# SCOR: achieving a “Dynamic Lift”

# Creating a Top 5 global multi-line reinsurer

Dynamic Lift – version 2

September 3, 2007

SCOR

# Disclaimer

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 paragraph, should not be held as corresponding to such profit forecasts. Information in this communication relating to the Tender Offer 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.

Please refer to SCOR’s document de référence filed with the AMF on April 10, 2007 under number D.07-0294 for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR group.

# Dynamic Lift – version 2

**This document is the version 2 of the Dynamic Lift 2007-2010 strategic plan designed to show how the SCOR Group, resulting from the combination of SCOR and Converium, will develop in the next 3 years. It has been the basis for defining the 2008 underwriting plan. The figures and data presented in this document are only indicative estimates given as illustration of the consistency of the strategy of the Group. The figures constitute neither a commitment of SCOR, nor an indication or a forecast of results.**

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# Executive summary

| | Dynamic Lift Version 2 2007-2010 | *Dynamic Lift Version 1 2007-2010* |
|---|---|---|
| **Average rate of GWP growth[3]:** | **6.6% p.a.** | *~7% p.a.* |
| **- P&C treaties** | **2.8% p.a.** | *~3% p.a.* |
| **- P&C specialty** | **8.6% p.a.** | *~12% p.a.* |
| **- Life** | **8.2% p.a.** | *~8% p.a.* |
| **Non Life Combined Ratio** | **97.5%** | *~97%* |
| **Life Operating Margin** | **6.8%** | *~6.8%* |
| **Group Cost Ratio** | **4.6%** | *~4.5%* |
| **Targeted Return On Investment** | **5.5%** | *~5%* |
| **Dividend Pay-Out Ratio[2]** | **~35%** | *~35%* |
| **Portfolio Diversification Effect** | **~22%** | *~22%* |
| **Targeted Level of Security** | **A+[1]** | *A+[1]* |
| **Targeted ROE** | **900 bps above the risk free rate over the cycle** | *900 bps above the risk free rate over the cycle* |

*(1) Based on the proposed revised S&P model as published in November 2006*
*(2) By convention Dynamic Lift version 2 is based on the assumption of a 35% dividend pay-out ratio subject to the annual Board of Directors decision*
*(3) Endogenous growth at constant perimeter*

SCOR is delivering on its strategy

Dynamic Lift: reaching the upper level

Dynamic Lift: providing a consistent framework

Dynamic Lift: pursuing a profitable 3-year plan

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# SCOR has continuously delivered on its strategy

**"The SCOR Group's strategy is to be a medium-sized reinsurance company, with worldwide operations, practicing selectively in all the different branches of reinsurance, with an underwriting policy focused on profitability, developing value-added services, complying with a prudent investment policy, in order to offer its customer the level of security that they expect of it." – June 2003**

**Nov. 2002 – mid 2004**
***Back on Track***

**mid 2004 – mid 2007**
***Moving Forward***
***New SCOR***

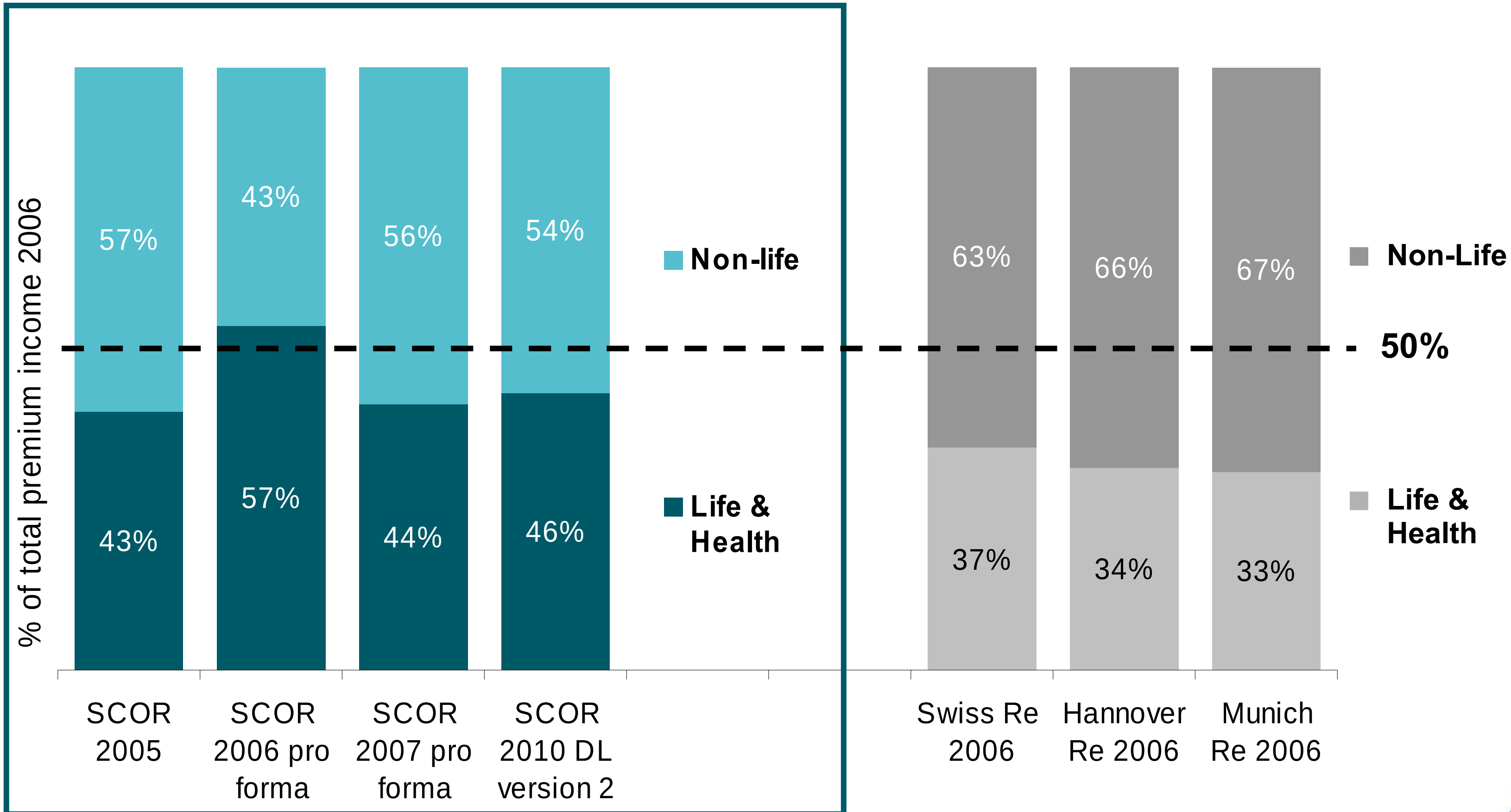
**mid 2007 – mid 2010**
***Dynamic Lift***

# SCOR "Moving Forward" plan targets reached

| | SCOR |
|---|---|
| Deepen client franchise in Life and Non-Life | ✓ |
| Improve underwriting profitability | ✓ |
| Reinforce/strong capital base | ✓ |
| Confirm reserve adequacy | ✓ |
| Intensify risk control & efficient ERM organization | ✓ |
| Increase financial flexibility | ✓ |
| Complete disposal of legacy issues | ✓ |
| Improve Return on Investments | ✓ |
| Reestablish an "A" level of security to our clients | ✓ |

# A “Twin Engine” strategy

**A source of sound and optimal diversification that improves the stability and resilience of the Group**

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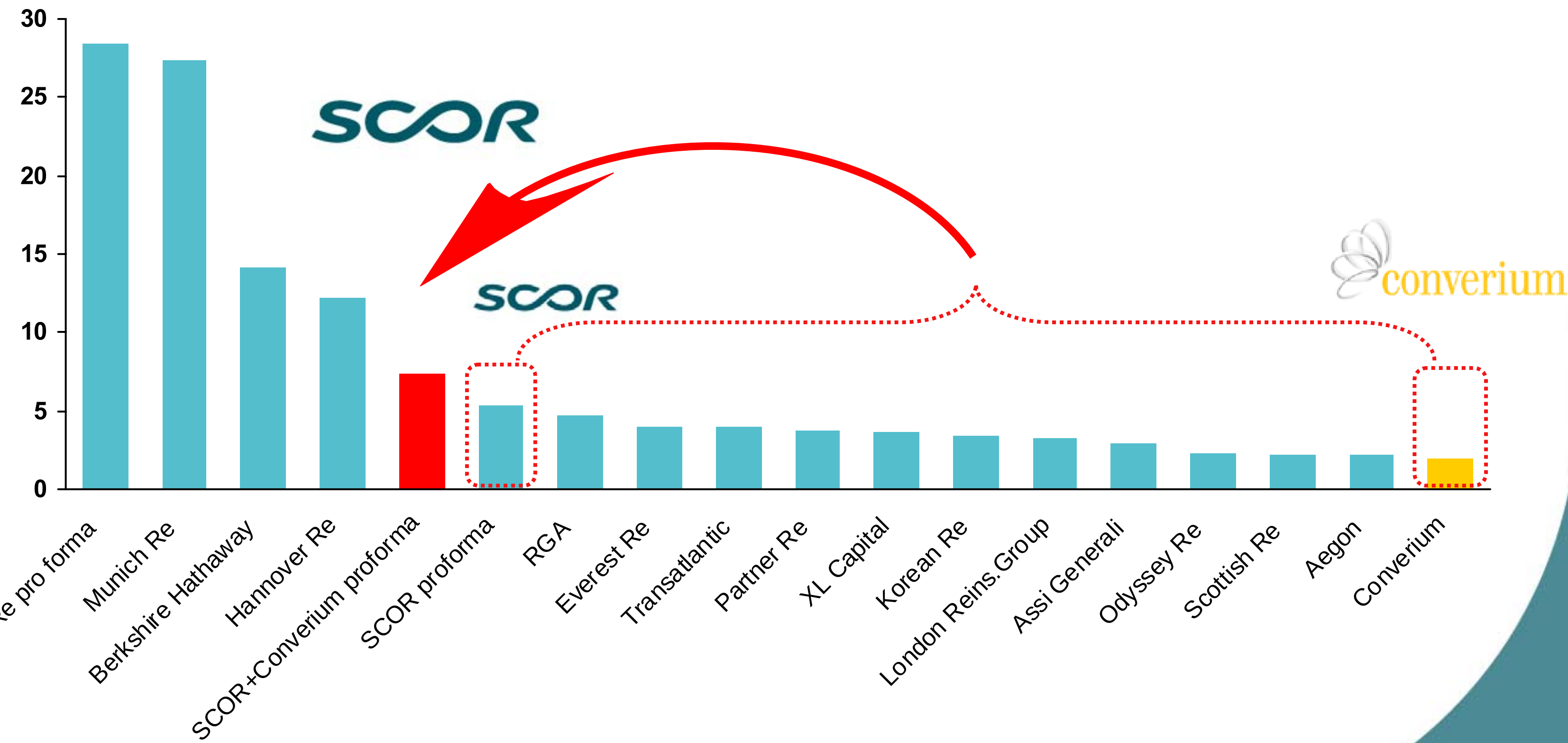
# SCOR and Converium: reaching the upper level

