Embedded Value of SCOR VIE
as at 31 December 2005

26 June 2006

Notice

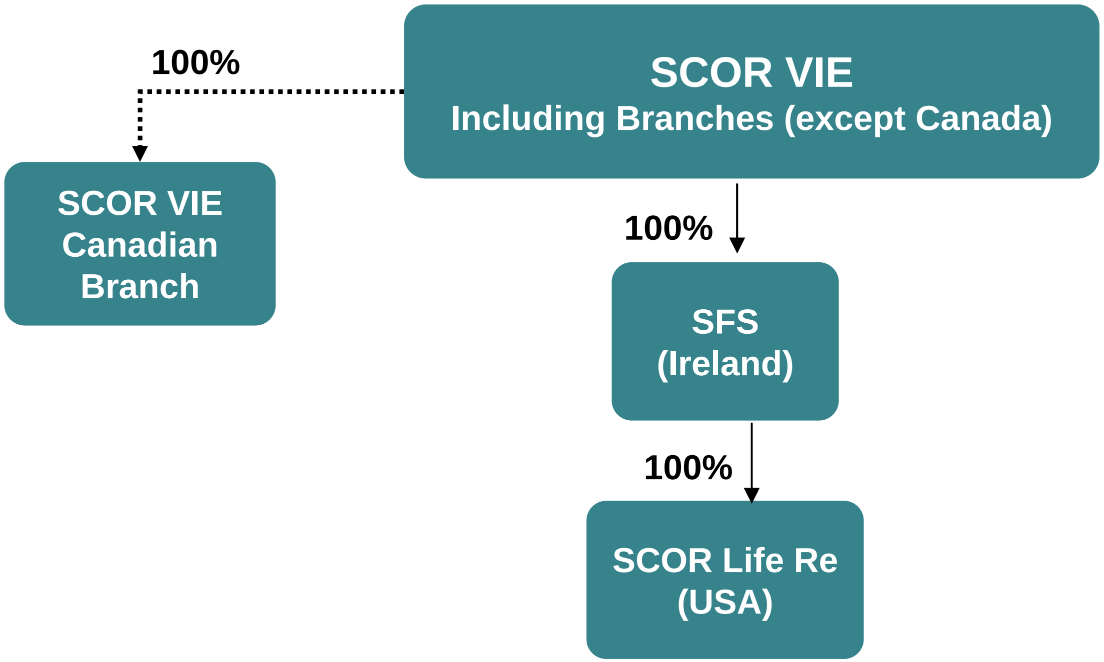
- Certain statements contained in this presentation are forward-looking statements, of necessity provisional, that are based on risks and uncertainties that could cause actual results, performance or events to differ materially from those in such statements.
- Additional information regarding risks and uncertainties is set forth in the current annual report of the company.

Plan

- **Introduction**
- Embedded Value – Methodology
- Economic Assumptions
- Results
- Analysis of Changes

Introduction

Scope



Plan

Methodology

- As at 31/12/2005, SCOR Vie has adopted CFO Forum principles for the calculation of European Embedded Value (EEV).
- The impact of the application of these principles to SCOR VIE's traditional EV is as follows

Principle 1: EEV Definition	Principle 7: Cost of Financial Options and Guarantees
Principle 2: Scope of Business	Principle 8: New business
Principle 3: EEV Composition	Principle 9: Non-Economic Assumptions
Principle 4: Free Surplus	Principle 10: Economic Assumptions
Principle 5: Required Capital	Principle 11: Profit Sharing
Principle 6: PVFP	Principle 12: Appendices

Major impact (dark teal): Principle 7. Minor impact (light blue): Principles 9, 10, 12.

