Consolidated interim report

At June 30, 2005

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KEY FIGURES

In € millions	At June 30, 2005	At June 30, 2004	At December 31, 2004
Gross written premiums	1,184	1,344	2,651
Gross earned premiums	1,130	1,437	2,728
Current operational result	140	125	199
Group net result after tax	72	61	75
Investments from insurance business	8,050	8,357	8,094
Contract related net liabilities	(8,818)	(9,992)	(9,298)
Group's shareholders' equity	1,705	1,328	1,326
In €			
Earnings per share	0.09	0.08	0.09
Earnings per share diluted	0.08	0.08	0.09
Book value per share	1.77	1.64	1.64
Book value per share diluted	1.78	1.63	1.66

Warning

Certain statements in this interim report are forward-looking and therefore subject to risks and uncertainties that could cause actual results, performance or events to differ materially from those in such statements.

Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS ESTABLISHED UNDER IFRS

Balance sheet

In € millions

ASSETS	At June 30, 2005	At December 31, 2004	LIABILITIES	At June 30, 2005	At December 31, 2004
Intangible assets	**239**	**249**	**Shareholders' equity**	**1,705**	**1,326**
Goodwill	200	200	Share capital	763	645
Life reinsurance portfolio	26	37	Additional paid-in capital	137	42
Other intangible assets	13	12	Consolidated retained earnings	668	516
			Revaluation reserve	57	43
Tangible assets	**10**	**10**	Consolidated result	72	75
			Share based payment	8	5
			Minority interests	**0**	**0**
Investments from insurance business	**8,050**	**8,094**			
Real estate investments	327	320	**Total shareholders' equity**	**1,705**	**1,326**
Available for sale investments	5,635	5,572			
Investments at fair value	786	780	**Financial debt**	**927**	**1,344**
Loans and accounts receivable	1,300	1,421	Subordinated debt	232	222
Derivative instruments	2	1	Financial debt securities	505	936
			Bank borrowings	190	186
Investments in related companies	**21**	**18**			
			Contingency reserves	**61**	**59**
Retrocession technical reserves	**990**	**919**			
			Liabilities associated with contracts	**9,808**	**10,217**
Other assets	**2,672**	**2,709**	Technical reserves associated with insurance contracts	9,758	10,152
Deferred tax assets	207	216	Liabilities associated with financial contracts	50	65
Accepted insurance and reinsurance accounts receivable	1,505	1,626			
Retrocession accounts receivable	162	53	**Other liabilities**	**1,093**	**878**
Tax due	0	0	Deferred income tax liabilities	83	70
Other accounts receivable	285	296	Derivative instruments liabilities	27	3
Deferred acquisition costs	513	518	Accepted insurance and reinsurance accounts payable	679	581
			Retrocession accounts payable	129	16
			Tax due	0	0
Cash and cash equivalents	**1,612**	**1,825**	Other accounts payable	175	208
TOTAL ASSETS	**13,594**	**13,824**	**TOTAL LIABILITIES**	**13,594**	**13,824**

Statement of income

In € millions	At June 30, 2005	At June 30, 2004	At December 31, 2004
Gross written premiums	1,184	1,344	2,561
Variation in unearned premiums	(54)	93	167
Gross earned premiums	**1,130**	**1,437**	**2,728**
Other income from reinsurance operations	0	(1)	7
Net investment income	197	170	312
Total income from ordinary activities	**1,327**	**1,606**	**3,047**
Expenses relating to contract benefits	(840)	(976)	(1,923)
Gross commission on earned premiums	(251)	(339)	(660)
Net income from reinsurance sales	(12)	(91)	(104)
Acquisition and operational expenses	(53)	(49)	(98)
Other current operational income and expenses	(28)	(26)	(63)
Total other current operational income and expenses	**(1,184)**	**(1,481)**	**(2,849)**
CURRENT OPERATIONAL RESULT	**143**	**125**	**199**
Goodwill - value changes	(3)	0	0
Other operational income and expenses	0	0	0
OPERATIONAL RESULT	**140**	**125**	**199**
Financing expenses	(30)	(43)	(78)
Income from associated companies	0	0	0
Income tax	(38)	(21)	(46)
CONSOLIDATED NET INCOME	**72**	**61**	**75**
Minority interests	0	0	0
GROUP NET INCOME	**72**	**61**	**75**
In €			
Earnings per share	0.09	0.08	0.09
Diluted earnings per share	0.08	0.08	0.09

Consolidated data by line of business

Statement of income by line of business

In € millions	Life		Non-Life	
	At June 30, 2005	At June 30, 2004	At June 30, 2005	At June 30, 2004
Gross written premiums	525	631	659	713
Variation in unearned premiums	(29)	(24)	(25)	117
Gross earned premiums	**496**	**607**	**634**	**830**
Other income from insurance operations	0	0	0	(1)
Investment income net of management expenses	56	66	85	88
Capital gains/losses on investment sales	19	1	(6)	23
Changes in fair value of investments	1	(11)	28	5
Variations in investment depreciation	0	(2)	5	(3)
Currency gains	7	8	2	(5)
Investment income net of expenses	83	62	114	108
Total income from ordinary business activities	**579**	**669**	**748**	**937**
Expenses relating to contract benefits	(418)	(473)	(422)	(503)
Gross earned commission	(115)	(136)	(136)	(203)
Retrocession gross written premiums	(15)	(16)	(51)	(68)
Variation in retrocession unearned premiums	1	0	(3)	(16)
Retrocession earned premiums	(14)	(16)	(54)	(84)
Retrocession claims	14	(1)	38	2
Retrocession earned premiums	1	3	3	5
Net income from reinsurance sales	1	(14)	(13)	(77)
Acquisition and operational expenses	(18)	(15)	(35)	(34)
Other current operational income and expenses	(1)	(2)	(27)	(24)
CURRENT OPERATIONAL RESULT	**28**	**29**	**115**	**96**
Other operational income and expenses	0	0	(3)	0
OPERATIONAL RESULT	**28**	**29**	**112**	**96**

Gross written premiums by geographic area

In € millions	Life		Non-Life	
	At June 30, 2005	At June 30, 2004	At June 30, 2005	At June 30, 2004
Gross written premiums	**525**	**631**	**659**	**713**
Europe	283	276	376	409
North America	200	324	85	109
Asia and rest of the world	42	31	198	195

