



Consolidated interim report

At June 30, 2006

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KEY FIGURES

Key figures

In EUR millions	IFRS		
	At June 30, 2006	At December 31, 2005	At June 30, 2005
Gross written premiums	1 372	2 407	1 184
Gross earned premiums	1 275	2 387	1 151
Current operating result	188	242	140
Group net result after tax	102	131	72
Investments	7 466	7 974	8 050
Cash and cash equivalent	1 736	1 667	1 612
Net technical reserves and liabilities relating to financial contracts	8 642	8 758	8 818
Loans and debts	851	954	927
Group shareholders' equity	1 672	1 719	1 705
In EUR			
Number of SCOR equity shares in circulation	968 769 070	968 769 070	819 269 070
Earnings per share	0,11	0,15	0,09
Diluted earnings per share	0,10	0,14	0,08
Net asset value per share	1,75	1,79	1,77
Diluted net asset value per share	1,73	1,78	1,78
Stock market value at the end of period	1,71	1,82	1,66

Warning

Certain statements in this interim report are forward-looking and therefore subject to risks and uncertainties that could cause actual results, performance or events to differ materially from those in such statements. Details of these risks are set out in the company's 2005 Annual Report.

The Group's financial information is prepared on the basis of IFRS accounting and valuation rules and interpretations issued and approved by the European Union, on June, 30, 2006 as well as on the rules of presentation for the recommendation CNC 99R01 as set out in the general regulations of the AMF.

Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS ESTABLISHED UNDER IFRS
Balance sheet

In € millions					
ASSETS	At June 30, 2006	At December 31,2005	LIABILITIES	At June 30, 2006	At December 31,2005
Intangible assets	239	230	Shareholders' equity	1 672	1 719
Goodwill	200	200	Share capital	763	763
Voba	27	17	Additional paid-in capital	147	147
Other intangible assets	12	13	Consolidated retained earnings	687	661
Tangible assets	10	11	Revaluation reserve	(44)	5
Investments	7 466	7 974	Consolidated result	102	131
Real estate investments	288	317	Share based payment	17	12
Available for sale investments	5 609	5 964	Minority interests		
Investments at fair value	221	395	Total shareholders' equity	1 672	1 719
Loans and accounts receivable	1 305	1 264	Financial debt	851	954
Derivative instruments	43	35	Subordinated debt	229	233
Investments in related companies	24	24	Financial debt securities	491	520
Retroceded technical reserves	903	983	Bank borrowings	131	201
Other assets	2 637	2 692	Contingency reserves	52	61
Deferred tax assets	190	229	Liabilities associated with contracts	9 545	9 741
Assumed insurance and reinsurance accounts receivable	1 374	1 326	Technical reserves insurance contracts	9 501	9 686
Retrocession accounts receivable	148	229	Liabilities relating to financial contracts	44	55
Tax due	0	(0)	Other liabilities	896	1 105
Other accounts receivable	361	356	Deferred income tax liabilities	66	86
Deferred acquisition costs	564	553	Derivative instruments liabilities	3	6
Cash and cash equivalent	1 736	1 667	Assumed insurance and reinsurance accounts payable	183	138
			Retrocession accounts payable	482	645
			Tax due	0	0
			Other accounts payable	162	230
TOTAL ASSETS	13 015	13 580	TOTAL LIABILITIES	13 015	13 580

Statement of income

Statement of income

	At June 30, 2006	At December 31, 2005	At June 30, 2005
In € millions			
Gross written premiums	1 372	2 407	1 184
Change in unearned premiums	(97)	22	(33)
Gross earned premiums	1 275	2 429	1 151
Other income from reinsurance operations	3	1	0
Net investment income	239	460	214
Total income from ordinary activities	1 516	2 889	1 365
Claims and policy benefits	(869)	(1 872)	(855)
Gross commission on earned premiums	(312)	(545)	(257)
Retroceded income/loss	(38)	(22)	(12)
Investment management expenses	(19)	(34)	(17)
Acquisition and operating expenses	(51)	(99)	(53)
Other current operating expenses	(38)	(60)	(28)
Other current operating income	0	0	0
Total other current operating income and expenses	(1 328)	(2 632)	(1 222)
CURRENT OPERATING RESULT	188	257	143
Goodwill - change in value	0	(3)	(3)
Other operating expenses	0	(13)	0
Other operating income	0	0	0
OPERATING RESULT	188	242	140
Financing expenses	(28)	(57)	(30)
Income from associated companies	0	0	0
Income tax	(58)	(54)	(38)
CONSOLIDATED NET INCOME	102	131	72
Minority interests	0	0	0
GROUP NET INCOME	102	131	72

Consolidated data by segment

Statement of income by segment

In € millions	At June 30, 2006				At June 30, 2005			
	Life	Non-Life	Intra-group	Total	Life	Non-Life	Intra-group	Total
Gross written premiums	528	844		1 372	525	659		1 184
Change in unearned premiums	(7)	(91)		(97)	(29)	(4)		(33)
Gross earned premiums	521	753	0	1 275	496	655	0	1 151
Other income from insurance operations	0	11	(8)	3	0	0	0	0
Investment income	74	98		173	57	102		158
Realized gains/losses on investments	3	52		55	19	(6)		13
Change in fair value of investments	4	18		22	1	28		29
Change in investment depreciation	0	(9)		(8)	(0)	5		5
Foreign exchange gains/losses	(2)	(1)		(3)	7	2		9
Investment income	80	159	0	239	84	131	0	214
Total income from ordinary business activities	602	922	(8)	1 516	580	786	0	1 366
Claims and policy benefits	(388)	(482)		(869)	(418)	(438)		(856)
Gross earned commission	(149)	(162)		(312)	(115)	(142)		(257)
Retrosession gross written premiums	(37)	(62)		(98)	(15)	(51)		(66)
Variation in retrosession unearned premiums	0	(1)		(0)	1	(3)		(2)
Retrosession earned premiums	(36)	(62)		(98)	(14)	(54)		(68)
Retrosession claims	34	19		53	14	38		52
Retrosession earned commission	4	3		7	1	3		4
Net income from retrosession	2	(40)		(38)	1	(13)		(12)
Investment management expenses	(1)	(18)		(19)	(1)	(17)		(17)
Acquisition and operating expenses	(16)	(35)		(51)	(18)	(35)		(53)
Other current operating expenses	(14)	(32)	8	(38)	(1)	(27)		(28)
Other current operating income	0	0		0	0	0		0
Total other current income and expenses	(567)	(769)	8	(1 328)	(552)	(671)	0	(1 222)
CURRENT OPERATING RESULT	35	153	0	188	28	115	0	143
Goodwill - Change in value	0	0		0	0	0		0
Other operating expenses	0	0		0	0	0		0
Other operating income	0	0		0	0	(3)		(3)
OPERATING RESULT	35	153	0	188	28	112	0	140

