	**24**	**-**	**659**	**1,147**
Share of retrocessionaires in contract liabilities net of collateral	**-**	**412**	**421**	**36**	**9**	**(244)(2)**	**634**

(1) The total collateral from retrocessionaires is related to the contract liabilities recorded in the balance sheet and also to potential losses that have not yet occurred.
(2) To limit credit risk related to retrocessionaires, certain unrated retrocessionaires are obliged to pledge securities for the value of their maximum potential contractual obligations, even if the actual retrocessionaire liability recorded in SCOR's balance sheet is lower.

Note 17 STOCK OPTIONS AND SHARE ALLOCATIONS

The Group has set up various long-term equity compensation plans (stock options and free shares) in favor of some of its employees and corporate officers. The terms of these plans are defined and authorized or validated by its Board of Directors at the allocation date. The plans are equity settled only.

The allocations result in the recognition of personnel costs, with a corresponding increase in equity over the vesting period.

The total amount recognized over the vesting period is measured by reference to the fair value of the instruments allocated, and to potential forfeits due to non-compliance with service or performance conditions, when they are not linked to the stock price. At each reporting date, the number of instruments that are expected to vest is reviewed and the impact of any adjustments to the initial estimates is recognized in the statement of income, with a corresponding adjustment to equity over the remaining vesting period.

The dilutive effect of the instruments allocated is reflected in the diluted earnings per share calculation.

The total expense for share-based payments was EUR 36 million in 2021 (2020: EUR 32 million and 2019: EUR 32 million), of which EUR 1 million (2020: EUR 1 million and 2019: EUR 1 million) relating to stock options allocated under the 2017 to 2021 plans (2020: 2016 to 2020 and 2019: 2015 to 2019) and EUR 35 million (2020: EUR 31 million and 2019: EUR 31 million) relating to free shares allocated under the 2015 to 2021 plans (2020: 2014 to 2020 and 2019: 2013 to 2019).

The share-based payment plans are described below.

Note 17.1 STOCK OPTION PLANS

The Group allocates stock purchase or subscription option plans to its employees and corporate officers under the following terms:

Plan	Date of allocation by the Board	Date of exercise of the options	Date of expiration of the plan	Exercise price *in EUR*	Number of shares under options
2011	March 22, 2011	March 23, 2015	March 23, 2021	19.71	703,500
2011	September 1, 2011	September 2, 2015	September 2, 2021	15.71	308,500
2012	March 23, 2012	March 24, 2016	March 24, 2022	20.17	938,000
2013	March 21, 2013	March 22, 2017	March 22, 2023	22.25	716,000
2013	October 2, 2013	October 3, 2017	October 3, 2023	24.65	170,000
2013	November 21, 2013	November 22, 2017	November 22, 2023	25.82	25,000
2014	March 20, 2014	March 21, 2018	March 21, 2024	25.06	694,875
2014	December 1, 2014	December 2, 2018	December 2, 2024	24.41	9,000
2015	March 20, 2015	March 21, 2019	March 21, 2025	29.98	669,131
2015	December 18, 2015	December 19, 2019	December 19, 2025	35.99	45,250
2016	March 10, 2016	March 11, 2020	March 11, 2026	31.58	631,368
2016	December 1, 2016	December 2, 2020	December 2, 2026	29.57	750
2017	March 10, 2017	March 11, 2021	March 11, 2027	33.78	480,000
2017	December 1, 2017	December 2, 2021	December 2, 2027	34.75	145,410
2018	March 8, 2018	March 9, 2022	March 9, 2028	35.10	380,000
2018	December 22, 2018	December 23, 2022	December 23, 2028	40.81	198,088
2019	March 7, 2019	March 8, 2023	March 8, 2029	38.66	428,000
2019	October 25, 2019	October 26, 2023	October 26, 2029	37.11	148,140
2020	April 28, 2020	April 29, 2024	April 29, 2030	21.43	428,000
2020	November 5, 2020	November 6, 2024	November 6, 2030	23.31	189,326
2021	March 1, 2021	March 2, 2025	March 2, 2031	27.53	480,000
2021	August 1, 2021	August 2, 2025	August 2, 2031	24.93	14,000
2021	November 1, 2021	November 2, 2025	November 2, 2031	24.94	228,566

The stock options can be exercised after four years, regardless of whether the employee is still actively employed by the Group.

The terms and conditions of the stock option plans of March 1, 2021, August 1, 2021 and November 1, 2021, which are similar to those previously granted by SCOR, provide that the options allocated can be exercised at the earliest four years after the grant date, if the presence condition is met in addition to the satisfaction of certain performance conditions, which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfillment of the corporate social responsibility (CSR) training obligation, on the SCOR Group's ROE, on the solvency ratio and on the Total Shareholder Return (TSR) of SCOR among a panel of peers (in 2021, 2022 and 2023 for the three last conditions).

The table below presents movements in the stock option plans and the number of stock options outstanding at the end of the year, along with the average corresponding exercise price.

	2021		2020	
	Number of options	Average exercise price in EUR per share	Number of options	Average exercise price in EUR per share
Outstanding options as at January 1	4,575,955	23.78	4,481,085	29.39
Options granted during the period	570,866	26.43	617,326	22.01
Options exercised during the period	356,000	20.46	189,700	18.44
Options expired during the period	4,000	19.71	36,500	18.40
Options forfeited during the period	350,278	32.30	296,256	32.25
Outstanding options at December 31	**4,436,543**	**28.85**	**4,575,955**	**23.78**
Exercisable at December 31	**2,501,013**	**27.53**	**2,510,531**	**25.61**

The average remaining contractual life of the options was 5.13 years in 2021 (5.30 years in 2020).

The fair value of the options is estimated using the Black-Scholes method, which takes into account the terms and conditions under which the options were allocated. The following table shows the characteristics used in 2021, 2020 and 2019:

	November 1, 2021 plan	August 1, 2021 plan	March 1, 2021 Plan	November 5, 2020 Plan	April 28, 2020 Plan	October 25, 2019 Plan	March 7, 2019 Plan
Fair value at the allocation date *(in EUR)*	3.22	1,61	2.27	1.22	2.59	2.29	2.18
Exercise price *(in EUR)*	24,94	24,93	27,53	23,31	21,43	37.11	38.66
Exercise period	4 years	4 years	4 years	4 years	4 years	4 years	4 years
Historical volatility(1)	29.03%	28.83%	25.48%	25.53%	20.16%	18.56%	18.18%
Dividend	6.22%	7.63%	6.36%	7.87%	5.74%	5.00%	5.00%
Risk-free interest rate	(0.178)%	(0.525)%	(0.567)%	(0.700)%	(0.628)%	(0.604)%	(0.360)%

(1) The historical volatility used to determine the fair value of stock options is based on the historical volatility over periods corresponding to the expected average life of the options allocated, which is partially adjusted to eliminate extreme deviations and to better reflect long-term trends.