Shareholders' equity

In € millions	
Consolidated Shareholders' Equity - IFRS as at 01/01/2004	**589**
Net Income for the period	75
Currency translation	(74)
Other Paid In Capital	713
Revaluation reserves	12
Other variations	(4)
Oceane (Convertible bond)	15
Consolidated Shareholders' Equity - IFRS as at 31/12/2004	**1,326**
Consolidated Shareholders' Equity - IFRS as at 01/01/2005	**1,326**
Net Income	72
Capital increase	226
Distribution of dividends	(24)
Currency translation	83
Revaluation reserves	14
Other variations	8
Consolidated Shareholders' Equity - IFRS as at 31/06/2005	**1,705**

Consolidated off-balance sheet items

In € millions	At June 30, 2005	At June 30, 2004	At December 31, 2004
Commitments received	1,199	1,317	971
Unused credit lines	159	30	44
Endorsements and sureties	47	67	47
Letters of credit	993	1,220	867
Other commitments	0	0	13
Commitments given	2,809	2,942	2,687
Endorsements and sureties	65	91	47
Letters of credit	688	623	656
Collateralised securities	1,943	2,094	1,885
Other commitments	113	134	99
Securities received as collateral from reinsurers and retrocessionnaires	25	29	29

Consolidated statement of cash flow

In € millions	At June 30, 2005	At December 31, 2004
Operational Income	**72**	**75**
Capital gains/losses on investment sales	(9)	(42)
Change in writedowns and other provisions	9	55
Change in acquisition costs carried over	(19)	(20)
Net appropriations to technical reserves and financial liabilities	(714)	(379)
Change in fair value of financial instruments accounted for at market value by income (excl. cash and cash equivalents)	54	4
Other items not involving cash outlay included in operational income	(39)	40
Operating cash flow excl. working capital changes	**(645)**	**(267)**
Change in loans and receivables	125	39
Cash flows from other assets and liabilities	1	15
Net taxes paid	2	1
Net Operating Cash Flow	**(517)**	**(212)**
Consolidated acquisitions, net of cash acquired	0	(3)
Disposal of consolidated acquisitions, net of cash	0	13
Cash flows linked to change in scope	**0**	**10**
Sale of real estate investments	5	16
Sale of financial investments	531	0
Cash flows linked to sale and maturity of financial assets	**536**	**16**
Purchase of real estate investments	0	0
Purchase of financial investments	(127)	(531)
Cash flows linked to purchase of financial assets	**(127)**	**(531)**
Sale of tangible and intangible assets	0	0
Purchase of tangible and intangible assets	0	0
Cash flows linked to purchase and sale of tangible and intangible assets	**0**	**0**
Net cash flows from investing activities	**409**	**(505)**
Issuance of capital instruments	226	737
Reimbursement of capital instruments	0	(13)
Transactions in own shares	0	(10)
Dividends paid	(24)	0
Cash flows linked to transactions with shareholders	**202**	**714**
Cash generated by issuance of financial debt	0	156
Cash impacted by reimbursement of financial debt	(432)	(24)
Interest paid on financial debt	0	0
Cash flows linked to Group financing	**(432)**	**132**
Net cash flows from financing activities	**(230)**	**846**
	0	
Cash and cash equivalents as at January 1	**1,825**	**1,836**
Cash flows from operating activities	(517)	(212)
Cash flows from investing activities	409	(505)
Cash flows from financing activities	(230)	846
Foreign exchange variation impact on cash equivalents	125	(140)
Cash and cash equivalents at the end of the period	**1,612**	**1,825**

Notes to the financial statements

SIGNIFICANT EVENTS

Group net income for the first half of 2005 is EUR 72 million. The technical activity of the first half reflects the continuation of the trends observed since the end of 2003. In the first half of 2005, the group has significantly reduced its reserves in the United States through two commutations (one in Life reinsurance and one in Non-Life reinsurance).

In June 2005, SCOR acquired the minority interests of the Irish company Irish Reinsurance Partners Limited for EUR 183 million. On 22 June 2005, SCOR issued 149,500,000 shares for a net amount of EUR 226 million. This operation enabled the Group to refinance the acquisition of IRP's minority interests, as well as reinforcing Group financial solidity, particularly with a view to upgrading its financial rating.

On 1 August 2005, the Group's financial rating (from Standard & Poor's) was upgraded to "A- stable outlook". This rating confirms the solidity of the Group's financial foundations and its high level of solvency, and will enable the Group to implement a complete underwriting policy centred on profitability and risk selection.

In order to adapt the Group's structure to its level of business, the SCOR Group announced the launch of a Group reorganisation programme called "NewScor" in July 2005.

Turnover

Gross written premiums for the first half of 2005 were down 12% at variable exchange rates when compared to the same period in 2004. They were EUR 1,184 million versus EUR 1,344 at the end of June 2004.

Written premiums Life/ Non-Life

En € millions	June 30, 2005	June 30, 2004	Variation
Written Premiums Non-Life	659	713	-8%
Written Premium Life	525	631	-17%
Group Written Premiums	**1,184**	**1,344**	**-12%**

In Non-Life Reinsurance, the decrease of 8% is mainly due to the new Group underwriting policy, together with the rating downgrade. This business development was expected, especially in the wake of the rating downgrade, which occurred during the summer of 2003.