**A logical combination to provide a top-choice risk carrier**

## Top Global Reinsurers

2006 NWP, in USD billion




*Source: AM Best, Figure for SCOR corrected in order to fully include pro-forma Revios*
*Rankings excluding Lloyd's*

# SCOR and Converium: reaching the upper level

**A compelling business rationale**

- Creation of a top 5 global reinsurer, one of the top choices for clients in key markets
- Combining leading life and non life market positions with very limited overlap
- With a stronger ability to efficiently manage the cycle thanks to a wider business spectrum
- Positioned to extract maximum diversification benefits from regulators and rating agencies
- Capitalising on recognised pools of talent from both organisations

**A clear strategic vision**

- Acceleration of SCOR's successful strategy over the last three years
- Capital-driven risk carrier and price maker with European roots and global reach
- Achieving critical size globally
- A timely acquisition following the withdrawal of Converium from the US market
- An efficiently executed acquisition finalized in time for the 2008 renewals

**Increased profitability, reduced volatility**

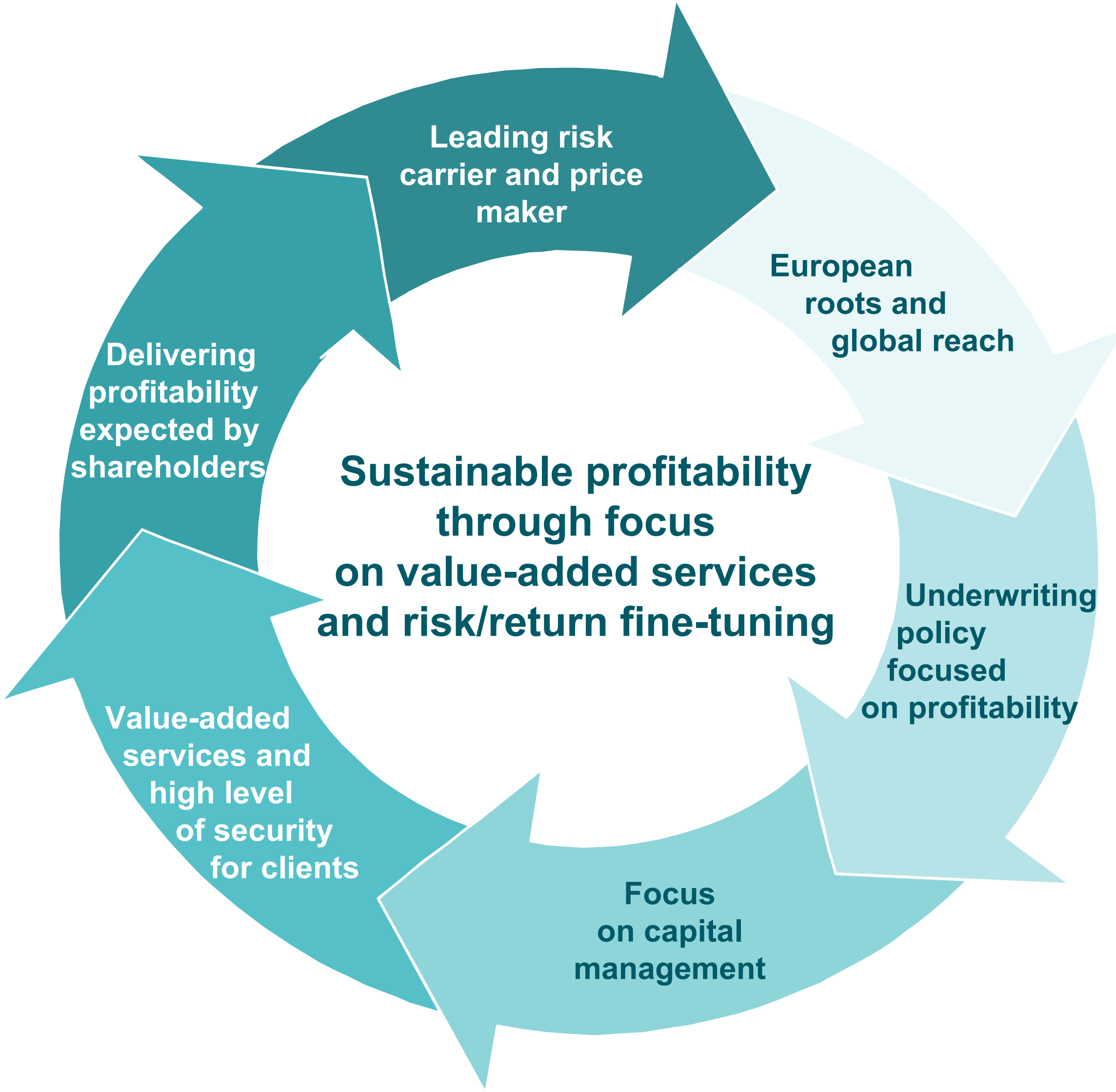
- EUR 68 million of estimated annual pre-tax cost synergies from 2009 onwards
- Additional synergy potential not taken into account such as tax, retrocession or funding costs
- Benefits from improved pricing power and leveraging of best practices and cross-fertilization
- Clear targets: A+ level of security by 2010, ROE of 900bps above r.f.r. (1) over the cycle
- Enhanced level of recurring profitability coupled with reduced risk profile
- Double digit EPS accretion expected over the period based on Dynamic Lift assumptions

**Executing according to plan**

- Execution risk significantly reduced thanks to friendly agreement and Board recommendation
- All regulatory approvals cleared
- Large success of the Public Offer: 96.32% of Converium obtained at the end of the Offer
- Integration process well under way on all levels
- A common underwriting strategy and a clear dedicated organization already in place

*(1) Risk free rate*

# SCOR + Converium: accelerating a proven strategy



# SCOR + Converium: a strategic boost

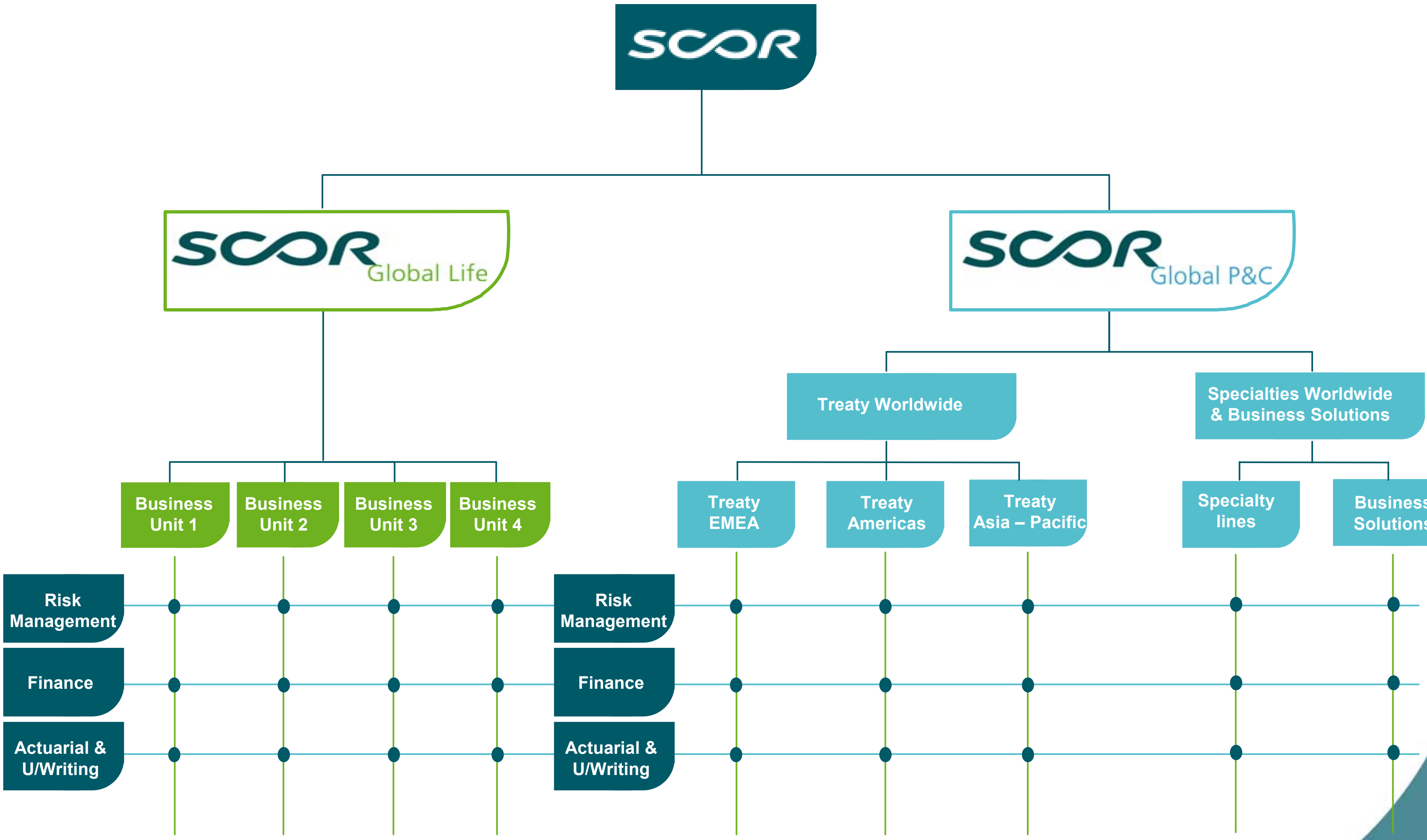
| SCOR + Converium converging strategies | Accelerating a successful strategy and setting new ambitions |
|---|---|
| To be a leading risk carrier and price maker... | • Achieving adequate critical mass for the expanding risk environment<br>• Securing market positions and building on the new Group franchise<br>• Offering a top-choice for clients in key markets |
| …with European roots and a global reach… | • Founding a Group based on a high-performance European network<br>• Expanding diversification throughout high-growth emerging markets and Specialty lines<br>• Extracting maximum benefit from Solvency II through diversification |
| …with an underwriting policy focused on profitability… | • Pursuing a common underwriting policy founded on rigour and selectiveness<br>• Sticking to strict adherence to technical profitability requirements<br>• Managing risk exposure of the new Group |