Gross written premiums by geographic area

In € millions	Life		Non-Life	
	At June 30, 2006	At June 30, 2005	At June 30, 2006	At June 30, 2005
Gross written premiums	528	525	844	659
Europe	295	283	502	376
North America	186	200	117	85
Asia and rest of the world	47	42	225	198

The gross premiums are broken down according to the geographic location of the subsidiary.

Shareholders' equity

In EUR millions	Capital	Additional paid-in capital	Consolidated reserves (includ income/loss)	Revaluation reserves	Treasury stocks	Currency translation reserve	Share-based payments	Other reserves	Total Group share
Shareholders' equity at December 31, 2004 in IFRS	645	55	658	43	-13	-63	7	3	1 335
Assets held for sale (AFS)				-89		4			-85
Hedging									
"Shadow accounting" gross of deferred taxes				45		-5			40
Effect of currency translation adjustments						97			97
Payable or deferred taxes taken directly or assigned to capital				6				-2	4
Share-based payments plans							5		5
Other variances					-2			-5	-7
Net revenue recognized in shareholders' equity				-38	-2	96	5	-7	54
Consolidated net income (loss) for the year			131						131
Total recognized income and losses for the period			131	-38	-2	96	5	-7	185
Capital transactions	118	106	-1						223
Dividends paid		-14	-10						-24
Shareholders' equity at December 31, 2005	763	147	778	5	-15	33	12	-4	1 719
Assets held for sale (AFS)				-126		3			-123
Hedging									
"Shadow accounting" gross of deferred taxes				52					52
Effect of currency translation adjustments						-36			-36
Payable or deferred taxes taken directly or assigned to capital				25		-1		-5	19
Share-based payments plans							5		5
Other variances					-18				-18
Net revenue recognized in shareholders' equity				-49	-18	-34	5	-5	-101
Consolidated net income (loss) at June 30, 2006			102						102
Total recognized income and losses for the period			102	-49	-18	-34	5	-5	1
Capital transactions									
Dividends paid			-48						-48
Shareholders' equity at June 30, 2006 in IFRS	763	147	832	-44	-33	-1	17	-9	1 672

Consolidated off-balance sheet items

In € millions	At June 30, 2006	At December 31, 2005
Commitments received	1 041	1 201
Unused credit lines	46	199
Endorsments and sureties	24	12
Letters of credit	971	990
Other commitments	0	0
Commitments given	2 630	2 912
Endorsments and sureties	40	25
Letters of credit	581	645
Collateralised securities	1 894	2 080
Other commitments	115	162
Securities received as collateral from reinsurers and retrocessionnaires	31	27

Consolidated statement of cash flow

Consolidated statement of cash flow

In EUR millions

At June 30, 2006

At December 31, 2005

Net income	102	131
Realized gains/losses on investment	(55)	(90)
Change in writedowns and other provisions	15	38
Change in deferred acquisition costs	(1)	(10)
Net appropriations to technical reserves and financial liabilities	63	(789)
Change in fair value of financial instruments accounted for at trading (excl. Cash and cash equivalent)	(22)	(39)
Other items not involving cash flow included in operating income	56	(37)
Operating cash flow excl. working capital changes	157	(796)
Change in loans and receivables	40	174
Cash flows from other assets and liabilities	(192)	28
Net taxes paid	0	0
Net operating Cash Flow	5	(594)
Acquisitions of consolidated entities, net of cash acquired	0	0
Disposal of consolidated entities, net of cash ceded	0	0
Cash flows linked to change in scope	0	0
Purchase/sale of real estate investments	36	1
Purchase/sale of financial investments	226	542
Cash flows linked to purchase / sale and maturity of financial assets	262	543
Sale of tangible and intangible assets	0	0
Purchase of tangible and intangible assets	0	0
Cash flows linked to purchase and sale of tangible and intangible assets	0	0
Net cash flows from investing activities	262	543
Issuance of capital instruments	0	224
Reimbursement of capital instruments	0	(183)
Transactions in treasury shares	(18)	(5)
Dividends paid	(48)	(24)
Cash flows linked to transactions with shareholders	(66)	12
Cash generated by issuance of financial debt	0	9
Cash impacted by reimbursement of financial debt	(88)	(268)
Other variations	0	0
Cash flows linked to Group financing	(88)	(259)
Net cash flows from financing activities	(154)	(247)
		0
Cash and cash equivalents as at January 1	1 667	1 825
Cash flows from operating activities	5	(594)
Cash flows from investing activities	262	543
Cash flows from financing activities	(154)	(247)
Foreign exchange variation impact on cash equivalents	(44)	140
Cash and cash equivalents at the end of the period	1 736	1 667

Notes to the financial statements

SIGNIFICANT EVENTS

Group net income for the first half year of 2006 is EUR 102 million.

The gross written premiums amounted to EUR 1372 million, up 16% compared to the first half year 2005. This growth is due to the sharp increase in Non-Life business treaties renewed at 1 January 2006, and the expansion of large corporate accounts business benefiting notably from the renewal of a part of the ALEA Europe's portfolio on which SCOR has acquired the rights of renewal in December 2005.

The provision for restructuring has been reversed, since the compensation has been paid to the leaving staff.

Turnover

Gross written premiums at 30 June 2006 were up 16% at variable exchange rates when compared to the same period in 2005. They were EUR 1372 million versus EUR 1184 at the end of June 2005.