Note 17.2 FREE SHARE ALLOCATION PLANS

The Group allocates free shares to its employees under the following terms:

Date of allocation	Date of vesting	Number of shares originally allocated	Estimated price on the allocation date *(in EUR)*
March 5, 2013 (LTIP)	March 6, 2021	232,500	22.22
March 4, 2014 (LTIP)	March 5, 2020	31,500	24.70
March 4, 2014 (LTIP)	March 5, 2022	88,500	24.70
March 4, 2015	March 5, 2017	240,000	29.36
March 4, 2015 (LTIP)	March 5, 2021	40,000	29.36
December 18, 2015 (LTIP)	December 19, 2021	106,432	34.59
February 23, 2016 (LTIP)	February 24, 2022	257,732	31.82
February 21, 2017	February 22, 2020	505,000	32.72
February 21, 2017 (LTIP)	February 22, 2023	50,000	32.72
December 1, 2017	December 2, 2020	728,612	34.08
December 1, 2017 (LTIP)	December 2, 2023	232,238	34.08
February 21, 2018	February 22, 2021	475,000	35.81
December 22, 2018	December 23, 2021	841,082	37.88
December 22, 2018 (LTIP)	December 23, 2024	96,596	37.88
December 23, 2018	December 24, 2021	249,923	37.88
February 19, 2019	February 20, 2022	535,000	38.32
February 19, 2019 (LTIP)	February 20, 2025	205,000	38.32
October 23, 2019	October 24, 2022	890,800	36.90
October 23, 2019 (LTIP)	October 24, 2025	91,798	36.90
April 28, 2020	April 29, 2023	535,000	26.12
November 5, 2020	November 6, 2023	1,188,385	22.86
November 5, 2020 (LTIP)	November 6, 2026	68,280	22.86
March 1, 2021	March 2, 2024	413,875	28.28
August 1, 2021	August 2, 2024	15,000	23.59
November 1, 2021	November 2, 2024	1,374,611	28.95
November 1, 2021 (LTIP)	November 2, 2027	128,541	28.95

All grants under the free share plans of March 1, 2021, August 1, 2021 and November 1, 2021 (except LTIP) are subject to a three-year presence condition, and to performance conditions which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct, on the fulfillment of the corporate social responsibility (CSR) training obligation, on the SCOR Group's ROE, on the solvency ratio and on the Total Shareholder Return (TSR) of SCOR among a panel of peers in 2021, 2022 and 2023.

All shares granted under the "LTIP" plan of November 1, 2021 are subject to a six-year presence condition and to performance conditions which are based on the strict compliance with the Group's ethical principles as set out on the Group's code of conduct (the "Group Code of Conduct"), on the fulfillment of the corporate social responsibility (CSR) training obligation, on the solvency ratio, on the SCOR Group's ROE and on the Total Shareholder Return (TSR) of SCOR among a panel of peers between 2021 and 2026.

The fair value of the free shares corresponds to the market value adjusted for dividends and non-transferability costs, estimated using a forward acquisition/disposal method. The following table shows the characteristics used in 2021, 2020 and 2019:

	November 1, 2021 Plan (LTIP)	November 1, 2021 Plan	August 1, 2021 Plan	March 1, 2021 Plan	November 5, 2020 Plan 1	November 5, 2020 Plan 2
Fair value *(in EUR)*	18.13	21.62	16.43	21.45	15.69	14.22
Vesting period	6 years	3 years	3 years	3 years	3 years	3 years
Dividend	6.22%	6.22%	7.63%	6.36%	7.87%	7.87%

	November 5, 2020 Plan (LTIP)	April 28, 2020 Plan	October 23, 2019 Plan	October 23, 2019 Plan (LTIP)	February 19, 2019 Plan	February 19, 2019 Plan (LTIP)
Fair value *(in EUR)*	12.59	21.99	31.76	27.34	32.98	28.39
Vesting period	6 years	3 years	3 years	6 years	3 years	6 years
Dividend	7.87%	5.74%	5.00%	5.00%	5.00%	5.00%

Note 18 INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax expense is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period in countries where the Group's subsidiaries and branches operate and generate taxable income. Management periodically evaluates the positions taken to prepare tax returns. Assessing the outcome of uncertain tax positions requires judgments to be made regarding the result of negotiations with, and inquiries from, tax authorities in a number of jurisdictions. An entity needs to consider whether an uncertain tax treatment will be accepted by the tax authorities. If acceptance is considered probable, no provision is required. If acceptance is not considered probable, the uncertainty must be reflected by determining an expected value or the most likely amount. SCOR considers uncertain tax positions individually and measures the most likely amount. Provisions for tax contingencies also require management to make judgments and estimates about tax issues and exposures. The amounts recognized are based on its interpretation of country-specific tax law and the likelihood of a settlement. Tax benefits are recognized in the statement of income only when it is probable that the position taken can be defended. In arriving at the position, management reviews each material tax benefit to assess whether a provision should be taken against the recognition of the benefit, taking into consideration any settlement that may be reached through negotiation with the tax authorities and/or litigation.

Deferred taxes are recognized using the balance sheet liability method, for all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount on the balance sheet.

The main temporary differences arise from tax losses carried forward and the remeasurement of certain financial assets and liabilities, including derivative contracts, certain insurance contract liabilities and provisions for pensions and other post-employment benefits. In addition, temporary differences arise on acquisitions due to differences between the fair value of the net assets acquired and their tax base. Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries, equity-accounted companies and joint ventures, except where it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not recognized in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortization is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable income or loss at the time of the transaction.

Deferred tax assets are recognized in respect of losses carried forward to the extent that it is probable that future taxable income will be available against which they can be offset. Management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. SCOR uses a discounted cash flow model comprising forecasted earnings and other financial ratios for the entity concerned, based on Boardapproved business plans that incorporate the key drivers of the underwriting result. Business plans include assessments of expected gross and net premiums, expected loss -ratios and expected general expense ratios, together with actuarial assumptions. To the extent that losses carried forward cannot be utilized or expire, deferred income tax expenses may be recorded in the future.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rate applicable in the financial year in which the asset will be realized or the liability settled, based on the tax rates (and tax regulations) that have been enacted or substantially enacted at the reporting date.

Note 18.1 INCOME TAX EXPENSE

The main components of corporate income taxes for the years ended December 31, 2021, 2020 and 2019 are presented below:

In EUR millions	2021	2020	2019
AMOUNTS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME			
Current tax – current year	(296)	(175)	(157)
Current tax adjustments – prior years	(3)	(5)	(4)
Deferred taxes due to temporary differences	16	31	(60)
Deferred taxes from tax losses carried-forward	75	59	74
Changes in deferred taxes due to changes in tax rates	1	(16)	-
Corporate income tax (expense)/benefit reported in the statement of income	**(207)**	**(106)**	**(147)**
TOTAL INCOME TAX (EXPENSE)/BENEFIT REPORTED IN THE STATEMENT OF INCOME	**(207)**	**(106)**	**(147)**
INCOME TAX (EXPENSE)/BENEFIT REPORTED IN EQUITY	**68**	**(32)**	**(103)**

Note 18.2 RECONCILIATION OF EXPECTED TO ACTUAL CORPORATE INCOME TAX EXPENSE

A reconciliation of the income tax expense, obtained by applying the French tax rate of 28.41% for 2021, 32.02% for 2020 and 34.43% for 2019 to income/(loss) before corporate income tax and excluding the share in results of associates, to the actual corporate income tax expense recorded in the consolidated statement of income is presented in the table below. The effective tax rate in 2021 is 30.9% (2020: 31.5% and 2019: 25.7%).

