

PROSPECTUS DATED 25 MAY 2016



SCOR SE

**€500,000,000 Fixed to Reset Rate Subordinated Notes due 27 May 2048
Issue Price: 99.799 per cent.**

This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended, which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council dated 24 November 2010 and by Directive 2013/50/EU of the European Parliament and of the Council dated 22 October 2013 (the **Prospectus Directive**) and the relevant implementing measures in the Grand-Duchy of Luxembourg.

The €500,000,000 fixed to reset rate subordinated notes due 27 May 2048 (the **Notes**) of SCOR SE (the **Issuer** or **SCOR**) will be issued outside France on 27 May 2016 (the **Issue Date**) in the denomination of €100,000 each.

Unless previously redeemed, purchased or cancelled in accordance with the terms and conditions of the Notes, the Notes will be redeemed at their Principal Amount (i.e. €100,000 per Note) on 27 May 2048 if the Conditions to Redemption and Purchase are satisfied and otherwise as soon as the Conditions to Redemption and Purchase are satisfied as further specified in "*Terms and Conditions of the Notes — Redemption and Purchase*". The Issuer shall have the right (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, on the First Call Date and on any Interest Payment Date thereafter as further specified in "*Terms and Conditions of the Notes — Redemption and Purchase*". In addition, the Issuer may (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority) redeem the Notes at any time for tax reasons or following a Rating Event, a Capital Disqualification Event, an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Each Note will bear interest on its principal amount (i) from (and including) the Issue Date to (but excluding) 27 May 2028 (the **First Call Date**), at a fixed rate of 3.625 per cent. *per annum* payable annually in arrear on 27 May in each year, commencing on 27 May 2017 and (ii) from (and including) the First Call Date to (but excluding) the Redemption Date, at the relevant Reset Rate of Interest payable annually in arrear on 27 May in each year, commencing on 27 May 2029, as further specified in "*Terms and Conditions of the Notes — Interest*". Payment of interest on the Notes may at the option of the Issuer, or shall, be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes - Interest - Interest Deferral*".

The Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**) is the competent authority in Luxembourg, pursuant to the Prospectus Directive and the Luxembourg law on prospectuses for securities of 10 July 2005 as amended by law dated 3 July 2012, for the purpose of approving this Prospectus. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List and admitted to trading on the Regulated Market (within the meaning of Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004) of the Luxembourg Stock Exchange. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg law on prospectuses for securities.

The Notes will be issued in dematerialised bearer form (*au porteur*). Title to the Notes will be evidenced in accordance with Article L.211-4 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders, as set out in "*Terms and Conditions of the Notes – Denomination, Form and Title of the Notes*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Issuer is offering the Notes only to non-U.S. persons outside the United States in offshore transactions within the meaning of and in reliance upon Regulation S under the Securities Act (**Regulation S**).

The Notes are expected to be rated A by Standard & Poor's Credit Market Services France, a division of The McGraw-Hill Companies, Inc (**S&P**) and A- by Fitch Ratings (**Fitch**). As at the date of this Prospectus, S&P and Fitch are established in the European Union and are registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the **CRA Regulation**). As such, S&P and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website (at <http://esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.

Copies of this Prospectus are available on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (www.scor.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours. Copies of all documents incorporated by reference in this Prospectus are available (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (ii) on the website of the Issuer (www.scor.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.

Structuring Advisor

BNP Paribas

Joint Bookrunners and Joint Lead Managers

**BNP Paribas
Crédit Agricole CIB
Natixis**

**Commerzbank
J.P. Morgan
UBS Investment Bank**

Certain information contained in this Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Any websites included in the Prospectus are for information purposes only and do not form part of the Prospectus.

*References to the **Group** are to the Issuer, together with its consolidated subsidiaries.*

This Prospectus is to be read in conjunction with any supplement, that may be published between the date of this Prospectus and the date of listing of the Notes on the Official List and admission to trading of the Notes on the Regulated Market of the Luxembourg Stock Exchange, and all documents which are incorporated herein by reference (see the section entitled "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

*The Joint Bookrunners and Joint Lead Managers (as defined in the section entitled "Subscription and Sale", herein the **Managers**) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.*

This Prospectus constitutes a prospectus for the purpose of Article 5.3 of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, in respect of, and for the purposes of giving information with regard to, the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group.

In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention. Investors should review, inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their business, their financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes and the suitability of investing in the Notes in light of its particular circumstances. The Managers do not undertake to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Managers. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and France, see the section entitled "Subscription and Sale".

This Prospectus is being provided for informational use solely in connection with the consideration of a purchase of the Notes to qualified purchasers in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorised. This Prospectus may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided.

*In this Prospectus, unless otherwise specified or the context requires, references to **euro**, **EUR** and **€** are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999.*

*In connection with the issue of the Notes, BNP Paribas (herein referred to as the **Stabilising Manager**, (or persons acting on behalf of the Stabilising Manager), may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail but in doing so the Stabilising Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Managers) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules. As between the Issuer and the Stabilising Manager, any loss resulting from over-allotment and stabilisation shall be borne, and any profit arising therefrom shall be retained, by the Stabilising Manager.*

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, business strategies, expansion and growth of operations plans or objectives, competitive advantage and regulatory changes, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors and actual results may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "*Risk Factors*" below.

SCOR SE operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and SCOR SE does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The opinions and intentions expressed in this Prospectus with regard to the Issuer are honestly held. The Issuer accepts responsibility for the information contained in this Prospectus.

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France

Duly represented by:
Denis Kessler
Président du Conseil d'administration et Directeur Général

RISK FACTORS

Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus (including information incorporated by reference herein) and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but this section is not intended to be exhaustive and the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be caused by events the occurrence of which, in the view of the Issuer, is so unlikely that they should not be considered significant risks based on information currently available to the Issuer or which it may not currently be able to anticipate.

Prospective investors should make their own independent evaluation of all risk factors contained in this section.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

RISK FACTORS RELATING TO THE ISSUER

The information included herein referring to the nature and extent of risks arising from financial instruments and insurance and reinsurance contract as required by IFRS 7 – Financial Instruments – Disclosures and IFRS 4 – Insurance contracts, is an integral part of the consolidated financial statements of the Issuer as at 31 December 2015. As such, the corresponding information is audited.

The Group regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation or its results (or capacity to reach objectives), and considers that no other significant risk than those disclosed below exists. This section corresponds to the management's current view of the Group's main risks.

The Group has identified the following categories of risks:

- Strategic risks
- Underwriting risks related to the Non-Life and Life reinsurance business
- Market risks (including credit spread risk)
- Counterparty default risks
- Liquidity risks
- Operational risks

If the risks disclosed herein were to occur, such occurrence may have a significant effect on the Group's business, present and future revenues, net income, cash flows, financial position, and potentially, on its share price.

All risks described herein are managed through a variety of mechanisms in the Group's ERM (Enterprise Risk Management) Framework and must be considered together with the following information contained in the 2015 DDR which is incorporated by reference in this Prospectus:

- Section 3.3 for a description the risk main management measures, processes and hedging positions planned or implemented by the Group in order to identify, assess and mitigate the risks on pages 141 to 152 of the 2015 DDR and;
- Appendix A – Report of the chairman on the internal control for a description of the Group risk management organization as well as the role and functioning of each administrative and management bodies and teams involved in risk management and relevant control activities on pages 246 to 260 of the 2015 DDR.

Although risk management mechanisms have been designed and rolled out across the Group in order to prevent all risk factors from having a significant impact on the Group, there is no guarantee that these risk management mechanisms achieve their intended objective. Many of the Group’s methods for managing risk and exposures are based upon the use of observed historical market behavior, of statistics based on historical models, or the use of expert judgment. As a result, these methods may not fully predict future exposures, which can be significantly greater than what the historical measures indicate, particularly in unusual markets and environments. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that is publicly available or otherwise accessible to the Group. This information may not always be accurate, complete, up-to-date or properly evaluated.

The Group may also be exposed to emerging risks, which include new threats but also evolving risks, and are characterized by a very high degree of uncertainty. They may arise from the numerous changes to the environment in which the Group operates, such as changes in professional practices, changes in legal, jurisdictional, regulatory, social, political, economic, financial and/or environmental conditions.

Emerging risks may adversely affect the Group’s reinsurance business due to either a change in interpretation of the contracts or by increasing the frequency and/or severity of claims. Such risks may also lead to higher fluctuations than expected in macro-economic indicators such as interest rates and price level, or disruptions in financial markets, further impacting the Group’s business. In addition, emerging risks may also have a direct impact on the Group’s operations, for instance by generating unexpected additional expenses. Examples of emerging risks include: cyber-attacks, non-controlled bio-experiments, climate change, electromagnetic fields, extreme social unrest and Eurozone break-up.

Therefore, the Group cannot exclude the possibility of exceeding its risk tolerance limits due to an incorrect estimation of its risks and exposures. This may induce an adverse impact on the Group’s business, present and future revenues, net income, cash flows, financial position, and potentially, on the Group’s share price.

1. STRATEGIC RISKS

“Strategic risk” covers two different kinds of risks: (i) those entailed by the strategy itself, such as the accumulation of risks or development in lines of business or less known markets, and the financial or operational risks related to acquisitions, and (ii) risks that could hinder the success of the strategy, whether arising from external factors, such as an adverse economic environment, or internal factors, such as certain causes of operational risks. Therefore many of the risks discussed in the next section, including emerging risks, could also impact the success of the strategy.

1.1 Risks related to the macro-economic environment affecting the Group’s strategy

The main risks are the uncertain economic recovery, impacting on the Group’s growth, especially in emerging countries, and the poor returns on financial markets amplifying the adverse competitive environment.

Difficult conditions in the global capital markets and the economy generally may materially adversely affect the Group's business and results of operations.

The Group's results of operations could be materially affected by the global capital markets conditions and the economy in France, other countries in continental Europe, the United Kingdom, the United States of America and elsewhere around the world, particularly in Latin America and Asia Pacific. Any continued deterioration in macroeconomic trends could have an adverse effect on the Group's business and results of operations, even more so as the global economy is still in convalescence since the 2008 financial crisis and remains vulnerable to negative economic, financial and geo-political shocks fueled by on-going tensions or open conflicts in several regions across the world. In particular, the growing debt of governments in advanced economies and of private companies in emerging countries could generate significant adjustments if the main central banks were to raise interest rates. As a result, financial markets could enter a period of high volatility which could lead to adverse consequences such as waves of company defaults, or a major liquidity crisis. The financial situation in many countries of the Eurozone remains unstable and downgrades of some states' financial ratings have occurred. While the Group does not currently own any securities issued by the governments of Greece, Italy, Spain, Ireland, or Portugal, it cannot predict whether any of the other government securities that it holds in its investment portfolio will be adversely affected in the future by ratings downgrades, the continuing debt crisis or other developments. For further information on investments, refer to Section 1.3.5.4 Net investment income on pages 36 to 39 of the 2015 DDR and Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance Business Investments on pages 184 to 193 of the 2015 DDR.

The global economy may suffer from a sharp turn in American monetary policy, which could spur a rise in interest rates all along the yield curve. Financing conditions could thus deteriorate across sectors and economies. In particular, the emerging and developing countries may suffer from capital outflows in the wake of such a US monetary normalization.

This difficult environment and the continuing market upheavals may have an adverse effect on the Group, from both an investment and reinsurance business viewpoint.

Impact on the Group's investments

The Group has a large investment portfolio. In the event of extreme prolonged market events, such as global credit crises, the Group could incur significant losses in its investment portfolio.

Refer to Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance Business Investments on pages 184 to 193 of the 2015 DDR, which includes analyses of unrealized and realized investment losses.

Even in the absence of a market downturn, the Group remains exposed to a substantial risk of loss due to market volatility. See Section 3 – Market Risks; the Group is exposed to other risks arising from the investments it owns.

Impact on the Group's reinsurance business

The Group is also dependent upon customer behavior / premium growth. The Group's premiums are likely to decline in such circumstances and its profit margins could erode. In an economic downturn characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for the Group's and its clients' products could be adversely affected. Factors such as government and consumer spending, business investment, the volatility and strength of both debt and equity markets, and inflation, all affect the business and economic environment and ultimately, the size and profitability of the Group's business.

In addition, the Group may experience an elevated incidence of claims or be impacted by a decrease in demand for reinsurance and increased surrenders of policies from the cedents (see paragraph on lapse risk in Section 2.2 Life Reinsurance) that could affect the current and future profitability of its business. Although written premiums have seen steady growth in prior years, a prolonged economic crisis could result in lower written premiums in the future.

These adverse changes in the economy could materially affect the Group.

The Group is exposed to significant and protracted deviations of the general price level from its trend

The Group's liabilities are exposed to a significant increase in the rate of general inflation (prices and salaries) which would require an increase in the value of Non-Life reserves, in particular in respect of long-tail business, e.g., general liability (medical among others) and motor bodily injury claims. In addition, the Group is exposed to claims inflation over and above general inflation and in particular to the inflation of court awards in respect of general liability and bodily injury claims.

The Group's assets are exposed to increased inflation or inflationary expectations, which would be accompanied by a rise in the yield curve with a consequent reduction in the market value of the fixed income portfolios. Increased inflation could also have an unfavorable impact on the solvency of bond issuers; a widening of credit spreads would lead to a loss of value for the issuers' bonds. Finally, depending on the macroeconomic environment, an increase in inflation could also reduce the value of the Group's equity portfolio. Any negative fluctuations in equity values would lead to a similar decrease in the shareholders' equity.

Conversely, the Group's liabilities could be exposed to a protracted period of deflation which could exert a negative pressure on reinsurance prices and decrease the value of new premiums.

A protracted period of deflation would induce a decrease of interest rates all along the yield curve and may therefore negatively impact the returns on the Group's fixed income assets. In addition, the value of the Group's equity portfolio might be reduced as deflation could reduce the future cash flows of the companies whose stocks are part of the Group's portfolio.

In conclusion, both high inflation and a protracted episode of deflation could have a material adverse effect on the Group.

Risks related to regulatory initiatives failing to stabilize the financial markets

Governmental initiatives intended to alleviate the financial crisis that have been adopted may not be effective and, in any event, are expected to be accompanied by other initiatives, including new capital requirements, or other regulations that could materially affect the Group's results of operations, financial condition and liquidity in ways that it cannot predict.

In a number of countries in which the Group operates, legislation has been passed in an attempt to stabilize the financial markets, including bank stabilization programs in the UK, the US¹, and in France² as well as the Basel III agreements reached by the Basel Committee on Banking Supervision. Additionally, the EU has established the European Stability Mechanism (ESM) to assist European governments with their budgetary deficits and to stabilize the sovereign debt markets in the Eurozone.

These initiatives and other proposals or actions may then have other consequences, including material effects on interest rates and foreign exchange rates, and in particular, the future viability of

¹ Under the Emergency Economic Stabilization Act of 2008

² Under the Financial and Banking Regulation Act of 2010

the European currency or the European Monetary Union, which could materially affect the Group's investments, liquidity and results in ways that it cannot predict. The failure to effectively implement these changes could also result in a material adverse effect, notably increased constraints on the liquidity available in the banking system and financial markets and increased pressure on stock prices, any of which could materially and adversely affect the Group's results of operations, financial condition and liquidity. In the event of future material deterioration in business conditions, the Group may need to raise additional capital or consider other transactions to manage its capital position or liquidity.

The initiatives listed above or similar proposals, as well as accompanying actions, such as monetary or fiscal actions, of comparable authorities in the US, UK, Euro-zone and other countries, may fail to stabilize durably the financial markets. Although the European sovereign debt crisis has receded, public finances are far from equilibrium and public debt in some Eurozone countries is following an unsustainable path. Thus, tensions on some sovereign issuers could reappear, in particular when long-term interest rates are on the rise again.

1.2. Risks related to the competitive environment

The Group operates in a highly competitive sector and would be adversely affected by losing competitive advantage or if adverse events affect the reinsurance industry

Reinsurance is a highly competitive sector. As is the case for all other reinsurers, the Group's position in the reinsurance market is based on several factors, such as its financial strength as perceived by the rating agencies, its underwriting expertise, reputation and experience in the lines written, the countries in which it operates, the premiums charged, as well as the quality of the proposed reinsurance structures, the services offered among others in terms of claims payment. The Group competes for business in the European, American, Asian and other international markets with numerous international and domestic reinsurance companies, some of which have a larger market share than the Group, greater financial resources, state backing, and, in certain cases, higher ratings from the rating agencies.

Therefore, the Group remains exposed to the risk of losing its competitive advantage. In particular, when available reinsurance capacity, via traditional reinsurers or capital markets, is greater than the demand from ceding companies, its competitors, in particular (re)insurers benefiting from higher ratings than the Group's or other competitors in alternative capital markets, may be better positioned to enter new contracts and gain market shares at the Group's expense.

Furthermore, the Group's reputation is sensitive to reinsurance sector information, it can be affected by adverse events concerning competitors but also by its own business activity, for example financial difficulties following a major market event. Loss of reputation due to internal risks would also weaken the Group's competitive position.

Consolidation in the insurance and reinsurance industries could adversely impact the Group

Insurance industry participants may seek to consolidate through mergers and acquisitions. These consolidated entities may use their enhanced market power and broader capital base to negotiate price reductions for the Group's products and services, and reduce their use of reinsurance, and as such, the Group may experience price declines and possibly write less business.

Reinsurance industry consolidation could happen as well, with the Group's competitors undertaking mergers or acquisitions. Such external growth activity of the Group's competitors could potentially enhance these players' competitive position, e.g. in terms of being able to offer greater capacity or broader product offerings, which could permit them to gain market shares at the Group's expense.

1.3 Risks related to capital and to legal and regulatory developments

Risks related to capital

Capital may not be completely fungible between different regulated legal entities, which may have negative consequences for the legal entities

The Group's regulated legal entities must satisfy local regulatory capital requirements. There could potentially be some local regulatory constraints, which in certain circumstances could affect the Group's ability to transfer capital from one legal entity to another, and in particular from one subsidiary or a branch to another, or to the parent legal entity. This may have negative consequences for the legal entity concerned and could have a material adverse impact on the Group.

In addition, ongoing regulatory developments and discussions for global standards may impact the Group in the future.

