Press Release

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The SCOR group records a 75% increase in its net income at EUR 131 million

2005 Annual Results :

• **Gross written premiums: EUR 2,407 million** (-6% compared to 2004)
• **Operating result: EUR 242 million** (+22% compared to 2004)
• **Net income after tax: EUR 131 million** (+75% compared to 2004)
• **Shareholders' equity at 31 December 2005: EUR 1,719 million** (+29% compared to 31 December 2004)
• **Return on Weighted Average Equity (RoE) for 2005: 8.6%**

• **Proposed dividend of 0.05 EUR per share, subject to approval by the General Shareholders' Meeting**
• **Proposed regrouping of shares to exchange 1 new share for 10 old shares, subject to approval by the General Shareholders' Meeting**

• **Net income per share: EUR 0.148** (+59% compared to 2004)
• **Book value per share: EUR 1.792** (+9% compared to 2004)

Significant events in the financial year:

• **Combined ratio for Non-Life business of 102.8% excluding CRP** (106.5 % including CRP). **Impact of major natural catastrophes on the combined ratio for Non-Life business in 2005: 12 points.**
• **Technical costs net of retrocessions (including reconstitution premium) as regards the major natural catastrophes that occurred in 2005: EUR 168 million before tax; impact on net income after tax: EUR 116 million**

• **Margin on net earned premiums for Life reinsurance: 8.2%** (compared to 4.2% in 2004)

• **Investment income: EUR 460 million** (+33% compared to 2004)
• **RoI**: 4.3% in 2005 compared to 3.3% in 2004

The SCOR Board meeting of 21 March 2006, chaired by Denis Kessler, closed the accounts at 31 December 2005.

Consolidated net income for 2005 was EUR 131 million, up 75% compared to 2004. This result is particularly evident in the satisfactory level of profitability for recent underwriting years in Non-Life reinsurance, which favours a portfolio balanced between the various types of risk and geographic zones. In Life reinsurance, the result has benefited from a favourable financial environment.

1. SCOR's profitability level was satisfactory during a year marked by exceptional natural catastrophes

Gross written premiums for 2005 stood at EUR 2,407 million, down 6% at current exchange rates compared to those in 2004. At constant exchange rates, this decrease stands at 8%.

Operating income for 2005 stood at EUR 242 million, up 22% compared to 2004 (EUR 199 million). It was divided between a Non-Life operating income of EUR 159 million and a Life operating income of EUR 83 million.

Net income after tax for 2005 amounted to EUR 131 million compared to EUR 75 million in 2004, representing an increase of 75%. This demonstrates the solidity of the global technical income throughout a year marked by historic natural catastrophes. This result benefited from an increase in investment income due to a more active investment management policy and from the write-back of a provision for amortization of deferred tax assets for the Group in France, which became unnecessary given the restored profitability of the Group.

Group Shareholder's Equity amounted to EUR 1,719 million at 31 December 2005, compared to EUR 1,335 million at 31 December 2004, representing an increase of 29%. The increase in shareholders' equity is notably due to the incorporation of the 2005 results, along with the capital increase linked to IRP. Long-term capital, which includes shareholders' equity and the Group's long-term debts, amounted to EUR 2,472 million. RoE for 2005 amounted to 8.6%.

Group operating cash-flow for 2005 amounted to EUR –594 million. It stood at EUR +10 million excluding the effect of commutations carried out during the first half on the Non-Life and Vie American reinsurance portfolio, in the sum of EUR 604 million.

Net liabilities relating to contracts, which include technical reserves for insurance contracts as well as liabilities relating to financial contracts net of retrocessions, reached EUR 8,866 million at 31 December 2005, compared to EUR 9,020 million at 31 December 2004. This change of EUR -154 million (-2%) in the level of net liabilities relating to contracts is due to the commutations that took place in 2005 for the sum of EUR 604 million. Excluding these commutations, net liabilities relating to contracts were up by 5.3%.

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Group overheads amounted to EUR 200 million for 2005, representing an increase of 2% compared to 2004. Due for the most part to the decrease in premium volume, the 2005 cost ratio amounted to 8.3%, compared to 7.7% for 2004.

The **New SCOR** plan, announced on 10 June 2005, is a global plan designed to improve the Group's performance. It aims to achieve a cost ratio of around 5% by 2007.

In order to reduce costs, the Group conducted a Redundancy Plan in France in 2005, which was structured on a voluntary basis and which resulted in the departure of 101 people. Outside France, group staff numbers fell by 8.6% in 2005.

As part of the New SCOR plan, the Group has combined all of its Non-Life reinsurance activities within a single entity. This entity is designed to simplify the Group's organisation, to increase its operating performance, to optimise its worldwide commercial network and to help reduce costs. The entity will be 100% owned by SCOR S.A., following the example of the Life reinsurance subsidiary created in 2003.

Tax costs in 2005 amounted to EUR 54 million, compared to EUR 46 million in 2004. SCOR's return to sustainable profitability means that the Group was able to write back EUR 43 million from reserves for amortization of its deferred tax assets in France. In addition, the Group continues not to activate its tax credits related to the tax losses of its CRP and SCOR US subsidiaries.

2. Income by line of business

2.1. In **Non-Life reinsurance** (Property & Casualty, Large Corporate Accounts and Credit & Surety treaties), premium income reached EUR 1,383 millions in 2005, quasi-stable compared to 2004.

The combined ratio for Non-Life reinsurance business amounted to 106.5% for 2005 compared to 101.8% for 2004. The 2005 combined ratio includes:

- 90.8 points (compared to 96.6 points in 2004) corresponding to a considerable improvement in claims expenses excluding natural catastrophes.
- 12 points (compared to 3.3 points in 2004) corresponding to the net technical cost[1] of the major natural catastrophes[2] that took place in 2005.
- 3.7 points (compared to 1.9 points in 2004) due to the technical loss generated by CRP, a run-off subsidiary.