Written premiums Life/ Non-Life

In € millions	At June 30, 2006	At June 30, 2005	Variation
Written Premiums Non-Life	844	659	+28%
Written Premium Life	528	525	+0%
Group Written Premiums	1 372	1 184	+16%

In Non-Life Reinsurance, the increase of 28% is mainly due to the new Group underwriting policy and the business development observed for the renewals since the Group's rating upgrade which occurred in August 2005, and since the acquisition in December 2005 of the renewal rights to the Alea Europe treaties.

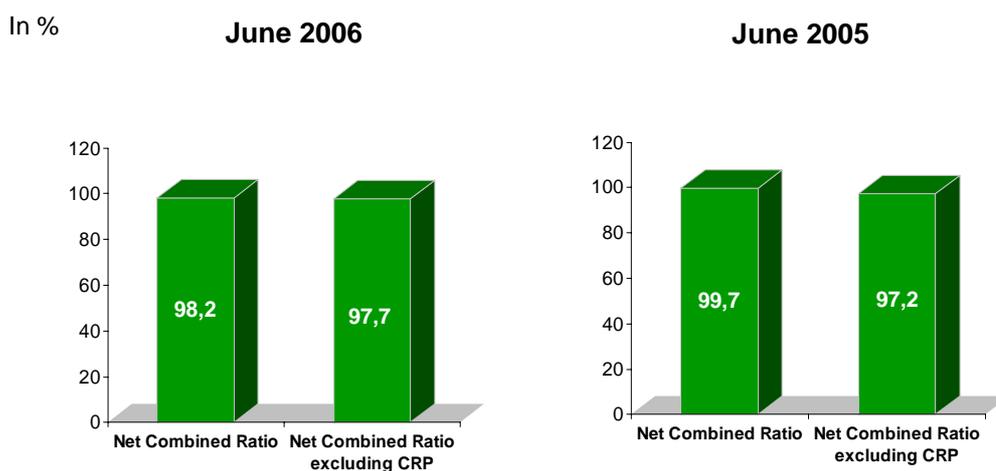
In Life Reinsurance, gross written premiums were stable. This business segment represents 38% of the Group's overall business versus 44% at June 30, 2005.

The geographical distribution of the Group's turnover at the end of June 2006 is as follows : Europe 58% (56% end June 2005), North America 22% (24% end June 2005), Asia and the rest of the world 20% (20% end June 2005).

Technical Result

The combined ratio "(claims + commissions + overheads) / premiums earned" in Non-Life Reinsurance was 98.2% at June 30, 2006 (97.7% excluding CRP) versus 99.7% for the same period of 2005 (97.2% excluding CRP). These ratios show the technical performance of recent underwriting years (2002 and after).

Net combined ratio* Non-Life



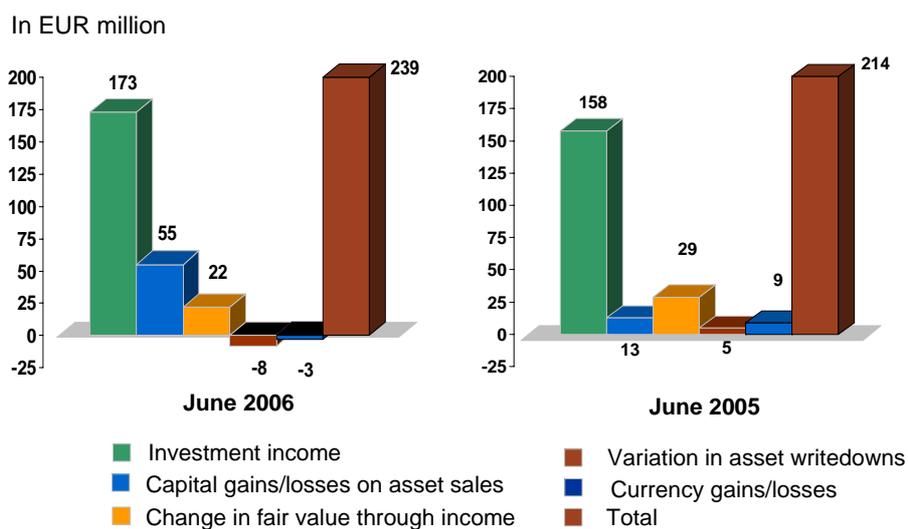
* (Claims + commissions + otherheads)/premiums earned

The ratio is calculated net of retrocession.

The net combined ratios as at end June 2005 and 2006 are based on the ultimate loss of the technical reserves established by Group actuaries.

Financial Results

Net investment income net of fees (excl. borrowing costs) at June 30, 2006 was EUR 220 million, versus EUR 197 million at June 30, 2005, an increase of 12%. This development is mainly due to an increase of realized capital gains, and an increase of realized gains and losses on asset sales. The change in fair value by income amounted EUR 22 million versus 29 million at June 30, 2005. Asset management expenses amounted to EUR -19 million at the end of June 2006 versus EUR -17 million at the end of June 2005.



Tax

The tax expense at June 30, 2006 is EUR (58) million versus EUR (38) million at the end of June 2005. The company has received an adjustment proposal dated July 26, 2006 following a control of the accounts of SCOR SA for the period January 1, 2002 to December 31, 2003.

Net income for the period

Group net income is EUR 102 million compared to EUR 72 million for the same period in 2005.

POST CLOSING EVENTS

Acquisition of Revios Rückversicherung AG

The SCOR Board meeting of 4th July 2006, approved the execution of an acquisition agreement, relating to the acquisition of Revios Rückversicherung AG.

Based in Cologne, Revios is the former Life reinsurance unit of the Gerling Global Re group, which has successfully developed autonomously since 2002. Revios has since become the leading European reinsurer specializing in Life reinsurance, with offices in 17 countries. In 2005 Revios underwrote a premium volume of EUR 1,242 million in 42 countries throughout the world.

This combination is fully in line with the SCOR group strategy in place since 2002 and in particular with the Moving Forward Plan published in September 2004.

The total purchase price for the acquisition of 100% of the equity capital of Revios Rückversicherung AG is EUR 605 million. SCOR will also be reimbursing EUR 50 million of Revios Rückversicherung AG's outstanding subordinated debt to GLOBALE Rückversicherungs-AG.