Adverse capital and credit market conditions may significantly affect the Group's ability to access capital and/or liquidity or increase the cost of capital

Disruptions, uncertainty or volatility in the capital and credit markets may also limit the Group's access to capital required to operate its business, most significantly its insurance operations. Such market conditions may limit its ability to:

- replace, in a timely manner, maturing debts;
- access the capital needed to grow its business;
- satisfy statutory capital requirements and maintain a solvency ratio in line with its risk appetite framework.

As such, the Group may be forced to delay raising capital, issue shorter term securities than it prefers, or bear an unattractive cost of capital which could decrease its profitability and significantly reduce its financial flexibility.

The disruptions of financial markets, and more particularly credit market conditions, could also affect the Group's ability to access liquidity. Refer to section 5 – Liquidity risks for further details.

Risks related to legislative and regulatory developments

The Group is subject to comprehensive and detailed regulations and to the supervision of the insurance and reinsurance regulatory authorities in all countries in which it operates. Some of these authorities, especially in non-European countries are considering or may in the future consider enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision and submit them to reinforced measures of control and higher capital requirements. These changes could affect the calculation of the local solvency position and have a material adverse impact on the Group. Insurance and reinsurance supervisory authorities have broad administrative power over many aspects of the reinsurance industry and the Group cannot predict the timing or form of any future regulatory initiatives.

The Solvency 2 regime entered into force on 1 January 2016 (See section 1.3.7 Solvency on page 42 of the 2015 DDR). The impact and scope of the corresponding new requirements could vary depending on their actual interpretation and implementation by supervisory and regulatory authorities (e.g. the decision of authorities to comply or not with the non-binding EIOPA guidelines).

Furthermore, supervisory and regulatory authorities could make the protection of policyholders and financial stability prevail over shareholders or creditors of a reinsurer when designing new

regulations especially in developing countries. These new regulations may then increase solvency margin obligations, thereby restricting the Group's underwriting capacity.

In November 2015, the Financial Stability Board ("FSB") updated the list of nine systemic direct insurers ("G-SIIs") according to their interconnectedness and their exposures to activities considered as non-traditional or non-insurance. The FSB stated its intention to consider the designation of systemic reinsurers as well, with slight amendments of the methodology designed for insurers. There is a risk that the Group will receive such a designation. The impact of receiving such a designation is a risk of higher capital charges with the Basic Capital Requirement (BCR) and Higher Loss Absorbency (HLA) and greater regulatory burdens such as the establishment of resolution plans. On the other hand, there is a possibility that G-SIIs could benefit from a market perception of an implicit state guarantee. Were the Group's competitors to receive such a designation and the Group were not, there could be a risk of the Group's market perception weakening relative to these peers.

In the meantime, the International Association of Insurance Supervisors ("IAIS") has been developing a common framework for internationally active insurance groups ("IAIGs"), the ComFrame. It is the IAIS's intention to develop Insurance Capital Standards ("ICSs") to be applied to all IAIGs starting 2020. This development could jeopardize the extent of recognition of diversification effects or the use of internal models, and there is a risk that these rules could have an impact on capital management aspects.

The reinsurance sector has been exposed in the past, and may be exposed in the future, to involvement in legal proceedings, regulatory inquiries and actions by various administrative and regulatory authorities, as well as to regulation concerning certain practices used in the insurance sector.

Similarly, changes in tax legislation and regulations, or in their interpretation may induce an impact on the Group's results, for instance due to the inability to recognize deferred tax assets in the future.

More generally, other adverse change in laws or regulations or an adverse outcome of any legal proceeding could have an adverse impact on the Group. For further details on the Group's current litigations, refer to Section 4.6 Notes to the consolidated financial statements, Note 27 – Litigations on pages 228 to 229 of the 2015 DDR.

1.4 Downgrade risk

Financial ratings are very important to all reinsurance companies, including the Group, as ceding companies wish to reinsure their risks with companies having a satisfactory financial position. For more details on the current rating of the Group, refer to section 1.2.4 - Ratings information on page 14 of the 2015 DDR.

Impact on the Group's business

Some of the Group's cedents' credit models or reinsurance guidelines face regulatory capital requirements or depend on their reinsurers' financial rating. If the Group's rating deteriorates, cedents could be forced to increase their capital charge in respect of their counterparty risk on the Group. This could lead to a loss of competitive advantage for the Group.

The Group's Life reinsurance activities and the Business Solutions (large corporate accounts underwritten essentially on a facultative basis and occasionally as direct insurance) business area in Non-Life reinsurance are particularly sensitive to the way its existing and prospective clients perceive its financial strength notably through its ratings.

Many of the Group's reinsurance treaties, notably in the US and in Asia, and also increasingly in Europe, contain clauses concerning the financial strength of the Company and/or its operating subsidiaries, and provide for the possibility of early termination for its cedents if the rating of the

Company and/or its subsidiaries is downgraded. Early termination may also occur when the net financial position of the Company falls below a certain threshold, or if it carries out a reduction in share capital.

Impact on the Group's lines of credit

Many of the Group's reinsurance treaties contain a requirement to put in place letters of credit ("LOC") as a general requirement or when triggered by a downgrade of the Group or one of its subsidiaries. In certain circumstances, the cedent has the right to draw down on a LOC issued by a bank in the Group's name.

Banks providing such facilities usually ask the Group to post collateral. The value retained by the bank, which can be different from the market value since it includes security margins by asset type ("haircuts"), is at maximum the amount of the corresponding LOC facility. For some facilities, initial collateral requirements may be increased following a downgrade of the Group's rating, impacting the Group's liquidity level. In the case of a LOC being drawn by a cedent, the bank has the right to request a cash payment from this collateral, up to the amount drawn by the cedent. It enforces this right by drawing on the collateral the Group posted to such bank.

In the case of a large number of LOCs being drawn simultaneously, the Group could encounter difficulties in providing the total amount of required cash or fungible assets, i.e. exposing itself to a liquidity risk.

Moreover, some of the Group's facilities contain conditions about its financial situation which, if not met, constitute a default and might result in the suspension of the use of current credit facilities and/or a prohibition on obtaining new lines of credit or result in the need to negotiate new LOC facilities under adverse conditions.

For more details about the Group's lines of credit, refer to Section 1.3.6 – Financial position, liquidity and capital resources on pages 40 to 41 of the 2015 DDR. For more details on liquidity risks, refer to Section 5 – Liquidity risks.

1.5 Risks related to acquisitions

In recent years, the Group has completed a number of acquisitions around the world. Acquisitions involve risks that could adversely affect its operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions. Acquisitions could also result in additional indebtedness, costs, contingent liabilities, and impairment and amortization expenses related to goodwill and other intangible assets.

In addition, acquisitions may expose the Group to operational challenges and various risks, including:

- the ability to integrate the acquired business operations and data with its systems;
- the ability to retain client relationships and related business volumes;
- the ability to integrate, retain or recruit required personnel for the proper functioning of the acquired business;
- the availability of funding sufficient to meet increased future capital needs;
- the obligation to comply with new regulatory requirements;

- the ability to fund cash flow shortages that may occur if anticipated cash flows are not realized or are delayed, whether by general economic or market conditions or unforeseen internal difficulties; and
- the possibility that the value of investments acquired in an acquisition, may be lower than expected or may diminish due to credit defaults or changes in interest rates and that liabilities assumed may be greater than expected (due to, among other factors, less favorable than expected mortality, morbidity or lapse experience, or increase reserving of long tail lines of business).

A failure to successfully manage such operational challenges could adversely affect the Group.

The businesses the Group has recently acquired are described in Section 1.2.2 – History and development of the SCOR Group on pages 9 to 10 of the 2015 DDR.

Specific risks relating to the acquired businesses are as follows:

The integration of the acquired activities may prove to be difficult

Integrations may take longer, be more expensive or may be more difficult than expected. The success of integrations may depend, notably, on the ability to coordinate development efforts effectively, at the operational and commercial levels among others, to streamline and/or integrate the information systems and internal procedures, and on the ability to retain key employees. Difficulties encountered in integrations could entail higher integration costs and/or less significant savings or fewer synergies than expected.

The Group is also exposed to risks relating to the integration of the underlying data of newly acquired companies into its operating and financial accounting systems.

Retaining client relationships and related business volumes

It may be outside the control and influence of the Group to retain certain client relationships and business volumes related to acquired businesses. Related earnings and efficiencies may be lower than expected, which may dilute the return on such acquisition related investments.

An insolvency of AEGON might impair the value of business acquired (VOBA) of SCOR Global Life

Since August 2011, the majority of the mortality reinsurance business in the US related to the former Transamerica Reinsurance Co. flows into the Group via retrocession from AEGON companies. As long as not all underlying reinsurance agreements between cedents and AEGON companies have been novated, an AEGON insolvency might lead to premiums from clients no longer being passed on to the Group, and thus potentially impair the value of business acquired (“VOBA”).

Certain risks relating to acquired companies may not yet be known

Due notably to the size and complexities of acquisitions, despite pre-acquisition due diligence work carried out (the Group not having always been granted complete access to exhaustive data at the time of the acquisition) and the integration work performed to date, there is a risk that not all financial elements may have been fully and/or correctly evaluated or unknown or unexpected financial risks emerge, which may have significant consequences on the initially estimated impact of the relevant acquisition on the combined Group.

The Group could be exposed to certain litigation matters related to acquired companies

The Group could have to assume the burden of the litigation matters of acquired companies related to years preceding the acquisition or relating to those acquisitions. The costs of these litigation matters could have an adverse effect on its future operating income and an unfavorable outcome to one or more of these litigation matters could have a material adverse impact on the Group. For further details, refer to Section 4.6 Notes to the consolidated financial statements, Note 27 Litigations on pages 228 to 229 of the 2015 DDR.

1.6 The valuation of the Group's intangible assets and deferred tax assets may significantly affect its shareholders' equity and the price of its securities

A significant portion of the Group's assets consists of intangible assets, the value of which depends on its expected future profitability and cash flows. The valuation of intangible assets is, to a large extent, based on subjective and complex judgments concerning items that are uncertain by nature. If a change were to occur in the assumptions underlying the valuation of its intangible assets (including goodwill, Value of Business Acquired and Deferred Acquisition Costs), the Group would have to reduce their value, in whole or in part, thereby reducing shareholders' equity and its results.

The recognition of deferred tax assets, i.e., the likelihood of recognizing sufficient profits in the future to offset losses, depends on the performance of each entity concerned as well as applicable tax laws, regulatory requirements and accounting methods. The occurrence of events, such as operational earnings lower than currently projected or losses continuing over a longer period than originally planned or changes in tax legislation, regulatory requirements, or accounting methods could lead to the derecognition of part of the deferred tax assets for accounting and/or regulatory purposes.

Details of intangible assets, related impairment testing policy and recent acquisitions is included in Section 4.6 – Notes to the consolidated financial statements, Note 1 – Accounting Principles and Methods on pages 163 to 167 of the 2015 DDR; Note 3 – Acquisitions and Disposals on pages 171 to 176 of the 2015 DDR; Note 5 – Intangible Assets on pages 180 to 182 of the 2015 DDR; and Note 19 – Income Tax on pages 220 to 224 of the 2015 DDR.

2. UNDERWRITING RISKS RELATED TO THE P&C AND LIFE REINSURANCE BUSINESS

For further details on the terminology used to describe the Group's activity, refer to Section 1.2.5 – Business Overview on pages 15 to 23 of the 2015 DDR.

The principal risk the Group faces under insurance and reinsurance contracts is that the actual amounts of claims and benefit payments, or the timing thereof, differ from expectations. The frequency of claims, their severity, actual benefits paid, the development of long-tail claims and long-term mortality trends as well as external factors are all beyond the Group's control. Additionally, the Group is dependent on the quality of underwriting of its cedents for certain reinsurance treaties, and on the quality of claims management by these companies and the data provided by them. Under these uncertainties, the Group seeks to ensure that sufficient reserves are available to cover its liabilities.

Generally, the Group's ability to increase or maintain its portfolios of insurance and reinsurance risks in the P&C and Life divisions may depend on external factors such as, professional practices, legal, jurisdictional, regulatory, social, political, economic, financial and environmental conditions. These factors create uncertainties and may adversely affect the Group's business due to either an interpretation of the contracts leading to an extension of coverage (e.g. through inapplicability or interpretation of treaty clauses) or by increasing the frequency and/or severity of claims beyond what was anticipated at the time of the underwriting.

The Group mitigates its underwriting risks related to the Non-Life and Life reinsurance business through the purchase of risk-mitigation covers, both on the traditional retrocession market and on the capital markets via alternative risk transfer solutions (e.g. the multi-year securitization of catastrophic and pandemic risk in the form of Insurance-Linked Securities (“ILS”) and the issuance of contingent capital facilities). However, there is a risk that the Group may not be able to transfer / lay off its liabilities through the purchase of such instruments on economically viable terms and conditions in the future. For further details on retrocession and other risk mitigation techniques within the Group, see section 3.3.2 – Management of Underwriting risks on pages 142 to 148 of the 2015 DDR and Appendix A – 2 Internal Control Procedures and Risk Management – Paragraph on Capital Shield Strategy on pages 251 to 252 of the 2015 DDR.

2.1 Non-life reinsurance

The main risks linked with the Non-Life reinsurance business underwritten by the Group’s P&C division are Natural Catastrophes, P&C long-tail reserves deterioration and Terrorism. The Group’s P&C division is also exposed to such risks as part of its direct insurance activity.

Natural catastrophes

The Group’s property business underwritten by SCOR Global P&C is exposed to multiple insured losses arising from a single or multiple events, which can be catastrophic, being either caused by nature (e.g. hurricane, typhoon, windstorm, flood, hail, severe winter storm, earthquake, etc.) or man-made (e.g. explosion, fire at a major industrial facility, act of terrorism, etc.). Any such catastrophic event can generate insured losses in one or several of the Group’s lines of business (e.g. property, engineering, aviation, space, transport and agriculture). The most material catastrophes facing the Group’s risk profile are resulting from natural events, mainly tropical cyclones, windstorms, earthquakes and floods arising in North America and Europe.

P&C long-tail reserve deterioration

The Group may be subject to higher than expected P&C claims inflation on long-tail lines of business which can lead to a deterioration in the reserves. In particular Motor and General Liability represent the most material exposures.

For the Group’s casualty business, the frequency and severity of claims and the related indemnification payment amounts can be affected by several factors. The most significant factors are the changing legal and regulatory environment, including changes in civil liability law and jurisprudence. Additionally, due to the time needed to resolve arbitration and court claims settlement procedures, the casualty business is exposed to inflation risks regarding the assessment of claim amounts.

For further information on risks related to reserves, please refer to section 2.4 – Risks related to reserves.

Terrorism

SCOR Global P&C is exposed to single or multiple terrorist attacks through some P&C treaties and national terrorism pools.

The Group has actively supported the creation of insurance and reinsurance pools involving insurance and reinsurance companies as well as public authorities in order to spread the risks of terrorist activity among the members of these pools. Pools have been created in countries such as but not limited to: France (GAREAT), Germany (Extremus), the Netherlands (NHT), Austria (VVO) and Belgium (TRIP), which also benefit from varying levels of state support. The Group participates in some of these pools. In the US, the Terrorism Risk Insurance Act, and subsequent successive

legislation, requires that insurers provide coverage for terrorist acts. It establishes a federal program to help insurance companies cover claims related to terrorist acts.

Beyond the legal requirements in the US and other countries, market practices frequently require that reinsurers or insurers provide terrorism coverage.

Therefore, the Group does reinsure and, in some cases, insure, terrorist risks, wherever possible limiting either the event or annual aggregate amount of coverage for damage caused by terrorist acts.

Beyond the potential impact on its non-life portfolio, a terrorist event could also have an impact on the Group's life portfolio. For further details on interdependence and accumulation risks between the Life and Non-Life reinsurance business, please refer to section 2.3 – Interdependence and risks of accumulation risks between between the Group's activities.

Other risk considerations

In addition to the three main risks of the Group's non-life underwriting risk as listed above, other factors could have an adverse impact, such as cyclicity of the business and concentration risks related to its broker business.

Cyclicity of the business

Non-Life insurance and reinsurance businesses are cyclical. Historically, reinsurers have experienced significant fluctuations in operating income due to volatile and unpredictable developments, many of which are beyond the control of the reinsurer including primarily frequency or severity of catastrophic events, levels of capacity offered by the market, general economic conditions and the level of competition with regards to pricing.

The primary consequences of these factors are a reduction or an increase of the volume of Non-Life reinsurance premiums on the market, an increase in competition within the reinsurance market, and also a preference for those operators who are most attentive to the specific needs of the cedents and the most capable of answering them. This could lead potentially to a loss of competitive advantage for the Group.

Beyond the general trends, the premium rate cycle affects certain geographic markets and/or certain lines of business in a differentiated fashion and independently of each other.

Concentration risks related to its broker business

The Group produces its Non-Life business both through brokers and through direct relationships with insurance company clients. For the year ended 31 December 2015, the Group's largest brokers for Life were Aon Group with approximately 2% of the Group's Life gross written premiums and Willis Group with approximately 1%. The Group's largest brokers for Non-Life were Aon Group with approximately 18% of the Group's Non-Life gross written premiums, MMC with approximately 14% and Willis Group with approximately 11%. Refer to Section 1.2.5.4 – paragraph on distribution by production source on pages 21 to 22 of the 2015 DDR. The risk for SCOR is mainly the significant concentration of premiums written through a limited number of brokers. A significant reduction in the business generated through these brokers could potentially reduce premium volume and net income.

2.2 Life reinsurance

The main underwriting risks for the Group's life division are described below.

Long-term mortality deterioration

This risk refers to potential negative deviations in future mortality patterns from current best-estimate assumptions due to a higher than anticipated number of deaths (i.e. increased mortality rates) among the portfolio lives reinsured by the Group. This could result from inherent volatility, initial mispricing (level risk) or an adverse long-term trend. The latter could potentially be influenced by various emerging risks.

The Group's long term mortality reserves are based on a number of assumptions and information provided by third parties, which, if incorrect and/or incomplete, could have an adverse effect on the Group. For further information on risks related to reserves, please refer to section 2.4 – Risks related to reserves.

Pandemic

In Life reinsurance, a severe pandemic is a major risk. In the past century, three major outbreaks of influenza occurred and claimed millions of lives. The occurrence of a similar event could cause large losses to the Group due to an increased mortality far beyond the usual volatility. A lethal virus strain not only of influenza but of any other communicable disease could lead to a heavy increase in mortality rates and increased medical costs which could significantly affect the Group's results.

