

SCOR Global Life

Embedded Value 2012 results

SCOR Global Life MCEV reaches EUR 3.5 billion (EUR 18.8 per share), continuing to provide the SCOR group with significant earnings and strong capital repatriation



Notice

Methodology. Details of the Embedded Value approach used by SCOR Global Life, including analysis of Embedded Value from 2011 to 2012, as well as details of the methodology used, analysis of sensitivities to certain key parameters and reconciliation of the Embedded Value to the IFRS equity of SCOR, can be found in the document entitled "SCOR Global Life Market Consistent Embedded Value 2012 – Supplementary Information" and the "SCOR Global Life" slide show presentation, both of which are available at www.scor.com.

The Embedded Value has been calculated in accordance with the European Insurance CFO Forum Market Consistent Embedded Value Principles (Copyright© Stichting CFO Forum Foundation 2008) published in June 2008 and October 2009 by the CFO Forum.

Towers Watson has been engaged to review the methodology and assumptions used and the results of the calculations made by SCOR to determine the Embedded Values. The scope of their review and opinion is presented in "2012 Market Consistent Embedded Value – Supplementary Information". This MCEV disclosure should not be viewed as a substitute for SCOR's primary financial statements.

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.

Risks and uncertainties. As a result of the extreme and unprecedented volatility and disruption related to the financial crisis, SCOR is exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, currency movements, changes in government or regulatory practices, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

Additional information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2012 reference document filed 6 March 2013 under number D.13-0106 with the French Autorité des Marchés Financiers ("AMF") posted on SCOR's website www.scor.com. SCOR undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Rounding. Numbers presented throughout this report may not add up precisely to the totals in the tables and text. Percentages and percent changes are calculated based on rounded figures displayed on the tables and text and may not precisely reflect the percentages and percent changes that would be derived based on figures that would not be rounded. Therefore the presentation might contain immaterial differences in sums and percentages and between slides due to rounding.

SCOR Global Life Embedded Value 2012 results

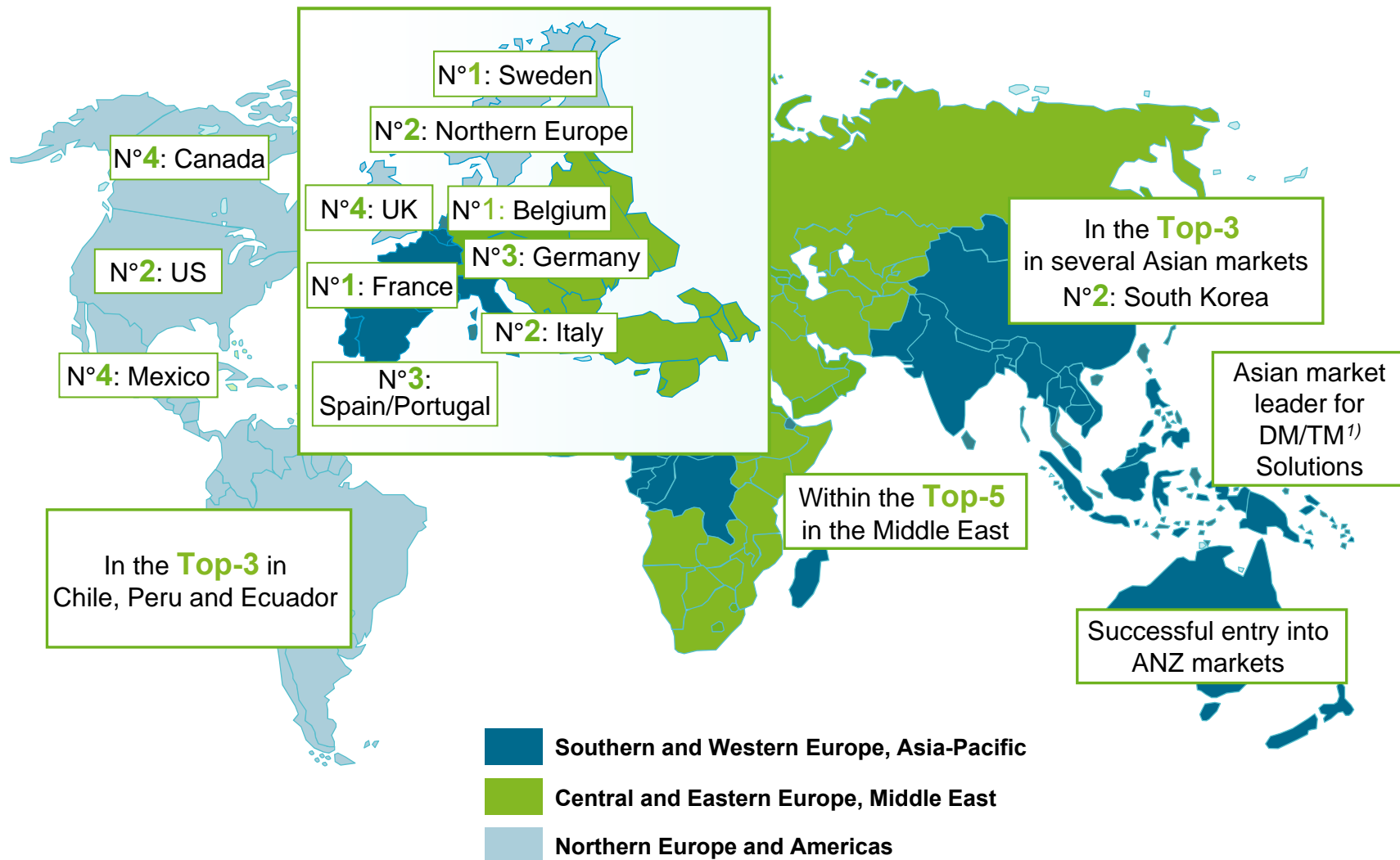
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SCOR Global Life continues to deepen its franchise