The main reconciling items are due to the difference between the local corporate income tax rate of each taxable entity and the French tax rate, permanent differences reported by each entity, reduced tax rates for certain transactions and other specific items.

In EUR millions	2021	2020	2019
Income before corporate income tax (excluding share in net income/(loss) of equity-accounted companies)	**668**	**337**	**570**
Theoretical corporate income tax (expense)/benefit at 28.41% (for 2021), 32.02% (for 2020) and 34.43% (for 2019)	(190)	(108)	(196)
RECONCILING ITEMS TO ACTUAL CORPORATE INCOME TAX (EXPENSE)/BENEFIT			
Differences between French and local corporate income tax rates	54	38	63
Tax-exempt income	10	11	7
Non-deductible expenses	(24)	(25)	(29)
Recognition of deferred tax assets, net	(27)	-	(1)
Change in tax risk provision	(5)	(4)	26
Non creditable/refundable withholding tax	(7)	(4)	(3)
Movements in provisions for tax contingencies	1	(16)	-
Share-based payments	2	(4)	(4)
Prior-year corporate income tax	(7)	18	(8)
Other	(14)	(12)	(2)
ACTUAL CORPORATE INCOME TAX (EXPENSE)/BENEFIT	**(207)**	**(106)**	**(147)**

Differences between French and local corporate income tax rates result from the difference between the tax calculated at the level of each entity with the applicable standard rate and the tax calculated using the 28.41% French tax rate applicable to SCOR SE.

As part of standard procedure for reviewing the Group's tax positions, income tax risk provisions have been reviewed and adjusted.

Current income tax for prior years results mainly from timing differences between the date of approval of the financial statements and the filing dates of the corporate tax returns and as regards 2020, from the carryback of tax losses incurred by US entities taxed at the current tax rate of 35% (2017 and earlier) after a deferred tax asset was recognized at today's current tax rate of 21% (Coronavirus Aid, Relief, and Economic Security Act – CARES Act).

French corporate tax rate

For 2021, the global French corporate income tax rate is 28.41% for companies with revenues exceeding EUR 250 million, as provided for by the 2020 French Finance Bill.

For companies with revenues exceeding EUR 250 million, the overall French corporate income tax rate was 32.02% for 2020 and 34.43% for 2019.

The progressive decrease in the corporate income tax rate will result in an overall French corporate income tax rate of 25.83% from 2022 as provided for by the 2018 French Finance Bill.

US corporate tax rate

On December 22, 2017, the US Congress enacted the Tax Cuts and Jobs Act (TCJA), which introduced a new minimum tax regime called the Base Erosion and Anti-Abuse Tax (BEAT). Starting in 2019, the BEAT added a 5% tax on all deductible payments by US entities to non-US affiliates, specifically reinsurance premiums. The BEAT increased to 10% for financial years beginning in 2019 and will further increase to 12.5% for financial years beginning in 2026 or later. More precisely, the BEAT is payable if, calculated on a modified taxable income base, it is higher than the regular federal corporate income tax in a given year.

In 2021, a USD 19 million (EUR 16.6 million) BEAT expense was recognized within current income tax (USD 16 million or EUR 14 million in 2020 and USD 25 million or EUR 22 million in 2019).

The standard tax rates for the primary locations in which the Group has operations are as follows:

	2021	2020	2019
France	28.41%	32.02%	34.43%
Switzerland	19.70%	21.15%	21.15%
Germany	32.45%	32.45%	32.45%
Ireland	12.50%	12.50%	12.50%
United Kingdom	19.00%	19.00%	19.00%
United States	21.00%	21.00%	21.00%
Singapore	17.00%	17.00%	17.00%

Note 18.3 CORPORATE INCOME TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

	2021			2020			2019		
In EUR millions	Before tax amount	Tax (expense) /benefit	Net of tax amount	Before tax amount	Tax (expense) /benefit	Net of tax amount	Before tax amount	Tax (expense) /benefit	Net of tax amount
Remeasurement of post-employment benefits	48	(9)	39	(16)	4	(12)	(31)	7	(24)
Items that will not be reclassified subsequently to income	**48**	**(9)**	**39**	**(16)**	**4**	**(12)**	**(31)**	**7**	**(24)**
Effect of changes in foreign exchange rates	482	1	483	(523)	(3)	(526)	126	(3)	123
Remeasurement of available-for-sale assets	(422)	94	(328)	199	(40)	159	660	(144)	516
Shadow accounting	99	(21)	78	(71)	13	(58)	(202)	45	(157)
Net gains/(losses) on cash flow hedges	(12)	3	(9)	22	(6)	16	30	(8)	22
Other changes	6	-	6	1	-	1	2	-	2
Items that will be reclassified subsequently to income	**153**	**77**	**230**	**(372)**	**(36)**	**(408)**	**616**	**(110)**	**506**
TOTAL	**201**	**68**	**269**	**(388)**	**(32)**	**(420)**	**585**	**(103)**	**482**

Note 18.4 DEFERRED TAX

Deferred tax assets and liabilities and the related expense or benefit as at and for the years ended December 31, 2020 and December 31, 2021 are shown in the table below:

In EUR millions	Balance as at January 1, 2020	Changes through income	Changes through OCI	Other movements	Foreign exchange gains and losses	Balance as at December 31, 2020	Changes through income	Changes through OCI	Other movements	Foreign exchange gains and losses	Balance at December 1, 2021
DEFERRED TAX LIABILITIES											
Deferred acquisition costs	(352)	39	(1)	-	24	(290)	48	1	(2)	(11)	(254)
Unrealized gains and losses and temporary differences on investments	(112)	(4)	(38)	(12)	10	(156)	(25)	67	-	(5)	(119)
Retirement plans	(18)	(2)	-	-	(1)	(21)	(2)	-	-	-	(23)
Equalization reserves	(46)	5	-	-	(1)	(42)	5	-	-	-	(37)
Value of business acquired	(284)	9	-	-	21	(254)	62	-	(1)	(11)	(204)
Financial instruments	(29)	-	(1)	2	1	(27)	2	10	-	-	(15)
Claims reserves	(163)	12	(3)	(5)	11	(148)	(48)	3	5	(11)	(199)
Shadow accounting	(5)	-	1	-	(1)	(5)	-	2	-	-	(3)
Other temporary differences	(108)	(19)	-	-	6	(121)	(10)	(1)	(11)	(3)	(146)
TOTAL DEFERRED TAX LIABILITIES	**(1,117)**	**40**	**(42)**	**(15)**	**70**	**(1,064)**	**32**	**82**	**(9)**	**(41)**	**(1,000)**
DEFERRED TAX ASSETS											
Deferred acquisition costs	197	(20)	-	-	(16)	161	(29)	-	2	9	143
Unrealized gains and losses and temporary differences on investments	49	10	(3)	12	(3)	65	(4)	16	-	1	78
Retirement plans	72	(7)	4	-	(1)	68	1	(9)	-	1	61
Equalization reserves	-	-	-	-	-	-	-	-	-	-	-
Tax loss carryforwards	511	41	-	-	(14)	538	64	-	-	11	613
Financial instruments	12	(1)	(5)	(2)	-	4	1	-	-	-	5
Claims reserves	205	17	-	-	(12)	210	26	1	1	12	250
Shadow accounting	22	-	14	-	(4)	32	-	(21)	-	1	12
Other temporary differences	311	(6)	-	1	(18)	288	-	(1)	6	19	312
TOTAL DEFERRED TAX ASSETS	**1,379**	**34**	**10**	**11**	**(68)**	**1,366**	**59**	**(14)**	**9**	**54**	**1,474**