# SCOR + Converium: a strategic boost

| **SCOR + Converium converging strategies** | **Accelerating a successful strategy and setting new ambitions** |
| --- | --- |
| **…with a focus on capital management…** | Ensuring a capital-driven Group<br>Increasing capital mobility across the Group<br>Pursuing a pro-active cycle management<br>Implementing a state-of-the-art Enterprise Risk Management<br>Leveraging optimal use of retrocession and other instruments |
| **…offering clients value-added services and the necessary level of security…** | Targeting to offer an A+(*) level of security to our clients by 2010<br>Creating a diverse talent pool mobilizing expertise in today's risk environment<br>Focusing on innovation and tailor-made solutions for clients<br>Mobilizing cutting-edge expertise in Specialty Lines worldwide |
| **…delivering to shareholders the level of profitability that they expect** | Valuable franchises in increasing number of markets<br>Increasing the ROE target across the cycle<br>Achieving EPS accretion |

** Based on the proposed revised S&P scale as published in November 2006*

# A strong organization with European roots already in place



# Underwriting organisation of SCOR Global Life

SCOR Global Life

***Uwe Eymer***

| Business Unit 1 Paris *Gilles Meyer* | Business Unit 2 Cologne *Norbert Pyhel* | Business Unit 3 Dallas *Yves Corcos* | Business Unit 4 London *Simon Pearson* |
|---|---|---|---|
| France<br>Italy<br>Belgium<br>Netherlands<br>Spain<br>Portugal<br>Greece<br>Canada<br>Latin America<br>Asia | Germany<br>Switzerland<br>Austria<br>Sweden<br>Scandinavia<br>Eastern Europe<br>Israel<br>Turkey<br>Australia<br>New Zealand<br>Middle East<br>South Africa | USA | United-Kingdom<br>Ireland |

- **The SCOR Global Life structure and functioning has been in place since the acquisition of Revios in November 2006**
- **The Converium life business has been merged into the SCOR Global Life structure, both the underwriting as well as the administrative functions**

*Entities impacted by the acquisition of Converium*

# Underwriting Organisation of SCOR Global P&C

SCOR Global P&C

***Victor Peignet***

## Treaty Worldwide
*Yvan Besnard*

### Treaty EMEA
*Umberto Gavazzi*

- Europe
- Middle East
- Africa

### Treaty Americas
*Henry Klecan**

- Canada
- USA
- Caribbean
- Central and South America

### Treaty Asia – Pacific
*Patrick Aeschbacher*

- Asia
- India
- Pakistan
- Australia
- New Zealand

## Specialties Worldwide & Business Solutions
*Benjamin Gentsch*

### Specialty Lines
*Benjamin Gentsch*

- Credit & Surety
- Inherent Defect Insurance
- Agriculture
- Aviation
- Space
- Marine
- Engineering
- Contingency
- London JVs

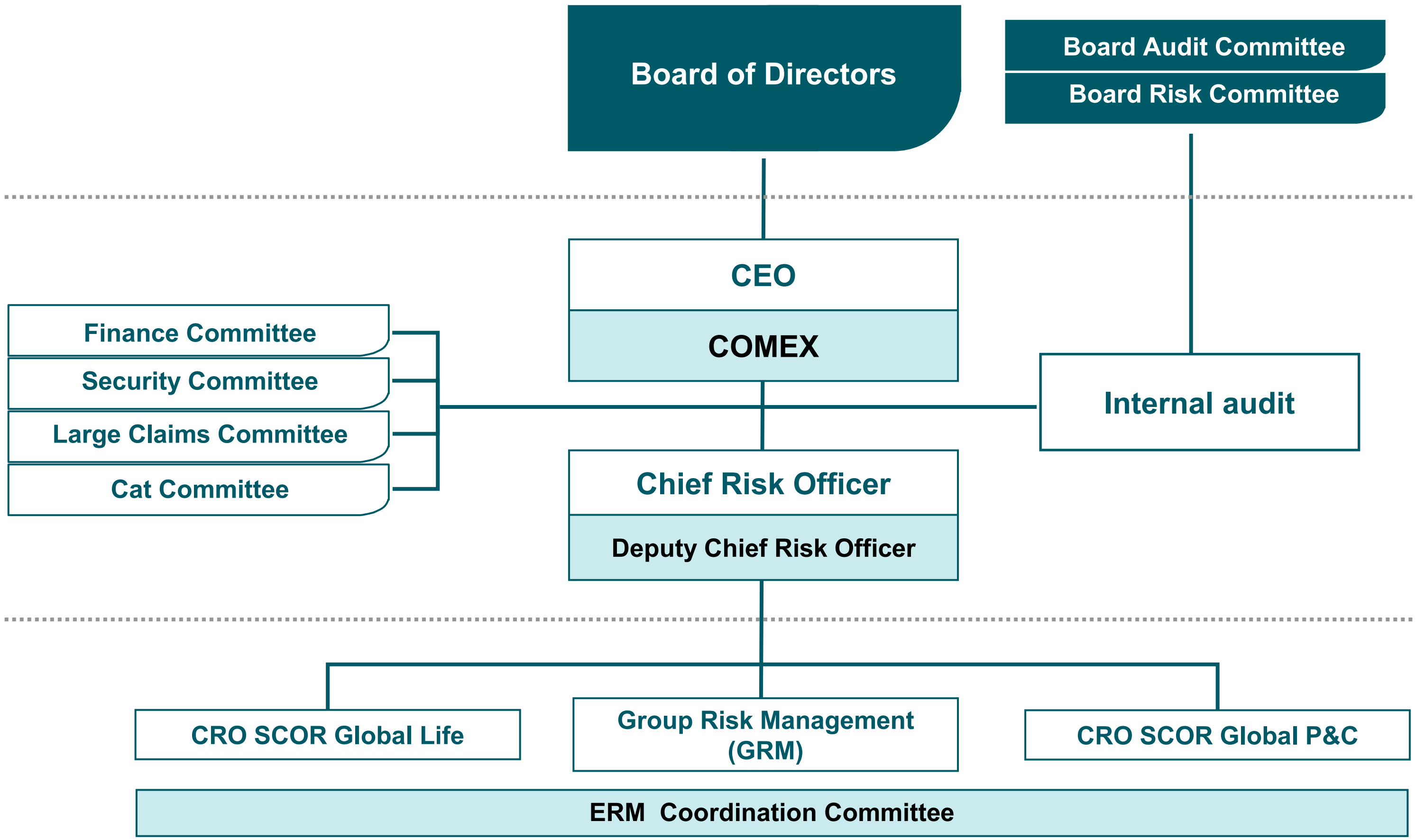
### Business Solutions
*Emmanuel Fierens*

- Natural Resources
- Industrial & Commercial Risks
- Alternative Risk Financing
- Cedant Facultative Services

*(*) Henry Klecan is CEO of SCOR Americas and is acting chief underwriting officer*