2

Strong Embedded Value 2012 development: SCOR Global Life continues to provide a stable source of earnings and strong dividends to the SCOR group

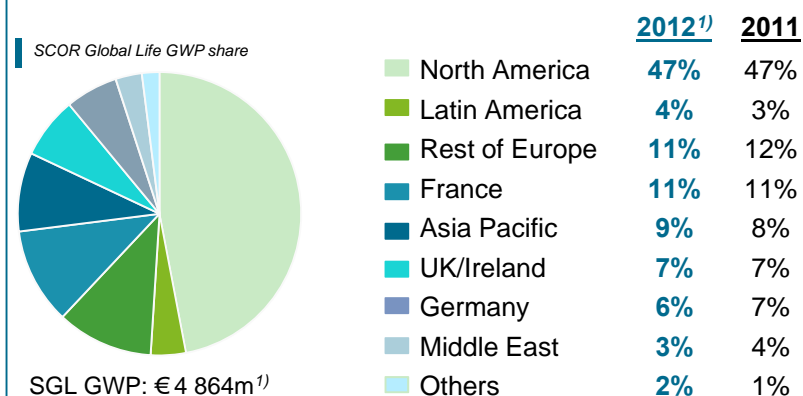
SCOR Global Life: a top-tier global Life reinsurer



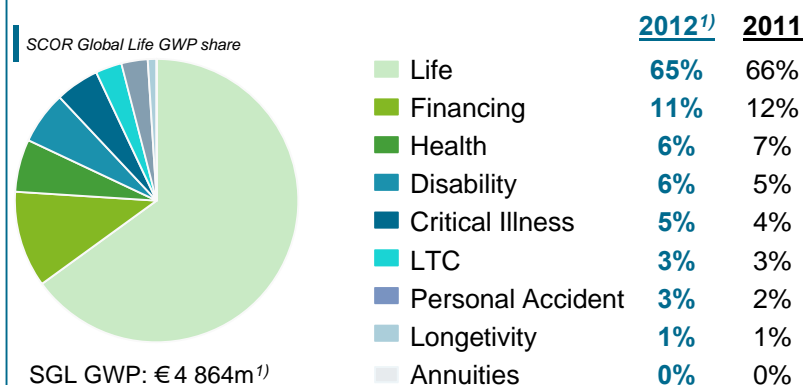
Source: SCOR market study

SCOR Global Life: total biometric focus with high diversification

Geographically balanced book



Mortality-based portfolio, with no saving products



- ❑ **Focuses on traditional mortality reinsurance risks**, providing stability of results, with **no underwriting of savings products** (variable or fixed annuities)
- ❑ **Benefits from high barriers of entry** and offers tailor-made and **innovative solutions**, focusing on long-term relationships and access to excellent actuarial & medical assessment tools to understand and price biometric risks
- ❑ Optimally positioned to deliver client solutions thanks to a **strong local presence and global centres of excellence**
- ❑ Contributes significant value to the Group (**€18.8 MCEV per share**) and reduces the volatility of the entire SCOR portfolio, with a **mature business book expected to provide substantial distributable cash flow** over the next few years

