SCOR holds its course: combining growth, profitability and solvency to record a net result of EUR 330 million in 2011

- **Net income of EUR 330 million (7.7% ROE) in a year of exceptional natural catastrophes and financial turmoil**
- **Strong growth: gross written premiums up 13.6% to EUR 7.6 billion, EUR 8.6 billion pro-forma[1]**
- **Shareholders' equity up to EUR 4,410 million at the end of 2011, book value per share of EUR 23.83**
- **Resilient profitability, with strong underlying performances for both Life and P&C businesses excluding cat losses**
- **3.7% return on invested assets despite a very challenging economic and financial environment**
- **Transamerica Re acquisition consolidates SCOR's leading position in the Life reinsurance industry, becoming the #2 in North American Life reinsurance[2]**
- **"Strong Momentum V1.1" plan initiatives launched and new ones added**
- **Proposed 2011 dividend of EUR 1.10 per share[3], representing a payout ratio of 61.6%**

In a year marked by exceptional nat cat losses and financial turmoil, SCOR's strong enterprise risk management and robust capital shield policy have proven their effectiveness, allowing the Group to deliver a net income of EUR 330 million in 2011. Pro-forma, net income reaches EUR 368 million. This performance is sustained by an operating cash flow of EUR 530 million in 2011. A dividend of EUR 1.10 per share, as for the previous year, will be proposed to the Shareholders' Annual General Meeting on 03 May 2012.

The Group was able to seize growth opportunities, both internally driven, due to SCOR's strong franchise and high level of expertise, and through the acquisition of Transamerica Re. SCOR records gross written premiums up 13.6% to EUR 7.6 billion in 2011 (+16.5% at constant exchange rates). Pro-forma, gross written premiums reach EUR 8.6 billion (+28.3%).

Throughout the year, the Group has continued to implement its strategic plan "Strong Momentum", updated last September in "Strong Momentum V1.1", notably to take the Group's new perimeter into account. The Transamerica Re acquisition considerably reinforces SCOR Global Life's market position, making it #2 in North American Life Reinsurance[2] and, together with the disposal of the US annuity business, helps to strengthen the Group's Life business focus on biometric risks. The SCOR Global P&C, SCOR Global Life and SCOR Global Investments initiatives detailed in the plan have been launched and two Non-Life initiatives have been successfully added, namely the Lloyd's syndicate "Channel 2015", active since the beginning of 2011, and the underwriting of "private deals".

[1] Pro-forma: as if Transamerica Re's mortality portfolio acquisition had taken place on 01 January 2011. Please refer for details to the presentation of Full-Year 2011 results available on www.scor.com and to pages 5 and 6 of this press release.
[2] By recurring new business volume; source: 2010 Munich American SOA Survey.
[3] Proposal submitted to the Shareholders' Annual General Meeting on 03 May 2012 for approval.

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In this context, SCOR records an increase in shareholders' equity to EUR 4,410 million at the end of 2011 (+1.3% compared to the end of 2010), after EUR 201 million of dividends distributed to shareholders in May 2011 for the year 2010. Following the issuance of CHF 650 million of perpetual debt that allowed SCOR to complete the Transamerica Re acquisition without issuing new shares, the Group's financial leverage stands at 18.1% at the end of 2011, a level still below industry average.

Denis Kessler, Chairman & CEO of SCOR, declares: "*The resilience of SCOR's business model has once again been proven in 2011 by its capacity to combine profitability, growth and solvency in the context of an exceptional accumulation of natural catastrophes and financial market stresses. Catastrophes such as the Japan earthquake and the Thai floods have shown the efficiency of the robust capital shield policy that the Group has put into place, while our prudent asset allocation has protected us from most of the effects of the turmoil in the markets, and notably from the Eurozone sovereign debt crisis. Not only has the Group successfully faced these challenges but it has also been able to enhance its competitive edge with the major acquisition of Transamerica Re and the disposal of the U.S. annuity business, focusing our Life activity on biometric risks, and accelerating the implementation of our strategic plan "Strong Momentum V1.1" along with planned and new initiatives. The recent January 2012 renewals are further proof that SCOR's strategy and business model successfully combine the ability to seize profitable opportunities within a strong enterprise risk management framework, leveraging on its key position in the reinsurance industry."*

SCOR Global P&C (SGPC) 2011 figures confirm the Group's ability to absorb exceptional nat cat losses and the validity of the "Strong Momentum V1.1" plan assumptions

SGPC gross written premiums are up by 8.8% to EUR 3,982 million in 2011 (+ 11.6% at constant exchange rates), an increase in line with the objectives set out in the Group's strategic plan "Strong Momentum V1.1", which stipulates an annual growth rate of 9%. The excellent renewals achieved throughout the year (+13% of renewed premiums for January 2011 renewals, +13% for April renewals and +22% for July renewals – all compared to the previous year) confirm the quality and momentum of the portfolio management and underwriting policy of the Group's Non-Life reinsurance entity.

