

PROSPECTUS DATED 26 JULY 2006



SCOR
€350,000,000
UNDATED DEEPLY SUBORDINATED NOTES
Issue Price: 100%

The €350,000,000 undated deeply subordinated notes (the **Notes**) of SCOR (the **Issuer**) will be issued outside the Republic of France on 28 July 2006 (the **Issue Date**) in the denomination of €50,000 each.

The Notes will bear interest (i) from (and including) the Issue Date to (but excluding) 28 July 2016 (the **Fixed Rate Period**), at a fixed rate of 6.154% per annum payable annually in arrear on 28 July in each year and commencing on 28 July 2007, and (ii) thereafter (the **Floating Rate Period**), at a floating rate calculated on the basis of 3-month Euribor plus a margin of 2.90% per annum payable quarterly in arrear on or about 28 October, 28 January, 28 April and 28 July in each year, commencing on 28 October 2016, as further described in "Terms and Conditions of the Notes - Interest".

The Notes will be undated obligations in respect of which there is no fixed redemption date.

The Issuer may, at its option, redeem the Notes in whole or in part on the Interest Payment Date falling on 28 July 2016 or on any subsequent Interest Payment Date, as further described in "Terms and Conditions of the Notes - Redemption and Purchase - Redemption from the First Call Date". In addition, the Issuer may, at its option, redeem the Notes in whole or in part upon the occurrence of certain events, as further described in "Terms and Conditions of the Notes - Redemption and Purchase - Redemption before or after the First Call Date", " - Mandatory Redemption" and " - Redemption for Taxation Reasons".

The principal and interest of the Notes constitute (subject to certain limitations described in "Terms and Conditions of the Notes - Status of the Notes and Rights of Noteholders in the event of liquidation") direct, unconditional, unsecured, undated and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and will rank (i) *pari passu* among themselves, (ii) *pari passu* with all other present and future Parity Securities but (iii) shall be subordinated to the present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations and Unsubordinated Obligations. In the event of liquidation, the Notes shall rank in priority to any payments to holders of Equity Securities as further described in "Terms and Conditions of the Notes - Status of the Notes and Rights of Noteholders in the event of liquidation".

For so long as the mandatory interest payment provisions do not apply, payment of interest on the Notes may be deferred at the option of the Issuer, as set out in "Terms and Conditions of the Notes - Interest - Interest Deferral". Any deferred interest may be settled, at the option of the Issuer, and in certain circumstances must be settled, up to certain limits, through the use of the Payment in Kind Mechanism. Any remaining deferred interest not so settled will be forfeited, as more fully described in "Terms and Conditions of the Notes - Interest - Interest Deferral".

The Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**) is the competent authority in Luxembourg for the purpose of Directive n°2003/71/EC (the **Prospectus Directive**) and the Luxembourg law on prospectuses for securities of 10 July 2005, for the purpose of approving this Prospectus. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the Regulated Market (regulated by Directive 2004/39/EC) of the Luxembourg Stock Exchange.

The Notes will be issued in dematerialised bearer form (*au porteur*). Title to the Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders, as set out in "Terms and Conditions of the Notes - Form, Denomination and Title".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

The Notes are expected to be assigned a rating of BBB by Standard & Poor's Ratings Services and BBB- by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.

Structuring Adviser
BNP Paribas

Sole Bookrunner and Lead Manager
BNP Paribas

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information contained in this Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

*References herein to the **Issuer** are to SCOR. References to the **Group** are to the Issuer, together with its consolidated subsidiaries.*

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see the section entitled "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

The Manager (as defined in the section entitled "Subscription and Sale") has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes. The Manager does not accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.

This Prospectus comprises a prospectus for the purpose of (i) Article 5.3 of the Prospectus Directive and (ii) the relevant implementing measures in the Grand Duchy of Luxembourg and, in each case, for the purpose of giving information with regard to the Issuer.

In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Manager to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Manager.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Manager does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Manager that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not

to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Manager do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Manager which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and France, see the section entitled "Subscription and Sale".

*The Notes have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state of the United States of America and may not be offered, sold or delivered within the United States of America or to or for the account or benefit of any person in the United States of America, within the meaning of Regulation S under the Securities Act (**Regulation S**), or to any person acting on a non-discretionary basis for any person in the United States of America.*

In this Prospectus, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.

In connection with this issue BNP Paribas (herein referred to as the Stabilising Manager) or any person acting for it may over-allot (provided that the aggregate principal amount of Notes allotted does not exceed one hundred and five (105) per cent. of the aggregate principal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are 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 that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. 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 limitation, "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. Please refer to the section entitled "Risk Factors" below.

SCOR operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and SCOR does not undertake any obligation to update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

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RISK FACTORS

Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment. This section is not intended to be exhaustive and prospective investors should make their own independent evaluation of all risk factors and should read the detailed information set out elsewhere in this Prospectus. Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

RISK FACTORS RELATING TO THE ISSUER

See Section 3 "Risk factors relating to the Issuer" in the Cross-Reference List on page 12 in respect of Documents Incorporated by Reference.

RISK FACTORS RELATING TO THE ACQUISITION OF REVIOS RÜCKVERSICHERUNG AG

On 5 July 2006, the Issuer announced it had entered into a definitive agreement for the acquisition of Revios Rückversicherung AG. For an overview of this transaction, see "The Issuer - Section VIII: Recent Developments".

The Issuer may not complete the contemplated acquisition successfully

The successful completion of the acquisition of Revios Rückversicherung AG will depend upon whether the operations of Revios Rückversicherung AG can be integrated in an efficient and effective manner with those of the Issuer. Integrating the operations of an acquired business is a complex and lengthy process. Successful integration requires, among other things, the satisfactory coordination of business development and marketing efforts, the retention of key management personnel, effective hiring and training policies and the alignment of information and software systems. Any difficulties encountered in combining operations could result, among other things, in higher integration costs and lower savings or revenues than expected.

RISK FACTORS RELATING TO THE NOTES

The Notes are Deeply Subordinated Notes

The Issuer's obligations under the Notes are deeply subordinated obligations of the Issuer which are the most junior debt instruments of the Issuer, subordinated to and ranking behind the claims of all other unsubordinated and ordinary (dated and undated senior) subordinated creditors of the Issuer, lenders in relation to any *prêts participatifs* granted to the Issuer and holders of any *titres participatifs* issued by the Issuer. The Issuer's obligations under the Notes rank in priority only to any class of share capital of the Issuer.

The Noteholders face the risk that the Notes will not perform as anticipated

Scheduled interest payments may be deferred as provided in the section entitled "Terms and Conditions of the Notes - Interest - Interest Deferral".

In the event of any insolvency or liquidation of the Issuer, the Noteholders would receive payments on any outstanding equal ranking subordinated notes only after holders of notes ranking senior to the Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, the Noteholders face a higher performance risk than holders of Unsubordinated Obligations or of Ordinary Subordinated Obligations.

The Notes are undated securities

The Notes are undated securities with no fixed maturity date. The Issuer is under no obligation to redeem the Notes at any time, except (i) as provided in the section entitled "Terms and Conditions of the Notes - Mandatory Redemption" if any judgment is issued by any competent court for (a) the judicial liquidation (*liquidation judiciaire*) of the Issuer, or (b) following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (except in the case of a consolidation, amalgamation, merger or other reorganisation in which all or substantially all of the assets of the Issuer are transferred to another legal entity (including, without limitation, pursuant to a *fusion*, *scission* or *apport partiel d'actifs*) which simultaneously assumes all the obligations of the Issuer under the Notes whether by operation of law or otherwise). In such event, the Notes will become immediately due and payable at their Original Principal Amount together with accrued interest to the date of redemption.

In such event, any outstanding Optional Deferred Interest will, subject to the Overall PIK Limit, become due and payable in cash but shall only be due and payable after all the Original Principal Amount of Notes shall have been paid in full. Any excess Optional Deferred Interest shall be forfeited and, accordingly, the Issuer's obligations in respect of such Optional Deferred Interest shall be terminated.

Restrictions on interest payment

On any Interest Payment Date which is not a Mandatory Interest Payment Date (an **Optional Interest Payment Date**), the Issuer may, at its option, pay interest in respect of the Notes accrued to that date, but the Issuer shall have no obligation to make such payment and may elect to defer the payment of such interest (an **Optional Deferred Interest**). Any such failure to pay Optional Deferred Interest which would otherwise have been due on such Optional Interest Payment Date shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any outstanding Optional Deferred Interest must be settled on the earlier of (i) the next Mandatory Interest Payment Date or (ii) upon redemption of the Notes subject to the Overall PIK Limit as defined below. The payment of Optional Deferred Interest can only be achieved by the use of the Payment-In-Kind mechanism (**PIK**).

Optional Deferred Interest shall not bear interest.

Under the PIK, the Issuer will have the obligation to settle the Optional Deferred Interest by issuing and granting to the Noteholders Further Securities; provided, however, that such issue, together with any previous issue pursuant to the PIK, may never exceed twenty five per cent. (25%) of the Original Principal Amount of the Notes on the Issue Date (the **Overall PIK Limit**).

Subject to the provisions relating to the Mandatory Interest Payments, the Issuer shall not pay interest on the Notes if, prior to an Optional Interest Payment Date, the Issuer determines that a Capital Deficiency Event occurred or would occur. Any interest not so paid on an Interest Payment Date shall be lost and shall no longer be due and payable by the Issuer.

Furthermore, if the Issuer is liquidated or wound-up for any reason, any outstanding Optional Deferred Interest will, to the extent the Overall PIK Limit has not been reached, become due and payable in cash but shall only be due and payable after the Original Principal Amount of the Notes shall have been paid in full and only to the extent that such payment would not result in exceeding the Overall PIK Limit. Any amount of Optional Deferred Interest that would result in exceeding the Overall PIK Limit shall be lost and shall no longer be due and payable by the Issuer.

Noteholders should be aware that under certain circumstances a payment of interest may be cancelled in total.

Early Redemption Risk

The Issuer may redeem the Notes, in whole or in part, on the Interest Payment Date falling on 28 July 2016 (the **First Call Date**) or upon any Interest Payment Date thereafter. Such redemption option will be exercised at a price (the **Base Call Price**) equal to the Original Principal Amount of the Notes and any accrued and unpaid interest up to their effective redemption date.

The Issuer may (and, in certain cases, shall) redeem some or all of the Notes for taxation reasons.

Further, (a) if interest payments under the Notes are no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, at any time, redeem the Notes in whole or in part at their Base Call Price; and (b) the Issuer will have the right to redeem the Notes in whole or in part at the Make Whole Call Price, at any time, if any of the following events occur: (i) as a consequence of a change in the rating methodology of two (2) rating agencies among the Rating Agencies and A.M. Best Company, or interpretation of such methodology, the capital treatment of the Notes becomes, in the reasonable opinion of the Issuer, materially less favourable to the Issuer or (ii) as a consequence of a change in regulations applied to the Issuer, the Notes are not included by the Relevant Supervisory Authority in the Solvency Margin of the Issuer as Upper Tier 2 or Tier 1 (whatever terminology may be retained at the time) or (iii) as a consequence of a change in regulations applied to the Issuer, the Notes are not included by the Relevant Supervisory Authority in the core capital of the Issuer in relation to the equivalent for re-insurance companies of Tier 1 capital (whatever terminology may be retained at the time).

In each case, the early redemption of the Notes may be subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations.

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

Relevant Supervisory Authority

The current Relevant Supervisory Authority is the *Autorité de Contrôle des Assurances et des Mutuelles* (ACAM).

Securities qualifying as Tier 1 capital

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Tier 1 capital (or its equivalent for insurance and re-insurance entities when such regulation is put in place and in effect) for the Issuer subject to the limits on the portion of the Issuer's Tier 1 capital that may consist of hybrid securities in accordance with the applicable regulations and the interpretations of the Relevant Supervisory Authority. Such eligibility depends upon a number of conditions being satisfied and which are reflected in the Terms and Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb losses of the Issuer. Accordingly, following a Capital Deficiency Event, a Loss Absorption will be implemented by a partial or full reduction of the Current Principal Amount.

No voting rights

The Notes do not give the Noteholders the right to vote at meetings of the shareholders of the Issuer.

Interest rate risk during the Floating Rate Interest Period

Interest on the Notes for each Floating Rate Interest Period shall be calculated on the basis of 3-month Euribor. This rate is a variable rate and as such is not pre-defined for the lifespan of the Notes; conversely a variable rate allows investors to follow market changes with an instrument reflecting changes in the levels of yields. Higher rates mean a higher interest and lower rates mean a lower interest.

No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

The trading market for the Notes may be volatile and may be adversely impacted by many events.

The market for the Notes may be influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer or its subsidiaries are entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdiction in which it is required to pay taxes. The tax impact on Noteholders generally in France and as a result of the entry into force of the EU Directive 2003/48/EC on the taxation of savings income is described under the section entitled "Taxation" below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with the Prospectus and that have been filed with the CSSF in Luxembourg and shall be incorporated in, and form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

- the 2005 *Document de Référence* filed with the AMF, which includes the audited annual financial statements for the year ended 31 December 2005 and the audited consolidated annual financial statements for the year ended 31 December 2005, the report of the auditors on the audited annual financial statements for the year ended 31 December 2005 and the report of the auditors on the audited consolidated annual financial statements for the year ended 31 December 2005, except for the section 12.1 entitled *Attestation du responsable du document* (p. 196) and the section entitled *Informations incluses par référence* (p. 197); and
- the 2004 *Document de Référence* filed with the AMF, which includes the audited annual financial statements for the year ended 31 December 2004 and the audited consolidated annual financial statements for the year ended 31 December 2004, the report of the auditors on the audited annual financial statements for the year ended 31 December 2004, the report of the auditors on the audited consolidated annual financial statements for the year ended 31 December 2004, except for the section entitled *Avis des commissaires aux comptes sur le document de référence* (p. 186 to 187).

All Documents Incorporated by Reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.scor.fr). The Documents Incorporated by Reference will also be available free of charge to the public at the premises of the Paying Agent in Luxembourg and at the premises of the Issuer in France.

Any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Documents Incorporated by Reference shall be read in connection with the table below (as set out in "Cross-Reference List"). Any information contained in the Documents Incorporated by Reference that is not cross-referenced in the following table is for informational purposes only.

CROSS-REFERENCE LIST

		(Extract of Annex IX)	2005 <i>Document de Référence</i>	2004 <i>Document de Référence</i>
3. RISK FACTORS			122 to 133	N/A
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	11.1	Historical Financial Information:		
		Audited financial statements:	73 to 101	59 to 93
		(a) audited balance sheets;	74 to 75	60 to 61
		(b) audited statement of income;	76 to 78	62 to 64
		(c) audited accounting policies and explanatory notes;	73 80 to 99	59 66 to 91
		(d) audit reports on the annual financial statements.	100 to 101	92 to 93
	11.2.	Audited consolidated financial statements:	10 to 72	10 to 56
		(a) audited consolidated balance sheets;	10 to 11	10 to 11
		(b) audited consolidated statement of income;	12	12 to 13
		(c) audited consolidated accounting policies and explanatory notes;	17 to 70	16 to 54
		(d) audit reports on the consolidated financial statements	71 to 72	55 to 56
	11.3.	Auditing of historical annual financial information		
		11.3.1. Statement that the historical financial information has been audited.	71 to 72	55 to 56

SUMMARY

This summary of the terms and conditions of the Notes must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them in the section entitled "Terms and Conditions of the Notes".

Issuer:	SCOR.
Description:	€350,000,000 Undated Deeply Subordinated Notes (the Notes).
Sole Bookrunner and Structuring Adviser:	BNP Paribas.
Fiscal Agent, Principal Paying Agent, Calculation Agent and PIK Agent:	BNP Paribas Securities Services.
Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Denomination:	€ 50,000 per Note.
Original Principal Amount:	€ 50,000 per Note, which amount may be permanently reduced in the event of a partial call as described below under "Call from the First Call Date" and "Call before or after the First Call Date".
Current Principal Amount:	Equal to the principal amount of the Notes outstanding at any time, calculated on the basis of the Original Principal Amount of the Notes as such amount may be reduced pursuant to the application of the loss absorption mechanism and/or reinstated on one or more occasions, as described below under "Loss Absorption" and "Reinstatement", respectively.
Maturity:	The Notes will be undated securities of the Issuer with no fixed redemption or maturity date.
Form of the Notes:	<p>The Notes will be issued in book-entry dematerialised bearer form (<i>au porteur</i>) in the denomination of € 50,000.</p> <p>Title to the Notes will be evidenced in accordance with Article L.211-4 of the French <i>Code monétaire et financier</i> by book-entries (<i>inscriptions en compte</i>) in the books of Account Holders (as defined below). No physical document of title (including "<i>certificats représentatifs</i>" pursuant to Article R.211-7 of the French <i>Code monétaire et financier</i>) will be issued in respect of the Notes.</p>

The Notes will, upon issue, be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the relevant Account Holders.

Account Holders means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France and include the depository banks of Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and of Clearstream Banking, société anonyme (**Clearstream**).

Status of the Notes:

The Notes are deeply subordinated notes issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*.

The principal and interest on the Notes (which constitute *obligations* under French law) will constitute direct, unconditional, unsecured, undated and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and will rank *pari passu* among themselves and with all other present and future Parity Securities (as defined below), but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations (as defined below) and Unsubordinated Obligations (as defined below). In the event of liquidation, the Notes shall rank in priority to any payments to holders of Equity Securities (as defined below).

There will be no limitations on issuing debt at the level of the Issuer or of any consolidated subsidiaries.

Equity Securities means (a) the ordinary shares of the Issuer and (b) any other class of the Issuer's share capital or other securities of the Issuer ranking junior to the Parity Securities.

Parity Securities means any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes and behind the *prêts participatifs* granted to the Issuer, the *titres participatifs* issued by the Issuer, the Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer.

Ordinarily Subordinated Obligations means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which at all times rank *pari passu* and without any preference among themselves and equally and rateably with any other existing or future Ordinarily Subordinated Obligations, behind Unsubordinated Obligations but in priority to Equity Securities, the Notes, Parity Securities, *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

Unsubordinated Obligations means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and which rank in priority to the Ordinarily Subordinated Obligations.

Negative Pledge:

There will be no negative pledge in respect of the Notes.

Events of Default:

There will be no events of default in respect of the Notes. However, the Notes must be redeemed in the event of liquidation of the Issuer, in an amount calculated on the basis of the Original Principal Amount of the Notes.

Interest:

The Notes bear interest on their Current Principal Amount at a fixed rate of 6.154% per annum from, and including, 28 July 2006 (the **Issue Date**) to, but excluding, the First Call Date payable annually in arrears on 28 July of each year (each a **Fixed Rate Interest Payment Date**), commencing on 28 July 2007.

Thereafter, the Notes will bear interest on their Current Principal Amount at a floating rate equal to 3-month Euribor plus a margin equal to 2.90% per annum payable quarterly in arrears on 28 October, 28 January, 28 April and 28 July of each year (each a **Floating Rate Interest Payment Date** and together with each Fixed Rate Interest Payment Date, an **Interest Payment Date**), commencing on 28 October 2016.

First Call Date means 28 July 2016.

Fixed Rate Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Rate Interest Payment Date and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on (but excluding) the next succeeding Fixed Rate Interest Payment Date.

Floating Rate Interest Period means the period beginning on (and including) the First Call Date and ending on (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

Interest Period means a Fixed Rate Interest Period or a Floating Rate Interest Period, as the case may be.

Interest payments are subject to the provisions set forth below under "Interest Payments", "Loss Absorption" and "Reinstatement".

Interest Payments:

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of the following paragraphs. The interest to be paid will be calculated on the basis of the Current Principal Amount of the Notes outstanding during any Interest Period.

Mandatory Interest Payment

In the event that during the six-month period prior to any Interest Payment Date any of the following events (a **Mandatory Interest Payment Event**) occurs:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares), or a redemption, repurchase or acquisition of any Equity Securities (excluding acquisitions resulting

from the hedging of stock options, convertible securities of the Issuer or other employee benefit plans); or

(ii) a payment of any nature by the Issuer on any Parity Securities which feature similar interest deferral / non-payment mechanisms as the Notes (other than (x) a Reinstatement (as defined under "Reinstatement" below) or (y) any payment on any Parity Securities that was required to be made as a result of a dividend or other payment having been made on any Equity Securities) or a redemption, repurchase or acquisition of any Parity Securities;

then irrespective of whether an Interest Non-Payment Notice has been delivered and is outstanding, the Issuer shall be required to pay interest on the Notes accrued in respect of the Interest Period ending immediately prior to such Interest Payment Date (such payment, a **Mandatory Interest Payment** and such date a **Mandatory Interest Payment Date**);

provided, however, that if a Capital Deficiency Event occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Mandatory Interest Payment Date if such Capital Deficiency Event occurred prior to the relevant event described in sub-paragraph (i) or (ii) of this section.

For the avoidance of doubt, if a declaration of dividend occurs prior to, but the payment of such dividend occurs after, the occurrence of a Capital Deficiency Event during the Interest Period immediately preceding an Interest Payment Date, such Interest Payment Date shall constitute a Mandatory Non-Payment Interest Date (as defined below).

Optional Deferral of Interest

For so long as the provisions set forth above under "Mandatory Interest Payment" do not apply, the Issuer may elect to defer the payment of interest (an **Optional Deferred Interest**) on any Interest Payment Date (an **Optional Interest Payment Date**), in particular, with a view to restoring its capital in order to ensure the continuity of its activities without weakening its financial structure.

Payment of Optional Deferred Interest

Any outstanding Optional Deferred Interest must be settled on the earlier of (i) the next Mandatory Interest Payment Date or (ii) the redemption of the Notes, both subject to the Overall PIK Limit as defined below.

The payment of Optional Deferred Interest can only be achieved by the use of the Payment-In-Kind mechanism (**PIK**) as defined below.

Optional Deferred Interest shall not bear interest.

Under the PIK, the Issuer will have the obligation to settle the Optional Deferred Interest by issuing and granting to the Noteholders Further Securities; provided, however, that such issue, together with any previous issue pursuant to the PIK, may never exceed twenty five per cent. (25%) of the Original Principal Amount of the Notes on the Issue Date (the **Overall PIK Limit**).

For each Noteholder the number of Further Securities received will be equal to the amount of Optional Deferred Interest owed divided by the nominal amount of the Further Securities rounded down, subject to the Overall PIK Limit. The relevant number of Further Securities to be issued (as reasonably determined by the Calculation Agent) shall be allocated to each Noteholder by the Calculation Agent on the basis of such Noteholder's total holding of Notes rather than on a per Note basis. Any broken amount of Optional Deferred Interest shall be forfeited.

Notice of non-payment of interest on the Notes on any Interest Payment Date in accordance with the above provisions (an **Interest Non-Payment Notice**) shall be given to the Noteholders no later than five Business Days prior to the relevant Interest Payment Date.

Further Securities means securities identical to the originally issued Notes except that (i) their terms and conditions will provide for a mandatory non-payment of interest in cash if certain events or circumstances occur and (ii) interest will begin to accrue from their date of issue rather than the issue date of the Notes.

The Issuer undertakes to use its best efforts to obtain a listing for the Further Securities on the same stock exchange as the Notes or on another regulated market within the European Union as soon as reasonably practicable following their issue.

Mandatory Non-Payment of Interest

The Issuer shall not pay interest on the Notes, subject to the provisions of paragraph "Mandatory Interest Payment" above, if, on or at any time prior to the fifth Business Day prior to such Optional Interest Payment Date, the Issuer determines that a Capital Deficiency Event (as defined below) occurred or would occur assuming that any Interest Payment due on such Interest Payment Date is effectively made on such Interest Payment Date (a **Mandatory Non-Payment Interest Date**).

Any interest not so paid on an Interest Payment Date shall be lost and shall no longer be due and payable by the Issuer.

Capital Deficiency Event means the first date on which either of the following events occurs:

(a) the *marge de solvabilité disponible* of the Issuer has fallen below the minimum Solvency Margin level of the Issuer (or a comparable term in case of a change in applicable rules, all in accordance with the Applicable Regulations, including but not limited to French insurance regulatory law, for group solvency and single solvency purposes and the solvency pursuant to the regulation for financial conglomerates) as required by the Relevant Supervisory Authority (the **Solvency Margin**).

(b) the Issuer is notified by the Relevant Supervisory Authority that it has determined, in its sole discretion, in the view of the deteriorating financial condition of the Issuer, that the foregoing paragraph (a) of this definition would apply in the near term.

Notice of non-payment of interest on the Notes on any Interest Payment Date in accordance with the above provisions (an **Interest Non-Payment**

Notice) shall be given to the Noteholders no later than five Business Days prior to the relevant Interest Payment Date.

For the avoidance of doubt, the occurrence of a Capital Deficiency Event and any resulting notice will be effective only with respect to the interest amount due on the immediately following Interest Payment Date. As appropriate, the Issuer will make a new determination and deliver other notice(s) with respect to any subsequent Interest Payment Date in relation to which a Capital Deficiency Event is continuing or occurs again.

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable minimum solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de Contrôle des Assurances et des Mutuelles* (ACAM).

Applicable Regulations means, at any time, the solvency margin, capital adequacy regulations or any other regulatory capital rules then in effect or applied in the Republic of France (or if the Issuer becomes domiciled in a jurisdiction other than the Republic of France, such other jurisdiction) and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority and applied to the Issuer.

Loss Absorption:

In the event that at any time a Capital Deficiency Event has occurred, the board of directors of the Issuer will convene an extraordinary shareholders' meeting to be held during the three months following the occurrence of such event in order to propose a share capital increase or any other measure regarded as necessary or useful to remedy such event. If a share capital increase or any such other proposed measure is not adopted by the Issuer's extraordinary shareholders' meeting, or if the share capital increase is not sufficiently subscribed to remedy such event in full, or the amount of the losses has not been totally set off against the increase of the shareholders' funds (*capitaux propres*) of the Issuer, or if such event remains in effect on the last day of the fiscal half-year during which the said event has occurred, the board of directors of the Issuer will implement, within ten days following the last day of such fiscal half-year, a reduction of the amount of the Current Principal Amount of the Notes (a **Loss Absorption**) necessary in order to remedy such event to the fullest extent possible. Notwithstanding anything to the contrary, the nominal value of the Notes shall never be reduced to an amount lower than one cent (€ 0.01).

The amounts by which the Current Principal Amount of the Notes is reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities, will be the lower of (i) the amount of consolidated losses of the Issuer which, following a Capital Deficiency Event, have not been allocated to its shareholders' funds (*capitaux propres*) as set out in its consolidated financial statements and (ii) the aggregate amount of the Current Principal Amount of the Notes before such reduction.

For the avoidance of doubt, the first remedy to the Capital Deficiency Event will be the share capital increase or the implementation of any other measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy such Capital Deficiency Event. To the extent such

increase of share capital or other measures are not sufficient, the Loss Absorption will be thereafter applied, if necessary, against the Current Principal Amount of the Notes as herein described.

Reinstatement:

If, following a Loss Absorption, the Issuer has recorded positive Consolidated Net Income for at least two consecutive fiscal years following the End of Capital Deficiency Event (a **Return to Profitability**), the Issuer shall increase the Current Principal Amount of the Notes (a **Reinstatement**) on any date and in an amount that it determines (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount), to the extent any such Reinstatement does not give rise to a Capital Deficiency Event.

A Reinstatement shall be made on one or more occasions in the circumstances described above until the Current Principal Amount of the Notes has been reinstated to the Original Principal Amount as from the Return to Profitability (save in the event of occurrence of another Capital Deficiency Event).

For the avoidance of doubt, following a Reinstatement the Current Principal Amount of the Notes may never be greater than the Original Principal Amount of the Notes.

Consolidated Net Income means the consolidated net income (excluding minority interests) of the Issuer, as calculated and set out in the audited annual consolidated financial statements of the Issuer.

End of Capital Deficiency Event means, following a Capital Deficiency Event, the earlier of either of the following events:

- (i) if the Capital Deficiency Event occurred pursuant to paragraph (i) of the definition of Capital Deficiency Event, the *marge de solvabilité disponible* of the Issuer returns to at least the minimum Solvency Margin; or
- (ii) if the Capital Deficiency Event occurred pursuant to paragraph (ii) of the definition of Capital Deficiency Event, the Issuer is notified by the Relevant Supervisory Authority that it has determined, in its sole discretion, in the view of the financial condition of the Issuer, that the circumstances which resulted in the Capital Deficiency Event have ended.

Call from the First Call Date:

The Issuer will have the right to call the Notes, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, in whole or in part on the Interest Payment Date falling on the First Call Date or upon any Interest Payment Date thereafter, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders (which notice shall be irrevocable). The Luxembourg Stock Exchange will be informed of any such redemption.

Such call will be exercised at a price (the **Base Call Price**) equal to the Original Principal Amount of the Notes and any accrued and unpaid interest up to their effective redemption date.