SCOR Global Life Embedded Value 2012 results

1

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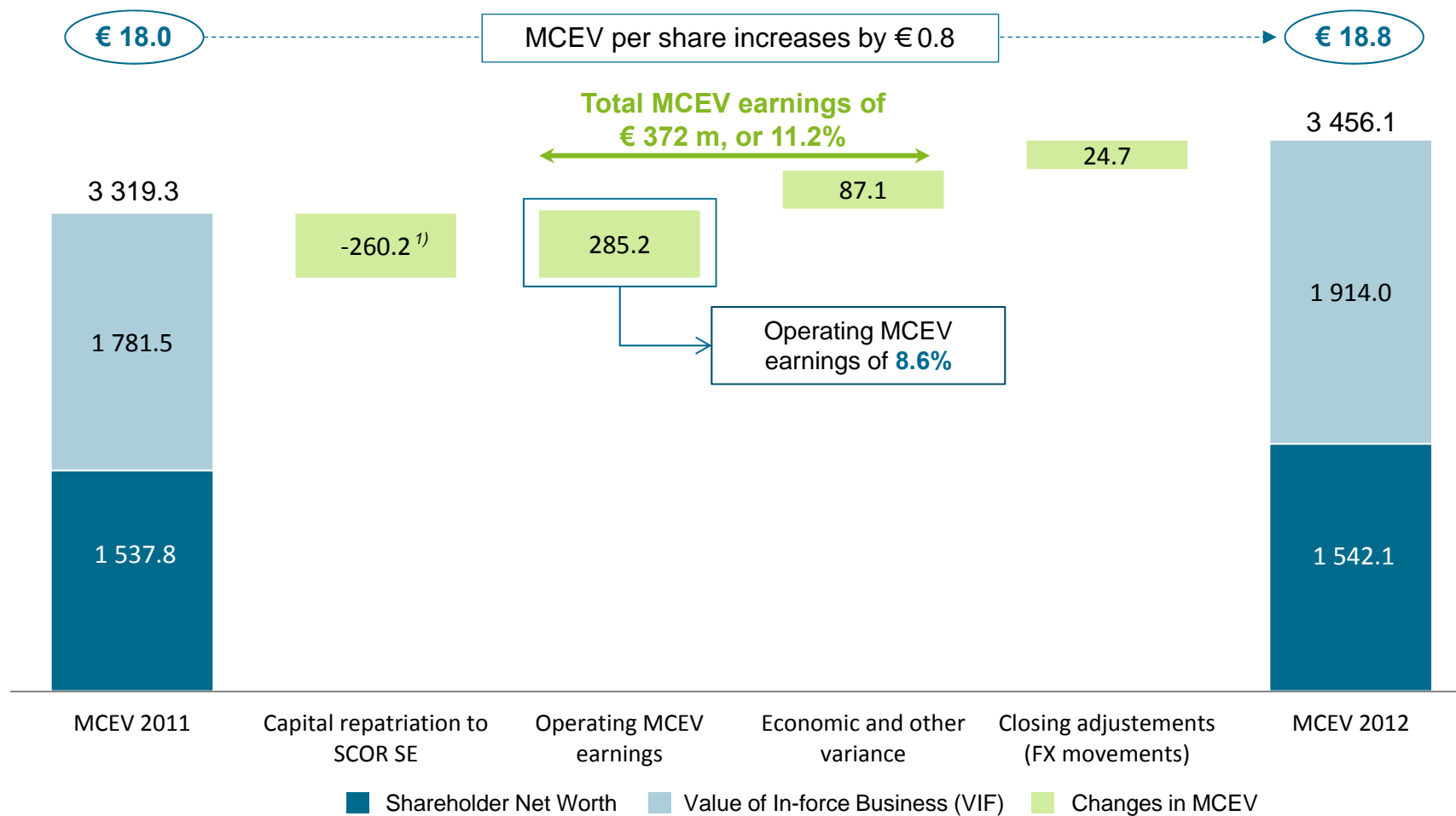
Strong Embedded Value 2012 development: SCOR Global Life continues to provide a stable source of earnings and strong dividends to the SCOR group

MCEV development in 2012 continues SCOR Global Life's solid track-record of value creation

- ❑ **Return on MCEV of 11.2% per annum**, with significant MCEV operating profits of € 285 million and positive economic variances of € 87 million
- ❑ MCEV Operating profit driven by expected return from In-force portfolio of € 112 million and **Value of New Business of € 122 million**, compared to € 124 million in 2011, with a **new business margin of 3.6%**, compared to 2.9% in 2011
- ❑ **SCOR Global Life generates substantial excess free cash flow**. The free cash produced by the in-force portfolio **comfortably meets financing needs of new business and allows the return of € 260 million to the Group** (including € 100 million dividend payment to SCOR SE)
- ❑ After capital repatriation, **MCEV grows by 4.1% to € 3.5 billion or €18.8 per share** compared to €3.3 billion in 2011 or € 18.0 per share
- ❑ **SGL business model's strength is confirmed**, with biometric focus providing **low MCEV sensitivity to interest rates and financial markets** compared to most primary Life insurers¹⁾