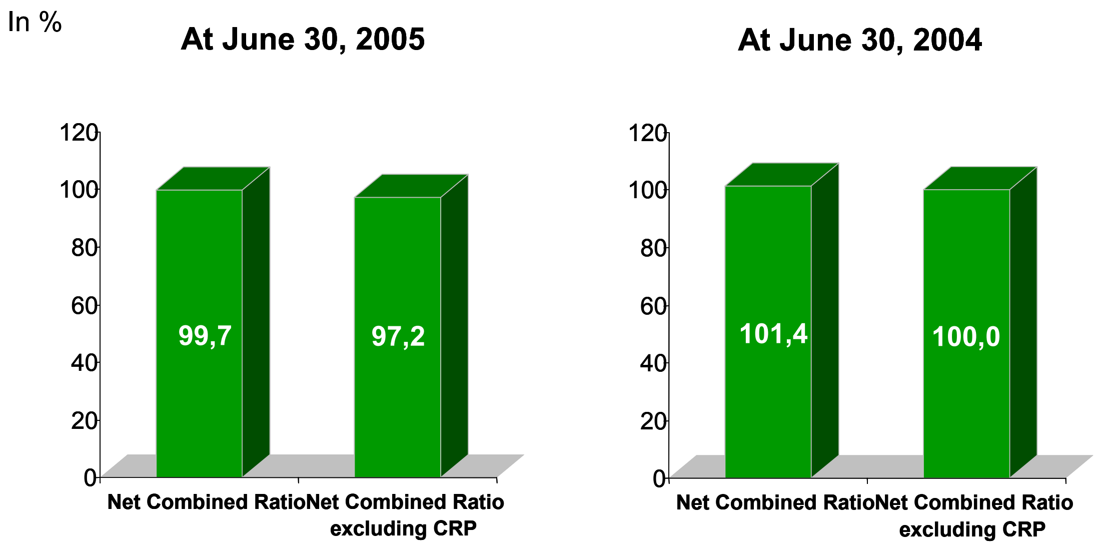
In Life Reinsurance, business was down 17%. This business segment represents 44% of the Group's overall business versus 47% at June 30, 2004. This decrease in new business results principally from the downgrade of Group's rating during the summer of 2003.

The geographical distribution of the Group's turnover at the end of June 2005 is as follows: Europe 54% (44% end June 2004), North America 38% (51% end June 2004), Asia and the rest of the world 8% (5% end June 2004).

Technical Result

The combined ratio "(claims + commissions + overheads) / premiums earned " in Non-Life Reinsurance was 99.7% at June 30, 2005 versus 101.4% for the same period of 2004. This ratio, which includes the storms Erwin / Gudrun and the deterioration of the Songda claim in the third quarter of 2004, shows the technical performance of recent underwriting years (2002 and after) notably in the Large Corporate Accounts sector.

Net combined ratio* Non-Life



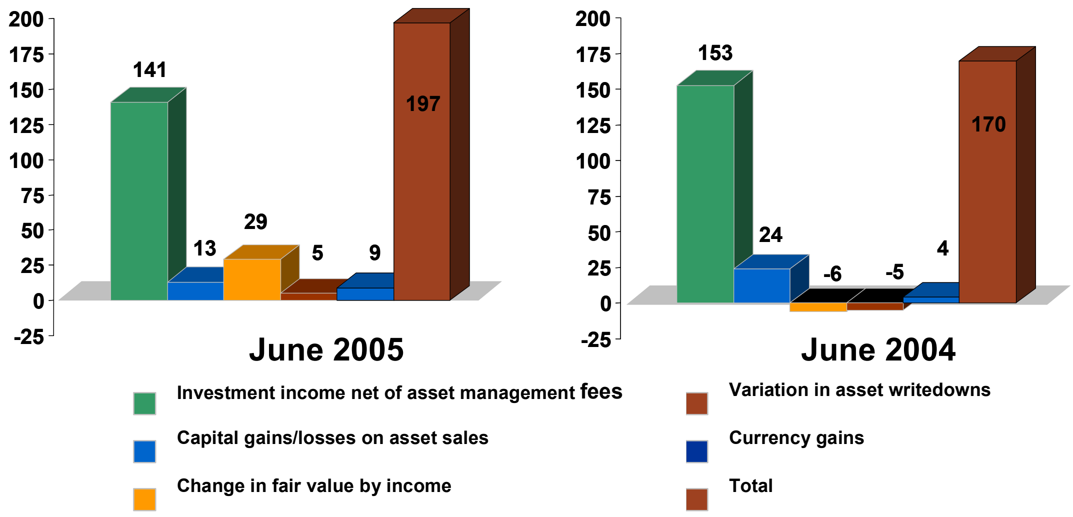
*** net of retrocession**

The net combined ratios as at June end 2004 and 2005 are based on estimates to ultimate loss of the technical reserves established by Group actuaries

Financial Results

Net investment income net of fees (excl. borrowing costs) for the first half of 2005 was EUR 197 million, versus EUR 170 million for the first half of 2004, an increase of 16%. This strong development is mainly due to positive developments in the financial markets.

EUR millions



Tax

The tax charge for the first half 2005 is EUR (38) million versus EUR (21) million at the end of June 2004.

Net income for the period

Group net income is EUR 72 million compared to EUR 61 million for the same period in 2004.

NOTE 1 – ACCOUNTING STANDARDS APPLIED

1. Presentation of applied standards and interpretations

The Group's financial information is prepared on the basis of IFRS and interpretations issued on 31 December 2004 and approved by the European Union, and on the options retained by SCOR in view of its anticipation of certain standards and interpretations that have not yet been issued or adopted, but which would be applicable at 31 December 2005.

The accounts are presented in accordance with the rules of presentation set out in recommendation CNC 99R01 under the general rules of the AMF. For the purposes of comparison, these accounts include comparative information relating to the financial year 2004 and the first half of 2004, restated according to the same rules.

As of 1 January 2004, SCOR has also applied IFRS 4, IAS 32 & 39. The accounting and calculation methods adopted in the intermediate accounts are identical to those used in the accounts established for the transition to IFRS.

For the 2004 annual accounts, details of the transition of accounts published under French accounting standards to accounts under IFRS were published in June 2005.

2. Accounting options for first-time adoption of IFRS

IFRS financial information is established in accordance with the provisions of IFRS 1 "First-Time Adoption of International Financial Reporting Standards". The impact of these restatements is recorded directly against equity. For this first financial year, SCOR has adopted the following additional options in accordance with IFRS 1 with regard to the retrospective accounting of assets and liabilities under IFRS.

2.1. Business combinations

SCOR has chosen not to restate business combinations prior to 1 January 2004, as permitted under IFRS 3. As permitted under IFRS 1, SCOR will not apply IAS 21 "The Effects of Changes in Foreign Exchange Rates" retrospectively to goodwill resulting from business combinations that occurred before the date of transition to IFRS. Consequently, goodwill remains in the functional currency of the acquiring entity.

2.2. Actuarial gains and losses on pension plans

SCOR has decided to adopt the option provided for in IFRS 1, involving recording unrecognised actuarial gains and losses against consolidated equity at 1 January 2004.