# A strong in-house integrated ERM organisation

## The overall SCOR ERM Organisation:




*COMEX : Executive Board Committee*

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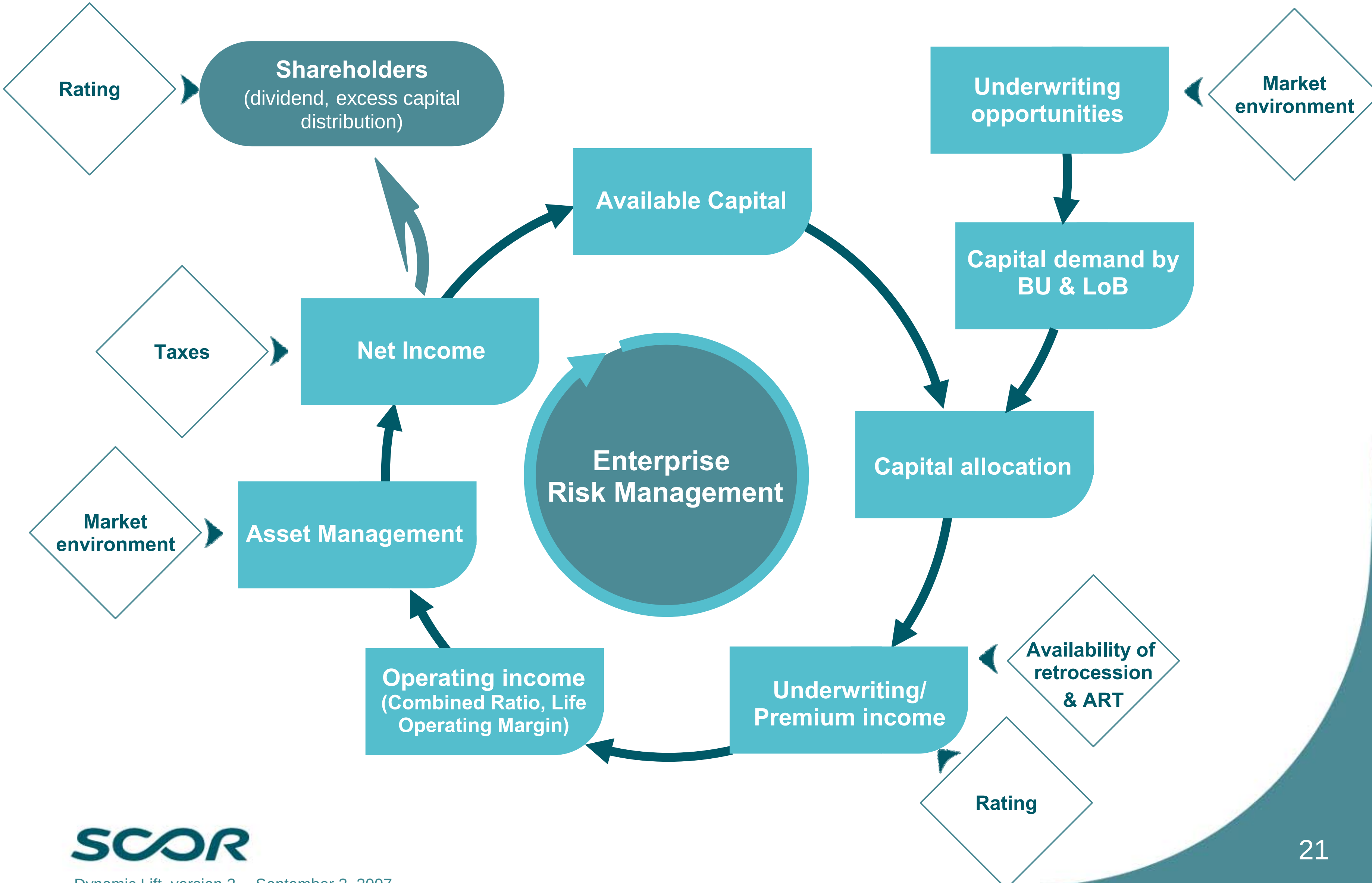
Dynamic Lift: reaching the upper level

**Dynamic Lift: providing a consistent framework**

Dynamic Lift: pursuing a profitable 3-year plan

Conclusion

# The capital cycle at SCOR



# Underwriting is capital-driven

- Capital allocation determines underwriting capacities
- Capital allocation is based on LoBs profitability and volatility
- Capital is allocated in order to control Group exposure to large risks
- Return on allocated capital drives pricing through in-house models (Matrix for Non-Life) and external models
- Capital base is protected through an active retrocession policy and potential recourse to mechanisms such as mortality bonds, cat bonds and securitization

# Underwriting is based on business profitability

- No market share targets are set for premiums *per se*
- Allocation of capacities is rooted in fine-tuned cycle management
- Underwriting will capitalize on the existing franchise and client base
- Underwriting policy focuses on markets where SCOR has a competitive advantage
- Structure of the book is based on optimal risk diversification and pooling
- Capital mobility between LoBs and markets is enhanced
- The Group seeks out opportunities for profitable growth pockets

# Non-Life market and industry outlook (1/3)

## A transformation of the reinsurance Demand

- Likely slowing demand for reinsurance in mature markets due to:
  - → Financial strengthening and rising retention rate of insurers, in particular global groups
  - → Cost cutting or arbitrage on reinsurance budgets (centralized purchase)
  - → Increasing direct transfer to financial markets
  - → Shift towards non proportional programs
- Increasing demand in emerging markets, in particular:
  - → Brazil
  - → Russia
  - → India
  - → China
- Increasing demand as well in Specialty Lines such as:
  - → Agricultural
  - → Inherent Defects Insurance

# Non-Life market and industry outlook (2/3)

## Increasing competition and diversification on the supply side

- Growing global reinsurance capacities for certain lines of business and markets resulting from:
  - → Capital inflow (side cars, cat bonds, securitization)
  - → Diversification-driven set up of operations in Continental Europe (Switzerland) by Bermudian reinsurers
  - → Potential creation of new players for specific risks
- Potential softening due to increasing competition and the entering, since 2006, into the post-peak phase of the Non-Life market, after four very favorable years and with the benefit of a continued low claim activity, except for cat. in 2007
- Trends counterbalanced by the imperative to pursue a prudent underwriting policy driven by:
  - → Capital return and profitability post-rights issues
  - → Potential enhanced capital requirements (Solvency II) ahead
  - → Increasing risk aversion (stability of earnings set as a priority)
  - → Growing needs for security

# Non-Life market and industry outlook (3/3)

**The development in supply of and demand for reinsurance is likely to result in a fragmentation of the market cycle**

- Likely pressures on:
  - → Underlying terms and conditions
  - → Proportional treaties, e.g. on commissions
- Increased volatility in reinsurance markets, especially:
  - → In case of XS cat rates
  - → Following events for large corporate accounts
- Fine-tuning of market-by-market equilibria resulting in a fragmented scenario, rather than a general cycle
- Challenges and opportunities due to financial disintermediation of reinsurance

# Life market and industry outlook

- Cycle-free growth of the life reinsurance market following the situation on the primary life insurance market
- Reinsurance market affected positively by competitive pressures building up on the primary market because of:
  - → New distribution channels of Life insurance products and commoditization of these products that are putting pressures on market players
  - → New regulatory trends (Solvency II and IFRS) and fiscal environment that are leading to increased demand for sophisticated financial reinsurance solutions
  - → Financial turbulences that are inducing more prudent saving behaviors and easing competition of financial markets for risk transfer and capital solutions
- Reinsurance demand supported by underlying social needs that are increasing demand in the different geographical areas and LoBs:
  - → Aging of OECD country populations and in an increasing number of non-OECD countries and crisis of the welfare state creating needs for insurance and health protection
  - → New insurance covering needs related to sensitive risks (pandemic, bacteriological, rare disease risks) or to older one (morbidity in some mature markets)
  - → Rapidly increasing demand of emerging markets of Eastern Europe, China, India, South Africa

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# Pursuing a profitable 3-year plan

**Dynamically managing the existing economic capital base to allocate it to profitable markets and LoBs through:**

- Allocating capacities between Life and Non-Life, between LoBs, geographical markets and clients, so as to optimize the risk/return
- Monitoring the right balance between selecting and pooling
- Anticipating the evolution of rating agencies' capital requirements and the implementation of Solvency II regulation
- Having recourse to internal models to take into account correlations between business lines and markets
- Implementing a retrocession policy and alternative sources of coverage to protect the capital base under multiple scenarios

# Average allocated economic capital 2007-2010

## SCOR allocated capital

| In €bn | 2007 allocated capital before diversification | 2007 allocated capital after diversification | 2007-2010 CAGR(*) allocated capital after diversification |
|---|---|---|---|
| **Life** | 1.2 | 0.6 | +8.1% |
| **Non-Life** | 2.9 | 2.5 | +5.4% |
| **Asset Management** | 0.4 | 0.4 | +1.7% |
| **Total** | 4.4 | 3.5 | +5.5% |

** CAGR: Compound Annual Growth Rate*

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# Average allocated economic capital 2007-2010

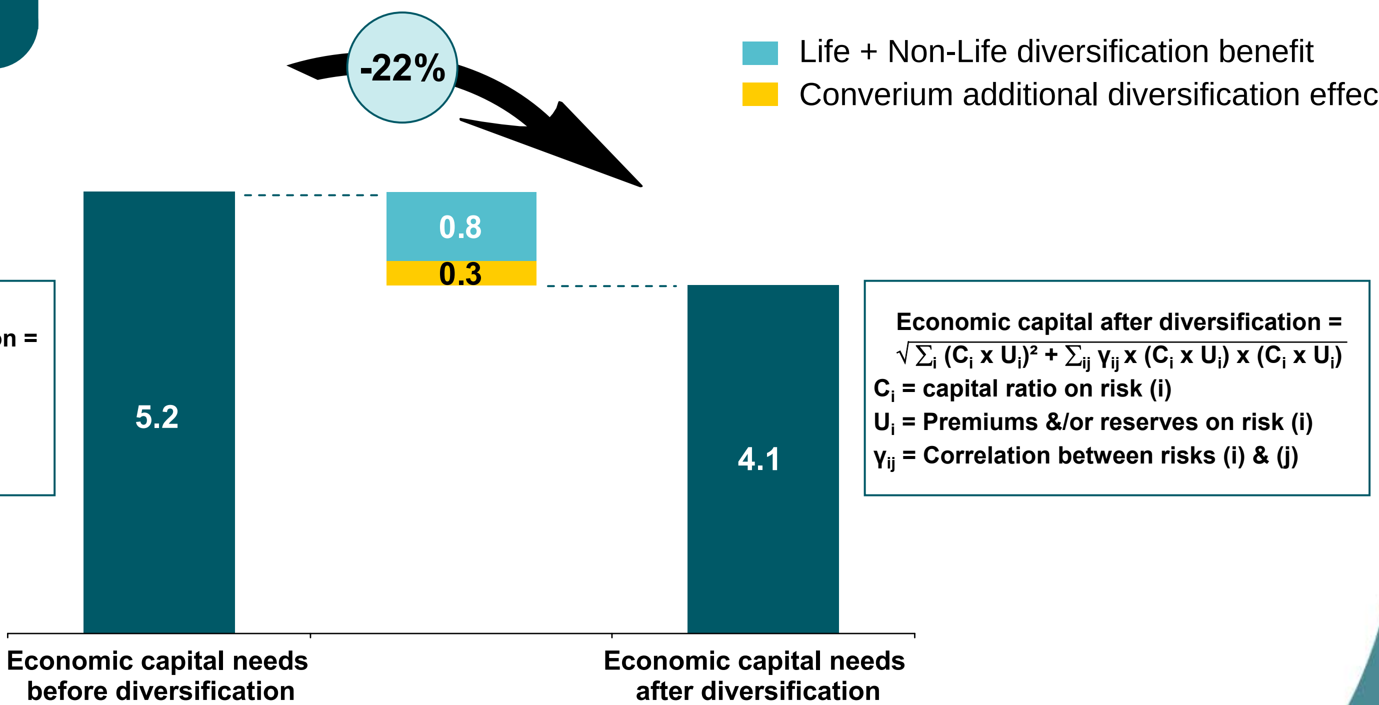
- Life capital allocation is:
  - → Benefiting from cycle free growth of life
  - → Balancing our portfolio
- Non-Life capital allocation is:
  - → Taking into account cat exposure  and overlaps
  - → supporting long term strategy
- Asset management capital allocation is:
  - → Allowing limited dynamic risk taking
  - → Otherwise focusing on secure assets