SCOR will finance this acquisition through:

- a rights issue for approximately EUR 300 million,
- a subordinated debt issue up to EUR 350 million.

This transaction is subject to obtaining the required regulatory and antitrust approvals, and should be consummated by the Fourth Quarter of 2006.

Subordinated debt issue for the Revios acquisition

The EUR 350 million deeply subordinated bond issue launched the 19th July 2006 by SCOR, as part of the financing of the Revios acquisition, has been a great success. The interest rate for the bond is 6.154%

NOTE 1 – ACCOUNTING STANDARDS APPLIED

Accounting Methods and Principles

Presentation of applied standards and interpretations

The Group's financial statements were prepared in accordance with international accounting standards ('International Financial Reporting Standards' – IFRS) and the interpretations issued on December 31, 2005, as adopted by the European Union. They take into account the recommendation CNC 99R01 as set out in the general regulations of the AMF.

SCOR's financial statements at June 30, 2006 did not include the potential impact of standards and interpretations, the application of which may be delayed until the opening of the accounts on January 1, 2007.

The accounting and assessment methods adopted for the financial statements at the end of June 30, 2006 were the same as those applied at the end of December 31, 2005, except for the changes set out below, related to the fair value option by result.

Moreover, the new standards and interpretations adopted by European Union and applicable on June 30, 2006, have no impact on the Group. In particular, the fair value option introduced under IAS 39, by European Commission regulation 1864/2005, modifying EU regulation n° 1725/2003 and applicable since 1 January 2006, has had no effect on the accounts and would have had no effect on the previous year accounts.

Some reclassifications have been done in the balance sheet at December 31, 2005 and in the statements of income at June 30, 2005 and at December 31, 2005, in order to ensure the consistency of the presentation with the balance sheet and the statement of income at June 30, 2006.

Accounting options for first-time adoption of IFRS

IFRS financial information is established in accordance with the provisions of IFRS 1 "First-Time Adoption of International Financial Reporting Standards". For this first financial year, SCOR has adopted the following additional options in accordance with IFRS 1 with regard to the retrospective accounting of assets and liabilities under IFRS.

Business combinations

SCOR has opted not to restate business combinations prior to January 1, 2004, as permitted under IFRS 3. As permitted under IFRS 1, SCOR will not apply IAS 21 "Effects of Changes in Foreign Exchange Rates" retrospectively to goodwill resulting from business combinations that occurred before the transition to IFRS. Consequently, goodwill remains in the functional currency of the acquiring entity.

Actuarial gains and losses on pension plans

SCOR has decided to adopt the option provided for in IFRS 1, whereby unrecognized actuarial gains and losses are recorded against consolidated shareholders' equity at January 1, 2004. Unrecognized actuarial gains and losses (SORIES) after January 1, 2004 are reflected in shareholders' equity.

Translation adjustments

With regard to the conversion into euros of subsidiary accounts having a foreign functional currency, SCOR transferred Translation adjustments at January 1, 2004 into consolidated reserves. The new IFRS value of translation adjustment at January 1, 2004 is therefore returned to zero. In the event of the subsequent disposal of these subsidiaries, the income or loss from the disposal will not include the recovery of exchange rate difference prior to January 1, but will include translation adjustments recorded after January 1, 2004.

Assessment of certain intangible / tangible assets at fair value

SCOR opted not to apply the option offered by IFRS 1 that allows for the assessment at January 1, 2004 of certain intangible and tangible assets at their fair value on that date.

Share-based compensation

SCOR opted to apply the provisions of IFRS 2 solely to equity-based compensation granted after November 7, 2002, for which the rights acquisition date falls after December 31, 2003.

IFRS consolidation principles

Methods of consolidation

All the companies in which SCOR has a controlling interest, which include companies in which it has the power to direct financial and operational policy in order to obtain benefits from their operations, are fully consolidated.

Subsidiaries are consolidated as of the moment the Group takes control of them until the date on which this control is transferred outside the Group. Where control of a subsidiary is lost, the consolidated financial statements for the year include profit and loss for the period during which SCOR held control.

The Group's investment in an affiliated company is recorded in the accounts using the equity method. An affiliated company is an entity in which the Group exercises significant influence but which is neither a subsidiary of the Group nor a joint venture.

The Group does not have any equity interest in joint ventures.

The Group controls in substance a separate legal structure ("ad hoc entity") that it consolidates in the absence of any capital links. The following assessment criteria were used to determine the existence of control:

- The entity's business is conducted exclusively on behalf of the Group, so that the Group may enjoy the benefits;
- The Group holds the decision-making and management power to obtain the maximum benefits relating to the entity's operational activity; this power was delegated through the implementation of a self-management system;
- The Group may benefit from the majority of the entity's advantages;
- The Group retains the majority of the risks relating to the entity.

The Group also fully consolidates the mutual funds that it holds as part of its business. These entities could not be consolidated under French accounting standards.

Harmonization of accounting principles

The financial statements of the subsidiaries are prepared for the same accounting period as that of the parent company. Consolidation adjustments may be made in order to harmonize all the Group's accounting methods and principles.

All intra-group balances and transactions including internal results resulting from intra-company transactions are fully eliminated.

Translation methods

The Group's consolidated financial statements are presented in euros (EUR) and all values are rounded off to €millions except where expressly stated otherwise.

Translating the financial statements of a foreign entity

Where the functional currency of Group entities is not the same as the reporting currency used to present the Group's consolidated financial statements, the balance sheet is translated using the closing date exchange rate and the income statement is converted using the average exchange rate for the period. Exchange rates differences are posted directly as equity under "translation adjustments."

Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies (currencies other than the functional currency) are converted into the functional currency at the rate of exchange in force on the date of the transaction (for practical purposes, an average rate is used).

At each closing date, the entity must convert the foreign-currency items on its balance sheet into the functional currency, using the following procedures:

- monetary items (specifically bond investments, accounts receivable and payable, technical insurance assets and liabilities) are converted at the closing date exchange rate and the resulting gains and losses are recorded in the income statement,
- non-monetary items are converted:
 - * using the exchange rate on the transaction date if they are assessed at historical cost (particularly real estate investments) and,
 - * using the exchange rate at the date of the fair value assessment if they are assessed at fair value (particularly equity investments).