2.3. Translation differences

With regard to the conversion into euros of subsidiary accounts having a foreign functional currency, SCOR has transferred its exchange rate differences as at 1 January 2004 into consolidated reserves. The new IFRS value of exchange rate differences is therefore returned to zero at 1 January 2004. In the event of the subsequent sale of these subsidiaries, the sale profit will not include the recovery of exchange rate differences prior to 1 January, but will include exchange rate differences recorded after 1 January 2004.

2.4. Assessment of certain intangible / tangible assets at fair value

SCOR has chosen not to apply the option offered by IFRS 1, involving the assessment at 1 January 2004 of certain intangible and tangible assets at their fair value at that date.

2.5. Share-based compensation

SCOR has decided to apply the provisions of IFRS 2 solely to equity-based compensation granted after 7 November 2002, for which the rights acquisition date falls after 31 December 2003.

3. IFRS consolidation principles

3.1. Consolidation methods

All companies in which SCOR has a controlling interest, i.e. companies in which it has the power to direct financial and operational policy in order to obtain benefit from their operations, are fully consolidated.

Subsidiaries are consolidated from the moment the Group takes control of them until the date on which such control is transferred away from the Group. Where control of a subsidiary is lost, the consolidated financial statements for the year include profit and loss for the period during which SCOR held control.

The Group's involvement in affiliated companies is recorded in the accounts using the equity method. An affiliated company is an entity in which the Group exercises significant influence and which is neither a Group subsidiary nor a joint venture.

The Group has no holdings in joint ventures.

The Group controls in substance a separate legal structure ("ad hoc entities") that it consolidates even when there are no capital links. The following assessment criteria were used to determine the existence of control:

- the entity's business is conducted exclusively on behalf of the Group, in order that the Group may benefit from such business;
- the Group holds the decision-making and management power to obtain the maximum benefits relating to the entity's operational activities; this power may have been delegated via the implementation of a self-management system;
- the Group is able to benefit from a maximum of the entity's benefits;
- the Group retains the majority of the risks relating to the entity.

The Group also fully consolidates mutual funds that it holds as part of its business. These entities were not consolidated under French accounting standards due to the application of an exception to the regulations.

3.2. Harmonisation of accounting principles

The financial statements of subsidiaries are established for the same accounting period as the parent company. Consolidation adjustments may be made in order to harmonise all of the Group's accounting methods and principles.

All inter-group balances and transactions, including internal results resulting from inter-group transactions, are fully eliminated.

3.3. Conversion methods

The Group's consolidated financial statements are presented in euros (€).

3.3.1. Converting the financial statements of a foreign entity

Where the functional currency of Group entities does not match the currency used to present the Group's consolidated financial statements, the balance sheet is converted using the closing date exchange rate, and the income statement is posted using the average exchange rates for the period. Exchange rate differences are posted directly as equity in the "currency translation adjustment " section.

3.3.2. Foreign currency conversion

Transactions conducted in foreign currencies (currencies other than the functional currency) are converted into the functional currency at the exchange rate in force on the date of the transaction (for practical purposes, an average rate is used).
At each closing date, the entity must convert the foreign-currency elements on its balance sheet into the functional currency, using the following procedures:

- monetary items (particularly bond investments, accounts receivable and payable, technical insurance reserves) are converted at the closing date exchange rate and the resulting gains and losses are recorded in the profit and loss accounts,
- non-monetary items are converted:
  using the exchange rate in force on the transaction date if they are assessed at historical cost (particularly real estate investments) and,
- using the exchange rate in force at the date of fair value assessment if they are assessed at fair value (particularly equity investments).
  When a gain or loss on a non-monetary item is recorded directly in equity (e.g. shares available for sale), the exchange adjustment resulting from the conversion of the item is also directly recorded in equity. Conversely, when a gain or loss on a non-monetary item is recorded in profit and loss (e.g. shares at fair value by income), the exchange adjustment resulting from the conversion of this item is also recorded in profit and loss.
- Gains and losses resulting from the conversion of hedging on foreign net investments are recorded in equity until the withdrawal of the net investments, at which time they are recorded in profit and loss.

3.4. Goodwill and business combinations

Goodwill represents the excess of an acquisition cost over the fair value of the Group's share of the acquired company's net assets at the date of acquisition. Goodwill on fully consolidated subsidiaries is included in the intangible assets. Goodwill on companies accounted for by the equity method is included in the value of securities accounted for by the equity method.
Goodwill is recorded at its historical cost, minus any possible accumulated loss in value.
In order to establish possible losses in value, goodwill is allocated to each cash-generating unit (CGU). A cash-generating unit ("CGU") is defined as an entity with separate identifiable cash flows. Each CGU represents the Group's investment in each country in which it is active according to the primary segment information.
Each CGU to which goodwill is allocated should correspond as closely as possible to the level at which the group is monitoring the rate of return on its investment. A CGU should in any case be no larger than a primary or secondary level segment as defined for the needs of segment reporting as set out in IAS 14.
To assess the loss in value, a goodwill impairment test is carried out :

- each year on the same date for each cash-generating unit, but not necessarily at the closing date;
- more frequently if an unfavourable event occurs between the two annual tests;
- mandatorily before the completion of entity acquisition.

A loss in value is recorded where the net book value of the CGU, to which goodwill has been allocated, is higher than its recoverable amount. The recoverable amount is the highest amount between (1) the fair value net of sale costs and (2) the value in use (future discounted cash flow) of the unit.

If the assets of the CGU or of the unit included in the CGU group to which goodwill has been allocated are tested for impairment on the same date as the CGU including goodwill (or if loss in value is indicated for one of the assets), this test should be carried out before the goodwill impairment test.

4. Accounting principles

The financial information has been prepared in accordance with the historical cost agreement, with the exception of certain categories of assets and liabilities. The categories concerned are mentioned in the following notes. The consolidated IFRS financial information is presented in euros and all values are rounded off to the nearest million unless otherwise indicated.

Use of estimates

In order to prepare the financial information in accordance with generally accepted accounting principles, estimates and assumptions are made that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.
The Management reviews its estimates and assessments constantly, based on its past experience and on various other factors believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ significantly from these estimates under different assumptions or conditions arising at a later date.

4.1. Real estate assets

4.1.1. Classification of buildings:

All buildings currently held by the Group are investments. Some buildings are partially occupied by Group entities.