SCOR Global Life MCEV reaches € 3.5 billion in 2012 (€18.8 per share)

After tax, in €m (rounded)



Strong operating MCEV earnings of € 285 million

Operating EV earnings

in €m (rounded)	2011	2012
	MCEV	MCEV
Value of New Business	123.7	122.3
Expected existing business contribution	83.3	112.4
Experience variances	42.7	-56.2
Assumption changes and other operating variances	96.7	106.6
Operating EV earnings	346.5	285.2

- ❑ **Value of New Business** is close to the 2011 value, although no new longevity deals were written in 2012
- ❑ **Q1 2013 new business deals** written have value well above € 100 million on a MCEV basis
- ❑ **New business margin¹⁾ of 3.6%** (after tax, expenses and cost of capital) compared to 2.9% in 2011
- ❑ **Negative experience variances** mainly as a result of higher than expected claims on the US mortality business
- ❑ **Assumption changes and other operating variances** driven by improvements in risk capital modeling

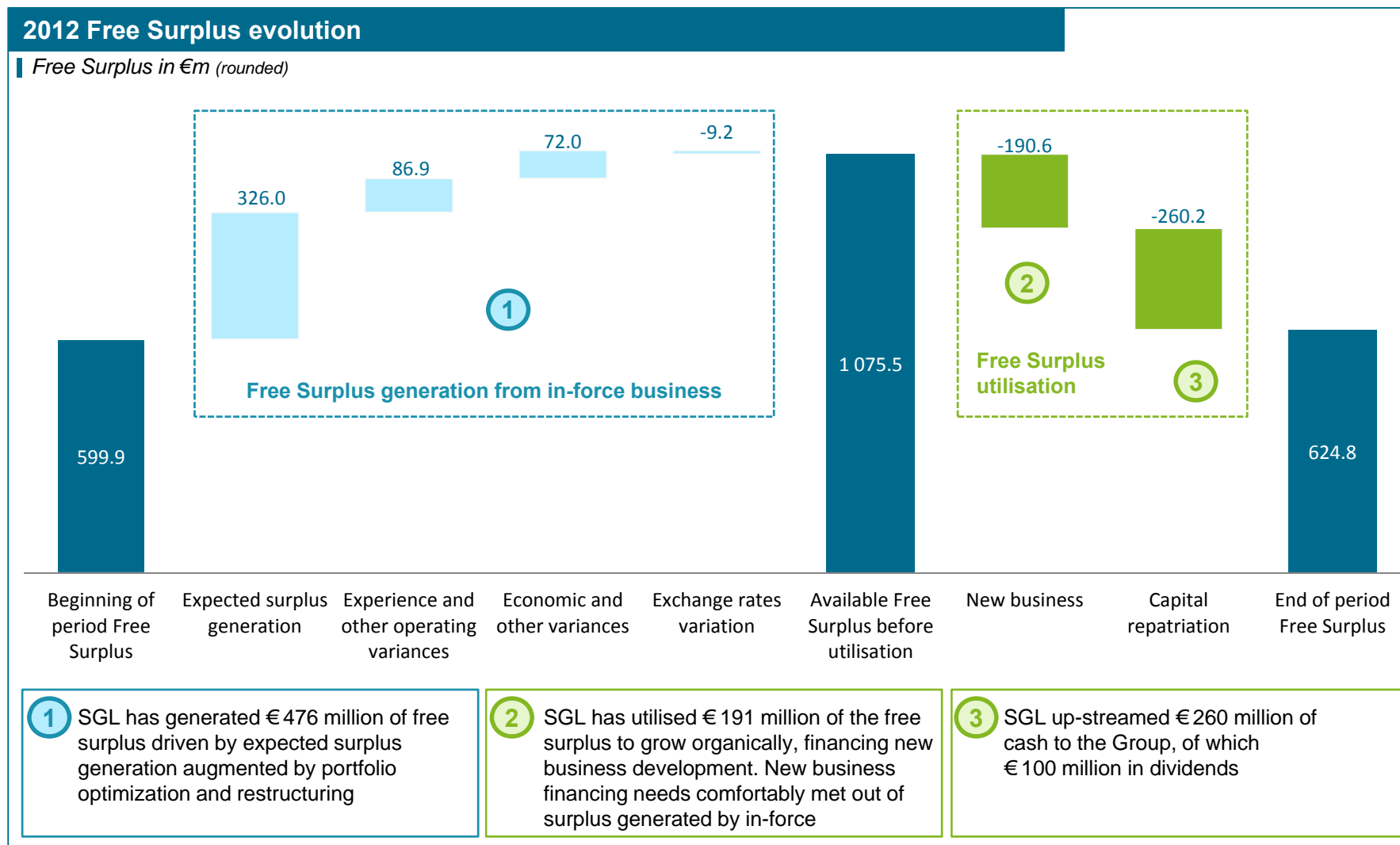
MCEV earnings at €372 million driven by strong technical performance and favourable market yields conditions