SGPC has continued in 2011 to implement the strategic initiatives set out in the three-year plan "Strong Momentum V1.1" and has also developed two new initiatives, namely the launch of a new Lloyd's syndicate, "Channel 2015", and sizeable "private deals". The results achieved at the 1 January 2012 renewals (premiums up by 13.9%, prices up by 2.2% with confirmed expected technical profitability) bear witness to the continuation of this positive momentum.

The net combined ratio reaches 104.5% in 2011, heavily impacted by exceptional nat cat losses, among others: floods in Australia and earthquakes in New Zealand and Japan in the first quarter; US tornadoes in the second quarter; Denmark floods in the third quarter; catastrophic floods in Thailand in the fourth quarter. In total, natural catastrophes impact the Group's 2011 net combined ratio by 18.5 points, including a pre-tax cost of EUR 138 million related to floods in Thailand. In addition, sustained positive development trends in some product lines, notably Aviation, Credit and Surety and Facultative Casualty drove the release of EUR 70 million of reserves.

The active portfolio management which SGPC has been practising leads to a favourable trend in the performance of the underlying portfolio, which is reflected in the decreasing quarterly net attritional ratio. On a yearly basis, the net attritional ratio stands at 58.1% in 2011, and at 61.5% excluding the positive impact of 1.4 points linked to the World Trade Center subrogation settlement recorded in the 2nd quarter 2011 and the 2 points from the reserve releases in the 4th quarter of 2011.

Overall, in 2011 SCOR contained the impact of nat cat losses thanks to its ERM-principled underwriting policy by which the profile of the gross exposures is dimensioned and shaped in alignment with a robust and effective capital shield program.

In 2011, SCOR Global Life (SGL) expands its franchise with solid margins within a biometric-only focus

SGL gross written premiums reach EUR 3,620 million in 2011, up by 19.3% compared to 2010 (+22.3% at constant exchange rates). The acquisition of Transamerica Re's mortality business, finalised on 9 August 2011, contributes EUR 677 million to this sum. On a pro-forma basis over the whole of 2011, this contribution reaches EUR 1,661 million. Furthermore, there is a strong published net income contribution from Transamerica Re (EUR 131 million), with gain on purchase of EUR 114 million (of which EUR 13 million in Q4 2011) and operating performance of EUR 17 million net of tax.

SGL demonstrates strong new business production (approx. +11% compared to 2010) with significant increases in France and the Middle East, partially compensating reduction of in-force, mainly in the German and US (pre-TaRe) markets, as well as with a first Longevity deal contracted in the UK, in line with "Strong Momentum" new initiatives. SGL also reaches double-digit premium growth in Critical Illness, Personal Accident and Long Term Care as well as in Central and Eastern Europe, Scandinavia, Asia-Australia, and France.

2011 was a year of transition for SGL because of two major changes in perimeter with the acquisition of Transamerica Re, which gives the entity an enhanced global profile, notably making it the second largest player in terms of new business volume in North America (by far the world's largest Life reinsurance market), and the disposal of the annuity business in the United states. Additionally, SGL liabilities shift to a prevailing biometric focus and SGL records a solid improvement in the technical margin, which rises from 5.4% in 2010 to 8.1% in 2011 (operating margin of 7.4% and 6.5% respectively).

SCOR Global Investments (SGI) achieves a return on invested assets of 3.7% in 2011 despite a very challenging economic and financial environment

In a particularly volatile economic and financial context, SGI has strengthened its so-called rollover strategy, which consists of maintaining a relatively short duration and generating recurring cash flows, whilst actively managing its asset portfolio:

- cash and short-term investments have been tactically and deliberately increased to a very high level, reaching EUR 3,050 million at 31 December 2011 compared to EUR 1,266 million at year-end 2010;
- the duration of the fixed income portfolio has been kept relatively short at 3.1 years (excluding cash and short-term investments).

Since June 2011, the invested assets portfolio has been significantly de-risked (VaR: -36.5% in 2011[4]):

- in accordance with the strategy implemented since 2009, exposure to sovereign debt has been significantly reduced (-11% of total invested assets) throughout 2011: the Group has no

[4] VaR (Value-at-Risk) computed on a 1 year basis, expressed as a % of invested assets, base 100 as of 05/01/2011

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exposure at year-end 2011 to the sovereign debt of Greece, Ireland, Italy, Portugal and Spain or to the debts issued by US states and municipalities;

- the exposure to the equity market has also been significantly lowered, with a deliberate reduced exposure to equities by 4% of total invested assets since mid-June 2011, in anticipation of the events that followed during the summer and in the fourth quarter;
- the high quality of the short-term investments and fixed income portfolio has been maintained (average rating AA).