When a gain or loss on a non-monetary item is recorded directly in shareholders' equity (shares available for sale, for example), the exchange adjustment resulting from the conversion of this item is also directly recorded in shareholders' equity. Conversely, when a gain or loss on a non-monetary item is recorded in profit and loss (shares at fair value by income; for example), the exchange adjustment resulting from the conversion of this item is also recorded on the income statement.

- The gains and losses resulting from the conversion of hedging on foreign net investments are recorded in shareholders' equity until the withdrawal of the net investments, at which time they are recorded on the income statement.

Goodwill and business combinations

Goodwill represents the excess of an acquisition cost over the fair value of the Group's share of the acquired company's net assets at the date of acquisition. The goodwill on fully consolidated subsidiaries is included under intangible assets. Goodwill on companies accounted for by the equity method is included in the value of securities accounted for by the equity method.

Goodwill is recorded at historical cost, less any possible accumulated loss in value.

In order to establish possible losses in value, goodwill is allocated to each cash-generating unit (CGU). A CGU is defined as an entity with separate identifiable cash flows. Each CGU represents the Group's investment in each country in which it is active according to the primary segment information, either non-life reinsurance or life reinsurance.

Each CGU to which goodwill is allocated should correspond as closely as possible to the level at which the group is monitoring the rate of return on its investment. A CGU should not be any larger than a primary or secondary level segment as defined for the needs of segment reporting set forth under IAS 14.

In order to assess any loss in value, a goodwill impairment test is conducted:

- each year on the same date for each cash-generating unit, but not necessarily on the closing date;
- more frequently if an unfavourable event occurs between the two annual tests;

- mandatorily before the completion of entity acquisition.

A loss in value is recorded where the net book value of the CGU, to which goodwill has been allocated, is higher than its recoverable value. The recoverable value is the highest amount between: (1) the fair value net of sales costs and (2) the value in use (future discounted cash flow) of this unit.

If the assets of the CGU Group or the unit included in the CGU group to which goodwill has been allocated are tested for impairment on the same date as the CGU that includes the goodwill (or if there is a loss in value index for one of the assets), this test should be conducted before the goodwill impairment test.

Accounting principles

The financial information has been prepared in accordance with the historical cost agreement, with the exception of certain categories of assets and liabilities. The relevant categories are mentioned in the following notes. The consolidated IFRS information is presented in euros and all values are rounded off to the nearest million unless otherwise indicated.

Use of estimates

In order to prepare the financial information in accordance with generally accepted accounting principles, certain assumptions were made. Assumptions are made that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts reported as income and loss for the year.

Management reviews these estimates and assessments constantly, based on its past experience and on various other factors it deems reasonable, thereby reaching its assessments on the carrying value of the assets and liabilities. The actual results could differ substantially from these estimates under different assumptions or conditions that may arise at a later date.

Real estate assets

Classification of buildings:

All buildings currently held by the Group are investment properties. In certain cases, buildings may be partially occupied by entities of the Group.

Accounting method

The buildings are recorded at historical amortized cost. Their value is broken down as follows:

- land, not amortized;
- four technical components:
 - * structure, or carcass, depreciated over a term of 30 to 80 years according to the type of construction;
 - * wind and water tightness, depreciated over a period of 30 years;
 - * technical installations, depreciated over a term of 20 years;
 - * decor fixtures and improvements, depreciated over a term of 10 to 15 years according to type.

The costs, rights and acquisition (or development) fees are integrated in the value of the building.

The relative weight of each technical component and the length of depreciation are set according to a schedule of components showing eight types of construction. This schedule was prepared based on the Group's own experience and on schedules prepared by professional authorities.

Appraisal

Each building is subject to an in-depth analysis of its market value or "fair value" by an independent appraiser every 5 years at year-end. Its market value is reassessed by the same appraiser at the end of each of the 4 subsequent years depending on the changes that have occurred to its rental status, works completed and developments in the local real estate market.

If the market value of a building appears lower than its net book value, a decrease in value is recorded as a loss equal to the difference between its utility value and the net book value. With regard to investment properties, their utility value is considered a long-term investment based primarily on the sum of estimated future cash flows that are discounted on the basis of current market assumptions. SCOR has not retained any residual value.

Finance lease

Investment properties financed by financial rental agreements are recorded on the balance sheet as assets based on the current value of rents and the option to buy. Once they have been recorded on the balance sheet, they are treated like other investment properties at amortized historic cost.

On the liabilities side, a corresponding debt is recorded under "financial liabilities." It is amortized in accordance with the effective interest rate method.

Leasing agreements

In December 2003, the SCOR Group sold its headquarters building. A net capital gain of €44 million was realized under local standards.

The Group will remain a tenant of this building until December 2012. The owner of the building has a bank guarantee corresponding to SCOR's rating. SCOR has pledged an asset amount of the same value with the bank that issued this guarantee.

In application of IAS 17, this capital gain was maintained in the IFRS accounts.

Rental income

Rental income from investment properties is recorded on a straight-line basis over the term of the current rental agreements.

Financial investments

The Group classifies its financial assets in the following categories: available-for-sale financial assets, fair market assets by income, loans and other accounts receivable and derivative instruments. There are currently no assets classified as assets held to maturity.

The sale and purchase of assets is entered in the accounts on the settlement date. Once it has been posted, an asset is assessed according to its asset category, determined according to the methods set forth below.

Financial assets are taken off the balance sheet when their contractual rights to the cash flow of the financial asset expire or are transferred, and when the Group has substantially transferred the risks and advantages inherent to ownership of the financial asset.

At each closing date, the Group assesses whether there is an objective indication of loss in value. The amount of the loss in value is posted in the accounts by asset category, in accordance with the terms and conditions set forth below.

For equity instruments listed on an active market, a drop in price of more than 20% or a consistent decline over a period of more than six months constitutes an objective indication of loss in value. For unlisted equity instruments, fair value is determined according to commonly used valuation techniques. For debt instruments and loans and accounts receivable, an objective indicator of a loss in value relates to a proven credit risk.