As a condition to any redemption and subject to the Overall PIK Limit, any outstanding Optional Deferred Interest shall have been paid through

the PIK mechanism (except if the Issuer is liquidated or wound-up for any reason). Any excess Optional Deferred Interest shall be forfeited.

In the case of a partial call, the rights of the Noteholders will be first reinstated to (as the case may be), and calculated on the basis of, the Original Principal Amount of the Notes and shall then be performed by way of an equal reduction of the Original Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of the Original Principal Amount is distinct from the Loss Absorption mechanism and the resulting reduced Current Principal Amount. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

**Call before or after the First
Call Date:**

As a condition to any redemption and subject to the Overall PIK Limit, any outstanding Optional Deferred Interest shall have been paid through the PIK mechanism (except if the Issuer is liquidated or wound-up for any reason). Any excess Optional Deferred Interest shall be forfeited.

Call for Tax Reasons

If at any time the Issuer determines that a Tax Event (as defined below) has occurred with respect to the Notes, the Issuer will have the right, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, to redeem the Notes in whole or in part (but not in part in relation to (ii) of the Tax Event definition below) on any Interest Payment Date at the Base Call Price of the Notes provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.

In the case of a partial call, the rights of the Noteholders will be first reinstated to (as the case may be), and calculated on the basis of, the Original Principal Amount of the Notes and shall then be performed by way of an equal reduction of the Original Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of the Original Principal Amount is distinct from the Loss Absorption mechanism and the resulting reduced Current Principal Amount. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

Tax Event means any of the following events:

- (i) by reason of a change in any law or regulation of the Republic of France or any political subdivision or authority therein or thereof having power to tax, or any change in the official application or interpretation of such law or regulation (including a holding by a competent court), becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts, or

(ii) any French law or regulation prohibits the payment of such additional amounts; or

(iii) interest payments under the Notes are no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.

If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Noteholders, redeem the Notes, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, in whole but not in part at their Base Call Price provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.

Before the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by a *Directeur Général* of the Issuer (or by any other member of the *Conseil d'administration*) or any authorised member of the *Comité Exécutif* stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts supporting the conclusion that the conditions precedent to the right of the Issuer so to redeem have been satisfied.

Call for Capital Disqualification Reasons

The Issuer will have the right, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, to redeem the Notes in whole or in part at the Make Whole Call Price at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to Noteholders (which notice shall be irrevocable), if (each a **Capital Disqualification Event**) (i) as a consequence of a change in the rating methodology of two (2) rating agencies among the Rating Agencies and A.M. Best Company, or interpretation of such methodology, the capital treatment of the Notes becomes, in the reasonable opinion of the Issuer, materially less favourable to the Issuer or (ii) as a consequence of a change in regulations applied to the Issuer, the Notes are not included by the Relevant Supervisory Authority in the Solvency Margin of the Issuer as Upper Tier 2 or Tier 1 (whatever terminology may be retained at the time) or (iii) as a consequence of a change in regulations applied to the Issuer, the Notes are not included by the Relevant Supervisory Authority in the core capital of the Issuer in relation to the equivalent for re-insurance companies of Tier 1 capital (whatever terminology may be retained at the time).

In the case of a partial call, the rights of the Noteholders will be first reinstated to (as the case may be), and calculated on the basis of, the Original Principal Amount of the Notes and shall then be performed by

way of an equal reduction of the Original Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of the Original Principal Amount is distinct from the Loss Absorption mechanism and the resulting reduced Current Principal Amount. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

Calculation Date means the fourth TARGET Business Day prior to the Early Redemption Date.

Comparable OAT means the OAT selected by the Calculation Agent as being that which would, in its reasonable opinion, be used at the time of selection, and in accordance with customary financial practice, for the purpose of pricing similar issues of securities with a maturity comparable to the period between the Early Redemption Date and the First Call Date.

Comparable OAT Yield means with respect to a Comparable OAT, (a) the average of five SVT quotations, after excluding the highest and the lowest of such quotations, and (b) if the Calculation Agent obtains less than five such quotations, the average of all such quotations so obtained.

Early Redemption Date means the effective date of redemption of the Notes made in accordance with this Condition.

Make Whole Call Price means an amount in Euro rounded to the nearest cent (half a cent being rounded upwards), as determined by the Calculation Agent on the Calculation Date, equal to the sum of (x) the then present value of the Original Principal Amount and (y) the then present values of the scheduled Interest Payments, calculated on the basis of the Original Principal Amount, from (and including) the First Call Date to the Early Redemption Date. The present values of (x) and (y) shall be calculated by discounting the Original Principal Amount and the scheduled Interest Payments from the First Call Date to the Early Redemption Date at the OAT Adjusted Yield on an Actual/Actual-ISMA annual basis.

OAT Adjusted Yield means (i) the comparable OAT yield to maturity plus (ii) 0.60%.

Rating Agencies means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors (**S&P**) and Fitch Ratings and its successors (**Fitch**).

SVT means a *Spécialiste en Valeurs du Trésor* as selected by the Calculation Agent.

Liquidation Redemption:

If any judgment is issued by any competent court for (a) the judicial liquidation (*liquidation judiciaire*) of the Issuer, or (b) following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (except in certain cases described in "Terms and Conditions of the Notes - Redemption and Purchase"), then the Notes will become immediately due and payable at their Original Principal Amount together with accrued interest to the date of redemption.

Furthermore, if the Issuer is liquidated or wound-up for any reason, any outstanding Optional Deferred Interest will, to the extent the Overall PIK Limit has not been reached, become due and payable in cash but shall only be due and payable after the Original Principal Amount of the Notes shall have been paid in full and only to the extent that such payment would not result in exceeding the Overall PIK Limit. Any amount of Optional Deferred Interest would result in exceeding the Overall PIK Limit shall be lost and shall no longer be due and payable by the Issuer.

Replacement Capital Provision:

It is the Issuer's intention to fund any redemption of the Notes (either before or from the First Call Date) from the proceeds of the sale of securities carrying at least the same features as the Notes at the time of issue. These securities can range from similar securities (ranking *pari passu* with the Notes and with similar terms and conditions regarding maturity, deferral, limitations to cumulativeness, timing and amount of step-up and Replacement Capital Provision) to ordinary shares. Such securities would be issued on, or within a period of six (6) months prior to, the relevant redemption date of the Notes.

Amendments:

Upon the occurrence of the event described under (ii) of the Capital Disqualification Event definition, the Conditions of the Notes shall be automatically amended so that any provision relating to the optional deferral of interest rights of the Issuer shall no longer be applicable.

To the extent the Issuer is regulated or supervised by a Relevant Supervisory Authority, any other modifications of any of the Conditions shall be subject to the approval of the Relevant Supervisory Authority.

Substitution Provision:

The Issuer may, without any requirement for the consent or approval of the Noteholders, substitute at any time all (and not some only) of the Notes for, or vary the terms of the Notes if (i) a Tax Event occurs, so that no Tax Event exists after such substitution or variation or (ii) a Capital Disqualification Event occurs so that the Notes or the substituted Notes become Qualifying Equivalent Securities.

The amount of Qualifying Equivalent Securities to be given in substitution will be equal to the Original Principal Amount of the Notes. The substitution shall be implemented by the inscription of the substituted securities in the books of the Account Holders in place of the existing Notes.

Qualifying Equivalent Securities means securities (i) with the same features as the Notes at the time of issue (in particular in relation to the provisions on maturity, deferral, limitations to cumulativeness, timing and amount of step-up and Replacement Capital Provision), (ii) which have terms taken as a whole not less favourable to an investor (as reasonably determined by the Issuer, and provided that a certification to such effect of the Management of the Issuer shall have been delivered to the Noteholders prior to the issue or variation of the relevant securities) than the terms of the Notes, (iii) which shall include a *pari passu* ranking with the Notes and (iv) which shall bear the same interest rate from time to time to that applying to the Notes.

Any substitution or variation of the Notes is subject to (i) the Issuer giving at least six (6) months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter

period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given), (ii) the Issuer being in compliance with the Applicable Regulations on the date of such substitution or variation, and such substitution or variation not resulting directly or indirectly in a breach of the then Applicable Regulations, (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or admitted to trading, and (for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, (iv) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date, (v) the then Principal Amount being equal to, or as the case may be reinstated up to, the Original Principal Amount and (vi) the Issuer having given not more than forty five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders.

Taxation:

The Notes being *obligations* denominated in euro and accordingly deemed to be issued outside the Republic of France, will upon issue, benefit from an exemption from withholding tax pursuant to Article 131 *quater* of the *Code général des impôts* (French tax code). If French law should require any such deduction or withholding, the Issuer shall, to the extent permitted by law and subject to certain exceptions, pay such additional amounts as may be necessary so that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding.

The Notes may (and in certain circumstances shall) be redeemed by the Issuer if certain tax events occur.

Representation of Noteholders:

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* governed by the provisions of the French *Code de commerce* and of French decree No. 67-236 of 23 March 1967, as amended, subject to certain exceptions.

Listing:

Application has been made for the Notes to be admitted to trading on the EU regulated market of the Luxembourg Stock Exchange and to listing on the official list of the Luxembourg Stock Exchange. Such listing is expected to occur as of the Issue Date or as soon as practicable thereafter.

Ratings:

It is expected that the Notes will be assigned a rating of BBB by S&P and of BBB- by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

Selling Restrictions:

The Issuer has not registered, and will not register, the Notes under the Securities Act or any state securities laws. Accordingly, the Notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws. There are restrictions on the sale of the Notes and the distribution of offering material relating to the Notes in various jurisdictions. See "Notice to Investors" and "Subscription and Sale".

Governing Law: The Notes will be governed by, and construed in accordance with, French law.

Note Codes: The Notes have been accepted for clearance through Euroclear France, Clearstream and Euroclear under Note Codes.

The International Securities Identification Number (ISIN) for the Notes is FR0010359687 and the Common Code is 026261112.

TERMS AND CONDITIONS OF THE NOTES

The issue outside the Republic of France of the €350,000,000 undated deeply subordinated notes (the **Notes**) of SCOR (the **Issuer**) has been authorised pursuant to a resolution of the *Conseil d'administration* (the Board of Directors) of the Issuer, adopted on 4 July 2006 and a decision of Mr. Denis Kessler, the *Président et Directeur Général* of the Issuer, made on 19 July 2006. A fiscal, paying and calculation agency agreement (the **Agency Agreement**) to be dated 28 July 2006 has been entered into in relation to the Notes between the Issuer and BNP Paribas Securities Services, as fiscal agent, principal paying agent (together with any substitute fiscal agent, the **Fiscal Agent**), BNP Paribas Securities Services, as calculation agent (together with any substitute calculation agent, the **Calculation Agent**), BNP Paribas Securities Services, as PIK agent (together with any substitute PIK agent, the **PIK Agent**) and BNP Paribas Securities Services, Luxembourg Branch as paying agent (together with any substitute or additional paying agents which may be appointed from time to time under the Agency Agreement, the **Paying Agent**). The Fiscal Agent, the Calculation Agent, the PIK Agent and the Paying Agents are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Paying Agents.

References below to Conditions are, unless the context otherwise requires, to the numbered paragraphs below.

1. FORM, DENOMINATION AND TITLE

The Notes will be issued in dematerialised bearer form (*au porteur*) in a denomination of € 50,000 per Note. Title to the Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders (as defined below). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders.

Account Holder shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Banking *société anonyme* (**Clearstream**) and Euroclear Bank S.A./N.V. (**Euroclear**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

2. STATUS OF THE NOTES AND RIGHTS OF NOTEHOLDERS IN THE EVENT OF LIQUIDATION

(a) Status

The Notes are deeply subordinated notes in accordance with the provisions of article L.228-97 of the French *Code de commerce*.

The principal and interest of the Notes constitute (subject to the limitations described below) direct, unconditional, unsecured, undated and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and will rank (i) *pari passu* among themselves, (ii) *pari passu* with all other present and future Parity Securities (as defined below), but (iii) shall be subordinated to the present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations (as defined below) and Unsubordinated Obligations (as defined below). In the event of liquidation, the Notes shall rank in priority to any payments to holders of Equity Securities (as defined below).

For the purposes of these Conditions:

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)) or other securities of the Issuer ranking junior to the Parity Securities.

Parity Securities means any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and behind the *prêts participatifs* granted to the Issuer, the *titres participatifs* issued by the Issuer, the Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer

Ordinarily Subordinated Obligations means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which at all times rank (a) *pari passu* and without any preference among themselves and equally and rateably with any other existing or future Ordinarily Subordinated Obligations, (b) behind Unsubordinated Obligations but (c) in priority to Equity Securities, the Notes, Parity Securities, *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

Unsubordinated Obligations means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and which rank in priority to the Ordinarily Subordinated Obligations.

(b) Rights of Noteholders in the event of liquidation

The rights of the Noteholders in the event of the liquidation of the Issuer, judicial (*liquidation judiciaire*) or otherwise, will be calculated on the basis of the Original Principal Amount of the Notes together with accrued interest (if any) and any other outstanding payments under the Notes. If the Original Principal Amount has been reduced in the context of one or more Loss Absorption(s), the rights of the Noteholders will be reinstated to and calculated on the basis of the Original Principal Amount of the Notes.

Furthermore, if the Issuer is liquidated or wound-up for any reason, any outstanding Optional Deferred Interest will, to the extent the Overall PIK Limit has not been reached, become due and payable in cash but shall only be due and payable after the Original Principal Amount of the Notes shall have been paid in full and only to the extent that such payment would not result in exceeding the Overall PIK Limit. Any amount of Optional Deferred Interest that would result in exceeding the Overall PIK Limit shall be lost and shall no longer be due and payable by the Issuer.

For the purposes of these Conditions:

Original Principal Amount means € 50,000 per Note, which amount may be permanently reduced in the event of a partial call as described under Condition 5.

(c) Loss Absorption

In the event that at any time a Capital Deficiency Event (as defined below) has occurred, the *Conseil d'administration* (Board of Directors) of the Issuer will convene an extraordinary shareholders' meeting to be held during the three months following the occurrence of such event in order to propose a share capital increase or any other measure regarded as necessary or useful to remedy such event. If a share capital increase or any such other proposed measure is not adopted by the Issuer's extraordinary shareholders' meeting, or if the share capital increase is not sufficiently subscribed to remedy such event in full, or the amount of the losses has not been totally set off against the increase of the shareholders' funds (*capitaux propres*) of the Issuer, or if such event remains in effect on the last day of the fiscal half-year during which the said event has occurred, the board of directors of the Issuer will implement, within ten (10) calendar days following the last day of such fiscal half-year, a reduction of the amount of the Current Principal Amount of the Notes (a **Loss Absorption**) necessary in order to remedy such event to the fullest extent possible. Notwithstanding anything to the contrary, the nominal value of the Notes shall never be reduced to an amount lower than one cent (€ 0.01).

The amounts by which the Current Principal Amount of the Notes is reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities, will be the lower of (i) the amount of consolidated losses of the Issuer which, following a Capital Deficiency Event, have not been allocated to its shareholders' funds (*capitaux propres*) as set out in its consolidated financial statements and (ii) the aggregate amount of the Current Principal Amount of the Notes before such reduction.

For the avoidance of doubt, the first remedy to the Capital Deficiency Event will be the share capital increase or the implementation of any other measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy such Capital Deficiency Event. To the extent such increase of share capital or other measures are not sufficient, the Loss Absorption will be thereafter applied, if necessary, against the Current Principal Amount of the Notes as herein described.

For the purposes of these Conditions:

Current Principal Amount means the principal amount of the Notes outstanding at any time, calculated on the basis of the Original Principal Amount of the Notes as such amount may be reduced pursuant to the application of the loss absorption mechanism and/or reinstated on one or more occasions, as described below under Condition 2(c) and Condition 2(d), respectively.

(d) Reinstatement

If, following a Loss Absorption, the Issuer has recorded a positive Consolidated Net Income for at least two consecutive fiscal years following the End of Capital Deficiency Event (a **Return to Profitability**), the Issuer shall increase the Current Principal Amount of the Notes (a **Reinstatement**) on any date and in an amount that it determines (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount), to the extent any such Reinstatement does not give rise to a Capital Deficiency Event.

A Reinstatement shall be made on one or more occasions in the circumstances described above until the Current Principal Amount of the Notes has been reinstated to the Original Principal Amount as from the Return to Profitability (save in the event of occurrence of another Capital Deficiency Event).

For the avoidance of doubt, following a Reinstatement the Current Principal Amount of the Notes may never be greater than the Original Principal Amount of the Notes.

For the purposes of these Conditions:

Applicable Regulations means, at any time, the solvency margin, capital adequacy regulations or any other regulatory capital rules then in effect or applied in the Republic of France (or if the Issuer becomes domiciled in a jurisdiction other than the Republic of France, such other jurisdiction) and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority and applied to the Issuer.

Capital Deficiency Event means the first date on which either of the following events occurs:

- (i) the *marge de solvabilité disponible* of the Issuer has fallen below the minimum Solvency Margin level of the Issuer (or a comparable term in case of a change in applicable rules, all in accordance with the Applicable Regulations, including but not limited to French insurance regulatory law, for group solvency and single solvency purposes and the solvency pursuant to the regulation for financial conglomerates) as required by the Relevant Supervisory Authority (the **Solvency Margin**);
- (ii) the Issuer is notified by the Relevant Supervisory Authority that it has determined, in its sole discretion, in the view of the deteriorating financial condition of the Issuer, that the foregoing paragraph (i) of this definition would apply in the near term.

For the avoidance of doubt, the occurrence of a Capital Deficiency Event and any resulting notice will be effective only with respect to the interest amount due on the immediately following Interest Payment Date.

As appropriate, the Issuer will make a new determination and deliver other notice(s) with respect to any subsequent Interest Payment Date in relation to which a Capital Deficiency Event is continuing or occurs again.

Consolidated Net Income means the consolidated net income (excluding minority interests) of the Issuer, as calculated and set out in the audited annual consolidated financial statements of the Issuer.

End of Capital Deficiency Event means, following a Capital Deficiency Event, the earlier of either of the following events:

- (i) if the Capital Deficiency Event occurred pursuant to paragraph (i) of the definition of Capital Deficiency Event, the *marge de solvabilité disponible* of the Issuer returns to at least the minimum Solvency Margin; or
- (ii) if the Capital Deficiency Event occurred pursuant to paragraph (ii) of the definition of Capital Deficiency Event, the Issuer is notified by the Relevant Supervisory Authority that it has determined, in its sole discretion, in the view of the financial condition of the Issuer, that the circumstances which resulted in the Capital Deficiency Event have ended.

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable minimum solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de Contrôle des Assurances et des Mutuelles* (ACAM).

3. INTEREST

(a) Interest Payment Dates

(1) Fixed Rate Period

The Notes bear interest on their Current Principal Amount (i) from (and including) 28 July 2006 (the **Issue Date**) to (but excluding) 28 July 2016 (the **First Call Date**) (the **Fixed Rate Period**), at a fixed rate of 6.154% per annum payable annually in arrear on 28 July in each year and commencing on 28 July 2007 (each a **Fixed Rate Interest Payment Date**).

The period from and including the Issue Date, to but excluding the first Fixed Rate Interest Payment Date and each successive period from and including a Fixed Rate Interest Payment Date to but excluding the next Fixed Rate Interest Payment Date is called a **Fixed Rate Interest Period**.

If interest is required to be calculated for a period within the Fixed Rate Interest Period of less than one (1) year, it will be calculated on the basis of the actual number of days elapsed in the relevant period from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Fixed Rate Interest Period in which the relevant period falls (including the first such day but excluding the last) and rounding the resultant figure to the nearest €0.01 (0.005 being rounded upwards).

(2) Floating Rate Period

Following the Fixed Rate Period (the **Floating Rate Period**), the Notes will bear interest on their Current Principal Amount at a Floating Rate (as defined in Condition 3(c)) plus a margin of 2.90% per annum (the **Margin**) payable quarterly in arrear on or about 28 October, 28 January, 28 April and 28 July in each year (each a **Floating Rate Interest Payment Date** and together with each Fixed Rate Interest Payment Date, an **Interest Payment Date**) commencing on or about 28 October 2016.

The period from and including the First Call Date to but excluding the first Floating Rate Interest Payment Date and each successive period from and including a Floating Rate Interest Payment Date to but excluding the next Floating Rate Interest Payment Date is called a **Floating Rate Interest Period** and together with the Fixed Rate Interest Periods, an **Interest Period**.

The obligations of the Issuer to make payments of interest on any particular Interest Payment Date are subject to the provisions of Condition 3(h).

(b) Interest Accrual

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment.

(c) Floating Rate

The variable rate of interest payable in respect of the Notes (the **Floating Rate**) for each quarterly interest period within the Floating Rate Period shall be calculated on the basis of the following provisions:

- (i) On each **Interest Determination Date**, namely the second Business Day before the commencement of the Floating Interest Rate Period for which the rate will apply, the Calculation Agent will determine the Reference Rate (as defined below) as at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If the Reference Rate is unavailable, the Calculation Agent will request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation to prime banks in the Euro-zone (as defined below) interbank market for Euro deposits for a period of three (3) months commencing on the first day of the relevant Floating Rate Interest Period, as at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If the Reference Rate is unavailable, it shall be equal to the arithmetic average (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the offered quotations as established by the Calculation Agent.
- (ii) If on any Interest Determination Date the Reference Rate is unavailable and two (2) or three (3) only of the Reference Banks provide offered quotations, the Floating Rate for the relevant Floating Rate Interest Period shall be determined in accordance with the provisions of paragraph (i) on the basis of the offered quotations of those Reference Banks providing the offered quotations.
- (iii) If on any Interest Determination Date the Reference Rate is unavailable and less than two (2) Reference Banks provide offered quotations, the Floating Rate for the relevant Floating Rate Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the Euro lending rates quoted by major banks in the Euro-zone (selected by the Calculation Agent after prior consultation with the Issuer and being at least two (2) in number) at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question for loans in Euro to leading European banks for a period of three (3) months commencing on the first day of the relevant Floating Rate Interest Period, except that if the banks so selected by the Calculation Agent are not quoting on such Interest Determination Date, the Floating Rate for the relevant Floating Rate Interest Period shall be the Floating Rate in effect for the last preceding Floating Rate Interest Period to which one of paragraphs (i) or (ii) of this Condition 3(c) shall have applied.
- (iv) For the purposes of these Conditions:

Business Day means any day (other than a Saturday or a Sunday) which is a TARGET Settlement Day;

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union;

Reference Banks means the principal Euro-zone office of four major banks in the Euro-zone interbank market selected by the Calculation Agent after prior consultation with the Issuer;

Reference Rate means the offered rate, expressed as a rate per annum, for three (3) month Euro deposits commencing on the first day of the relevant Floating Rate Interest Period, as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers' Association, which appears, for information purposes only, at or about 11.00 a.m. (Brussels time) on the display designated as page "248" on Bridge/Telerate (or such other page or service as may replace it for the purpose of displaying Euribor);

TARGET Settlement Day means any day on which the TARGET System is operating; and

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

(d) Determination of Floating Rate and Interest Amount with respect to the Floating Rate Interest Period

The Calculation Agent shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date determine the Floating Rate and amount of interest (each an **Interest Amount**) payable (if any) on the relevant Floating Rate Interest Payment Date on each Note for the relevant Floating Rate Interest Period.

The Interest Amounts shall be determined by applying the Floating Rate and the Margin to the Current Principal Amount, multiplying the sum by the actual number of days in the Floating Rate Interest Period concerned divided by three hundred and sixty (360) and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(e) Publication of Floating Rate, the Margin and Interest Amount with respect to the Floating Rate Interest Period

The Calculation Agent shall cause the Floating Rate, the Margin and the Interest Amount for each Floating Rate Interest Period and the relevant Interest Payment Date to be notified (a) to the Issuer, the Fiscal and Paying Agent (if different from the Calculation Agent) and each other Paying Agent (if any), the PIK Agent and to any stock exchange on which the Notes are at the relevant time listed not later than 3.00 p.m. (Brussels time) on the Interest Determination Date and (b) to the Noteholders in accordance with Condition 9 as soon as possible after their determination but in no event later than the second Business Day thereafter. The Interest Amount and Interest Payment Date so published may subsequently be amended by the Calculation Agent (or appropriate alternative arrangements made by way of adjustment) without notice to the Noteholders in the event of an extension or shortening of the Floating Rate Interest Period. If the Notes become due and payable other than on a Floating Rate Interest Payment Date, the Floating Rate and the Interest Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 3 but no publication of the Floating Rate, the Margin and the Interest Amount so calculated need be made.

(f) Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, whether by the Reference Banks (or any of them) or the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent, the PIK Agent and all Noteholders.

(g) Calculation Agent

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Floating Rate and the Interest Amount for any Floating Rate Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris, London or Luxembourg interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

(h) Interest Deferral

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of the following paragraphs. The interest to be paid will be calculated on the basis of the Current Principal Amount of the Notes outstanding during any Interest Period.

(1) Optional deferral of interest

On any Interest Payment Date which is not a Mandatory Interest Payment Date (as defined below) (an **Optional Interest Payment Date**), the Issuer may, at its option, pay interest in respect of the Notes accrued to that date, in respect of the Interest Period ending immediately prior to such Optional Interest Payment Date, but the Issuer shall have no obligation to make such payment and may elect to defer the payment of such interest (the **Optional Deferred Interest**), in particular, with a view to restoring its capital in order to ensure the continuity of its activities without weakening its financial structure, provided that (i) such election has been made by its *Conseil d'administration* (Board of Directors) or one of its *Directeurs Généraux* or any authorised member of the *Comité Exécutif* and (ii) notice of such election has been given to the Noteholders as provided below. Any such failure to pay Optional Deferred Interest which would otherwise have been due on such Optional Interest Payment Date shall not constitute a default by the Issuer under the Notes or for any other purpose.

Optional Deferred Interest shall not bear interest.

(2) Mandatory interest payment

In the event that during the six-month period prior to any Interest Payment Date any of the following events (a **Mandatory Interest Payment Event**) occurs:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares), or a redemption, repurchase or acquisition of any Equity Securities (excluding acquisitions resulting from the hedging of stock options, convertible securities of the Issuer or other employee benefit plans); or
- (ii) a payment of any nature by the Issuer on any Parity Securities which features similar interest deferral / non-payment mechanisms as the Notes (other than (x) a Reinstatement (as defined under Condition 2(d) above) or (y) any payment on any Parity Securities that was required to be made as a result of a dividend or other payment having been made on any Equity Securities) or a redemption, repurchase or acquisition of any Parity Securities;

then irrespective of whether an Interest Non-Payment Notice has been delivered and is outstanding, the Issuer shall be required to pay interest on the Notes accrued in respect of the Interest Period ending immediately prior to such Interest Payment Date (such payment, a **Mandatory Interest Payment** and such date a **Mandatory Interest Payment Date**);

provided, however, that if a Capital Deficiency Event occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Mandatory Interest Payment Date if such Capital Deficiency Event occurred prior to the relevant event described in sub-paragraph (i) or (ii) of this section.

For the avoidance of doubt, if a declaration of dividend occurs prior to, but the payment of such dividend occurs after, the occurrence of a Capital Deficiency Event during the Interest Period immediately preceding an Interest Payment Date, such Interest Payment Date shall constitute a Mandatory Non-Payment Interest Date (as defined below).

(3) *Mandatory Non-Payment of Interest*

The Issuer shall not pay interest on the Notes, subject to the provisions of paragraph "Mandatory interest payment" above, if, on or at any time prior to the fifth Business Day prior to such Optional Interest Payment Date, the Issuer determines that a Capital Deficiency Event occurred or would occur assuming that any Interest Payment due on such Interest Payment Date is effectively made on such Interest Payment Date (a **Mandatory Non-Payment Interest Date**). Any interest not so paid on a Mandatory Non-Payment Interest Date shall be lost and shall no longer be due and payable by the Issuer.

(4) *Payment of Optional Deferred Interest*

Any outstanding Optional Deferred Interest must be settled on the earlier of (i) the next Mandatory Interest Payment Date or (ii) the redemption of the Notes, both subject to the Overall PIK Limit as defined below.

The payment of Optional Deferred Interest can only be achieved by the use of the Payment-In-Kind mechanism (**PIK**) as defined below.

Under the PIK, the Issuer will have the obligation to settle the Optional Deferred Interest by issuing and granting to the Noteholders Further Securities (as defined below); provided, however, that such issue, together with any previous issue pursuant to the PIK, may never exceed twenty five (25%) of the Original Principal Amount of the Notes on the Issue Date (the **Overall PIK Limit**).