# Diversification effect

A potential 22% reduction of economic capital due to the diversification benefits over the period estimated according to SCOR internal model

**Estimates, in €bn, for end 2010**

**Economic capital before diversification =**
$\sum_i (C_i \times U_i)$
**$C_i$ = capital ratio on risk (i)**
**$U_i$ = Premiums &/or reserves on risk (i)**




**Economic capital after diversification =**
$\sqrt{\sum_i (C_i \times U_i)^2 + \sum_{ij} \gamma_{ij} \times (C_i \times U_i) \times (C_i \times U_i)}$
**$C_i$ = capital ratio on risk (i)**
**$U_i$ = Premiums &/or reserves on risk (i)**
**$\gamma_{ij}$ = Correlation between risks (i) & (j)**

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# 2007-2010 underwriting plan

## Proforma SCOR + Converium GWP

| | 2007 in €bn | 2007-2010 CAGR(*) |
|---|---|---|
| **Life** | ~ 2.6 | +8.2% |
| **Non-Life** | ~ 3.3 | +5.3% |
| **Total** | ~ 5.9 | +6.6% |

** CAGR: Compound Annual Growth Rate*

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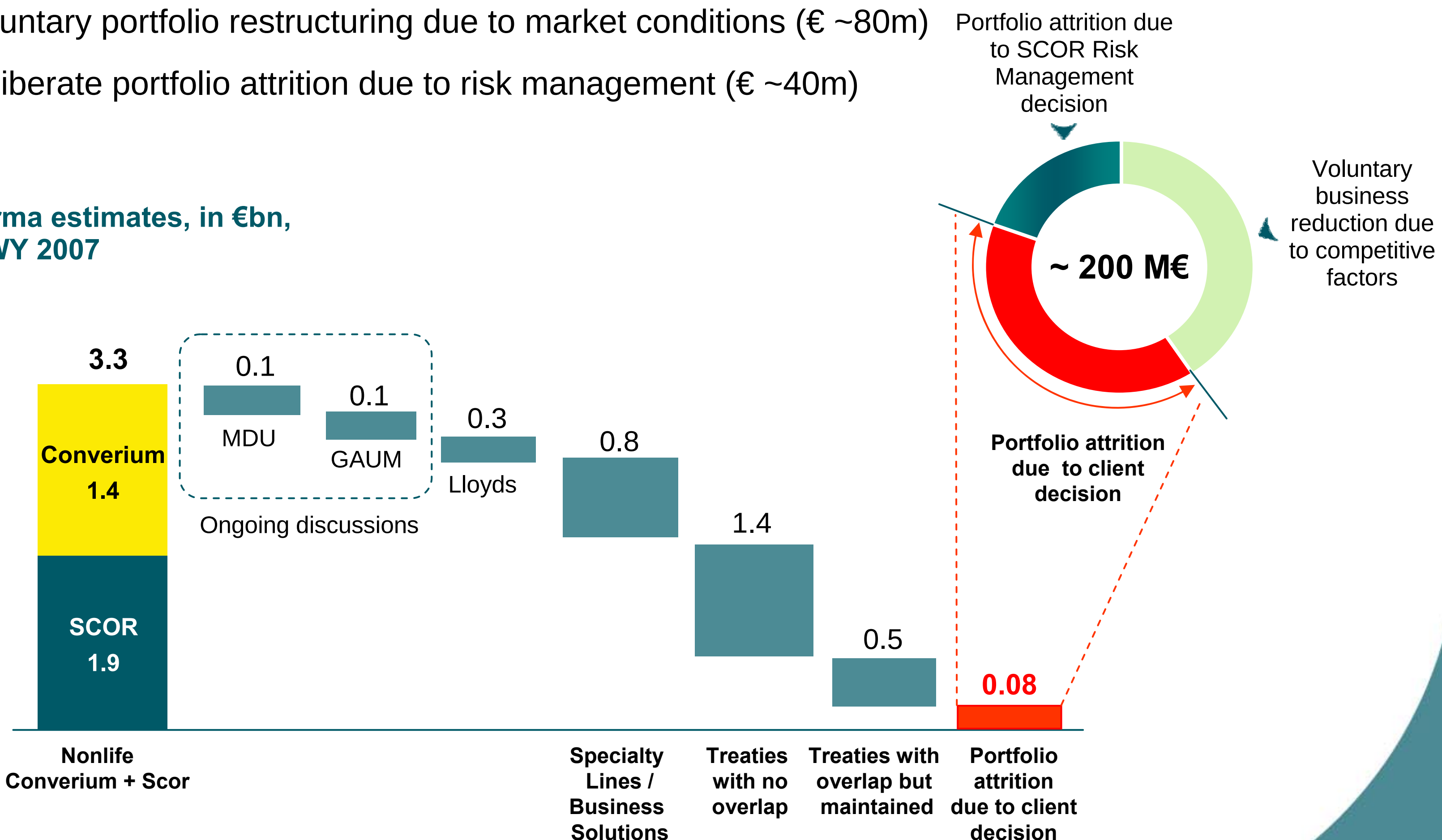
# 2007-2010 Management of the joint portfolio in Life and Non-Life

- For Life:
  - No significant overlaps with Converium portfolio
  - Potential restructuring of the portfolio due to technical underwriting criteria
- For Non-Life:
  - 2007 premium income in line with renewals
  - Active in securing key specialty lines and core business
  - Countervailing effect of rating upgrade
  - Benefit from business complementarities and consolidated positions
  - Active cycle management and prudent exposure management
  - Resilience of combined client base and broker support

# Portfolio attrition resulting from the combination is manageable

- Potential Non-Life business attrition of less than €100m based on an expected business overlap of €600m
- Voluntary portfolio restructuring due to market conditions (€ ~80m)
- Deliberate portfolio attrition due to risk management (€ ~40m)

**Proforma estimates, in €bn, for UWY 2007**

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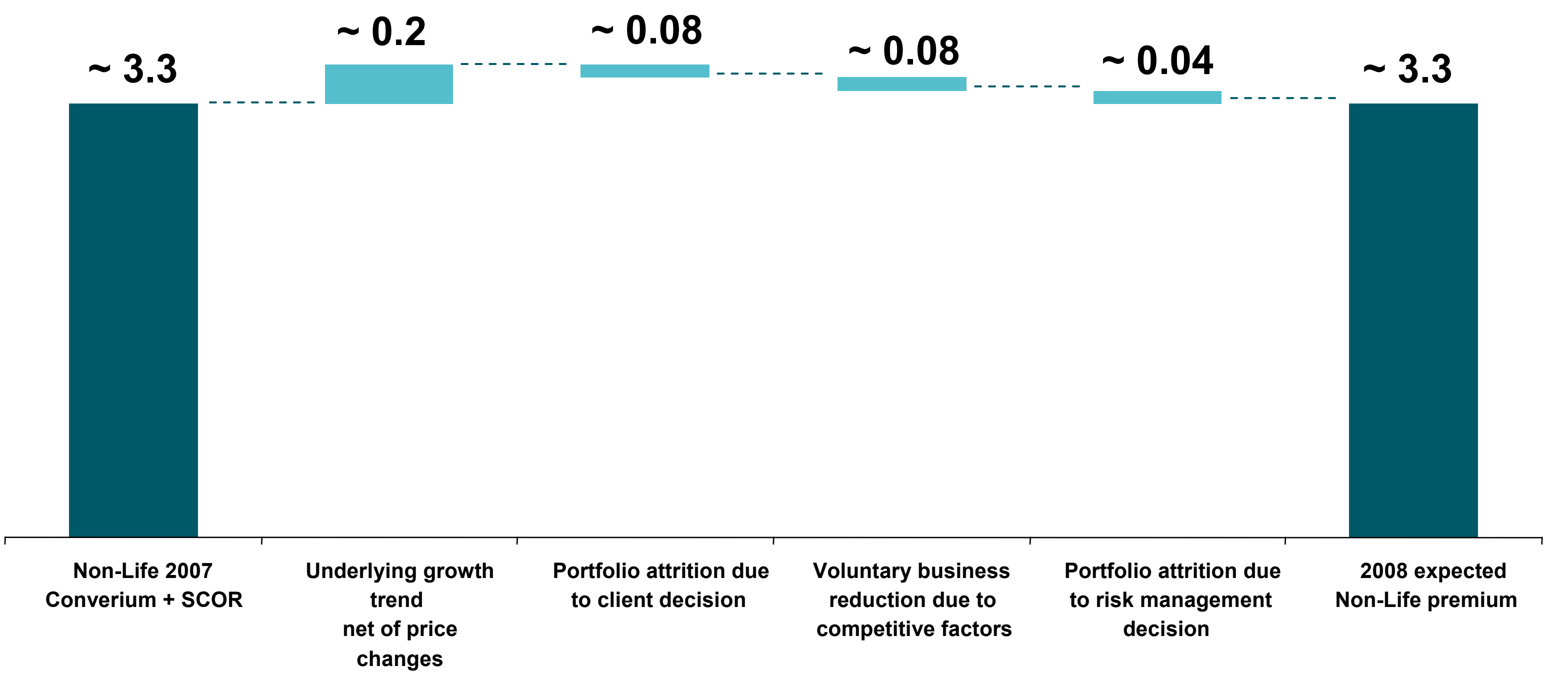
# Oultook for the 2008 Non-Life renewals