Longevity

Longevity risk refers to the risk of a negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing. This risk could have an impact on longevity swaps, annuity and long-term care covers and on other longevity protection products.

Policyholder behavior risk

SCOR Global Life is also exposed to risks related to policyholder behavior, including risks such as lapsation and anti-selection at policy issue.

Lapses refer to either non-payment of premium by the policyholder or to policies which are terminated by the policyholder before the maturity date of the policy. Depending upon the product design, higher or lower policyholder lapses than assumed in the pricing may reduce SCOR Global Life's expected future income.

Anti-selection refers to the problem of asymmetry of information between the insured and the insurer. An individual applying for life or health insurance cover usually has better knowledge about his or her own state of health than the insurer. The risk to the (re)insurer is of policyholders deliberately deciding among other things to:

- take out a policy in the knowledge that either their chances of claiming is high or higher than average;
- terminate a policy in the knowledge that their chances of claiming are low or lower than average, or;
- choose and exercise a policy option which increases the policyholder's expected benefit.

This might lead to a portfolio composition which differs from the one assumed during pricing and might imply lower than expected profits for both the direct insurer and the reinsurer.

Morbidity risks

Products such as critical illness, short-term and long-term disability and long-term care, which all contain morbidity risk, are subject to the risk of negative trends in health, as well as to the consequences of improved medical diagnoses capabilities which increase the number of claims due to conditions that otherwise would possibly have remained undetected. Medical progress may in the future enable better treatment, resulting in higher claims, since certain diseases would have otherwise led to a much shorter life expectancy of insured. Products providing cover for medical expenses are in particular subject to the risk of higher than expected incidence and inflation of medical costs.

Other risks

In addition to the main underwriting risks of SCOR Global Life as listed above, other factors could have an adverse impact, whether related to policyholder behavior such as resale or purchase of policies by third parties with no insurable interest, or other risk factors such as risks related to product guarantees and collateral requirements, or recapture risk.

For further details on risks related to collateral requirements, refer to section 5 – Liquidity risks.

2.3 Interdependence and accumulation risks between the Group's activities

Non-Life and Life reinsurance activities take place in two different market environments. They are subject to heterogeneous external constraints, which generally benefit from a high diversification effect. The overall balance between the two business areas within the Group hence provides stability. However, in some cases, evolutions of the Non-Life and Life activities are linked to each other as well as to those of the financial markets. This exposes the Group to risks of accumulation between its lines of business and/or asset classes.

Unforeseen events, such as natural catastrophes or man-made catastrophes, can make the Group's claims experience vary significantly from one year to the next, which can have significant impact on its profitability and financial position. These types of risk primarily affect Non-Life business areas. However, in cases where the Group faces a large number of casualties, the possibility of the losses also affecting its Life lines of business cannot be excluded. Similarly, unforeseen events such as terrorist attacks may materially impact the Non-Life business area, but also the Life business area, in the case of attacks resulting in many fatalities. Although in past events the life claims incurred have been comparatively small in relation to the non-life claims incurred, a terrorist act might claim a large number of insured lives.

In the event of a very large natural catastrophe or terrorism attack, the losses generated in the Non-Life and Life divisions could potentially accumulate with losses on financial assets related to the potential reaction of markets (i.e. movements in interest rates, exchange rates and equity market prices). In the same way, a major pandemic event may cause financial market turmoil and/or business interruptions.

In addition, depending on the frequency and nature of losses, the speed with which claims are made and the terms of the policies affected, it may be required to make large claim payments within a short period. The Group may be forced to fund those obligations by liquidating investments in distressed market conditions, or by raising funds under unfavorable conditions. For further information on such risks, see section 5 – Liquidity risks.

The Group's ability to grow or maintain its portfolios in the Non-Life and Life reinsurance divisions may also be subject to external factors whose evolutions may be linked, such as economic and political risks: For instance, slowdowns in economic growth or recessions in the major markets may lead households and companies to take out less insurance, to suspend certain premium payments, or

to terminate the insurance policies underlying the existing Non-Life and Life treaties earlier than anticipated. Similarly, social and political instability in certain markets, in which both divisions operate, is particularly significant in emerging markets. These risks could lead to significantly reduced business growth in these target markets.

The Group also holds in its investment portfolio some securities related to insurance risks (e.g. ILS). These securities can be indexed bonds (“CAT bonds”), Over-The-Counter (“OTC”) i.e. Insurance Loss Warranty (“ILW”) or collateralized reinsurance. Such securities could be impacted by the occurrence of underwriting risks as described in the above paragraphs (e.g. natural catastrophe, mortality etc.) that could significantly result in changes in value, or even possibly the full loss of the invested amount. These risks could also have a significant impact on the liquidity of these securities.

2.4 Risks related to reserves

The Group is required to maintain reserves to cover its estimated ultimate liability for losses and loss adjustment expenses with respect to reported and unreported claims, incurred as at the end of each accounting period, net of estimated related recoveries. Its reserves are established both on the basis of information it receives from its cedent insurance companies, including their own reserving levels, as well as on the basis of its knowledge of the risks, the studies it conducts and the trends it observes on a regular basis. As part of the reserving process the Group reviews, available historical data and it tries to anticipate the impact of various factors such as change in laws and regulations and judicial decisions that may affect potential losses from claims, changes in social and political attitudes that may increase exposure to losses and trends in mortality and morbidity, or evolution in general economic conditions.

As stated before, the Group’s reserves are based on a number of assumptions and on information provided by third parties, which, if incorrect and/or incomplete, could have an adverse effect on the Group. Despite the audits it carries out on the companies with which it does business and its frequent contacts with these companies, reserving practices differ among ceding companies and the Group is still dependent upon such companies’ risk evaluations in establishing its reserves.

As is the case for all other reinsurers, the inherent uncertainties in estimating reserves are compounded by the significant periods of time that often elapse between the occurrence of an insured loss, the reporting of the loss to the primary insurer and ultimately to the Group.

Another factor of uncertainty resides in the fact that some of the Group’s activities are long-tail in nature, in particular long-term care, whole life products, term assurance, longevity, workers compensation, general liability or medical malpractice. For some of these activities, it has, in the past, been necessary for the Group to revise estimated potential loss exposure and, therefore, to reinforce the related loss reserves.

Other factors of uncertainty, some of which have been mentioned above, are linked to changes in the law, regulations, case law and legal doctrines, as well as developments in class action litigation, particularly in the US.

3. MARKET RISKS

Market risk is the risk that the fair value or future cash flows of a financial instrument fluctuates because of changes in market prices or macro-economic variables.

3.1 Interest rate risk

Interest rates are very sensitive to a number of external factors, including monetary and budgetary policies, the national and international economic and political environment, and the risk aversion of economic agents.

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate fluctuations have direct consequences on both the market value and the return of the Group's investments as the level of unrealized capital gains or losses and the return on securities held in its portfolio both depend on the level of interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

During periods of declining interest rates, income from investments is likely to fall due to investment of net cash flows and reinvestments of redemptions at rates lower than those of the existing portfolio (dilutive effect of new investments). During such periods, there is therefore a risk that the Group's return on equity objectives are not met. For callable bonds for which the issuer has an option to redeem earlier than the ultimate maturity, the probability of having to reinvest the early proceeds at lower interest rates is increased.

On the other hand, an increase in interest rates could lead to a fall in the market value of fixed income securities that the Group holds. In the case of a need for cash, the Group may be obliged to sell fixed income securities, possibly resulting in capital losses to the Group.

The Group's reinsurance business may also be exposed to interest rate risk. The Group has certain life insurance contracts which are sensitive to fluctuations in interest rates. Although in general all long-term liabilities are discounted, in most cases there is no accounting impact from a 100 basis point change in interest, because valuation interest rates are typically locked-in.

Within the Non-Life division, the sensitivity of the portfolio to interest rates is not considered material.

3.2 Credit spread risk

Credit spread risk is the risk of deterioration of the credit assessment of an issuer or a borrower which may lead to a decline of the bonds it has issued or the loan the Group owns. Credit spread variations have a direct impact on the market value of the fixed-income securities and loans, and as a consequence, on the unrealized capital gains or losses of the fixed-income securities held in portfolio. See Section 4 – Counterparty default risks for more information on credit risk.

3.3 Equity risk

Equity prices are likely to be affected by risks which affect the market as a whole (uncertainty on economic conditions in general, such as anticipated changes in growth inflation, fluctuations of interest rates, sovereign risk, etc.) and/or by risks which influence a single asset or a small number of assets (specific or idiosyncratic risk). This may lead to a decrease in prices of the equity held by the Group and may impact its unrealized gains and losses. A material or long-lasting decline of prices of the Group's equity holdings may also result in an impairment of its equity portfolio. Such an impairment would affect its net income.

The Group's exposure to the equity market results from direct purchases of stocks or investments in equity funds and in convex equity strategies such as convertible bonds.

3.4 Real estate risks

Real estate risks, either for properties owned directly or through funds, are risks arising from a variation in the real estate market valuation or a change in the rental market conditions.

The rental income of the property portfolio is exposed to the variation of the indices on which the rents are indexed (for instance in France, the Construction Cost Index) as well as risks related to the

rental market (changes in supply and demand, changes in vacancy rates, impact on market rental values or rent renewals) and the default of lessees.

The value of property assets is exposed to the risk of regulatory obsolescence of properties (regulatory developments related to the accessibility of buildings for people with disability, on the reduction of energy consumption and the production of carbon dioxide, etc.) which would lead to losses of value in the event of a sale of the assets or to additional expenditure to restore the value of the property.

3.5 Market disruption

The financial markets remain uncertain and expose the Group to significant financial risks linked to changes in macroeconomic variables, inflation, interest rates and sovereign debts, credit spreads, equity markets, commodities, exchange rates and real estate securities but also to changes in the models used by the rating agencies. The Group may also be faced with the deterioration of the financial strength or rating of some issuers.

For further information on such risks, please see section 1.1 – Risks related to the macro-economic environment.

3.6 Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument or balance sheet amount will fluctuate because of changes in foreign exchange rates.

The following types of foreign exchange risk have been identified by the Group:

Transaction risk

Fluctuations in exchange rates can have consequences on the Group's reported net income because of the conversion results of transactions expressed in foreign currencies, the settlement of balances denominated in foreign currencies and the lack of perfect matching between monetary assets and liabilities in foreign currencies. In this case and to reduce the impact of imperfect matching, the Group uses derivative financial instruments in order to hedge against currency fluctuations on currency particularly sensitive in times of greater volatility on the capital markets. Nevertheless, a perfect matching of monetary assets and liabilities can never be achieved and a potential profit or loss impact due to fluctuations in exchanges rates can arise.

Translation risk

The Group publishes its consolidated financial statements in Euros, but a significant part of its income and expenses, as well as of its assets and liabilities, are denominated in currencies other than the Euro. Consequently, fluctuations in the exchange rates used to convert these currencies into Euros may have a significant impact on its reported net income and net equity from year to year.

The Group's main non-French legal entities are located in Ireland, Switzerland, the Americas, the UK and Asia. The shareholders' equity of these entities is denominated mainly in Euros, US dollars, British pounds and Canadian dollars.

As a result, changes in the exchange rates used to convert foreign currencies into Euros, particularly the fluctuation of the US dollar against the Euro, have had and may have in the future, an adverse effect on the Group's consolidated shareholders' equity. The Group does not fully hedge its exposure to this risk. The impact of the fluctuation in the exchange rates used to translate foreign currencies into Euros on its consolidated shareholders' equity is described in Section 4.5 – Consolidated Statements of Changes in Shareholders' Equity on pages 160 to 162 of the 2015 DDR.

The Group has issued debt instruments in currencies other than the Euro, currently Swiss Francs, and to the extent that these are not used as a hedge against foreign currency investments, it may be similarly exposed to fluctuations in exchange rates. Most debts are fully hedged. For more information on the forward sales and purchases and swaps of currencies used to hedge these risks refer to Section 4.6 Notes to the consolidated financial statements, Note 9 – Derivative Instruments. For more information on debts issued in different currencies on pages 194 to 196 of the 2015 DDR, refer to Section 4.6 – Notes to the consolidated financial statements, Note 14 – Financial debt on pages 202 to 206 of the 2015 DDR.

Some events, such as catastrophes, can have an impact on the matching of assets and liabilities in a currency, which can generate a temporary unmatched position which is not covered by currency contracts or hedges.

3.7 Sensitivity to market risk

The following table summarizes the accounting sensitivity of the Group's consolidated income and consolidated equity to market risks based on reasonably possible movements in key variables with all other variables held constant. The assumptions included are:

Interest rate risk

The interest sensitivities for equity presented in the table below include the movements on the debt security portfolio, cash and cash equivalents, structured notes, the impact of changes in interest rates on variable rate financial debt and the GMDB business.

The interest sensitivities for profit & loss presented in the table below show the impact of changes in fair value of financial assets at fair value through profit & loss held at closing date, and change in income on variable rate financial assets held at closing date, following an increase / decrease in interest rates of 100 basis points. An estimate of the impact on the future profit & loss following a change of 100 basis points is therefore included. However, the Group does not include in this analysis the impact that changes in interest rates might have on the reinvestment of future cash flows, as future cash flows of our business are difficult to predict and asset allocations might change over time.

Equity price risk

The Group conducted an analysis of the sensitivity of the impairment of equity securities, by applying the accounting policy and application guidance set out in Section 4.6 – Notes to the consolidated financial statements, Note 7 Insurance business investments on pages 184 to 193 of the 2015 DDR. The Group estimates that, excluding any impairment arising to duration, a further uniform decline of 10% from 31 December 2015 market values would generate a further impairment of equity securities of EUR 1 million (2014: EUR 1 million; 2013: EUR 1 million). It should be noted that this figure should not be scaled up or down as the impairment rules are not a linear function of market value. For example, a scenario with a market value decline of 20% would not double the potential further equity impairment.

Both Life and Non-Life businesses have minimal sensitivity to equity price movements.

The market sensitivities of the Group are estimated as follows:

In EUR million	31 December 2015		31 December 2014		31 December 2013	
	Income ⁽²⁾ (3)	Equity	Income ⁽²⁾ (3)	Equity ⁽²⁾ (3)	Income ⁽²⁾ (3)	Equity ⁽²⁾ (3)
Interest +100 basis point	14	(414)	12	(390)	13	(271)
% of Equity	0.2%	(6.5)%	0.2%	(6.8)%	0.3%	(5.5)%
Interest – 100 basis	(14)	310	(13)	324	(13)	225

% of Equity	(0.2)%	4.9%	(0.2)%	5.7%	(0.3)%	4.6%
Equity markets +10% ⁽¹⁾	7	28	5	26	4	29
% of Equity	0.1%	0.4%	0.1%	0.5%	0.1%	0.6%
Equity markets -10% ⁽¹⁾	(7)	(28)	(5)	(26)	(5)	(29)
% of Equity	(0.1)%	(0.4)%	(0.1)%	(0.5)%	(0.1)%	(0.6)%

(1) Excludes investments in hedge funds which normally do not have a uniform correlation to equity markets and securities where the Group has a strategic investment including where the Group has a substantial shareholding but does not meet the “significant influence” criteria in IAS 28

(2) The reduction in equity represents the estimated net asset impact including the additional impairment recognized in the profit and loss account

(3) Net of tax at an estimated average rate of 21% in 2015 (24% in 2014 and 26% in 2013)

Currency risk

The Group’s currency risk management is described in section 3.3.3.4 – Management of currency risk on page 149 of the 2015 DDR.

The Group recognized a net foreign exchange gain of EUR 16 million for the year ended 31 December 2015 (2014: gain of EUR 11 million and 2013: loss of EUR 10 million).

For currency translation risk, the following sensitivity analysis⁽¹⁾ considers the impact on equity of a 10% movement in the exchange rates of the Group’s two largest translation risk currency exposures, USD and GBP relative to EUR.

In EUR million	Currency movement	Equity impact		
		2015	2014	2013
USD / EUR	10%	347	271	252
% of equity		5.5%	4.8%	5.1%
USD / EUR	(10)%	(347)	(271)	(252)
% of equity		(5.5)%	(4.8)%	(5.1)%
GBP / EUR	10%	41	37	33
% of equity		0.6%	0.6%	0.7%
GBP / EUR	(10)%	(41)	(37)	(33)
% of equity		(0.6)%	(0.6)%	(0.7)%

(1) This analysis excludes the impact of hedging activity

4. COUNTERPARTY DEFAULT RISKS

Counterparty default risk is the risk that one party to a financial instrument or other asset will cause a financial loss to the other party either by failing to discharge an obligation or by a deterioration in its financial situation.

The Group is mainly exposed to the following credit risks or the accumulation of such risks in either a single counterparty, in the same sector of activity or the same country: from bond and loans portfolios, shares of retrocessionaires in contract liabilities, deposits with cedents, cash deposits at banks, future profits of Life reinsurance treaties and default of pool members. The Group may be exposed to credit risk through its Credit & Surety reinsurance portfolio.

4.1 Bond and loan portfolios

A deterioration in the financial situation of an issuer (sovereign, public or private) or borrower can cause it to become insolvent and lead to the partial or total loss of coupons and of the principal invested.

This risk applies also to loan transactions in which the Group invests. The borrower's solvency deterioration may lead to a partial or total loss of the coupons and the nominal invested by the Group.

For information on the debt securities portfolio, refer to Section 4.6 – Notes to the consolidated financial statements, Note 7 Insurance Business Investment on pages 184 to 193 of the 2015 DDR.

4.2 Shares of *retrocessionaires* in contract liabilities

The Group transfers part of its risks to *retrocessionaires* via retrocession programs in exchange for the payment of premiums. The *retrocessionaires* then assume the losses related to claims covered by the retrocession contracts. If a *retrocessionaire* defaulted, the Group could lose part or all of the coverage provided by its *retrocessionaire* whereas it would retain its liability to the cedent for the payment of all claims covered under the reinsurance contract.

The Group could also lose receivables from the defaulting *retrocessionaire* (receivables are due to a timing difference between statement accounts received and real payment due for positive balances of *retrocessionaire* accounts).

The *retrocessionaires'* part in the reserves split by retrocessionaires' financial rating is included in Section 4.6 – Notes to the consolidated financial statements, Note 16 – Net Contract Liabilities on pages 207 to 212 of the 2015 DDR.