Available-for-sale financial assets

Available-for-sale assets include non-derivative assets that are classified as either available for sale or those that are allocated to any other category.

Available-for-sale financial assets are posted at their fair value. Unrealized profits and losses resulting from variations in the fair value of a non-hedged asset are recorded directly in shareholders' equity, with the exception of profits and losses from foreign exchange gains and losses on a monetary financial asset held for sale which are recorded on the income statement for the share of exchange profits and losses applied at amortized cost, and in shareholders' equity for the portion of profits and losses related to fair value. Foreign exchange profits and

losses on the fair value of non-monetary financial available-for-sale assets are recorded under shareholders' equity.

When there is an objective indication of loss in value, the amount of the accumulated loss posted directly to shareholders' equity is recorded on the income statement. Losses in value may only be carried forward on debt instruments when the fair value increases during a subsequent financial year due to an event that occurs after the loss in value has been posted.

When the asset is sold, all the accumulated equity gains and losses are included in the capital gains and losses from the sale of investments on the income statement, less the amounts previously posted to income.

Interest on debt instruments is calculated in accordance with the interest method in effect, which integrates the amortization of premiums/discounts and is recorded on the income statement. Dividends on equity instruments are recorded on the income statement when the Group's right to receive payment for them has been established.

Financial assets at fair value by income

This category includes classes of assets, that meet the criteria of the fair value option as introduced by the amendment to the international accounting standard IAS 39, especially hybrid derivatives instruments including a non-derivative host contract and an embedded derivative, derivative instruments except hedging derivatives, financial assets held for trading and groups of assets for which performance is evaluated on a fair value basis.

The main financial assets evaluated at fair value by income are securities held in major mutual funds, bonds convertible into shares, derivatives, investments representing Unit-linked policies and certain shares.

Profits and losses from changes in the fair value of financial assets classified under this category are reflected on the income statement in the period in which they occur.

Loans and accounts receivable

This category includes non-derivative financial assets where payment is fixed or fixable and which are not listed on an active market, with the exception of accounts receivable from reinsurance transactions.

These assets are recognized at amortized cost using the effective interest rate method where this method has a significant impact compared to the nominal contractual method. Loans and short-term accounts receivable are recorded at cost.

Cash and cash equivalents

The heading "Cash and cash equivalent" includes cash, negative bank balances and short term loans (cash mutual funds).

Treasury stocks

Treasury stocks are deducted from shareholders' equity, regardless of the purpose for which they are held, and the related income or loss is eliminated from the consolidated income statement.

Financial liabilities

Financial liabilities, with the exception of liabilities resulting from reinsurance transactions, are classified into financial debts, financial liability instruments and other liabilities.

Subordinated financial debts or debt securities

These items combine the various subordinated or unsubordinated bonds issued by the Group.

These debts are posted at amortized cost using the effective interest rate method.

Borrowings that include a derivative instrument have been stripped. The portion that relates to the equity component, determined on the date of issue, is reflected in shareholders' equity. It is not subsequently reassessed.

Interest on financial debts are posted under charges.

Financial debts owed to entities in the banking sector

This item combines mortgage loans and medium-term notes. These debts are recognized at amortized cost using the effective interest rate method where this method has a significant impact compared to the nominal contractual rate method.

Interest on financial debts are posted under charges.

Derivative and hedging instruments

Derivative instruments are recorded at fair value from inception and are assessed at fair value at each account closure.

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

When the Group has not designated the derivative as a hedging instrument, profits and losses resulting from the variation of the fair value of the instrument are recorded under income in the period in which they occur. The Group uses the following derivative instruments to reduce its exposure to various risks: interest rate swaps, futures and foreign currency forward contracts, caps and floors, stock option puts and calls.

Embedded derivative instruments

An embedded derivative is a component of a hybrid instrument which includes a non-derivative host contract, which causes part of the hybrid instrument's cash flow to vary in the same way as that of a freestanding derivative.

The embedded derivative is separate from the host contract and is posted as a derivative where its economic features and risks are not closely linked to the economic features of the host contract, where the embedded instrument has the same conditions as a separate derivative instrument, and where the embedded instrument is not assessed at fair value through the income statement.

Where an embedded derivative has been separated from its host contract, it is posted in accordance with the provisions relating to the posting of derivative financial instruments.

Where the embedded derivative represents a significant part of the instrument and cannot be separated from the host contract, the hybrid instrument is treated as an instrument held for trading. Profits and losses resulting from variations in the fair value of the hybrid are posted in profit and loss in the period during which they occur.

Hedging Instruments

A hedging instrument is a designated derivative instrument or, in the case of a single foreign currency hedge, a designated non-derivative asset or liability where the fair value or cash flow offset variations in the fair value or cash flow of the hedged item.

The hedged item may be an asset, a liability, a firm underwriting, a highly profitable scheduled transaction or a net investment in a foreign business that exposes the Group to fair market valuation risk or future cash flow risk, and which is designated as being hedged.

The performance of hedges is monitored periodically in order to ensure, with regard to variations in the fair value or cash flow of the item, the degree of compensation attributable to hedged risk through variations in fair value or cash flow of the hedged instrument.

Hedges for net investments in a foreign business are recorded as follows:

- the portion of profit or loss on the hedging instrument considered as the effective portion of the hedge is recorded directly in shareholders' equity;
- the ineffective portion of the hedge is recorded on the income statement.

The primary hedging instruments consist of forward foreign currency forward purchases and sales.

Accounting principles and methods specific to reinsurance transactions

Classification and accounting treatment of reinsurance treaties

The reinsurance treaties accepted and retroceded by the Group are subject to different IFRS accounting rules depending on whether they fall under IFRS4 or IAS39.

Reinsurance acceptance and retrocession transactions that involve a significant insurance risk transfer are posted in the accounts in accordance with IFRS4, in other words according to the accounting principles in existence prior to the implementation of IFRS standards and used until December 31, 2004 to prepare SCOR's consolidated accounts in conformity with CRC 2000-05, with the exception of the equalization reserves described below.

