

# Strong Momentum: SCOR's strategic plan for the period 2010-2013

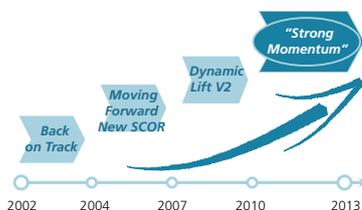


**Denis KESSLER**  
Chairman & Chief Executive Officer of SCOR

## Dear Shareholder,

I am pleased to present "Strong Momentum", SCOR's strategic plan for the period 2010-2013. Since 2002, SCOR has drawn up and implemented several strategic plans adopted by its Board of Directors: "Back on Track", "Moving Forward" and "Dynamic Lift V2" (Chart 1). During its meeting of 28 July 2010, the Board of Directors approved, acting on the proposal of the management team, the new strategic plan covering the period 2010-2013: "Strong Momentum". It was disclosed at our Investors' Day in Paris on 8 September 2010.

**Chart 1 - Strong track record of strategic plan execution paves the way for "Strong Momentum"**



**Chart 2 - Significant top line growth between 2007 and 2009, mainly organically**



## 1. The "Dynamic Lift V2" plan has been a success

The objectives set in the previous strategic plan, "Dynamic Lift V2", have been successfully achieved, namely, to secure a return of equity of 900 bps above risk-free rate over the cycle, to provide an "A+" level of security to our clients, to self-finance the development of the Group over the plan, and, last but not least, to return excess capital to shareholders through various means.

The successful integration of Revios and Converium, along with the achievement of the "Dynamic Lift V2" targets, are all the more satisfying in that these projects were launched before the start of an economic and financial crisis. SCOR has demonstrated its capacity to absorb shocks whilst continuing to develop. The company actually emerged from this crisis even stronger: since 2007, the Group's premium income has increased by an annual average of 4.4% (Chart 2), its financial strength rating has risen from A- to A, its shareholders' equity has increased from EUR 3.6 billion to EUR 4.2 billion (Chart 3) and its financial leverage ratio has fallen from 18 to 11%.

Over the past few years SCOR has also insisted on maintaining a policy of high shareholder remuneration, with EUR 466 million in accumulated dividends paid out since 2007. As set out in the "Dynamic Lift V2" plan, the dividends paid have always exceeded 35% of distributable profit, reaching 48% for the 2009 financial year. SCOR is thus, among its principal peers, the reinsurer with the highest rate of total shareholder return since 2005 (Chart 4).

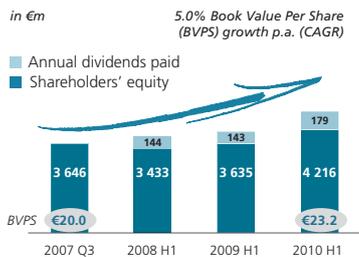
## 2. "Strong Momentum": a new ambition for the Group

Today, thanks to these results and to the strengths of the Group, we are in a position to develop "Strong Momentum". In the light of the Group's market position and franchise, market & economic perspectives and the evolution of the reinsurance industry, **SCOR's strategic choices for "Strong Momentum" are to:**

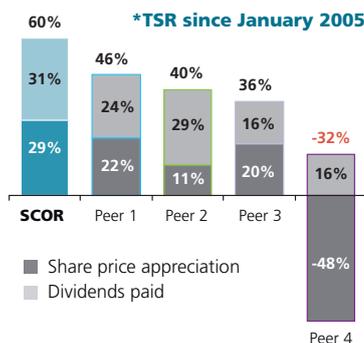
- affirm the twin-engine business strategy to expand both Life & P&C reinsurance (Chart 5);
- develop today's highly diversified Life and P&C portfolios and fundamentally maintain the existing geographic and product line structures;
- pursue underwriting of risks in areas where we have strong expertise and know-how, where we enjoy carrying such risks;
- deepen current strong franchise and strengthen long-term client relationships;
- expand SCOR's value proposition with innovative products and services in order to meet emerging clients' needs in selected fields;
- confirm asset management as a key value contributor, based on a clearly defined strategic asset allocation (Chart 6).