In accordance with IFRS deferred tax netting rules, the amount of deferred tax liabilities and deferred tax assets recorded in the balance sheet are as follows:

In EUR millions	2021	2020	2019
Deferred tax liabilities	(242)	(260)	(270)
Deferred tax assets	716	562	532
Net deferred tax assets (liabilities)	**474**	**302**	**262**

Note 18.5 EXPIRATION OF TAX LOSSES AVAILABLE FOR CARRYFORWARD

As at December 31, 2021, tax losses available for carryforward expire as follows:

In EUR millions	Available tax loss carryforwards	Tax loss carryforwards for which no deferred tax assets have been recognized	As at December 31, 2021 Deferred tax assets recognized	As at December 31, 2020 Deferred tax assets recognized
2021	-	-	-	-
2022	7	(2)	1	1
2023	16	(6)	2	3
2024	33	(4)	6	22
2025	57	(2)	13	-
Thereafter	865	(214)	137	146
Indefinite	2,014	(199)	454	366
TOTAL	**2,992**	**(427)**	**613**	**538**

The recognition of deferred tax assets for tax loss carryforwards is assessed based on the availability of sufficient future taxable income and local tax rules, *e.g.* tax losses can be carried forward indefinitely in France but utilization is capped at EUR 1 million plus 50% of the remaining taxable income for the year, tax losses arising on US Non-Life companies can be carried forward for 20 years, tax losses arising on US Life companies can be carried forward for 15 years if incurred before 2018 and indefinitely if incurred after 2018. Considering its activity and in particular its exposure to natural catastrophes, the time horizon over which the Group expects to utilize its tax loss carryforward may evolve. SCOR remains confident that it will utilize all tax loss carryforwards recognized as at December 31, 2021 prior to their expiration.

Operating losses which have not been recognized as deferred tax assets relate primarily to the French Tax Group and Switzerland.

Note 19 INVESTMENT INCOME

Investment income breaks down as follows by type of income and category of financial asset:

Note 19.1 BREAKDOWN BY TYPE

In EUR millions	2021	2020	2019
Interest income on investments	373	421	474
Dividends	32	19	30
Income from investment property	30	31	38
Other income (including from cash and cash equivalents)	(40)	(32)	(9)
Other investment expenses	(17)	(8)	(11)
Current investment income	**378**	**431**	**522**
Investment income on deposits and guarantees paid	155	165	164
Investment expenses on deposits and guarantees received	(1)	(2)	(6)
Interest on deposits	**154**	**163**	**158**
Realized gains and losses on investments	**219**	**196**	**86**
Unrealized gains and losses on investments	**45**	**18**	**25**
Impairment of financial assets	(7)	(39)	(24)
Depreciation and impairment of investment property	(17)	(22)	(16)
Change in depreciation and impairment of investments	**(24)**	**(61)**	**(40)**
Foreign exchange gains/(losses)	**(8)**	**(13)**	**3**
INVESTMENT INCOME	**764**	**734**	**754**

This investment income is impacted by the variation in fair value of the call option granted to SCOR by Covéa on the shares it holds, at an exercise price of EUR 28 per share and for a period of five years. The option is transferable to any third party designated by SCOR so that SCOR can organize this exit in its best interests.

Note 19.2 ANALYSIS BY CATEGORY OF FINANCIAL ASSET

In EUR millions	2021	2020	2019
Real estate investments	14	56	71
Available for sale investments	619	478	522
Investments at fair value through income	11	(5)	28
Loans and receivables	185	189	184
Derivative instruments	76	(108)	16
Other (including from cash and cash equivalents), net of other investment expenses	(141)	124	(67)
INVESTMENT INCOME	**764**	**734**	**754**

Note 20 NET RETROCESSION RESULT

The table below shows the net retrocession result for the years ended December 31, 2021, 2020 and 2019:

	2021			2020			2019		
In EUR millions	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total	SCOR Global Life	SCOR Global P&C	Total
Ceded written premiums	(2,041)	(1,218)	(3,259)	(892)	(896)	(1,788)	(846)	(1,052)	(1,898)
Change in ceded unearned premiums reserves	11	131	142	-	(16)	(16)	-	61	61
Ceded earned premiums	**(2,030)**	**(1,087)**	**(3,117)**	**(892)**	**(912)**	**(1,804)**	**(846)**	**(991)**	**(1,837)**
Ceded claims	2,460	1,097	3,557	844	423	1,267	571	682	1,253
Ceded commission	1,238	179	1,417	66	153	219	87	170	257
Net retrocession result	**1,668**	**189**	**1,857**	**18**	**(336)**	**(318)**	**(188)**	**(139)**	**(327)**

The retrocession results of SCOR Global Life in the reporting periods presented reflect changes in the retrocession portfolio, claims development over the three year-period, correlated reserving adjustments and experience refund calculations. The net retrocession result includes the initial commission received by SCOR for the Covéa retrocession agreement for USD 1,014 million (EUR 840 million).

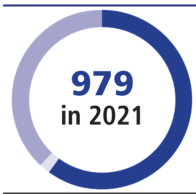
Given the frequency and severity of natural catastrophes, the retrocession results of SCOR Global P&C were lifted by large recoveries on its natural catastrophe retrocession program leading to a retrocession profit in 2021 versus a cost last year.

Note 21 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Allocation of expenses by function

In accordance with IAS 1 – Presentation of Financial Statements, the Group has opted to present expenses by function in the statement of income. Expenses are allocated to four categories (acquisition and administrative expenses, claims settlement expenses, investment management expenses and other current operating expenses) based on allocation keys defined by management.

Other operating and administrative expenses include expenses incurred by the Group, excluding gross commission, as follows:



In EUR millions	2021	2020	2019
■ 60% Personnel costs	589	543	541
■ 2% Taxes other than income taxes	17	22	26
■ 38% Other costs	373	355	370
OTHER OPERATING AND ADMINISTRATIVE EXPENSES	**979**	**920**	**937**

They are further allocated to categories by function, as follows:

In EUR millions	2021	2020	2019
■ 65% Acquisition and administrative expenses	638	541	564
■ 9% Investment management expenses	85	80	75
■ 8% Claims settlement expenses	74	63	63
■ 18% Other current operating expenses	182	236	235
OTHER OPERATING AND ADMINISTRATIVE EXPENSES	**979**	**920**	**937**

The fees for the services provided by the Statutory Auditors during the year are subject to a quarterly review and approval by the Audit Committee, which approved all the fees presented in the following table.

