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Very strong second quarter performance drives first half 2010 net income to EUR 156 million

Thanks to a second quarter which illustrated the Group's capacity to deliver a high level of recurring profitability with a net income of EUR 120 million compared to EUR 91 million in the second quarter 2009 (i.e. +32%), SCOR records a net half-year income of EUR 156 million, compared to EUR 184 million in 2009.

In the first half 2010, SCOR combined growth, profitability and solvency:

- premium income of EUR 3,258 million. This corresponds to a rise of 8% compared to the first half 2009 (+5% at constant exchange rates) excluding equity-indexed annuity business in the USA and after normalising the level of Non-Life business in the first half of 2009 to the annual growth rate of 2009;
- net income of EUR 156 million;
- half-year net combined ratio of 102.8% for SCOR Global P&C thanks to a combined ratio of 97.0% in the second quarter of 2010;
- operating margin of 6.0% for SCOR Global Life;
- return on invested assets (excluding funds withheld by cedants) of 4.0%;
- annualised ROE of 7.7%;
- shareholders' equity of EUR 4.2 billion, up 8.1% compared to 31 December 2009, i.e. EUR 23.2 book value per share;
- operating cash flow of EUR 208 million.

In addition, the first quarter demonstrated the Group's ability to absorb an abnormally high concentration of natural catastrophes (Chile, Haiti, Xynthia, etc.).

Denis Kessler, Chairman and Chief Executive Officer of SCOR, comments: "The first half 2010 results once again illustrate the Group's capacity to combine growth, profitability and solvency, whilst maintaining a medium risk appetite. SGPC's renewals reflect the Group's favourable positioning, the first half results confirm our continued profitability and the increase in our shareholders' equity further strengthens the Group's financial situation and solvency."

Key figures of the first half of 2010

Gross written premiums for Life and Non-Life reach EUR 3,258 million, remaining stable compared to the first half of 2009 when they reached EUR 3,254 million (+0.1% but -2.7% at constant exchange rates). This stability is principally due to the unfavourable impact of the planned and deliberate reduction in equity-indexed annuity business and the development of Non-Life reinsurance. Excluding equity-indexed annuities business in the USA and by normalising the level of Non-Life business in the first half of 2009 to the annual growth rate of 2009, premium income grew by 8% compared to the first half of 2009 (+5% at constant exchange rates). Bolstered by positive renewals, SCOR Global P&C's (SGPC) premium income records growth of +3.8% at EUR 1,764 million over the first 6 months of the year (+0.5% at constant exchange rates).

SCOR records a net income of EUR 156 million in the first half of 2010, compared to EUR 184 million in the first half of 2009. In the second quarter alone net income amounted to EUR 120 million compared to EUR 91 million in the second quarter of 2009. The first half result is impacted by the high level of losses following a series of natural catastrophes, predominantly in the first quarter. However, it has benefited from the improved operating performance of SCOR Global Life (SGL), and greater returns on the investment portfolio under the combined effects of an active asset management policy and lower impairments.

The continued recovery of SGPC's US business, which has now demonstrated its capacity to generate recurring profits, allowed the reactivation of the last set of deferred tax assets of the Non-Life entities in the USA for an amount of EUR 29 million at the end of June 2010. In comparison, net income registered at 30 June 2009 benefited from the reactivation of EUR 100 million in deferred tax assets relating to the same entities during the first quarter 2009.

Earnings per share (EPS) stands at EUR 0.87 compared to EUR 1.03 at the end of June 2009. Annualised return on equity (ROE) amounts to 7.7% in the first half of 2010, against 10.6% recorded for the same period in 2009. For the first half standalone, annualised ROE totals 11.9%, compared to 10.5% in the second quarter 2009.

SCOR shareholders' equity increases by 8.1% during the first half of 2010 to EUR 4.2 billion at 30 June 2010, compared to EUR 3.9 billion at 31 December 2009. Book value per share stands at EUR 23.2 at 30 June 2010.
SCOR recorded variations in the exchange rate on consolidated net assets of EUR 272 million, compared to EUR 85 million for the first half of 2009. During the first half, the Group continued to reduce its debt ratio and currently has a leverage position of 10.6% compared to 14.6% at the end of 2009.

The Annual General Meeting of 28 April 2010 decided on a dividend payment of EUR 1 per share, that is a payout ratio of 48%. It also determined that the 2009 dividend payment could be made either in cash or in new shares issued at EUR 15.96. This option was exercised in the amount of 2,647,517 new shares for a total value of EUR 42 million, split between EUR 21 million of share capital and EUR 21 million of additional paid-in capital. The total sum of dividends distributed for 2009 reached EUR 179 million, EUR 42 million being paid in shares and EUR 137 million in cash.

The positive operating cash flow linked to operational business stands at EUR 208 million at 30 June 2010, compared to EUR 308 million for the same period in 2009. This decrease stems mainly from SGL due to the planned and deliberate reduction in the portfolio of equity-indexed annuity business in the United States.

SGPC confirms its projected net combined ratio of less than 100% for the year 2010 excluding exceptional events

SGPC reports gross written premiums of EUR 1,764 million for the first half of 2010, compared to EUR 1,699 million in 2009, representing an increase of 3.8%. This increase represents 0.5% at constant exchange rates compared to 2009, a year marked by a sharp rise in gross written premiums in the first half. Relative to normalised growth in the first half of 2009 on the basis of the increase registered over the full year 2009, the first half of 2010 marks an increase of 8% in gross written premiums compared to the first half of 2009.