4.3 Deposits with cedents

The Group may be exposed to credit risk in relation to amounts deposited with ceding companies in respect of reserves which cover its current and future liabilities. However, depositing these amounts does not a priori discharge the Group of its liability towards the cedent in case it is not able to recover these amounts in the event of default of that cedent. Hence it is possible that the Group will remain liable for paying claims without being able to offset the corresponding deposit.

4.4 Cash deposits at banks

The Group is exposed to the risk of losing all or part of any cash deposited with a retail bank in the event such a bank is no longer able, due to insolvency, to honor its commitments (e.g., following liquidation). The current main risk for the Group is the significant concentration of deposits in a small number of banks. This risk is a direct result of the selection of the most stable banks.

4.5 Future cash-flows of life reinsurance treaties

Credit risk on future cash-flows from Life reinsurance policies arises from two risk factors:

- Firstly, the payment of future profits expected under Life reinsurance contracts requires that the cedent is solvent. Therefore, the Group risks a reduction in the value of its portfolio of Life contracts in the event of a deterioration in the financial strength of the cedent. This may lead to a depreciation of both the value of business acquired ("VOBA") and deferred acquisition costs ("DAC").
- Secondly, a reduction in the value of future profits could arise from a material unexpected lapsation of policies following a deterioration of the cedent's financial rating or standing or an event which has a negative effect on the cedent's reputation.

4.6 Default of pool members

The Group participates, for certain risk categories, such as Terrorism, Nuclear, Aviation or Pollution, in various groups of insurers and reinsurers (“pools”) aimed at pooling the relevant risks among the members of each group. In the event of a total or partial default by one of the members of a group, it could be required to assume, in the event of joint liability of the members, all or part of the liabilities of the defaulting member.

4.7 Aging of financial assets

The following table provides an overall analysis of the aging of financial assets as at 31 December 2015:

In EUR million	Current	1-12 months	12-24 months	24-36 months	> 36 months	Total
Available-for-sale financial assets	15,381	-	-	-	-	15,381
Financial assets at fair value through income	744	-	-	-	-	744
Derivative instruments	221	-	-	-	-	221
Loans and receivables	10,492	-	-	-	-	10,492
Insurance receivables	4,929	369	36	11	33	5,378
Tax receivables	138	-	-	-	-	138
Other assets	208	3	-	-	-	211
Cash and cash equivalents	1,626	-	-	-	-	1,626
Total	33,739	372	36	11	33	34,191

The following table provides an overall analysis of the aging of financial assets as at 31 December 2014:

In EUR million	Current	1-12 months	12-24 months	24-36 months	> 36 months	Total
Available-for-sale financial assets	14,682	2	-	-	-	14,684
Financial assets at fair value through income	690	-	-	-	-	690
Derivative instruments	51	-	-	-	-	51
Loans and receivables	8,947	-	-	-	-	8,947
Insurance receivables	4,501	212	30	12	28	4,783
Tax receivables	127	-	-	-	-	127
Other assets	277	-	-	-	-	277
Cash and cash equivalents	860	-	-	-	-	860
Total	30,135	214	30	12	28	30,419

Financial assets have been categorized within the above aging analysis according to their original due date. The due date for each of these instruments may vary depending on the nature of the asset. Insurance receivables business credit terms are typically based on normal terms of trade, as specified within contracts. Insurance receivables include estimates, which are presented as current. The available-for-sale investments and fair value through income categories presented above include fixed income securities and equity securities. For fixed income securities, amounts are only presented as non-current if the security has not been redeemed on the date of maturity and therefore the amount receivable is past due. For equity securities, due to the absence of a contractual date of redemption, these instruments are presented as current. Other assets presented in the above aging analysis, including derivative instruments, loans and receivables, cash and cash equivalents and other accounts receivable, are presented in a similar manner as those instruments described above, depending on the existence of a redemption date.

Impairment information relating to financial assets is included in Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance Business Investments on pages on pages 184 to 193 of the 2015 DDR, Note 8 – Loans and receivables on page 193 of the 2015 DDR, Note 10 – Assumed and ceded insurance and reinsurance receivables and payables on page 197 of the 2015 DDR and Note 20 – Investment income on page 224 of the 2015 DDR.

5. LIQUIDITY RISKS

Liquidity risks arise when available liquidity is not sufficient to meet liquidity needs. This liquidity shortfall can result either from:

- A deviation from planned liquidity needs over either the short term, or the medium/long term;
- A deviation from estimated liquidity capacities, e.g. due to adverse business conditions.

5.1 Liquidity needs

The Group needs liquidity to pay claims, operating expenses, interest payments and redemptions on its debts and declared dividends on its share capital. In the case of catastrophe claims, in particular, it may need to settle in a reduced timeframe amounts which exceed the amount of available liquidity.

The Group's ability to access external sources of liquidity may be subject to adverse capital and credit market conditions. Without sufficient liquidity, the Group may be forced to curtail its operations, and business will suffer.

The principal internal sources of the Group's liquidity, consisting mainly of cash or assets that are readily convertible into cash, are reinsurance premiums, cash flows from its investment portfolio and other assets.

5.2 Sources of liquidity

External sources of liquidity in normal markets include a variety of short and long term instruments, including repurchase agreements, commercial paper, medium and long term debt, junior subordinated debt securities, capital securities and stockholders' equity. For further information on the Group's financial debt, including related financial covenants, refer to Section 4.6 – Notes to consolidated financial statements, Note 14 – Financial debt on pages 202 to 206 of the 2015 DDR.

Liquidity risks are increased when capital and credit markets experience extreme volatility or disruption, as the Group may need to sell a significant portion of its assets quickly and at unfavorable terms, all the more as, if occurring in the event that current internal resources do not satisfy its liquidity needs.

Such risk may be increased due to the characteristics of certain Group's assets:

- "Side pockets" or "gates":

The Group holds shares of private equity or hedge funds or funds of funds in its alternative assets portfolio. Some of these funds have the possibility to temporarily restrict the liquidity of these shares pursuant to restrictions that are commonly referred to as "side pockets" or "gates." The Group does not hold a material portfolio of such assets.

- Investments in loans:

The Group invests in corporate loans, real estate loans and infrastructure loans. These are medium to long-term investments. Some investments may not allow for a change in strategy to adapt to the environment before their final maturity.

The availability of additional financing will depend on a variety of factors. These notably include market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, its credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects if the Group incurs large investment losses or if the level of its business activity decreases due to a market downturn. Similarly, access to funds may be impaired if regulatory authorities or rating agencies take negative actions against the Group. The liquidity of several asset classes owned by the Group may also be negatively impacted by a change in regulation or by the evolutions of non-conventional monetary policies. Eventually, these factors could prevent the Group from successfully obtaining additional financing on favorable terms, or at all.

Liquidity risks could also arise from increased collateral requirements. Some facilities the Group uses to grant letters of credit to cedents require 100% collateral in case of non-compliance with financial covenants or in case of a decrease in the Group's financial strength rating, which would result in a deterioration of the Group's liquidity level. Collateral arrangements are also used by the Group when operating business in jurisdictions that demand a higher level of reserves than under IFRS in other jurisdictions. This is especially the case in the US for business falling under the NAIC Model Regulation XXX or Valuation of Life Insurance Policies Model Regulation, commonly referred to as Regulation XXX (or Triple X). Letters of Credit carry the risk of a duration mismatch, i.e. that short-term Letters of Credit are covering long-term business and might have to be renewed at less favorable conditions, creating additional cost.

Information on the Group's letter of credit facilities, including related financial covenants, is included in Section 4.6 – Notes to consolidated financial statements, Note 25 – Commitments Received and Granted on pages 227 to 228 of the 2015 DDR.

Considering the above, the Group is exposed to risks of short-term or medium-term payouts, and it cannot be guaranteed that it will not be exposed to such risks in the future.

Maturity profiles

SCOR Global P&C (Non-Life)

The technical reserves of SCOR Global P&C are established on an undiscounted basis (except workers compensation and payments in annuity on Motor Liability). The table below includes the estimated maturity profiles of the Non-Life insurance liabilities based on payment patterns derived from historical data.

Non-Life insurance					
In EUR million	0-1 year	1-3 years	3-7 years	> 7 years	Total
As at 31 December 2015	3,619	4,409	3,350	2,611	13,989
As at 31 December 2014	3,531	4,086	3,044	2,365	13,026

The analysis of the balance sheet reserve movements, including net paid losses is included in Note 4.6 Notes to consolidated financial statements, Note 16 – Net Contract Liabilities on pages 207 to 212 of the 2015 DDR.

SCOR Global Life

The projections for insurance liabilities of the Life segment have been prepared on a best estimate basis. The amounts below represent the estimated maturity profile of the gross liabilities. For long-term life reinsurance, benefit payments are typically settled net of premiums (for treaties with periodic premium payments). Where liabilities are deposited with the cedent, the settlement normally also includes certain other account items, primarily the release of the deposits. For contracts where funds withheld are used to offset the amounts settled between the Group and its cedents, funds withheld to cover the life insurance liabilities in the table below mature at the same date as the respective life insurance liabilities.

The table below reflects gross cash outflows:

Life insurance liabilities					
In EUR million	< 1 year	1-5 years	6-10 years	> 10 years	Total
As at 31 December 2015	1,868	1,305	1,491	9,080	13,744
As at 31 December 2014	2,362	1,540	1,088	7,704	12,694

Financial debt

Maturity profiles have been based on undiscounted contractual maturities and include contractual interest payments (including those from cross currency and interest rate swaps). In the case of perpetual debt, or debt which is subject to multiple optional reimbursement dates, the analysis below has been prepared based on the assumption that the Company does not make use of any of the early optional reimbursement dates. In September 2014 and December 2015, the Group issued two subordinated notes for EUR 250 million and EUR 600 million, respectively. It is the Group's current intention, subject to the evolution of market conditions and to prior regulatory approval, to refinance through the proceeds of these two notes the optional redemptions of the remaining balance of the 6.154% undated deeply subordinated EUR 350 million notes callable in July 2016 and of the 5.375% fixed to floating rate undated subordinated CHF 650 million notes callable in August 2016. The proceeds of these notes may also be used for general corporate purposes. Of the amounts below, EUR 98 million³ (2014: EUR 258 million³) relate to variable rate debt.

As at 31 December 2015

In EUR million	Interest rate ranges	Debt maturity profiles			Total
		< 1 year	1 - 5 years	> 5 years *	
Subordinated debt	1.02% - 6.98%	110	349	3,501	3,960
Real estate debt	0.97% - 4.50%	59	341	175	575
Other financial debt	0.19%	6	2	-	8
Total		175	692	3,676	4,543

As at 31 December 2014

In EUR million	Interest rate ranges	Debt maturity profiles			Total
		< 1 year	1 - 5 years	> 5 years *	
Subordinated debt	1.06% - 6.98%	92	280	1,623	1,995
Real estate debt	1.18% - 4.50%	64	385	82	531
Other financial debt	0.42%	6	2	1	9
Total		162	667	1,706	2,535

Details on financial debts are presented in Section 4.6 – Notes to the consolidated financial statements, Note 14 – Financial Debt on pages 202 to 206 of the 2015 DDR.

³ This amount excludes debt which has been swapped from variable interest rate to fixed interest rate

Maturity analyses of financial assets that are held for managing liquidity risk are presented within Section 4.6 – Notes to the consolidated financial statements, Note 7 – Insurance Business Investments on pages 184 to 193 of the 2015 DDR.

Various entities in the Group rent their office headquarters. The minimum payments relating to these operating leases are presented within Section 4.6 – Notes to the consolidated financial statements, Note 6 – Tangible assets and property related commitments on pages 183 to 184 of the 2015 DDR.

6. OPERATIONAL RISKS

Operational risks are inherent to all businesses including the Group's. Operational risks may be split into four broad categories further described below: risks related to staff, systems or facilities, processes or external events.

6.1 Risks related to staff

Risks related to staff can arise as follows:

- The failure to attract or retain key personnel or the loss crucial information/skills concentrated in a single person, or of a whole team.
- Incidents due to mistakes or non-respect of instructions, guidelines or policies.
- Internal staff mandated by the Group having authorized access to the Group's offices or systems taking advantage of the Group's assets for personal gain e.g. through misappropriation of assets, tax evasion, intentional mismarking of positions or bribery.
- Intentional damage to the Group's assets (including data) necessary to perform its operations by internal or external staff could lead to significant additional remediation costs (to rebuilt databases or systems).

6.2 Risks related to systems or facilities

Risks related to systems can arise as follows:

- A malfunction or a major breakdown in the Group's IT systems, outages, disruptions due to viruses, attacks by hackers and theft of data. This can occur within the Group's own environment or to a third party providing services or data to the Group;
- Interruption of any of the Group's IT systems leading to loss of data, delays in service or in a loss of efficiency of teams, which could lead to remediation costs, loss of contracts or damage to the Group's reputation. In addition, these incidents could increase other operational risks such as external fraud or human error (e.g. delay in the recognition of adverse business development). The interruption of these systems could damage commercial activities including underwriting, pricing, reserving, premium and claims payment, commercial support, and asset management;
- In addition, the facilities in which the Group operates might be impacted by natural or man-made perils. The offices might need to be closed for a period of time potentially generating a loss of productivity and business opportunity, as well as remediation costs;

6.3 RISKS COMING FROM PROCESSES

The Group's risk management policies, procedures and controls may not be appropriate or sufficient. In particular, any additional workload to the planned activities could reduce the effectiveness of

some processes and controls. As an example, the creation of a new entity or development of a new Line of Business may lead to an accumulation of operational risks.

Since the Group remains responsible for commitments or services contracted, an inappropriate client relationship management or inadequate level of service and/or product quality provided by the Group to its clients or breach of contract may lead to a loss of profitable business relationships.

In addition, the Group may be involved in legal and arbitration proceedings due to non-protective terms of a contract, denounced either by third parties or internally which could lead to an unfavorable outcome. There are no governmental, judicial or arbitration proceedings, including any proceedings the Group would be aware of, pending or which the Group could be threatened with, likely to have or having significant impact on the Group's financial situation or profitability over the last 12 months. For information on this issue, refer to Section 4.6 – Notes to the consolidated financial statements, Note 27 – Litigations on pages 228 to 229 of the 2015 DDR.

Some of the Group processes are partially or integrally outsourced. Failed outsourced processes could lead to direct losses and other operational incidents.

For further details on current main regulatory developments which may have an impact on the Group, please refer to 1.3 – Risks related to capital and to legal and regulatory developments.

6.4 Risks related to external events

The Group can be exposed to unfavorable business environment such as evolving or additional regulatory constraints potentially hindering its business model.

In addition, as an international group, the Group must comply with national and international laws, regulations and accounting standards. This includes all applicable economic sanctions, anti-bribery as well as anti-terrorism laws and regulations applicable to its operations, such as the economic trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) as well as certain laws administered by the United States Department of State, the Foreign Corrupt Practices Act (FCPA) and other anti-bribery laws such as the UK Bribery Act that generally bar corrupt payments or unreasonable gifts to foreign governments or officials. The level of legal, regulatory, tax or accounting requirements depends on several factors including the type of business (e.g. primary insurance or reinsurance business), the location and the legal structure of the entity. The large number of regulatory environments, as well as changes in regulations increase the complexity of the related processes. Any violation of laws, regulations or accounting requirements could expose the Group to, for example, fines, class actions with compensation payments, accounts restatements or business restrictions.

The Group is also exposed to external fraud which is characterized by the fraudulent misappropriation of certain the Group's assets by third parties. External frauds may be perpetrated with various means including cyber-attacks and usually target cash, or data. Should they succeed in bypassing the controls, or protection measures, this could generate a direct loss for the Group.

The Group is exposed to cyber-attacks which can be very diverse in their sophistication and execution. The main targeted elements are system functions, data and cash management.

- Systems could be slowed down, corrupted or stopped potentially resulting in loss of productivity, corrupted data and remediation costs
- Data could be stolen, deleted or corrupted, or made public in contradiction with the Group's regulatory or contractual obligations.

Any of these could generate a reputational risk, give rise to a breach of the Group's legal responsibility, and may result in regulatory sanctions depending on the level of sensitivity of the data or system that is successfully attacked. The cyber-attack could also assist external fraudsters resulting in a financial loss.

6.5 Insurance of specific operational risks

Some of the above operational risks which are transferred in whole or in part to direct insurers⁴ as follows:

- The properties and other assets of the Group and its subsidiaries are covered locally through property and fire damage as well as IT risk policies.
- Liability risks are mostly covered at Group level and include civil liability risks related to the operation of the company caused by employees and real estate, professional liability risks, civil liability risks of directors and officers, and cyber risks.

Nevertheless, these insurance covers could prove to be insufficient. In case of a loss, the insurance companies could also possibly contest their liability towards the Group.

⁴ Generally speaking, the insurance covers mentioned in this section illustrate the Group policy of transferring some of its own risks. However, these insurance covers remain subject to the provisions of corresponding contracts, specifically those regarding possible sub-limits of cover, particular deductibles and geographic scope of cover and/or particular exclusions

RISK FACTORS RELATING TO THE NOTES

Capitalised expressions used below have the meaning ascribed to them in the Terms and Conditions of the Notes.

1. GENERAL RISKS RELATING TO THE NOTES

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets and with the regulatory framework applicable to the Issuer;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) consult their legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting

effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legality of purchase

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The trading market for the Notes may be volatile and may be adversely impacted by many events

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Notes may be influenced by economic and market conditions, political events in France or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Notes bearing interest at a fixed rate from (and including) the Issue Date, to (but excluding) the First Call Date, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Following the First Call Date, interest on the Notes shall be calculated on each Reset Date on the basis of the annual mid-swap rate for EUR swap transactions with a maturity of ten (10) years. The Reset Rate of Interest will be determined two (2) Business Days before each Reset Date and as such is not pre-defined at the date of issue of the Notes. The Reset Rate of Interest in relation to a relevant Interest Period may be different from the initial Rate of Interest or from a Reset Rate of Interest applicable to a previous Interest Period and may adversely affect the yield of the Notes.

Credit ratings

Credit ratings are expected to be assigned to the Notes by two independent credit rating agencies (see cover page of this Prospectus for more information). Other independent credit rating agencies could decide to assign credit ratings to the Notes and such credit ratings may be higher than, the same as or lower than the credit ratings provided by Fitch and S&P. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Notes.