Total EV earnings

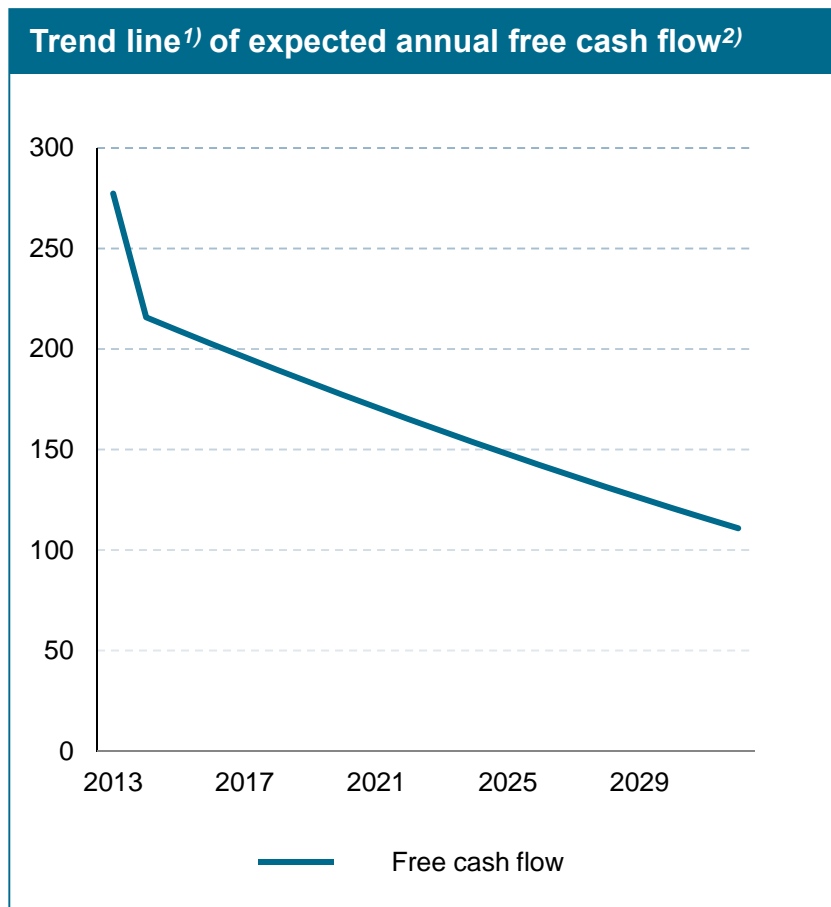
in €m (rounded)	2011	2012
	MCEV	MCEV
EV operating profit	346.5	285.2
Economic and other variances	-113.7	87.1
Total EV earnings	232.8	372.3

- ❑ Strong EV operating profit further increased by positive economic variances
- ❑ The positive economic and other variances mainly driven by the tightening of credit spreads and the lowering of the yield curves, in line with published 2011 sensitivities
- ❑ The prudent investment portfolio of SCOR Global Life reduces the impact of economic variances

SCOR Global Life generates significant free cash flow, demonstrating the strength and maturity of the franchise