For each Noteholder the number of Further Securities received will be equal to the amount of Optional Deferred Interest owed divided by the nominal amount of the Further Securities rounded down, subject to the Overall PIK Limit. The relevant number of Further Securities to be issued (as reasonably determined by the Calculation Agent) shall be allocated to each Noteholder by the PIK Agent on the basis of such Noteholder's total holding of Notes rather than on a per Note basis. Any broken amount of Optional Deferred Interest shall be forfeited.

Further Securities means securities identical to the originally issued Notes except that (i) their terms and conditions will provide for a mandatory non-payment of interest in cash if certain events or circumstances occur and (ii) interest will begin to accrue from their date of issue rather than the issue date of the Notes.

The Issuer undertakes to use its best efforts to obtain a listing for the Further Securities on the same stock exchange as the Notes or on another regulated market within the European Union as soon as reasonably practicable following their issue.

(5) *Notice of Deferral*

Notice of deferral of any interest under the Notes on any Interest Payment Date shall be given to the Noteholders in accordance with Condition 9, the Fiscal Agent and the Calculation Agent at least five (5) Business Days in Paris prior to such Interest Payment Date. So long as the Notes are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

4. PAYMENTS

(a) Method of Payment

Payments of principal and interest in respect of the Notes will be made in Euro by transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank, in a country within the TARGET System. Such payments shall be made for the benefit of the Noteholders to the Account Holders.

None of the Issuer, the Fiscal Agent, the Paying Agent, the PIK Agent or the Calculation Agent shall be liable to any Noteholder or other person for any commission, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euro, or any conversion or rounding effect in connection with such payment being made in Euro.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer, the Fiscal Agent, the Paying Agent, the PIK Agent, the relevant Account Holder or, as the case may be, the person shown in the records of Euroclear France, Euroclear or Clearstream, as the holder of a particular principal amount of Notes, but without prejudice to the provisions of Condition 6.

(b) Payments on Business Days

If the due date for payment of any amount of principal, interest or other amounts in respect of any Note is not a Business Day, payment of the amount due shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

(c) Fiscal Agent, Calculation Agent and Paying Agent

The name of the initial Fiscal Agent, Calculation Agent and Paying Agent and their specified offices are set forth below:

Fiscal and Principal Paying Agent, Calculation Agent and PIK Agent

BNP Paribas Securities Services
Immeuble Tolbiac
25 quai Panhard Levassor
75450 Paris Cedex 9
France

Paying Agent

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich
Howald-Hesperange
L-2085 Luxembourg
Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or Calculation Agent and/or PIK Agent and/or Paying Agent and/or appoint additional or other Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city and (ii) so long as the Notes are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that exchange so require, a Paying Agent having a specified office in Luxembourg. The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty five (45) nor less than thirty (30) calendar days' prior notice thereof shall have been given to the Noteholders by, or on behalf of, the Issuer in accordance with Condition 9.

In the absence of wilful default, bad faith or manifest error, no liability to the Noteholders shall attach to the Fiscal Agent, the Calculation Agent or the PIK Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

5. REDEMPTION AND PURCHASE

(a) No Final Maturity

The Notes are undated obligations in respect of which there is no fixed redemption date. They may not be redeemed otherwise than in accordance with this Condition 5.

(b) Redemption from the First Call Date

However, the Issuer will have the right to call the Notes, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, in whole or in part on the Interest Payment Date falling on the First Call Date or upon any Interest Payment Date thereafter, subject to having given not more than sixty (60) nor less than thirty (30), calendar days' prior notice to the Noteholders (which notice shall be irrevocable). The Luxembourg Stock Exchange will be informed of any such redemption.

Such call will be exercised at a price (the **Base Call Price**) equal to the Original Principal Amount of the Notes and any accrued and unpaid interest up to their effective redemption date.

(c) Redemption before or after the First Call Date

- (i) If interest payments under the Notes are no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at any time, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations and subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 9 and to the Fiscal Agent, redeem the Notes in whole or in part at their Base Call Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes.
- (ii) If a Capital Disqualification Event occurs, the Issuer will have the right, at any time, subject to the prior consent of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, to redeem the Notes in whole or in part at the Make Whole Call Price at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 9 and to the Fiscal Agent.

For the purposes of this Condition:

Calculation Date means the fourth TARGET Business Day prior to the Early Redemption Date.

Capital Disqualification Event means any of the following events: (i) as a consequence of a change in the rating methodology of two (2) rating agencies among the Rating Agencies and A.M. Best Company, or interpretation of such methodology, the capital treatment of the Notes becomes, in the reasonable opinion of the Issuer, materially less favourable to the Issuer or (ii) as a consequence of a change in regulations applied to the Issuer, the Notes are not included by the Relevant Supervisory Authority in the Solvency Margin of the Issuer as Upper Tier 2 or Tier 1 (whatever terminology may be retained at the time) or (iii) as a consequence of a change in regulations applied to the Issuer, the Notes are not included by the Relevant Supervisory Authority in the core capital of the Issuer in relation to the equivalent for re-insurance companies of Tier 1 capital (whatever terminology may be retained at the time).

Comparable OAT means the OAT selected by the Calculation Agent as being that which would, in its reasonable opinion, be used at the time of selection, and in accordance with customary financial practice, for the purpose of pricing similar issues of securities with a maturity comparable to the period between the Early Redemption Date and the First Call Date.

Comparable OAT Yield means with respect to a Comparable OAT, (a) the average of five SVT quotations, after excluding the highest and the lowest of such quotations, and (b) if the Calculation Agent obtains less than five such quotations, the average of all such quotations so obtained.

Early Redemption Date means the effective date of redemption of the Notes made in accordance with this Condition 5(c)(ii).

Make Whole Call Price means an amount in Euro rounded to the nearest cent (half a cent being rounded upwards), as determined by the Calculation Agent on the Calculation Date, equal to the sum of (x) the then present value of the Original Principal Amount and (y) the then present values of the scheduled Interest Payments, calculated on the basis of the Original Principal Amount, from (and including) the First Call Date to the Early Redemption Date. The present values of (x) and (y) shall be calculated by discounting the Original Principal Amount and the scheduled Interest Payments from the First Call Date to the Early Redemption Date at the OAT Adjusted Yield on an Actual/Actual-ISMA annual basis.

OAT Adjusted Yield means (i) the Comparable OAT Yield to maturity plus (ii) 0.60%.

Rating Agencies means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors (**S&P**) and Fitch Ratings and its successors (**Fitch**).

SVT means a *Spécialiste en Valeurs du Trésor* as selected by the Calculation Agent.

Before the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by a *Directeur Général* of the Issuer (or any other member of the *Conseil d'administration*) or any authorised member of the *Comité Exécutif* stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts supporting the conclusion that the conditions precedent to the right of the Issuer so to redeem have been satisfied.

(iii) **Redemption for Taxation Reasons**

The Issuer may (and, in certain cases, shall) redeem all of the Notes for taxation reasons as set forth in Condition 6.

(d) Mandatory Redemption

If any judgment is issued by any competent court for (a) the judicial liquidation (*liquidation judiciaire*) of the Issuer, or (b) following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (except in the case of a consolidation, amalgamation, merger or other reorganisation in which all or substantially all of the assets of the Issuer are transferred to another legal entity (including, without limitation, pursuant to a *fusion*, *scission* or *apport partiel d'actifs*) which simultaneously assumes all the obligations of the Issuer under the Notes whether by operation of law or otherwise), then the Notes will become immediately due and payable at their Original Principal Amount together with accrued interest to the date of redemption.

In such event, any outstanding Optional Deferred Interest will, subject to the Overall PIK Limit, become due and payable in cash but shall only be due and payable after the Original Principal Amount of the Notes shall have been paid in full. Any excess Optional Deferred Interest shall be forfeited and, accordingly, the Issuer's obligations in respect of such Optional Deferred Interest shall be terminated.

(e) Condition to Redemption

As a condition to any early redemption pursuant to this Condition 5(b) and (c), the Issuer's obligations in respect of any outstanding Optional Deferred Interest shall have been discharged not later than the effective date of redemption through the use of the PIK mechanism subject to the Overall PIK Limit. Any excess Optional Deferred Interest shall be forfeited.

(f) Replacement Capital Provision

It is the Issuer's intention to fund any redemption of the Notes (either before or from the First Call Date) from the proceeds of the sale of securities carrying at least the same features as the Notes at the time of issue. These securities can range from similar securities (ranking *pari passu* with the Notes and with similar terms and conditions regarding maturity, deferral, limitations to cumulativeness, timing and amount of step-up and Replacement Capital Provision) to ordinary shares. Such securities would be issued on, or within a period of six (6) months prior to, the relevant redemption date of the Notes.

(g) Purchase

The Issuer or any of its subsidiaries, may at any time purchase any Notes for cash consideration or otherwise (including, without limitation, by means of exchange) in the open market or otherwise, at any price and on any conditions subject to compliance with any applicable laws and subject to the Issuer having given prior written notice to, and receiving no objections from the Relevant Supervisory Authority (if required at such time).

All Notes which are (i) redeemed or (ii) purchased by or on behalf of the Issuer or any of its subsidiaries will forthwith be cancelled or caused to be and accordingly may not be reissued or resold.

(h) Miscellaneous

In the case of a partial call, the rights of the Noteholders will be first reinstated to (as the case may be), and calculated on the basis of, the Original Principal Amount of the Notes and shall then be performed by way of an equal reduction of the Original Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of the Original Principal Amount is distinct from the Loss Absorption mechanism and the resulting

reduced Current Principal Amount. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

6. TAXATION

- (a) The Notes being *obligations* denominated in euro and accordingly deemed to be issued outside the Republic of France, interest and other revenues paid by the Issuer in respect of the Notes to non-French tax residents who are not concurrently shareholders of the Issuer will, upon issue, benefit from an exemption from withholding tax pursuant to Article 131 *quater* of the *Code général des impôts* (French tax code). Accordingly, such payments do not give rise to any tax credit from any French source.
- (b) If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary so that the holder of each Noteholder, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a Noteholder (or beneficial owner (*ayant droit*)) (i) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EEC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or (iii) more than thirty (30) calendar days after the Relevant Date (as defined below), except to the extent that the Noteholder thereof would have been entitled to such additional amounts on the last day of such period of thirty (30) calendar days or (iv) who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union or (v) where such person has not made, but in respect of whom such withholding or deduction would not have been required had such person made, a declaration of non-residence or other similar claim for exemption.

For the purpose of this Condition 6, **Relevant Date** in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Note has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given in accordance with Condition 9 to Noteholders that such moneys have been so received.

- (c) If by reason of a change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts, the Issuer may, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 9, and subject to the prior approval of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, redeem the Notes (in whole or in part) at their Base Call Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.

In the case of a partial call, the rights of the Noteholders will be reinstated to and calculated on the basis of the Original Principal Amount of the Notes and the partial call shall be performed by way of an equal reduction of the Original Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of Original Principal Amount is distinct from the Loss Absorption mechanism and the resulting reduced Current Principal Amount. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

- (d) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 9, and subject to the prior approval of the Relevant Supervisory Authority if required at the time by the Applicable Regulations, redeem the Notes (in whole but not in part) at their Base Call Price provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.
- (e) Before the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by a *Directeur Général* of the Issuer (or any other member of the *Conseil d'administration*) or any authorised member of the *Comité Exécutif* stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts supporting the conclusion that the conditions precedent to the right of the Issuer so to redeem have been satisfied.
- (f) As a condition to such early redemption, the Issuer's obligations in respect of any outstanding Optional Deferred Interest shall have been discharged not later than the effective date of redemption through the use of the PIK mechanism subject to the Overall PIK Limit. Any excess Optional Deferred Interest shall be forfeited.

7. SUBSTITUTION AND AMENDMENT

(a) Substitution

The Issuer may, without any requirement for the consent or approval of the Noteholders, substitute at any time all (and not some only) of the Notes for, or vary the terms of the Notes if (i) a Tax Event occurs, so that no Tax Event exists after such substitution or variation or (ii) a Capital Disqualification Event occurs so that the Notes or the substituted Notes become Qualifying Equivalent Securities.

The amount of Qualifying Equivalent Securities to be given in substitution will be equal to the Original Principal Amount of the Notes. The substitution shall be implemented by the inscription of the substituted securities in the books of the Account Holders in place of the existing Notes.

Any substitution or variation of the Notes is subject to (i) the Issuer giving at least six months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given), (ii) the Issuer being in compliance with the Applicable Regulations on the date of such substitution or variation, and such substitution or variation not resulting directly or indirectly in a breach of the then Applicable Regulations, (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or admitted to trading, and (for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, (iv) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date, (v) the Current Principal

Amount being equal to, or as the case may be reinstated up to, the Original Principal Amount and (vi) the Issuer having given not more than forty five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders.

For the purposes of this Condition:

Qualifying Equivalent Securities means securities (i) with the same features as the Notes at the time of issue (in particular in relation to the provisions on maturity, deferral, limitations to cumulativeness, timing and amount of step-up and Replacement Capital Provision), (ii) which have terms taken as a whole not less favourable to an investor (as reasonably determined by the Issuer, and provided that a certification to such effect of the Management of the Issuer shall have been delivered to the Noteholders prior to the issue or variation of the relevant securities) than the terms of the Notes, (iii) which shall include a *pari passu* ranking with the Notes and (iv) which shall bear the same interest rate from time to time to that applying to the Notes.

Tax Event means any of the events referred to in Condition 5(c)(i), Condition 6(c) and Condition 6(d).

(b) Amendments

Upon the occurrence of the event described under (ii) of the Capital Disqualification Event definition, the Conditions of the Notes shall be automatically amended so that any provision relating to the optional deferral of interest rights of the Issuer (as defined under Condition 3(h)(1)) shall no longer be applicable.

To the extent the Issuer is regulated or supervised by a Relevant Supervisory Authority, any other modifications of any of the Conditions shall be subject to the approval of the Relevant Supervisory Authority.

8. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

9. NOTICES

Any notice to the Noteholders will be valid if published, so long as the Notes are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or on the Luxembourg Stock Exchange website (www.bourse.lu) or, if any such publication is not practicable, or the Notes are no longer so listed, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

In addition, notices required to be given to the Noteholders pursuant to these Conditions may also be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and/or any other clearing system through which the Notes are for the time being cleared in substitution for the publications as aforesaid if prior approval is obtained from the competent authority of any stock exchange on which the Notes are listed. Any such notice shall be deemed to have been given on the third Business Day following delivery of the notice to the relevant clearing system.

10. REPRESENTATION OF THE NOTEHOLDERS

(a) The Masse

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**).

The Masse will be governed by those provisions of the *Code de commerce* with the exception of the provisions of Articles L.228-48 and L.228-59 of the *Code de commerce* and by *décret* No. 67-236 of 23 March 1967 (as modified or re-enacted from time to time) (the **Decree**) with the exception of Articles 218, 222, 224 and 226 of the Decree, as summarised and supplemented by the conditions set forth below.

(b) Legal Personality

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through a general assembly of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

(c) Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer and its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least ten (10) per cent. of the share capital of the Issuer or of which the Issuer possesses at least ten (10) per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer; and
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

Delphine Dahan
3 rue des Quatres Fourchettes
95130 Franconville - France

In the event of death, incapacity, retirement or revocation of the initial Representative, the replacement Representative shall be:

Marc-Olivier Roos
111, avenue de Verdun
92130 Issy les Moulineaux - France

In the event of death, incapacity, retirement or revocation of the Representative, a replacement will be elected by a meeting of the general assembly of Noteholders.

The Issuer shall pay to the initial Representative an amount of three hundred euros (€300) per year, payable on the Interest Payment Date falling on, or nearest to 28 July of each year during the issue.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal Agent.

(d) Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

(e) General Assemblies of Noteholders

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two (2) months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 9 not less than fifteen (15) calendar days prior to the date of the general assembly on first convocation and six (6) calendar days on second convocation.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

(f) Powers of General Assemblies

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares and that no amendment to the status of the Notes may enter into force until the consent of the Relevant Supervisory Authority has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the aggregate amount of the Original Principal Amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds majority of votes cast by the Noteholders attending such meeting or represented thereat.

(g) Notice of Decisions

Decisions of the meetings must be published in accordance with the provisions set out in Condition 9 not more than ninety (90) calendar days from the date thereof.

(h) Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the (15) fifteen-calendar-day period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

(i) Expenses

The Issuer will pay all reasonable expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

11. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated and form a single series (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

12. GOVERNING LAW AND SUBMISSION TO JURISDICTION

The Notes are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are expected to amount to approximately €347,200,000 and will be used for the Issuer's general corporate purposes.

DESCRIPTION OF SCOR

1. GENERAL INFORMATION ABOUT THE ISSUER

1.1 Registered name, corporate headquarters and registration numbers

SCOR

1, avenue du Général de Gaulle

92800 PUTEAUX

Tel.: +33 (0)1 46 98 70 00

Fax: +33 (0)1 47 67 04 09

www.scor.com

E-mail: scor@scor.com

R.C.S. number: Nanterre B 562 033 357

A.P.E. Code: 660 F

Registration place: Registre du commerce et des sociétés de Nanterre

Legal form: *société anonyme*

Legislation under which the Issuer operates: French law

1.2 Date of incorporation and date of expiration

Incorporation: on 16 August 1855 under the name Compagnie Générale des Voitures de Paris; name changed to SCOR S.A. on 16 October 1989, and to SCOR on 13 May 1996.

Expiration: 30 June 2024 unless otherwise extended or previously dissolved.

1.3 Fiscal year

The fiscal year begins on 1 January and ends on 31 December of the same year.

1.4 Corporate purpose (Art. 3 of the by-laws)

The Company's corporate purpose is, either directly or indirectly, and in all countries:

- (a) insurance, reinsurance, cession or retrocession of business of any nature in all classes and in all countries, transfer in any form of reinsurance contracts or liabilities of any French or foreign company, organisation, entity or association, and creation, acquisition, rental, lease, installation and operation of any undertaking for the purpose of carrying on such business;
- (b) construction, rental, operation or purchase of any buildings;
- (c) acquisition and management of all securities and other equity rights by any means including but not limited to subscription for, transfer or acquisition of shares, bonds, interests in private companies or partnerships and other equity rights;
- (d) acquisition of equity investments or interests in any industrial, commercial, agricultural, financial, securities or realty companies or other undertakings, formation of any company, the participation in any share capital increase, mergers, spin-off and partial contributions;
- (e) administration, management and control of any company or other undertaking, direct or indirect participation in all transactions carried out by such companies or undertakings by any means and including but not limited to direct or indirect participation in any company or equity investment.

And, generally, all industrial, commercial, financial, securities and real property transactions as may pertain to the above stated purposes or as may facilitate the implementation or pursuit of such purposes.

1.5 History of the company

SCOR started its operations as a reinsurance company in 1970 at the initiative of the French government with the objective of creating a reinsurance company of international stature. SCOR expanded rapidly on the world's markets, building up a substantial international portfolio.

At the beginning of the 1980s, the French State progressively wound down its interest in the Company's capital, held through the Caisse Centrale de Réassurance, and was replaced by insurance companies operating in the French market.

In 1989, SCOR and UAP Reassurances combined their Property-Casualty and Life reinsurance businesses as part of a restructuring of SCOR's capital, and listed the Company on the Paris stock market. Compagnie UAP, which held 41% of the capital, disposed of its shareholding in October 1996 via an international public offering timed to coincide with the listing of SCOR's shares on the New York Stock Exchange.

In July 1996, SCOR acquired the reinsurance portfolio of the American insurer Allstate Insurance Company, doubling the share of its U.S. business as a proportion of total Group revenues.

While maintaining an active local presence on the major markets and building up new units in fast-growing emerging countries, SCOR has continued in the following years to streamline its structure and rationalise its organisation.

In 1999, SCOR purchased Western General Insurance's 35% stake in CRP, thus raising its interest in this subsidiary to 100%.

In 2000, SCOR acquired PartnerRe Life in the United States, thus providing it with a platform to expand its Life, Accident and Health reinsurance business in the U.S.

In 2001, SCOR acquired Sorema S.A. and Sorema N.A. in order to increase its market share and take advantage of the cyclical upturn in Property & Casualty reinsurance.

That same year, SCOR and a group of private investors formed a reinsurance company in Dublin, named IRP Holdings Limited, with a paid up capital of EUR 300 million, to strengthen the Group's overall capital base and increase its subscription capacity to take advantage of the upturn in the reinsurance cycle. IRP Holdings Limited was established in December 2001 to reinsure (as a *rétrocessionnaire*) certain of SCOR's Non-Life reinsurance business on a quota share basis from 2002 forward. The purpose of the vehicle was to expand capacity in order to underwrite business at a time when premium levels were considered to be attractive. The retrocession rate in 2004 was 25% under the quota share treaties among Irish Reinsurance Partners Limited (a 100% subsidiary of IRP Holdings Limited), SCOR and certain Group subsidiaries. These quota share treaties were terminated, effective 31 December 2004. In June 2005, SCOR acquired 46.65 per cent. of IRP Holdings Limited for EUR 183.1 million, corresponding to the share of the Highfields Funds in the equity of IRP Holdings Limited at 31 December 2004 established under U.S. accounting rules. All the liabilities, rights and obligations of Irish Reinsurance Partners Limited under the quota share treaties were transferred to SCOR in October 2005. These substitutions were made pursuant to novation contracts dated 17 October 2005 and 26 October 2005.

In 2002, SCOR entered into a cooperation agreement in the Life business with the Legacy Marketing Group of California for the distribution and management of annuity products. It also opened a Life

office in Brussels in order to take full advantage of the growth potential in the Life reinsurance market in Belgium and Luxembourg.

With a volume of written net premiums of EUR 2,407 million, SCOR was one of the top 15 world re-insurers in 2005 on the basis of the estimates made by SCOR management of the net premiums written by other major international reinsurers. The Group operates in 19 countries through its subsidiaries, branches and representative offices and provides services in more than 100 countries.

In June 2005, SCOR has launched a strategic reorganisation project entitled New SCOR, aiming at simplifying the legal structure of the Group. The first phase consisted in the transfer by SCOR of its Non-Life reinsurance activities in Europe to a wholly-owned subsidiary called SCOR Global P&C. In the context of the second phase of Project New SCOR, SCOR announced on 4 July 2006, the creation of three *Societas Europaea* at the level of SCOR, SCOR Vie and SCOR Global P&C. See below "Organisational Structure" and "Recent Developments".

2. REGULATORY ENVIRONMENT AND APPLICABLE LEGISLATION

2.1 French law matters

SCOR is a French *société anonyme* governed by French legislation on corporations, subject to specific provisions applicable to it as a company engaged in reinsurance. Since the law No. 94-679 of 8 August 1994, reinsurance companies in France are subject to State control under the conditions set forth in Book III of the French Insurance Code.

The terms and scope of this control were considerably reinforced by law No. 2001-420 of 15 May 2001. For example, this law introduced the main provisions below:

- the creation of a prior authorisation procedure for French companies whose exclusive business is reinsurance, before they are permitted to engage in this business. However, as the relevant decrees were not adopted, this procedure has not yet come into effect;
- the possibility for the main French insurance regulatory authority, the *Autorité de Contrôle des Assurances et des Mutuelles* (ACAM) to issue warnings when a company violates applicable legislative or regulatory provisions;
- the introduction of new sanctions to be imposed by the ACAM on reinsurance companies when they violate applicable legislative or regulatory provisions;
- the possibility of withdrawing a company's authorisation in the event of prolonged inactivity, failure to maintain a balance between the company's financial means and its activity or, if required in the general interest, substantial modification of the company's stock ownership or governing bodies.

2.2 European law matters

At the present time, there is no European regulatory framework harmonising the conditions for carrying out reinsurance activities in the member states of the European Union. On 16 November 2005, Directive No. 2005/68/EC (the "Reinsurance Directive") was adopted by the European Parliament and the Council. The Reinsurance Directive introduces, for reinsurance companies located in the European Union: (i) a single approval system granted by the regulatory authority of the State in which the company's headquarters are located recognised in all EU member States and (ii) financial oversight by this same authority. Furthermore, it sets the rules relating to the solvency of reinsurance companies located in the Community, thus aiming to harmonise the prudential controls regulating these companies. The provisions of the Reinsurance Directive must be transposed

into the legislations of the different member States no later than 10 December 2007. During this same period, companies already engaged in reinsurance activities must conform to the provisions of the Reinsurance Directive relating to the performance of their activities. Nevertheless, upon the transposition of the Reinsurance Directive, the legislators of the different member States may grant an additional 12-month period (i.e., until 10 December 2008) to businesses already engaged in reinsurance activities, to allow them to conform to certain of the provisions, in particular those related to requirements in matters of technical reserves, solvency margins and guarantee funds.

2.3 U.S. law matters

In the United States, the Group's reinsurance and insurance subsidiaries are regulated primarily by the insurance regulators in the State in which they are domiciled, but they are also subject to regulation in each State in which they are authorised or licensed. SCOR Reinsurance Company, the Group's principal Non-Life subsidiary in the United States, is domiciled in New York State and SCOR Life U.S. Reinsurance Company, the Group's principal Life insurance subsidiary in the United States, is domiciled in Texas. The Group's other subsidiaries in the United States are domiciled in Arizona, Delaware, Texas and Vermont and one subsidiary is also commercially domiciled in California.

2.4 Solvency Margin

In the reinsurance industry, solvency margin is commonly defined as the ratio between shareholders' equity and net premiums, and provides an indication of the amount of capital required to underwrite reinsurance treaties.

The accounting solvency margin is defined in relation to booked shareholders' equity, while the economic solvency margin also comprises certain components of long-term borrowings that have the character of required capital.

While there is to date no regulatory minimum solvency margin defined in the reinsurance sector in the European Union (except in the United Kingdom), European reinsurance companies consider appropriate economic solvency margins as being between 40% and 50% of net written premiums. This ratio is between 80% and 100% for American reinsurance providers. In light of the loss recorded in 2003, the Group's solvency margin has been reduced. However, following the share capital increases in 2002, 2004 and 2005 and the reduction in premium income, the solvency margin substantially improved in 2004 and 2005.

Notwithstanding the above, the Reinsurance Directive provides for a regulatory definition of the solvency margin, pursuant to which the required solvency margin shall be determined on the basis of either the annual amount of premiums or the average burden of claims for the past three years (Article 37 of the Reinsurance Directive). The calculation of the solvency margin resulting from this new definition should not impact the Group.

3. INFORMATION CONCERNING SHARE CAPITAL

3.1 Registered share capital

As of 31 December 2005, SCOR's share capital totalled EUR 763,096,713, divided into 968,769,070 shares. SCOR shares have a nominal value of EUR 0.78769723 each.

The general shareholders' meeting of 16 May 2006:

- delegated its authority to the board of directors to decide to increase the share capital by the issuance, on one or several occasions, on the French market or foreign markets, in euro, or in

any other legal currency or monetary unit determined by reference to a basket of currencies, of ordinary shares of the Company;

- resolved that the capital increase(s) that may be decided and carried out by the board of directors, immediately and/or at a future date, may not give rise to the issuance of a number of shares (of a par value of EUR 0.78769723 each) greater than 300,000,000 (three hundred million) shares, not taking into account the number of ordinary shares to be issued, as the case may be, under adjustments made in accordance with the law and applicable contractual provisions, to protect the rights of holders of securities granting access to the Company's capital, it being specified that the nominal amount of any capital increase carried out pursuant to this delegation of authority shall be deducted from the aggregate ceiling of 339,000,000 (three hundred and thirty nine million) shares;
- resolved that the shareholders may exercise, under conditions provided by law, their preferential subscription right for the subscription on a non-reducible basis of new ordinary shares which issuance shall be decided by the board of directors pursuant to this delegation of authority; the board of directors may institute to the benefit of shareholders a right for the subscription on a reducible basis of excess ordinary shares which shall be exercised in proportion to their rights and within the limit of their request; if the subscriptions for new shares on a non-reducible basis or, as the case may be, for excess shares on a reducible basis have not absorbed all of the ordinary shares issued, the board of directors shall have the option, in the order that it shall determine, either to limit, pursuant to the law, the issuance to the amount of subscriptions received, on the condition that such amount reaches at least three-fourths of the issuance that will have been decided, or to freely allocate all or part of the shares not subscribed, or to offer such shares in the same manner to the public;
- resolved that the board of directors may, as necessary, deduct the expenses, costs and fees relating to the issuances, from the amount of the issuance premiums related thereto and deduct from such amount the sums necessary to establish the legal reserve.
- this delegation has been granted for a period of eighteen months as of the date of the shareholders' meeting.

In addition, the general shareholders' meeting of 16 May 2006 voted to proceed with a reverse stock-split (*regroupement d'actions*), pursuant to which one new share with a nominal value of EUR 7.8769723 shall be exchanged for every 10 existing shares. The period of exchange is to begin fifteen (15) calendar days after the publication of the exchange notice in the *Bulletin des Annonces légales obligatoires* and shall last for a period of two years. The general shareholders' meeting delegated its power to the Board of Directors to decide on the date of publication of the exchange notice.