An active trading market for the Notes may not develop

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes. Although application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. The Issuer is entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Potential Conflicts of Interest

The Managers and their affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of the Managers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Modification of the Terms and Conditions of the Notes

Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 13.1 (*The Masse*) of the Terms and Conditions of the Notes "*Representation of the Noteholders*", and a general meeting of Noteholders can be held. The Terms and Conditions of the Notes permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority.

The general meeting of Noteholders may, subject to Condition 13.6 (*Powers of General Assemblies*) of the Terms and Conditions of the Notes, deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Change of law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

Taxation

Payments of interest on the Notes, or profits realised by the Noteholder upon the disposal or repayment of the Notes, may be subject to taxation or documentary charges or duties in its home jurisdiction or in other jurisdiction in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

No gross-up obligation unless a Tax Alignment Event has occurred

If French law should require any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer shall not pay such additional amounts as would be necessary for each Noteholder, after such withholding or deduction, to receive the full amount then due and payable thereon in the absence of such withholding or deduction unless a Tax Alignment Event has occurred and is continuing (as more fully described under "*Terms and Conditions of the Notes – Taxation*") and subject to the Relevant Anniversary (as more fully described under "*Terms and Conditions of the Notes – Conditions to Redemption and Purchase*") having elapsed.

Financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the **Participating Member States**).

The proposed FTT has very broad scope and, if introduced, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

In December 2015, a joint statement was issued by the Participating Member States (excluding Estonia), indicating an intention to make decisions on the remaining open issues by the end of June 2016.

However, the Commission's Proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with purchasing and disposing of the Notes.

French Insolvency Law

Under French insolvency law and notwithstanding any clause to the contrary, holders of debt securities, are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a euro medium term notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders casting a vote). No quorum is required to convene the Assembly. Noteholders whose rights are not modified by the proposed plan do not participate in the vote.

The procedures, as described above or as they will or may be amended, could have an adverse impact on Noteholders seeking repayment in the event that the Issuer were to become insolvent or otherwise subject to any of the foregoing procedures.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

2. Risks relating to the structure of the Notes

The Notes are subordinated obligations of the Issuer.

- (a) The obligations of the Issuer under the Notes in respect of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable or liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
 - (ii) *pari passu* with any other existing or future direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of judicial rehabilitation (*redressement judiciaire*), the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any other reason, the rights of the Noteholders in respect of principal, interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, and holders of insurance policies issued by such entities and creditors with respect to unsubordinated obligations of the Issuer.

In the event of incomplete payment of creditors ranking senior to Noteholders (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Notes and relative interest will be terminated.

Thus, the Noteholders face a higher performance risk than holders of unsubordinated obligations of the Issuer.

Restrictions on interest payment.

On any Optional Interest Payment Date (as defined in the Terms and Conditions of the Notes), the Issuer may, at its option, elect to defer payment of all or part of the interest accrued to that date, and

the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

On any Mandatory Interest Deferral Date (as defined in the Terms and Conditions of the Notes), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued to that date (and any such failure to pay shall not constitute a default by the Issuer for any purpose), provided however that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Solvency II Regulations);
- (ii) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer as determined in accordance with the Solvency II Regulations as applicable; and
- (iii) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

Any interest not paid on an Optional Interest Payment Date or a Mandatory Interest Deferral Date and deferred shall so long as they remain outstanding constitute Arrears of Interest and shall be payable subject to the fulfilment of the Conditions to Settlement as outlined in Condition 4.3 (*Interest Deferral*) of the Terms and Conditions of the Notes.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Restrictions on redemption, including at maturity, may delay the effect redemption date

The Notes may not be redeemed, including at maturity, by the Issuer pursuant to any of the redemption provisions referred to in the Terms and Conditions of the Notes unless the Conditions to Redemption and Purchase set out in Condition 6.10 are satisfied. In particular no redemption of the Notes can take place if (subject to certain conditions) a Regulatory Deficiency has occurred and is continuing on the due date for redemption (or such redemption would itself cause a Regulatory Deficiency) or an Insolvent Insurance Affiliate Winding-up has occurred and is continuing on the date due for redemption or purchase (to the extent required under the Solvency II Regulations in order for the Notes to be treated under the Solvency II Regulations as at least “tier two” own funds regulatory capital)

The satisfaction of the Conditions to Redemption and Purchase may delay the date on which the Notes are effectively redeemed and such delay may have a material adverse effect on the value of the Notes.

Early redemption risk.

Subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may redeem the Notes in whole, but not in part, on the Interest Payment Date falling on the First Call Date or on any Interest Payment Date thereafter.

Subject to the satisfaction of certain conditions, including the Prior Approval of the Relevant Supervisory Authority, the Issuer may also, at its option, redeem the Notes at any time for certain withholding tax and tax deductibility reasons or upon the occurrence of certain events, including a Rating Event, a Capital Disqualification Event, an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Such redemption options will be made at the Base Call Price (as defined in the Terms and Conditions of the Notes) and will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts (if any) thereon at such date).

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to the First Call Date.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

There are no events of default under the Notes.

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes.

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Regulatory regime: Solvency II.

The Notes are issued for capital adequacy regulatory purposes with the intention that all the proceeds of the Notes be eligible, (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of its regulatory capital under the Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

The Issuer's expectation is based on its review of available information relating to the implementation of Solvency II Directive in France by ordinance (*ordonnance*) no. 2015-378 dated 2

April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date and the "level two" implementation measures set out in Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 which entered into force on 18 January 2015.

There can be no assurance that, following their initial publication, the "level two" implementation measures and "level three" guidance will not be amended. Moreover, there is uncertainty as to how regulators, including the *Autorité de contrôle prudentiel et de résolution (ACPR)*, will interpret the Solvency II Directive as implemented in France, the 'level two' implementation measures and/or "level three" guidance and apply them to the Issuer or the Group.

Accordingly, Noteholders should be aware that the Solvency II Directive may lead to, or increase the likelihood of, a deferral of payments under the Notes and/or an early redemption of the Notes. It may also impact the Issuer's ability to pay any Arrears of Interest and any Additional Interest Amounts thereon.

Optional redemption, exchange or variation of the Notes.

There is a risk that, after the issue of the Notes, a Capital Disqualification Event may occur which would entitle the Issuer, without the consent or approval of the Noteholders, to exchange or vary the Notes, subject to not being prejudicial to the interest of the Noteholders, so that after such exchange or variation they would be eligible as provided for under (x) or (y) set out in "*Regulatory regime: Solvency II*" above.

Alternatively, the Issuer reserves the right, under the same circumstances, to redeem the Notes early as further described in "Early redemption risk" above and in the "*Terms and Conditions of the Notes - Redemption and Purchase*".

In such a case, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to reinvest at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may also be redeemed, exchanged or varied without the consent of the Noteholders further to a Rating Event or an Accounting Event (as defined in the terms and conditions of the notes).

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. It does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 5.2 of the Prospectus Directive or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer:	SCOR SE
Description:	€500,000,000 Fixed to Reset Rate Subordinated Notes due 27 May 2048 (the Notes).
Structuring Advisor:	BNP Paribas
Joint Bookrunners and Joint Lead Managers:	BNP Paribas, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, J.P. Morgan Securities plc, Natixis and UBS Limited
Fiscal Agent, Principal Paying Agent and Calculation Agent:	BNP Paribas Securities Services
Aggregate Principal Amount:	€500,000,000
Denomination:	€100,000 per Note
	Principal Amount means €100,000, being the principal amount of each Note on the Issue Date (as defined below).
Issue Date:	27 May 2016
Issue Price:	99.799 per cent.
Scheduled Maturity Date:	27 May 2048, if the Conditions to Redemption and Purchase are satisfied and otherwise as soon as the Conditions to Redemption and Purchase are satisfied.
	The Notes are issued in dematerialised bearer form (<i>au porteur</i>) and will at all times be evidenced in book-entry form (<i>inscription en compte</i>) in the books of the Account Holders (as defined below). No physical documents of title (including <i>certificats représentatifs</i>) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.
	Where:
	Account Holder shall mean any financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> .
Status of the Notes:	The principal and interests (including any outstanding Arrears of Interest and Additional Interest Amount) on the Notes constitute direct, unconditional,

unsecured and ordinarily subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:

- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
- (ii) *pari passu* with any other Ordinarily Subordinated Obligations of the Issuer; and
- (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

Where:

Deeply Subordinated Obligations means any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinarily Subordinated Obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 350,000,000 6.154% undated deeply subordinated notes issued on 28 July 2006 are Deeply Subordinated Obligations.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*) as the case may be).

Ordinarily Subordinated Obligations means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 250,000,000 fixed to reset rate undated subordinated notes, CHF 650,000,000 fixed to floating rate undated subordinated notes, CHF 250,000,000 fixed to floating rate undated subordinated notes, CHF 315,000,000 fixed to floating rate undated subordinated notes, CHF 125,000,000 fixed resettable undated subordinated notes, €250,000,000 fixed to reset rate subordinated notes due 2047 and €600,000,000 fixed to reset rate subordinated notes due 2046 are Ordinarily Subordinated Obligations.

Negative Pledge:

None

Enforcement events:

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest, if any, thereon up to the date of payment and any Arrears of Interest (including any Additional Interest Amount thereon), in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable* or *liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Rate of Interest: Each Note will bear interest on its principal amount:

- (i) from (and including) the Issue Date to (but excluding) 27 May 2028 (the **First Call Date**), at a fixed rate of 3.625 per cent. *per annum* payable annually in arrear on 27 May in each year, commencing on 27 May 2017 until (and including) the First Call Date; and
- (ii) from (and including) the First Call Date, at the relevant Reset Rate of Interest payable annually in arrear on 27 May in each year, commencing on 27 May 2029.

Where:

Reset Rate means the 10-year Swap Rate determined on the day falling two Business Days prior to the first day of each relevant Interest Rate Period (as defined below).

Reset Rate of Interest means a rate *per annum* equal to the then applicable Reset Rate plus the Margin (as defined below).

Margin: 3.90 per cent. *per annum*

Reset Dates: The First Call Date, the 10th anniversary thereof and each subsequent 10th anniversary of the previous 10th anniversary thereof.

Interest Rate Period: Each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

Interest Payment Dates: 27 May in each year, commencing on 27 May 2017

Interest Period: The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Deferral: On any Optional Interest Payment Date (as defined below), and subject to the requirements of Mandatory Deferred Interest described below, the Issuer may, at its option, elect to defer in full or in part the payment of interest otherwise due and payable on any Optional Interest Payment Date in respect of the Interest Period ending on such date. The Issuer shall not have any obligation to pay any interest on an Optional Interest Payment Date and such non-payment shall not constitute a default by the Issuer under the Notes or for any other purpose and shall not give Noteholders any right to accelerate the Notes.

Any interest in respect of the Notes which has not been paid on an Optional Interest Payment Date will be deferred and shall constitute **Optional Deferred Interest** and shall be payable as outlined below.

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred and shall constitute **Mandatory Deferred Interest** and shall constitute, together with Optional Deferred Interest, **Arrears of Interest** and shall be payable as outlined below.

All Arrears of Interest (together with the corresponding Additional Interest Amount) may, subject to the fulfilment of the Conditions to Settlement (as defined below), at the option of the Issuer, be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (A) the next Interest Payment Date which is a Compulsory Interest Payment Date; or
- (B) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (C) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the status of the Note or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes at a rate which corresponds to the Rate of Interest with respect to the relevant Interest Period and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Calculation Agent applying the relevant Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

For the purpose hereof:

Compulsory Interest Payment Date means each Interest Payment Date prior to which, at any time during a period of six (6) months prior to such Interest Payment Date, a Compulsory Interest Payment Event occurred; provided, however, that this Interest Payment Date is not a Mandatory Interest Deferral Date.

Compulsory Interest Payment Event means:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares or a payment on any Equity Securities that

was required to be made under the terms of such Equity Securities); or

- (ii) a redemption, repurchase or acquisition of any Equity Securities (save for acquisitions resulting from the hedging of stock options, other management or employee benefit plans, or convertible securities of the Issuer or an agreement entered into with an investment service provider to enhance the liquidity of the Equity Securities in accordance with the conditions set forth by market regulations or any other transactions contemplated under the then applicable buy-back programme (*programme de rachat d'actions*) of the Issuer).

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest and Additional Interest Amounts, if any, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which, notwithstanding the occurrence of a Compulsory Interest Payment Event, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Solvency II Regulations);
- (ii) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer as determined in accordance with the Solvency II Regulations; and
- (iii) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

Optional Interest Payment Date means an Interest Payment Date which is not otherwise a Mandatory Interest Deferral Date or a Compulsory Interest Payment Date.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any applicable Solvency II Regulations.

Regulatory Deficiency means:

- (i) the own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or of the Group is not sufficient to cover the capital requirement (or whatever the

terminology employed by the Solvency II Regulations) of the Issuer or its Group and either a deferral of interest (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is required or a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify as at least "tier two" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations). For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer and/or the Group fails to meet the Solvency Capital Requirement (as defined in the Solvency II Directive) or Minimum Capital Requirement; or

- (ii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iii) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required to comply with certain applicable solvency margins, capital adequacy regulations, capital requirements or any other regulatory capital rules. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution* (ACPR).

Solvency II Directive means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction other than France, which has been or must be transposed under the law of its jurisdiction by the relevant member state of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented)).

Solvency II Regulations means the solvency margin, capital adequacy regulations, capital requirements or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, including by the French ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date), as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

Taxation:

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties,

assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require any such withholding or deduction, and provided a Tax Alignment Event has occurred and is continuing, the Issuer shall, to the extent permitted by law and subject to certain exceptions, pay such additional amounts as may be necessary so that each Noteholder, after such withholding or deduction, will receive, subject to the Relevant Anniversary having elapsed, the full amount then due and payable thereon in the absence of such withholding or deduction.

A **Tax Alignment Event** will be deemed to have occurred if at any time the Issuer determines, in consultation with the Relevant Supervisory Authority, that the obligation to pay additional amounts would not cause the Notes to no longer be treated under Solvency II Regulations as at least “tier two” own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) and gives not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders (which notice shall be in effect until the Issuer revokes a prior given notice by giving not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders).

**Redemption at
Maturity:**

Subject to the “*Terms and Conditions of the Notes – Redemption and Purchase*” unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amounts thereon), on the Scheduled Maturity Date.

**Redemption from the
First Call Date:**

The Issuer will have the right to redeem all but not some only of the Notes, subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority, on the First Call Date or upon any Interest Payment Date thereafter. Such redemption will be made at the Base Call Price.

Redemption for Tax Reasons:

- (i) The Notes may be redeemed at their Base Call Price at the option of the Issuer in whole, but not in part, at any time by giving not less than 30 nor more than 45 calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, a withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax is required as a result of (a) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date of the Notes, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding or deduction for French taxes.
- (ii) If the Issuer would on the date of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may forthwith redeem all, but not some only, of the Notes then outstanding, at their Base Call Price, upon giving not less than 7 nor more than 30 calendar days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding or deduction for French taxes, or if such date is past, as soon as is practicable thereafter.
- (iii) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their Base Call Price, at any time by giving not less than 30 nor more than 45 calendar days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, the part of the interest payable by the Issuer under the Notes that is tax-deductible is reduced as a result of (a) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date, provided that the due date for redemption shall be no earlier than the latest practicable date preceding the effective date on which the part of the interest payable under the Notes that is tax-deductible is reduced. Prior to the giving of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (x) a certificate signed by a director of the Issuer stating that the part of the interest payable under the Notes that is tax-deductible is reduced as aforesaid and that the Issuer is entitled to effect such redemption and (y) an opinion of independent legal advisers of recognised standing to such effect.

In each case subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority.

Redemption for Rating Reasons: If the Issuer determines at any date after the Issue Date that a Rating Event has occurred with respect to the Notes, the Issuer may, having given not less than 15 nor more than 30 calendar days' notice to the Noteholders, elect, at any time, subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price. Prior to the election of the Issuer to redeem the Notes as aforesaid, the Issuer shall deliver to the Fiscal Agent a certificate signed by a recognised expert confirming that such Rating Event has occurred.

Rating Event means at any time, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) on or after the Issue Date of at least one (1) agency among Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., Moody's Investors Services, Fitch Ratings and A.M. Best Company, the equity content previously assigned by such rating agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by such rating agency at or around the Issue Date.

Redemption for Regulatory Reasons: If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority, at the Base Call Price, provided that the due date for redemption shall be no earlier than the last day falling on or after the date on which the proceeds of the Notes can no longer be included at least in the tier two own funds regulatory capital.

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the entire proceeds of the Notes as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under Solvency II Regulations or (y) as at least "tier two" own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of its regulatory capital under the Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Redemption for Accounting Reasons: If the Issuer determines at any date after the Issue Date that an Accounting Event has occurred with respect to the Notes, the Issuer may elect, at any time, subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price, provided that the due date for redemption of which notice may be given hereunder shall be no earlier than the last day prior to the date on which the proceeds of the Notes must not, or must no longer, be recorded as "liabilities" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Where:

Accounting Event means that an opinion of a recognised accountancy firm of

international standing has been delivered to the Issuer and the Fiscal Agent, confirming that the funds raised through the issue of the Notes must not, or must no longer, be recorded as “liabilities” pursuant to IFRS, or any other accounting standards that may replace the IFRS, for the purposes of the consolidated financial statements of the Issuer.

IFRS means the International Financial Reporting Standards as implemented in the European Union.

Clean-up Redemption: The Issuer may elect, subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at any time after the Issue Date at their Base Call Price if 80% (eighty per cent.) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such election.

Substitution/Variation of the Notes: If a Capital Disqualification Event, a Rating Event or an Accounting Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.

The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Principal Amount of the Notes.

Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) and to:

- (i) the Issuer giving at least six (6) months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);
- (ii) the Issuer being in compliance with the Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the Solvency II Regulations;
- (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
- (iv) the issue, of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new exchanged Notes or varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the new exchanged Notes or varied Notes; and
- (v) the full payment on the relevant Interest Payment Date (if any) of all

interest amount due on such date.

