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## SCOR records excellent 2008 January Non-Life renewals, demonstrating the successful integration of Converium

SCOR reached its objective of successfully consolidating two strong independent reinsurance groups into one leading franchise at this year's January renewals. The January 2008 treaty renewals for SCOR Global P&C (SCOR's Non-Life division), at which 78% of the total Non-Life treaty premiums were up for renewal, confirmed SCOR's strong market position around the globe, enabling the Group to renew business with minimum attrition and to fulfil its targets as set out in its strategic three-year plan "Dynamic Lift V2" in terms of volume and expected profitability.

The highlights of the renewals are as follows:

- Highly efficient integration of SCOR and Converium portfolios
- Enhancement of market positions and extended leadership on reinsurance programmes
- € 1.742 billion of Non-Life treaty business renewed against € 1.755 billion up for renewal at constant exchange rates
- Terms and conditions of renewed and new business in line with the net technical ratio objective for 2008 as set forth in "Dynamic Lift V2"
- Estimated 2008 Gross Premium Income of € 3.1 billion in Non-Life and € 5.9 billion for the Group, at current exchange rates
- Strong pro-forma 2007 business volume of an estimated € 5.85 billion for the Group

In a post-merger environment, the main underlying reasons for such outstanding renewals were:

- Two very strong complementary reinsurers combining forces
- A highly efficient and swift integration process with regard to teams and systems
- Access to new business with existing clients and enlargement of client base
- Strict underwriting discipline and tight controls applied throughout the renewals; 12% of the Non-Life treaty business up for renewal cancelled and successfully replaced by new business

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Denis Kessler, Chairman and Chief Executive Officer of SCOR, said: "In today's challenging market environment, it is an outstanding achievement that SCOR has managed to integrate Converium and combine the portfolios for the January renewals with such limited attrition, whilst having fully followed its underwriting policy in terms of selectivity and profitability. The success of this year's renewals is a clear demonstration that the SCOR client franchise is re-affirmed and has been strengthened by the integration of Converium. With our improved diversification stemming from Treaty, Specialty and Joint-Venture and Partnership business, SCOR is well positioned to achieve the objectives set out in the "Dynamic Lift V2" plan."

**Client franchise affirmed in P&C Treaties, Specialty Treaties and Joint-venture business**

In a competitive market environment, where reinsurance volumes and prices sustained a general contained decline due to increased cedant retention levels and a move towards non-proportional cover, SCOR experienced a very limited decrease of 1% in its Non-Life treaty reinsurance volume. The total volume of treaty premiums renewed at January 2008 stands at around € 1,742 million (P&C Treaties and Specialty Treaties) plus around € 450 million from Joint-Ventures and Partnerships.

<u>P&C Treaties</u>: 79% of P&C treaty business was up for renewal. The total volume of premiums renewed at 1 January 2008 stands at around € 1,313 million, compared to € 1,325 million of premiums up for renewal. 12% or € 165 million of P&C treaty business up for renewal was cancelled and successfully replaced by new business, both with existing clients to the value of around € 96 million and with new clients to the value of around € 49 million. Attrition was in line with "Dynamic Lift V2": at around € 60 million on 79% of P&C treaties up for renewal in January 2008 versus € 80 million projected for the full year.

<u>Specialty Treaties</u>: 76% of the Specialty treaty business was up for renewal. This segment showed a solid performance. The volume of business renewed is globally stable, reaching € 429 million compared to € 430 million at 1/1/2007.

<u>Joint Ventures & Partnerships</u>: SCOR successfully secured business continuity with the three Converium joint-ventures and partnerships, i.e. Lloyd's, GAUM (Global Aerospace Underwriting Managers Limited) and MDU (Medical Defence Union). For 2008, SCOR estimates that gross written premiums from this segment will amount to € 454 million.

**Stable development in all major P&C treaty markets**

SCOR records a stable premium volume in Europe, the Middle East and Africa, where the clients' response to SCOR's willingness to aggregate the portfolios was particularly positive.

Stability in terms of volume also defines the picture in the Americas, where SCOR's growth in small and medium-sized US regional company business outweighed the premium decline due to the move from proportional to non-proportional business in this market. This growth is particularly meaningful as it occurs in the P&C treaty segment of


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choice for SCOR in the US mainland market. It was, however, offset by slightly reduced volumes in Canada, because of changes in reinsurance purchase practices by major players and due to mergers and acquisitions. In the Caribbean, Mexico and Latin America, premium income decreased by around 7%, in line with SCOR's reduction of its catastrophe capacity allocation to this region.

In Asia, only around 30% of Global P&C treaties were up for renewal on 1 January 2008, as Japan, Korea and India will renew their programmes on 1 April 2008.

SCOR expects some favourable business developments in the South African and Australian markets, having recently opened a representative office in Johannesburg and re-opened its branch office in Sydney.

**Selective underwriting policy in P&C Treaties by line of business**

Business volume in the largest P&C treaty block, i.e. the proportional property business that makes up 37% of SCOR's total P&C treaty volume, remained stable. SCOR recorded stable premium income due to a strong market presence in Europe and the Middle East, despite a continued move from proportional to non-proportional cover in some markets such as Eastern Europe, Austria and Canada. In this segment reinsurance commissions increased by around 1% to 2% on average.

