

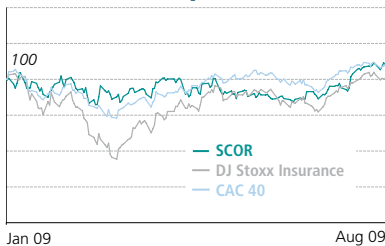
# SCOR confirms commercial dynamism in an attractive reinsurance market



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

**“Sticking to our strategic convictions: underwrite on a profitability basis, avoid risks on the asset side, stick to our core strengths, stay well diversified and leverage our strong franchise”.**

## SCOR YTD 09 share price development vs indices



## SCOR vs sector performance

Performance	SCOR*	DJ Stoxx Insurance	CAC 40
12 Months	18%	-29%	-20%
24 Months	3%	-50%	-35%

\* Excluding dividend yield of 5% per annum in 2008 & 2007

**“Solid First Half 2009 performance: a higher premium volume, robust operational results and a strong capital base confirm the economic efficiency of the Group”.**

## Dear Shareholder,

The first six months of 2009 were particularly challenging for the global economy and the financial markets. With solid first half 2009 results, SCOR continues to demonstrate its capacity to deliver good results even in the most severe global economic crisis of the past few decades, thanks to a prudent and consistent strategy that has proven efficient and makes the most of an increasing demand for reinsurance.

The current crisis is reshaping the competitive landscape and there can be no doubt that there is a positive momentum surrounding the SCOR Group, which enables us to profit from our role as one of the leading global reinsurers.

During the Investors' Day held in our Paris offices in July, we were able to show the markets how we have successfully positioned the Group prior to and during the crisis and that we intend to continue improving the Group's position in the industry whilst fulfilling our profitability targets. This strategy, based on our key cornerstones (strong franchise, controlled risk appetite, high diversification and robust capital shield), has allowed SCOR to safeguard shareholders' interests during the crisis and improve our position in the industry.

We are now benefiting from rating upgrades by Standard & Poor's, Moody's and Fitch to the equivalent of "A", as well as from the strong competitive position and diversification effect of our twin engines, SCOR Global P&C and SCOR Global Life, and from our capacity to regularly deliver profitable results from 2004 onwards.

## Solid Half-Year 2009 results

SCOR showed solid results for the first six months of 2009 with high premium volumes and robust operating performances from SCOR Global P&C and SCOR Global Life, both of which have benefited from an increased demand for SCOR's reinsurance capacity.

The positive net income of EUR 184 million in the first six months of 2009 is driven by a strong operational profitability, which was only affected by a lower investment income due to the turmoil in the financial markets. This impact remains mitigated by our continued conservative and highly liquid asset management strategy in the first half.

SCOR shareholders' equity is up 6.4% to EUR 3,635 million and stands at EUR 20.2 per share at 30 June 2009 after distribution of a EUR 143 million dividend, compared to EUR 3,416 million at the end of 2008. Shareholders' equity is stable compared to pre-crisis levels.

The Group has paid a dividend of EUR 0.80 per share (a payout ratio of 46%) and has continued to reduce its debt ratio: it currently has a leverage position of 16.2%.

## SCOR Global P&C (SGPC) posts a good combined ratio of 97.5%

SCOR's improved market position is confirmed by the new business it has secured. During the first half 2009, total gross written premiums for P&C and Life business reached EUR 3,254 million, up 18.4% against the same period in 2008 (16.2% at constant exchange rates).

Thanks to its continued focus on operational profitability and leveraging on hardening P&C prices, SCOR Global P&C has been able to increase its top line whilst improving the quality of its book. This rigorous portfolio management has resulted in a combined ratio of 97.5%<sup>(1)</sup>, in line with target assumptions.

(1) The net combined ratio excludes all costs of the Highfields settlement and certain other expenses as disclosed in the 2008 Reference Document and section 3.4.3 of the "Interim financial report for the six months ended 30 June 2009".