Where:

Qualifying Equivalent Securities means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment bank and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes under the Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory deferral provisions contained in Condition 4 or, as the case may be, Condition 6;
- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

**Conditions
Redemption
Purchase:**

**to
and**

The Notes may not be redeemed or purchased pursuant to any of the redemption or purchase provisions referred to above if (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption (or such redemption or purchase would itself cause a Regulatory Deficiency), except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase, or (ii) an Insolvent Insurance Affiliate Winding-up has occurred and is continuing on the date due for redemption or purchase (to the extent required under the Solvency II Regulations in order for the Notes to be treated under the Solvency II Regulations as at least “tier two” own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer and/or the

Group) except to the extent permitted under the Solvency II Regulations and with the Prior Approval of the Relevant Supervisory Authority (the **Conditions to Redemption and Purchase**).

Should a Regulatory Deficiency or an Insolvent Insurance Affiliate Winding-up occur after a notice for redemption has been given to the Noteholders, such redemption notice shall become automatically void and notice of such fact shall be given promptly by the Issuer in accordance with Condition 10 (Notices).

In addition, the Notes may not be redeemed or purchased (a) pursuant to the provisions hereof, prior to the fifth anniversary of the Issue Date, and (b) in the case of paragraphs (i) and (ii) of a Redemption for Tax Reasons only, prior to the Relevant Anniversary, in each case unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

Insolvent Insurance Affiliate Winding-up means:

- (i) the winding-up of any Insurance Undertaking within the Group; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group,

in each case, where the Issuer has determined, acting reasonably and in consultation with the Relevant Supervisory Authority, that the assets of that Insurance Undertaking within the Group may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or re-insurance of that Insurance Undertaking which is subject to a winding-up or administration process (and for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of Insurance Undertakings that reflect any right to receive or expectation of receiving benefits which policyholders may have).

Insurance Undertaking has the meaning ascribed to it in the Solvency II Directive.

Relevant Anniversary means the tenth anniversary of the Issue Date, provided however that Relevant Anniversary shall mean the fifth anniversary of the Issue Date if a Redemption Alignment Event has occurred.

A **Redemption Alignment Event** will be deemed to have occurred if at any time before the tenth anniversary of the Issue Date, the Issuer determines, in consultation with the Relevant Supervisory Authority, that the option to redeem or purchase the Notes under paragraphs (i) and (ii) of the Redemption for Tax Reasons from the fifth anniversary of the Issue Date without such redemption or purchase being funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes would not cause the Notes to no longer be treated under the Solvency II Regulations as at least “tier two” own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) and gives not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders.

Purchase:	Subject to the Conditions to Redemption and Purchase and the Prior Approval of the Relevant Supervisory Authority, the Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise, subject to the Prior Approval of the Relevant Supervisory Authority. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French <i>Code monétaire et financier</i> for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French <i>Code de commerce</i> .
Cancellation:	All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
Representation of Noteholders:	The Noteholders will be grouped automatically for the defence of their respective common interests in a <i>masse</i> governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions (the Masse). The Masse will be a separate legal entity, and will be acting in part through a representative and in part through a general assembly of the Noteholders.
Listing and Admission to trading:	Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.
Rating:	The Notes are expected to be rated A by Standard & Poor's Credit Market Services France and A- by Fitch Ratings.
Clearing:	The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, <i>société anonyme</i> and Euroclear Bank SA/N.V.
Selling Restrictions:	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom and France.
Governing Law:	French law.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the sections identified in the cross-reference list below (the **Cross-Reference List**) of the following documents which have been previously published or are published simultaneously with the Prospectus and that have been filed with the CSSF in Luxembourg and shall be incorporated by reference in, and form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

- (a) the sections identified in the Cross-Reference List below of the French language 2015 *Document de Référence* of the Issuer filed with the AMF on 4 March 2016 under number D.16-0108, which includes the audited consolidated financial statements for the year ended 31 December 2015 and the report of the auditors on the audited consolidated financial statements for the year ended 31 December 2015, except for the AMF visa, the section 2 of the Annex B entitled "*Attestation du responsable*" and the first sentence under the heading "*Autres informations vérifiées par les contrôleurs légaux*" (page 234) (the **2015 DDR**); and
- (b) the sections identified in the Cross-Reference List below of the French language 2014 *Document de Référence* of the Issuer filed with the French *Autorité des marchés financiers* (AMF) on 20 March 2015 under number D.15-0181, which includes the audited consolidated financial statements for the year ended 31 December 2014 and the report of the auditors on the audited consolidated financial statements for the year ended 31 December 2014, except for the AMF visa, the section 1.2 entitled "*Attestation du responsable*" and the first sentence under the heading "*Autres informations vérifiées par les contrôleurs légaux*" (page 290) (the **2014 DDR**).

The information incorporated by reference that is not included in the Cross-Reference List below is considered as additional information and is not required by the relevant schedules of the Commission Regulation No. 809/2004, as amended or is covered elsewhere in the Prospectus.

The sections thereto mentioned in paragraphs (a) and (b) above and excluded from the Documents Incorporated by Reference are not relevant for investors.

All Documents Incorporated by Reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.scor.com) and these reports only and no other contents of each such site are incorporated by reference herein. The Documents Incorporated by Reference will also be available, upon request, free of charge to the public at the premises of the paying agent in Luxembourg and at the premises of the Issuer in France during normal business hours.

A free English translation of the 2015 DDR and the 2014 DDR are available on the website of the Issuer (www.scor.com). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CROSS-REFERENCE LIST

INFORMATION INCORPORATED BY REFERENCE Annex IX of the European Regulation 809/2004/EC		2014 DDR (page no.)	2015 DDR (page no.)
3.	RISK FACTORS		
3.1.	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	-	9-10 14 36-39 40-42 121-152 246-260
4.	INFORMATION ABOUT THE ISSUER		
4.1.	<u>History and development of the Issuer:</u>		
4.1.1.	the legal and commercial name of the issuer;	-	7
4.1.2.	the place of registration of the issuer and its registration number;	-	7
4.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite;	-	7
4.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	-	7-8
4.1.5.	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	-	45
5.	BUSINESS OVERVIEW		
5.1	<u>Principal activities:</u>		
5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;	-	15-23
5.1.2.	The basis for any statements in the registration document made by the issuer regarding its competitive position.	-	29
6.	ORGANISATIONAL STRUCTURE		
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	-	11-14
6.2.	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	-	11-14
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	-	49-62
9.2	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.	-	67-68 112-119
10.	MAJOR SHAREHOLDERS		

INFORMATION INCORPORATED BY REFERENCE Annex IX of the European Regulation 809/2004/EC		2014 DDR (page no.)	2015 DDR (page no.)
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	-	105-107
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1.	<u>Historical Financial Information</u>		
	Audited annual consolidated financial statements: – balance sheet – income statement – accounting policies and explanatory notes – auditors' report	198-199 200 206-288 289-290	155-156 157 163-229 232-233
11.2.	<u>Financial statements</u>		
	Consolidated financial statements	198-288	155-229
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1.	Statement that the historical annual financial information has been audited.	289-290	232-233
11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	290-291	234
11.4.	<u>Age of latest financial information</u>		
11.4.1.	The last year of audited financial information may not be older than 18 months from the date of the registration document.	-	232-234
11.5.	<u>Legal and arbitration proceedings</u>	-	228-229
	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.		
13.	THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST		
13.2.	THIRD PARTY INFORMATION	-	244
	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.		
14.	DOCUMENTS ON DISPLAY	-	45
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected: (a) the memorandum and articles of association of the issuer; (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document; (c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its		

INFORMATION INCORPORATED BY REFERENCE Annex IX of the European Regulation 809/2004/EC		2014 DDR (page no.)	2015 DDR (page no.)
	<p>subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>		

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (each a **Condition**, and together the **Conditions**) will be as follows:

The issue outside the Republic of France of the €500,000,000 fixed to reset rate subordinated notes due 27 May 2048 (the **Notes**) issued by SCOR SE, a *société européenne* with a share capital of 1,512,224,741.93 Euros, whose registered office is located at 5 avenue Kléber, 75016 Paris, France, registered with the trade and companies register of Paris under number 562 033 357 RCS Paris (the **Issuer**), was decided by Mr. Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer (*Président du Conseil d'administration et Directeur Général*) of the Issuer on 24 May 2016 acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer adopted on 27 April 2016. A fiscal, paying and calculation agency agreement dated as of 25 May 2016 (the **Agency Agreement**) has been entered into in relation to the Notes between the Issuer and BNP Paribas Securities Services, as fiscal agent, principal paying agent and calculation agent (together with any substitute fiscal agent, the **Fiscal Agent**). Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Fiscal Agent.

1. DEFINITIONS

1.1 Definitions

For purposes hereof, the following definitions shall apply:

Account Holder shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Clearstream Banking, *société anonyme* (**Clearstream**) and Euroclear Bank S.A./N.V. (**Euroclear**).

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, confirming that the funds raised through the issue of the Notes must not, or must no longer, be recorded as “liabilities” pursuant to IFRS, or any other accounting standards that may replace the IFRS, for the purposes of the consolidated financial statements of the Issuer.

Actual/Actual (ICMA) means:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Interest Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Interest Period; or
- (ii) in the case of Notes where the Accrual Period is longer than the Interest Period during which the Accrual Period ends, the sum of:
 - (a) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins divided by the number of days in such Interest Period; and
 - (b) the number of days in such Accrual Period falling in the next Interest Period divided by the number of days in such Interest Period.

Base Call Price equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to their Redemption Date.

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchanges settle payments and are open for business (including dealings in foreign exchanges and foreign currency deposits) in Paris and a TARGET 2 Settlement Day.

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the entire proceeds of the Notes as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of its regulatory capital under the Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Compulsory Interest Payment Date means each Interest Payment Date prior to which, at any time during a period of six (6) months prior to such Interest Payment Date, a Compulsory Interest Payment Event occurred; provided, however, that this Interest Payment Date is not a Mandatory Interest Deferral Date.

Compulsory Interest Payment Event means any of the following events:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares or a payment on any Equity Securities that was required under the terms of such Equity Securities); or
- (ii) a redemption, repurchase or acquisition of any Equity Securities (save for acquisitions resulting from the hedging of stock options, other management or employee benefit plans, or convertible securities of the Issuer or an agreement entered into with an investment service provider to enhance the liquidity of the Equity Securities in accordance with the conditions set forth by market regulations or any other transactions contemplated under the then applicable buy-back programme (*programme de rachat d'actions*) of the Issuer).

Conditions to Redemption and Purchase means the conditions to redemption set out in Condition 6.10 (*Conditions to Redemption and Purchase*).

Day Count Fraction means Actual/Actual (ICMA).

Deeply Subordinated Obligations means any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinarily Subordinated Obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 350,000,000 6.154% undated deeply subordinated notes issued on July 28, 2006 are Deeply Subordinated Obligations.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*) as the case may be).

First Call Date means 27 May 2028.

Group means the group of insurance undertakings of the Issuer as construed under Solvency II Regulations. At the date hereof, the Group includes the Issuer and its subsidiary undertakings and participating interests as consolidated in accordance with IFRS.

IFRS means the International Financial Reporting Standards as implemented in the European Union.

Insolvent Insurance Affiliate Winding-up means:

- (i) the winding-up of any Insurance Undertaking within the Group; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group,

in each case, where the Issuer has determined, acting reasonably and in consultation with the Relevant Supervisory Authority, that the assets of that Insurance Undertaking within the Group may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or re-insurance of that Insurance Undertaking which is subject to a winding-up or administration process (and for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of Insurance Undertakings that reflect any right to receive or expectation of receiving benefits which policyholders may have).

Insurance Undertaking has the meaning ascribed to it in the Solvency II Directive.

Interest Payment means in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4.

Interest Payment Date means 27 May in each year, commencing on 27 May 2017 to, and including, the Redemption Date.

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Rate Period means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

Issue Date means 27 May 2016.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which, notwithstanding the occurrence of a Compulsory Interest Payment Event, the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if, cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) (to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Solvency II Regulations);
- (ii) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer as determined in accordance with the Solvency II Regulations; and
- (iii) the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

Margin means 3.90 per cent. *per annum*.

Minimum Capital Requirement has the meaning ascribed to it in the Solvency II Directive.

Noteholder means the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

Optional Interest Payment Date means an Interest Payment Date which is not otherwise a Mandatory Interest Deferral Date or a Compulsory Interest Payment Date.

Ordinarily Subordinated Obligations means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 250,000,000 fixed to reset rate undated subordinated notes, CHF 650,000,000 fixed to floating rate undated subordinated notes, CHF 250,000,000 fixed to floating rate undated subordinated notes CHF 315,000,000 fixed to floating rate undated subordinated notes, CHF 125,000,000 fixed resettable undated subordinated notes, €250,000,000 fixed to reset rate subordinated notes due 2047 and €600,000,000 fixed to reset rate subordinated notes due 2046 are Ordinarily Subordinated Obligations.

Principal Amount means the principal amount of each Note being €100,000.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any applicable Solvency II Regulations.

Rate of Interest means (i) from and including the Issue Date to but excluding the First Call Date, 3.625 per cent. *per annum* and (ii) from and including the First Call Date, the relevant Reset Rate of Interest.

Rating Event means at any time, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) on or after the Issue Date of at least one (1) agency among Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., Moody's Investors Services, Fitch Ratings and A.M. Best Company, the equity content previously assigned by such rating agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by such rating agency at or around the Issue Date.

Redemption Date means the effective date of redemption of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

Regulatory Deficiency means:

- (i) the own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or of the Group is not sufficient to cover the capital requirement (or whatever the terminology employed by the Solvency II Regulations) of the Issuer or its Group and either a deferral of interest (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is required or a redemption or repayment of principal is prohibited under the Solvency II Regulations in order for the Notes to qualify as at least "tier two" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations). For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer and/or the Group fails to meet the Solvency Capital Requirement (as defined in the Solvency II Directive) or Minimum Capital Requirement; or

- (ii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iii) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required to comply with certain applicable solvency margins, capital adequacy regulations, capital requirements or any other regulatory capital rules. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Reset Date means the First Call Date, the 10th anniversary thereof and each subsequent 10th anniversary of the previous 10th anniversary thereof.

Reset Rate means the 10-year Swap Rate determined on the day falling two Business Days prior to the first day of each relevant Interest Rate Period (each an **Interest Rate Determination Date**).

Reset Rate of Interest means a rate *per annum* equal to the then applicable Reset Rate plus the Margin.

Scheduled Maturity Date means 27 May 2048, if the Conditions to Redemption and Purchase are satisfied and otherwise as soon thereafter as the Conditions to Redemption and Purchase are satisfied.

Solvency II Directive means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction other than France, which has been or must be transposed under the law of its jurisdiction by the relevant member state of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented)).

Solvency II Regulations means the solvency margin, capital adequacy regulations, capital requirements or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, including by the French ordinance (*ordonnance*) no. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and the order (*arrêté*) of the same date), as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

TARGET 2 Settlement Day means any day on which TARGET System is operating.

TARGET System means the Trans-European Automated Real-time Gross settlement Express Transfer system.

10-year Reference Bank Rate means the percentage rate determined on the basis of the 10-year Swap Rate Quotations provided by at least five leading swap dealers in the interbank market (the **Reference Banks**) to the Fiscal Agent at approximately 11:00 a.m. (Central European time), on the

relevant Interest Rate Determination Date. If one quotation is provided, the 10-year Reference Bank Rate will be such quotation. If two or more quotations are provided, the 10-year Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the 10-year Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable 10-year Reference Bank Rate shall be equal to the last 10-year Swap Rate available on the Screen Page as determined by the Fiscal Agent.

10-year Swap Rate means the mid-swap rate for a term of 10 years as displayed on Reuters screen “ISDAFIX2” as at 11:00 a.m. (Central European time) (the **Screen Page**). In the event that the 10-year Swap Rate does not appear on the Screen Page on the relevant Interest Rate Determination Date, the 10-year Swap Rate will be the 10-year Reference Bank Rate on such Interest Rate Determination Date.

10-year Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap which (i) has a term of 10 years commencing on the first day of the relevant Interest Rate Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating rate leg based on the 6-month EURIBOR rate (calculated on an actual/360 day count basis).

2. DENOMINATION, FORM AND TITLE OF THE NOTES

The Notes will be issued on the Issue Date in dematerialised bearer form (*au porteur*) in a denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

3. STATUS OF THE NOTES

- (a) The principal and interests (including any outstanding Arrears of Interest and Additional Interest Amount) on the Notes constitute direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable* or *liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:
 - (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
 - (ii) *pari passu* with any Ordinarily Subordinated Obligations of the Issuer; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

- (b) The subordination provisions of the Notes are governed by Article L.228-97 of the French *Code de commerce*.
- (c) There will be no negative pledge in respect of the Notes.

4. INTEREST

4.1 General

- (a) Subject to Condition 4.3 (*Interest Deferral*), the Notes bear interest on their Principal Amount (i) at a fixed rate of 3.625 per cent *per annum* from and including the Issue Date to, but excluding the First Call Date, and (ii) thereafter, from and including the First Call Date to, but excluding, the Redemption Date, the Notes bear interest on their Principal Amount at the Reset Rate of Interest. Interest is payable annually in arrears on each Interest Payment Date.
- (b) The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Rate of Interest on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to (but excluding) that day are received by or on behalf of the relevant Noteholder.
- (c) Interest from (and including) the First Call Date:
 - (i) The amount of interest payable shall be calculated by applying the Reset Rate of Interest to the Principal Amount on the first Interest Payment Date following the First Call Date and on any subsequent Interest Payment Date.
 - (ii) The Fiscal Agent will cause the Reset Rate and Reset Rate of Interest for each Interest Rate Period to be notified to the Issuer and to the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed (by no later than the first day of each Interest Rate Period) and notice thereof to be given to the Noteholders in accordance with Condition 10 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.
- (d) If interest is required to be calculated for a period other than an Interest Period, such interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest Euro cent, with half of a Euro cent being rounded upwards.
- (e) On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of the Condition 4.3 (*Interest Deferral*) below.

4.2 Fiscal Agent

- (a) The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Fiscal Agent and appoint a substitute Fiscal Agent provided that so long as any of the Notes remain outstanding there shall at all times be a Fiscal Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Fiscal Agent or failing duly

to determine the Reset Rate and Reset Rate of Interest for any Interest Rate Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris, London or Luxembourg interbank market to act in its place. The Fiscal Agent may not resign its duties or be removed without a successor having been appointed.

