SCOR

Press release

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SCOR records net income of EUR 104 million in the 1st quarter 2012, confirming the dynamism of its franchise

SCOR Global Life Embedded Value grows by 50% to EUR 3.3 billion

- Gross written premiums at EUR 2,327 million, up 13.2% on a pro forma basis (+39.8% on a published basis) under the combined impact of very good SCOR Global P&C renewals and a strong commercial momentum at SCOR Global Life
    - SCOR Global P&C: very sharp increase in premiums (+20.8%, to EUR 1,151 million)
    - SCOR Global Life: growth of 6.6% on a pro forma basis (to EUR 1,176 million). Very smooth progression of the Transamerica Re integration
- Net income of EUR 104 million, which has more than doubled compared to the 1st quarter 2011 on a pro forma basis. ROE of 9.7% essentially in line with the Group's objectives
- Solid technical results for SCOR Global P&C (net combined ratio of 92.5%) and SCOR Global Life (technical margin of 7.4%)
- Return on assets of 2.9%, despite an unfavourable economic and financial environment. Start of a prudent re-risking of invested assets
- Shareholders' equity at EUR 4,519 million, up 2.6% compared to 31 December 2011. Book value per share at EUR 24.46
- 2011 SCOR Global Life (SGL) embedded value (MCEV) of EUR 3.3 billion (+50% compared to 2010), demonstrating the strength of the portfolio and the benefits gained from the acquisition of Transamerica Re, and pointing to SGL's capacity to repatriate capital to the Group[1]

The strict application of its strategic cornerstones, combined with the continued implementation of its three-year strategic plan "Strong Momentum V1.1", have enabled SCOR to record very solid results over the 1st quarter 2012, despite an economic and financial environment that remains difficult. The excellent technical performances recorded by the Group's two engines point once again to the validity of SCOR's business model, reinforced in SCOR Global Life by the successful integration of Transamerica Re and in SCOR Global P&C by the continuation of its selective underwriting policy.

[1] For more information, please refer to press release n°11 published on 3 May 2012 and available at www.scor.com

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Denis Kessler, Chairman & CEO of SCOR, comments: "*The first quarter 2012 once again confirms SCOR's ability to generate solid results, even in a disrupted economic and financial environment. The excellent renewals achieved by SCOR Global P&C in April, and the sharp increase in SCOR Global Life's Embedded Value, bear witness to the quality of the Group's strong technical fundamentals. These results, along with the Group's recent rating upgrade by Fitch (A+) and AM Best (ICR to "a+"), strengthen SCOR's position among the global leaders of the reinsurance industry even further. The Group is actively continuing to implement the strategic objectives set out in its plan Strong Momentum V1.1".*

Combining growth and technical profitability, SCOR Global P&C's (SGPC) results are perfectly in line with the objectives of "Strong Momentum V1.1"

SGPC records a very positive first quarter 2012, with gross written premium growth of +20.8% (+17.2% at constant exchange rates) to EUR 1,151 million, compared to EUR 953 million for the same period in 2011. This increase in premium income is due to the strong growth dynamic observed during the renewals in April and July of 2011, which recorded rises in the volume of underwritten business of 13% and 22% respectively. This dynamic generates a seasonality on premium income, but does not alter the growth projections over the year, which remain at around 9% as set out in the Group's three-year strategic plan.

Over the 1st quarter 2012, SGCP produces an excellent net combined ratio of 92.5%, notably thanks to:

- a net loss ratio (excluding natural catastrophes) of 59.6%, in line with the objective of 60% set out in the strategic plan SM V1.1,
- a net natural catastrophe loss ratio of 3.7 %, mainly generated by the addition of EUR 28 million to the total estimated cost of the floods in Thailand.

Based on a net natural catastrophe loss ratio of 6%, the normalised net combined ratio would be at the bottom of the range targeted by the SM V1.1 plan, at 94.8%.

The quality of the 1st quarter 2012 results and the renewals at the first two key dates of the year (1 January and 1 April) put SGPC firmly on the right track for 2012.

SCOR Global Life records solid technical results in the 1st quarter 2012, thereby confirming the relevance of its strategic decision to focus its portfolio on biometric risks

In the 1st quarter 2012, SCOR Global Life (SGL) gross written premiums reach EUR 1,176 million, up by 6.6% compared to the first quarter of 2011 on a pro forma basis (+3.0% at constant exchange rates). The SGL technical margin stands at 7.4%, in line with the objective of 7.5% set out in the strategic plan Strong Momentum V1.1, and higher than the pro forma technical margin of the 1st quarter 2011, after the deduction of 2 percentage points of non-recurring items relating to the reserve release on the GMDB portfolio in run-off. This performance thus confirms the Group's strategic decision to focus on biometric risks with low sensitivity to the financial markets, which has been strengthened by the successful acquisition of Transamerica Re's mortality portfolio.

SGL's activities were sustained throughout the quarter, by significant increases in its business volume in emerging markets, mainly in Latin America and in Asia - Australia mainly thanks to the acquisition of the Transamerica Re books, as well as in mature markets like the United Kingdom, Canada, France

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and Germany, where growth, although less pronounced, remains in double figures. SGL also records sharp increases in disability, financing, critical illness and health, whilst maintaining steady growth (+5%) in traditional Life reinsurance. The Group's Life reinsurance business continues its dynamic policy of development and diversification through new business production (+14% compared to the 1st quarter 2011 on a pro forma basis) in France, Asia-Pacific, the Middle East and Northern Europe.