4.1.2. Accounting method

The buildings are recorded at historical amortised cost. Their value is broken down as follows:

- the non-amortised plot
- four technical components:
    i. the structure, or carcass, depreciated over a period of 30 to 80 years according to the construction type
    ii. external fittings, depreciated over a period of 30 years
    iii. technical fittings, depreciated over a period of 20 years
    iv. decor fixtures, depreciated over a period of 10 to 15 years according to type

Costs, rights and acquisition (or development) fees, are included in the value of the.
The relative weight of each technical component and its length of depreciation have been set down in a grid of components showing eight types of construction. This grid was established based on the Group's own experience and on grids made by professional authorities.

4.1.3. Measurement

Each building is subject to an in depth analysis at fair market value or "fair value" conducted by an independent expert every 5 years at year end. Its fair market value is reassessed by the same expert at the end of the each of the 4 subsequent financial years depending on changes that have occurred to its rental situation, works carried out and developments in the local real estate market.
Where the fair market value of a building appears to be lower than its net book value, a decrease in value is recorded as a loss equal to the difference between its going concern value and the net book value. The value of investment property as a going concern on a long term basis, principally based on the sum of estimated future cash flow and discounted on the basis of current market scenarios, is considered to be equivalent to their current fair market value plus acquisition costs and rights.

4.1.4. Leasing

Investment properties financed by financial rental contracts are posted in the accounts on the assets side based on the current value of leasing rents and of the option to buy. Once they have been recorded on the balance sheet, they are treated in the same way as other investment properties at historical amortised cost.

On the liabilities side, a corresponding debt is recorded under "financial expenses". It is amortised in accordance with the effective interest rate method.

4.1.5. Leasing

The SCOR Group sold its headquarters building in December 2003. The capital gains realised under local standards amounted to 44 million euros. By applying IAS 17, this capital gain has been maintained in the IFRS accounts. The IFRIC is drafting a recommendation on this subject. In the absence of this interpretation, the Group has opted to apply IAS 17 rather than IAS 18.

The Group will remain a tenant of this building until December 2012. The owner of the building has a bank guarantee corresponding to SCOR's rating. SCOR has pledged an asset amount of the same value with the bank that issued this guarantee.

4.1.6. Rental income

Rental income from investment property is recorded on a straight-line basis over the duration of rental contracts in force.

4.2. Financial investments

The Group classifies its financial assets in the following categories: available-for-sale assets, fair market value assets by income, loans and other debts and derivative instruments. There are currently no assets classified as assets held until maturity.

The sale and purchase of standard assets is posted in the accounts on the settlement date. Following their initial posting, assets are assessed according to the asset category to which they belong in accordance with the terms and conditions set out below:

Assets are derecognised when the related contractual rights on cash flow reach maturity or have been transferred, and when the Group has substantially transferred the risks and advantages inherent to ownership of the financial asset.

At each closing date, the Group assesses whether or not there is an objective indication of loss in value. The amount of loss in value is posted in the accounts by asset category, in accordance with the terms and conditions set out below.

For equity instruments listed on an active market, a drop in price of over 20% or a drop recorded over a period of more than six months is considered an objective indication of loss in value. For non-listed equity instruments, the fair value is established according to commonly used pricing techniques. For debt instruments, loans and debts, an objective indicator of a loss in value is notably one relating to a proven credit risk.

4.2.1. Available-for-sale assets

Available-for-sale assets combine non-derivative assets that are classified as being either available for sale or allocated to any other category.

Available-for-sale assets are posted at fair value. Unrealised profits and losses resulting from fair value fluctuations in non-hedged assets are posted directly as equity, with the exception of exchange rate

profits and losses on monetary assets which are posted in profit and loss for the share of exchange profits and losses applied at amortised cost, and in equity for the share of exchange profits and losses applied at fair value. Exchange profits and losses on non-monetary financial assets at fair value are posted as equity.
Where there is an objective indication of loss in value, the amount of the accumulated loss posted directly as equity is recognised in profit and loss. Losses in value may only be carried forward on debt instruments where the fair value rises during a subsequent financial year in relation to an event arising after the loss in value has been posted.
When the asset is sold, all the accumulated equity gains and losses are included in the investment sale capital gains or losses of the profit and loss account, minus the amounts previously posted in profit and loss.
Interest on debt instruments is calculated in accordance with the interest method in force, including the amortisement of premiums/reductions, and is posted in profit and loss. Dividends on equity instruments are posted in profit and loss once the Group's right to receive payment from them has been established.

4.2.2. Financial assets at fair value by income

This category comprises two classes of asset: assets held for transactional purposes and those designated at fair value by income on initial recognition.
Profits and losses arising from changes in the fair value of assets in this category are posted in income in the period during which they arise.
The principle financial assets assessed at fair value by income concern securities held in significant mutual funds, bonds convertible into shares, derivative products, investments representing Unit of Accumulation contracts and some shares.

4.2.3. Loans and receivables

This category comprises non-derivative assets where payment is fixed or fixable and which are not listed on an active market, with the exception of receivables resulting from reinsurance transactions.
These assets are posted at amortised cost using the effective interest rate method where this method has a significant impact compared to the nominal contractual rate method. Short-term loans and receivables are posted at cost.

4.3. Treasury shares

All treasury shares are deducted from equity, whatever the reason for their being held, and the related profit and loss is eliminated from the consolidated profit and loss accounts.

4.4. Financial liabilities

With the exception of debts resulting from reinsurance transactions, liabilities are classified as follows: financial debts, financial instrument liabilities or other debts.

4.4.1. Subordinated financial debts or debt securities

These items combine the various subordinated and non-subordinated bond loans issued by the Group.
These debts are posted at amortised cost using the effective interest rate method.
Loans including a derivative instrument have been stripped. The part relating to the equity component, which is established at the date of issue, is posted in equity. It is not subject to any further assessment.

4.4.2. Financial debts owed to the banking industry

This principally combines mortgage loans and BMTNs. After initial recognition, these debts are posted at amortised cost using the effective interest rate method where this method has a significant impact compared to the nominal contractual rate method.

4.5. Derivative and hedging instruments

Derivative instruments are recognised at fair value from inception and are assessed at fair value at each accounts closure.

The accounting method varies according to whether or not the derivative instrument is designated a hedging instrument, and the type of hedging varies according to the terms and conditions set out in note 4.5.2 below on hedging instruments.