**Estimates, in €bn, u/w 2008**

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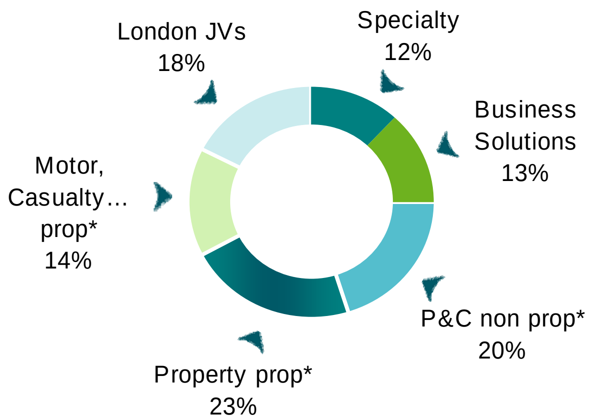
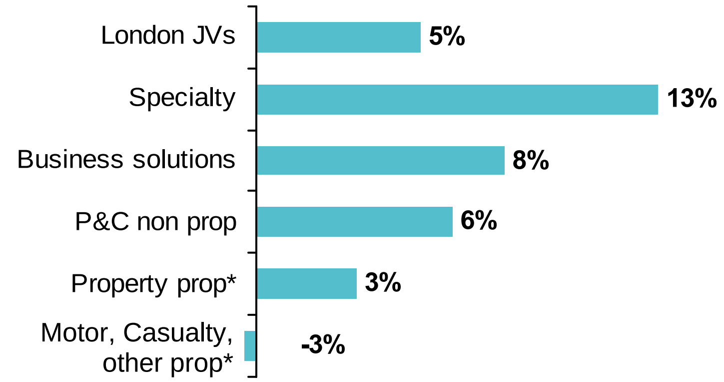
# 2007-2010 Non-Life underwriting plan

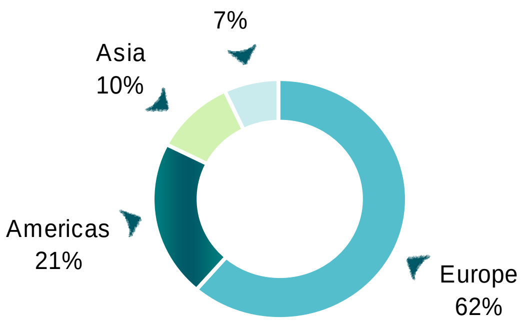
### GWP expected 2007 breakdown by LoBs



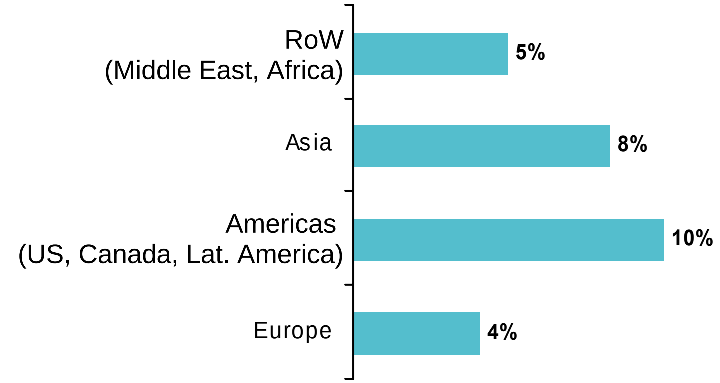

### GWP CAGR** by LoBs




### GWP expected 2007 breakdown by geography




### GWP CAGR** by geography




** prop = proportional; non prop = non proportional*
*** CAGR: Compound Annual Growth Rate*

# 2007-2010 Non-Life major areas of focus

**Seizing growth opportunities while adhering to profitability criteria**

- Consolidating a solid base in Europe, especially in Treaty
- Growing opportunities in developing markets (especially in South Africa, BRIC(*), UAE(**), Saudi Arabia, Turkey…)
- Increasing positions with mid-size multiline regional or national insurers
- Strengthening relationships with monoline as well niche players in Specialities

**Leveraging our combined worldwide network of underwriting teams**

- In Specialties, e.g. Agri-business, Inherent Defects Insurance, Credit & Surety
- In Facultatives (Business Solutions), large projects in developing economies
- In base lines of Treaty business (Property, Motor and standard Casualty), in selected markets with business partners

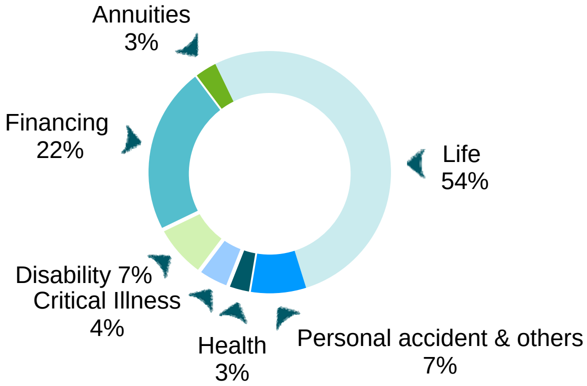
**Being selective in the most competitive and commoditized business environments**

- Maintaining underwriting discipline in mature developed markets
- Focusing on innovative and value-added customized solutions

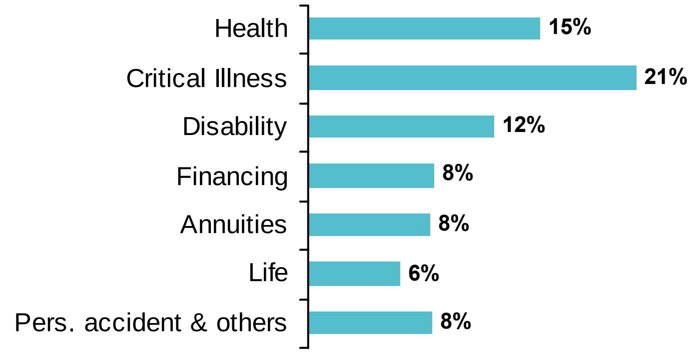
** BRIC: Brazil, Russia, India, China*
*** UAE: United Arab Emirates*

# 2007-2010 Life underwriting plan

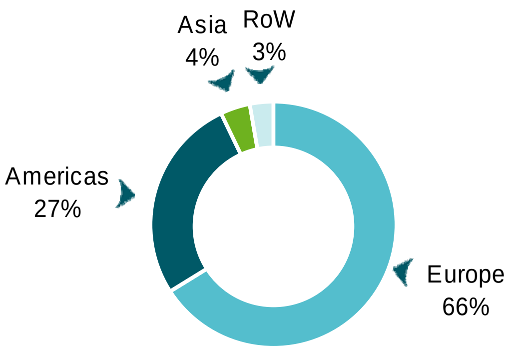
## GWP expected 2007 breakdown by LoBs



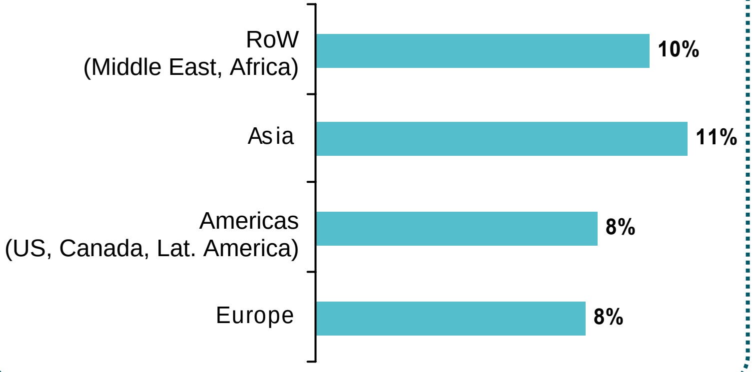

## GWP CAGR(*) by LoBs




## GWP expected 2007 breakdown by geography




## GWP CAGR(*) by geography




** CAGR: Compound Annual Growth Rate*
*** Others: personal accident, unemployment*

# Life major areas of focus (2007-2010)

**Take advantage of life low cyclicality**

- Target an overall dynamic growth rate on profitable business over the period
- Expand branded products for life insurance, for medium sized insurance companies and TPA services
- Take advantage of Remark opportunities for underwriting good quality business
- Develop research to create future business opportunities from changes and trends

**Make of markets where social demand is raising**

- Focus on life but with appetite for selected risks in chosen markets
- Respond to market-specific demographic, economic, financial, legal regulatory (e.g. solvency II) changes and induced needs
- Give growth underwriting priority to health, critical illness, disability and long term care that are strongly supported by trends on mature markets
- Strengthen marketing of reinsurance financing offerings by means of package re-financing from capital markets and original terms reinsurance on commission intensive savings products:

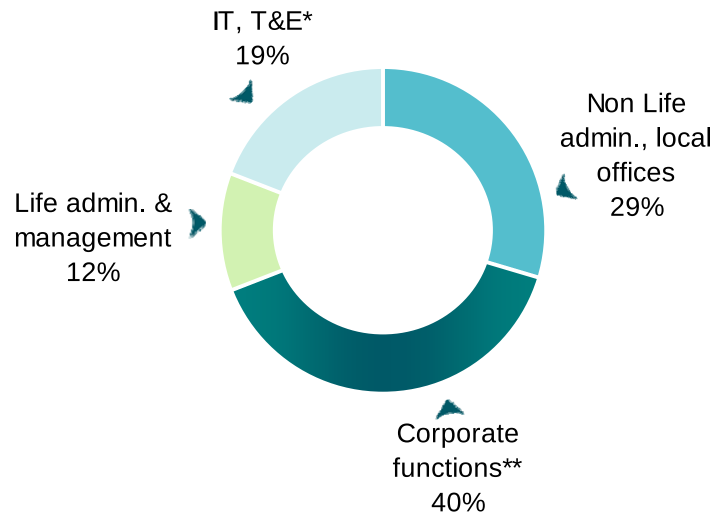
**Enlarge business diversification**

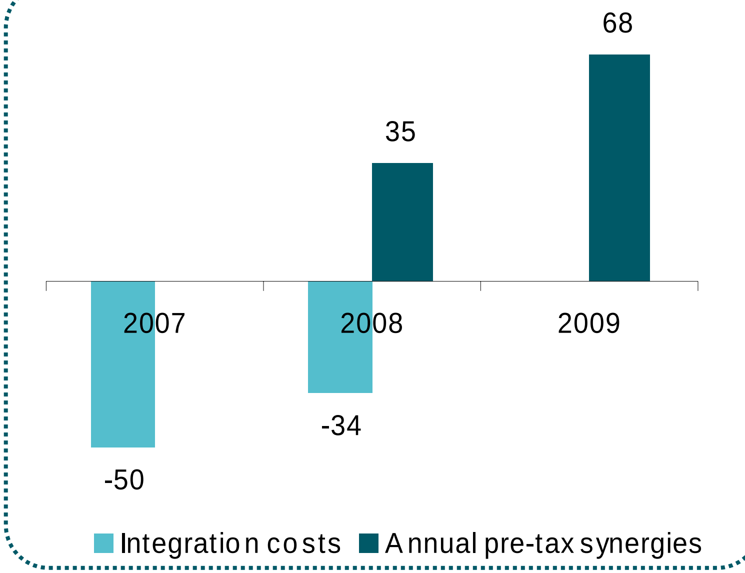
- Take advantage of existing client relationships to pursue a dynamic profitable growth in Europe, except those where selectiveness is needed because of market conditions
- Select fast growing emerging markets in Middle-East and take advantage of the enlarged platform built in Asia for develop new opportunities
- In the price sensitive US market, search returns through opportunistic underwriting, growth being of secondary relevance

# Dynamic Lift synergies

## Breakdown of synergies

Pre-tax synergies revised to €68m from 2009




- **Confirmation of global amount of synergies and breakdown**
- **Execution plan defined on all levels of the combined organization**
- **€m 20 integration costs pushed back to 2008 on account of delays in the acquisition timetable and of company focus on the renewals throughout 4Q 07**

**Information technology, travel & expenses*

*** Rent, legal, accounting, D&O…*

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# Additional synergy potential

## Cost synergies

- Tax optimisation
- Optimisation of retrocession costs
- Improved access to funding conditions

## Revenue synergies

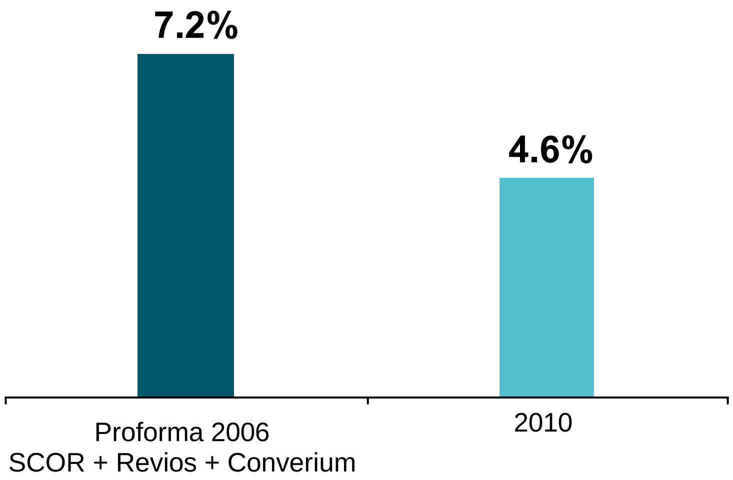
- Improved pricing power
- Leveraging of best underwriting practices
- Increased investment returns

*See detailed analysis in Appendix

# Delivering technical productivity & profitability

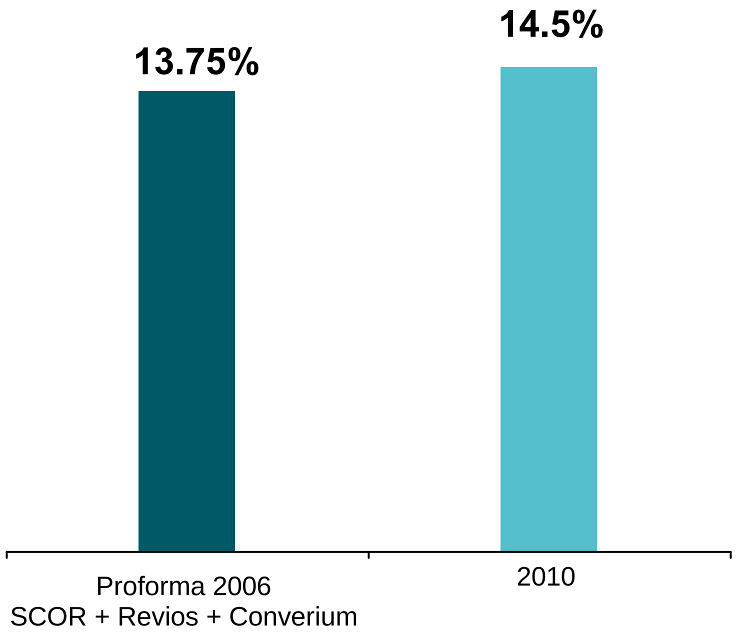
**Dynamic Lift capital allocation and pricing models are engineered for technical efficiency and profitability**

**Proforma Group cost ratio(*)**




** management expenses / net earned premiums*

**Proforma Group operating income ratio(*)**




** Operating income / net earned premiums*

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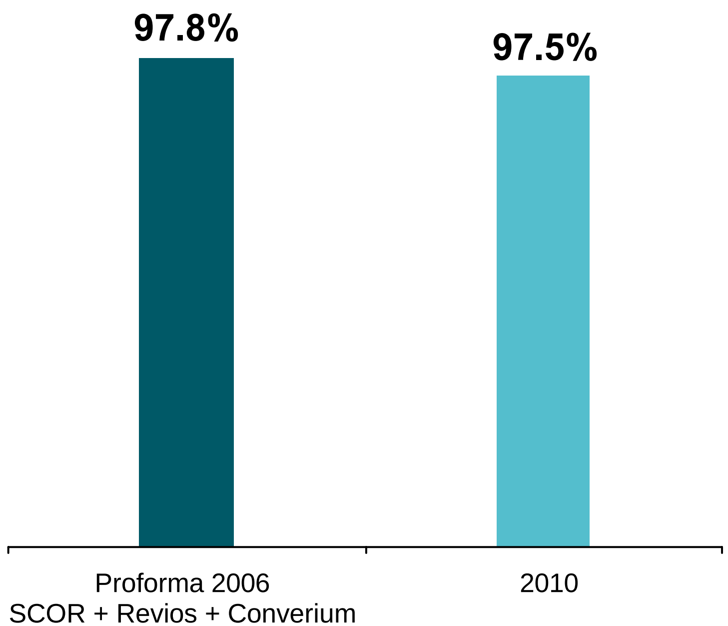
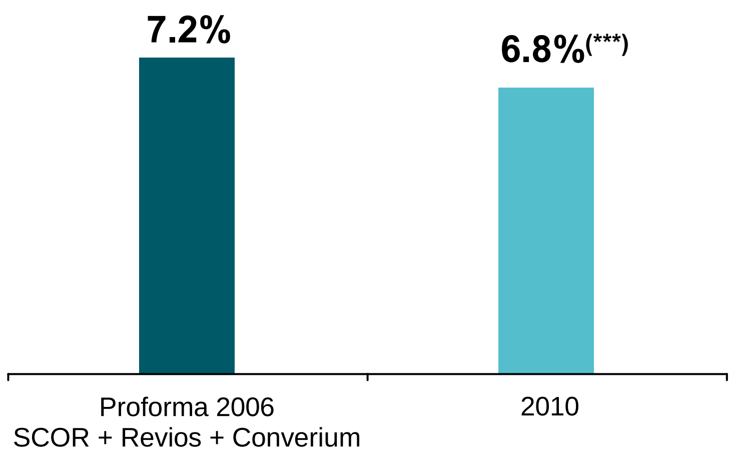
# Ensuring technical profitability

## Dynamic Lift capital allocation and pricing models are engineered for technical profitability

### Targeted Non-Life combined ratio(*)




### Targeted Life operating margin(**)




** (claims + commissions + management expenses including corporate expenses and excess capital allocation) / net earned premiums*

*** Operating income including corporate expenses and excess capital allocation over net earned premiums*

**** In case of a sharp increase of financing business, Life operating margin will be affected but not profitability*

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# Achieving an active balance sheet management

- An optimal structure of the balance sheet for maximum effect on cost of capital using:
  - → Judicious debt management and optimal utilization of subordinated debt
  - → Securitization
  - → Cat bonds and mortality bonds
- An active management of discontinued business in order to free up locked-in capital
- An overarching retrocession policy prudently protecting shareholders capital
- A pro-active and prudent investment strategy aiming at a 5.5% Return On Investment

# Protecting Shareholder's Capital

- **SCOR objective is to protect shareholders and not to turn them into reinsurers of last resort**

- In an extremely deteriorated claims and/or financial environment, **a capital shield** is in place through:

  → A prudent and diversified underwriting policy

  → A tailored retrocession and securitization policy

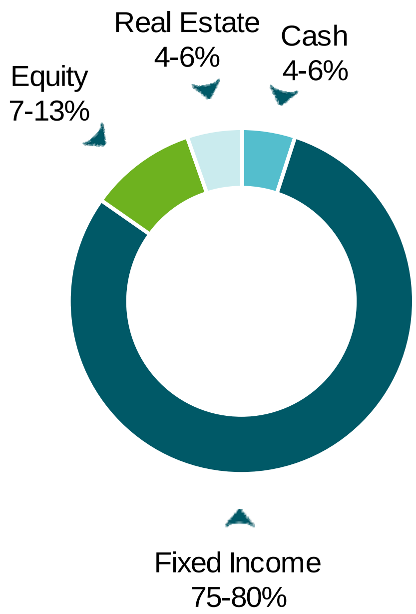
  → A conservative asset management strategy

- … which are structured to protect the capital and limit losses up to the targeted annual results

- **Hence the Group has a limited risk appetite**

# Targeted strategic asset allocation - 2010

**By asset classes(*)**




** Excluding funds withheld*

**By asset type(*)**

| | |
|---|---|
| **Cash** | **4-6%** |
| Short-term investments | 4-6% |
| Government bonds | 18-22% |
| AAA bonds (Sub sovereign/ Ag.) | 18-22% |
| Corporate bonds and Credit | 33-37% |
| **Fixed Income** | **75-80%** |
| Listed equities | 6-11% |
| Non-listed equities | 0-1% |
| **Equity** | **7-13%** |
| **Real Estate** | **4-6%** |

** Excluding funds withheld*

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# A strong balance sheet structure (1/2)

**2010 targeted financial structure**

- 2010 hybrid capacity target: ~20% of total adjusted capital(*)
- 2010 gearing target: ~10%**
- 2010 fixed charge coverage target: >7x***
- 2010 shareholder leverage ratio D/E < 30%

**Financing of the Converium acquisition**

- Total consideration of €1,845m
  - → New SCOR shares: €1,249m
  - → Cash: €596m
- Cash portion to be refinanced through senior and/or subordinated debt

** According to S&P definitions*
*** Total debt / total debt + shareholder equity*
**** Operating earnings / fixed interest expenses*

# A strong balance sheet structure (2/2)

| | |
|---|---|
| **Convertible notes €200m (Oceane)** | Term: January 2010<br>Interest rate: 4.125%<br>Early redemption at SCOR's option at any time from January 2008 upon SCOR share performance<br>As of August 2007, no intention to convert |
| **SCOR Senior notes €200m** | Term: June 2007<br>Interest rate: 7.75%<br>Fully redeemed |
| **SCOR subordinated debts €582m** | Perpetual NC15, €50m, 100 bps step-up in March 2014<br>30 yrs NC10, \$100m, 100bps step-up in June 2009<br>20 yrs NC10, €100m, 100bps step-up in July 2010<br>Perpetual Tier I, €350m, 6.154%, issued in July 2007 |
| **Converium subordinated debt \$200m** | 30 yrs NC5, \$200m, 8.25%<br>Redeemable at the option of the issuer as from December 24, 2007<br>As of August 2007, intention to use first redeemable option and refinance, on better terms if market conditions are met |

# Providing security to clients and delivering value to shareholders

**In a challenging environment …**

- Higher capital requirements
- Realistic anticipated market development
- Quasi-stable financial environment

**… SCOR aims over the next 3 years:**

- To secure a ROE of 900 bps above risk free rate over the cycle
- To provide an "A+"(*) level of security to clients by 2010
- To self-finance the development of the Group over the next 3 years
- To return excess capital to shareholders through various means

*(*) Based on the proposed revised S&P scale as published in November 2006*

# Strong Shareholder Value Creation

## Under realistic assumptions…

2007-2010 GWP growth
6.6% p.a.

2010 targeted non life combined ratio
97.5%

2010 targeted Life operating margin
6.8%

2007-2010 targeted return on investment
5.5% p.a.

2010 targeted group cost ratio
4.6%

2010 effective average tax rate
22.3%

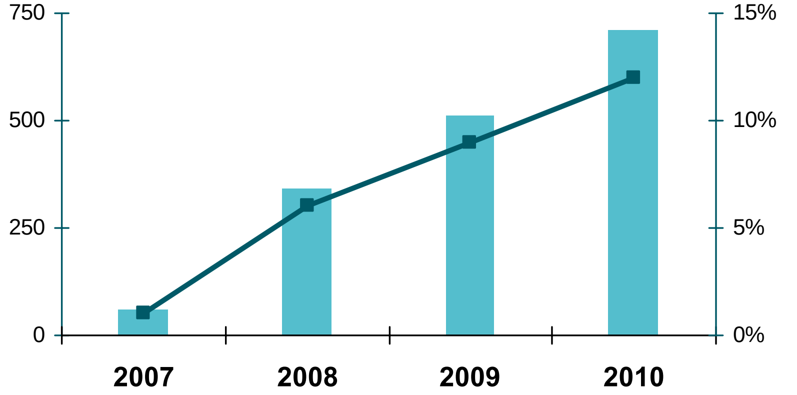
## …The Dynamic Lift plan is likely to lead to:

- Deliver an ROE of 900 bps above the risk free rate over the cycle
- Generate endogenous capital production which self-finances the development over the cycle
- Provide an "A+"(*) type level of security by 2010
- Pursue an active dividend policy and seek an active double digit EPS over the period
- Return excess capital to shareholders

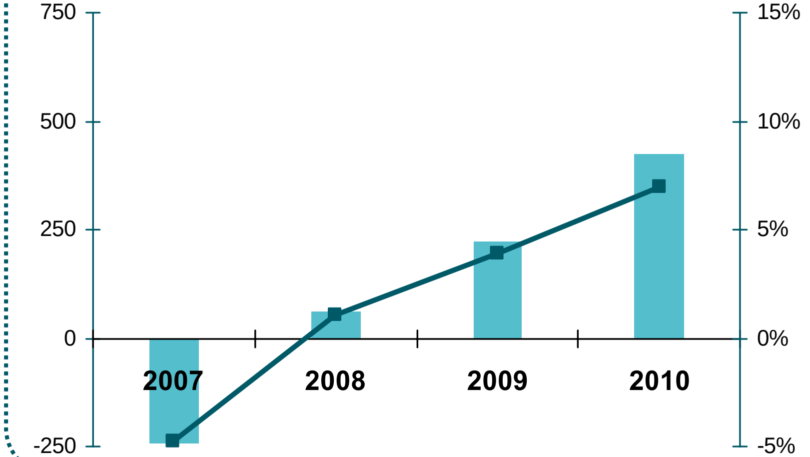
** Based on the proposed revised S&P scale as published in November 2006*

# A target of an "A+" security level compatible with excess capital generation

## Excess capital over an "A-" target capital level




## Excess capital over an "A+" target capital level




*(*) Excess capital is defined as the difference between SCOR's total adjusted capital after dividends and the corresponding S&P rating target capital level. Figures are estimated from the proposed revised S&P model as published in November 2006 for comparison purpose only. Please be aware that since then S&P has provided an update of the model. The November 2006 version does not give diversification credit, whereas the updated May 2007 version does.*

- A self-financed capital base in line with an "A+"(**) level of rating
- Earnings growth expected to generate capital in excess of an "A+"(**) target capital level
- Capital, if in structural excess of "A+"(**) solvency requirements, to be returned to shareholders (dividend policy maintained, share buy-back policy, etc.)

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# Dynamic Lift: a robust and realistic strategic plan

| Stress tests | Deviation from central scenario | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| **Accelerating downward scenario (+3 pts combined ratio, stagnation of premiums)** | Premiums: | ■ | ■ | ■ | ■ | □ |
| | Capital: | ■ | □ | □ | □ | □ |
| | ROE: | ■ | ■ | □ | □ | □ |
| **Major pandemia (100% mortality shock)** | Premiums: | ■ | □ | □ | □ | □ |
| | Capital: | ■ | ■ | □ | □ | □ |
| | ROE: | ■ | ■ | ■ | □ | □ |
| **Major catastrophe in Japan (Osaka type)** | Premiums: | ■ | □ | □ | □ | □ |
| | Capital: | ■ | ■ | ■ | □ | □ |
| | ROE: | ■ | ■ | ■ | □ | □ |
| **Stock market plunge (fall of 30% followed by mean reversion by 2010)** | Premiums: | ■ | □ | □ | □ | □ |
| | Capital: | ■ | ■ | ■ | □ | □ |
| | ROE: | ■ | ■ | ■ | □ | □ |
| **Interest rate hikes (200 bps hike lasting more than 3 years)** | Premiums: | ■ | □ | □ | □ | □ |
| | Capital: | ■ | ■ | ■ | □ | □ |
| | ROE: | ■ | ■ | ■ | ■ | □ |
| **Simultaneous interest rate hikes and cycle deterioration** | Premiums: | ■ | ■ | ■ | ■ | □ |
| | Capital: | ■ | ■ | ■ | ■ | □ |
| | ROE: | ■ | ■ | ■ | ■ | ■ |
| **Shortage of retrocession capacities in Americas ~ equivalent to 25% of our worldwide capacity** | Premiums: | ■ | □ | □ | □ | □ |
| | Capital: | ■ | ■ | ■ | □ | □ |
| | ROE: | ■ | ■ | □ | □ | □ |

SCOR is delivering on its strategy

Dynamic Lift: reaching the upper level

Dynamic Lift: providing a consistent framework

Dynamic Lift: pursuing a profitable 3-year plan

**Conclusion**

# Conclusion

- Dynamic Lift provides a realistic, consistent, coherent game plan for the next three years for the SCOR Group after the merger with Revios and Converium.
- It follows on from the strategic principles implemented throughout the last three years.
- It sets out the ways and means to create shareholder value in a challenging environment through an active risk management all the while limiting its global risk appetite. The new scale and scope of the Group as well as its global nature reinforce its competitive position.
- Its implementation will be carried out by pooling and mobilizing the competencies and talents led by a dedicated team.

# Achieving a “Dynamic Lift”