- (b) Notifications etc. to be final and binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*) by the Fiscal Agent as calculation agent will (in the absence of default, bad faith or manifest error) be final and binding on the Issuer and all Noteholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent as calculation agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 4 (*Interest*).

4.3 Interest Deferral

- (a) Optional Deferral of Interest Payments

Subject to Condition 4.3(b), the Issuer may, at its option, elect to defer in full or in part the payment of interest otherwise due and payable on any Optional Interest Payment Date in respect of the Interest Period ending on such date, by giving a notice to such effect in accordance with Conditions 4.3(e) and 10 (*Notices*) (the **Deferral Notice**). Upon and subject to the Issuer giving a valid Deferral Notice, the Issuer shall not have any obligation to pay any interest on an Optional Interest Payment Date and such non-payment shall not constitute a default by the Issuer under the Notes or for any other purpose and shall not give Noteholders any right to accelerate the Notes.

Any interest in respect of the Notes which has not been paid on an Optional Interest Payment Date will be deferred and shall constitute **Optional Deferred Interest** and shall be payable as outlined below.

- (b) Mandatory Deferral of Interest

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred and shall constitute **Mandatory Deferred Interest** and shall constitute, together with Optional Deferred Interest, **Arrears of Interest** and shall be payable as outlined below.

- (c) Arrears of Interest

All Arrears of Interest (together with the corresponding Additional Interest Amount) may, subject to the fulfilment of the Conditions to Settlement, at the option of the Issuer, be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is a Compulsory Interest Payment Date;

- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes at a rate which corresponds to the Rate of Interest with respect to the relevant Interest Period and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Fiscal Agent as calculation agent applying the relevant Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest and Additional Interest Amounts, if any, if such day would not be a Mandatory Interest Deferral Date if such day was an Interest Payment Date.

(d) Partial Payment of Arrears of Interest and Additional Interest Amounts

If amounts in respect of Arrears of Interest and Additional Interest Amounts become partially payable:

- (i) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (ii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

(e) Notice of Deferral and Payment of Arrears of Interest and Additional Interest Amounts

If practicable under the circumstances, the Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10:

- (i) of any deferral of any interest under the Notes on any Interest Payment Date, which relates to Optional Deferred Interest or Mandatory Deferred Interest; and
- (ii) of any date upon which amounts in respect of Optional Deferred Interest and/or Mandatory Deferred Interest shall become due and payable.

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

This notice will not be a condition to the deferral of interest. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

4.4 Compulsory Interest Payments

The Issuer shall, on each Compulsory Interest Payment Date, for so long as the compulsory interest provisions apply, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest (including any Additional Interest Amount thereon) at such time.

5. PAYMENTS

5.1 Method of Payment

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts) in respect of the Notes will be made in Euros by credit or transfer to a Euro-denominated account (or any other account to which Euros may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders shall be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

None of the Issuer or the Fiscal Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euros, or any currency conversion or rounding effect in connection with such payment being made in Euros.

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts) in respect of the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

5.2 Payments on Business Days

If the due date for payment of any amount of principal, interest or other amounts in respect of any Note is not a Business Day, payment of the amount due shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

5.3 Fiscal Agent

The name of the initial Fiscal Agent and its specified office are set forth below:

Fiscal Agent

BNP Paribas Securities Services
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or appoint additional or other agents or approve any change in the office through which any such

agent acts, provided that there will at all times be a Fiscal Agent having a specified office in a European city.

In the absence of wilful default, bad faith or manifest error, no liability to the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Subject to Condition 6.10 (*Conditions to Redemption and Purchase*) below and to the Prior Approval of the Relevant Supervisory Authority, unless previously redeemed or purchased and cancelled as provided for below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amounts thereon), on the Scheduled Maturity Date.

6.2 Optional Redemption

The Issuer will have the right to redeem all but not some only of the Notes, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, on the Interest Payment Date falling on or about the First Call Date or upon any Interest Payment Date thereafter. Such redemption will be made at the Base Call Price.

6.3 Redemption for Tax Reasons

- (a) The Notes may be redeemed at the Base Call Price at the option of the Issuer in whole, but not in part, at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under the Notes, a withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax is required as a result of (i) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date of the Notes, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding or deduction for French taxes.
- (b) If the Issuer would on the date of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may forthwith redeem all, but not some only, of the Notes then outstanding, at the Base Call Price, upon giving not less than seven (7) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders in accordance with Condition 10 (*Notices*), provided that the due date for redemption of which notice hereunder shall be given, shall be no earlier than the latest practicable date on which the Issuer could make payment without withholding or deduction for French taxes, or if such date is past, as soon as is practicable thereafter.
- (c) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Base Call Price, at any time by giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders (which notice shall be irrevocable), if on the date of the next payment due under

the Notes, the part of the interest payable by the Issuer under the Notes that is tax-deductible is reduced as a result of (i) any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, in each case occurring or becoming effective on or after the Issue Date, provided that the due date for redemption shall be no earlier than the latest practicable date preceding the effective date on which the part of the interest payable under the Notes that is tax-deductible is reduced. Prior to the giving of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (x) a certificate signed by a director of the Issuer stating that the part of the interest payable under the Notes that is tax-deductible is reduced as aforesaid and that the Issuer is entitled to effect such redemption and (y) an opinion of independent legal advisers of recognised standing to such effect.

In each case subject to Condition 6.10 (*Conditions to Redemption and Purchase*) below and to the Prior Approval of the Relevant Supervisory Authority.

6.4 Redemption for Rating Reasons

If the Issuer determines at any date after the Issue Date that a Rating Event has occurred with respect to the Notes, the Issuer may, having given not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders in accordance with Condition 10 (*Notices*), elect, at any time, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price. Prior to the election of the Issuer to redeem the Notes as aforesaid, the Issuer shall deliver to the Fiscal Agent a certificate signed by a recognised expert confirming that such Rating Event has occurred.

6.5 Redemption for Regulatory Reasons

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, at the Base Call Price, provided that the due date for redemption shall be no earlier than the last day falling on or after the date on which the proceeds of the Notes can no longer be included at least in the tier two own funds regulatory capital.

6.6 Redemption for Accounting Reasons

If the Issuer determines at any date after the Issue Date that an Accounting Event has occurred with respect to the Notes, the Issuer may elect, at any time, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at the Base Call Price, provided that the due date for redemption of which notice may be given hereunder shall be no earlier than the last day prior to the date on which the proceeds of the Notes must not, or must no longer, be recorded as "liabilities" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

6.7 Clean-up Redemption

The Issuer may elect, subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, to redeem all, but not some only, of the Notes at any time after the Issue Date at their Base Call Price if 80% (eighty per cent) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such election (a **Clean-up Call**).

6.8 Purchases

Subject to Condition 6.10 (*Conditions to Redemption and Purchase*) and to the Prior Approval of the Relevant Supervisory Authority, the Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

6.9 Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.10 Conditions to Redemption and Purchase

The Notes may not be redeemed or purchased pursuant to any of the redemption or purchase provisions referred to above if:

- (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption (or such redemption or purchase would itself cause a Regulatory Deficiency), except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase; or
- (ii) an Insolvent Insurance Affiliate Winding-up has occurred and is continuing on the date due for redemption or purchase (to the extent required under the Solvency II Regulations in order for the Notes to be treated under the Solvency II Regulations as at least “tier two” own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer and/or the Group). Notwithstanding that an Insolvent Insurance Affiliate Winding-up may have occurred and be continuing on the date due for redemption or purchase, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Regulations and provided that, on or prior to such date, the Prior Approval of the Relevant Supervisory Authority has been exceptionally given with respect to the relevant redemption or purchase of the Notes,

(together, the **Conditions to Redemption and Purchase**).

Should a Regulatory Deficiency or an Insolvent Insurance Affiliate Winding-up occur after a notice for redemption has been given to the Noteholders, such redemption notice shall become automatically void and notice of such fact shall be given promptly by the Issuer in accordance with Condition 10 (Notices).

In addition, the Notes may not be redeemed or purchased (a) pursuant to Condition 6.3(c) or Conditions 6.4 to 6.8 respectively, prior to the fifth anniversary of the Issue Date, and (b) pursuant to Conditions 6.3(a) or 6.3(b) only, prior to the Relevant Anniversary, in each case unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

Relevant Anniversary means the tenth anniversary of the Issue Date, provided however that Relevant Anniversary shall mean the fifth anniversary of the Issue Date if a Redemption Alignment Event has occurred.

A **Redemption Alignment Event** will be deemed to have occurred if at any time before the tenth anniversary of the Issue Date, the Issuer determines, in consultation with the Relevant Supervisory Authority, that the option to redeem or purchase the Notes under Conditions 6.3(a) or (b) from the fifth anniversary of the Issue Date without such redemption or purchase being funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes would not cause the Notes to no longer be treated under the Solvency II Regulations as at least “tier two” own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) and gives not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders.

Except as otherwise indicated above, any redemption or purchase shall have been notified by the Issuer having given not more than sixty (60) nor less than thirty (30) calendar day's prior notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).

6.11 Notice of deferral of redemption

If practicable under the circumstances, the Issuer will give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10 of any deferral of the redemption of the Notes. This notice will not be a condition to the deferral of redemption. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

7. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require any such withholding or deduction and provided a Tax Alignment Event has occurred and is continuing, the Issuer shall, to the extent permitted by law, pay such additional amounts as may be necessary so that each Noteholder, after such withholding or deduction, will receive the full amount then due and payable on each Note in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, as the case may be:

- (i) Other connection: to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, by reason of his having some connection with the Republic of France other than the mere holding of the Note; or
- (ii) Excess interest paid to a shareholder of the Issuer: to, or to a person acting on behalf of, a beneficiary who is liable to such taxes in respect of such Notes, solely by reason of (x) his being a shareholder of the Issuer who declared or notified, or is under an obligation to declare or notify his shareholding in the Issuer to the *Autorité des marchés financiers* or the Issuer, under applicable law or the bylaws (*statuts*) of the Issuer and (y) the payment of interest or any payment being made to him at a rate in excess of the limit set forth in the French *Code général des impôts* (Article 39, 1, 3°) for the deduction of interest paid to shareholders of a borrowing company; or

- (iii) where such additional amount is due prior to the Relevant Anniversary.

As used herein:

- a **Tax Alignment Event** will be deemed to have occurred if at any time the Issuer determines, in consultation with the Relevant Supervisory Authority, that the obligation to pay additional amounts would not cause the Notes to no longer be treated under Solvency II Regulations as at least “tier two” own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) and gives not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders (which notice shall be in effect until the Issuer revokes a prior given notice by giving not less than thirty (30) nor more than forty-five (45) calendar days’ notice of such fact to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Noteholders);

- the **Relevant Date** in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10 (*Notices*).

8. VARIATION AND SUBSTITUTION OF THE NOTES

- (a) If a Capital Disqualification Event, a Rating Event or an Accounting Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.
- (b) The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Principal Amount of the Notes.
- (c) Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days’ prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) in accordance with Condition 10 (*Notices*) and to:
- (i) the Issuer giving at least six (6) months’ prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);
 - (ii) the Issuer being in compliance with the Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the Solvency II Regulations;
 - (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
 - (iv) the issue, of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new exchanged Notes or varied Notes and has obtained all necessary corporate or governmental authorisation to assume all

such rights and obligations and (y) the legality, validity and enforceability of the new exchanged Notes or varied Notes; and

- (v) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date.
- (d) **Qualifying Equivalent Securities** means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment bank and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:
- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
 - (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
 - (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory deferral provisions contained in Condition 4 (*Interest*) or, as the case may be, Condition 6 (*Redemption and Purchase*);
 - (iv) shall rank at least *pari passu* with the Notes;
 - (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
 - (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
 - (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

9. EVENTS OF DEFAULT

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amount thereon), in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable* or *liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

10. NOTICES

Any notice to the Noteholders will be valid if published, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that stock exchange so require in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange website (www.bourse.lu) or, if any such publication is not practicable, or the Notes are no longer so listed, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

In addition, notices required to be given to the Noteholders pursuant to these Conditions may also be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and/or any other clearing system through which the Notes are for the time being cleared in substitution for the publications as aforesaid if prior approval is obtained from the competent authority of any stock exchange on which the Notes are listed. Any such notice shall be deemed to have been given on the third Business Day following delivery of the notice to the relevant clearing system.

11. LISTING

The Issuer will use its reasonable efforts to have the Notes listed on the Official List of the Luxembourg Stock Exchange and to maintain such listing during the whole life of the Notes (the last trading day will be the third Business Day prior to the date on which the Notes will be fully redeemed).

12. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and any Additional Interest Amounts) in respect of Notes will become void unless presented for payment within a period of presently ten (10) years (in the case of the principal) and within five (5) years (in the case of interest) from the appropriate relevant due date for payment thereof.

13. NOTEHOLDER'S MEETING

13.1 The Masse

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**).

The Masse will be governed by those provisions of the French *Code de commerce* with the exception of the provisions of Articles L.228-48, L.228-59, L.228-65 II, R.228-63, R.228-65, R.228-67, R.228-69 and R.228-72 of the French *Code de commerce*, as summarised and supplemented by the conditions set forth below.

13.2 Legal Personality

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through a general assembly of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

13.3 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors, its *Directeurs Généraux*, its statutory auditors and its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least ten (10) per cent. of the share capital of the Issuer or of which the Issuer possesses at least ten (10) per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer; and
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

M. Antoine LACHENAUD

MCM Avocat
10 rue de Sèze
75009 Paris
France

In the event of death, incapacity, retirement or revocation of the initial Representative, the replacement Representative shall be:

M. Philippe MAISONNEUVE

MCM Avocat
10 rue de Sèze
75009 Paris
France

In the event of death, incapacity, retirement or revocation of the Representative, a replacement representative will be elected by a meeting of the general assembly of Noteholders.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal Agent.

13.4 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

13.5 General Assemblies of Noteholders

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two (2) months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 10 (*Notices*) not less than fifteen (15) calendar days prior to the date of the general assembly on first convocation and six (6) calendar days on second convocation.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

13.6 Powers of General Assemblies

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

In accordance with Article L.228-65 of the French *Code de commerce*, a general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders,

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares and that no amendment to the status of the Notes may enter into force until the consent of the Relevant Supervisory Authority has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Assembly will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Assembly.

13.7 Notice of Decisions

Decisions of the meetings must be published in accordance with the provisions set out in Condition 10 (*Notices*) not more than ninety (90) calendar days from the date thereof.

13.8 Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the (15) fifteen-calendar-day period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Fiscal Agent and at any other place specified in the notice of meeting.

13.9 Expenses

The Issuer will pay all duly documented expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

14. FURTHER ISSUE

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated and form a single series (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

15. GOVERNING LAW AND JURISDICTION

The Notes are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for general corporate purposes.

DESCRIPTION OF THE ISSUER

For a general description of the Issuer, its activities and its financial conditions, please refer to the Cross-Reference List set out in the section "*Documents Incorporated by Reference*" of this Prospectus.

RECENT DEVELOPMENTS

The following recent press releases have been published by the Issuer since the publication of the 2015 DDR:

Press Release
22 April 2016 – N°08

2016 April Renewals:

SCOR Global P&C increases premiums by 4.7% at an overall quasi-stable pricing level, with expected profitability on target

SCOR Global P&C increases gross written premiums by 4.7% at the recent April renewals, based on constant exchange rates, with total premiums rising from EUR 420 million to EUR 440 million.

Premiums renewing on or around 1 April represent 10% of the annual total renewable premiums, with the main renewing markets being Japan, India and the US.

In Japan, renewal premiums increase by 7%, including the effect of normalized business relationships with the major Japanese insurance groups, highlighting the depth of SCOR's 40-plus year franchise in Japan.

Pricing at the April renewals is nearly flat overall for SCOR Global P&C, despite the pressure recorded on non-proportional accounts. The expected profitability of the business booked is in line with the Group's target.

P&C Treaty gross premiums rise by 2% to EUR 317 million at constant exchange rates. US premiums grow by ~13%. The US "client-focused initiative", combined with the high quality of SCOR's balance sheet and strong ratings, continues to provide good opportunities for the development of business relationships with both existing and new clients.

Specialty Treaty gross premiums rise by 13% to EUR 123 million at constant exchange rates. SCOR Global P&C seizes attractive opportunities in Agriculture, Aviation & US Cat Nat, notably thanks to its global approach to clients, which has been extended following the success of the global insurers' initiative.

Victor Peignet, CEO of SCOR Global P&C, comments: *"The results of the April renewals are further evidence of the strength of SCOR Global P&C's strategy and business execution. Market conditions remain difficult, but SCOR Global P&C continues to win business from both existing and new clients. We are on track to deliver on the "Optimal Dynamics" strategic plan, and we are actively preparing our new three-year strategic plan, which will be presented in September."*

First quarter 2016 results

SCOR delivers excellent results with a net income of EUR 170 million and an annualized ROE of 11.2%

- In the first quarter 2016, SCOR continues to deliver **excellent results, with resilient technical profitability and strong net income generation**, along the same lines as in 2015.
- **Gross written premiums** reach EUR 3,283 million, up 5.1% at current exchange rates compared to 2015 (+5.0% at constant exchange rates), with:
 - o a strong contribution from SCOR Global Life, with gross written premiums reaching EUR 1,907 million over the quarter (+10.5% at current exchange rates and +9.9% at constant exchange rates);
 - o a 1.6% decrease in SCOR Global P&C gross written premiums at current exchange rates (-1.1% at constant exchange rates), which stand at EUR 1,376 million, affected by the cancellation of the division's participation in a Lloyd's syndicate as well as by lower activity on the Aviation book of business. Excluding these impacts, premium growth would have been 2.7%.
- **SCOR Global P&C** records very strong technical profitability with a net combined ratio of 89.7% in the first quarter of 2016, in an environment of low natural catastrophe losses.
- **SCOR Global Life** records a strong technical margin of 7.1% in the first three months of 2016, constantly delivering above the "Optimal Dynamics" assumption of 7.0%.
- SCOR Global Life's **Market Consistent Embedded Value (MCEV)** reaches EUR 5.6 billion at the end of 2015, up 17% compared to 2014.
- **SCOR Global Investments** achieves a solid 3.3% return on invested assets, while maintaining its prudent portfolio management.
- **Group net income** reaches EUR 170 million in Q1 2016, broadly stable with the Q1 2015 net income. The annualized **return on equity (ROE)** stands at 11.2% or 1,111 bps above the risk-free rate¹.
- **Shareholders' equity** stands at EUR 6,358 million at 31 March 2016, compared to EUR 6,363 million at 31 December 2015. This translates into a book value per share of EUR 34.13 at 31 March 2016, compared to EUR 34.03 at 31 December 2015.
- **SCOR's financial leverage** stands at 27.6% as at 31 March 2016, temporarily above the range indicated in "Optimal Dynamics". This is the result of the successful placement of EUR 250 million dated subordinated debt, issued with a coupon set at 3.25% in June 2015, and the placement of the dated subordinated debt of EUR 600 million² to refinance the undated subordinated debt of CHF 650 million callable in August 2016. The financial leverage adjusted for the intended calls of the two debts callable in Q3 2016 would stand at approximately 20.6%³.