Where the Group has not designated a derivative instrument as a hedging instrument, the profits and losses resulting from changes in the instrument's fair value are posted in profit and loss in the period during which they occur. In particular, the Group uses the following derivative instruments to reduce its exposure to the various kinds of risk to which it is exposed: rate swaps, futures and foreign currency sale instruments, cap and floor, buy and sell options.

4.5.1. Embedded derivative instruments

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract, which causes part of the hybrid instrument's cash flow to vary in the same way as that of a freestanding derivative.

The embedded derivate is separate from the host contract and is posted as a derivative where its economic features and risks are not closely linked to the economic features of the host contract, where the embedded instrument has the same conditions as a separate derivative instrument, and where the embedded instrument is not assessed at fair value through profit and loss.

Where an embedded derivative has been separated from its host contract, it is posted in accordance with the provisions relating to the posting of derivative financial instruments.

Where an embedded derivative represents a significant part of the instrument and cannot be separated from the host contract, the compound instrument is treated as an instrument held for trading. Profits and losses resulting from variations in the fair value of the compound instrument are posted in profit and loss in the period during which they occur.

The Group has not stripped the financial component in any way.

4.5.2. Hedging instruments

A hedging instrument is a designated derivative instrument or, in the case of a single foreign currency hedge, a non-derivative designated asset or liability where the fair value or cash flow offset variations in the fair value or cash flow of the hedged item.

The hedged item may be an asset, a liability, a firm underwriting, a highly probable scheduled transaction or a net investment in a foreign business that exposes the Group to fair value variation risk or future cash flow risk, and which is designated as being hedged.

The performance of hedges is monitored periodically in order to ensure, with regard to variations in the fair value or cash flow of the item, the degree of compensation attributable to hedged risk through variations in fair value or cash flow of the hedged instrument.

Hedges for net investments in a foreign business are recorded as follows:

- the proportion of profit or loss on the hedging instrument considered as the effective proportion of the hedge is recorded directly in equity;
- the ineffective proportion of the hedge is recorded in the income statement.

4.6. Accounting principles and methods specific to reinsurance transactions

4.6.1. Classification and posting of reinsurance contracts

The Group's retained and retrocession treaties are subject to different IFRS accounting rules depending on whether they fall under IFRS4 or IAS39.

Retained transactions in reinsurance and cession transactions in retrocession, involving a significant risk transfer, are posted in accordance with the IFRS4 accounting principles, i.e. according to the accounting principles in existence prior to the implementation of IFRS standards and currently used to establish the SCOR's consolidated French accounts, with the exception of equalisation reserves, as set out below.

Retained transactions in reinsurance and cessions in retrocession that do not transfer a significant risk are posted in the accounts in accordance with IAS39. This means on the one hand that premiums collected are no longer recognised as premium income, and on the other hand that technical reserves and carried forward acquisition costs appearing in the balance sheet assets or liabilities are reclassified as financial assets or liabilities via assimilation by a deposit under the sections “Financial contract liabilities” and “Financial contract assets” on the balance sheet. These deposits are assessed on the basis of accounting fluctuations and no longer on the basis of estimated maximum fluctuations as set out in the accounting principles for insurance transactions.

The premium income corresponding to this business is now equal to the margin attained by SCOR. The premium income established in this way for financial operations appears under the heading “Other operating income” in the profit and loss accounts.

4.6.2. French accounting principles applicable to contracts classified as “insurance” contracts and falling under IFRS 4.

Recording of ceding companies' accounts

Group reinsurance companies record accounts transmitted by ceding companies upon receipt. At year end closing most accounts received are incomplete and are subject to estimates by the Group companies. Under this method, the situation recorded in the financial statements reflects reinsurance commitments at closing date as closely as possible. This method involves the majority of contracts underwritten during the financial year, and even the previous year.

Recording of reinsurance estimates

Non-Life premiums recorded in the year correspond to the estimated premium anticipated at the time of writing of the contract. This is regularly reviewed in the course of the year to adjust for possible modifications in premiums paid under the contract. An unearned premium reserve is calculated, either pro rata temporis contract by contract, or using a statistical method when this yields a result close to that obtained via the contract-by-contract method.

The difference between the maximum expected loss based on earned premiums assessed in this way and the losses reported by cedants, is recorded as reserves for claims incurred but not yet settled on the liabilities side of the balance sheet.

For contracts classified as “insurance” contracts in Life Reinsurance, given the type of business written, valuations are obtained by estimating ceding companies' missing accounts in addition to information effectively received and booked. For the sake of consistency with the Non-Life sector, estimated claims are booked under claims reserves.

Claims reserves

Claims reserves must be sufficient to cover all of the Group's liabilities.

In Non-Life Reinsurance, SCOR is obliged to maintain its reserves at a level sufficient to cover the estimated amount of its retained commitments and adjustment expenses for declared and undeclared claims, at the end of each fiscal year (net of estimations of recovery and subrogation). These reserves, which pertain to all claims, whether reported or not yet reported, are calculated on the basis of their "ultimate" cost, with the exception of reserves for the industrial accident sector, which are actualised with an interest rate in the US and Bermuda. Claims expense is estimated at the contract's expiration in the light of statistical experience of similar contracts. Claims reserves including estimated claims paid are calculated in light of expected earnings and supplement the information communicated by ceding companies.

In Life reinsurance, the mathematical reserves recorded for life benefit communicated by ceding companies are completed by actuarial estimates based on statistical experience and information supplied by the underwriters.

Acquisition costs on reinsurance transactions
In Reinsurance, acquisition costs, chiefly comprising commissions, are recorded as assets on the balance sheet, to the extent that contracts are profitable. They are written down over the residual duration of Non-Life contracts, at the pace of recorded Life contract margins with regard to estimated future margins.

4.6.3. Equalisation reserves

IFRS accounting principles do not provide for the possibility of establishing reserves for risks on future contracts. Where such reserves exist in the local accounts of subsidiaries, they are eliminated from SCOR's consolidated accounts under IFRS.