3.2 Capitalisation

The share capital of the Company consists of a single class of shares: ordinary shares. There are no preferred shares.

3.3 Voting rights

The total number of voting rights at 31 December 2005 was 959,658,155.

Pursuant to Article 8 ("Rights attached to each share") of the by-laws, each ordinary share gives its owner the right to one vote at the general shareholders' meetings and the by-laws do not stipulate shares with double voting rights. In addition, there is no statutory limitation on voting rights. Therefore, the shareholders of the Company do not have different voting rights.

3.4 Listing

The Company's ordinary shares have been listed on the Paris Bourse and then on the *premier marché* of Euronext Paris under the symbol "SCO" since 1989. The *premier marché* of Euronext Paris has been replaced by the Eurolist market of Euronext Paris since 21 February 2005 and the ordinary shares are accordingly traded on the Eurolist market of Euronext Paris. Euronext Paris is the primary market for the Company's ordinary shares.

The Company's ADSs have been traded in the U.S. since 11 October 1996, the date of their listing on the NYSE under the symbol "SCO". Each ADS represents one ordinary share. The number of SCOR ADSs in circulation at 31 December 2005 was 25,340,999.

The ordinary shares are also traded on the Frankfurt over-the-counter market (the *Freiverkehrshandel*).

3.5 Share ownership

The following sets forth entities or persons known to the Company to be the direct or indirect holders of 5% or more of the Company's ordinary shares as of 31 January 2006:

	31 January 2006			
	Number of shares	% of capital	% of voting rights(2)	
Groupama/Gan Groupe	155,246,370	(1)	16.03%	16.18%
Silchester	76,771,648	(2)	7.92%	8.00%
Marathon AM	56,566,688	(2)	5.84%	5.89%
Groupe MAAF-MMA	33,725,874	(3)	3.48%	3.51%
MACIF	29,908,937		3.09%	3.12%
Generali	15,100,507	(4)	1.56%	1.57%
MATMUT	14,130,983	(5)	1.46%	1.47%
Employees	3,350,517	(6)	0.35%	0.35%
Owned by SCOR	9,110,915		0.94%	-
Others	574,856,631		59.34%	59.90%
Total	968,769,070		100.00%	100.00%

(1) Source: Groupama. This figure includes 139,439,071 shares owned by Groupama S.A. and 15,807,299 shares held by subsidiaries and by the *Caisses Régionales* of Groupama.

(2) Source: Silchester, Marathon. These companies are shareholders through mutual funds.

(3) Source: MAAF-MMA.

(4) Source: Generali.

(5) Source: Matmut. This figure includes 12,875,000 shares owned directly and 1,255,983 shares held through mutual funds.

(6) This figure includes 1,695,417 shares owned directly and 1,655,100 shares owned through a company-sponsored mutual fund.

To the Company's knowledge, the percentage of share capital and voting rights held by all members of the issuer's administrative and management bodies was 0.07% as at 31 December 2005.

In January 2006, a survey aimed at identifying the owners of bearer shares, revealed the existence of more than 34,000 shareholders.

3.6 Shareholders' agreements

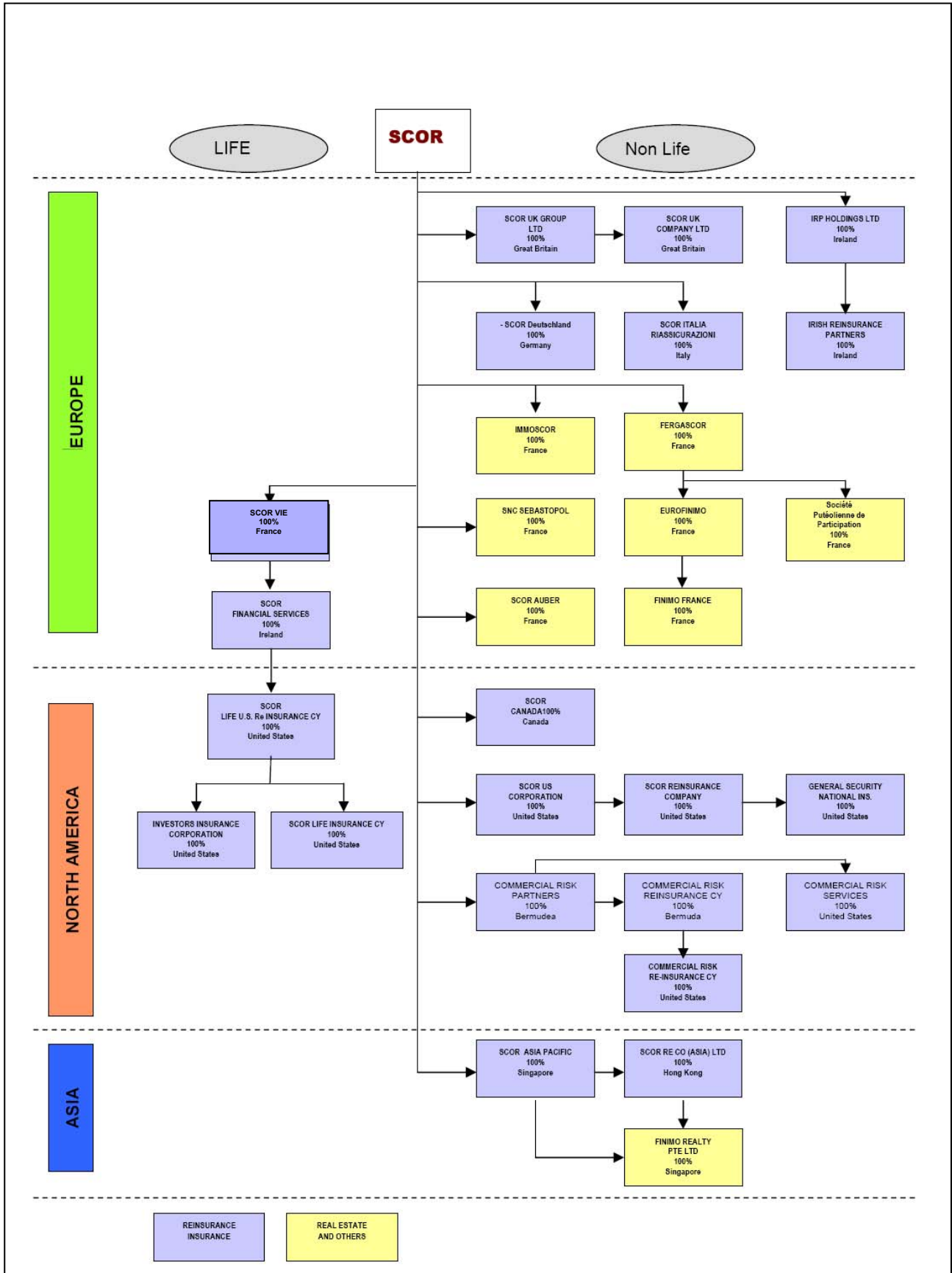
No agreement or clause stipulating preferential terms for the sale or purchase of shares representing at least 0.5% of the Issuer's share capital or voting rights has been transmitted to the French "*Autorité des Marchés Financiers*."

To the Company's knowledge, there are no shareholder agreements or other agreements among the Company's shareholders pursuant to which they act in concert.

4. ORGANISATIONAL STRUCTURE

4.1 Organisational chart

As of 31 December 2005, the Group's Non-Life reinsurance operations are conducted primarily through the Property-Casualty Treaty Reinsurance, Facultatives and Large Corporate Accounts operating divisions of SCOR, which are all part of the Global P&C sector, as well as through ten European, North American and Asian subsidiaries, each of which operates primarily in its regional market. The life, accident, disability, health, unemployment and long-term care operations of the Group are conducted mainly through SCOR Vie, a wholly-owned SCOR subsidiary since 1 December 2003. SCOR Vie operates mainly through its branches in Italy, Germany and Canada as well as through SCOR Life Re U.S. in the United States of America. The subsidiary Commercial Risk Partners (CRP) Bermuda is an ART specialised subsidiary which has been placed in run-off since January 2003. The following sets forth the Group's reinsurance subsidiaries as of 31 December 2005, their respective country of incorporation, and the main markets served by each entity:



The current existing Group structure has been developed to facilitate access to domestic markets through local subsidiaries and branch offices, to provide for clearly identified profit centers in each major primary reinsurance market, and to develop local management and underwriting expertise in order to better attract, service and maintain relationships with local cedents and better understand the unique nature of local risks.

4.2 Project New SCOR

In connection with the Project New SCOR announced in June 2005, SCOR has transferred its Non-Life reinsurance activities in Europe, comprising Treaty underwriting and management, Large Corporate Accounts, Credit & Surety and Construction reinsurance, to a wholly-owned subsidiary of SCOR registered in France called SCOR Global P&C (formerly Société Putéolienne de Participations, which shares had first been contributed to SCOR by FERGASCOR). This transfer was approved by the shareholders' meeting held on 16 May 2006 and is effective retroactively as of 1 January 2006.

This reorganisation represents an important step in the strategy of SCOR and has been carried out with a view to simplifying the legal structure of the Group by streamlining the Group into two subsidiaries dedicated to Life and Non-Life business, respectively. SCOR will remain the holding company and owner of the US, Canadian and Asian Non-Life subsidiaries (although these entities will report to SCOR Global P&C for their operational activity). SCOR will benefit from the retrocession of its Life and Non-Life reinsurance subsidiaries, and will be responsible for the allocation of capital and resources within the Group, based on the underwriting needs and the determined capacities of each entity.

On 30 June 2006, SCOR AUBER became the real-estate entity of the Group by way of contribution in kind to SCOR AUBER by the other French entities of the Group holding real-estate assets in France (including 4 buildings, two long-term real-estate leases and the shares in SNC Sebastopol and SCI Immoscor). In addition, on 1 July 2006, FINIMO FRANCE sold all its holdings in four other real-estate companies located in France to SCOR AUBER. The next step will be the liquidation of the EUROFINIMO and FINIMO FRANCE, which are no longer operating entities. In addition, the building located in Hannover and owned by SCOR was contributed to SCOR HANNOVRE EURL, a wholly-owned special-purpose vehicle.

In the context of the second phase of Project New SCOR, SCOR announced on 4 July 2006 the creation of three *Societas Europaea* at the level of SCOR, SCOR Vie (both by way of conversion) and SCOR Global P&C (by way of merger pursuant to which SCOR Global P&C would absorb SCOR Deutschland and SCOR Italia). After the consummation of the merger, SCOR Global P&C SE will carry out its business in Germany and in Italy via branch offices which are in the process of being created.

4.3 Role of the parent company

The Group's headquarters in Paris determines underwriting policy and monitors risk accumulation, controls claims and provides actuarial, accounting, legal, administrative, systems, internal audit, investment and human resources support to subsidiaries. The Group's worldwide offices are connected through a back office network and application, data and exchange systems, allowing local access to centralised risk analysis, underwriting or pricing databases, while at the same time allowing information on local market conditions to be shared among the Group's offices worldwide. In addition, through regular exchanges of personnel between Group headquarters in Paris and its non-French subsidiaries and branch offices, the Group encourages professional development and training across its various geographic markets and business lines.

SCOR wholly owns its operating subsidiaries (excluding the shares held by members of the Board as required pursuant to French law and the SCOR's by-laws). SCOR also makes loans to its subsidiaries. Lastly, SCOR also acts as *rétrocessionnaire* vis-à-vis its subsidiaries.

5. BUSINESS OVERVIEW

5.1 General description

(a) Principles

Reinsurance is a contract under which a company, the reinsurer, agrees to indemnify an insurance company, the ceding company, against all or part of the primary insurance risks underwritten by the ceding company under one or more insurance contracts. Reinsurance differs from insurance, primarily because of its inherent complexity linked to the broader range of activities and its international nature. Reinsurance can provide a ceding company with several benefits, including a reduction in net liability on individual risks and catastrophe protection from large or multiple losses. Reinsurance also provides a ceding company with additional underwriting capacity by permitting it to accept larger risks and a greater number of risks than would be possible without a concomitant increase in share capital. Reinsurance, however, does not discharge the ceding company from its liability to policyholders. Reinsurers themselves may feel the need to transfer some of the risks concerned to other reinsurers, in a procedure known as retrocession.

(b) Functions

Reinsurance provides three essential functions:

- (i) First, it offers the direct insurer greater security for its equity and guaranteed solvency, and stable results when unusual and major events occur, by covering the direct insurer above certain ceilings or against accumulated individual commitments.
- (ii) Reinsurance allows insurers to increase the maximum amount they can insure for a given loss or category of losses, by enabling them to underwrite a greater number of risks, or larger risks, without burdening their need to cover their solvency margin, and hence their capital base.
- (iii) It makes substantial liquid assets available to insurers in the event of exceptional losses.

In addition, reinsurers also:

- (A) help ceding companies define their reinsurance needs and devise the most effective reinsurance program, to better plan their capital needs and solvency margin;
- (B) supply a wide array of support services, particularly in terms of technical training, organisation, accounting and information technology;
- (C) provide expertise in certain highly specialised areas such as the analysis of complex risks and risk pricing;
- (D) enable ceding companies to build up their business even if they are undercapitalised, particularly in order to launch new products requiring significant investment.

(c) Types of Reinsurance

Treaty and Facultative Reinsurance

The two basic types of reinsurance arrangements are **treaty** and **facultative reinsurance**.

In **treaty** reinsurance, the ceding company has a contractual obligation to cede and the reinsurer to accept a specified portion of a type or category of risks insured by the ceding company. Reinsurers producing the treaties, as is done by the Group, do not separately evaluate each of the individual risks assumed under the treaty. As a result, after reviewing the ceding company's underwriting practices, reinsurers depend on the coverage decisions made originally by the policy writers of the ceding company.

Such dependence subjects reinsurers in general, including the Group, to the possibility that the ceding companies have not adequately evaluated the risks to be reinsured and, therefore, that the premiums ceded in connection therewith may not adequately compensate the reinsurer for the risk assumed. The reinsurer's evaluation of the ceding company's risk management and underwriting practices as well as claims settlement practices and procedures, therefore, will usually impact the pricing of the treaty.

In **facultative** reinsurance, the ceding company cedes and the reinsurer assumes all or part of the risk covered by a single specific insurance policy. Facultative reinsurance is negotiated separately for each insurance contract that is reinsured. Facultative reinsurance normally is purchased by ceding companies for individual risks not covered by their reinsurance treaties, for amounts in excess of the monetary limits of their reinsurance treaties and for unusual risks. Underwriting expenses and, in particular, personnel costs are higher relative to premiums written on a facultative business because each risk is individually underwritten and administered. The ability to separately evaluate each risk reinsured, however, increases the probability that the underwriter can price the contract to reflect more accurately the risks involved.

Proportional and Non-Proportional Reinsurance

Both treaty and facultative reinsurance can be underwritten on a proportional (or quota share) basis, or non-proportional (excess loss) or stop loss basis.

With respect to proportional or quota share reinsurance, the reinsurer, in return for a predetermined portion or share of the insurance premium charged by the ceding company, indemnifies the ceding company against a predetermined portion of the losses and loss adjustment expenses, or LAE, of the ceding company under the covered insurance contract or contracts. In the case of reinsurance written on a non-proportional, or excess of loss basis or stop loss basis, the reinsurer indemnifies the ceding company against all or a specified portion of losses and LAE, on a claim by claim basis or with respect to a line of business, in excess of a specified amount, known as the ceding company's retention or reinsurer's attachment point, and up to a negotiated reinsurance treaty limit.

Although the losses under a quota share reinsurance treaty are greater in number than under an excess of loss contract, it is generally simpler to predict these losses on a quota share basis and the terms and conditions of the contract can be drafted to limit the total coverage offered under the contract. A quota share reinsurance treaty therefore does not necessarily require that a reinsurance company assume greater risk exposure than on an excess of loss contract. In addition, the predictability of the loss experience may better enable underwriters and actuaries to price such business accurately in light of the risk assumed, therefore reducing the volatility of results.

Excess of loss reinsurance is often written in layers. One or a group of reinsurers accepts the risk just above the ceding company's retention up to a specified amount, at which point another reinsurer or a

group of reinsurers accepts the excess liability up to a higher specified amount or such liability reverts to the ceding company. The reinsurer taking on the risk just above the ceding company's retention layer is said to write working layer or low layer excess of loss reinsurance. A loss that reaches just beyond the ceding company's retention will create a loss for the lower layer reinsurer, but not for the reinsurers on the higher layers. Loss activity in lower layer reinsurance tends to be more predictable than those in higher layers due to a greater historical frequency, and therefore, like quota share reinsurance, better enables underwriters and actuaries to price more accurately price the underlying risks.

Premiums payable by the ceding company to a reinsurer for excess of loss reinsurance are not directly proportional to the premiums that the ceding company receives because the reinsurer does not assume a direct proportionate risk. In contrast, premiums paid by the ceding company to the reinsurer under a quota share treaty are proportional to the premiums received by the ceding company, and correspond to its share of the risk coverage. In addition, in a quota share reinsurance treaty, the reinsurer generally pays the ceding company a ceding commission. The ceding commission is usually based on the ceding company's cost of acquiring the business being reinsured (commissions, premium taxes, assessments and miscellaneous administrative expense) and also may include a profit factor for producing the business.

(d) Retrocession

Reinsurers typically purchase reinsurance to cover their own risk exposure or to increase their capacity. Reinsurance of a reinsurer's business is called retrocession. Reinsurance companies cede risks under retrocession agreements to other reinsurers, known as *rétrocessionnaires*, for reasons similar to those that cause primary insurers to purchase reinsurance: to reduce net liability on individual risks, protect against catastrophic losses and obtain additional underwriting capacity.

(e) Brokerage vs. Direct Reinsurance

Reinsurance can be written through professional reinsurance brokers or directly from ceding companies. A ceding company's selection of one market over the other will be influenced by its perception of such advantages and disadvantages relative to the reinsurance coverage being placed. For example, broker coverages usually involve a number of participating reinsurers that have been assembled by a broker, each assuming a specified portion of the risk being reinsured. A ceding company may find it easier to arrange such coverage in a difficult underwriting environment where risk capacity is constrained and reinsurers are seeking to limit their risk exposure. In contrast, direct coverage is usually structured by ceding companies directly with one or a limited number of reinsurers. The relative amount of brokered and direct business written by the Group's subsidiaries varies according to local market practice.

(f) Cyclicity

The insurance and reinsurance sectors, particularly in the Non-Life area, are cyclical and are characterised by periods of intense price competition due to excessive underwriting capacity and periods when shortages of underwriting capacity permit favourable premium levels. The movement in reinsurance premiums is closely linked to the yearly renewal of treaties and contracts in specialty lines. If the claims experience and the financial results of reinsurers is favourable in a given year, ceding companies will be inclined to ask for price reductions in the most profitable lines of business. At the same time, new entrants to the reinsurance market may seek to take advantage of the profitable situation of the business, thus increasing the capacity and exerting pressure on premium rates. This situation of downward trends may be offset by natural catastrophes or large claims affecting certain lines of business or certain countries. After three years of steady increases in premiums, and a year of price stabilization in 2005, the reinsurance industry saw the first signs of a downturn in the market in most of the business lines, with the exception of general liability. The high

number and substantial cost of the natural disasters that occurred in the second half of 2005 will probably slow, or even reverse, this trend in most markets.

5.2 Products and markets

(a) General

The Group's operations are organised into the following two business segments: the Non-Life segment and the Life segment. Non-Life is further organised into two sub-segments: Property & Casualty and Large Corporate Accounts' treaties underwritten on a facultative basis. Within each segment, the Group writes various classes of business, as indicated below. Responsibilities and reporting within the Group are established based on this structure, and the consolidated financial statements reflect the activities of each segment.

The Credit, Surety and Political Risks sector covers proportional or non-proportional reinsurance treaties with companies specialised in credit and surety insurance. SCOR has integrated its Credit, Surety and Political Risks business into its Non-Life division since it was a relatively small treaty business and, accordingly, its Credit, Surety and Political Risks business is no longer treated as a separate business segment in its financial statements.

The following table sets forth the Group's gross premiums written by segment and class of business:

	2004		2005	
	EUR	%	EUR	%
By business segment:				
Non-Life	1,396	55%	1,383	57%
Life Reinsurance	1,165	45%	1,024	43%
Total	<u>2,561</u>	<u>100%</u>	<u>2,407</u>	<u>100%</u>
By business sub-segment				
Non-Life				
Property-Casualty Treaty				
Property	611	45%	591	43%
Casualty	396	28%	299	22%
Marine, Aviation and Transportation	32	2%	31	2%
Construction	90	6%	131	9%
Total P&C treaties	1,129	81%	1,052	76%
Facultatives and Large Corporate Accounts (BS)				
Property	167	12%	180	13%
Casualty	31	2%	36	3%
Marine, Aviation and Transportation	30	2%	60	4%
Construction	39	3%	55	4%
Total Facultatives and Large Corporate Accounts	267	19%	331	24%
Total Non-Life	1,396	100%	1,383	100%
Reinsurance-Life				
Annuities	76	7%	56	5%
Reinsurance individual or group Life	826	71%	701	69%
Accident	67	6%	54	5%
Disability	52	4%	82	8%
Health	37	3%	33	3%
Unemployment	29	2%	16	2%
Long-term care	78	7%	82	8%
Total Reinsurance-Life	1,165	100%	1,024	100%

(b) Non-Life

The Non-Life segment is divided into two operational sub-segments:

- Property & Casualty Treaty; and
- Facultatives and Large Corporate Accounts.

Property & Casualty Treaties

The Property & Casualty sub-segment includes damages to property and personal injuries; marine, aviation and transportation; and construction.

Property. These proportional and non-proportional treaties of the Group cover damages to the underlying assets or operating losses caused by fire or other events in the housing, automobile, industrial and commercial premises product lines and damages caused by third parties under third-party liability coverage.

Casualty. The Group's casualty treaties written on both a proportional and non-proportional basis, cover personal injuries as the result of accidents or caused by third parties. Accordingly, they include treaties covering auto liability and general third-party liability. Auto liability reinsurance covers bodily injuries and other risks arising from both private driver and passenger and commercial fleet auto coverage.

Marine, Aviation and Transportation. The Group's marine, aviation and transportation treaty business relates primarily to shipping and onshore transport risks, as well as a limited number of aeronautics and aviation policies.

Construction. The Group's construction treaty business, primarily written on a proportional basis, includes inherent defect insurance coverage, also known as ten-year insurance. As required by French and Spanish law, ten-year insurance covers major structural defects and collapse for ten years after completion of construction of a building.

Credit, Surety and the Political Risks are managed by teams based in Europe. In credit insurance, the insurer covers the risks of losses due to non-payment of trade accounts receivable, while surety insurance is a contract under which a guarantor undertakes with regard to a beneficiary to execute the obligation to ensure payment by or to pay the debt of the secured debtor. Political risk insurance covers the risk of losses due to measures taken by a government or similar entity that endangers the existence of a sales contract or commitment made by a public or private citizen of the country in which the covered operations are performed.

Facultatives and Large Corporate Accounts

The second sub-segment of the Non-Life segment is Facultatives and Large Corporate Accounts, which is also known as SCOR Business Solutions, or SBS. In addition to Facultative Services to ceding companies, SBS is composed of four industrial business sectors: Energy Utilities, New Technologies (including space risks) and Finances & Services, Industry, Construction and Major Projects; it also includes the Ten-Year Liability business. SBS consists primarily of facultative business, which is underwritten by specialised teams and was reorganised in 2000 to cover the activities of corporate buyers seeking global risk financing solutions that combine traditional risk coverage and other alternative financing solutions. The risks shared with the ceding companies are large-scale industrially or technically complex risks, such as semiconductor plants, chemical facilities, oil and gas exploration and production sites, energy production facilities, and boiler and machinery installations.

The Large Corporate Accounts policies are primarily underwritten in property, as well as, to a lesser degree, in third-party liability, transportation and offshore, space and construction.

Underwriting facultatives in the space and offshore sectors requires the application of sophisticated underwriting criteria and risk analysis. Offshore business relates to offshore oil and gas exploration and operations, while space business relates to satellite assembly, launch and coverage for commercial space programs.

Construction facultative coverage is typically provided against risk of loss due to physical property damage caused during the construction period as well as, in certain cases, business interruption or other financial losses incurred as a result of completion delays for large and complex construction and industrial projects. The Group has acted or is acting as lead or principal reinsurer on several world scale infrastructure projects. For these leading projects, SCOR takes an active role in all phases of the development, and works with ceding companies, brokers, insureds, risk managers and project sponsors in optimising the combination of risk management techniques and insurance solutions.

Industrial clients are particularly sensitive to the ratings of the reinsurers that cover their risks.

(c) Life Reinsurance

Life reinsurance includes life insurance products, as well as casualty such as accidents, disability, health, unemployment and the risk of long-term care.

Life. The Group's Life business, written primarily in the form of proportional and non-proportional treaties, includes individual or group Life reinsurance, reinsurance for annuity-based products, and longevity reinsurance, primarily with Life insurance companies and pension funds.

Accident, disability, health, unemployment and long-term care. This business is primarily covered by proportional treaties.

(d) Competitive position of the Group's Life and Non-Life businesses.

In 2004, the Group was the twelfth largest reinsurer in the world according to the Association of French Reinsurers (ARF), based on net premium income. In 2005, pursuant to first estimates by the Association of French Professionals active in Reinsurance (APREF), SCOR ranked eleventh.

If one looks at the data published at the end of the renewals of 1 January 2006 by SCOR's main competitors included in this classification, and which operate like SCOR with "non-Bermudan" business models, i.e. Munich Re, Swiss Re and Hannover Re, SCOR is positioned as follows:

- the European dominance in its portfolio is the most intense;
- the North American component is the lowest;
- the proportion of P&C premiums is the highest and, in contrast, the proportion of Third-Party Liability premiums is the lowest;
- the proportion of Special Risk premium is relatively high, which reflects SCOR's leadership in the Ten-Year Liability business;
- the proportion of Credit-Surety premiums is in line with the competition.

The business of SCOR Vie gives the Group the rank of seventh life reinsurer in the world in gross premiums in 2004, based on a classification published by Standard & Poor's.

The top six reinsurers in the world in Life and the principal competitors of SCOR Vie are the following: Swiss Re, Munich Re, RGA, Hannover Re, Employers Re/GE Insurance Solutions and General Re/Berkshire Hathaway Re.

In the 2004 rankings, SCOR Vie is ahead of Revios, XL Re and Transamerica Re.

In the French market, according to the rankings published in October 2005 in *Argus de l'Assurance* for 2004, SCOR Vie is the leading reinsurer in volume of gross premiums, ahead of the following (in descending order): MutRé, Hannover Re, Munich Re, General Re, Prevoyance Re, CCR, Partner Re, Swiss Re, GE Frankona Re, XL Re Life and Revios.

As reported in the same *Argus* article, SCOR Vie is also the leading operator in the French market in reinsuring long-term care risk, which gives the Group a major competitive advantage in the world markets for the development of this complex product. In fact, France, along with the United States and Japan, is one of the world's three major markets for private long-term care insurance.

5.3 Distribution by geographic area

As part of its strategic refocus in 2002, the Group continues to re-orient its Non-Life business portfolio by geographic region, particularly with a deliberate reduction of underwriting in the United States. The strategic re-orientation pursued since September 2002 has allowed the Group to underwrite better quality policies and treaties. As a result of its efforts, SCOR has reduced the percentage of its Non-Life premium income in the United States from 42% in 2002 to about 10% in 2005.

In 2005, SCOR generated approximately 55% of its gross premiums written in Europe, with significant market positions in France, Germany, Spain and Italy, 25% of its gross premiums written in North America, including Bermuda and the Caribbean region and 20% of its gross premiums written in Asia and in the rest of the world.

The following table shows the breakdown by gross volume of Life and Non-Life premiums written by geographic area based on the country in which the ceding company operates:

In EUR millions	Total		Life		Non-Life	
	2005	2004	2005	2004	2005	2004
France	519	469	340	294	179	175
Europe (excluding France)	817	878	224	253	593	625
Total Europe	1,336	1,347	564	546	772	801
North America	594	762	379	542	215	220
Asia/Australia/rest of world	477	452	81	77	396	375
Total	2,407	2,561	1,024	1,165	1,383	1,396

5.4 Financial ratings

Financial ratings are very important to all reinsurance companies, including SCOR, as ceding companies wish to reinsure their risks with companies with satisfactory financial strength. The

Group's Life Reinsurance, Facultative and Large Corporate Accounts business, and direct underwriting activities are particularly sensitive to the way the Group's clients and ceding companies perceive the Group's financial strength and ratings.

