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SCOR completes a very good second quarter 2011, with a net income of EUR 120 million

The Group records very good results in the 2nd quarter 2011, combining the high technical profitability of its operations, the strong performance of a pertinent asset management policy, major progress in terms of business volume, notably illustrated at each renewal, and a very high level of solvency.

In the 2nd quarter 2011:

- Gross written premiums stand at EUR 1,735 million, up 5.5% compared to the 2nd quarter 2010 (+11.6% at constant exchange rates).
- Net income stands at EUR 120 million, at the same level as the 2nd quarter 2010, with very strong technical performances from both Life and Non-Life reinsurance.
- Operating cash flow increases sharply (+76.5%) to EUR 183 million, compared to EUR 104 million in the 2nd quarter 2010.
- SCOR Global P&C gross written premiums reach EUR 991 million (+15.9% compared to the 2nd quarter 2010 and +23.4% at constant exchange rates). The renewals of April (+13%), June and July (+22%) have confirmed those of January 2011 (+13%) as well as the Group's excellent positioning on all markets.
- The Non-Life combined ratio stands at 92.6%, of which 5.5 positive impact points are linked to a legal action over the World Trade Center, with a ratio of 6.6% for natural catastrophes, of which 1.6 points are due to the events of the first quarter.
- SCOR Global Life records gross written premiums of EUR 744 million, down 5.8% compared to the second quarter 2010 (-1.3% at constant exchange rates). Excluding fixed annuity business in the United States, the sale of which was finalized on 19 July 2011, SGL gross written premiums are down 1.2% compared to the second quarter 2010 and up 3.6% at constant exchange rates.
- The Life reinsurance operating margin reaches 6.9%, up by 0.3 points compared to the second quarter 2010.
- SCOR Global Investments delivers a strong financial contribution to the second quarter 2011 results. Return on invested assets (excluding funds withheld by cedants) stands at 4.5%, compared to 3.9% in the second quarter 2010, thanks to a dynamic asset management policy and adapted positioning, notably with zero exposure to sovereign debt in the weakest Eurozone countries.

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In the 1st half 2011:

- Gross written premiums reach EUR 3,400 million, up 4.4% compared to the 1st half 2010 (+6.7% at constant exchange rates).
- Net income stands at EUR 40 million, with a total pre-tax cost of EUR 423 million for natural catastrophes occurring in the 1st half of the year.
- Operating cash flow stands at EUR 384 million, up 84.9% compared to the first half 2010.
- These results include some non-recurring items, such as a legal action over the World Trade Center, and the sale of the Group's fixed annuity business in the US. A few non-recurring items of a similar amount were also recorded in the first half 2010.
- SCOR Global P&C gross written premiums stand at EUR 1,944 million, up 10.2% compared to the same period in 2010 (13.0% at constant exchange rates).
- The SCOR Global P&C combined ratio is 113.1%, of which 2.8 positive impact points are linked to a legal action over the World Trade Center, and 25.7 points are linked to natural catastrophes.
- SCOR Global Life records gross written premiums of EUR 1,456 million (-2.5% compared to the 1st half 2010 and -0.7% at constant exchange rates; excluding US fixed annuity business, -0.1% and +1.8% at constant exchange rates).
- The SCOR Global Life operating margin rises to 7.2%, compared to 6.5% for the same period in 2010.
- Return on invested assets stands at 4.4% (excluding funds withheld by cedants), compared to 4.1% in the 1st half 2010.
- Following the distribution of EUR 201 million in dividends for 2010 (EUR 1.10 per share), shareholders' equity stands at EUR 4,009 million at 30 June 2011, compared to EUR 4,166 million at 31 March. Book value per share (BPS) thus stands at EUR 21.97 at the end of the 1st half 2011, compared to EUR 22.86 at the end of the 1st quarter 2011.