The technical cost of the major natural catastrophes that took place in 2005 is divided as follows: EUR 82 million for Hurricane Katrina, EUR 24 million for Hurricane Rita, EUR 24 million for Hurricane Wilma, EUR 22 million for storms Erwin and Gudrun in Northern Europe in January 2005 and EUR 16 million for the floods in Central Europe in August 2005.

[1] Net technical costs : estimated costs net of retrocessions including reconstitution premium, before tax
[2] A major natural catastrophe is defined by SCOR as an event with a net technical cost greater than EUR 10 million before tax

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Taking account of these exceptionally frequent and severe loss events, operating income for Non-Life reinsurance business was up by 4% to EUR 159 millions for 2005, compared to EUR 153 million for 2004.

2.2. Gross written premiums in **Life reinsurance** reached EUR 1,024 million in 2005, compared to EUR 1,165 million in 2004. This decrease is due to the 30% contraction of business in the United States, particularly the annuities business, which was penalised by A.M. Best's rating of the Group. In Europe, business was up by 3%. In Asia and the rest of the world, Life reinsurance business was up by 5%.

The operating result for Life reinsurance business reached EUR 83 million in 2005, compared to EUR 46 million in 2004, representing an increase of 80%. The high profitability level of Life reinsurance business was principally linked to the contribution made by investment income.

3. The contribution made by Group investment income to the net results has increased sharply

Investment income for 2005 amounted to EUR 460 million, compared to EUR 346 million in 2004, representing an increase of 33%. This development was mainly due to the asset allocation decision whilst increasing the relative proportion of share investments in a high growth potential market, which also meant that proceeds from capital gains were realised in the second half of 2005.

For 2005, investment income was distributed as follows: EUR 322 million in income from investments (compared to EUR 339 million in 2004), EUR 91 million in capital gains and losses from disposals net of depreciation (compared to EUR 20 million in 2004), EUR 8 million in exchange rate fluctuations (compared to EUR -13 million in 2004) and EUR 39 million in changes in fair value (compared to EUR -1 million in 2004).

At 31 December 2005, investments reached EUR 9,743 million, compared to EUR 10,034 million at 31 December 2004. This slight drop is due to the commutations carried out during the course of the year. At 31 December 2005, investments were divided between bonds (55.4%), cash and equivalents (17.1%), loans and receivables (14.1%), shares (10.1%) and real estate (3.3%).

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Denis Kessler, Chairman and Chief Executive Officer, said:

"Despite an environment marked by historic natural catastrophes, SCOR has seen its profitability level increase significantly. Net income at EUR 131 million is up 75%, and net income per share has increased by 59%. A dividend of 5 Euro centimes per share will be proposed at the General Meeting.

These results confirm the pertinence of the strategic choices made three years ago, notably the decision to follow a prudent and diverse underwriting policy centred on the markets and lines of business which the Group knows well. 2005 demonstrated the balance achieved between Life and Non-Life reinsurance, as well as the reorientation of our business towards Europe and Asia.

The SCOR group is progressively achieving the objectives it set as part of the Moving Forward Plan, and is proving that its equity capital is fully commensurate with its underwritings, as its reserves are to its commitments. It is demonstrating its capacity to create value in a context of heightened competitiveness and increased loss occurrence.

Consolidated key figures under IFRS

In EUR millions (at current exchange rates)	31 December 2004	31 December 2005	Change
Gross written premiums	2,561	2,407	-6%
Net earned premiums	2,542	2,237	-12%
Operating income	199	242	+22%
Net income after tax	75	131	+75%

In EUR millions (at current exchange rates)	31 December 2004	31 December 2005	Change
Net liabilities relating to contracts	9,020	8,866	-2%
Investments	10,034	9,743	-3%
Shareholders' equity	1,335	1,719	+29%

In EUR	31 December 2004	31 December 2005	Change
Net earning per share (1)	0.093	0.148	+59%
Book value per share (2)	1.648	1.792	+9%
Share yield (3)	2.3%	3.0%	+30%

(1) Net income per share: calculated pro rata of the number of shares in circulation over the year
(2) Book value per share is calculated as at 31 December based on the number of shares in circulation on this date
(3) (Dividend paid in year 2) / (average price at closing in year 1)

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2006 Asia Renewals	13 April 2006
2006 1st quarter Results and General Meeting	16 May 2006
2006 1st half Results	30 August 2006
2006 3rd quarter Results	8 November 2006

Certain statements contained herein are forward-looking. These statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could." These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause SCOR's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others: the impact of future investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transaction; cyclicality of the reinsurance industry; changes in general economic conditions, particularly in our core markets; uncertainties in estimating reserves; the performance of financial markets; expected changes in our investment results as a result of the changed composition of our investment assets or changes in our investment policy; the frequency, severity and development of insured claim events; acts of terrorism and acts of war; mortality and morbidity experience; policy renewal and lapse rates; changes in rating agency policies or practices; the lowering or withdrawal of one or more of the financial strength or credit ratings of one or more of our subsidiaries; changes in levels of interest rates; political risks in the countries in which we operate or in which we insure risks; extraordinary events affecting our clients, such as bankruptcies and liquidations; risks associated with implementing our business strategies; changes in currency exchange rates; changes in laws and regulations, including changes in accounting standards and taxation requirements; and changes in competitive pressures.

These factors are not exhaustive. Additional information regarding risks and uncertainties is set forth in the current annual report of the company. We operate in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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