The net combined ratio stands at 102.8% in the first half of 2010, compared to 108.6% in the first quarter of 2010 and 97.5% in the first half of 2009. Natural catastrophes contributed 13.1 points of net combined ratio over the half year (compared to 20.2 points in the first quarter 2010), whilst the second quarter saw natural catastrophe losses in line with budget (6 points). The estimated total net cost for the earthquakes in Chile and Haiti and hurricane Xynthia remains unchanged relative to the figures communicated with the first quarter results. Attritioned losses are down 1.5 points; this decrease illustrates the dynamic management of the portfolio and the expected improvement in technical results following the renewals of the last two years. Excluding exceptional events and subject to natural catastrophe losses not exceeding budget for the third and fourth quarters of the year, the net combined ratio for 2010 should be below 100%.

The excellent P&C and Specialty treaty renewals at the end of June and in July 2010 are characterised by premium volume growth of 19% at constant exchange rates, totalling EUR 245 million, in line with the expected underwriting profitability objective in 2010. These renewals concern around 10% of the total annual volume of treaty premiums.

Following these renewals, SGPC maintains its estimation of the amount of gross premiums in a range between EUR 3.45 and EUR 3.5 billion for 2010.

SCOR Global Life (SGL) records an operating margin of 6.0% in the first half of 2010 compared to 5.1% in the first half of 2009

In the first half of 2010, SGL's gross written premiums totalled EUR 1,494 million compared to EUR 1,555 million for the same period 2009 (a decrease of 3.9%). Gross written premiums excluding equity-indexed annuity business in the US amount to EUR 1,457 million compared to EUR 1,356 million in the first six months of 2009, representing an increase of 7.6%. This growth stems mainly from Critical Illness and Long-Term lines and from new business in North America, the UK & Ireland.

The Life operating margin for the first six months ended 30 June 2010 amounted to 6.0% (compared to 5.1% for the same period 2009). This increase of 0.9 percentage points stems mainly from improvements in the profitability in different business segments and due to a positive development of the investment income.

SCOR Global Investments (SGI) maintains its "rollover" investment strategy and posts a sharp increase in net return on invested assets

In a context of low interest rates and greater volatility in the financial markets, the Group is maintaining a “rollover strategy" for its fixed income portfolio in order to have significant financial cash flows to reinvest in the event of a sudden change in the economic and financial environment, whilst seizing market opportunities in the short term.

This investment policy led to net realised gains of EUR 108 million during the first two quarters of 2010. SCOR posts a net return on investments (excluding funds held by cedants) of 4.1% in the second quarter 2010, compared to 3.9% in the first quarter 2010. Consequently, SCOR has recorded a net return on invested assets over the first 6 months of the year (excluding funds withheld by cedants) of 4.0%, a significant rise compared to the first half of 2009 (1.0%). The impact of impairments is limited to EUR 52 million in the first half of 2010 compared to EUR 184 million in the first half of 2009. Taking into account the funds withheld by cedants, net return on invested assets amounts to 3.4% over the first half of 2010, compared to 1.4% in the same period of 2009.

Net investments, including cash, stand at EUR 21,663 million at 30 June 2010, compared to EUR 19,969 million at 31 December 2009. At 30 June 2010, the Group's investments consist of bonds (48.1%), funds withheld by cedants (37.4%), cash and short-term investments (6.3%), equities (4.4%), real estate (2.1%) and other alternative investments (1.7%). Liquidity reaches EUR 1.4 billion at 30 June 2010, compared to EUR 1.7 billion at 31 December 2009.

SCOR's high-quality fixed income portfolio (average rating AA) maintains a relatively short duration of 3.4 years (excluding cash and short-term investments), down slightly compared to 31 December 2009 (3.7 years). Investments in inflation-linked bonds amount to EUR 1,022 million at 30 June 2010.

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Key figures (in EUR millions)

	H1 2010 (unaudited)	H1 2009 (unaudited)	Q2 2010 (unaudited)	Q2 2009 (unaudited)
Gross written premiums	3 258	3 254	1 645	1 693
Non-Life gross written premiums	1 764	1 699	855	831
Life gross written premiums	1 494	1 555	790	862
Operating income excl. impairments	234	312	178	159
Net income	156	184	120	91
Investment income	356	149	184	153
Net Return on Investments	4.0%	1.0%	4.1%	3.6%
Net Return on Assets	3.4%	1.4%	3.4%	3.1%
Non-Life combined ratio	102.8%	97.5%	97.0%	95.8%
Non-Life technical ratio	96.0%	91.0%	89.8%	89.3%
Non-Life cost ratio	6.8%	6.5%	7.2%	6.5%
Life operating margin	6.0%	5.1%	6.0%	5.5%
Return on Equity (ROE)	7.7%	10.6%	11.9%	10.5%
Basic EPS (EUR)	0.87	1.03	0.67	0.51

	H1 2010 (unaudited)	H1 2009 (unaudited)
Investments (excl. participations)	21 663	19 542
Reserves (gross)	23 194	20 848
Shareholders’ equity	4 216	3 635
Book value per share (EUR)	23.2	20.2

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SCOR does not communicate "profit forecasts" in the sense of Article 2 of (EC) Regulation n°809/2004 of the European Commission. Thus, any forward-.looking statements contained in this communication should not be held as corresponding to such profit forecasts. Information in this communication may include "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. 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 limitations, "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, which may cause actual results, on the one hand, to differ from any results expressed or implied by the present communication, on the other hand.

Please refer to SCOR's document de référence filed with the AMF on 3 March 2010 under number D.10-00085 (the "Document de Référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.