Methodology

Net Asset Value

+

Value of portfolio of treaties in force

-

Cost of locking-in a solvency margin

-

Cost of FOGs

Embedded Value

Methodology

Net Asset Value

- Capital and surplus
- Adjustment for investment in subsidiaries
- Removing the intangible assets
- Adding the part of the unrealised capital gains that is attributable to the shareholders and that is not taken into account in the value of business in force

This is not a typical accounting net asset value: the adjustments are specific to the Embedded Value calculation

Methodology

Net Asset Value

+

Value of portfolio of treaties in force

-

Cost of locking-in a solvency margin

-

Cost of FOGs

Embedded Value

Methodology

Value of the portfolio

- Value of the portfolio of treaties in force = Present value of future profits, net of tax, generated by the portfolio of treaties in force as at the valuation date.

- Projection of the profit and loss account:

Premiums

\+ ***Investment return***

\- ***Claims***

\- ***Change in reserves***

\- ***Operating expenses***

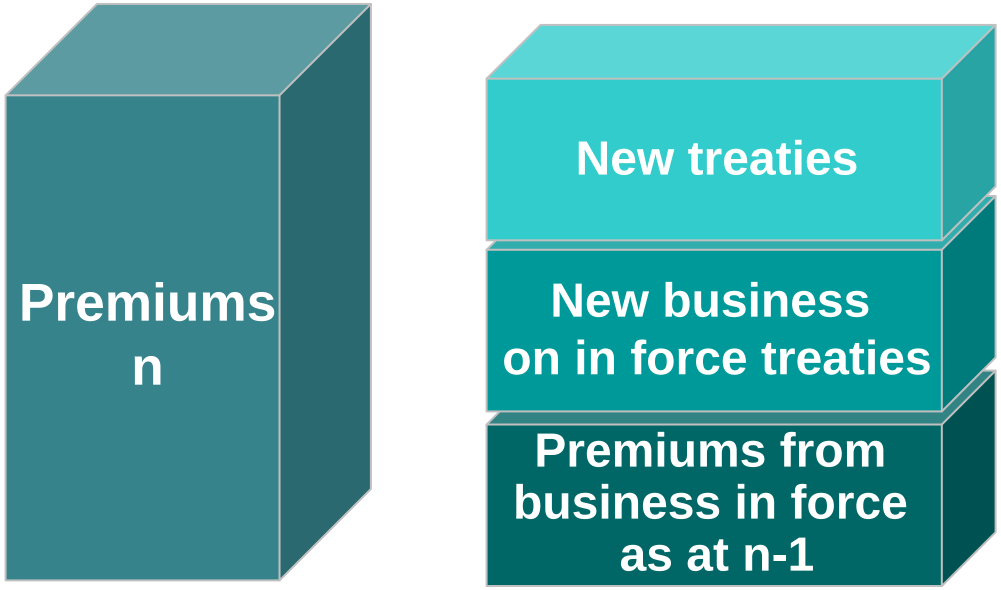
\- ***Commissions***

\- ***Tax***

Methodology

Business in force and new business

- Prudent definition of the business in force :



Methodology

Future investment return rate

- **Asset investment return rate determined :**
  - → On the basis of the asset mix as at 31/12/2005 for each entity
  - → For SCOR VIE Paris, with constant market return assumptions for each type of asset (stocks, bonds, cash)
  - → For the portfolios of SCOR Life Re and of the Canadian branch that have dedicated assets: projection of these dedicated portfolios of assets
- **For interest on reinsurance deposits: 2005 rate extracted from the accounting information system**

Methodology

- **Modeling of operating expenses**
  - → Direct expenses of SCOR VIE, internal billing for common services from SCOR to SCOR VIE, SCOR expenses allocated to SCOR VIE
- **Split administration / acquisition expenses**
  - → Based on an internal study
- **Projection: only administration expenses**
  - → Assumption: constant % of premiums and/or % of reserves
- **Acquisition expenses**
  - → Allocated to the value of new business (new treaties and new business on existing treaties)

Methodology

- **Approach for tax**
  - → Valuation before and after tax
  - → The effect of the tax consolidation of SCOR VIE into the SCOR Group has not been taken into account