Amount (excluding tax) in EUR thousands	Ernst & Young				Mazars				KPMG				Total			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Audit[(1)]	**141**	**514**	**100%**	**37%**	**4,394**	**3,835**	**91%**	**94%**	**5,211**	**4,612**	**83%**	**84%**	**9,746**	**8,961**	**85%**	**81%**
SCOR SE	13	4	9%	-	1,602	1,510	33%	37%	1,850	1,572	30%	29%	3,465	3,086	31%	28%
Fully consolidated subsidiaries	128	510	91%	37%	2,792	2,325	58%	57%	3,361	3,040	53%	55%	6,281	5,875	56%	53%
Other audit related engagements[(2)]	**-**	**832**	**-**	**59%**	**408**	**252**	**9%**	**6%**	**621**	**421**	**10%**	**8%**	**1,029**	**1,505**	**9%**	**14%**
SCOR SE	-	522	-	37%	317	198	7%	5%	228	135	4%	3%	545	855	5%	8%
Fully consolidated subsidiaries	-	310	-	22%	91	54	2%	1%	393	286	6%	5%	484	650	4%	6%
Other[(3)]	**-**	**62**	**-**	**4%**	**15**	**13**	**-**	**-**	**473**	**430**	**7%**	**8%**	**488**	**505**	**4%**	**5%**
Legal, tax, social security	-	62	-	4%	15	13	-	-	473	430	7%	8%	488	505	4%	5%
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**141**	**1,408**	**100%**	**100%**	**4,817**	**4,100**	**100%**	**100%**	**6,305**	**5,463**	**100%**	**100%**	**11,263**	**10,971**	**100%**	**100%**

(1) Statutory audit and certification of local and consolidated financial statements.
(2) Other specific engagements related to the statutory audit engagement. The additional audit fees incurred were due mainly to a review of actuarial disclosures, a review of the the Non- financial performance statement report, a review of Solvency II reports and various regulatory procedures.
(3) Other services, provided by the Statutory Auditors to the fully consolidated companies and due diligences.

The term of office of ERNST & YOUNG as Statutory Auditor expired at the end of the Annual Shareholders' Meeting of June 16, 2020 called to approve the financial statements for the year ended December 31, 2019, which took place on June 16, 2020. ERNST & YOUNG was replaced by KPMG SA during the Meeting.

Note 22 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares outstanding over the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted to take into account the potential conversion of all stock options and share allocation plans.

Potential or contingent share issues are considered as dilutive when their conversion into shares would decrease net earnings per share.

Basic and diluted earnings per share are calculated as follows for the years ended December 31, 2021, 2020 and 2019 respectively:

	As at December 31, 2021			As at December 31, 2020			As at December 31, 2019		
In EUR millions	Net income *(numerator)*	Shares (denominator) *(in thousands)* (1)	Net income per share *(in EUR)*	Net income *(numerator)*	Shares (denominator) *(in thousands)* (1)	Net income per share *(in EUR)*	Net income *(numerator)*	Shares (denominator) *(in thousands)* (1)	Net income per share *(in EUR)*
Net income – Group share	456	-	-	234	-	-	422	-	-
BASIC EARNINGS PER SHARE									
Net income available to ordinary shareholders	**456**	**185,251**	**2.46**	**234**	**186,243**	**1.26**	**422**	**185,759**	**2.27**
DILUTED EARNINGS PER SHARE									
Dilutive effects	-	-	-	-	-	-	-	-	-
Stock options and share-based compensation (2)	-	1,225	-	-	1,674	-	-	1,880	-
Net income available to ordinary shareholders and estimated conversions	**456**	**186,476**	**2.45**	**234**	**187,917**	**1.25**	**422**	**187,638**	**2.25**

(1) Average number of shares during the period.
(2) Calculated assuming all options are exercised where the average SCOR share price for the year exceeds the option exercise price.

The exercise of stock options has consistently led to treasury shares being cancelled as decided by the Shareholders' Meeting of the Company in order to avoid any dilutive effect of such exercise upon the share capital.

Note 23 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercises significant influence over the other party in making financial or operational decisions.

The Group's related parties include:

- key management personnel and their close family members and all entities over which key management personnel or their close family members exercise control or significant influence or in which they hold significant voting power;
- equity-accounted companies.

No shareholder (except key management personnel) meet the criteria of a related party according to IAS 24 – Related Party Disclosures for the years ended December 31, 2021, 2020 and 2019.

SCOR SE is the ultimate parent of the Group.

The Group has several business relationships with related parties. Transactions with such parties are carried out in the ordinary course of business and on substantially the same terms and conditions – including interest rates and collateral – as those prevailing at the same time for comparable transactions with third parties.

Transactions with equity-accounted companies in the years ended December 31, 2021, 2020 and 2019 were carried out on an arm's length basis and their volume was not material.

Transactions with key management personnel

Key management personnel are those individuals having responsibility and authority for planning, directing and controlling the Group's activities. The Group considers that the members of the Executive Committee and the Board constitute key management personnel for the purposes of IAS 24.

The total gross compensation paid or awarded to key management personnel – including short-term benefits, post-employment benefits, other long-term benefits, termination benefits and share-based payments – for the years ended December 31, 2021, 2020 and 2019 is outlined below:

In EUR	2021	2020	2019
Fixed cash compensation(1)	5,944,857	6,060,451	5,991,365
Variable cash compensation(1)	3,134,944	4,663,736	5,061,445
Profit sharing(1)	4,855	8,003	7,624
Premiums/allowances(1)	73,274	66,798	72,966
Share-based payments(2)	10,331,821	13,089,232	24,398,653
Termination benefits(1)	-	-	-
Retirement benefits(3)	954,306	2,899,067	3,627,218
Directors' compensation(1)	91,000	61,000	76,000
TOTAL COMPENSATION AND BENEFITS	**20,535,058**	**26,848,287**	**39,235,271**

(1) Amounts paid during the year.
(2) The above figures correspond to actuarial estimates of the free share and stock option allocations made during the reference year, in line with the AFEP-MEDEF code, and not to paid compensation. The value is calculated according to the same assumptions as those used in the Group's financial statements (IFRS 2).
(3) Contributions paid to the defined contribution plans and on the value of the entitlements accrued under the defined benefit plans. The Group's total commitment in respect of defined benefit plans in France, Germany, the UK, the US and Switzerland for Executive Committee members and the Chairman as at December 31, 2021 amounted to EUR 41 million (December 31, 2020: EUR 46 million and December 31, 2019: EUR 41 million), i.e. 9% of the Group's total commitment in respect of pension plans of EUR 467 million.

Each member of the Executive Committee benefits from the use of a vehicle for business purposes. The Chairman of the Board of Directors has a company car (with a shared driver).

Note 24 COMMITMENTS RECEIVED AND GRANTED

Rights and obligations, not recognized on the balance sheet, but which could modify the amount or composition of the Group's net assets are disclosed as commitments.

The general reinsurance environment often requires reinsurers to post collateral to cover insurance liabilities, either directly through the reinsurance treaty with the ceding company, or indirectly through the requirements of local regulators in the countries where SCOR entities operate. These collateral arrangements can take the form of cash deposits to ceding companies which are recognized on the balance sheet, pledged assets which generate commitments granted and are disclosed in the table below, or letters of credit in which financial institutions provide the ceding company with a guarantee against default by SCOR. Reciprocally, SCOR receives collateral from its retrocessionaires which are recognized as commitments received, with the exception of deposits which are recognized on the balance sheet.

In addition to assets pledged in connection with the reinsurance business, the use of certain Group assets may be restricted when they are pledged and used as collateral to obtain letters of credit from financial institutions or to guarantee the payment of lease or pension liabilities.