Throughout this first half, SCOR has actively continued to implement its strategic plan covering the period 2010-2013, "Strong Momentum". In Life reinsurance, the focus on biometric risks has been demonstrated by the acquisition of the mortality risk portfolio of Transamerica Re, as announced on 26 April 2011. This acquisition makes SCOR Global Life the second largest Life reinsurer in the United States. The biometric focus is also illustrated by the sale of the Group's fixed annuity business in the US, which was finalized on 19 July 2011. Moreover SCOR Global Life has begun to develop its activities in Australia and New Zealand with the opening of a regional office. The Group has also successfully launched a new Lloyd's syndicate, "Channel 2015", of which it is the sole capital provider, and has acquired the entire capital of Solareh SA as part of its policy of developing value added services for its insurer clients.

Denis Kessler, Chairman and CEO of SCOR, comments: *"SCOR's very good results in the second quarter and its capacity to absorb major shocks, like the natural catastrophes that occurred in the first quarter, once again demonstrate the relevance of the Group's business model based on four cornerstones: a strong and diversified franchise, following on from the success recorded in each renewal; a mid-level risk appetite combined with a very comprehensive and solid Enterprise Risk Management policy, illustrated notably by our underwriting policy and by asset management with no exposure to the sovereign debt currently under discussion; a high level of diversification, both between Life and Non-Life business and through a balanced presence by geographical region; and a "capital shield" policy which proved its effectiveness even after a first half 2011 marred by exceptional Nat Cat events".*

SCOR Global P&C's (SGPC) results for the first half 2011 demonstrate its capacity to absorb major shocks like the natural catastrophes that occurred in the first quarter

In the 1st half 2011, SGPC gross written premiums stand at EUR 1,944 million, compared to EUR 1,764 million in the first half 2010, representing an increase of 10.2% (13.0% at constant exchange rates). For the second quarter alone, SGPC records a gross premium volume up by 15.9% (23.4% at constant exchange rates). These performances confirm for 2011 the annual growth of 9% fixed by the Group's strategic plan "Strong Momentum" for the period 2010-2013.

The combined ratio stands at 113.1% for the first half 2011, compared to 102.5% in the first half 2010, following a combined ratio of 135.2% in a 1st quarter 2011 marked by an exceptional series of natural catastrophes including flooding in Australia and earthquakes in New Zealand and Japan. In the 2nd quarter, the combined ratio stands at 92.6%, with a natural catastrophe ratio of 6.6%, of which 1.6 points are linked to natural catastrophes in the first quarter, and a positive impact of 5.5 points is linked to the WTC subrogation settlement. The so-called "attritional" ratio, excluding the impact of the WTC litigation, stands at 61.5% in the first half 2011. Overall, the net combined ratio for the 1st half, normalized by the impact of the exceptional elements over the period, is in line with the objective of 95-96% set out in the "Strong Momentum" plan.

Excellent mid-year renewals

The June and July renewals were excellent, with growth of 22% at constant exchange rates on the EUR 320 million of premiums up for renewal, as part of a prudent and disciplined underwriting policy. The results of these renewals are positive across all business lines, both for Treaties in each geographic region and for Specialties in each branch. SGPC's franchise has been strengthened by both the acquisition of new clients and the expansion of underwriting business with existing clients.

The average weighted price increase is slightly higher than 2%, meeting all of the Group's internal profitability objectives. Positive pricing momentum seems moreover to be becoming more pronounced and is extending beyond the markets most affected by the events of the first quarter.

SCOR Global Life's (SGL) operating margin reaches 6.9% in the 2nd quarter and 7.2% in the 1st half 2011

SGL gross written premiums reach EUR 1,456 million in the first half 2011, down by 2.5% compared to the same period in 2010, due to the impact of exchange rates and the planned, announced reduction of US fixed annuity business, the sale of which was finalized on 19 July 2011. Excluding these two impacts, gross written premiums are up by 1.8%.

This growth is notably due to the underwriting of new business (approximately +15% compared to half year 2010) and to double digit premium growth in Critical Illness, Health and Personal Accident as well as in Western Europe, Asia, Scandinavia and the Middle East.

The operating margin rises to 7.2% over the 1st half, compared to 6.5% in the 1st half of 2010, driven by improvements of technical profitability. In a financial environment that has been disturbed and marked by persistently low interest rates, these results confirm the pertinence of our strategic decision to focus on biometric risks, which have low sensitivity to the financial markets. This

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decision is backed up by the acquisition of Transamerica Re's mortality portfolio[1] and the sale of the fixed annuity business carried in the US by IIC.