Methodology

Net Asset Value

+

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Embedded Value

Methodology

Cost of locking-in a solvency margin

- **Solvency margin:**
  - → minimum European regulatory margin for insurers (used for SCOR VIE and SFS), because European reinsurance directive not yet in force
  - → 200% of NAIC Risk Based Capital (SLRe)
- **The cost of locking-in reflects the spread between:**
  - → The return expected by the shareholders (discount rate)
  - → And the actual investment return of the assets backing the capital
- **Prudent approach:**
  - → intangible assets (DAC, VOBA), or subordinated debt…
  - → being items that would reduce this cost
  - → … are not taken into account

Methodology

Net Asset Value

+

Value of portfolio of treaties in force

-

Cost of locking-in a solvency margin

-

Cost of FOGs

Embedded Value

Financial Options and Guarantees

Description and nature of FOGs

- **No FOGs in the books of SCOR VIE and its branches**
- **FOGs identified in SCOR Life RE (USA) :**
  - → mainly in Annuities: Equity Indexed Annuities, Fixed Deferred Annuities
  - → to a lesser extent in Universal Life
- **The identified FOGs are :**
  - → Guaranteed rates
  - → Guaranteed equity index returns
  - → Minimum death benefit guarantees
  - → Surrender options (withdrawal)
  - → Guaranteed annuitization options

Valuation of Financial Options and Guarantees

Methodology (1/2)

- **Principle 7 of the CFO Forum stipulates that the cost of FOGs must be explicitely valued. The time value of FOGs is deducted from the deterministic EV**

- **For FOGs that are not annuitization options:**

  → Stochastic simulation of neutral-risk economic scenarios (yield curve and S&P500 index)

  → Time value = difference between

    - Mean PVFP derived from projections based on the various scenarios used

    - PVFP derived from projection based on mean scenario

  → The time value reflects the risk of financial deviation from the mean scenario

Valuation of Financial Options and Guarantees

Methodology (2/2)

- **For annuitization options, valuation made through a closed formula based on the same interest rate model**
- **For Universal Life policies:**
  - → low amount of reserves
  - → derived proportionally (based on reserves) from Fixed Deferred Annuities FOGs calculation

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Economic Assumptions

- Risk free rate: 10 year Government Bonds (Europe, USA, Canada)
- A spread on bond portfolio is taken into account
- Stocks: Risk free rate + 350 bp
- Cash Europe: EONIA (interbank rate)
- Cash US: 6 month Treasury Bill rate
- Cash Canada: overnight target rate

Economic Assumptions

Basis of economic assumptions

	Euro Zone	Canada	USA
10 year Government Bond	3.30 %	3.98 %	4.39 %
Spread	20 bp	30 bp	30 bp
Bond yield	3.50 %	4.28 %	4.69 %
Cash and short term investments	2.42 %	3.25 %	4.37 %
Stocks	6.80 %	7.48 %	7.89 %
Net investment rate projected	3.80 %	3.94 % (*)	4.66 % (*)

(*) excluding dedicated asset portfolios

Methodology

Determination of discount rate

- → **Top Down approach**
- → **Discount rate derived from CAPM formula**

$$r_e = r_f + \beta \cdot (r_M - r_f)$$

- → r_e **return expected by shareholder (discount rate)**
- → β **correlation between reinsurance stocks and stock market**
- → $r_M - r_f$ **risk premium on stock market,**
- → r_f **risk free rate.**

Methodology

Assumptions:

- Risk premium for stock markets is consistent with the one used for stock return in projections of cash flows (350 bp)
- Risk free rate is the 10 year Government Bond for each geographical zone
- the beta factor has been estimated on a 2 year period using a sample of 7 international reinsurance stocks

Methodology

Discount rate per geographical zone

Zone	*Europe*	*Canada*	*USA*
Risk free rate	**3.30 %**	**3.98 %**	**4.39 %**
Stock risk premium	**350 bp**	**350 bp**	**350 bp**
Beta	**1.08**	**1.08**	**1.08**
Discount rate	**7.08 %**	**7.76 %**	**8.17 %**

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Results: Consolidated Embedded Value