4.6.4. Shadow accounting

According to IFRS accounting principles (see note 6.2 Financial investments), financial assets are valued at fair value. This means that recognised but unrealised capital gains or losses on portfolio securities are recorded in SCOR's accounts, whether in the profit and loss accounts or as an increase or decrease in capital equity, depending on the asset classification.
As permitted by IFRS 4, SCOR has elected to apply shadow accounting. Consequently, recognised but unrealised capital gains and losses on investments affect the valuation of technical assets and liabilities in the same way as realised capital gains and losses. The corresponding adjustment to insurance liabilities (or carried forward acquisition costs or intangible fixed assets) is recorded in equity when unrealised capital gains and losses are directly recorded in equity. Otherwise it is recorded in the income statement according to the same scheme in use for realised capital gains and losses. The principal technical items affected by these adjustments are:

- deferred acquisition costs, where amortisation occurs according to the technical and financial profits of treaties,
- technical reserves, where the capitalization rate use is directly dependent on asset performance

4.6.5. Embedded derivatives

IFRS 4 provides for the separation of embedded derivatives in insurance contracts, particularly when these hybrid contracts are not assessed at fair value by income, when the features of the embedded derivative are not closely linked to the features and risks of the host contract, and when the embedded derivative corresponds to the definition of a derivative instrument. Embedded derivatives corresponding to the definition of an insurance contract are not separated.

4.7. Pension obligations and related benefits

4.7.1. Pension obligations

The SCOR Group is involved in creating pensions for its staff, in accordance with the laws and practices of each country. Group staff in certain countries receive additional pension payments, paid as an

annuity or in capital on retirement. The main countries concerned are France, the United States and Germany.
The benefits granted to Group employees are either in the form of defined contribution or defined benefit plans. Defined contribution plans are those where an employer pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions. Because of this, only contributions paid or due as part of the financial year appear in the Group accounts. Defined benefit plans are those where a sum is paid to the employee on retirement, which usually depends on one or several factors such as age, number of years employed and salary.

Obligations recognised in the balance sheet as defined benefit plans correspond to the current value of the defined benefit obligations at the date of closure, minus, if necessary, the market value of any plan assets, both having been adjusted by actuarial gains and losses and unacknowledged past services. The current value of the obligation is calculated annually by independent actuaries using the projected unit credit method. It is established by updating future expected benefits on the basis of tier 1 corporate bond market rates in the same currency as the benefits to be paid, and for a similar duration to the underlying obligation.

Actuarial gains and losses arising from adjustments linked to experience and the effects of changes in actuarial assumptions, are recorded as equity.

Past service cost generated at the adoption or modification of a defined benefit plan is recognised as an expense on a straight-line basis over the average period until the benefits become vested. Insofar as benefit rights are acquired at the adoption of a plan or on its modification, past service cost is immediately recognised as an expense.

4.7.2. Other long-term benefits

In some countries, the SCOR group rewards employee length of service by granting them a lump sum after certain periods of service. The main country involved is France. For France, the current value of the obligation is calculated annually by an independent actuary using the projected unit credit method and is recognised in the Balance Sheet.

4.7.3. Termination Benefits

Employees may be entitled to termination benefits when the Group makes one or more members of staff redundant, or encourages voluntary redundancies. The Group posts these payments into the accounts when it is demonstrably committed by means of a detailed formal plan for the termination and is without realistic possibility of withdrawal. Benefits payable more than twelve months after the closing date are discounted.

4.7.4. Share-based payment and share options

The SCOR group grants its employees share subscription and purchase plans. The fair value of services received in exchange for the granting of options is recognised as an expense. The total amount acknowledged over the rights acquisition period is established by reference to the fair value of options granted, excluding conditions of attribution that are not linked to market conditions (e.g. ROE condition). These conditions are taken into account when determining the probable number of options to be acquired by the beneficiaries. At each closing the company reviews the estimated number of options to be acquired. The impact is then posted, as necessary, in the profit and loss accounts against equity for the remaining vesting period.
The Group also allocated shares to all of its employees in 2004. This allocation entails the posting of personnel expenses against an increase in equity capital over the vesting period.
The dilutive effect of outstanding options is reflected in the calculation of the diluted income per share.

4.8. Taxes

Deferred tax assets and liabilities are recognised using the balance sheet liability method of tax allocation for all temporary differences existing between the tax base values of assets and liabilities and their carrying value in the consolidated accounts.
Deferred tax liabilities are assessed for taxable temporary differences linked to involvement in subsidiaries and affiliated companies, unless the date on which the temporary difference is reversed can be controlled, and if it is likely that the temporary difference will not reverse in the foreseeable future.

Deferred tax on the restatement of capitalisation reserves is recorded without including the probability of asset disposal losses of securities subject to tax from these reserves.
Deferred tax assets are not recorded as regards deductible temporary differences linked to involvement in subsidiaries and affiliated companies, unless it is likely that the temporary difference will be reversed in the foreseeable future and if it is likely that there will be a taxable profit to which the temporary difference can be imputed.
The book value of deferred tax assets is reviewed at each closing date and reduced insofar as it is no longer probable that a sufficient taxable benefit will be available to enable all or part of these deferred tax assets to be used to advantage.
Deferred tax assets and liabilities are assessed at the tax rate to be applied for the financial year in which the asset will be realised or the liability settled, based on the tax rates (and tax regulations) which were adopted or partially adopted at the closing date.
Tax rates relating to items recorded directly as equity are recorded as equity not in the income statement.

5. Reserves for risks and charges

Reserves are recorded in the accounts when the Group has a current obligation (legal or implicit) resulting from a past event, when it is likely that resources representing economic benefits will need to be deployed to meet the obligation and when the amount of the obligation may be reliably estimated.

6. Principles for presentation of financial statements

6.1. Allocation of expenses by function

In accordance with the option offered by IAS, the Group has elected to show its expenses by function in the profit and loss accounts. This presentation provides information that is more relevant for readers than the classification of expenses by nature, but costs are allocated to different functions on the basis of applied costs, implying an element of judgement.

This method is identical to the presentation methods used for overheads in SCOR's consolidated accounts under French accounting standards. Operating expenses are divided into five categories: acquisition costs, claims settlement costs, administration costs, investment management costs and other technical expenses. These expenses are allocated to the categories set out above, company-by-company.

6.2. Segment information

The Group's business is divided into two separate sectors: Non-Life and Life. Previously, SCOR’s segment information was divided into three areas: Non-Life Reinsurance, Life & Accident Reinsurance and CRP. The legal structure has reflected these two sectors since 2003. Each sector offers different products and services, which are marketed via separate channels. Given their specific nature, these sectors constitute the primary level of segment information.