Temporarily protected against any potential short-term adverse market development, the invested assets portfolio will be re-risked when the current turmoil recedes.

Over the full year, the invested assets portfolio generates a financial contribution of EUR 460 million, representing a return on invested assets of 3.7% compared to 4.0% over the same period in 2010. The active management policy practiced by SGI has enabled the Group to record EUR 186 million of net realized capital gains in 2011. The Group has rigorously applied an unchanged impairment policy on its investment portfolio, for a total amount of EUR 62 million in 2011. Taking account of funds withheld by cedants, the net rate of return on investments is 3.2% in total for full year 2011, compared to 3.4% in 2010.

Invested assets (excluding funds withheld by cedants) stand at EUR 12,955 million at 31 December 2011, composed as follows: 65% bonds, 24% cash and short-term investments, 5% equities, 4% real estate and 2% other investments. Total investments stand at EUR 21,053 million at 31 December 2011, compared to EUR 19,526 million at 31 December 2010 (excluding investments linked to IIC).

In the Full-Year 2011 presentation and in this press release, two sets of financial data are used, published accounts & pro-forma information:

1. Audited published annual accounts

- Audited published annual accounts are prepared reflecting Transamerica Re from the acquisition date, i.e. 144 days (09/08-31/12) of full Transamerica Re consolidation
- Prior year comparatives do not include Transamerica Re (acquired on 09/08/2011)
- Comparatives adjusted to reflect the updated basis of Group function cost reporting (which was disclosed in the Full-Year 2010 results presentation)

P&L Key figures (in EUR millions)

	2011 (audited)	2010 (audited)	Variation (%)	Q4 2011 (unaudited)	Q4 2010 (unaudited)	Variation (%)
Gross written premiums	7,602	6,694	13.6%	2,181	1,674	30.3%
P&C gross written premiums	3,982	3,659	8.8%	1,001	887	12.9%
Life gross written premiums	3,620	3,035	19.3%	1,180	787	49.9%
Investment income	624	690	-9.6%	160	170	-6.0%
Operating income	323	490	-34.1%	131	156	-16.3%
Net income	330	418	-21.1%	102	151	-32.6%
Earnings Per Share (EUR)	1.80	2.32	-22.5%	0.55	0.83	-34.2%

P&L Key ratio

	2011 (audited)	2010 (audited)	Q4 2011 (unaudited)	Q4 2010 (unaudited)
Net return on investments[1]	3.2%	3.4%	3.2%	3.4%
Return on invested assets[1,2]	3.7%	4.0%	3.6%	4.4%
P&C net combined ratio[3]	104.5%	98.7%	98.4%	95.6%
Life operating margin[4]	6.5%	7.4%	5.5%	8.1%
Life technical margin[5]	8.1%	5.4%	7.4%	6.7%
Group cost ratio[6]	5.5%	5.5%	5.4%	5.2%
Return on equity (ROE)	7.7%	10.2%	9.8%	14.8%

1: annualized; 2: excluding funds withheld; 3: Combined ratio is the sum of the total claims, the total commissions and the total P&C management expenses, divided by the net earned premiums of SGPC; 4: The Life operating margin is the sum of the technical results, the total investments income from SGL and the total SGL expenses, divided by the net earned premium of SGL; 5: The technical margin for SGL is the technical result divided by the net earned premiums of SGL.6: Cost ratio is the total management expenses divided by the gross written premiums

Balance sheet Key figures (in EUR millions)

	2011 (audited)	2010 (audited)	Variation (%)
Investments (excl. participations)	21,429	20,878	2.6%
Technical reserves (gross)	23,307	21,957	6.1%
Shareholders' equity	4,410	4,352	1.3%
Book value per share (EUR)	23.83	23.96	-0.5%

2. Unaudited pro-forma information: Full-Year 2011 information

- Following IFRS 3 guidance – an acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial impact of business combinations that were effected during the period.
- The unaudited pro-forma financial information as of 31 December 2011 is presented to illustrate the effect on the Group’s income statement of the Transamerica Re acquisition as if the acquisition had taken place on 1 January 2011. Disclosure of pro-forma gross written premiums and pro-forma net income will be included in 2011 “*Document de référence*”.
- No prior year comparatives required

P&L Key figures (in EUR millions) on a pro-forma basis

	2011 (unaudited)
Gross written premiums	8,586
P&C gross written premiums	3,982
Life gross written premiums	4,604
Investment income	653
Operating income	375
Net income	368