Currently, the ratings given by Standard & Poor's, A.M. Best Co. ("AM Best") and Moody's, are as follows:

	Insurer's financial strength	Senior debt	Subordinated debt
S&P 1 August 2005	A- (stable outlook)	A-	BBB
AM Best 8 November 2005	B++ (positive outlook)	bbb (positive outlook)	bbb- (positive outlook)
Moody's 7 October 2005	Baa1 (positive outlook)	Baa1 (positive outlook)	Baa3 (positive outlook)

On 1 August 2005, the ratings agency S&P raised SCOR's financial solvency rating from BBB+ to A-. The rating for senior debt was also raised from BBB+ to A- and subordinated debt from BBB- to BBB. The outlook for the rating is stable.

On 8 November 2005, A.M. Best confirmed the financial solvency of SCOR (Paris) and its principal subsidiaries to "B++" (Very Good). The outlook for the rating is positive.

On 7 October 2005 Moody's Investors Service announced that it had upgraded SCOR's Insurance Financial Strength Rating from Baa2 to Baa1, its Senior Debt from Baa3 to Baa1, and Subordinated Debt from Ba2 to Baa3. The outlook for these ratings is positive.

On 5 July 2006, Standard & Poor's confirmed the A- (stable outlook) insurer's financial strength rating following the announcement of the acquisition of Revios Rückversicherung AG by SCOR and Moody's placed SCOR on watch for a possible upgrade.

5.5 Strategy

At the end of 2002, SCOR had reassessed its strategy and launched the "Back on Track" strategic plan. Since the end of 2002, when it implemented its "Back on Track" plan, SCOR has shifted its underwriting towards:

- "short-tail" business, which allows a clearer view of prospective business and which does not carry the same level of risk for future results and the inherent difficulties in calculating necessary reserves that are associated with "long tail" business as a result of the long term nature of the litigation and inflation of claims; and
- non-proportional business, where SCOR underwriters and actuaries are able to establish prices that are less susceptible to the adverse effects of the ceding companies' underwriting and pricing.

The "Back on Track" plan had met its four major objectives by the end of 2004, including:

- strengthening the Group's reserves;
- strengthening the Group's capital base through two capital increases;

- right-sizing the Group by reducing premium underwriting and implementing the Group's new underwriting policy focused on "short tail", non-proportional treaties and large business underwriting in Non-Life, either primary or through large facultatives, when capacity and pricing are adequate; and
- restructuring the Group, particularly by putting in place a new board of directors, new management and new procedures.

In the second half of 2004, the Board of Directors adopted a new strategic plan for 2005 through 2007, entitled "SCOR Moving Forward". The "SCOR Moving Forward" plan is a business model designed to achieve SCOR's objectives through a profitability-focused underwriting plan and an optimal allocation of the capital base throughout the different stages of the business cycle. The plan seeks to maintain SCOR's client base in Europe, Asia, North America, and emerging countries, and regain shares in treaties where premium rates, terms and conditions meet the Group's return on equity requisites.

As part of the "SCOR Moving Forward" plan, SCOR has reassessed its capital allocation plan along the Group's lines of business and by market. Under this plan, the Group is attempting to anticipate and manage its activity based on the various phases of the premium rate cycle in reinsurance. On the basis of this modelling of the underwriting policy in 2005/2007, the Group's objective is to reach a trend in profitability that corresponds to 6 basis points above the risk free rate.

Consistent with the "Back on Track" plan, SCOR's gross written premiums declined approximately 32% in the year ended 31 December 2004 primarily due to the decrease of premiums in the Non-Life line of business in the United States and Large Corporate Accounts line of business, as a consequence of the implementation of the "Back on Track" plan, which imposed more rigorous underwriting standards, as well as SCOR's lower financial strength ratings in 2004. In addition, SCOR furthered the geographic rebalancing of its Non-Life business by reducing the percentage of Non-Life premium income in the U.S. Gross written premium for the year ended 31 December 2005 were EUR 2,407 million, nearly unchanged from gross written premium of EUR 2,561 million for the year ended 31 December 2004 due to the maintenance of underwriting rules in a weak market and renewal of the Non-Life treaties in January and April 2005 being affected by a financial rating of BBB+ (S&P) and B++ (AM Best), which were relatively unfavourable compared with the Group's principal competitors.

6. SELECTED FINANCIAL INFORMATION

6.1 Global business in 2005 was in line with forecasts at the beginning of the fiscal year

Gross premiums written in 2005 totalled EUR 2,407 million, in line with forecasts, compared to EUR 2,561 million for 2004, representing a decrease of 6% (8% at constant exchange rates). This contraction was mainly due to the decline in savings in the United States.

6.2 The Group's global income reflects its technical profitability

Operating income for 2005 reached EUR 242 million, versus EUR 199 million in 2004.

Net income attributable to the Group in 2005 increased to EUR 131 million, versus net income of EUR 75 million in 2004.

Group operating cash flow for 2005 amounted to EUR -594 million. Excluding commutations of approximately EUR 600 million, cash flow was positive.

Liabilities from contracts net of retrocession amounted to EUR 8,866 million at 31 December 2005, versus EUR 9,020 million at 31 December 2004, representing a decline of 1.7%. This decrease was due to the impact of commutations and fluctuations in foreign exchange rates.

The adequacy of the Group's reserves was confirmed by internal and external reviews by actuaries in connection with the closing of the accounts.

Group shareholders' equity stood at EUR 1,719 million at 31 December 2005, versus EUR 1,335 million at 31 December 2004. This increase in shareholders' equity includes the share capital increase of 30 June 2005 for a net amount of EUR 224 million.

Group general expenses reached EUR 200 million in 2005 versus EUR 196 million in 2004.

The total number of Group employees declined by 5.5% to 994 persons at 31 December 2005.

6.3 Results by business activity

- (a) **The Non-Life Reinsurance business** (Property and Casualty, Large Corporate Accounts, Credit and Surety and CRP) generated premium income of EUR 1,383 million for 2005, down 1% compared to 2004 (a decrease of 4% at constant exchange rates).

Non-Life Reinsurance income (net operating income before general expenses and financial income) declined to EUR 29 million in 2005 versus EUR 85 million in 2004.

This income was affected by the cost of major natural disasters that occurred in 2005 in the United States and Mexico (hurricanes Katrina, Wilma and Rita) as well as in Europe namely the Gudrun storm and floods in Eastern Europe) in the amount of EUR 168 million. Major natural catastrophes are defined by SCOR as events that result in a net retrocession cost for the Group that exceeds EUR 10 million.

The net combined ratio of Non-Life Reinsurance business was 106.5% in 2005, versus 101.8% in 2004. Excluding CRP, the net combined ratio of Non-Life Reinsurance business was 102.8% in 2005. Excluding CRP and major natural catastrophes, this ratio would be 90.8%.

Net operating income for the Non-Life Reinsurance business increased to EUR 159 million in 2005, versus EUR 153 million in 2004. Net operating income benefited from strong technical performance as well as improved performance in the financial markets.

Liabilities relating to policies, net of retrocession from the Non-Life Reinsurance business, amounted to EUR 5,652 million at 31 December 2005, compared to EUR 5,785 million at 31 December 2004, down 2% due to the impact of currency exchange rate fluctuations and to significant liquidations and commutations in the portion of the SCOR U.S. portfolio in run-off.

- (b) **The Life reinsurance business** (individual and group policies, long-term care insurance, financing, accidents, disability, and unemployment) showed a decline in revenue in 2005 to EUR 1,024 million, a contraction of 12% versus 2004 due to a decrease in savings in the United States.

Operating income from the Life reinsurance business reached EUR 83 million in 2005 versus EUR 46 million in 2004, representing an 8.2% margin of net premiums.

Net technical reserves from the Life reinsurance business stood at EUR 3,214 million at 31 December 2005 versus EUR 3,235 million at 31 December 2004, representing a decline of 1%.

6.4 Asset Management in 2005

Financial income net of expenses (excluding borrowing costs) stood at EUR 426 million in 2005 versus EUR 315 million in 2004.

Financial income from operations, net of expenses, dropped to EUR 288 million versus EUR 309 million in 2004. Capital gains from investments net of depreciation stood at EUR 91 million versus EUR 20 million in 2004 with foreign exchange gains reflecting a profit of EUR 8 million versus a loss of EUR (13) million in 2004.

The change in investments adjusted to reflect income at market value generated a profit of EUR 39 million versus a loss of EUR (1) million in 2004.

Total investments reached EUR 9,743 million at 31 December 2005, a decline of 2.9% as compared to 31 December 2004. The breakdown includes bonds (56%), loans and cash deposits (14%), shares and equity interests (10%), real estate investments (3%) and cash equivalents (17%).

6.5 Key figures of SCOR businesses for year 2004 and 2005

In EUR millions	IFRS	
	2005	2004
Gross premiums written	2,407	2,561
Gross premiums earned	2,387	2,728
Current operating result	242	199
Group net results after tax	131	75
Insurance business investments	8,082	8,211
Cash and cash equivalents	1,667	1,826
Policy-linked net liabilities	8,858	9,020
Borrowings and debts	954	1,342
Group shareholders' equity	1,719	1,335
In EUR		
Number of SCOR shares in circulation at 31 December	968,769,070	819,269,070
Earnings per share	0.15	0.09
Earnings per share (diluted)	0.14	0.09
Book value per share	1.79	1.65
Diluted book value per share	1.78	1.63
Share price at end of year	1.82	1.39

7. ADMINISTRATIVE BODIES

7.1 Board of directors

Under French law, the Board of Directors prepares and presents the year-end accounts of the Company to the shareholders and convenes shareholders' meetings. In addition, the Board of Directors reviews and monitors SCOR's economic, financial and technical strategies. French law provides that the Board of Directors be composed of no fewer than three and no more than eighteen members. The actual number of directors must be within such limits and may be provided for in the statutes (by-laws) or determined by the shareholders at the annual general meeting of shareholders. The Board of Directors cannot increase the number of members of the board. SCOR bylaws provide that the Board of Directors be composed of no fewer than nine and no more than eighteen members.

On 31 December 2005, the Company's Board of Directors consisted of fifteen voting members, including one elected representative of the personnel of SCOR in France, known as the employee director. Under the Company's statutes, each director must own at least one share in the Company throughout his entire term of office. Under French law, a director, other than an employee director, may be an individual or a corporation, but the Chairman must be an individual. Currently, each of the Company's directors is an individual. The employee director used to be elected for a three-year term by the Company's and its French subsidiaries' employees and each voting director is currently elected for a six-year term. Directors may not hold office after the age of 72 under the Company's

statutes. A director reaching the age of 72 while in office has to retire at the expiry of the term of his or her office, as determined at the annual general meeting of shareholders. Non-employee directors are elected by the shareholders and serve until the expiration of their respective term, or until their resignation, death or removal, with or without cause, by the shareholders. Vacancies on the Board of Directors may, under certain conditions, be filled by the Board of Directors, pending the next shareholders' meeting.

Directors are required to comply with applicable law and SCOR's statutes. Under French law, directors are liable for violations of French legal or regulatory requirements applicable to *sociétés anonymes*, violation of a company's statutes or mismanagement. Directors may be held liable for such actions both individually and jointly with the other directors.

As provided under Article L.225-51-1 of the French Commercial Code and Article 15, as amended, of the by-laws ("General Management"), the Board of Directors, during its meeting held on 18 April 2002, decided that the Company's general management would be ensured by a Chairman of the Board of Directors with the title of Chairman and Chief Executive Officer (*Président et Directeur Général*).

The following table sets forth the directors of the Company, currently and as at 30 June 2006, as appointed by the combined shareholders' meeting of 15 May 2003, unless otherwise indicated, their date of birth and positions with SCOR and their principal business activities performed outside SCOR, the dates of their initial appointment as directors and the expiration dates of their term in office.

Name and business address	Date of Birth	Other current principal position at SCOR and principal business activities outside SCOR	Date of initial appointment and expiration of term
Denis Kessler(1) Chairman and CEO SCOR 1, avenue du Général de Gaulle 92800 Puteaux France	25 March 1952	<i>Chairman and Chief Executive Officer:</i> SCOR Vie. <i>Chairman:</i> SCOR Italia Riassicurazioni S.p.A (Italy), SCOR Life U.S. Re Insurance Company (U.S.), SCOR Reinsurance Company (U.S.), SCOR U.S. Corporation (U.S.). <i>Director:</i> BNP Paribas SA, BOLLORE Investissement SA, COGEDIM S.A.S., DASSAULT Aviation, SCOR Canada Reinsurance Company, AMVESCAP Plc (UK), Dexia S.A. (Belgium). <i>Member of the Supervisory Board:</i> SCOR Deutschland (Allemagne). <i>Non-voting director:</i> FDC S.A., GIMAR Finance & Cie S.C.A. <i>Permanent representative</i> of FERGASCOR in S.A. Communication et Participation.	4/11/02 2007
Carlo Acutis(2) VITTORIA ASSICURAZIONI S.p.A. Via Don Minzoni, 14 I - 10121 Torino Italy	17 October 1938	<i>Vice-Chairman:</i> Vittoria Assicurazioni S.p.A., Banca Passadore S.p.A., Presidential Council of the European Committee of National Insurance Companies, Fondazione Piemontese per la ricerca sul cancro. <i>Chairman:</i> BPC INVESTIMENTI SGR S.p.A.; <i>Director:</i> SCOR Vie (6), Yura International Holding B.V., Yura S.A., Camfin S.p.A., Pirelli & C. S.p.A., Ergo Italia S.p.A., Ergo Assicurazioni S.p.A., Ergo Previdenza S.p.A., Vittoria Capital N.V.; <i>Member of the Supervisory Board:</i> COGEDIM S.A.S., Yam Invest N.V. <i>Member of council:</i> European Committee of Insurance Companies, Geneva Association. <i>Member of the executive committee:</i> ANIA Associazione Italiana fra le Imprese di Assicurazione.	15/5/03 2009
Antonio Borges(2)(3) GOLDMAN SACHS INTERNATIONAL Peterborough Court, 133 Fleet Street, London EC4A 2BB United-Kingdom	18 November 1949	<i>Vice-Chairman:</i> Goldman Sachs International (London). <i>Supervisory board:</i> CNP Assurances. <i>Director:</i> SCOR Vie (6), Jérónimo Martins, SONEAcom, Caixa Seguros, Heidrick & Struggles.	15/5/03 2007

Name and business address	Date of Birth	Other current principal position at SCOR and principal business activities outside SCOR	Date of initial appointment and expiration of term
Allan Chapin, Esq.(1)(4) Compass Advisers LLP 599 Lexington Avenue New York, NY 10022 United States of America	28 August 1941	<i>Partner:</i> Compass Advisers LLP (New York, U.S.A.). <i>Director:</i> Pinault Printemps Redoute, SCOR Vie (6), In Bev (Belgium), SCOR Reinsurance Company (US), General Security National Insurance Company (US), French-American Foundation; Chairman of American Friends of the Pompidou Foundation.	5/12/97 2011
Daniel Havis(2) MATMUT 66, rue de Sotteville 76100 Rouen France	31 December 1955	<i>Chairman and Chief Executive Officer:</i> MATMUT (Mutuelle Assurance des Travailleurs Mutualistes). <i>Chairman:</i> GEMA, SMAC (<i>Mutuelle Accidents Corporels</i>), IMADIES. <i>Vice-Chairman:</i> CEGES. <i>Director:</i> Mutualité Française de la Seine Maritime (MFSM), La Fédération Nationale de la Mutualité Française (FNMF). <i>Member of the bureau:</i> Fédération Nationale de la Mutualité Interprofessionnelle (FNMI). <i>Chairman of the Supervisory Board:</i> OFI Asset Management (formerly OFIVALMO Gestion). <i>Vice-Chairman of the Supervisory Board:</i> IMA, OFIVALMO. <i>Chairman of the Board of Directors:</i> Matmut Protection Juridique formerly PMA (Protection Mutualiste en Assurance), MUTRE S.A.; MDA. <i>Director:</i> Matmut Vie, OFIMALLIANCE, SCOR Vie (6). <i>Vice-chairman of the Board of Directors:</i> Groupe des Mutuelles Associées. <i>Permanent representative</i> of OFI Asset Management in OFIVALMO Net Epargne, OFI Mandats; of MATMUT in the supervisory board of OFI Palmarès; of SMAC in the board of directors of OFIMA Trésor, OFIMA Convertibles and OFI SMIDCAP. <i>Chairman</i> of the Comité National des Réalisations Sanitaires et Sociales, <i>Member</i> of commissions in the Conseil Supérieur de la Mutualité (Commission Agréments and Commission Affaires Générales). <i>Member</i> of the Haut Conseil pour l'Avenir de l'Assurance Maladie. <i>Representative</i> Imadiès in Conseil des Mutuelles Santé.	18/11/96 2011

Name and business address	Date of Birth	Other current principal position at SCOR and principal business activities outside SCOR	Date of initial appointment and expiration of term
Yvon Lamontagne**(2) AXA CANADA 2020 Université, Bureau 600 Montréal (Québec) H3A 2A5 Canada	14 June 1940	<i>Director:</i> AXA Insurance Canada (Toronto, Canada), SCOR Vie (6); SCOR Canada Reinsurance Company (Toronto, Canada), Hydro-Québec (Montreal, Canada), Anglo-Canada General Insurance Company (Toronto, Canada), AXA Pacific Insurance Company (Vancouver, Canada). <i>Member of the consultative board:</i> Bureau of Superintendent of Financial Institutions (Ottawa, Canada). <i>Fiduciary:</i> Fiducie Henri-Paul Rousseau (Montréal, Canada) (Chairman of the treasury).	15/5/03 2007
Daniel Lebègue(1)(2)(3) Institut Français des Administrateurs 27, avenue de Friedland 75382 Paris Cedex 08 France	4 May 1943	<i>Chairman:</i> IFA (French Society of Directors - <i>Institut Français des Administrateurs</i>). <i>Director:</i> SCOR Vie (6), Crédit Agricole S.A., Alcatel, Technip, SCOR Reinsurance Company (U.S.), General Security National Insurance Company (U.S.). <i>Member of the Supervisory Board :</i> Areva. <i>Chairman of the Board of Directors :</i> Institut d'Études Politiques de Lyon; <i>Chairman:</i> Institute of Sustainable Development and International Relations (<i>Institut du Développement Durable et des Relations Internationales</i> , IDDRI), Transparence-International France, Ecoda (European Confederation of Associations of Directors - <i>Confédération Européenne des Associations d'Administrateurs</i>). <i>Co-Chairman:</i> Eurofi (association).	15/5/03 2009

Name and business address	Date of Birth	Other current principal position at SCOR and principal business activities outside SCOR	Date of initial appointment and expiration of term
Helman Le Pas de Sécheval(1)(2)(3)(5) GROUPAMA SA Direction Financière Groupe 8-10, rue d'Astorg 75783 Paris Cedex 08 France	21 January 1966	<i>Group Chief Financial Officer:</i> GROUPAMA S.A.. <i>Chairman of the Board of Directors:</i> Groupama Immobilier, Groupama Asset Management, Finama Private Equity, Compagnie Financière Parisienne. <i>Vice-Chairman of the Supervisory Board:</i> Banque Finama. <i>Director:</i> SCOR Vie (6), GAN Italia Vita (Italy), GAN Italia S.p.A (Italy). <i>Non-Voting member of the Supervisory Board:</i> GIMAR Finance & Compagnie. <i>Permanent representative of</i> GROUPAMA S.A. at the supervisory board of Lagardère S.C.A. and at the Board of Directors of Silic; of GAN Assurances Vie at the Supervisory Board of Locindus.	3/11/04 2009
André Lévy-Lang(1)(3)(4) SCOR 1, avenue du Général de Gaulle 92800 Puteaux	26 November 1937	<i>Associate Professor (Emeritus) at the Paris University of Dauphine.</i> <i>Director:</i> AGF, SCOR Vie (6), Dexia (Brussels), Schlumberger (U.S.). <i>Member of Supervisory Board:</i> Paris-Orléans.	15/5/03 2009
Herbert Schimetschek(2) UNIQA International Untere Donaustrasse 25 A-1020 Wien Austria	5 January 1938	<i>Chairman:</i> Oesterreichische Nationalbank. <i>Director:</i> SCOR Vie (6). <i>Chairman of the Management Board:</i> Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung (Holding), UNIQA Immobilien-Projektterrichtungs GmbH. <i>Chairman of the Supervisory Board:</i> Austria Österreichische Hotelbetriebs Aktiengesellschaft. <i>Vice-Chairman of the Supervisory Board:</i> Bank Gutmann S.A. <i>Vice-Chairman:</i> Automobile Club of Austria, Franco-Austrian Chamber of Commerce. <i>Member of the Board of Directors:</i> Diplomatic Academy of Vienna.	15/5/03 2007

Name and business address	Date of Birth	Other current principal position at SCOR and principal business activities outside SCOR	Date of initial appointment and expiration of term
Jean-Claude Seys(1) MAAF ASSURANCES, MMA & COVEA 7, place des 5 martyrs du Lycée Buffon 75015 Paris France	13 November 1938	<i>Chairman and Chief Executive Officer:</i> COVEA (SGAM). <i>Chairman of the Board of Directors:</i> MMA IARD, MMA Vie (SAM), MAAF Santé (Mutuelle 45), Force et Santé (Union Mutualiste), COSEM (Association), Aide Médicale (Association), Fondation MAAF Assurances, OCEAM Ré (SRM). <i>Director:</i> MAAF Assurances (SAM), MAAF Assurances (SA), Défense Automobile et Sportive (DAS) (SAM), AGMAA S.A. – Azur GMF Mutuelles Assurances Associés, SCOR Vie (6), OFIMALLIANCE S.A., Fidelia S.A. (subsidiary of Azur GMF), COVEA Ré (Luxembourg), EURAPCO. <i>Chairman of the Supervisory Board:</i> Savour Club S.A. (MAAF S.A. subsidiary), OFIVALMO S.A.; <i>Member of the Supervisory Board:</i> OFI Asset Management (subsidiary of OFIVALMO S.A.). <i>Vice-Chairman of the Board of Directors:</i> ACMA (Association for the Cooperation Among Mutual Insurance Companies for Agriculture and Craft Industry - <i>Association pour la Coopération entre Mutuelles Assurances pour l'Agriculture et l'Artisanat</i>), SC Holding S.A.S. (Santéclair). <i>Permanent representative</i> of COVEA (SGAM) in Covéa Technologie (S.A.S.) and of OCEAM Ré (SRM) in COVEA Group S.A.S.	15/5/03 2009
Jean Simonnet(2) MACIF 2-4, rue de pied de Fond 79000 Niort France	5 August 1936	<i>Chairman:</i> MACIF (Mutual Insurance Company)*, SOCRAM (Credit Company)*, SMIP (Mutual Insurance Company). <i>Director:</i> FORINTER S.A.*, SICAV OFIMA EURO Moyen Terme, Union Mutualiste des Deux Sèvres (Mutual Insurance Company), SCOR Vie (6), IMA IBERICA. <i>Non-Voting Director:</i> MACIFILIA*, OFIMA MIDCAP SICAV, OFIMA TRESOR SICAV. <i>Managing director (gérant):</i> Gironde et Gascogne S.A.R.L., Château de Belcier S.C.E.A., Château Ramage La Batisse S.C.I. <i>Permanent representative of MACIF</i> in the supervisory board of I.M.A. S.A.*, MUTAVIE S.A.*, OFIVALMO S.A.* and in the board of directors of Compagnie Immobilière MACIF S.A.*, Foncière de Lutèce S.A.*, MACIF Mutualité*, EURESA. <i>Member of the councils or committees:</i> GPIM S.A.S., MACIF Participations S.A.S.*, Compagnie	2/3/99 2011

Name and business address	Date of Birth	Other current principal position at SCOR and principal business activities outside SCOR	Date of initial appointment and expiration of term
		Foncière de la MACIF S.A.S.*, SIEM S.A., MACIFIMO S.A.S. * Companies consolidated in the MACIF Group	
Claude Tendil(1)(2)	25 July 1945	<i>Chairman and Chief Executive Officer:</i> Generali France, Generali France Assurances Vie.	15/5/03
GENERALI HOLDING Président général 7/9, Haussmann 75009 Paris France	FRANCE Directeur boulevard	<i>Chairman of the Board of Directors:</i> Assurance France Generali, Generali Assurances-IARD, GPA IARD, GPA VIE, La Fédération Continentale, Europ Assistance Holding. <i>Director:</i> Unibail, SCOR Vie (6). <i>Chairman of the Board of Directors:</i> Europ Assistance Italy. <i>Permanent representative</i> of Europ Assistance Holding at the board of Europ Assistance Spain.	2007
Daniel Valot(1)	24 August 1944	<i>Chairman and Chief Executive Officer:</i> Technip. <i>Director:</i> Compagnie Générale de Géophysique, Institut Français du Pétrole, SCOR Vie (6), Technip Far East (Malaysia). <i>Permanent representative</i> of Technip in Technip France. <i>Chairman:</i> Technip Italy (Italy).	15/5/03 2007
TECHNIP Tour Technip 6-8, allée de l'Arche 92973 Paris la Défense Cedex France			

(1) Member of the Strategic Committee.

(2) Member of the Risks Committee.

(3) Member of the Accounting and Audit Committee.

(4) Member of the Compensation and Nominations Committee.

(5) Mr. Helman Le Pas de Secheval is a non-voting member of the Accounting and Audit Committee. He was appointed as a board member in replacement of Mr. Jean Baligand on 3 November 2004, and his appointment was ratified by the general shareholders' meeting of 31 May 2005.

(6) During the meeting of SCOR Vie Board of Directors held on 16 May 2006, these Directors resigned from their position as Directors of SCOR Vie and have been replaced by Patrick Thourot, Jean-Luc Besson, Marcel Kahn and Christian Mounis.

** Mr. Yvon Lamontagne passed away on 20 March 2006.

7.2 Executive committee

The following table sets forth the Company's executive officers who comprise the executive committee (the Executive Committee) at 31 December 2005 and as of the date hereof, their ages as of 31 December 2005, their positions with SCOR and the first dates as of which they served as executive officers of SCOR.

<u>Name</u>	<u>Age</u>	<u>Current Position</u>	<u>Executive Officer Since</u>
Denis Kessler	53	Chairman and Chief Executive Officer	2002
Patrick Thourot(1)	57	Chief Operating Officer (<i>Directeur Général Délégué</i>)	2003
Yvan Besnard	51	Deputy Chief Operating Officer (<i>Adjoint du Directeur Général Délégué</i>) of SCOR Global P&C	2004
Jean-Luc Besson	59	Chief Risk Officer	2003
Romain Durand(2)	48	Chief Executive Officer and Director of SCOR Vie	1997
Marcel Kahn	49	Chief Financial Officer	2004
Henry Klecan Jr.	54	President and CEO of SCOR U.S. and SCOR Canada	2003
Victor Peignet	48	Chief Operating Officer of SCOR Global P&C	2004

(1) Mr. Thourot was appointed by the Board of Directors on 22 January 2003 as Chief Operating Officer for the length of the term of the Chairman and Chief Executive Officer.

(2) Romain Durand resigned as Chief Executive Officer and director of SCOR Vie on 28 December 2005. The Board of Directors of SCOR Vie confirmed his resignation on 11 January 2006. Upon a proposal of the Compensation and Nominations Committee, the Board of Directors of SCOR Vie unanimously appointed its Chairman, Denis Kessler, as Chief Executive Officer of SCOR Vie.

Emmanuelle Rousseau has served as Secretary to the Executive Committee and the Board of Directors since 10 September 2004.

On 24 March 2006, it was announced that, Christian Mounis, Chief Operating Officer of SCOR Vie, has been appointed to the SCOR Executive Committee.

7.3 Conflicts of interests

To the Company's knowledge, there are no conflicts of interest between the duties of the directors and members of executive management with regard to SCOR Company and their private interests.

7.4 Committees of the Board

The **Strategy Committee** consists of Denis Kessler, Chairman, Allan Chapin*, Daniel Lebègue*, Helman le Pas de Sécheval, André Lévy-Lang*, Jean-Claude Seys, Claude Tendil* and Daniel Valot*. According to the internal rules of the Board of Directors (*Règlement intérieur*), this Committee is comprised of six to ten members designated by the Board of Directors and chosen among the Directors and Non-voting Directors. The duration of their term coincides with that of their term as Director or Non-voting Director.

This Committee's mission is to study the Group's development strategies and to examine any acquisition or disposal plan in an amount in excess of 100 million euros.

* Independent Director.

During 2005, the Strategy Committee met two times.

The **Accounts and Audit Committee** consists of Daniel Lebègue*, Chairman, André Lévy-Lang*, Antonio Borges*, and Helman le Pas de Sécheval. According to the internal rules, it is comprised of three to five members designated by the Board of Directors and chosen among the Directors and non-voting Directors. The duration of their term coincides with that of their term as Director or non-voting Director.

This Committee's task is to review the soundness of the Group's financial condition, compliance with internal procedures, as well as audits and reviews made by the statutory auditors and internal control management.