The catastrophe-related property book, which constitutes 11% of SCOR's P&C treaty volume, saw rate increases on treaties affected by last year's winter storm Kyrill, which ravaged parts of Northern Europe and Germany. Generally, however, a downward trend was observed in non-proportional property catastrophe rates: in the range of -5% in Europe and -10% in the Americas and Asia respectively. The overall market remained disciplined, which meant that the available capacity was commensurate with risk and price.

SCOR's strong motor book, constituting 32% of total P&C treaty volume, saw premium increases with regard to proportional treaties in a limited number of countries such as the UK and Italy, where the primary rates are increasing or holding firm. Reinsurance commissions were generally stable. As far as motor non-proportional business is concerned, premium income is mainly driven by the French market, where rates were up by an average of 10%.

Casualty volume decreased due to a general move from proportional to non-proportional. SCOR also decided to reduce its exposure in markets where heavy casualty is predominant, mostly in industrial risks. In the casualty segments where SCOR is involved, it experienced rate stability in Europe and a reduction of 6% on average in North America.

**Active and prudent cycle management in Specialty Treaties**

In a pricing environment that is traditionally more reactive and fluctuating, SCOR exercised strong cycle management with regard to Specialty Treaties.

Profiting from booming construction activities and from the fact that construction insurance and reinsurance pricings have stood firm in developing economies and emerging markets,

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SCOR increased its engineering volume by 22%. Engineering represents 21% of total Specialty treaty business.

Among the four other main Specialty treaty business lines, Transportation & Marine (16% of total volume) and Agriculture (18%) grew by 5% and 11% respectively, whilst Credit & Surety (23% of total volume) and Decennial (18%) were down by 5% and 21% respectively.

In Credit & Surety, reinsurance premiums contracted due to the impact of the economic slowdown on direct insurance premiums and due to increased retentions by lead primary carriers, who have enjoyed technical profits for the past few years. Decennial reinsurance business, in which SCOR is historically a lead underwriter, was affected by a major shift from proportional to non-proportional cover in Spain, along with a real estate slow down. In Aviation and Space, Specialties rate reductions were less severe than in previous years, leading to a decline in business of 5%.

**SCOR secures Joint Ventures and Partnerships**

Besides P&C and Specialty Treaties, SCOR counts on Joint-ventures and Partnerships as a major business contributor. € 454 million in premium income is expected from this segment in 2008.

The largest block of business in this segment stems from partnerships held with Lloyd's syndicates. For 2008, business was renewed with 9 major syndicates focusing on property and special casualty lines. At this year's renewals, SCOR estimates an expected income of € 245 million.

SCOR has reached an agreement with GAUM partners to secure business continuity over the next three years. Participation in the business, however, has been reduced from 27.25% to 22.5%, leading to an anticipated premium of € 105 million in 2008.

SCOR secured a new ten-year agreement to provide professional indemnity insurance to the members of the MDU in the United Kingdom and Ireland. SCOR will now take on 75% of the exposure, resulting in an estimated premium income of € 104 million for 2008.

**Strong 2007 pro-forma business volume reaching € 5.9 billion**

Year-to-date, consolidating Converium since January 2007, gross premiums written by SCOR Group reach € 5,853 million on a pro-forma basis, of which € 3,240 million stems from Non-Life reinsurance and € 2,613 million from Life reinsurance.

2007 published turnover, which takes into account 145 days of consolidation – the SCOR Group acquired Converium on 8 August 2007 – is € 4,761 million, an increase of 62% vis-à-vis 2006 (€ 2,935).

**Gross written premiums of € 5.9 billion expected for the whole Group in 2008**

The 2008 renewals campaign highlights the development opportunities arising from the combination of SCOR and Converium, as anticipated in Dynamic Lift V2. This is further

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testament to the efficiency of the integration process and the strength of the new combined franchise.

Barring any further exchange rate impacts in 2008, SCOR expects total gross premium income for the Group to reach € 5.9 billion, with Global P&C contributing € 3.1 billion and Global Life contributing € 2.8 billion in accordance with SCOR's "Dynamic Lift V2" plan. The Non-Life net technical ratio is expected to be in line with the objectives set out in "Dynamic Lift V2", i.e. in the range of 91% to 92% in the absence of any major events.

*Note: All figures are provided and all comparisons drawn at exchange rates as at December 31, 2007*

**Forward looking statements**

SCOR does not communicate "profit forecasts" in the sense of Article 2 of (EC) Regulation n°809/2004 of the European Commission. Thus, any forward looking statements, contained in this communication, should not be held as corresponding to such profit forecasts. Information in this communication may include "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitations, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, on the one hand, to differ from any results expressed or implied by the present communication, on the other hand.

Please refer to SCOR's document de référence filed with the AMF on April 10, 2007 under number D.07-0294 (as updated by the seconde note complémentaire registered with the AMF on June 12, 2007 under registration number 07-183, the "Document de Référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group, and to SCOR's prospectus d'admission registered with the AMF on April 10, 2007 under registration number 07-0115, as updated by the first note complémentaire registered with the AMF on April 23, 2007 under registration number 07-0131 and the seconde note complémentaire registered with the AMF on June 12, 2007 under registration number 07-183, for a description of certain important risks and uncertainties that relate to the Offer for and combination with Converium.

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