As announced in the strategic "Strong Momentum" plan, SGL has opened a new subsidiary in Australia covering the Australian and New Zealand markets, and is continuing its policy of developing value added services for its insurer clients with the acquisition of the entire capital of Solareh SA.

SCOR Global Investments (SGI) maintains a high return on invested assets at 4.4% during the 1st half 2011, despite an uncertain economic and financial environment

In a context of high macroeconomic and financial uncertainties, SGI continued its rollover strategy throughout the quarter, maintaining a relatively short duration and generating recurring cash flows that can be reinvested in the event of a rate increase, whilst actively managing its asset portfolio in accordance with the strategic allocation set out in the "Strong Momentum" plan. Exposure to sovereign debt has been further reduced over the quarter. In June, SGI also significantly reduced its Equity portfolio to cope with the high level of volatility linked to negotiations on the European sovereign debt crisis and the US debt ceiling.

Thanks to the positioning of the investment portfolio and to its active management policy, SGI generates a significant financial contribution in the second quarter 2011, with a return on invested assets (excluding funds withheld by cedants) of 4.5%, compared to 3.9% for the second quarter 2010. Thus, SCOR records a return on invested assets for the first 6 months (excluding funds withheld by cedants) of 4.4%, compared to 4.1% in the first half 2010. Taking into account funds withheld by cedants, the total net return on investments is 3.6% for the first half 2011, stable compared to the first half 2010.

Total invested assets (excluding funds withheld by cedants) stand at EUR 12,094 million at 30 June 2011. Total investments, including cash, stand at EUR 19,559 million at 30 June 2011, compared to EUR 19,526 million at 31 December 2010 (excluding investments related to IIC).

The composition of the Group's total invested assets (excluding funds withheld by cedants) is as follows: 67% bonds, 20% cash and short-term investments, 7% equities, 4% real estate and 2% other investments. The high quality bond portfolio (average rating AA) has a relatively short duration of 3.2 years (excl. cash and short-term investments). The cash and short-term investments position is momentarily high at 30 June 2011 (EUR 2,368 million), mainly due to the preparation of the Transamerica Re acquisition, but is likely to decrease over the coming months, in accordance with the "Strong Momentum" strategic allocation.

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[1] Transamerica Re's portfolio is not part of SCOR's accounts in the 2nd quarter 2011.

P&L Key figures (in EUR millions)

	H1 2011 (unaudited)	H1 2010 (unaudited)	Variation in %	Q2 2011 (unaudited)	Q2 2010 (unaudited)	Variation in %
Gross written premiums	3,400	3,258	4.4%	1,735	1,645	5.5%
P&C gross written premiums	1,944	1,764	10.2%	991	855	15.9%
Life gross written premiums	1,456	1,494	-2.5%	744	790	-5.8%
Investment income	343	348	-1.5%	176	171	3%
Operating income	45	183	-75.5%	193	142	35.4%
Net income	40	156	-74.4%	120	120	-
Earnings Per Share (EUR)	0.22	0.87	-74.9%	0.66	0.67	-1.7%

P&L Key ratio

	H1 2011 (unaudited)	H1 2010 (unaudited)	Q2 2011 (unaudited)	Q2 2010 (unaudited)
Net return on investments, annualized	3.6%	3.6%	3.7%	3.4%
Return on invested assets, annualized (excluding funds withheld)	4.4%	4.1%	4.5%	3.9%
P&C net combined ratio	113.1%	102.5%	92.6%	96.1%
Life operating margin	7.2%	6.5%	6.9%	6.6%
Group cost ratio	5.6%	5.7%	5.7%	5.8%
Return on equity (ROE)	1.9%	7.7%	12.2%	11.9%

Balance sheet Key figures (in EUR millions)

	H1 2011 (unaudited)	H1 2010 (unaudited)	Variation in %
Investments (excl. participations)	19,559	21,329	-8.3%
Technical reserves (gross)	20,819	23,039	-9.6%
Shareholders' equity	4,009	4,216	-4.9%
Book value per share (EUR)	21.97	23.23	-5.4%

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Forward-looking statements

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 8 March 2011 under number D.11-0103 (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.

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