1. Three-month risk-free rates.

2. See press releases of 2 June 2015 and 2 December 2015 respectively.

3. Adjusted financial leverage ratio would be approximately 20.6% assuming the repayment of the CHF 650 million and EUR 257 million subordinated debts callable in Q3 2016, subject to the evolution of market conditions and supervisory approval.

- SCOR's estimated **solvency ratio** at 31 March 2016, adjusted for the intended calls of the two debts callable in Q3 2016, stands at 202%⁴, within the optimal solvency range of 185%-220% as defined in the "Optimal Dynamics" plan.

SCOR Group Q1 2016 key financial details:

<i>In EUR millions (rounded, at current exchange rates)</i>	Q1 2016	Q1 2015	Variation
Gross written premiums	3,283	3,124	5.1%
Group cost ratio	5.27%	5.15%	0.12 pts
Return on invested assets	3.3%	3.5%	-0.2 pts
Annualized ROE	11.2%	12.1%	-0.9 pts
Net income*	170	175	-2.9%
Shareholders' equity	6,358	6,415	-0.9%
P&C Combined ratio	89.7%	89.1%	0.6 pts
Life technical margin	7.1%	7.2%	-0.1 pts

(*) Consolidated net income, Group share.

Denis Kessler, Chairman & CEO of SCOR, comments: *"In the first quarter of 2016, SCOR continues to post excellent results, along the same lines as those recorded by the Group in 2015, benefiting from the full deployment of the initiatives launched under the "Optimal Dynamics" plan. SCOR's footprint continues to expand in the first quarter, and both the Life and P&C divisions deliver strong technical profitability. SCOR Global Investments records a strong return on invested assets, demonstrating its capacity to actively manage the asset portfolio while remaining prudent in the current volatile environment. The reinsurance industry is facing economic, social and political uncertainties in 2016 in an increasingly competitive environment. Our teams are taking this fully into account in the preparation of the Group's new strategic plan, which is due to be unveiled in September. Using our know-how, experience and expertise, SCOR is getting ready to meet the challenges of the future".*

4. The estimated adjusted solvency ratio of 202% allows for the intended calls of the two debts callable in Q3 2016 (the 6.154% undated deeply subordinated EUR 257 million notes callable in July 2016 and the 5.375% fixed to floating rate undated subordinated CHF 650 million notes callable in August 2016), subject to the evolution of market conditions and supervisory approval. The estimated solvency ratio based on Solvency II requirements is 222% at 31 March 2016.

SCOR Global P&C key figures:

<i>In EUR millions (rounded, at current exchange rates)</i>	Q1 2016	Q1 2015	Variation
Gross written premiums	1,376	1,398	-1.6%
Combined ratio	89.7%	89.1%	+0.6 pts

In the first quarter of 2016, SCOR Global P&C gross written premiums stand at EUR 1,376 million and include the impact of the cancellation of the division's participation in a Lloyd's syndicate, as well as lower activity on the Aviation book of business. At current exchange rates, year-on-year gross written premiums decrease by 1.6% (-1.1% at constant exchange rates). Excluding these particular effects, which are expected to have a much lower impact by year end, the premium growth at constant exchange rates stands at 2.7%.

In the first three months of 2016, SCOR Global P&C records very strong technical profitability with a net combined ratio of 89.7%, driven by:

- the low level of Natural Catastrophe losses corresponding to 1.4 pts of net combined ratio, with the February Taiwan earthquake (estimated at EUR 8 million) being the only material event;
- the net attritional and commission ratios adding up to 81.3%, which is fully consistent with the latest indications of our 2016 assumptions;
- the P&C management expenses ratio increase, which is essentially driven by the structure of the business portfolio.

The normalized net combined ratio (with a natural catastrophe budget of 6%) stands at 94.3%, in line with the assumptions communicated in the Q4 2015 disclosure.

At its 1 April 2016 renewals⁵, SCOR Global P&C increases premiums by 4.7% at constant exchange rates. Pricing at the April renewals is nearly flat overall for SCOR Global P&C despite the pressure recorded on non-proportional accounts. The expected profitability of the business booked is in line with the Group's target.

SCOR Global Life delivers strong growth in the first quarter of 2016

SCOR Global Life key figures:

<i>In EUR millions (rounded, at current exchange rates)</i>	Q1 2016	Q1 2015	Variation
Gross written premiums	1,907	1,726	+10.5%
Life technical margin	7.1%	7.2%	-0.1 pts

5. See press releases of. 22 April 2016

SCOR Global Life gross written premiums stand at EUR 1,907 million in the first quarter of 2016, up 10.5% at current exchange rates compared to the same period last year (+9.9% at constant exchange rates).

Full year 2016 premium growth is expected to normalize at approximately 4-5% versus 2015, in line with “Optimal Dynamics” assumptions of average gross written premium growth of 6% between 2013 and 2016.

SCOR Global Life records a strong technical margin of 7.1%, above the “Optimal Dynamics” assumption, thanks to the profitable new business conducted over the period - with Longevity representing an increased proportion of SCOR Global Life’s product mix - and to the healthy in-force portfolio, with mortality experience in line with expectations.

The new business pipeline continues to be healthy across all regions and products, with new business margins expected to meet the Group’s profitability targets.

2015 Market Consistent Embedded Value for SCOR Global Life increases by 17% to EUR 5.6 billion, which validates the long-term strength of the biometric portfolio. The value of new business stands at EUR 354 million in 2015 and the total cash repatriation from SCOR Global Life to the Group reaches EUR 236 million.

SCOR Global Investments delivers a solid return on invested assets of 3.3% in the first quarter of 2016, in an extremely low yield and uncertain environment

SCOR Global Investments key figures:

<i>In EUR millions (rounded, at current exchange rates)</i>	Q1 2016	Q1 2015	Variation
Total investments	27,627	27,119	1.9%
□ of which total invested assets	18,184	18,087	0.5%
□ of which total funds withheld by cedants	9,443	9,032	4.5%
Return on investments*	2.6%	2.9%	-0.3 pts
Return on invested assets**	3.3%	3.5%	-0.2 pts

(*) Annualized, including interest on deposits (i.e. interest on funds withheld).

(**) Annualized, excluding interest on deposits (i.e. interest on funds withheld).

Since June 2015, SCOR Global Investments has tactically and momentarily reinforced its prudent investment strategy to face the current headwinds and high level of market volatility. In the first quarter of 2016, liquidity has been increased to 14% of total invested assets, compared to 5% in the first quarter of 2015 and 11% at the end of 2015. During the period, the division proactively de-risked the investment portfolio, mainly on the financial, energy and metals & mining sectors. Finally, the duration of the fixed income portfolio was maintained at 3.9 years at 31 March 2016, unchanged compared to the 31 December 2015 level.

The stable average rating of AA- bears witness to the quality of the fixed income portfolio. Moreover, SCOR Global Investments continues to exclude any exposure to sovereign debt from the GIIPS countries⁶.

As at 31 March 2016, the expected financial cash flow over the next 24 months stands at EUR 6.8 billion (including cash, coupons and redemptions), which represents 37% of the invested assets.

In the first quarter of 2016, invested assets generate a financial contribution of EUR 147 million. The active asset management policy executed by SCOR Global Investments has enabled the Group to record capital

gains of EUR 74 million over the period, coming mainly from the real estate portfolio and to a lesser extent from the fixed income portfolio.

The return on invested assets stands at 3.3% for the first quarter of 2016, compared to 3.5% in the first quarter of 2015. Taking account of funds withheld by cedants, the net rate of return on investments stands at 2.6% in the first quarter of 2016. The reinvestment yield stands at 2.0%⁷ at 31 March 2016.

Invested assets (excluding funds withheld by cedants) stand at EUR 18,184 million as at 31 March 2016, and are composed as follows: 11% cash, 75% fixed income (of which 3% are short-term investments), 4% loans, 3% equities, 4% real estate and 3% other investments. Total investments, including EUR 9,443 million of funds withheld, stand at EUR 27,627 million at 31 March 2016, compared to EUR 27,552 million at 31 December 2015.

6. Greece, Ireland, Italy, Portugal, Spain.

7. Corresponds to marginal reinvestment yields based on Q1 2016 asset allocation of yielding asset classes (i.e. fixed income, loans and real estate), according to current reinvestment duration assumptions and spreads. Yield curves as at 31/03/2016.

APPENDIX

1 - P&L Key figures Q1 2016 (in EUR millions, at current exchange rates)

	Q1 2016	Q1 2015	Variation
Gross written premiums	3,283	3,124	5.1%
P&C gross written premiums	1,376	1,398	-1.6%
Life gross written premiums	1,907	1,726	10.5%
Investment income	176	180	-2.2%
Operating results	283	287	-1.4%
Net income ¹	170	175	-2.9%
Earnings per share (EUR)	0.92	0.95	-2.7%
Operating cash flow	317	62	411.3%

1: Consolidated net income, Group share.

2 - P&L Key ratios Q1 2016

	Q1 2016	Q1 2015	Variation
Return on investments ¹	2.6%	2.9%	-0.3 pts
Return on invested assets ^{1,2}	3.3%	3.5%	-0.2 pts
P&C net combined ratio ³	89.7%	89.1%	0.6 pts
Life technical margin ⁴	7.1%	7.2%	-0.1 pts
Group cost ratio ⁵	5.27%	5.15%	0.12 pts
Return on equity (ROE)	11.2%	12.1%	-0.9 pts

1: Annualized; 2: Excluding funds withheld by cedants; 3: The combined ratio is the sum of the total claims, the total commissions and the total P&C management expenses, divided by the net earned premiums of SCOR Global P&C; 4: The technical margin for SCOR Global Life is the technical result divided by the net earned premiums of SCOR Global Life; 5: The cost ratio is the total management expenses divided by the gross written premiums.

3 - Balance sheet Key figures as at 31 March 2016 (in EUR millions, at current exchange rates)

	As at 31 March 2016	As at 31 December 2015	Variation
Total investments ^{1,2}	27,627	27,552	0.3%
Technical reserves (gross)	27,657	27,839	-0.7%

Shareholders' equity	6,358	6,363	-0.1%
Book value per share (EUR)	34.13	34.03	0.3%
Financial leverage ratio³	27.6%	27.5%	0.1 pts
Total liquidity	2,710	2,034	33.2%

1: Total investment portfolio includes both invested assets and funds withheld by cedants, accrued interest, cat bonds, mortality bonds and FX derivatives; 2: Excluding 3rd party net insurance business investments. 3: Adjusted financial leverage ratio would be approximately 20.6% assuming the repayment of the CHF 650 million and EUR 257 million subordinated debts callable in Q3 2016, subject to the evolution of market conditions and supervisory approval.

Press Release
27 April 2016 – N°10

Scor's combined general meeting of 27 April 2016 adopts all the proposed resolutions

The Combined General Meeting of SCOR SE was held on 27 April 2016 in Paris and was chaired by Mr. Denis Kessler, Chairman and Chief Executive Officer of SCOR SE.

All the proposed resolutions were adopted by SCOR's shareholders by a large majority, including payment of a dividend of EUR 1.50 per share for the 2015 financial year. The coupon date was set at 28 April 2016 and the dividend will be paid on 2 May 2016.

The resolution voting results are on line at:

<http://www.scor.com/en/annual-general-meetings-archive.html>.

Press Release
24 May 2016 - N°11

Not for distribution in or into the U.S., Canada or Japan

SCOR successfully places EUR 500 million dated subordinated notes

SCOR has successfully placed a dated subordinated notes issue on the Euro market in the amount of EUR 500 million.

It is currently SCOR's intention to use the proceeds for general corporate purposes. Moreover, SCOR confirms its current intention, subject to market conditions, to redeem the balance of the EUR 350 million and CHF 650 million undated subordinated note lines, callable in July and August 2016 respectively, using the proceeds of the EUR 250 million and EUR 600 million subordinated notes issues of 2014 and 2015 respectively.

The coupon has been set to 3.625% (until 27 May 2028 first call date), and resets every 10 years at the prevailing 10 years EUR mid-swap rate + 3.90%. The 32NC12 notes mature on 27 May 2048.

The notes are expected to be rated A by Standard & Poor's and A- by Fitch.

Settlement is expected to take place on 27 May 2016. The proceeds from the notes are expected to be eligible for inclusion in SCOR's regulatory capital, in accordance with applicable rules and regulatory standards, and as equity credit in the rating agency capital models.

Denis Kessler, Chairman & Chief Executive Officer of SCOR, comments: *"With this new successful placement on the Euro market, SCOR continues to benefit from exceptional market conditions in a low yield environment. Following the successful EUR 600 million placement in December 2015, this new placement reconfirms the high level of confidence enjoyed by the Group in the credit market. This debt placement enables us to secure attractive long-term financing to further optimize SCOR financial structure and support the future organic growth of the Group."*

TAXATION

The following is a general description of certain withholding tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

1. FRANCE

1.1 Withholding Tax

The following is a basic summary of certain withholding tax considerations that may be relevant to Noteholders who do not concurrently hold shares of the Issuer. Persons who are in doubt as to their tax position should consult a professional tax adviser.

Payments of interest and other revenues made by the Issuer with respect to the Notes are not subject to the withholding tax provided under Article 125 A III of the *Code général des impôts* unless such payments are made in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non Cooperative State**), in which case, a 75 per cent. withholding tax is applicable (subject to exceptions and to the more favourable provisions of an applicable double tax treaty). The 75 per cent. withholding tax is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, the law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, nor the Deductibility Exclusion and the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion, will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are:

- (a) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (b) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non Cooperative State.

The Notes which will be, at the time of their issue, admitted to the clearing operations of Euroclear France and, upon their issue and thereafter, admitted to trading on the regulated market of the Luxembourg Stock Exchange, will benefit from the Exception. Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, the Deductibility Exclusion and the withholding tax set out under Article 119 *bis* 2 of the same *Code* as a result of the Deductibility Exclusion.

Pursuant to Article 125 A I of the French *Code général des impôts* and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on such interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

2. LUXEMBOURG TAXATION

The following is of general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective purchasers of the Notes should therefore consult their own tax advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

2.1 Non Luxembourg resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

2.2 Luxembourg resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and

associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent.. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent..

SUBSCRIPTION AND SALE

BNP Paribas, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, J.P. Morgan Securities plc, Natixis and UBS Limited (the Joint Bookrunners and Joint Lead Managers or the **Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 25 May 2016 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 99.799 per cent. of the total principal amount of the Notes, less a management and underwriting commission agreed between the Issuer and the Managers. The Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General selling restrictions

No action has been taken or will be taken by the Managers that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

Each of the Managers has represented, warranted and agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended as the case may be) or any part of it or any other offering material relating to the Notes, and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes such purchases, offers or sales. None of the Managers who have complied with such representation shall have any responsibility for any breach of such representation by another Manager.

None of the Manager will offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of the Prospectus or any offering materials relating to the Notes by each of the Managers will be made on the same terms.

Neither the Issuer nor any of the Managers represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. Terms used in this paragraph and not otherwise defined in the Prospectus have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Each of the Managers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes (a) as part of its distribution at any time or (b) otherwise until forty (40) calendar days after

completion of the distribution of the Notes as determined, and certified to the Issuer by the Managers, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

United Kingdom

Each of the Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes only under circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each of the Managers and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, other than individuals, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

Prospective investors are informed that (a) the Prospectus has not been approved by the *Autorité des marchés financiers*, (b) such prospective investors may only take part in the transaction solely for their own account as provided in articles D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier* and (c) that the Notes may not be further distributed directly or indirectly to the public in France otherwise than in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List and traded on the Luxembourg Stock Exchange Regulated Market.
2. The estimate of the total expenses related to the admission of the Notes to trading is €11,300.
3. The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code 142462095. The International Securities Identification Number (**ISIN**) for the Notes is FR0013179314. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg and the address of Euroclear France is 66 rue de la Victoire, 75009 Paris.
4. Except as disclosed in this Prospectus on pages 82 to 91, there has been no significant change in the financial or trading position of the Issuer and the Group since 31 March 2016.
5. There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2015.
6. Except as disclosed in the 2015 DDR on pages 228 to 229, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of approval of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
7. The issue of the Notes was decided by Mr. Denis Kessler, Chairman of the Board of Directors and Chief Executive Officer (*Président du Conseil d'administration et Directeur Général*) of the Issuer on 24 May 2016 acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer adopted on 27 April 2016.
8. There are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
9. At the date of this Prospectus, there are no conflicts of interest which are material to the issue or offer of the Notes between the duties of the members of the Board of Directors to the Issuer and their private interests and/or their other duties. The Managers are paid commissions in relation to the issue of the Notes. Any such Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
10. To the knowledge of the Issuer, no person involved in the issue of the Notes has an interest material to the Issue.
11. For as long as the Notes are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agent:
 - (a) this Prospectus;
 - (b) the Agency Agreement;

- (c) the *statuts* of the Issuer;
- (d) each of the Documents Incorporated by Reference.

The Prospectus will be published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and the Issuer (www.scor.com).

12. The statutory auditors of the Issuer are Mazars (Tour Exaltis, 61, rue Henri Regnault, 92075 Paris-La Défense Cedex, France) and Ernst & Young Audit (Tour Ernst and Young, 11, faubourg de l'Arche, 92037 Paris-La Défense Cedex, France) (both entities are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*). Ernst & Young Audit and Mazars are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles* which is supervised by the *Compagnie Nationale des Commissaires aux Comptes*. They have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2014 and 31 December 2015.
13. The yield of the Notes, calculated from the Issue Date to the First Call Date is 3.646 per cent. *per annum*. It is not an indication of future yield.

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