At the end of 2011, SGL presents excellent Market Consistent Embedded Value (MCEV) figures of EUR 3.3 billion (EUR 18,0 per share), demonstrating once again the profitable growth of SGL's franchise and its long-term capacity for value creation. This excellent MCEV result, increased by 50% compared to 2010, confirms the solidity of SGL's business portfolio and the benefits gained through the acquisition of Transamerica Re, while affirming SGL's ability to generate excess free cash flow, with EUR 181 million repatriated to the Group of which EUR 140 million dividends paid to SCOR SE.
The value not recognized under IFRS increases to EUR 1,020 million from the 2010 amount of EUR 517 million, driven by the gain on purchase from the Transamerica Re's mortality portfolio of EUR 414 million on a MCEV basis, almost four times higher than the already solid gain on purchase published in the Q4 2011 accounts on IFRS standard (EUR 114 million).

SCOR Global Investments (SGI), which records a return on investments of 2.9% over the first quarter 2012, despite a difficult economic and financial environment, has started to prudently re-risk its invested assets

In an economic and financial context that remains challenging, SGI has continued its so-called "rollover" strategy, which consists of maintaining a relatively short duration of the fixed income portfolio and generating recurring cash flows, whilst actively managing its asset portfolio. At 31 March 2012, expected cash flows on the fixed income portfolio over the next 24 months stand at EUR 5.0 billion (including cash and short-term investments), the duration of the fixed income portfolio having been kept relatively short at 2.9 years (excluding cash).

Since the beginning of 2012, after several months of the deliberate and tactical accumulation of cash and short-term investments, SGI has started to prudently re-risk its invested assets. Cash and short-term investments have thus been reduced by EUR 695 million (-6 points), standing at EUR 2,355 million at 31 March 2012 compared to EUR 3,050 million at 31 December 2011. The invested assets portfolio has been mainly reinvested in covered bonds and agency MBS (+3 points) as well as in corporate bonds (+3 points). The high quality fixed income portfolio, with an average rating AA- (including short-term investments), still has no exposure to the sovereign debt of Greece, Ireland, Italy, Portugal or Spain, or to the debts issued by US states and municipalities.

Over the 1st quarter 2012, the invested assets portfolio generates a financial contribution of EUR 92 million, representing a return on invested assets of 2.9% compared to 3.7% for the whole year 2011. The active management policy practised by SGI has enabled the Group to record EUR 29 million of realised capital gains in the first three months of 2012. The Group has rigorously applied an unchanged impairment policy to its investment portfolio, for a total amount of EUR 6 million in the first quarter 2012. Taking account of funds withheld by cedants, the net rate of return on investments is 2.6% over the period, unchanged in relation to the whole of 2011.

Invested assets (excluding funds withheld by cedants) stand at EUR 13,100 million at 31 March 2012, composed as follows: 8% cash, 81% fixed income (of which 10% are short-term investments), 5% equities, 4% real estate and 2% other investments. Total investments stand at EUR 21,402 million at 31 March 2012, compared to EUR 21,053 million at 31 December 2011.

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In the first quarter 2012 results presentation and in this press release, two sets of financial data are used, published accounts & pro-forma information:

1. **Audited published annual accounts 2011**

- Audited published annual accounts are prepared reflecting Transamerica Re from the acquisition date, i.e. 144 days (09/08-31/12) of full Transamerica Re consolidation

2. **Unaudited pro-forma information: Full-Year 2011 information & quarterly information**

- Following IFRS 3 guidance – an acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial impact of business combinations that were effected during the period.
- The unaudited pro-forma financial information as of 31 December 2011 is presented to illustrate the effect on the Group's income statement of the Transamerica Re acquisition as if the acquisition had taken place on 1 January 2011. Disclosure of pro-forma gross written premiums and pro-forma net income is included in 2011 "*Document de référence*".
- The same approach is used for unaudited quarterly information

P&L Key figures (in EUR millions)

	2012 1st quarter (unaudited)	2011 1st quarter (unaudited)	Variation (%)	2011 1st quarter (pro-forma)	Variation (%)
Gross written premiums	2,327	1,665	39.8%	2,056	13.2%
P&C gross written premiums	1,151	953	20.8%	953	20.8%
Life gross written premiums	1,176	712	65.2%	1,103	6.6%
Investment income	134	168	-19.9%	179	-24.8%
Operating income	159	-148	F	-134	n/a
Net income	104	-80	F	50	108%
Earnings Per Share (EUR)	0.56	-0.44	F	0.28	104.9%

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P&L Key ratio

	2012 1st quarter (unaudited)	2011 1st quarter (unaudited)	2011 1st quarter (pro-forma)
Net return on investments[1]	2.6%	3.5%	3.6%
Return on invested assets[1,2]	2.9%	4.3%	4.5%
P&C net combined ratio[3]	92.5%	135.2%	135.2%
Life operating margin[4]	5.8%	7.6%	6.4%
Life technical margin[5]	7.4%	11.2%	9.1%
Group cost ratio[6]	5.2%	5.6%	5.2%
Return on equity (ROE)	9.7%	-7.3%	4.7%

1: annualized; 2: excluding funds withheld; 3: Combined ratio is the sum of the total claims, the total commissions and the total P&C management expenses, divided by the net earned premiums of SGPC; 4: The Life operating margin is the sum of the technical results, the total investments income from SGL and the total SGL expenses, divided by the net earned premium of SGL; 5: The technical margin for SGL is the technical result divided by the net earned premiums of SGL; 6: Cost ratio is the total management expenses divided by the gross written premiums

Balance sheet Key figures (in EUR millions)

	2012 1st quarter (unaudited)	2011 1st quarter (unaudited)	Variation (%)
Total investments[1]	21,402	19,865	7.7%
Technical reserves (gross)	23,353	20,882	11.8%
Shareholders' equity	4,526	4,166	8.6%
Book value per share (EUR)	24.46	22.86	7.0%

1: total investments portfolio includes both invested assets and funds withheld by cedants