A commitment received is recognized for potential sources of liquidity such as unused lines of credit, undrawn loans or letters of credit purchased from financial institutions but not yet provided to ceding companies.

Irrevocable call and put options and investment and lending commitments are disclosed in this note as commitments granted.

In EUR millions	As at December 31, 2021	As at December 31, 2020
COMMITMENTS RECEIVED		
Unused lines of credit and letters of credit	1,228	684
Letters of credit received from retrocessionaires	127	137
Pledged assets	1,807	1,375
Endorsements and sureties	1	3
Other commitments received	-	-
TOTAL COMMITMENTS RECEIVED	**3,163**	**2,199**
COMMITMENTS GRANTED		
Pledged assets	4,426	4,466
Endorsements and sureties	18	20
Investment commitments	484	357
Other commitments granted	3	3
TOTAL COMMITMENTS GRANTED	**4,931**	**4,846**

Pledged assets granted and received

SCOR has pledged financial assets to ceding companies, regulators, financial institutions and pension funds for a total amount of EUR 4,426 million (December 31, 2020: EUR 4,466 million).

In addition, SCOR pledges assets to some of its consolidated subsidiaries as collateral for its internal retrocessions. As at December 31, 2021, the amount of assets pledged internally was EUR 2,846 million (December 31 2020: EUR 2,149 million).

The total carrying amount of the financial assets pledged to SCOR as collateral is EUR 1,807 million (December 31, 2020: EUR 1,375 million), including securities pledged by retrocessionaires to the Group for a total amount of EUR 950 million (December 31, 2020: EUR 623 million), as detailed in Note 16 – Net contract liabilities. The remaining amount relates to pledged assets received on assumed reinsurance.

Letters of credit

As collateral for its technical provisions, various financial institutions have provided surety for the Group in the form of letters of credit. As at December 31, 2021, the total amount of such letters, not included in the table above was EUR 1,514 (December 31, 2020: EUR 1,434 million). In accordance with the terms of the letters of credit, the Group must meet certain minimum net asset requirements. The Group currently meets all such requirements.

As at December 31, 2021, SCOR had an outstanding letter of credit capacity of EUR 774 million (December 31, 2020: EUR 231 million), recognized as a commitment received from banks. This outstanding capacity can be used to provide collateral on future reinsurance treaties.

Letters of credits received by the Group from retrocessionaires are recognized as a commitment received for EUR 127 million (December 31, 2020: EUR 137 million), as detailed in Note 16 – Net contract liabilities.

Investment commitments

SCOR has made undertakings to grant loans and to invest in various investment funds for a total amount of EUR 484 million (December 31, 2020: EUR 357 million). This amount does not include the commitments made by SCOR on behalf of third parties as part of its asset management activity.

Real estate commitments

Minimum lease payments, estimated future minimum rental income to be received by SCOR and real estate purchase/disposal commitments are not included in the table above but are disclosed within Note 10 – Miscellaneous assets and Note 8 – Insurance business investments.

Contingent liabilities

Contingent liabilities are disclosed in Note 15.2 – Other provisions.

Note 25 INSURANCE AND FINANCIAL RISKS

All of the following paragraphs form an integral part of the Group's consolidated financial statements. They are disclosed in Section 3 – Risk factors and risk management mechanisms.

Note 25.1 INSURANCE RISKS

Please see Section 3.1.2 – Underwriting risks related to the P&C and Life reinsurance businesses and Section 3.2.2 – Management of underwriting risks related to the P&C and Life businesses.

Note 25.2 MARKET RISKS

Please see Section 3.1.3 – Market risks and Section 3.2.4 – Management of market risks.

Note 25.3 CREDIT RISKS

Please see Section 3.1.4 – Credit risks and Section 3.2.5 – Management of credit risks.

Note 25.4 LIQUIDITY RISKS

Please see Section 3.1.5 – Liquidity risks and Section 3.2.6 – Management of liquidity risks.

Note 26 LITIGATION

Comisión Nacional de la Competencia

On November 12, 2009, and following an administrative sanctioning procedure, the Spanish competition authority (*Comisión Nacional de la Competencia*, or the "CNC") sanctioned SCOR Global P&C SE Ibérica Sucursal, a branch of SCOR Global P&C, and a number of other insurance and reinsurance companies for an alleged infringement of Article 1 of Law 15/2007, of July 3, 2007, on Competition (the "Competition Act" which prohibits agreements and concerted practices that may intend or have the effect of preventing, restricting or distorting competition in the market). SCOR was sentenced to pay a fine of EUR 18.6 million, settled on May 5, 2021 after SCOR exhausted all appeal procedures. Other insurers and reinsurers were also fined in relation to the same matter.

Litigation gives rise to an accrual when it meets the recognition requirements of a provision under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. See Note 15 – Employee benefits and other provisions for details of accruals booked. In certain instances, in accordance with IAS 37.92, some required information, in particular the amount of accruals, is not disclosed as they could seriously prejudice the position of SCOR in a dispute with other parties.

In addition to the litigation described above, SCOR is involved in court, arbitration and other formal or informal dispute resolution proceedings in its normal course of business. Based on Management's assessment these current proceedings are not expected to have a significant negative impact on the consolidated financial statements.

Legal action against Thierry Derez, Covéa and Barclays

In relation to the unsolicited takeover proposal submitted by Covéa on August 24, 2018, SCOR had initiated several legal actions against Thierry Derez, Covéa SGAM, Covéa Coopérations and Barclays Bank PLC on January 29, 2019. These legal actions were at different stages in the respective court proceedings.

On June 10, 2021, SCOR and Covéa have announced the signing of a settlement agreement between Covéa SGAM, Covéa Coopérations and SCOR SE. As part of this settlement agreement, Covéa has agreed to pay an indemnity settlement of EUR 20 million (before tax). Covéa and SCOR agreed to immediately abandon, with regard to all persons concerned, all legal actions and claims linked to the takeover proposal made by Covéa in 2018. Each party waives all future legal actions or claims linked to such takeover proposal. The payment was received on June 22, 2021.

On June 11, 2021, SCOR and Barclays Bank PLC have signed an agreement to settle the litigation initiated by SCOR, without admission of liability. Through this settlement agreement, both parties are irrevocably wholly and unconditionally released, waived and discharged from the claims made.

Note 27 SUBSEQUENT EVENTS

Subsequent events relate to relevant and material events that occur between the reporting date and the date when the financial statements are approved for issue by the Board of Directors. Such events lead to:

- an adjustment of the consolidated financial statements if they provide evidence of conditions that existed at the reporting date, and if relevant and material;
- additional disclosures if they relate to conditions which did not exist at the reporting date, and if relevant and material.

No material change has occurred in the Group's financial position or performance since the end of the 2021 financial year.

Since January 1, 2022, SCOR Global Life Reinsurance Ireland and SCOR Life Ireland (which will be renamed respectively SCOR Global Reinsurance Ireland and SCOR Ireland) operate as separate entities reinsuring both the Life and P&C businesses. This internal restructuring does not have a material impact on the Group financial statements and provides diversification benefits under Solvency II.

Subject to the authorizations of France's banking and insurance supervisor (ACPR) and the Swiss financial market supervisory authority (FINMA), SCOR's intention is that SCOR Switzerland AG will subsequently be merged with its parent company SCOR SE within the first half of 2022, with retroactive effect from January 1, 2022.