The Management assesses the performance of these segments and allocates resources to them in accordance with several performance indicators. The sum amounting from inter-segment transactions, particularly with regard to gross written premiums, is not significant.

NOTE 2 – FINANCIAL INSTRUMENTS

IFRS In € millions	As at June 30, 2005					As at December 31, 2004				
	Cost or amortized cost	Fair value	Unrealised capital gains	Unrealised capital losses	Net book value	Cost or amortized cost	Fair value	Unrealised capital gains	Unrealised capital losses	Net book value
Real Estate Investments	**327**	**390**	**63**	**0**	**327**	**319**	**381**	**62**	**0**	**319**
AFS	**5,515**	**5,635**	**155**	**-35**	**5,635**	**5,482**	**5,572**	**120**	**-30**	**5,572**
Bonds	5,125	5,227	132	-30	5,227	5,212	5,292	108	-28	5,292
Equities	375	393	23	-6	393	250	260	12	-2	260
Affiliates	15	15	0	0	15	20	20	0	0	20
Fair Value by Income	**734**	**786**	**60**	**-8**	**786**	**757**	**780**	**31**	**-8**	**780**
Bonds	457	483	26	-1	483	506	516	10	0	516
Equities	277	303	33	-7	303	251	264	21	-8	264
Loans and receivables	**1,300**	**1,300**	**0**	**0**	**1,300**	**1,421**	**1,421**	**0**	**0**	**1,421**
Derivative Instruments	**0**	**2**	**2**	**0**	**2**	**0**	**1**	**1**	**0**	**1**
- Derivatives (fair value by shareholders' equity)	0	2	2	0	2	0	1	1	0	1
- Derivatives (fair value by the P&L)	0	0	0	0	0	0	0	0	0	0
Insurance Activity Investments	**7,876**	**8,112**	**280**	**-43**	**8,050**	**7,979**	**8,156**	**214**	**-38**	**8,094**
Cash and cash equivalents	**1,612**	**1,612**	**0**	**0**	**1,612**	**1,825**	**1,825**	**0**	**0**	**1,825**

OUTLOOK

The SCOR Group is pursuing with great determination its selective underwriting policy that aims to restore its profitability and further strengthen its solvency. The redeployment of its book towards more profitable activities in the most promising markets is already well underway. The SCOR Group is taking advantage of satisfactory reinsurance market conditions, witnessed notably in the net combined ratios delivered during the first half of 2005.

All of the Group's businesses will benefit from the return to a better rating as of 1 August 2005.

AUDITORS' REPORT

This is a free translation into English of the original statutory auditors' report on the consolidated half-year financial information, signed and issued in the French language, and is provided solely for the convenience of English speaking readers.

Statutory Auditors' Report on the consolidated half-year financial information
(Art. L. 232-7 of the Code de commerce and 297-1 of the Decree of March 29, 1967)
Free translation of French language original document

To the shareholders,

In our capacity as statutory auditors of SCOR, and pursuant to the Article L. 232-7 of the Code de commerce, we have carried out:

- a limited review of the accompanying report on activity and results, presented in the form of consolidated half-year financial statements of SCOR for the period from January 1st, 2005 to June 30th, 2005;

- the verification of information given in the half-year report

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our limited review.

As part of the transition to IFRS as adopted in the European Union in respect of the preparation of consolidated financial statements for the financial year ended 31 December 2005, these consolidated half-year financial statements have been prepared for the first time, using the IFRS accounting and assessment rules which should be adopted in the European Union and applied by the company to prepare the consolidated financial statements for the financial year ended 31 December 2005, as described in Note 1 to the financial statements, and in the form of intermediate accounts as defined in presentation and information rules of the General Regulations of the Autorité des marchés financiers (French market authority). For the purposes of comparison, these intermediate accounts include comparative information relating to the financial year 2004 and the first half-year 2004, restated according to the same rules.

We conducted this limited review in accordance with the professional standards applicable in France; those standards require that we plan and perform the review to obtain moderate assurance, to a lesser extent than pursuant to an audit, that the consolidated half-year financial statements are free from material misstatement. Such a limited review does not include all of the verifications performed in an audit, but rather, is limited to implementing analytical procedures and to obtaining the information deemed necessary from the Group's management executives and any other relevant persons.

Based on our limited review, nothing has come to our attention giving cause to believe that the accompanying consolidated half-year financial statements are not in conformity, in all material respects, with the IFRS accounting and assessment rules which should be adopted in the European Union and applied by the company to prepare the consolidated financial statements for the financial year ended 31 December 2005, as described in Note 1 to the financial statements, and in the form of intermediate accounts as defined in presentation and information rules of the General Regulations of the Autorité des marchés financiers (French market authority).

Without qualifying our conclusion expressed above, we draw attention to:

- Paragraph 1 of explanatory Note 1 to the financial statements, which sets out the reasons why the comparative information to be presented in the first complete set of consolidated financial statements for the financial year ended 31 December 2005 and in the consolidated half-year financial statements at 30 June 2006 may differ from the information in the accompanying consolidated half-year financial statements;

- Paragraph 6 of explanatory Note 1, which sets out the option retained for presentation of the accompanying consolidated half-year financial statements, which do not include all the information required by with IFRS as adopted in the European Union, which would be necessary to provide, in accordance with these standards, a fair view of the assets, liabilities, financial position and results of the consolidated group of companies.

- Paragraphs 3.4 and 4.8 of explanatory Note 1, regarding goodwill and deferred tax assets assessments based on forecasts resulting from the three year strategic Moving Forward plan, and the "Significant events" Note, which sets out the upgrading, on August 1st, 2005, of the Group's financial rating to "A- stable outlook".

In addition, and in accordance with French professional standards, we have examined the fairness of the information contained in the consolidated half-year activity report accompanying the consolidated half-year financial statements submitted to our review.

Based on our review, we have nothing to report on the fairness of this information and its consistency with the consolidated half-year financial statements.

Paris La Défense, 1 September 2005

The Statutory Auditors

French company with an issue capital of EUR 763,096,713
Registered office: Immeuble SCOR – 1,avenue du Général de Gaulle,
92074 Paris La Défense cedex – France
Phone: 33 (0) 1 46 98 70 00 – **Fax**: 33 (0) 1 47 67 04 09
http://www.scor.com
R.S.C. Nanterre B 562 033 357