SCOR has set these strategic orientations for the years 2010-2013 whilst rigorously maintaining the four cornerstones of its business model: the development of the franchise, a moderate risk appetite, significant geographic and business diversification and very strict capital management.

### Chart 3 - Strong shareholders' equity growth and dividend payment throughout the crisis

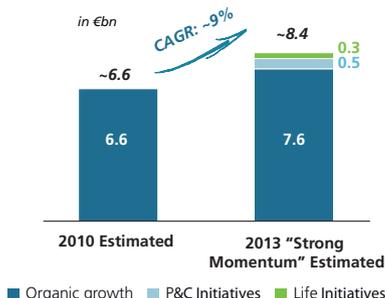


### Chart 4 - SCOR delivers a high relative TSR\*



\* TSR : Total Shareholder Return (share price appreciation + dividends paid)

### Chart 5 - SCOR group total estimated business growth



### 3. "Strong Momentum": three main objectives

We are certainly still confronted with a great number of uncertainties over the coming years, whether in terms of economic growth, inflation levels, interest and exchange rates, the evolution of the insurance markets or the regulatory and tax environment.

Our proven capacity to absorb shocks, along with SCOR's current competitive position, enable us to moderately increase our risk appetite for 2010-2013 and to envisage further improvement in terms of both profitability and solvency. "Strong Momentum" has thus set three main objectives:

- the optimisation of our risk profile;
- an "AA" level of financial security provided to our clients;
- profitability of 1000 basis points above the risk-free rate over the cycle.

The global culture and quality of SCOR's strong Enterprise Risk Management (ERM), which are particularly recognised, are key components for the execution of the "Strong Momentum" plan, enabling us to optimise the Group's risk profile.

With an organisational structure that is now geographically multi-centred on its six hubs (Cologne, London, New York, Paris, Singapore and Zurich) and the regrouping of most of its operating activities into three entities, namely SCOR Global P&C SE, SCOR Global Life SE and SCOR Global Investments SE, the Group has created the means by which to organise its development within the framework of an extremely rigorous cost control policy.

SCOR firmly believes that the expertise of its teams, the regular expansion of its client base, its geographic and operational diversification, the quality of its risk management and the strengthening of its solvency will optimise value creation for its shareholders.

This is, moreover, why we are very committed to continue an active shareholder remuneration policy. Subject to General Shareholders' Meeting approval, SCOR's Board of Directors aims to maintain a minimum dividend payout of 35% over the cycle, while delivering a low volatility in the dividend per share (DPS) year over year.

Our shareholder remuneration policy, combined with the increase of the Group's profitability objective from 900 to 1000 basis points above the risk-free rate over the cycle as part of the "Strong Momentum" plan (Chart 7), should maintain SCOR's performance at the highest level within the industry in terms of shareholder return.

I thank you for your loyalty.

Yours faithfully

Denis Kessler  
Chairman & Chief Executive Officer

The details of SCOR's strategic "Strong Momentum" plan for the years 2010-2013 are available on the Group's new website, which is designed to provide you with an efficient and comprehensive information service on a daily basis.

### Chart 6 - "Strong Momentum": Strategic Asset Allocation

	"Strong Momentum" Strategic Asset Allocation		
	H1 2010	Min	Max
Cash & short-term investments	10%	5.0%	10.0%
Government bonds & assimilated	40%	25.0%	30.0%
Covered bonds & Agency MBS	7%	7.5%	12.5%
Corporate bonds	22%	22.5%	27.5%
Structured & securitized products	8%	7.5%	12.5%
Equities	7%	7.5%	12.5%
Real estate	3%	7.5%	12.5%
Alternative investments	3%	2.5%	7.5%

### Chart 7 - "Strong Momentum": main indicators

Targets	
ROE above RFR over the cycle	1 000 bps
Security level provided to clients	AA
Key profitability drivers	"Strong Momentum" 2010-2013 assumptions
GWP Growth	~9%
Non-Life combined ratio	~95-96%
Life operating margin	>~7.5%
Investment yield	~3.7%
Group cost ratio	~5%
Pre-tax fee income (in €m)	~15
Tax rate	~22%

### SHAREHOLDER CONTACTS

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### Forthcoming events:

5 November 2010:  
Third Quarter Results 2010  
8 March 2011:  
FY results 2010