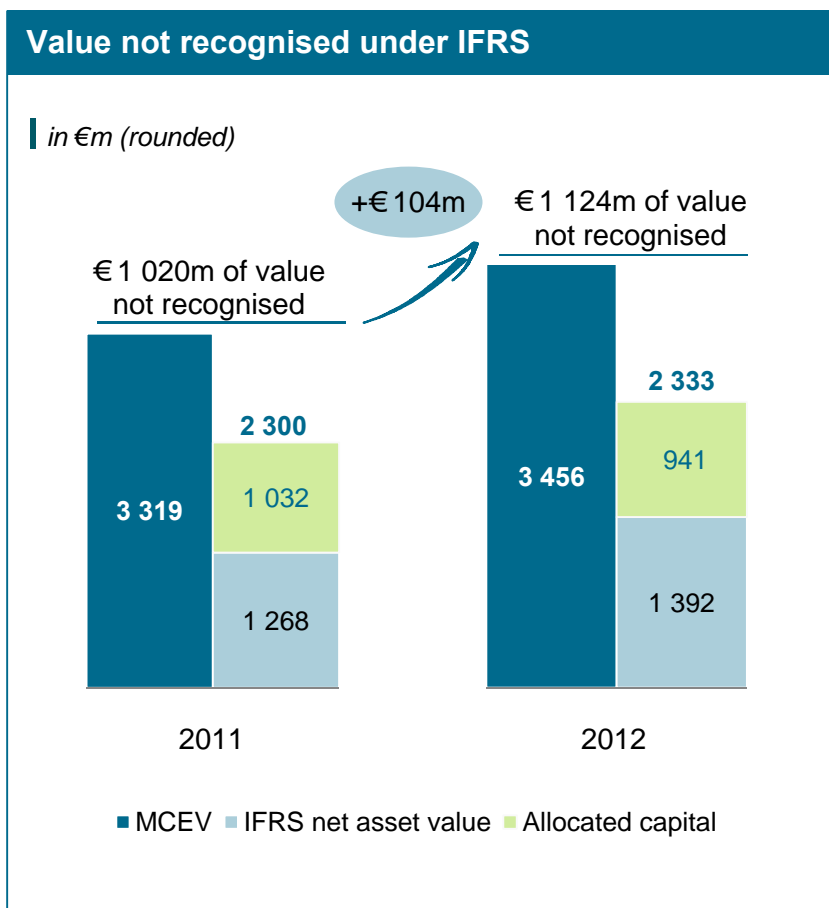


Mature business book expected to provide substantial free cash flow over the next years



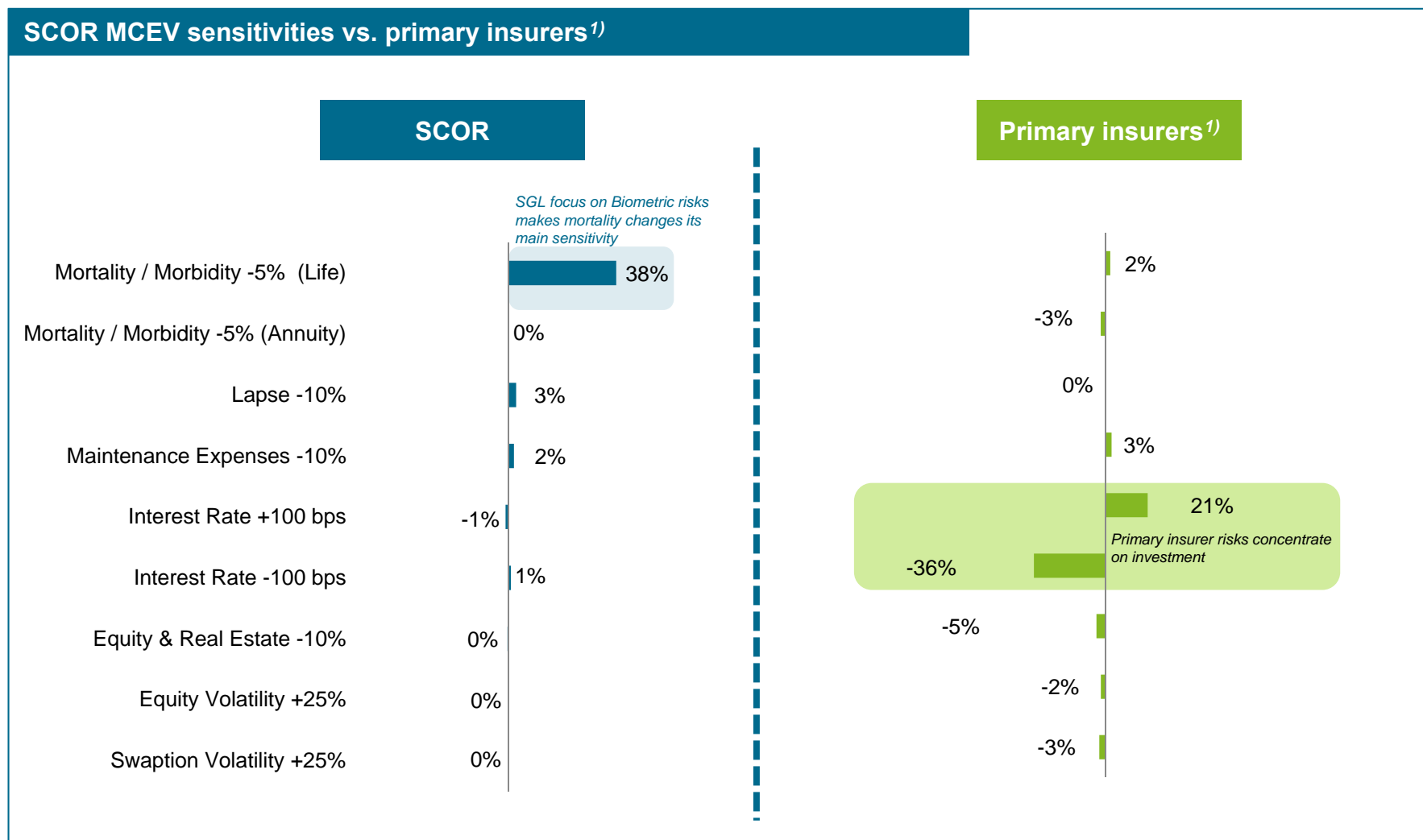
- ❑ Existing business book expected to continue to contribute strongly to the overall free cash flow in the near future
- ❑ Expected undiscounted free cash flow is projected as follows:
 - 21% within the first 5 years
 - 40% within the first 10 years
 - 57% within the first 15 years
 - 69% within the first 20 years
 - 79% within the first 25 years
- ❑ 2013 expected cash flow includes release of required capital for short-term business written in 2012
- ❑ Expected cash flow trend line based on unadjusted risk-free rates