EUR million	EV SCOR Vie 31/12/2004	European EV SCOR Vie 31/12/2005
Adjusted Net Asset Value (after tax)	**266.9**	**309.6**
Value of business in force before cost of locking-in (after tax)	432.8	481.6
Cost of locking-in the solvency margin (after tax)	(80.8)	(96.4)
Value of business in force after cost of locking-in (after tax)	**352.0**	**385.2**
Consolidated Embedded Value after tax, before cost of FOGs	**618.9**	**694.8**
Cost of FOGs	na	(2.0)
Consolidated European Embedded Value after tax	na	**692.8**

Valuation of Financial Options and Guarantees

Results

- In the financial environment as at 31/12/2005 (US rates above 4%), the largest part of the cost of FOGs is linked to equity risk on Equity Indexed Annuities

Time value of FOGs, *EUR million*	
Equity Indexed Annuities	2.034
Other FOGs in SCOR Life Re	0.014
Total	**2.048**

Results

Adjusted Net Asset Value as at 31/12/2005 after tax

EUR million

Shareholders' equity of SCOR VIE (Paris)	424.8
Intangible assets	(28.1)
Adjustment for investment in subsidiaries	(187.5)
Shareholders' interest in unrealised capital gains	4.6
Total adjusted Net Asset Value of SCOR VIE	213.9
Adjusted Net Asset Value of SLRe and SFS	95.8
Total adjusted Net Asset Value	**309.6**

Plan

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- **Analysis of Changes**

Analysis of Changes

EUR million

Embedded Value as at 31/12/2004 before tax	**857.6**
Dividend and tax paid on 2004 income	(25.4)
Change due to operating activity of SCOR VIE before tax	92.3
Change due to the economic environment before tax	(5.4)
Embedded Value as at 31/12/2005 before tax (constant exchange rate)	**919.1**
Impact of exchange rate	54.5
Embedded Value as at 31/12/2005 before tax (current exchange rate)	**973.6**
Tax	(278.8)
Embedded Value as at 31/12/2005 after tax (current exchange rate)	**694.8**

Analysis of Changes

Analysis of change due to operating activity

EUR million

Effect of unwinding of the discount rate	67.0
Experience deviation during the year	(2.1)
Impact of change in non economic assumptions	(9.7)
Value of new business (before tax)	37.1
Operating activity of SCOR VIE (before tax)	**92.3**

Analysis of Changes

Change due to operating activity (continued)

- Experience deviation during the year: close to zero in total
- Non economic assumptions: improvements / refinements in modeling and adjustments of parameters, in line with Principle 9 of CFO Forum
- New business: + 8.5 % on 2004 level

Analysis of Changes

Economic environment

EUR million

Financial deviation from expected to actual during current year	(5.9)
Changes in economic assumptions	0.5
Changes due to the economic environment (before tax)	**(5.4)**