The Accounts and Audit Committee has adopted a set of internal rules setting forth two essential tasks:

- Accounting duties, notably with respect to the analysis of periodic financial documents, examination of the relevance of the choices and proper application of accounting methods, examination of the accounting treatment of any significant transactions, examination of the scope of consolidation, examination of off-balance sheet commitments, steering the selection and compensation of statutory auditors, oversight of any accounting and financial reporting documents before they are made public; the Committee may consult with the Group's chief financial and accounting officers, the Chief Internal Auditor and external auditors on these subjects.
- Ethical and internal control responsibilities. In this connection, the Accounts and Audit Committee is responsible for ensuring that internal procedures relating to the collection and verification of data make it possible to ensure the quality and reliability of SCOR's financial statements. The Accounts and Audit Committee is also responsible for reviewing agreements with interested parties ("*conventions réglementées*"), analysing and responding to questions from employees relating to internal controls, preparing financial statements and treating internal accounting books and records.

During its six meetings in 2005, the Accounts and Audit Committee primarily discussed the following matters: disengagement from IRP; progress and principal challenges relating to IFRS; obligations and progress relating to Sarbanes Oxley; 2005 budget and pre-approval of the assignments of the external auditors; audit of French GAAP parent company and consolidated financial statements as of 31 December 2004; U.S. GAAP financial statements as of 31 December 2004 and 30 September 2004; 2005 Group budget; compliance of the Committee's internal rules with the Sarbanes-Oxley Act; agreement on the consolidation of SCOR – SCOR Vie resources; financial consequences of the exit of minority shareholders from IRP; considerations on the organisation of managing SCOR's assets; IFRS financial statements as of 31 March 2005; consolidated financial results of the first half of 2005; 2005 Audit Plan; Auditors' Report; consolidated financial results as of 30 September 2005; the Group's exposure to and protection from natural catastrophes in 2005 and outlook for 2006; certification of the CRP financial statements in 2004.

The **Compensations and Nominations** committee is comprised of Allan Chapin*, Chairman, André Lévy-Lang* and Georges Chodron de Courcel**. According to the internal rules, it is comprised of three to five members designated by the Board of Directors and chosen among the Directors and Non-voting Directors. The majority of the members must be chosen among the independent Directors. The duration of their term coincides with that of their term as Director or Non-voting Director.

* Independent Director.

** Non-voting Director.

This Committee's tasks are to make recommendations on the terms and conditions of compensation for the Group's officers and senior managers, retirement, and award of stock options and to make proposals relating to membership on and organisation of the Board of Directors and its Committees.

Having met four times in 2005, this Committee issued opinions on the implementation of stock option plans for all employees and senior management of the Group, option plans and bonus plans to be awarded to senior managers of SCOR.

The **Risks Committee** consisted of Carlo Acutis*, Antonio Borges*, Daniel Havis*, Yvon Lamontagne*, Daniel Lebègue*, Herbert Schimetschek*, Jean Simonnet*, Claude Tendil*, Georges Chodron de Courcel** and Helman le Pas de Sécheval.

Its mission is to identify the major risks to which the Group is exposed on both the assets and liabilities sides, and to ensure that means are in place to monitor and manage these risks. It scrutinises the main technical and financial risks to which the Group is exposed. The Risks Committee did not meet in 2004 because all of the matters it would have acted upon were acted upon by the full board or the Audit and Accounts Committee. As a result, on 23 March 2005, the Board decided to dissolve the Risks Committee going forward, and to transfer its tasks to other relevant Group Committees. On 16 May 2006 the Board of Directors decided to re-instate the Risks Committee following its dissolution on 23 March 2005 with the same mission as it previously had.

8. RECENT DEVELOPMENTS

8.1 Renewals season 2006

The renewal of treaties and facultatives up for renewal on 1 January took place in a market that is still very competitive, but stable or slightly rising. SCOR has successfully pursued its strategy of regaining co-reinsurance shares on treaties with traditional cedants, and regaining business with clients who had broken off commercial relations with SCOR over the past two years, for reasons linked to Standard & Poor's rating of the Group. The upgrade of this rating on 1 August 2005 has enabled SCOR to renew relations with 120 cedant insurance companies and to regain many lead underwriting positions.

Moreover, SCOR has benefited from EUR 61 million in premiums underwritten when it acquired the underwriting of the European company ALEA, the underwriting rights of which the Company bought at the end of 2005. This acquisition enables SCOR to anticipate a sustainable premium income, as well as access to new clients, particularly in Central and Northern Europe.

- (a) In a competitive environment, SCOR is benefiting from recent developments in the reinsurance markets

The reinsurance market is currently affected by the exceptional climatic events that took place in 2005, as well as by the tightening of the retrocession market. In addition, the tendency observed on certain insurance markets over the past few years towards an increased retention by cedants, a higher level of recourse to non proportional coverage and consolidation through mergers and acquisitions, has been confirmed. This has resulted in a reduced volume of reinsurance on the most mature markets.

In this context, the Group has made its best efforts in order to:

- (i) regain shares on treaties already in its portfolio, benefiting from the long-term relationships it has with its clients as well as from the upgrade of its rating to "A-, stable outlook" by Standard & Poor's,

- (ii) redevelop its client base by regaining 120 cedants and consolidate its relationships with existing clients by accepting new businesses, whilst developing the technical and financial innovation of its underwriting teams in the face of a more complex market, as well as their responsiveness in a market that only straightened itself out at the end of December,
- (iii) benefit from the ALEA Europe renewal rights acquired on 10 December 2005, in accordance with its underwriting policy. These rights represented a written premium volume for SCOR of EUR 61 million at 1 January 2006.

During the 2006 renewals, the Group ensured that it stuck to its underwriting policy centred on profitability and on the quality of business underwritten. The Group has refused to underwrite business that does not meet its underwriting criteria, choosing for example to suspend relations with 39 of its Non-Life treaty clients.

- (b) SCOR is making significant progress on all of the Non-Life reinsurance markets

The renewals at 1 January 2006 involved 80% of the Property & Casualty and Liability treaty portfolio, 30% of Large Corporate Accounts business and almost the entire Credit & Surety portfolio.

- (i) Expected premiums in Property & Casualty, Liability and Credit & Surety treaties renewed at 1 January 2006 went up by 25% to EUR 1,041 million.

P&C and Credit & Surety Treaty development at 1/01/2006 (in EUR millions)

Written premiums for P&C and Credit & Surety Treaties in 2005	833	
New business acquired / lost business regained *	+164	+19%
Increased shares/rates on existing treaties	+127	+15%
Terminations / share reductions	-83	-10%
Written premiums for P&C and Credit & Surety Treaties in 2006	1,041	+25%

(*) of which new clients: EUR 83 millions

During these renewals, the rates observed across the various markets increased slightly and are currently at a satisfactory level.

(A) Non-Life Treaties in Europe

The renewals in Europe on 1 January 2006 involved 97% of the zone's Non-Life treaties. In a satisfactory pricing environment, the Group recorded an increase of 26% for gross written premiums in Europe in 2006, bringing the total to EUR 746 million.

The Group gained or regained many clients, including several lead underwriting positions. With its existing clients, it increased its shares and signed new contracts.

- In France, the increase in gross written premiums in 2006 is estimated at +25%. The renewals enabled SCOR to regain its position as a major player on the market. The Group took up 36 lead underwriting positions and has benefited from the sharp rise in rates for non-proportional motor liability reinsurance.
- In the United Kingdom, the increase in gross written premiums in 2006 is estimated at +47%. On this market, which is particularly sensitive to the financial rating, SCOR benefited from the upgrade of the Group's rating by Standard & Poor's in 2005.
- In Spain and Portugal, the increase in gross written premiums in 2006 is estimated at +43%, notably due to the sharp increase in decennial coverage.
- In Germany and Austria, the increase in gross written premiums in 2006 is estimated at +25%; the Group notably benefited from the contribution made by a share of the ALEA Europe portfolio.
- In Italy, as in Eastern Europe, whose markets are amongst those most affected by the transition from proportional to non-proportional cover, by increased cedant retentions and by insurance consolidations, the increases in gross written premiums in 2006 are estimated at 11% and 8% respectively.
- In the Northern Europe zone (i.e. Scandinavia and Benelux) the increase in gross written premiums in 2006 is estimated at +25%.

(B) Non-Life Treaties in North America

Renewals in North America at 1 January 2006 involved 62% of the zone's Property & Casualty treaty portfolio. Written premiums were up by 19% to EUR 104 million in this zone, however contrasting developments were observed between the United States and Canada:

- In the United States and Caribbean zone, the Group recorded an increase of 4% in the volume of gross written premiums. The Group continues to reduce its exposure in this zone and this increase results exclusively from an increase in rates. The Group is continuing with its policy of refusing to underwrite pure natural catastrophe cover programmes.
- In Canada, the Group recorded an increase of 33% in gross written premiums, benefiting from the effects of its upgraded Standard & Poor's rating and from an efficient commercial policy in a globally stable rate environment.

Business renewing on 1 July 2006 in this zone represents approximately 12% of the overall 2005 EGPI of the zone. Written premiums on 1 July 2006 were down by 2 % in this zone. Like business renewing on 1 January 2006, the situation was contrasted between USA, Mexico/Caribbean and Canada:

- in the US, the Group recorded a decrease of 19% in premium income, due to the cancellation of treaties by ceding companies or by SCOR, as a consequence of the Group's stricter underwriting policy while in the Caribbean, the Group premium income was up by 7% due to an increase in rates;

- in Canada, the Group recorded a 40% growth, benefiting again from its upgraded Standard and Poor's rating. The Group has been able to increase its shares on existing contracts and to regain business lost in previous years.

(C) Non-Life Treaties in Asia

On Asian treaties up for renewal at 1 January 2006 (which is less than 30% of the zone's portfolio), SCOR recorded an increase of 54% in gross written premiums, bringing the total to EUR 31 million.

The Group regained shares and won new clients in Malaysia and China. The upgrade of the Group's rating by Standard & Poor's enabled SCOR to recommence its activity in Australia.

Treaties in Japan and Korea, which represent a very significant share of the zone's business, will be renewed on 1 April 2006.

(D) → Non-Life Treaties in other countries

The rest of the world zone includes the Middle East, Africa and South America. With regard to treaties in this zone up for renewal at 1 January 2006 (i.e. 65% of the zone's portfolio), SCOR recorded an increase of 12% in gross written premiums, bringing the total to EUR 96 million.

(E) → Credit & Surety Business

Renewals of Credit & Surety treaties at 1 January 2006 involved almost the entire portfolio. Written premiums were up by around 35% to EUR 63 million. The upgrade of the Group's rating and the strategic choice of business development in this field have enabled SCOR to retake its place as a first class player. Over half of this increase consisted of new business.

These renewals at 1 January 2006, along with the renewals estimated for the rest of the year, mean that P&C Treaties and Credit & Surety can anticipate a gross written premium volume of around EUR 1,250 million for 2006.

(ii) Large Corporate Accounts

Renewals for facultative cover in this sector are carried out throughout the year without any particular periodicity.

At the end of 2005, 30% of the renewable portfolio was up for renewal. Gross written premium volume recorded an increase of 45% to EUR 91 million.

This significant increase is firstly due to improved access to business, following the upgrade of the Group's rating. It is also the consequence of an increased rigidity in insurance/reinsurance conditions in certain market sectors where SCOR has a strong presence, such as the Energy risks sector.

Development of Large Corporate Accounts business at 1/01/2006 (EUR millions)

Written premiums for Large Corporate Accounts in 2005	62.5	
New business acquired / lost business regained	+30.1	+48%
Increased shares / rates on existing treaties	+ 9.1	+14.5%
Terminations / share reductions	-10.9	-17.4%
Written premiums for Large Corporate Accounts in 2006	90.8	+45%

These renewals at the end of 2005 and the renewals estimated for the rest of this year mean that Large Corporate Accounts can anticipate a gross written premium volume of around EUR 350 million for 2006.

(c) Renewals in Life reinsurance:

In life reinsurance, business is underwritten throughout the year. The increase in premium volume for business up for renewal at 1 January 2006, representing around 50% of SCOR's Life reinsurance portfolio, was 5%.

The activity forecast for Life Reinsurance depends largely on American underwriting, which is particularly sensitive to developments in the Group's rating by AM Best.

(d) SCOR records an increase of 23% on premium income for Non-Life treaties on the Asian and Indian markets

Non-Life reinsurance treaties in Japan and Korea were up for renewal on 1 April 2006. These treaties represent around 75% of SCOR's portfolio in the Asia-Pacific zone.

In **Japan**, written premiums reached Yen 7 billion, up 6% compared to 2005 (EUR 49 million at the present exchange rate). At current exchange rates, written premiums are up by 7%. "Wind" risk pricing in Japan is up by 5 to 10% depending on programmes. SCOR's market share is increasing regularly on this market, benefiting from the in-depth, long-term relationships it has with its Japanese clients.

In **Korea**, written premiums reached WON 30 million, up 4% (EUR 26 million at the present exchange rate). At current exchange rates, written premiums are up by 22%. In a context of low loss experience, rates have decreased slightly.

In **India**, written premiums reached INR 986 million, up 81% (EUR 18 million at the present exchange rate). At current exchange rates, written premiums are up by 113%. SCOR opened a representative office in 2005 in Mumbai and is continuing to expand on this rapidly growing market. Rates are increasing in India and SCOR has taken positions with expanding private sector insurance clients.

By way of a reminder, on **South East Asia** treaties, which were up for renewal on 1 January 2006 (representing around 25% of the zone's portfolio), and particularly in Malaysia, China and Singapore, SCOR recorded an increase of 54% in gross written premiums, which amounted to USD

37 million (EUR 31 million at the 1 January 2006 exchange rate). At current exchange rates, premiums written on 1 January 2006 on these markets were up by 74%.

Overall, written premiums for Non-Life treaties in the Asia-Pacific / India zone has reached EUR 124 million in 2006, up 23% compared to 2005.

The Asia-Pacific zone represents a strategic development zone for the Group and the Non-Life reinsurance treaty renewals on both 1 January and 1 April 2006 demonstrate the expansion of SCOR's client base across all of these markets, in line with the Group's strategy.

At the same time, SCOR has recorded growth in its activities in Large Corporate Accounts and Life reinsurance in Asia.

8.2 Claims 2006

With regard to major claims, SCOR is aware of only one serious loss since the beginning of 2006: a fire in a propylene plant in Texas (U.S.), for an estimated cost of EUR 15 million.

The Group is nevertheless very closely following the development of claims registered with regard to the major climatic events that took place in the second half of 2005. SCOR is in particular following the demands for compensation on a case by case basis. At this stage, and incorporating adjustments relating to exchange rates, the amounts declared have increased only slightly (around EUR 5 million), which could suggest that the gross cost of these claims is stabilizing.

8.3 Commutations 2006

The Group is actively pursuing its commutations policy, notably in the United States and as part of the run-off of its Bermudan subsidiary, CRP. Since the beginning of the year, eight commutations have been carried out, among which five relate to the Credit & Surety division, three to the United States subsidiaries of SCOR and one to CRP. In addition, the operational units of the Group have been carrying out additional minor commutations. The total impact of the commutations carried out since the beginning of 2006 lead to a decrease of the gross technical reserves in an approximate amount of EUR 15 million.

8.4 Retrocession

The Group has conducted an in-depth review of its retrocession cover plan, notably in order to face the very significant increase in retrocession prices and the development of cedants' capacity requirements in natural catastrophe cover. The Group has in particular improved its coverage of storms in Europe, along with facultatives in the United States, taking into account catastrophe simulation models and the way in which these have developed since the serious events of 2005. This improvement of the retrocession cover plan should lead to a substantial increase in retrocession costs.

8.5 IT systems

SCOR has acquired the EQECAT cost simulation model for natural catastrophes. This market model replaces the SERN model which SCOR has developed independently until now.

8.6 2006 First Quarter Results: SCOR records a net income of EUR 53 million, up 61%

- Gross written premiums: EUR 734 million (+ 18% compared to the first quarter 2005)
- Operating income: EUR 99.8 million (+ 64% compared to the first quarter 2005)

- Net income: EUR 53 million (+ 61% compared to the first quarter 2005)
- Net income per share: EUR 0.05 (+ 25% compared to the first quarter 2005)
- Shareholders' equity at 31 March 2006: EUR 1,763 million (+ 2.6% compared to 31 December 2005)
- Combined ratio for Non-Life reinsurance: 97.0% excluding CRP (97.3% including CRP)
- Margin on net earned premiums in Life reinsurance: 7.6%
- Investment income: EUR 124 million (+ 31% compared to the first quarter 2005)

The SCOR Board meeting of 16 May 2006, chaired by Denis Kessler, closed the accounts at 31 March 2006.

- (a) SCOR records a sharp increase in its business and results, in a competitive environment

In the first quarter 2006, gross written premiums amount to EUR 734 million, up 18% compared to the first quarter 2005. This growth is due to the sharp increase in Non-Life business Treaties (up 31%), the sustained expansion of Large Corporate Accounts business (+29%) and the development of the Credit and Surety business (+46%) combined with the stability of the premiums written in Life reinsurance.

Operating income for the first quarter 2006 is EUR 99.8 million, up 64% compared to the first quarter 2005. It is divided between a Non-Life operating income of EUR 81 million and a Life operating income of EUR 19 million.

Net income after tax for the first quarter 2006 is up 61% at EUR 53 million.

Group **shareholders' equity** is EUR 1,763 million at 31 March 2006, compared to EUR 1,719 million at 31 December 2005, representing an increase of 2.6%. Permanent capital, which includes Group shareholders' equity and long-term debt, is EUR 2,512 million.

Group **operating cash flow** is positive for the first quarter 2006, at EUR 15 million.

Net liabilities relating to contracts, which include technical reserves for insurance contracts as well as liabilities relating to financial contracts net of retrocessions, reach EUR 8,915 million at 31 March 2006, quasi-stable compared to 31 December 2005 (EUR 8,866 million).

The Group's cost ratio improves to 6.7% in the first quarter 2006, compared to 7.9% in the first quarter 2005. Group **overheads** are stable at EUR 49 million.

- (b) Results by line of business

- (i) In **Non-Life reinsurance** (Property & Casualty Treaties, Large Corporate Accounts and Credit & Surety), premium income reached EUR 469 million in the first quarter 2006, up 31% compared to the first quarter 2005.

During the Non-Life treaty renewals at 1 January 2006, SCOR won and regained several treaty shares, mainly on targeted markets and on existing portfolio treaties. Treaty business notably benefited from the renewal of part of the Alea Europe portfolio, to which SCOR acquired the renewal rights in December 2005.

Large Corporate Accounts business is renewed throughout the year. During the first quarter, this business is continuing on the same strong growth trend it has seen since the upgrade of the Group's rating. In a competitive pricing environment, SCOR continues to maintain the strict application of its underwriting criteria.

In total, Non-Life business in Europe is up 24% in the first quarter 2006 compared to the first quarter 2005. In Asia, business is up 44%. This increase should continue given the quality of the renewals of 1 April.

The **combined ratio for Non-Life reinsurance business** is 97.3% (including CRP) in the first quarter 2006, compared to 100.1% (including CRP) for the first quarter 2005. Excluding CRP, a subsidiary in run-off, the combined ratio is 97.0% in the first quarter 2006 compared to 96.7% in the first quarter 2005. This ratio, while impacted by more expensive retrocession rates, reflects the technical profitability of the Non-Life reinsurance business.

- (ii) 2.2. Gross written premiums in **Life reinsurance** reach EUR 265 million for the first quarter 2006, stable compared to the first quarter 2005. Life reinsurance business in the United States is penalised by the Group's rating with one of the rating agencies. In Europe, Canada and Asia, Life reinsurance business is expanding.

Operating income for Life reinsurance business reaches EUR 19 million for the first quarter 2006, compared to EUR 12 million for the first quarter 2005, representing an increase of 58%. This result benefits in particular from the contribution made by investment income.

- (c) An active investment management policy, in a favourable environment, leads to an increase in the Group's financial results

Investment income for the first quarter 2006 is EUR 124 million, compared to EUR 95 million in the first quarter 2005, representing an increase of 31%.

In the first quarter 2006, investment income is distributed as follows: EUR 80 million in current investment yield (stable compared to the first quarter 2005), EUR 30 million in changes in fair value by income (compared to EUR 17 million in the first quarter 2005), EUR 17 million in capital gains and losses from disposals net of writedowns (compared to EUR - 9 million in the first quarter 2005). This result includes a slight foreign exchange loss of EUR - 3 million.

At 31 March 2006, investments reach EUR 9,691 million compared to EUR 9,743 million at 31 December 2005. Investments at 31 March 2006 are distributed into bonds (56%), cash and equivalents (16%), loans and receivables (15%), shares (10%) and real estate (3%).

Consolidated key figures under IFRS			
In EUR millions (at current exchange rates)	31 March 2005	31 March 2006	Variation
Gross written premiums	621	734	+ 18%
Net earned premiums	537	582	+ 8%
Operating income	61	99.8	+ 64%
Net income	33	53	+ 61%
In EUR millions (at current exchange rates)	31 December 2005	31 March 2006	Variation
Net liabilities relating to contracts	8,866	8,915	+ 0.6%
Investments	9,743	9,691	- 0.5%
Shareholders' equity	1,719	1,763	+ 2.6%
In EUR	31 March 2005	31 March 2006	Variation
Net earnings per share	0.04	0.05	+ 25%
Book value per share	1.70	1.84	+ 8%

Gross premiums under IFRS issued during the first quarter of 2006 increased by 18% compared to the first quarter of 2005, and amounted to EUR 734 million compared to EUR 621 million during the first quarter of 2005.

In EUR millions	March 05	March 06	Change
Non-Life Reinsurance	357	469	31%
Life Reinsurance	264	265	0%
Consolidated revenues	621	734	18%

Since the closure of the 2005 Accounts, SCOR has renewed insurance contracts and treaties on approximately 80% of its Treaty portfolio in Non-Life and Credit & Surety Reinsurance, and on 30% of its Large Corporate Accounts business.

8.7 Consolidated interim report at 31 March 2006

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IFRS

<i>In EUR millions</i>	<i>At 31 March 2006</i>	<i>At 31 December 2005</i>	<i>At 31 March 2005</i>
Gross written premiums	734	2,407	621
Gross earned premiums	641	2,387	572
Current operational result	100	242	61
Group net result after tax	53	131	33
Investments from insurance business	8,130	8,082	8,098
Cash and cash equivalents	1,569	1,667	1,406
Contract related net liabilities	8,915	8,866	9,195
Loans and debts	934	954	1,131
Group shareholders' equity	1,763	1,719	1,382
In €			
Number of SCOR equity shares in circulation	968,769,070	968,769,070	819,269,070
Earnings per share	0.05	0.15	0.04
Earnings per share diluted	0.05	0.14	0.04
Book value per share	1.84	1.79	1.70
Book value per share diluted	1.81	1.78	1.51
Stock market value at the end of period	2.10	1.82	1.66

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union, as well as on recommendation CNC 99R01 as set out in the general regulations of the AMF.

(b) Consolidated financial statements established under IFRS

(i) Balance sheet

In € millions					
ASSETS	At 31 March 2006	At Dec. 31, 2005	LIABILITIES	At 31 March 2006	At Dec. 31, 2005
Intangible assets	240	230	Shareholders' equity	1,763	1,719
<i>Goodwill</i>	200	200	Share capital	763	763
<i>Life reinsurance portfolio</i>	22	17	Additional paid-in capital	147	147
Other intangible assets	18	13	Consolidated retained earnings	774	681
Tangible assets	10	10	Revaluation reserve	12	5
			Consolidated result	53	131
			Share based payment	14	12
			Minority interests	0	0
Investments from insurance business	8,130	8,082	Total shareholders' equity	1,763	1,719
Real estate investments	317	317	Financial debt	934	954
Available for sale investments	5,954	5,963	Subordinated debt	232	233
Investments at fair value	418	395	Financial debt securities	517	520
Loans and accounts receivable	1,400	1,372	Bank borrowings	185	201
Derivative instruments	41	35	Contingency reserves	56	61
Investments in related companies	24	23	Liabilities associated with contracts	9,894	9,849
Retrocession technical reserves	979	983	Technical reserves associated with insurance contracts	9,735	9,686
			Liabilities associated with financial contracts	159	163
Other assets	2,610	2,693	Other liabilities	914	1,105
Deferred tax assets	192	229	Deferred income tax liabilities	83	86
Assumed insurance and reinsurance accounts receivable	1,452	1,326	Derivative instruments liabilities	6	6
Retrocession accounts receivable	98	229	Assumed insurance and reinsurance accounts payable	170	138
Tax due	0	0	Retrocession accounts payable	503	645
Other accounts receivable	309	356	Tax due	0	0
Deferred acquisition costs	559	553	Other accounts payable	152	230
Cash and cash equivalents	1,569	1,667			
TOTAL ASSETS	13,562	13,688	TOTAL LIABILITIES	13,562	13,688

(ii) Statement of income

In EUR millions	At 31 March 2006	At Dec. 31, 2005	At 31 March 2005
Gross written premiums	734	2 407	621
Change in unearned premiums	-93	-20	-49
Gross earned premiums	641	2 387	572
Other income from reinsurance operations	0	1	0
Net investment income	124	460	95
Total income from ordinary activities	765	2 848	667
Expenses relating to contract benefits	(446)	-1 843	-449
Gross commission on earned premiums	(155)	-532	-117
Net income from reinsurance sales	(13)	-22	8
Investment management expenses	(9)	-34	-8
Acquisition and operational expenses	(24)	-99	-28
Other current operational expenses	(18)	-60	-12
Other current operational income	0	0	0
Total other current operational income and expenses	-665	-2 590	-606
CURRENT OPERATIONAL RESULT	100	258	61
Goodwill - value changes	0	-3	0
Other operational expenses	0	-13	0
Other operational income	0	0	0
OPERATIONAL RESULT	100	242	61
Financing expenses	-13	-57	-15
Income from associated companies	0	0	0
Income tax	-35	-54	-13
CONSOLIDATED NET INCOME	53	131	33
Minority interests	0	0	0
GROUP NET INCOME	53	131	33

(iii) Consolidated data by segment

Statement of income by segment

In € millions	At 31 March 2006				At 31 March 2005			
	Life	Non- Life	Intra - group	Total	Life	Non- Life	Intra - group	Total
Gross written premiums	265	469		734	264	357		621
Change in unearned premiums	3	-96		-93	-17	-32		-49
Gross earned premiums	268	373		641	247	325		572
Other income from insurance operations	0	2	-2	0	0	3	-3	0
Investment income	40	40		80	28	53		80
Capital gains/losses on investment sales	0	18		18	2	-9		-7
Change in fair value of investments	5	25		30	1	16		17
Change in investment depreciation	0	-1		-1	0	-2		-2
Currency gains	-2	-1		-3	5	2		7
Investment income	44	80	0	124	35	60	0	95
Total income from ordinary business activities	312	455	-2	765	282	388	-3	667
Expenses relating to contract benefits	-193	-253		-446	-216	-233		-449
Gross earned commission	-79	-76		-155	-43	-74		-117
Retrocession gross written premiums	-23	-39		-62	-6	-35		-41
Variation in retrocession unearned premiums	0	4		4	0	6		6
Retrocession earned premiums	-23	-36		-59	-6	-29		-35
Retrocession claims	15	28		43	6	34		39
Retrocession earned commission	2	1		3	1	2		3
Net income from retrocession	-6	-7		-13	1	7		8
Investment management expenses	-1	-8		-9	0	-8		-8
Acquisition and operational expenses	-8	-16		-24	-9	-19		-28
Other current operational expenses	-6	-14	2	-18	-3	-12	3	-12
Other current operational income	0	0		0	0	0		0
Total other current income and expenses	-293	-374	2	-665	-270	-339	3	-606
CURRENT OPERATIONAL RESULT	19	81	0	100	12	49	0	61
Goodwill - value changes	0	0		0	0	0		0
Other operational expenses	0	0		0	0	0		0
Other operational income	0	0		0	0	0		0
OPERATIONAL RESULT	19	81	0	100	12	49	0	61

Gross written premiums by geographic area

In € millions	Life		Non-Life	
	At 31 March 2006	At 31 March 2005	At 31 March 2006	At 31 March 2005
Gross written premiums	265	264	469	357
Europe	141	139	286	230
North America	100	104	68	47
Asia and rest of the world	24	21	115	80

The gross premiums are broken down according to the geographic location of the subsidiary.