4.7. INFORMATION ON HOLDINGS

For information of the holdings held directly by SCOR SE, see the following sections:

- Section 1.2.3 – SCOR organizational structure;
- Appendix B – 5 – Notes to the corporate financial statements, Note 2 – Investments – Subsidiaries and affiliates.

As at December 31, 2021, SCOR SE indirectly held shares or units in the following companies, representing at least 10% of consolidated net assets or generating at least 10% of consolidated net income:

	Registered office	Type of business	% capital
SCOR Life Ireland dac	6th Floor, 2 Grand Canal Square – Dublin 2 – D02 A342 – Ireland	Reinsurance	100%
SCOR Global Life Reinsurance Company of Delaware	11625 Rosewood Street, Suite 300 66211 Leawood, Kansas United States	Reinsurance	100%
SCOR Financial Life Insurance Company	101 South Tryon Street, Suite 3200 – 28280 Charlotte – United States	Reinsurance	100%

4.8. STATUTORY AUDITORS

4.8.1. PRINCIPAL AUDITORS

Name	Date of first appointment	End of current appointment
MAZARS Represented by Maxime Samoen and Guillaume Wadoux Tour Exaltis – 61, rue Henri-Regnault 92075 Paris-La Défense cedex, France CRCC of Versailles	June 22, 1990	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2025
KPMG SA Represented by Pierre Planchon and Antoine Esquieu Tour EQHO – 2, avenue Gambetta 92400 Courbevoie, France CRCC of Versailles	June 16, 2020	Date of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2025

4.8.2. ALTERNATIVE AUDITORS

None.

4.8.3. RESIGNATION OR NON-RENEWAL OF AUDITORS

Not applicable.

4.8.4. FEES PAID BY THE GROUP TO THE AUDITORS

See Section 4.6.21 – Notes to the consolidated financial statements, Note 21 – Other operating and administrative expenses, for a breakdown of audit fees.

4.9. AUDITING OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The date of the most recently audited financial information is December 31, 2021.

Pursuant to Commission Regulation (EC) 809/2004, the following information is incorporated by reference in this Universal Registration Document:
- The Statutory Auditors’ report on the consolidated financial statements for the year ended December 31, 2020 published on pages 245 to 250 of the Universal Registration Document filed with the AMF on March 2, 2021 under number D.21-0084 (and from pages 245 to 250 of the free translation into English of such Universal Registration Document. The translation is available on SCOR’s website: www.scor.com).
- The Statutory Auditors’ report on the consolidated financial statements for the year ended December 31, 2019 published on pages 240 to 245 of the Universal Registration Document filed with the AMF on March 13, 2020 under number D.20-0127 (and from pages 240 to 245 of the free translation into English of such Universal Registration Document. The translation is available on SCOR’s website: www.scor.com.

The Statutory Auditors’ report on the consolidated financial statements for the year ended December 31, 2021 is reproduced below.

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS’ REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SCOR SE for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 consisting of the persons and entities included in the consolidation and of the results of its operations for the year then ended in accordance with IFRS accounting principles as adopted in the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *“Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements”* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements

Measurement of technical reserves related to reinsurance contracts

(Please refer to notes 1 and 16 of the notes to the consolidated financial statements)

Risk identified	Our response
The gross insurance and investment contract liabilities amount to EUR 35,832 million as at December 31, 2021. These liabilities are established to cover the Group's commitments and the payment of benefits relating to reported events or events incurred but not yet reported. As stated in note 16 of the notes to the Consolidated financial statements, the Group uses in determining the amount of technical reserves related to its Non-Life business, actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. Technical reserves related to Life business are estimated using actuarial methods based on the present value of projected future payments to cedents less the present value of projected future premiums to be paid by cedents. The calculation includes assumptions relating to expected future mortality, morbidity, longevity, disability, lapses, as well as expected future interest rates and expenses. Inherent uncertainties in the Life and Non-Life reserves' estimates are enhanced for reinsurers because of the longer time period between the date of an occurrence and the request for payment of the claim to the reinsurer, the diversity of contract development schemes, the dependence on ceding companies for information regarding claims and differing reserving practices among ceding companies. Assets and liabilities relating to reinsurance contract liabilities are subject each year to a liability adequacy test under IFRS 4. In these circumstances, we considered the measurement of technical reserves related to reinsurance contracts as a key audit matter.	To cover the risk on the measurement of technical reserves, our audit approach was the following: • we obtained an understanding of the report of the Group chief actuary on the global adequacy of reserves; • we updated our understanding of the procedures and methods of measurement used in determining the technical reserves; • we obtained an understanding of the internal controls framework and tested the efficiency of key controls established by management in order to assess the completeness and reliability of the data and of the implemented models; • we appreciated the actuarial methods and parameters used as well as the assumptions chosen for a selection of contracts; • we performed procedures to analyze differences between expected claims and occurred claims in order to control subsequently the quality of estimates produced by the management; • we performed, with our Non-Life actuarial specialists integrated in the audit team, a recalculation using our own assumptions and tools, of technical reserves for the most sensitive actuarial segments reserves; • for Non-Life business, we analyzed the documentation supporting measurement of reserves related to catastrophes, both man-made and natural; • For Life and Non-Life businesses, we analyzed the documentation supporting the impact of Covid-19 in the measurement of technical reserves; • we included within our team members with specific skills in IT systems to perform procedures aiming at evaluating the internal control environment of the systems used by the management and test the functioning of several automated processes as well as general IT controls that support those processes; • We examined the methodology and outputs of the liability adequacy tests carried out by management.

Measurement of reinsurance premiums

(Please refer to notes 1 and 5 of the notes to the consolidated financial statements)

Risk identified	Our response
Gross written premiums in 2021 amount respectively to EUR 9,372 million for the Life segment SCOR Global Life and EUR 8,228 million for the Non-Life segment SCOR Global P&C, as stated in note 5 of the notes to the Consolidated financial statements. The reinsurance entities of the Group record accounts transmitted by ceding companies upon receipt. Accounts not yet received from ceding companies at the end of the 2021 financial year are estimated, in order to better reflect the Group's reinsurance commitments in the financial statements. Written and earned reinsurance premiums are also estimated. As stated in note 1 of the notes to the Consolidated financial statements: gross written and earned premiums are based upon reports received from ceding companies, supplemented by the Group's own estimates of premiums for which ceding companies' reports have not yet been received. Observing a large part of estimates in the written premiums related to a year is specific to the reinsurance business. Management reviews its estimates and assumptions periodically, based on experience and other factors. Actual premiums can turn out to be different from management estimates. The contracts assumed and retroceded by the Group are subject to different IFRS accounting rules depending on whether they fall within the scope of IFRS 4 – Insurance Contracts or IAS 39 – Financial instruments: Recognition and Measurement. In these circumstances, we considered that the measurement of reinsurance premiums to be a key audit matter.	To cover the risk on the measurement of reinsurance premiums, we implemented the following audit approach: • We obtained an understanding of the internal controls framework on processes related to Life and Non-Life premium estimates and we tested the efficiency of key controls established by management; • We examined the consistency of premium estimates over the period, comparing them both to the operational plan prepared by management and approved by the Board of Directors and to premiums actuals from previous financial years and we investigated, if any, significant differences identified; • We performed, for a selection of contracts, a deep analysis of underlying assumptions taking into account the activity, the records of reinsurance accounts received, and any new information received from ceding companies; • For new contracts underwritten in 2021, we performed on a sampling basis, controls on the consistency of premium estimates based on new business information available at the underwriting department; • We examined the documentation and tests performed by the group regarding the classification of contracts between insurance contracts and financial contracts; • We included within our team members with specific skills in IT systems to perform procedures aiming at evaluating the internal control environment of the systems used by the management and test the functioning of several automated processes, as well as general IT controls that support those processes.