Acceptance and retrocession transactions that do not transfer a significant risk are posted in the accounts in accordance with IAS39, which means that while premiums collected are no longer recognized as premium income, and technical reserves and deferred acquisition expenses that are recorded as assets or liabilities on the balance sheet are reclassified as financial assets or liabilities by assimilation to a deposit as "financial contract liabilities" and "financial contract assets" on the balance sheet. These deposits are assessed on the basis of financial flows alone and no longer on the basis of estimated maximum fluctuations as set forth in the accounting principles applicable to insurance transactions.

Premium income from these transactions is equal to the deductions made by SCOR. It is recorded under "other operating income" on the income statement.

French accounting principles applicable to contracts classified as "insurance" contracts under IFRS 4

Accounting for ceding companies' accounts

SCOR Group reinsurance companies record accounts transmitted by ceding companies upon receipt. At year end, estimates are made for those accounts not yet received from ceding companies. Under this method, the situation recorded in the financial statements reflects as closely as possible the real reinsurance commitments made by the Group. This method impacts the majority of contracts underwritten during the year, and even the prior year.

Recording of reinsurance estimates

Non-Life premiums recorded in the year reflect the estimated premium expected at the time of writing of the policy. It is regularly reviewed during the year to adjust for possible adjustment in premiums paid under the policy. An unearned premium reserve is calculated, either pro rata temporis contract by contract, or using a statistical method when this yields a result close to that obtained via the contract-by-contract method.

The difference between the maximum expected loss based on premiums, net of commissions, and losses reported by ceding companies, is recorded under accounts receivable or liabilities arising from accepted reinsurance transactions. The difference between expected final loss experience based on earned premiums thus calculated and losses reported by ceding companies is recognized in unpaid claims reserves under liabilities.

In Life reinsurance for so-called "insurance" policies, given the type of business written, valuations are obtained by estimating ceding companies' missing accounts in addition to information actually received and booked. For the sake of consistency with the Non-Life sector, estimated claims are booked under claims reserves.

Claims reserve

Claims reserves must be sufficient to cover all of the Group's liabilities.

In Non-life reinsurance, SCOR is required to maintain its reserves at a sufficient level to cover the estimated amount of its direct commitments and adjustment expenses for reported and unreported claims, at the end of each fiscal year (net of estimates of recovery and subrogation). These reserves, which pertain to all claims, whether reported or not yet reported, are calculated on the basis of their ultimate cost undiscounted, except for workers' compensation claims in the United States, corresponding to long tail risks with predictable loss

development, which are discounted in the U.S. and in the Bermudas, as allowed in statutory accounts of these entities. Claims expense is estimated at the policy's expiration in the light of statistical experience of similar policies. Claims reserves including estimated claims paid and LAE are calculated in light of expected earnings and supplement the information communicated by assigning companies.

In Life reinsurance, estimates based on statistical experience and information supplied by the underwriters are added to mathematical reserves recorded by the ceding companies.

Acquisition costs of reinsurance transactions

In reinsurance, the costs associated with the acquisition of new contracts, chiefly comprising commissions, are recorded as assets on the balance sheet, to the extent that contracts are profitable. They are written down over the residual life of non-life contracts, at the same rate that estimated future margins are recorded on life insurance contracts.

Sufficiency test for liabilities

Liabilities relating to contracts are subjected each year to a sufficiency test (IFRS 4).

IFRS accounting principles applied to IFRS4 contracts and different from French GAAP

Equalization reserves

IFRS accounting principles do not provide for the possibility of establishing reserves for risks on future contracts. When such reserves do exist, they are eliminated from SCOR's consolidated accounts under IFRS standards.

Shadow Accounting:

According to IFRS accounting principles (see note on financial investments), financial assets are valued at fair value. This means that recognized but unrealized capital gains or losses on portfolio securities are recorded in SCOR's accounts, either in the income statement or as an increase or decrease to shareholders' equity, depending on the asset classification.

SCOR has elected to apply shadow accounting under the terms of IFRS 4. Consequently, recognized but unrealized capital gains and losses on investments affect the valuation of technical assets and liabilities in the same way as realized gains and losses. The corresponding adjustment to insurance liabilities (or deferred acquisition costs or intangible assets) is recorded in shareholders' equity once the unrealized capital gains or losses are directly recorded in equity. Otherwise, it is recorded in the income statement according to the same scheme in use for realized capital gains and losses. The primary technical items affected by these adjustments are:

- deferred acquisition costs and contract portfolios, where amortization occurs according to the technical and financial profits from contracts ("shadow DAC" and "shadow VOBA"),
- technical reserves, where the discounted rate used depends directly on the performance of the assets ("shadow PM").

Embedded derivatives

IFRS 4 provides for the separation of embedded derivatives in insurance contracts, particularly when these hybrid contracts are not assessed at fair value by income and when the features of the embedded derivatives are not closely linked with the features and risks of the host contract, and when the embedded derivative corresponds to the definition of a derivative instrument. Embedded derivatives corresponding to the definition of an insurance contract are not separated. SCOR has identified no embedded derivatives in its contracts.

Pension liabilities and similar benefits

Pension liabilities

The SCOR Group is involved in creating pensions for its staff, in accordance with the laws and practices of each country. Group staff in certain countries receives additional pension payments, paid as an annuity or in capital on retirement. The main countries concerned are France, the United States and Germany.

The benefits granted to Group employees are either in the form of defined contributions or defined benefit plans. Defined contribution plans are those where an employer pays fixed contributions into a separate entity, with no legal or constructive obligation to pay further contributions. As a result, only contributions paid or due as part of the financial year appear in the Group accounts. Defined benefit plans are those where a sum is paid to the employee upon retirement, which usually depends on one or several factors such as age, years of service and salary.

Obligations recognized on the balance sheet as defined benefit plans are recorded at the current value of the defined benefit obligation at the date of closure, less the market value of any plan assets, where appropriate, both having been adjusted by actuarial gains and losses and unacknowledged past services. The current value of the obligation is calculated annually by independent actuaries using the projected unit credit method. It is established by discounting the future expected benefits on the basis of Tier 1 bond market rates in the same currency as the benefits to be paid, and for a similar duration to the underlying obligation.