(iv) Shareholders' equity

in EUR million	Capital	Additional paid-in capital	Consolidated reserves (including income (loss))	Revaluation reserves	Treasury stocks	Translation adjustment	Share-based payments	Other reserves	Total Group share
Shareholder's equity at December 31, 2004 in IFRS	645	55	658	43	-13	-63	7	3	1 335
Assets held for sale (AFS)				-89		4			-85
Hedging									
"Shadow accounting" gross of deferred taxes				45		-5			40
Effect of translation rate variances						97			97
Payable or deferred taxes taken directly or assigned to capital				6				-2	4
Share-based payments plans							5		5
Other variances					-2			-5	-7
Net revenue recognized in shareholder's equity				-38	-2	96	5	-7	54
Consolidated net income (loss) for the year			131						131
Total recognized income and losses for the period			131	-38	-2	96	5	-7	185
Capital transactions	118	106	-1						223
Dividends paid		-14	-10						-24
Shareholder's equity at December 31, 2005 in IFRS	763	147	778	5	-15	33	12	-4	1 719
Assets held for sale (AFS)				-9		1			-8
Hedging									
"Shadow accounting" gross of deferred taxes				19					19
Effect of translation rate variances						-18			-18
Payable or deferred taxes taken directly or assigned to capital				-3					-3
Share-based payments plans							2		2
Other variances								-1	-1
Net revenue recognized in shareholder's equity				7		-17	2	-1	-9
Consolidated net income (loss) for the period			53						53
Total recognized income and losses for the period			53	7		-17	2	-1	44
Capital transactions									
Dividends paid									
Shareholder's equity at March 31, 2006 in IFRS	763	147	831	12	-15	16	14	-5	1 763

(v) Consolidated off-balance sheet items

In € millions	At 31 March 2006	At 31 December 2005
Commitments received	1,056	1,201
Unused credit lines	145	199
	25	
<i>Endorsements and sureties</i>		12
Letters of credit	886	990
Other commitments	0	0
Commitments given	2,655	2,912
Endorsements and sureties	40	25
Letters of credit	603	645
Collateralised securities	1,873	2,080
Other commitments	139	162
Securities received as collateral from reinsurers and rétrocessionnaires	32	27

(vi) Consolidated statement of cash flow

In € millions	At 31 March 2006	At 31 March 2005
Net Income	53	33
Capital gains/losses on investment sales	-19	-2
Change in writedowns and other provisions	7	10
Change in acquisition costs carried over	-6	-9
Net appropriations to technical reserves and financial liabilities	191	-326
Change in fair value of financial instruments accounted for at market value by income (excl. cash and cash equivalents)	-30	11
Other items not involving cash outlay included in operational income	24	-28
Operating cash flow excl. working capital changes	220	-311
Change in loans and receivables	-159	-73
Cash flows from other assets and liabilities	-40	28
Net taxes paid	-6	8
Net Operating Cash Flow	15	-348
Consolidated acquisitions, net of cash acquired	0	0
Disposal of consolidated acquisitions, net of cash	0	0
Cash flows linked to change in scope	0	0
Purchase / Sale of real estate investments	0	3
Purchase / Sale of financial investments	-77	167
Cash flows linked to purchase / sale and maturity of financial assets	-77	170
Sale of tangible and intangible assets	0	0
Purchase of tangible and intangible assets	-8	0
Cash flows linked to purchase and sale of tangible and intangible assets	-8	0
Net cash flows from investing activities	-85	170
Issuance of capital instruments	1	29
Reimbursement of capital instruments	0	0
Transactions in own shares	2	0
Dividends paid	0	0
Cash flows linked to transactions with shareholders	2	29
Cash generated by issuance of financial debt	0	0
Cash impacted by reimbursement of financial debt	-15	-337
Other variations	0	0
Cash flows linked to Group financing	-15	-337
Net cash flows from financing activities	-13	-308
Cash and cash equivalents as at 1 January	1,667	1,825
Cash flows from operating activities	15	-348
Cash flows from investing activities	-85	170
Cash flows from financing activities	-13	-308
Foreign exchange variation impact on cash equivalents	-15	67
Cash and cash equivalents at the end of the period	1,569	1,406

(c) Significant Events

Group net income for the first three months of 2006 is EUR 53 million.

In the first quarter 2006, gross written premiums amounted to EUR 734 million, up 18% compared to the first quarter 2005. This growth is due to the significant increase in Non-Life business treaties renewed at 1 January 2006 and the expansion of large corporate accounts business.

(i) Turnover

Gross written premiums at 31 March 2006 were up 18% at variable exchange rates when compared to the same period in 2005. They were EUR 734 million versus EUR 621 at the end of March 2005.

(ii) Written premiums Life/ Non-Life

<i>In € millions</i>	<i>At 31 March 2006</i>	<i>At 31 March 2005</i>	<i>Variation</i>
Written Premiums Non-Life	469	357	+31%
Written Premium Life	265	264	+0%
Group Written Premiums	734	621	+18%

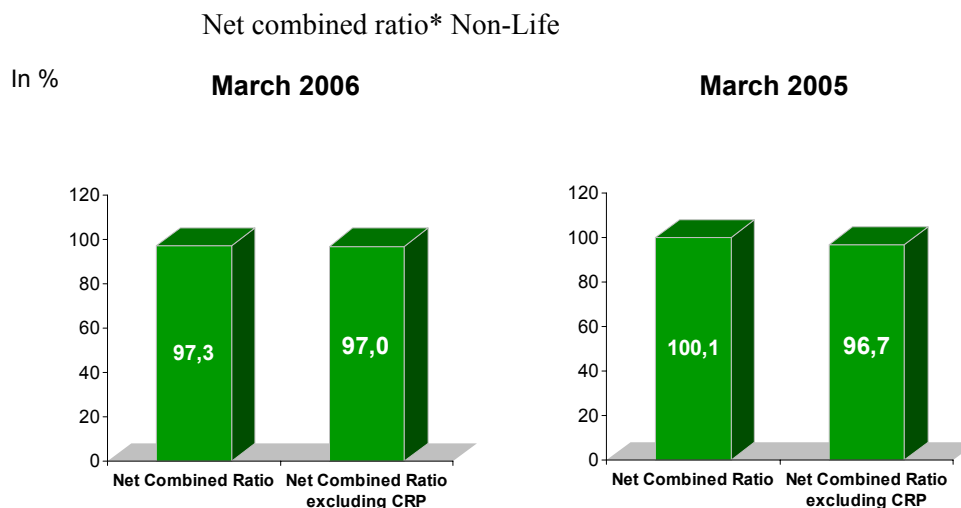
In Non-Life Reinsurance, the increase of 31% is mainly due to the new Group underwriting policy and the business development observed for the renewals since the Group's rating upgrade which occurred in August 2005.

In Life Reinsurance, gross written premiums were stable. This business segment represents 36% of the Group's overall business versus 43% at 31 March 2005.

The geographical distribution of the Group's turnover at the end of March 2006 is as follows : Europe 58% (60% end March 2005), North America 23% (24% end March 2005), Asia and the rest of the world 19% (16% end March 2005).

(iii) Technical Result

The combined ratio "(claims + commissions + overheads) / premiums earned" in Non-Life Reinsurance was 97.3% at 31 March 2006 (97.0% excluding CRP) versus 100.1% for the same period of 2005 (96.7% excluding CRP). These ratios show the technical performance of recent underwriting years (2002 and after).



* (claims + commissions + overheads) / premiums earned

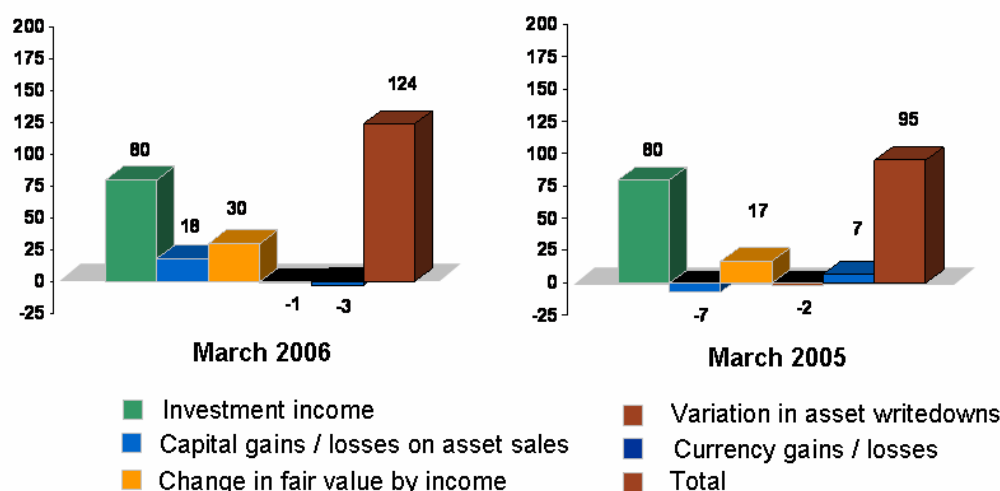
The ratio is calculated net of retrocession.

The net combined ratios as at March end 2005 and 2006 are based on estimates to ultimate loss of the technical reserves established by Group actuaries.

(iv) Financial Results

Net investment income net of fees (excluding borrowing costs) at 31 March 2006 was EUR 115 million, versus EUR 87 million at 31 March 2005, an increase of 32%. This development is mainly due to an increase of capital gains, an increase of change in fair value by income and a decrease of currency gains / losses. Asset management expenses amounted EUR - 9 million at the end of March 2006 versus EUR -8 million at the end of March 2005.

In EUR million



(v) Tax

The tax charge at 31 March 2006 is EUR (35) million versus EUR (13) million at the end of March 2005.

(vi) Net income for the period

Group net income is EUR 53 million compared to EUR 33 million for the same period in 2005.

(d) Note 1 – Accounting Standards Applied: Accounting Methods and Principles

(i) Presentation of applied standards and interpretations

The Group's financial statements were prepared in accordance with international accounting standards ('International Financial Reporting Standards' – IFRS) and the interpretations issued on 31 December 2005, as adopted by the European Union. They take into account the regulations of recommendation CNC 99R01 as set out in the general regulations of the AMF.

SCOR's financial statements at 31 March 2006 did not include the potential impact of standards and interpretations, the application of which may be delayed until the opening of the accounts on 1 January 2007.

The accounting and assessment methods adopted for the financial statements at the end of 31 March 2006 were the same as those applied at the end of 31 December 2005, except for the changes set out below.

The fair value option introduced by European Commission regulation 1864/2005, modifying EU regulation n° 1725/2003 and applicable since 1 January 2006, has had no effect on the accounts and would have had no effect on the previous year accounts.

(ii) Accounting options for first-time adoption of IFRS

IFRS financial information is established in accordance with the provisions of IFRS 1 "First-Time Adoption of International Financial Reporting Standards". For this first financial year, SCOR has adopted the following additional options in accordance with IFRS 1 with regard to the retrospective accounting of assets and liabilities under IFRS.

Business combinations

SCOR has opted not to restate business combinations prior to 1 January 2004, as permitted under IFRS 3. As permitted under IFRS 1, SCOR will not apply IAS 21 "Effects of Changes in Foreign Exchange Rates" retrospectively to goodwill resulting from business combinations that occurred before the transition to IFRS. Consequently, goodwill remains in the functional currency of the acquiring entity.

Actuarial gains and losses on pension plans

SCOR has decided to adopt the option provided for in IFRS 1, whereby unrecognized actuarial gains and losses are recorded against consolidated shareholders' equity at 1 January 2004.

Unrecognized actuarial gains and losses (SORIES) after 1 January 2004 are reflected in shareholders' equity.

Translation adjustments

With regard to the conversion into euros of subsidiary accounts having a foreign functional currency, SCOR transferred Translation adjustments at 1 January 2004 into consolidated reserves. The new IFRS value of translation adjustment at 1 January 2004 is therefore returned to zero. In the event of the subsequent disposal of these subsidiaries, the income or loss from the disposal will not include the recovery of exchange rate difference prior to 1 January but will include translation adjustments recorded after 1 January 2004.

Assessment of certain intangible / tangible assets at fair value

SCOR opted not to apply the option offered by IFRS 1 that allows for the assessment at 1 January 2004 of certain intangible and tangible assets at their fair value on that date.

Share-based compensation

SCOR opted to apply the provisions of IFRS 2 solely to equity-based compensation granted after 7 November 2002, for which the rights acquisition date falls after 31 December 2003.

IFRS consolidation principles

Methods of consolidation

All the companies in which SCOR has a controlling interest, which include companies in which it has the power to direct financial and operational policy in order to obtain benefits from their operations, are fully consolidated.

Subsidiaries are consolidated as of the moment the Group takes control of them until the date on which this control is transferred outside the Group. Where control of a subsidiary is lost, the consolidated financial statements for the year include profit and loss for the period during which SCOR held control.

The Group's investment in an affiliated company is recorded in the accounts using the equity method. An affiliated company is an entity in which the Group exercises significant influence but which is neither a subsidiary of the Group nor a joint venture.

The Group does not have any equity interest in joint ventures.

The Group controls in substance a separate legal structure ("ad hoc entity") that it consolidates in the absence of any capital links. The following assessment criteria were used to determine the existence of control:

- The entity's business is conducted exclusively on behalf of the Group, so that the Group may enjoy the benefits;
- The Group holds the decision-making and management power to obtain the maximum benefits relating to the entity's operational activity; this power was delegated through the implementation of a self-management system;
- The Group may benefit from the majority of the entity's advantages;
- The Group retains the majority of the risks relating to the entity.

The Group also fully consolidates the mutual funds that it holds as part of its business. These entities could not be consolidated under French accounting standards.

Harmonization of accounting principles

The financial statements of the subsidiaries are prepared for the same accounting period as that of the parent company. Consolidation adjustments may be made in order to harmonize all the Group's accounting methods and principles.

All intra-group balances and transactions including internal results resulting from intra-company transactions are fully eliminated.

Translation methods

The Group's consolidated financial statements are presented in euros (EUR) and all values are rounded off to € millions except where expressly stated otherwise.

Translating the financial statements of a foreign entity

Where the functional currency of Group entities is not the same as the reporting currency used to present the Group's consolidated financial statements, the balance sheet is translated using the closing date exchange rate and the income statement is converted using the average exchange rate for the period. Exchange rates differences are posted directly as equity under "translation adjustments."

Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies (currencies other than the functional currency) are converted into the functional currency at the rate of exchange in force on the date of the transaction (for practical purposes, an average rate is used).

At each closing date, the entity must convert the foreign-currency items on its balance sheet into the functional currency, using the following procedures:

- monetary items (specifically bond investments, accounts receivable and payable, technical insurance assets and liabilities) are converted at the closing date exchange rate and the resulting gains and losses are recorded in the income statement,
- non-monetary items are converted:
 - using the exchange rate on the transaction date if they are assessed at historical cost (particularly real estate investments) and,
 - using the exchange rate at the date of the fair value assessment if they are assessed at fair value (particularly equity investments).

When a gain or loss on a non-monetary item is recorded directly in shareholders' equity (shares available for sale, for example), the exchange adjustment resulting from the conversion of this item is also directly recorded in shareholders' equity. Conversely, when a gain or loss on a non-monetary item is recorded in profit and loss (shares at fair value by income; for example), the exchange adjustment resulting from the conversion of this item is also recorded on the income statement.

- The gains and losses resulting from the conversion of hedging on foreign net investments are recorded in shareholders' equity until the withdrawal of the net investments, at which time they are recorded on the income statement.

Goodwill and business combinations

Goodwill represents the excess of an acquisition cost over the fair value of the Group's share of the acquired company's net assets at the date of acquisition. The goodwill on fully consolidated subsidiaries is included under intangible assets. Goodwill on companies accounted for by the equity method is included in the value of securities accounted for by the equity method.

Goodwill is recorded at historical cost, less any possible accumulated loss in value.

In order to establish possible losses in value, goodwill is allocated to each cash-generating unit (CGU). A CGU is defined as an entity with separate identifiable cash flows. Each CGU represents the Group's investment in each country in which it is active according to the primary segment information, either non-life reinsurance or life reinsurance.

Each CGU to which goodwill is allocated should correspond as closely as possible to the level at which the group is monitoring the rate of return on its investment. A CGU should not be any larger than a primary or secondary level segment as defined for the needs of segment reporting set forth under IAS 14.

In order to assess any loss in value, a goodwill impairment test is conducted:

- each year on the same date for each cash-generating unit, but not necessarily on the closing date;
- more frequently if an unfavourable event occurs between the two annual tests;
- mandatorily before the completion of entity acquisition.

A loss in value is recorded where the net book value of the CGU, to which goodwill has been allocated, is higher than its recoverable value. The recoverable value is the highest amount between: (1) the fair value net of sales costs and (2) the value in use (future discounted cash flow) of this unit.

If the assets of the CGU Group or the unit included in the CGU group to which goodwill has been allocated are tested for impairment on the same date as the CGU that includes the goodwill (or if there is a loss in value index for one of the assets), this test should be conducted before the goodwill impairment test.

Accounting principles

The financial information has been prepared in accordance with the historical cost agreement, with the exception of certain categories of assets and liabilities. The relevant categories are mentioned in the following notes. The consolidated IFRS information is presented in euros and all values are rounded off to the nearest million unless otherwise indicated.

Use of estimates

In order to prepare the financial information in accordance with generally accepted accounting principles, certain assumptions were made. Assumptions are made that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts reported as income and loss for the year.

Management reviews these estimates and assessments constantly, based on its past experience and on various other factors it deems reasonable, thereby reaching its assessments on the carrying value of the assets and liabilities. The actual results could differ substantially from these estimates under different assumptions or conditions that may arise at a later date.

Real estate assets

Classification of buildings

All buildings currently held by the Group are investment properties. In certain cases, buildings may be partially occupied by entities of the Group.

Accounting method

The buildings are recorded at historical amortized cost. Their value is broken down as follows:

- land, not amortized;
- four technical components:
 - structure, or carcass, depreciated over a term of 30 to 80 years according to the type of construction;
 - wind and water tightness, depreciated over a period of 30 years;
 - technical installations, depreciated over a term of 20 years;
 - decor fixtures and improvements, depreciated over a term of 10 to 15 years according to type.

The costs, rights and acquisition (or development) fees are integrated in the value of the building.

The relative weight of each technical component and the length of depreciation are set according to a schedule of components showing eight types of construction. This schedule was prepared based on the Group's own experience and on schedules prepared by professional authorities.

Appraisal

Each building is subject to an in-depth analysis of its market value or "fair value" by an independent appraiser every five (5) years at year-end. Its market value is reassessed by the same appraiser at the end of each of the four (4) subsequent years depending on the changes that have occurred to its rental status, works completed and developments in the local real estate market.

If the market value of a building appears lower than its net book value, a decrease in value is recorded as a loss equal to the difference between its utility value and the net book value. With regard to investment properties, their utility value is considered a long-term investment based primarily on the sum of estimated future cash flows that are discounted on the basis of current market assumptions. SCOR has not retained any residual value.

Finance lease

Investment properties financed by financial rental agreements are recorded on the balance sheet as assets based on the current value of rents and the option to buy. Once they have been recorded on the balance sheet, they are treated like other investment properties at amortized historic cost.

On the liabilities side, a corresponding debt is recorded under "financial liabilities". It is amortized in accordance with the effective interest rate method.

Leasing agreements

In December 2003, the Group sold its headquarters building. A net capital gain of €44 million was realized under local standards.

The Group will remain a tenant of this building until December 2012. The owner of the building has a bank guarantee corresponding to SCOR's rating. SCOR has pledged an asset amount of the same value with the bank that issued this guarantee.

In application of IAS 17, this capital gain was maintained in the IFRS accounts.

Rental income

Rental income from investment properties is recorded on a straight-line basis over the term of the current rental agreements.

Financial investments

The Group classifies its financial assets in the following categories: available-for-sale financial assets, fair market assets by income, loans and other accounts receivable and derivative instruments. There are currently no assets classified as assets held to maturity.

The sale and purchase of assets is entered in the accounts on the settlement date. Once it has been posted, an asset is assessed according to its asset category, determined according to the methods set forth below.

Financial assets are taken off the balance sheet when their contractual rights to the cash flow of the financial asset expire or are transferred, and when the Group has substantially transferred the risks and advantages inherent to ownership of the financial asset.

At each closing date, the Group assesses whether there is an objective indication of loss in value. The amount of the loss in value is posted in the accounts by asset category, in accordance with the terms and conditions set forth below.

For equity instruments listed on an active market, a drop in price of more than 20% or a consistent decline over a period of more than six months constitutes an objective indication of loss in value. For unlisted equity instruments, fair value is determined according to commonly used valuation techniques. For debt instruments and loans and accounts receivable, an objective indicator of a loss in value relates to a proven credit risk.

Available-for-sale financial assets

Available-for-sale assets include non-derivative assets that are classified as either available for sale or those that are allocated to any other category.

Available-for-sale financial assets are posted at their fair value. Unrealized profits and losses resulting from variations in the fair value of a non-hedged asset are recorded directly in shareholders' equity, with the exception of profits and losses from foreign exchange gains and losses on a monetary financial asset held for sale which are recorded on the income statement for the share of exchange profits and losses applied at amortized cost, and in shareholders' equity for the portion of profits and losses related to fair value. Foreign exchange profits and losses on the fair value of non-monetary financial available-for-sale assets are recorded under shareholders' equity.

When there is an objective indication of loss in value, the amount of the accumulated loss posted directly to shareholders' equity is recorded on the income statement. Losses in value may only be carried forward on debt instruments when the fair value increases during a subsequent financial year due to an event that occurs after the loss in value has been posted.

When the asset is sold, all the accumulated equity gains and losses are included in the capital gains and losses from the sale of investments on the income statement, less the amounts previously posted to income.

Interest on debt instruments is calculated in accordance with the interest method in effect, which integrates the amortization of premiums/discounts and is recorded on the income statement. Dividends on equity instruments are recorded on the income statement when the Group's right to receive payment for them has been established.

Financial assets at fair value by income

This category includes classes of assets, that meet the criteria of the fair value option as introduced by the amendment to the international accounting standard IAS 39, especially hybrid derivatives instruments including a non-derivative host contract and an embedded derivative, derivative instruments except hedging derivatives, financial assets held for trading and groups of assets for which performance is evaluated on a fair value basis.

The main financial assets evaluated at fair value by income are securities held in major mutual funds, bonds convertible into shares, derivatives, investments representing Unit-linked policies and certain shares.

Profits and losses from changes in the fair value of financial assets classified under this category are reflected on the income statement in the period in which they occur.

Loans and accounts receivable

This category includes non-derivative financial assets where payment is fixed or fixable and which are not listed on an active market, with the exception of accounts receivable from reinsurance transactions.

These assets are recognized at amortized cost using the effective interest rate method where this method has a significant impact compared to the nominal contractual method. Loans and short-term accounts receivable are recorded at cost.

Cash and cash equivalents

The heading "Cash and cash equivalent" includes cash, negative bank balances and short term loans (cash mutual funds).

Treasury stocks

Treasury stocks are deducted from shareholders' equity, regardless of the purpose for which they are held, and the related income or loss is eliminated from the consolidated income statement.

Financial liabilities

Financial liabilities, with the exception of liabilities resulting from reinsurance transactions, are classified into financial debts, financial liability instruments and other liabilities.

Subordinated financial debts or debt securities

These items combine the various subordinated or unsubordinated bonds issued by the Group.

These debts are posted at amortized cost using the effective interest rate method.

Borrowings that include a derivative instrument have been stripped. The portion that relates to the equity component, determined on the date of issue, is reflected in shareholders' equity. It is not subsequently reassessed.

Interest on financial debts are posted under charges.

Financial debts owed to entities in the banking sector

This item combines mortgage loans and medium-term notes. These debts are recognized at amortized cost using the effective interest rate method where this method has a significant impact compared to the nominal contractual rate method.

Interest on financial debts are posted under charges.

Derivative and hedging instruments

Derivative instruments are recorded at fair value from inception and are assessed at fair value at each account closure.

The accounting method varies according to whether the derivative instrument is designated as a hedging instrument or not, as described in the note below "Hedging Instruments."

When the Group has not designated the derivative as a hedging instrument, profits and losses resulting from the variation of the fair value of the instrument are recorded under income in the period in which they occur. The Group uses the following derivative instruments to reduce its exposure to various risks: interest rate swaps, futures and foreign currency forward contracts, caps and floors, stock option puts and calls.

Embedded derivative instruments

An embedded derivative is a component of a hybrid instrument which includes a non-derivative host contract, which causes part of the hybrid instrument's cash flow to vary in the same way as that of a freestanding derivative.

The embedded derivative is separate from the host contract and is posted as a derivative where its economic features and risks are not closely linked to the economic features of the host contract, where the embedded instrument has the same conditions as a separate derivative instrument, and where the embedded instrument is not assessed at fair value through the income statement.

Where an embedded derivative has been separated from its host contract, it is posted in accordance with the provisions relating to the posting of derivative financial instruments.

Where the embedded derivative represents a significant part of the instrument and cannot be separated from the host contract, the hybrid instrument is treated as an instrument held for trading. Profits and losses resulting from variations in the fair value of the hybrid are posted in profit and loss in the period during which they occur.

Hedging Instruments

A hedging instrument is a designated derivative instrument or, in the case of a single foreign currency hedge, a designated non-derivative asset or liability where the fair value or cash flow offset variations in the fair value or cash flow of the hedged item.

The hedged item may be an asset, a liability, a firm underwriting, a highly profitable scheduled transaction or a net investment in a foreign business that exposes the Group to fair market valuation risk or future cash flow risk, and which is designated as being hedged.

The performance of hedges is monitored periodically in order to ensure, with regard to variations in the fair value or cash flow of the item, the degree of compensation attributable to hedged risk through variations in fair value or cash flow of the hedged instrument.

Hedges for net investments in a foreign business are recorded as follows:

- the portion of profit or loss on the hedging instrument considered as the effective portion of the hedge is recorded directly in shareholders' equity;
- the ineffective portion of the hedge is recorded on the income statement.

The primary hedging instruments consist of forward foreign currency forward purchases and sales.

Accounting principles and methods specific to reinsurance transactions

Classification and accounting treatment of reinsurance treaties

The reinsurance treaties accepted and retroceded by the Group are subject to different IFRS accounting rules depending on whether they fall under IFRS 4 or IAS 39.

Reinsurance acceptance and retrocession transactions that involve a significant insurance risk transfer are posted in the accounts in accordance with IFRS 4, in other words according to the accounting principles in existence prior to the implementation of IFRS standards and used until 31 December 2004 to prepare SCOR's consolidated accounts in conformity with CRC 2000-05, with the exception of the equalization reserves described below.

Acceptance and retrocession transactions that do not transfer a significant risk are posted in the accounts in accordance with IAS 39, which means that while premiums collected are no longer recognized as premium income, and technical reserves and deferred acquisition expenses that are recorded as assets or liabilities on the balance sheet are reclassified as financial assets or liabilities by assimilation to a deposit as "financial contract liabilities" and "financial contract assets" on the balance sheet. These deposits are assessed on the basis of financial flows alone and no longer on the basis of estimated maximum fluctuations as set forth in the accounting principles applicable to insurance transactions.

Premium income from these transactions is equal to the deductions made by SCOR. It is recorded under "other operating income" on the income statement.

French accounting principles applicable to contracts classified as "insurance" contracts under IFRS 4

(A) Accounting for ceding companies' accounts

Group reinsurance companies record accounts transmitted by ceding companies upon receipt. At year end, estimates are made for those accounts not yet received from ceding companies. Under this method, the situation recorded in the financial statements reflects as closely as possible the real reinsurance commitments made by the Group. This method impacts the majority of contracts underwritten during the year, and even the prior year.

(B) Recording of reinsurance estimates

Non-Life premiums recorded in the year reflect the estimated premium expected at the time of writing of the policy. It is regularly reviewed during the year to adjust for possible adjustment in premiums paid under the policy. An unearned premium reserve is calculated, either pro rata temporis contract by contract, or using a statistical method when this yields a result close to that obtained via the contract-by-contract method.

The difference between the maximum expected loss based on premiums, net of commissions, and losses reported by ceding companies, is recorded under accounts receivable or liabilities arising from accepted reinsurance transactions. The difference between expected final loss experience based on earned premiums thus calculated and losses reported by ceding companies is recognized in unpaid claims reserves under liabilities.

In Life reinsurance for so-called "insurance" policies, given the type of business written, valuations are obtained by estimating ceding companies' missing accounts in addition to information actually received and booked. For the sake of consistency with the Non-Life sector, estimated claims are booked under claims reserves.

(C) Claims reserve

Claims reserves must be sufficient to cover all of the Group's liabilities.

In Non-life reinsurance, SCOR is required to maintain its reserves at a sufficient level to cover the estimated amount of its direct commitments and adjustment expenses for reported and unreported claims, at the end of each fiscal year (net of estimates of recovery and subrogation). These reserves, which pertain to all claims, whether reported or not yet reported, are calculated on the basis of their ultimate cost undiscounted, except for workers' compensation claims in the United States, corresponding to long tail risks with predictable loss development, which are discounted in the U.S. and in the Bermudas, as allowed in statutory accounts of these entities. Claims expense is estimated at the policy's expiration in the light of statistical experience of similar policies. Claims reserves including estimated claims paid and LAE are calculated in light of expected earnings and supplement the information communicated by assigning companies.