**1<sup>st</sup> half 2009 Key Figures**

GWP, EUR m	3,254
Net Income, EUR m	184
ROE	10.6%
EPS, EUR	1.03
BV per share, EUR	20.21
Combined Ratio	97.5%
Life Operating Margin	5.1%
Investment yield	1.4%

**“SCOR Global Life European Embedded Value increased by 3.9% to EUR 1.7 billion with a strong operating profit of EUR 182 million at the end of 2008”.**

**“SCOR Global Investments starts asset management inflection program and sees the recurring yield on invested assets improve to 3.3% in the second quarter 2009, compared to 2.7% in the first quarter 2009”.**

**New SCOR Mission Statement**

SCOR's mission, as an independent leading reinsurance company with a global reach through its worldwide hub network, is to actively pursue Life and P&C lines of business, offering clients value-added solutions, adhering to an underwriting policy based on profitability, supported by effective risk management and a prudent investment policy in order to provide its clients with an optimal level of security while creating shareholder value.

**Strong underlying performance of SCOR Global Life (SGL)**

SCOR Global Life's gross written premiums for the half year increased by 23% to EUR 1,555 million, compared to EUR 1,260 million for the same period in 2008.

On an operational level SCOR Global Life has a combined market share of 8% globally and 14% in Europe, and a book where over 70% consists of traditional mortality and financing business that has been only very moderately affected by economic risks. In this context, European Embedded Value (EEV) increased by 3.9% in 2008 to EUR 1.7 billion. Operating profit reached EUR 182 million at the end of 2008. This is one of the best performances in the entire industry.

**SCOR Global Investments (SGI) starts inflection program as part of its prudent asset management strategy**

Our third operating entity, SCOR Global Investments, is now fully operational following approval by the French *Autorité des Marchés Financiers* (AMF).

Consistent with its conservative asset allocation strategy, and as communicated during the Investors' Day, SGI started its asset management inflection program during the second quarter of 2009 by reducing its liquidity position and by gradually re-deploying its assets into government/government-guaranteed bonds and investment grade corporate bonds.

This inflection program execution improved the recurring yield on invested assets to 3.3% in the second quarter 2009, compared to 2.7% in the first quarter 2009.

The Group still maintains very high liquidity positions, which stand at EUR 3.8 billion at the end of the second quarter, down from the culminating amount of EUR 4.6 billion reached on 31 March 2009 and supported by strong operating cash flow.

**SCOR is well positioned for the times ahead**

The first six months of 2009 have shown that SCOR is a leader in the reinsurance arena, with solid growth in premium volume and strong shareholders' equity. This position was recognized

on 19 June 2009 when your Group featured in the “CAC Next 20” index on the Paris Stock Exchange. The CAC Next 20 shows the twenty most representative stocks after the forty stocks listed in the “CAC 40” index, measured by free-float, capitalisation and liquidity.

The first half 2009 also featured various industry recognitions. The ATLAS V Cat Bond was recognized for its innovative features, while *Environmental Finance*, a leading monthly industry magazine, named SCOR as the winner of this year's “Catastrophe Risk Transaction of the Year” Award.

SCOR also won the award of “Best International Reinsurer on the Russian Market in 2008”, organised in Moscow by the All-Russian Insurance Association (ARIA). This prestigious prize rewards SCOR's commitment to the Life and Non-Life reinsurance market in the CIS.

We are planning to build on our favourable position shortly in the run up to the 2010 P&C renewals. We will focus on delivering on our strategy and ambitions, which have been placed under a renewed mission statement that takes our new position and aspirations into account.

As the reinsurance industry shows its counter-cyclical characteristics, the SCOR Group is well positioned to make the most of attractive business opportunities. We will focus on organic growth, with an open mind towards small “gardening deals” (such as *Prévoyance Ré* in 2008 and *XL Re Life America* in July 2009), which allow us to further consolidate our leading global position.

As in the past, we will follow the prudent strategy that has characterised SCOR during the crisis, in order to safeguard your interests whilst increasing the Group's value. We thank you once again for the consistent trust that you have placed in us and will continue to work hard to merit your highly appreciated support.

Yours faithfully,



**Denis KESSLER**  
Chairman & Chief Executive Officer

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**Agenda****6-10 September 2009:**

*Les Rendez-Vous de Septembre* 2009  
in Monte-Carlo

**25-29 October 2009:**

Baden-Baden Reinsurance Symposium

**4 November 2009:**

Third quarter results 2009