

# SCOR delivers on promises and further executes its strategy



**Denis KESSLER**  
Chairman & Chief Executive Officer of SCOR

## Standard & Poor's upgrades SCOR to "A"

## SCOR outperforms the sector and is the 8<sup>th</sup> best performer in the French stock market SBF 250 in 2008



## Cash dividend of € 0.80

## Innovative Hub organization: a competitive advantage going forward

## Franchise value yet again demonstrated by January 2009 renewals

### Dear Shareholders,

2008 will go down in economic history as the year that saw the development of the first truly global financial crisis. Despite this extremely difficult market environment, SCOR has successfully continued to execute its strategy thanks to the solidity of its franchise and the great efforts undertaken by its employees.

There can be no better indication of a successful business strategy than an upgrade by Standard & Poor's in these turbulent times. On 13 March, Standard & Poor's raised the long-term credit and insurer financial strength ratings of SCOR and its core guaranteed subsidiaries from "A-" to "A" with a stable outlook. According to Standard & Poor's the ratings decision reflects the continuing positive trend in SCOR's Non-Life underwriting performance and recognizes the resilience of SCOR's financial and business profile to major financial shocks. SCOR has successfully restored its financial strength and has reduced and diversified its risk profile. S&P further stressed that the January reinsurance renewals indicate a positive trend in pricing adequacy, providing further earnings momentum and offsetting some of the decline in investment yields. The new ratings also reflect their view of SCOR's strong competitive position, strong capitalization, strong liquidity and invested asset quality, and its commitment to building a strong enterprise risk management (ERM) program.

In concrete figures the upgrade reflects solid 2008 figures, a year in which SCOR records a net income of EUR 315 million, against EUR 407 million for the 2007 published results, with net earnings per share (EPS) of EUR 1.76. The 2008 return on equity (ROE) stands at 9.0%. SCOR shareholders' equity increased by 1% to EUR 3,560 million at 31 December 2008, before dividends and excluding foreign exchange impacts.

These results are down to the quality of operating performances in Life and Non-Life business, as well as to a prudent asset management policy. A Non-Life combined ratio of 98.6%, despite a year with above-average natural catastrophes, demonstrates the intrinsic quality of SCOR's

business book and its capacity to absorb significant shocks. SCOR Global Life records an operating margin of 6.0% for 2008.

In 2008 SCOR further reinforced its very prudent asset management policy. The Group's liquidity position stands at EUR 3.7 billion at the end of 2008, up from EUR 3.2 billion at the end of September 2008 and EUR 2 billion at the end of 2007. This very strong liquidity position was enhanced by a strong positive operating cash flow of EUR 779 million and a highly liquid bond portfolio of less than three years' duration. An additional EUR 1.3 billion of cash flow from bond and short-term bond maturities is anticipated by the end of 2009.

Despite a very hazardous environment, the Group is pleased to reward shareholder support and commitment with a dividend of EUR 0.80 per share, representing a very strong payout ratio of 46%.

## The Revios and Converium franchises are now fully consolidated with the new SCOR group

Today the SCOR group is one of the leading multi-line reinsurers on the global market. Our innovative Hub organization, serving more than 3,500 clients through 52 worldwide offices, has enabled us to expand our business capacity and to increase cooperation with client companies. The total gross written premium volume of EUR 5.81 billion achieved in 2008 demonstrates the continuous development of our business and the minimum attrition experienced through the integration of the former Converium and Revios franchises.

## Price hardening in 2009 expected to continue in 2010. SCOR well placed to take advantage of this thanks to a prudent strategy focused on technical underwriting and liquidity management

### Strong performance of the twin engines, despite tough financial markets

GWP, €m	5,807
Net Income, €m	315
ROE	9.0%
EPS, €	1.76
BV per share, €	19.01
Combined Ratio	98.6%
Life Operating Margin	6.0%

### SCOR places innovative "cat bond" Atlas V

### Numerous industry awards



Insurance Personality of the Year



Insurance Risk Manager of the Year



Redmayne "Best Overall Reinsurer", "Best Client Focus" and "Reinsurance Personality"

### Strong market position and anti-cyclical nature of industry enable SCOR to pursue strategic ambitions

The acquisition of Prévoyance Ré on 31 July 2008 consolidated SCOR's position as a major player on the French Life and Health market.

Moreover, the Group has also strengthened its presence in Emerging Markets such as Brazil, Russia, China and South Africa.

The Treaty renewal results in January 2009, where 73% of total Non-Life premium volume was up for renewal, further demonstrate that the SCOR Group is ready to tap the benefits of its top-five ranking on the global reinsurance market. The annual negotiations with our clients enabled us to optimise our portfolio and pursue our policy of diversification, with a view to greater profitability and predictability. We have achieved a 3% increase in Non-Life business, notably due to new business in Specialty underwriting.

### Fit for the future through operational excellence and innovation

After the acquisitions of Revios in 2006 and Converium in 2007, and a year of integration, SCOR currently finds itself in a strong competitive position. The location of our teams has been optimised, our strict underwriting policy has been implemented throughout the Group and our conservative approach to asset management will continue to be a key cornerstone of our strategy. Finally, our Enterprise Risk Management policy has proved its effectiveness throughout the financial crisis.

The integration of the former Converium is over and all legal matters relating to the Converium acquisition are resolved. Moreover, the projected cost synergies of EUR 68 million will be achieved and surpassed (EUR 71 million) at the end of 2009, one year ahead of schedule.

In October 2008, SCOR announced the establishment of its dedicated investment management company, SCOR Global Investments. This new entity will constitute a key element in the Group's value creation by making a strong, regular financial contribution to its results. SCOR Global Investments will pursue the Group's strict and prudent asset management policy.

The Group's innovative strength was recently demonstrated by the very successful launch of "Atlas V", the first "cat bond" issued worldwide in six months. This multi-year property catastrophe ("CAT") agreement provides protection of

USD 200 million for exposures to earthquakes and hurricanes in the USA and Puerto Rico. The "Atlas V" cat bond sets new and substantially improved transparency and security standards for investors. Finally, the SCOR group has won numerous industry recognitions over the last few months, among them the prestigious "Insurance Risk Manager of the Year" prize, awarded by the leading international financial risk publication "Risk Magazine".

### 2010 objectives confirmed

History has shown that the reinsurance industry is anti-cyclical to economic crisis. We expect that the demand for reinsurance will continue to increase due to anticipated capital depletion at primary insurers. In addition, there have been no new entrants into the industry – contrary to previous periods of hardening prices. This will make solid and reliable reinsurance capacity an even more important asset in the future.

We expect to improve the business profitability of our Group thanks to the high diversification provided by our twin business engines of Life and Non-Life reinsurance, and will continue to optimise our portfolio by closely monitoring the financial markets and by following the same prudent strategy that has proved to be so effective in these troubled times.

We reiterate our strategic targets defined in the "Dynamic Lift V2 plan" for the period until 2010. As we move forward into 2009 with a positive momentum coming from further price hardening in Property & Casualty, we believe that the current financial and economic crisis is reshaping the competitive landscape in a dramatic way and may offer new growth opportunities to the most competitive players.

SCOR and its management team continue to maintain their prudent strategic focus, and will do their utmost to protect the value that we have created over the past few years. Let me thank you, dear shareholder, for your support and for the trust you have placed in this team.

Yours faithfully

**Denis KESSLER**  
Chairman & Chief Executive Officer

## SHAREHOLDER CONTACTS

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## Agenda

**15 April 2009:**  
Annual General Meeting (AGM)

**30 April 2009:**  
First Quarter Results 2009

**30 July 2009:**  
First Half Results 2009