Sustained growth in value not recognised under IFRS



- Embedded Value is more suitable for capturing the economic value of Life business than IFRS accounting
- SCOR Global Life has increased its off-balance sheet value by € 104 million to € 1 124 million
- Increase in value not recognised is driven mainly by Value of New Business, which is recognised only gradually under IFRS

Thanks to its biometric risk focus, SCOR Global Life is much less sensitive to interest rate changes than primary life companies



SCOR Global Life: a consistently strong contributor to SCOR's profitability and earnings diversification

- ❑ SCOR Global Life (SGL) **has a strong franchise with top positions in Europe, North America and Emerging Markets**
- ❑ **MCEV increased to €3.5 billion in 2012 up from €3.3 billion in 2011** (or from €18.0 to €18.8 per share), supported by:
 - **A traditional Life** portfolio strategy which delivers **strong 2012 MCEV results**, once again validating the **diversified business model of SCOR**
 - A **biometric book**, that benefits from **low sensitivity to interest rates and the financial markets**, as demonstrated by robust EV creation even during the financial crisis and in sharp contrast to primary insurer sensitivities
- ❑ **SCOR Global Life continues to generate excess free cash flow and repatriates € 260 million in 2012 to the Group** (including € 100 million dividend payment to SCOR SE)

APPENDICES

Appendix A	Methodology
Appendix B	Key economic assumptions
Appendix C	Foreign exchange rates
Appendix D	Sensitivity of MCEV 2012 and VNB 2012 to main assumptions

Appendix A: Methodology

- ❑ MCEV principles applied for the first time in 2010
- ❑ No material changes in methodology in 2012 compared to 2010 and 2011
 - change to method of extrapolating very long term reference rates with very small impact on MCEV
- ❑ SCOR complies with CFO Forum's MCEV Principles
 - except no disclosure of analysis of change in Group MCEV
- ❑ Economic assumptions
 - risk-free discounting using reference rates, based on swap yield curve, with no liquidity premium, including a 15 bps allowance for credit risk, and extrapolating to an ultimate forward rate at very long terms
 - implied volatilities are derived from market data at the valuation date
 - embedded financial options and guarantees are valued on a market consistent basis
- ❑ Cost of residual non hedgeable risks (CoRNHR) allows for the cost of risks not already allowed for elsewhere in the calculation
 - these costs include operational risk, cedant credit risk, unavoidable market risk, the effect of the asymmetric influence of tax, the effect of asymmetries in risk distributions or asymmetries in the impact of risks on treaties of the portfolio, and an allowance for uncertainty in the best estimate of shareholder cash flows
 - CoRNHR calculated by applying 4% cost of capital charge to non hedgeable risk based capital (NHRBC) without any allowance for diversification with the non-covered business
- ❑ More details are available in the “2012 Market Consistent Embedded Value – Supplementary Information”

Appendix B: Key economic assumptions






Assumptions on risk-free rates (swap rates)