Actuarial gains and losses arising from adjustments linked to experience and the effects of changes in actuarial assumptions are reflected in shareholders' equity.

Past service costs generated at the adoption or modification of a defined benefit plan are recognized as an expense on a straight-line basis, over the average period until the benefits become vested. When benefit rights are acquired upon the adoption of a plan or its modification, past service cost is immediately recognized as an expense.

Other long-term benefits

In some countries, the SCOR Group rewards employees for length of service by granting them a lump sum after certain periods of service. This occurs primarily in France, where the current value of the obligation is calculated annually by an independent actuary using the projected unit credit method. The obligation is recognized on the balance sheet.

Termination benefits

Employees are entitled to termination benefits when the Group makes one or more employees redundant, or encourages voluntary redundancies. The Group posts these payments into the accounts when it is demonstrably committed by means of a detailed formal plan for termination, which it could not realistically retract. Benefits payable more than twelve months after the closing date are discounted.

Share-based payment and share options

The SCOR Group grants its employees stock option plans. The fair value of the services received in exchange for the granting of options is recognized as an expense. The total amount that is recognized over the vesting period is established by reference to the fair value of options granted, excluding conditions of attribution that are not linked to market conditions. (ROE, for example). These conditions are taken into account when determining the probable number of options to be acquired by the beneficiaries. At each closing date, the company reviews the estimated number of options to be acquired. Any impact is then posted in the income statement against shareholders' equity for the remaining vesting period.

The Group also allocated shares to all its employees in 2004 and 2005. This allocation is reflected by posting of personnel expenses against an increase in shareholder's equity over the vesting period.

The dilutive effect of outstanding options is reflected in the calculation of the diluted earnings per share.

Taxes

Deferred tax assets and liabilities are recognized using the balance sheet liability method of tax allocation for all temporary differences on the closing date between the tax base of assets and liabilities and their carrying value on the balance sheet.

Deferred tax assets are recorded when temporary tax differences occur that are associated with investments in subsidiaries and affiliated companies, unless the date on which this temporary difference reverses is controllable and if it is probable that the temporary difference will be reversed in the foreseeable future.

Deferred tax on the restatement of capitalization reserves is recorded without including the probability of capital losses from asset disposals of securities subject to taxes from these reserves.

Deferred tax liabilities are not recorded in cases of temporary differences associated with investments in subsidiaries and affiliated companies unless it is probable that the temporary difference will be reversed in the foreseeable future and if it is likely that there will be a taxable profit to which the temporary difference can be imputed

The book value of deferred tax assets is reviewed at each closing date and reduced when it is no longer possible that a sufficient taxable benefit will be available to enable all or part of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are assessed at the tax rate applicable in the fiscal year in which the asset will be sold or the liability settled, based on the tax rates (and tax regulations) that have been adopted or substantially adopted at the closing date.

Tax rates relating to items recorded directly as shareholders' equity are recorded as equity and not in the income statement.

Principles for presentation of financial statements

Allocation of expenses by function

In conformity with the option offered by IAS 1, the Group opted to present its expenses by function on the income statement. This presentation provides information that is more relevant to readers than expenses by nature, but costs are allocated to different functions based on applied costs and are thus subject to decisions of judgment.

This method is identical to the method for presenting overhead expenses that was used for SCOR's consolidated accounts under French GAAP. Operating expenses are divided into five categories: acquisition costs, claims settlement expenses, administrative expenses, investment portfolio management expenses, and other underwriting expenses. These expenses are allocated to the categories set out above, company by company.

Segment information

The Group's business is divided into two distinct sectors: Non-Life insurance and Life insurance. Previously, SCOR's segment information was divided into three areas: Non-Life Reinsurance, Life/Accident & Health and CRP. The legal structure has recognized these two areas since 2003. Each sector offers different products and services, which are marketed via separate channels. Given their specific nature, these sectors constitute the primary level of segment information.

Management has evaluated the performance of these segments and allocates resources to them in accordance with various performance indicators. The sum from inter-segment transactions, related to gross written premiums, is not significant.

NOTE 2 – FINANCIAL INSTRUMENTS

In EUR millions	At June 30, 2006		At December 30, 2005	
	Net book value	Fair value	Net book value	Fair value
Real Estate Investments	288	366	317	384
Bonds	4 865	4 865	5 233	5 233
Equities	744	744	730	730
AFS	5 609	5 609	5 963	5 963
Bonds	122	122	166	166
Equities	99	99	229	229
Fair value by income	221	221	395	395
Loans and deposits	21	21	94	94
Receivables for deposited cash	1284	1284	1278	1278
Loans and receivables	1 305	1 305	1 372	1 372
Derivatives Instruments - Fair Value by income	43	43	35	35
Insurance Activity Investments	7 466	7 544	8 082	8 148
Derivatives Instruments - Hedging (liabilities)	(3)	(3)	(6)	(6)
Cash and cash equivalent	1 736	1 736	1 667	1 667

STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditor's review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity of statutory auditors and in accordance with the requirements of article L. 232-7 of the French Commercial Law (the Code de Commerce), we hereby report to you on:

- the review of the accompanying half-year consolidated financial statements of SCOR Group, for the period January 1 to June 30, 2006,
- the verification of information contained in the half-year management report.

These half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year consolidated financial statements are not prepared, in all material respects and as described in the notes to the financial statements, in accordance with the 2006 interim financial statements presentation and disclosure recommendations such as issued by the AMF as well as with the IFRS accounting and valuation rules such as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw attention to Paragraph 4 of explanatory Note 1 which sets out the change in accounting principle due to the issuance of the "fair value option" amendment of standard IAS 39 – Financial Instruments: Recognition and Measurement, beginning January 1st 2006.

In accordance with professional standards applicable in France, we have also verified the information given in the interim half-year financial report commenting the half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the half-year consolidated financial statements.

Paris La Défense, August 29, 2006

The Statutory Auditors

ERNST & YOUNG AUDIT

Pierre Planchon

MAZARS & GUERARD

Lionel Gotlib



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