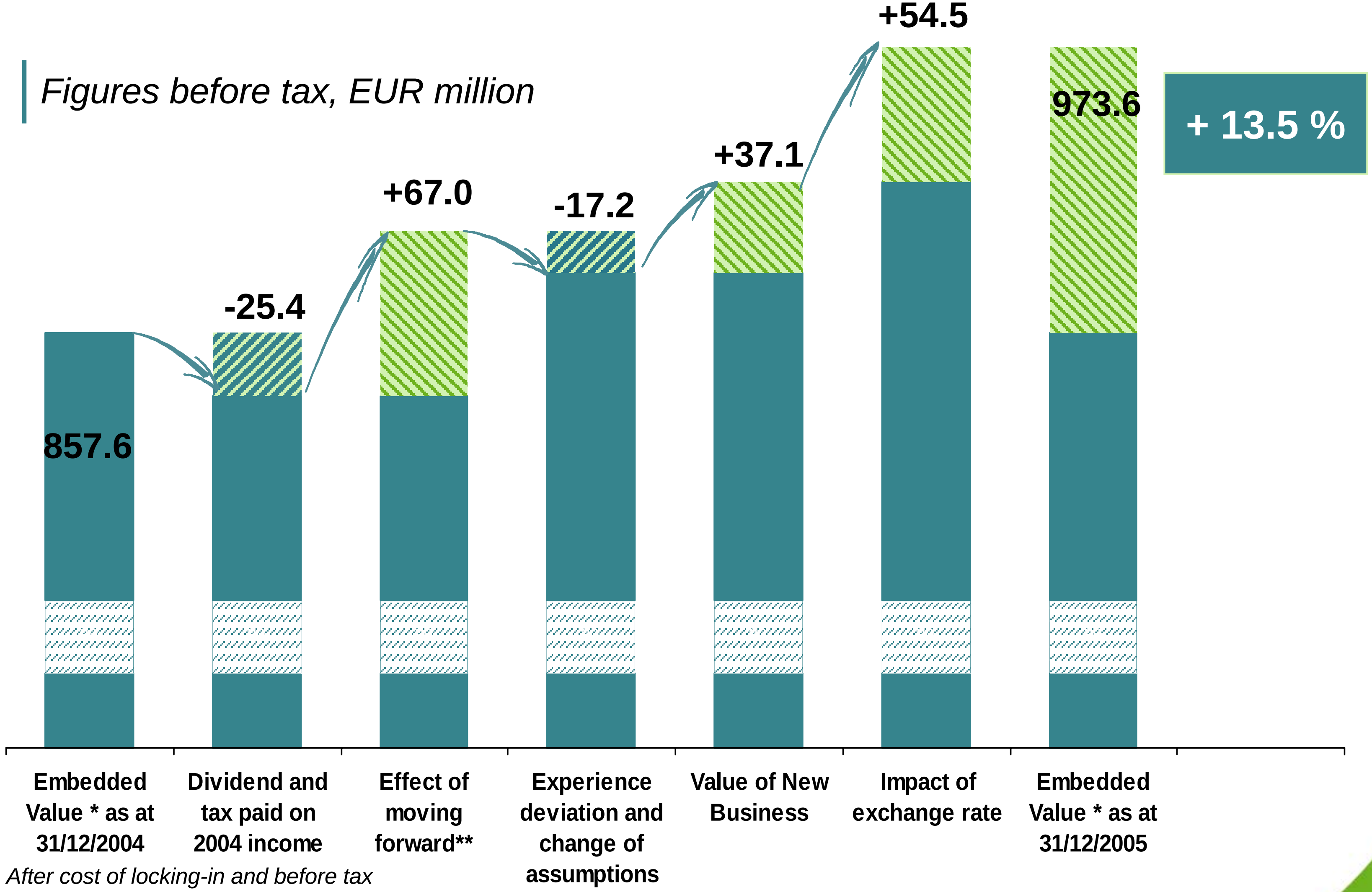
Analysis of Changes

Impact of exchange rate : EUR 54.5 Million before tax

mainly due to the strengthening of USD against EUR from 31/12/2004 to 31/12/2005

Analysis of Value Creation : +13.5 %

Figures before tax, EUR million



** After cost of locking-in and before tax*

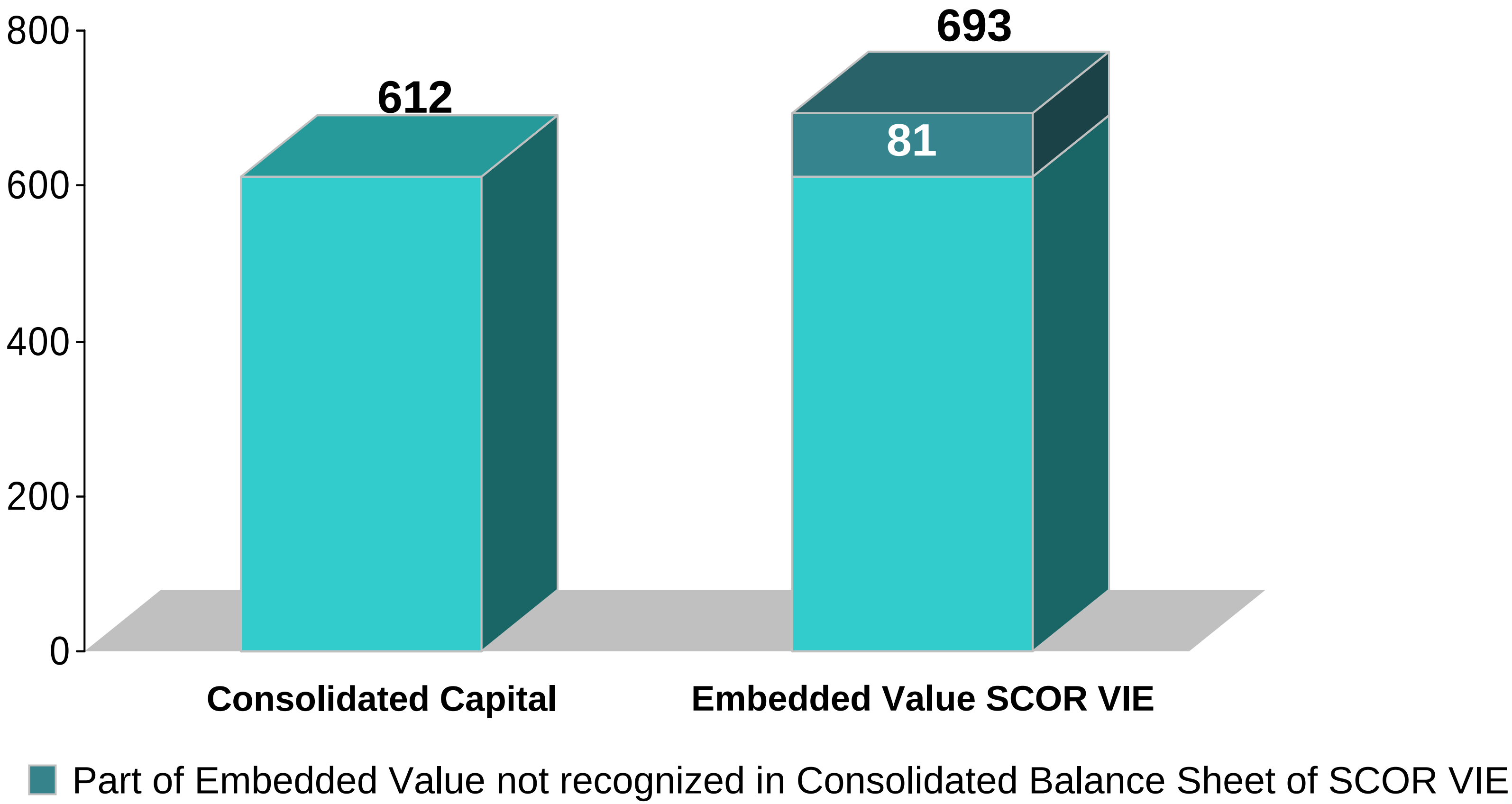
*** Removing 1 year discount*

Sensitivity Analysis for Business in Force

Value of business as at 31/12/2005 (after tax)	385.2
Discount rate – 100 bp	47.0
Discount rate + 100 bp	(42.3)
Claims - 5%	115.0
Expenses - 10 %	7.9
Lapses + 10 %	(10.9)
Lapses - 10%	12.9
Interest rates (as well as return on deposits and discount rate) – 100 bp	(43.3)
Equity risk premium + 100 bp	1.9
Solvency margin + 10 %	(9.6)
Impact of Application of European Directive on Reinsurers' Solvency margin	13.1

Embedded Value and Consolidated Balance Sheet of SCOR VIE

EUR million



Part of EV not recognized in the Consolidated Balance Sheet of SCOR

Embedded Value after tax as at 31/12/2005	**693**
- Adjusted Net Asset Value as at 31/12/2005	**310**
- DACs (Scor Vie and subsidiaries)	**419**
- deferred tax	**(108)**
+ other adjustments (URCG, others)	**9**
Total	**81**

Conclusion

Embedded Value 2005

- significant growth compared to 2004: +12 %
- confirms the strength and the dynamism of SCOR VIE's portfolio