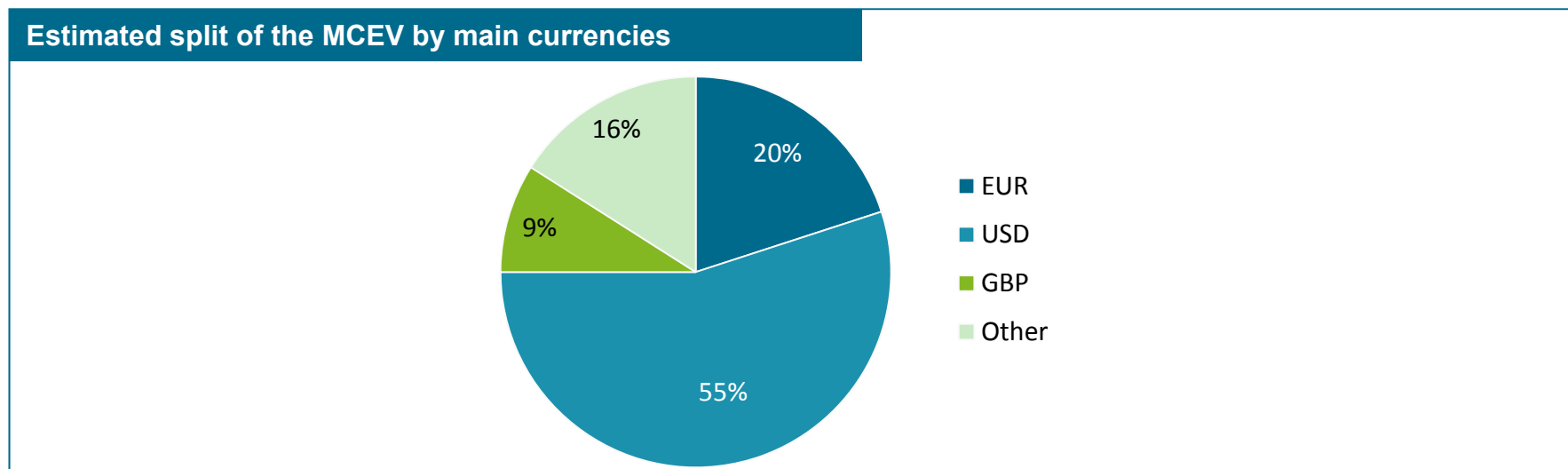
Zero coupon yields	EUR		USD		GBP		CAD	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Term								
5 Years	0.62%	1.73%	0.72%	1.24%	0.88%	1.58%	1.57%	1.46%
10 Years	1.45%	2.43%	1.75%	2.09%	1.78%	2.36%	2.15%	2.29%
15 Years	1.93%	2.74%	2.37%	2.51%	2.42%	2.79%	2.57%	2.81%
20 Years	2.11%	2.75%	2.61%	2.64%	2.79%	2.99%	2.68%	2.89%
25 Years	2.31%	2.65%	2.77%	2.70%	2.98%	3.13%	2.81%	2.74%
30 Years	2.52%	2.55%	2.86%	2.74%	3.06%	3.19%	2.95%	2.61%

Assumptions on tax rates

Entity	Tax rate 2012	Tax Rate 2011
France	34.4% ¹⁾	34.4% ¹⁾
Germany	32.5%	32.5%
US	35.0%	35.0%
UK	23.0%	24.0%
Ireland	12.5%	12.5%

Appendix C: Foreign exchange rates

Foreign exchange rates			
1 Foreign currency = ... EUR	31 Dec. 2012	31 Dec. 2011	Variation 12/11
 USD	0.7686	0.7675	0.14%
 GBP	1.2387	1.1881	4.26%
 SEK	0.1157	0.1098	5.37%
 CAD	0.7793	0.7420	5.03%
 CHF	0.8248	0.8116	1.63%



Appendix D: Main sensitivities of MCEV 2012

<i>after tax, in €m</i>	2012 MCEV	Δ from base case	2012 Variation	2011 Variation
Base case	3 456.1			
Mortality/Morbidity -5% (Life)	4 754.9	1 298.8	37.6%	34.2%
No mortality improvements (Life)	1 921.5	-1 534.7	-44.4%	-47.7%
Mortality/Morbidity -5% (Annuity)	3 454.9	-1.3	0.0%	0.0%
Lapse rates -10%	3 551.4	95.3	2.8%	2.2%
Maintenance Expenses -10%	3 525.0	68.9	2.0%	1.9%
Interest Rates +100 bps	3 426.8	-29.3	-0.8%	-2.0%
Interest Rates -100 bps	3 485.1	29.0	0.8%	2.2%
Equity & Real Estate -10%	3 447.7	-8.4	-0.2%	-0.6%
Equity Volatility +25%	3 453.7	-2.4	-0.1%	-0.1%
Swaption Volatility +25%	3 455.9	-0.2	0.0%	0.0%

Appendix D: Main sensitivities of VNB 2012

<i>after tax, in €m</i>	2012 VNB	Δ from base case	2012 Variation	2011 Variation
Base case	122.3			
Mortality/Morbidity -5% (Life)	184.1	61.7	50.5%	39.6%
No mortality improvements (Life)	23.7	-98.7	-80.6%	-57.4%
Mortality/Morbidity -5% (Annuity)	124.2	1.8	1.5%	-5.9%
Lapse rates -10%	128.7	6.3	5.2%	6.9%
Maintenance Expenses -10%	127.1	4.7	3.8%	4.1%
Interest Rates +100 bps	112.1	-10.2	-8.3%	-4.5%
Interest Rates -100 bps	132.3	9.9	8.1%	1.1%
Equity & Real Estate -10%	122.3	-	-	-
Equity Volatility +25%	122.3	-	-	-
Swaption Volatility +25%	122.3	-	-	-