Valuation of Goodwill on the Non-Life Business unit and Value of business acquired (VoBA) on Life reinsurance portfolios

(Please refer to notes 5, 6 and 7 of the notes to the consolidated financial statements)

Risk identified	Our response
The Group's intangible assets are mainly composed of goodwill on the Non-Life Business unit and Value of Business Acquired net of amortization of Life reinsurance portfolios respectively for EUR 755 million and EUR 893 million as at December 31, 2021. ***Goodwill*** Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. It is initially measured at cost which is calculated as the difference between the consideration transferred and the net fair value of identifiable assets and assumed liabilities at the acquisition date. Their fair value depends on forecasts and budgets established by the management. As part of the yearly impairment testing on goodwill, the Group assesses whether the recoverable amount of cash generating units (CGU) to which the goodwill is allocated, is at least equal to their total carrying value, as stated in note 6 of the notes to the Consolidated financial statements. If it is determined that an impairment exists, the total carrying amount is adjusted to the recoverable value. Estimates performed to determine the recoverable value of the Group CGUs are based on assumptions and extrapolations involving a significant part of judgement. Furthermore, any negative deviation of expected future results could have an impact on the recoverable value and lead to an impairment of the goodwill.	We examined the methodology used by management to determine whether the potential impairment of the CGUs has been properly applied: We evaluated the models and calculations of the Group company in: • comparing multiples and discount rates used per country with our internal databases; • comparing the expected turnover growth with the economic data of the reinsurance sector; • analyzing the process of preparing and approving budgets and forecasts established by management and approved by the Board of Directors; • analyzing the consistency of information and assumptions used in these models: on the one hand, with the budgets and forecasts abovementioned, on the other hand, with our knowledge of the sector, during the review of the strategic plan, through interviews with members of the executive committee and during studies of the Group's budget process.
Life reinsurance value of business acquired	
Value of Business Acquired (VoBA) represents the value of Life reinsurance portfolios acquired in a business combination. It corresponds to the present value of expected future cash flows for the assumed and the retroceded reinsurance business. As stated in note 7 of the notes to the Consolidated financial statements, VoBA is amortized over the lifetime of the underlying reinsurance portfolio based on schedules derived from the run-off patterns of expected profit. These projections are assessed and updated regularly. Assets and liabilities relating to reinsurance contracts are subject each year to a liability adequacy test under IFRS 4. The review of flow projections and assumptions used involve a significant part of judgement and uncertainties. Furthermore, it significantly impacts the amortization schedule of VoBA. In these circumstances we consider the valuation of intangible assets to be a key audit matter.	Including our Life Actuarial Specialists in the audit team, we have completed the following procedures: • we assessed the application of internal procedures on the evaluation of VoBAs, as well as their amortization patterns • in order to analyze the valuation of VoBAs and their correct amortization, we examined the expected cash flows on the relevant portfolios; • we assessed the recoverability of the VoBAs taking into consideration the liability adequacy test.

Deferred tax: measurement of deferred tax assets on tax losses carried forward

(Please refer to note 18 of the notes to the consolidated financial statements)

Risk identified	Our response
Deferred tax assets on tax losses carried forward An asset of EUR 613 million related to tax losses carried forward is recognized in the balance sheet of the Group at financial year ended 2021. Deferred tax assets are recognized on net operating losses carried forward to the extent that it is probable that future taxable income will be available against which they can be offset. As stated in note 18 of the notes to the Consolidated financial statements, management makes assumptions and estimates related to income projections to determine the availability of sufficient future taxable income. To the extent that net operating losses carried forward could not be utilized or would expire, deferred income tax expenses may be recorded in the future to reduce corresponding deferred tax assets We consider deferred tax assets on losses carried forward to be a key audit matter, given the Management's judgement related to their recognition in the balance sheet.	With team members with specific tax skills, our audit approach consisted in performing the following procedures on the main entities contributing to the Group's deferred tax assets on losses carried forward: • we obtained an understanding of the internal controls framework on processes of the tax department related to the deferred tax measurement; • we examined the documentation prepared annually by the tax department on deferred tax assets. • we examined the business plans used and the probability that tax losses will be utilized in the future. We notably appreciated the tax rates used as well as the profits' forecasts and underlying assumptions, with specific attention to the legal expiry periods in force in certain countries.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information, given in the management report of the Board of Directors

We have no matters to report as to its fair presentation and the consistency with the consolidated financial statements, reminded that it is not our responsibility to conclude on the fairness or consistency with the financial statements of the solvency related information required by article L. 356-23 of the French Insurance code (Code des assurances).

We attest that the consolidated non financial statement required by Article L. 225 102-1 of the French Commercial Code is included in the Group's management report, it being specified that, in accordance with the provisions of article L. 823-10 of this Code, the information contained in this statement has not been the subject of verifications of fairness or consistency of our means with the consolidated financial statements and must be reported by an independent third party

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in article L451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Auditors

We were appointed as statutory auditors of SCOR SE by the annual general meeting held on June 22, 1990 for MAZARS and on June 16, 2020 for KPMG S.A.

As at December 31, 2021, MAZARS and KPMG Audit were in the 32nd year and 2nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting principles as adopted in the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit and furthermore:
- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Collects information related to persons and entities included in the scope of consolidation that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and execution of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Courbevoie, February 23, 2022

The Statutory Auditors

French original signed by

MAZARS		KPMG SA	
Maxime SIMOEN	Guillaume WADOUX	Pierre PLANCHON	Antoine ESQUIEU

OTHER INFORMATION AUDITED BY THE STATUTORY AUDITORS

The Universal Registration Document as a whole is the subject of a completion letter sent by the Statutory Auditors to SCOR.

The related party agreements entered into in 2021 or which remained in force in 2021, as defined by Articles L. 225-38 *et seq.* of the French Commercial Code, are the subject of a specific report by the Statutory Auditors in Section 2.3.3.

SCOR SE's corporate financial statements for the years ended December 31, 2021, 2020 and 2019, included respectively in Appendix B of this Universal Registration Document, in Appendix B of the Universal Registration Document filed with the AMF on March 2, 2021 under number D.21-0084 and in Appendix C of the Universal Registration Document filed with the AMF on March 13, 2020 under number D.20-0127, were the subject of reports by the Statutory Auditors, included respectively in Appendix B of this Universal Registration Document, in Appendix B of the Universal Registration Document filed with the AMF on March 2, 2021 under number D.21-0084 and in Appendix C of the Universal Registration Document filed with the AMF on March 13, 2020 under number D.20-0127.

Sections 1, 2, 3, 4, 5 and 6 of this Universal Registration Document form the Group's non-financial performance statement. The information disclosed in these sections has been reviewed by one of the Statutory Auditors, whose report is presented in Section 6.