In Life reinsurance, estimates based on statistical experience and information supplied by the underwriters are added to mathematical reserves recorded by the ceding companies.

(D) Acquisition costs of reinsurance transactions

In reinsurance, the costs associated with the acquisition of new contracts, chiefly comprising commissions, are recorded as assets on the balance sheet, to the extent that contracts are profitable. They are written down over the residual life of non-life contracts, at the same rate that estimated future margins are recorded on life insurance contracts.

(E) Sufficiency test for liabilities

Liabilities relating to contracts are subjected each year to a sufficiency test (IFRS 4).

IFRS accounting principles applied to IFRS 4 contracts and different from French GAAP

(A) Equalization reserves

IFRS accounting principles do not provide for the possibility of establishing reserves for risks on future contracts. When such reserves do exist, they are eliminated from SCOR's consolidated accounts under IFRS standards.

(B) Shadow Accounting

According to IFRS accounting principles (see note on financial investments), financial assets are valued at fair value. This means that recognized but unrealized capital gains or losses on portfolio securities are recorded in SCOR's accounts, either in the income statement or as an increase or decrease to shareholders' equity, depending on the asset classification.

SCOR has elected to apply shadow accounting under the terms of IFRS 4. Consequently, recognized but unrealized capital gains and losses on investments affect the valuation of technical assets and liabilities in the same way as realized gains and losses. The corresponding adjustment to insurance liabilities (or deferred acquisition costs or intangible assets) is recorded in shareholders' equity once the unrealized capital gains or losses are directly recorded in equity. Otherwise, it is recorded in the income statement according to the same scheme in use for realized capital gains and losses. The primary technical items affected by these adjustments are:

- deferred acquisition costs and contract portfolios, where amortization occurs according to the technical and financial profits from contracts ("shadow DAC" and "shadow VOBA"),
- technical reserves, where the discounted rate used depends directly on the performance of the assets ("shadow PM").

(C) Embedded derivatives

IFRS 4 provides for the separation of embedded derivatives in insurance contracts, particularly when these hybrid contracts are not assessed at fair value by income and when the features of the embedded derivatives are not closely linked with the features and risks of the host contract, and when the embedded derivative corresponds to the definition of a derivative instrument. Embedded derivatives corresponding to the definition of an insurance contract are not separated. SCOR has identified no embedded derivatives in its contracts.

Pension liabilities and similar benefits

Pension liabilities

The Group is involved in creating pensions for its staff, in accordance with the laws and practices of each country. Group staff in certain countries receives additional pension payments, paid as an annuity or in capital on retirement. The main countries concerned are France, the United States and Germany.

The benefits granted to Group employees are either in the form of defined contributions or defined benefit plans. Defined contribution plans are those where an employer pays fixed contributions into a separate entity, with no legal or constructive obligation to pay further contributions. As a result, only contributions paid or due as part of the financial year appear in the Group accounts. Defined benefit plans are those where a sum is paid to the employee upon retirement, which usually depends on one or several factors such as age, years of service and salary.

Obligations recognized on the balance sheet as defined benefit plans are recorded at the current value of the defined benefit obligation at the date of closure, less the market value of any plan assets, where appropriate, both having been adjusted by actuarial gains and losses and unacknowledged past services. The current value of the obligation is calculated annually by independent actuaries using the projected unit credit method. It is established by discounting the future expected benefits on the basis of Tier 1 bond market rates in the same currency as the benefits to be paid, and for a similar duration to the underlying obligation.

Actuarial gains and losses arising from adjustments linked to experience and the effects of changes in actuarial assumptions are reflected in shareholders' equity.

Past service costs generated at the adoption or modification of a defined benefit plan are recognized as an expense on a straight-line basis, over the average period until the benefits become vested. When benefit rights are acquired upon the adoption of a plan or its modification, past service cost is immediately recognized as an expense.

Other long-term benefits

In some countries, the Group rewards employees for length of service by granting them a lump sum after certain periods of service. This occurs primarily in France, where the current value of the obligation is calculated annually by an independent actuary using the projected unit credit method. The obligation is recognized on the balance sheet.

Termination benefits

Employees are entitled to termination benefits when the Group makes one or more employees redundant, or encourages voluntary redundancies. The Group posts these payments into the accounts when it is demonstrably committed by means of a detailed formal plan for termination, which it could not realistically retract. Benefits payable more than twelve months after the closing date are discounted.

Share-based payment and share options

The Group grants its employees stock option plans. The fair value of the services received in exchange for the granting of options is recognized as an expense. The total amount that is recognized over the vesting period is established by reference to the fair value of options granted, excluding conditions of attribution that are not linked to market conditions. (ROE,

for example). These conditions are taken into account when determining the probable number of options to be acquired by the beneficiaries. At each closing date, the company reviews the estimated number of options to be acquired. Any impact is then posted in the income statement against shareholders' equity for the remaining vesting period.

The Group also allocated shares to all its employees in 2004 and 2005. This allocation is reflected by posting of personnel expenses against an increase in shareholder's equity over the vesting period.

The dilutive effect of outstanding options is reflected in the calculation of the diluted earnings per share.

Taxes

Deferred tax assets and liabilities are recognized using the balance sheet liability method of tax allocation for all temporary differences on the closing date between the tax base of assets and liabilities and their carrying value on the balance sheet.

Deferred tax assets are recorded when temporary tax differences occur that are associated with investments in subsidiaries and affiliated companies, unless the date on which this temporary difference reverses is controllable and if it is probable that the temporary difference will be reversed in the foreseeable future.

Deferred tax on the restatement of capitalization reserves is recorded without including the probability of capital losses from asset disposals of securities subject to taxes from these reserves.

Deferred tax liabilities are not recorded in cases of temporary differences associated with investments in subsidiaries and affiliated companies unless it is probable that the temporary difference will be reversed in the foreseeable future and if it is likely that there will be a taxable profit to which the temporary difference can be imputed

The book value of deferred tax assets is reviewed at each closing date and reduced when it is no longer possible that a sufficient taxable benefit will be available to enable all or part of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are assessed at the tax rate applicable in the fiscal year in which the asset will be sold or the liability settled, based on the tax rates (and tax regulations) that have been adopted or substantially adopted at the closing date.

Tax rates relating to items recorded directly as shareholders' equity are recorded as equity and not in the income statement.

Principles for presentation of financial statements

Allocation of expenses by function

In conformity with the option offered by IAS 1, the Group opted to present its expenses by function on the income statement. This presentation provides information that is more relevant to readers than expenses by nature, but costs are allocated to different functions based on applied costs and are thus subject to decisions of judgment.

This method is identical to the method for presenting overhead expenses that was used for SCOR's consolidated accounts under French GAAP. Operating expenses are divided into

five categories: acquisition costs, claims settlement expenses, administrative expenses, investment portfolio management expenses, and other underwriting expenses. These expenses are allocated to the categories set out above, company by company.

Segment information

The Group's business is divided into two distinct sectors: Non-Life insurance and Life insurance. Previously, SCOR's segment information was divided into three areas: Non-Life Reinsurance, Life/Accident & Health and CRP. The legal structure has recognized these two areas since 2003. Each sector offers different products and services, which are marketed via separate channels. Given their specific nature, these sectors constitute the primary level of segment information.

Management has evaluated the performance of these segments and allocates resources to them in accordance with various performance indicators. The sum from inter-segment transactions, related to gross written premiums, is not significant.

(e) Note 2 – Financial Instruments

In EUR millions	At 31 March 2006		At 31 March 2005	
	Net book value	Fair value	Net book value	Fair value
Real Estate Investments	317	397	317	384
Bonds	5,242	5,242	5,233	5,233
Equities	712	712	730	730
AFS	5,954	5,954	5,963	5,963
Bonds	155	155	166	166
Equities	263	263	229	229
Fair Value by Income	418	418	395	395
Loans and deposits	144	144	94	94
Receivables for deposited cash	1,256	1,256	1,278	1,278
Loans and receivables	1,400	1,400	1,372	1,372
Derivative Instruments – Fair value by income	41	41	35	35
Insurance Activity Investments	8,130	8,210	8,082	8,149
Derivative Instruments – Hedging (liabilities)	-6	-6	-6	-6
Cash and cash equivalents	1,569	1,569	1,667	1,667

(f) Statutory Auditors' Report

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

At your request and as statutory auditors of SCOR, we have reviewed the accompanying consolidated interim financial statements of SCOR for the period from 1 January 2006 to 31 March 2006.

These consolidated interim financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

These interim consolidated financial statements have been prepared using accounting and measurement methods of IFRSs as adopted by the EU, as described in notes to the financial statements and disclosures of interim financial statements defined by Règlement Général of AMF.

We conducted our review in accordance with French professional standards. These standards require that we plan and perform the review to obtain moderate assurance, lesser than that which would result from an audit, as to whether the consolidated interim financial statements are free from material misstatement. The review excluded certain audit procedures and was limited to performing analytical procedures and to obtaining information from Company management and other appropriate sources.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with accounting and measurement methods of IFRSs as adopted by the EU, as described in notes to the financial statements and disclosures of interim financial statements defined by Règlement Général of AMF.

Without qualifying our conclusion, we draw your attention to Paragraph 4 of explanatory Note 1 which sets out the change in accounting principle due to the issuance of the "fair value option" amendment of standard IAS 39 – Financial Instruments: Recognition and Measurement, beginning 1 January 2006.

In addition, and in accordance with French professional standards, we have examined the fairness of the information included in the consolidated interim activity report for the period from 1 January 2006 to 31 March 2006, regarding the consolidated interim financial statements submitted to our review.

Based on our review, we have nothing to report on the fairness of this information and its consistency with the consolidated interim financial statements.

Paris La Défense, 16 May 2006

The Statutory Auditors

Ernst & Young Audit

Pierre Planchon

Mazars & Guérard

Lionel Gotlib

8.8 SCOR develops its agricultural risk reinsurance with the reinforcement of its teams

To keep up with the changing risks and coverage needs linked to modern agriculture, SCOR is developing its agricultural risk reinsurance business throughout the world. As part of this development, SCOR has reinforced its agricultural risk underwriting teams.

SCOR welcomes this new development, which is fully in line with its strategy of enhancing its skills and capacities in the speciality lines known and understood by the Group.

Mr René Kunz, Mrs Yvonne Buschor, Mr Heiko Joergens, Mr Dominique Mercante, Mr Michael Rüegger, Mrs Irene Uhr-Armaos and Mrs Sari-Maija Walder-Valtanen, all previously at GE Frankona Re, will join SCOR on 1 September 2006. Based in Switzerland, the team will be part of SCOR Global P&C, SCOR's operating subsidiary combining treaty, large corporate risks and speciality reinsurance.

8.9 Structural projects: New SCOR, internal control, *Societas Europaea*

SCOR is implementing a number of major Group organization and structural projects.

- In connection with Project New SCOR announced in June 2005, SCOR has transferred its Non-Life reinsurance activities in Europe, comprising Treaty underwriting and management business, Large Corporate Accounts, Credit & Surety and Construction reinsurance, to a wholly-owned subsidiary of SCOR registered in France called SCOR Global P&C (formerly Société Putéolienne de Participations). Such transfer was approved by the shareholders' meeting held on 16 May 2006 and is effective as of 1 January 2006.
- This reorganization represents an important step in the strategy of SCOR and has been carried out with a view to simplifying the legal structure of the Group by streamlining the Group into two subsidiaries dedicated to Life and Non-Life business, respectively. SCOR will remain the holding company and owner of the US, Canadian and Asian Non-Life subsidiaries (although these entities will report to SCOR Global P&C for their operational activity). SCOR will benefit from the retrocession of its Life and Non-Life reinsurance subsidiaries, and will be responsible for the allocation of capital and resources within the Group, based on the underwriting needs and the determined capacities of each entity.
- The Group is continuing its efforts to improve the control of its business.
 - The Chief Risk Officer has developed and updated the underwriting rules and allocated the capacity defined as part of the recently instituted "Catastrophe Committee", in accordance with the annual underwriting policy.
 - The Group is continuing to conform its internal procedures to the provisions of the new Rating Agency requirements for Enterprise Risk Management, as well as the new obligations following the application in France and Europe of the Reinsurance Directive.
 - In order to meet the restrictions resulting from the Reinsurance Directive, as well as from the European Union Commission's "Solvency II" project, SCOR has acquired one of the best solvency modeling tools on the market (Dynamic Financial Analysis).
 - The annual underwriting plan is now monitored in the quarterly reporting structures, which should enable the Group to improve the underwriting control management charts over the next few months.

- The Group is implementing the "Matrix" pricing project, which constitutes a major element in the unification and monitoring of the underwriting, risk selection and pricing policy.
- The Group has decided to invest in the upgrade of the accounting tool used to consolidate its accounts, and has begun a project to this effect.
- Finally, in view of the development of structures in Europe, SCOR is developing an electronic document management system for all of its Non-Life business.

In the context of the second phase of Project New SCOR, SCOR announced on 4 July 2006 the creation of three *Societas Europaea* at the level of SCOR, SCOR Vie (both by way of conversion) and SCOR Global P&C (by way of merger pursuant to which SCOR Global P&C would absorb SCOR Deutschland and SCOR Italia). SCOR will thus become the first French listed company to adopt the status of *Societas Europaea*. After the effectiveness of the merger, SCOR Global P&C SE will carry out its business in Germany and in Italy via branch offices which are in the process of being created. SCOR Global P&C will thus become the first company in France to adopt the status of *Societas Europaea* through the absorption of its German and Italian subsidiaries. It will also become the first company in Europe to complete a tripartite transaction of this kind involving three different jurisdictions.

The new statutes of the three companies will come into effect once the extraordinary general meetings of each company have given their approval, and once each company has been registered as a *Societas Europaea* with the Nanterre Commercial and Companies Registry.

Societas Europaea status will in particular enable the SCOR group to strengthen its multinational and European identity, to facilitate its acquisition transactions in Europe, to improve its financial flexibility and also to increase its flexibility with regard to capital allocation.

The Group hereby affirms its European outlook and the repositioning of its business on the European and Asian markets. The Group is demonstrating its desire to be a company with European roots and global reach.

All of these operations are in line with the "Moving Forward" plan, which sets out the restructuring of the Group until 2007, with a view to achieving a controlled increase in premium income, substantially improving technical results and profitability (i.e. creating value for the shareholder) and restructuring the capital base, with the aim of enabling SCOR to achieve an "A" level of solvency.

8.10 SCOR Vie European Embedded Value as at 31 December 2005: EUR 693 million, up 12% (compared to EUR 618.9 million at 31/12/2004)

- Confirmation of the solidity and dynamism of SCOR Vie's portfolio
- Adjusted Net Asset Value up 16%
- Value of portfolio up 9%
- Value of new production up 9%
- Negligible impact of Financial Options and Guarantees

SCOR Vie has arranged for B&W Deloitte to review its calculation of the Embedded Value as at 31 December 2005. This indicator has been calculated in accordance with the CFO Forum* principles, thereby constituting a European Embedded Value ("EEV") of SCOR Vie.

SCOR Vie's Embedded Value was EUR 693 million at 31 December 2005, up 12% compared to 31 December 2004. This confirms the solidity and dynamism of SCOR Vie's portfolio.

Summary of results:

Consolidated Embedded Value		
in EUR millions	SCOR Vie 31 Dec. 2004	SCOR Vie 31 Dec. 2005
Adjusted Net Asset Value (after tax)	266.9	309.6
Value of business in force before cost of locking-in (after tax)	432.8	481.6
Cost of locking-in the solvency margin (after tax)	(80.8)	(96.4)
Value of business in force after cost of locking-in (after tax)	352.0	385.2
Consolidated Embedded Value (after tax) before cost of Financial Options and Guarantees	618.9	694.8
Cost of Financial Options and Guarantees (after tax)	-	(2.0)
Consolidated European Embedded Value after tax	-	692.8

(a) European Embedded Value – Methodology

The European Embedded Value is the sum of the four following elements:

- Adjusted Net Asset Value
- Value of portfolio of treaties in force
- Cost of locking-in the solvency margin
- Cost of Financial Options and Guarantees

(i) Adjusted Net Asset Value:

The Net Asset Value is calculated on the basis of the company's equity capital, making some adjustments to take into account the differences between the market value and the book value. These adjustments consist of:

- removing the intangible assets,
- removing the book value of shareholdings in the subsidiaries and replacing it with the adjusted Net Asset Value of these subsidiaries.
- Adding the portion of unrealised capital gains attributable to shareholders and not taking into account into the value of the portfolio.

* The CFO Forum is a working group of Chief Financial Officers from big European insurance companies which established in May 2004 a set of 12 principles with the objective of standardizing published Embedded Values in order to make them more comparable.

(ii) Value of portfolio of treaties in force:

This is calculated by projecting future profits from treaties in force at the valuation date, using reasonable assumptions as to the future development of factors that will impact profitability. These profits are then discounted to the valuation date. The discount rate is defined using a top-down approach, and using the CAPM ("Capital Asset Pricing Model") formula.

The future results used in the evaluation model are based on the portfolio of treaties in force at the valuation date, excluding from the projections:

- new policies underwritten after this valuation date and reinsured under in force treaties,
- new treaties underwritten by the company in the future.
- The management expenses have been calculated as a percentage of premiums and/or technical reserves. The percentage is assumed to be stable throughout the projected period. An increase of 10% in the expenses is shown in the Sensitivity Analysis section.

Future financial returns are calculated on the basis of the asset allocation of each entity as at 31 December 2005, and using return assumptions for each asset based on market returns as at 31 December 2005. Except for the SCOR Life Re and the SCOR Vie Montréal portfolios that have a dedicated bond portfolio (assuming that the bonds are held until maturity), returns on fixed rate assets do not include capital gains or losses at the valuation date and therefore remain constant for the projection period.

(iii) Cost of locking-in the solvency margin

SCOR Vie's activity requires it to hold net assets in each entity at least equal to the minimum required solvency margin, which must bear interest. The Reinsurance Directive regarding solvency regulations for reinsurers, which was approved by the European authorities in 2005, has not yet been transposed into national legislation, notably in France. The terms and conditions of this directive have therefore not been used to calculate the cost of locking-in. The sensitivity calculations set out below assess the potential impact of this directive.

The capital amounts used to calculate the EEV at 31/12/2005 are:

- For Europe, the minimum solvency margin in force for direct insurers as set out in the regulations.
- For US-based subsidiaries, 200% of the Risk-Based Capital defined by the NAIC.

The difference between the rate of return after tax earned on assets covering the solvency margin and the return expected by shareholders (discount rate) leads to a locking-in cost of the solvency margin, which is taken into account in these calculations.

The method used to calculate the locking-in cost is fairly prudent:

- The future return on locked-up assets backing the solvency margin does not include unrealised capital gains at the valuation date. This rate of return is the same as the one used in the projections to calculate the value of business in force.

- The solvency margin is 100% financed by "hard" capital. No intangible asset (DAC or VOBA), or future value of profits backing the solvency margin, which would reduce the cost of locking-in capital, has been taken into account. The cost of locking-in the solvency margin is not reduced by using a financial leverage such as subordinated debt.

(iv) Cost of Financial Options and Guarantees

Principle 7 of the CFO Forum stipulates that a valuation of the cost of Financial Options and Guarantees ("FOGs") must be conducted. SCOR Vie has reviewed its portfolio in order to identify the Financial Options and Guarantees present in its treaties.

No material financial option or guarantee within the scope of the principles of the CFO Forum has been identified in the portfolios recorded for SCOR Vie and its branches (Europe, Canada and Asia).

Conversely, Financial Options and Guarantees were identified and taken into account in the SCOR Life Re (USA) portfolio, essentially on Annuities ("accumulation" savings products with the option to convert to annuities) and to a lesser extent on Universal Life contracts. The following Financial Options and Guarantees were identified:

- guaranteed rates or return guarantees on share indices
- guaranteed minimum benefits in the event of death,
- buy back options,
- options to convert to annuities.

The Financial Options and Guarantees on Annuities contracts (excluding conversion options) were taken into account using a stochastic simulation of neutral-risk economic scenarios, with regard to the yield curve of the US market and the S&P500 stock market. The time value of these options and guarantees was calculated based on the difference between:

- the average portfolio value resulting from the projections made on the basis the various scenarios used,
- and a portfolio value resulting from the projections calculated on the basis of an average scenario ("intrinsic value").

This time value therefore represents the risk of financial deviation in relation to the average scenario.

The value of the options to convert to annuities was estimated using a closed formula based on the same rate model as that used for stochastic simulations.

The reserves of the Universal Life portfolio represent a relatively small amount compared to the reserves of the Fixed Deferred Annuities portfolio. Universal Life contracts, however, have a similar type of risk to Fixed Deferred Annuities. Therefore the value of the options on the Universal Life portfolio has been calculated using the same proportion of the reserves as used for the Fixed Deferred Annuities portfolio.

(b) Analysis of Value Added

The variation in Embedded Value excluding the cost of Financial Options and Guarantees, between 31 December 2004 and 31 December 2005, is analysed in the following table:

in EUR millions (before tax)	
a Embedded Value at 31/12/2004 (before tax and dividend)	857.6
b Payment of dividend and tax on 2004 income	(25.4)
c Change in value due to the operating activity of SCOR Vie (before tax)	92.3
d Change in value due to changes in the economic environment (before tax)	(5.4)
e Embedded Value at 31/12/2005 – constant exchange rates (before tax) e =a+b+c+d	919.1
f Impact of exchange rates (before tax)	54.5
g Embedded Value at 31/12/2005 – current exchange rates (before tax) =e+f	973.6
h Tax	(278.8)
k Embedded Value at 31/12/2005 – current exchange rates (after tax) =g+h	694.8

(i) Change in value due to SCOR Vie operating activity

in EUR millions (before tax)	
Expected return from unwinding of discount rate	67.0
Experience deviation during current year	(2.1)
Change in non-economic assumptions	(9.7)
Value of new production	37.1
Change in value due to SCOR Vie operating activity (before tax)	92.3

The expected return from unwinding of discount rates corresponds to the expected return on Embedded Value calculated in accordance with the economic assumptions in force as at 31 December 2004.

The experience deviation during current year reflects on the one hand the difference between the elements projected for the year 2005 in the Embedded Value as at 31 December 2004 and the actual experience registered at 31 December 2005 closing, and on the other hand the difference for 2004 and previous accounting year estimations between the two closings. The universal deviation shown in the table, which is close to zero, is due to positive or negative differences between the actual technical results and the technical results projected for 2005 at 31 December 2004.

The changes in non-economic assumptions reflect the impact of changes in the technical parameters (such as loss ratios, lapse ratios, expenses and so on) used in the projections. An overall negative effect was recorded, mainly due to modelling improvements and adjustments to the projection parameters of the Traditional Life portfolio underwritten by SCOR Life Re, made in accordance with principle 9 of the CFO Forum.

The value of new business in 2005, which includes acquisition costs, includes the value of new treaties underwritten during 2005, calculated at the underwriting date, and the value of new business on treaties in force, calculated at the date of entry into the portfolio, corresponding to the value generated by the 2005 production of ceding companies, reinsured with treaties underwritten before 31 December 2004. The total value of new business is up by +8.5% compared to 2004.

(ii) Changes in value due to changes in the economic environment

The table below sets out the changes in value due to changes in the economic environment:

in EUR millions

Experience in deviation during current year	(5.9)
Changes in economic assumptions	0.5
Changes in the economic environment (before tax)	(5.4)

The experience deviation during the current year corresponds to the difference between the returns actually recorded during the year and the returns expected for 2005 according to the economic assumptions used in the projections made at 31 December 2004. This negative value is mainly due to falling interest rates in Europe between 31 December 2004 and 31 December 2005.

The changes in economic assumptions correspond to the change in value arising from changes, from the previous year, in the economic assumptions (such as discount rate, interest rate on deposits and rate of return on other financial assets) used in projections for the coming years. The increased discount rate in the US and Canada has been set off by reduced letter of credit costs (thanks in particular to SCOR's improved Insurer Financial Strength Rating) and a decreased discount rate in the Euro zone.

(iii) Impact of exchange rates

The evolution of exchange rates in 2005 has had a positive impact of EUR 54.5 million, mainly due to the rise of the US Dollar against the Euro.

(iv) Value of Financial Options and Guarantees

At 31 December 2005, in the United States, almost the entire cost of the options was linked to equity risk on Equity Index Annuities.

(A) Assumptions

The choice of non-economic assumptions is based on internal experience analyses carried out by SCOR Vie and on the experience of the different markets in which it operates. In particular, claims assumptions are mostly based on the portfolio experience of each of SCOR's operating entities.

The tax charge modelled reflects current regulations as at the valuation date.

The discount rate is determined in accordance with the CAPM formula. It is equal to the risk-free rate plus a risk premium of 350 basis points multiplied by a beta coefficient. The beta coefficient represents the market correlation of reinsurance values with the financial markets. This coefficient was estimated over a period of

two years based on a sample of 7 international reinsurance stocks. This approach is consistent with principle n° 10 of the CFO Forum.

(B) General comments on the assumptions:

As for all reinsurance groups, the data available to SCOR Vie is less detailed than that generally available to ceding companies.

Furthermore, certain items of accounting information are sometimes only available with a substantial delay and thus cannot be reflected in the Embedded Value calculations on a timescale consistent with the timing of the release of the financial results in general. In this case, estimates have been based on the experience of the Life portfolio.

Nonetheless, as for all reinsurers, the Embedded Value and the analysis of value added shown are subject to greater uncertainty regarding the value itself and the evolutions from one year to the next, than would be the case for a direct writer.

(c) Analysis of sensitivities

The following table shows the sensitivity of the value of the portfolio of treaties in force to changes in different assumptions.

in Euro millions

Value of portfolio as at 31/12/2005 (after tax)	
Discount rate	- 100 bp
Discount rate	+ 100 bp
Claims	- 5%
Expenses	- 10 %
Lapses	+ 10 %
Lapses	- 10 %
Interest rates	- 100 bp (*)
Share risk premium	+ 100 bp
Solvency margin	+ 10 %
Estimated impact of the European directive on reinsurance solvency margin	

(*) this decrease is combined with a decrease of 100 bp in the rate of deposit payment and an equivalent decrease in the discount rate

(d) External opinion (B&W Deloitte)

B&W Deloitte, Actuarial Consultants, have reviewed the European Embedded Value of SCOR Vie as at 31 December 2005, which has been calculated internally in accordance with principles of the CFO Forum and under the guidelines and responsibility of the Management of SCOR Vie. The review covered the methodology used, the assumptions and the calculations.

The review was conducted in accordance with normal actuarial practice and processes. In particular, B&W Deloitte have relied on and not sought to check in full detail the data provided by SCOR Vie – this data included information contained in the Group's audited financial statements.

In the light of the above remarks, B&W Deloitte consider that the methodology is appropriate, that the Company's assumptions are together reasonable and consistent, and that the European Embedded Value results have been properly compiled on the basis of the methodology and assumptions chosen, and the principles of the CFO Forum.

The calculation of Embedded Values is based on numerous assumptions with respect to economic conditions, operating conditions, taxes and other matters, most of which are beyond the Company's control. Although the assumptions used are estimates, which the Company and B&W Deloitte believe are reasonable, deviations from projected assumptions to actual experiences in the future are usually observed. Such deviations may materially impact the value calculated.

8.11 SCOR and Revios to create together SCOR Global Life, a top-tier Life reinsurer

The SCOR Board meeting of 4 July 2006, chaired by Denis Kessler, approved the execution of an acquisition agreement between SCOR and GLOBALE Rückversicherungs-AG relating to the acquisition of Revios Rückversicherung AG. This acquisition will enable the Group to create a top-tier worldwide Life reinsurer.

The combination of Revios and SCOR Vie will create SCOR Global Life, which should reach the position of fourth largest Life reinsurer in the world with a premium income of approximately EUR 2,250 million. This acquisition will create a top-tier platform offering worldwide coverage. In Europe, in particular, SCOR Global Life will be one of the top five Life reinsurers on all the key markets.

(a) Revios – a high performance Life reinsurer

Based in Cologne, Revios is the former Life reinsurance unit of the Gerling Global Re group, which has successfully developed autonomously since 2002. Revios has since become the leading European reinsurer specializing in Life reinsurance, with offices in 17 countries. In 2005 Revios underwrote a premium volume of EUR 1,242 million in 42 countries throughout the world.

Revios has recognised specialist expertise in high value-added products and has acquired in-depth knowledge of the reinsurance markets.

With their solid market reputation, Revios' management team and 277 employees share a similar market approach with SCOR Vie. This shared vision is based on direct, long-term relationships with clients, products and services adapted to the specific requirements of cedants and an emphasis on both technical and actuarial research and development.

(b) A combination that is perfectly consistent with SCOR's strategy

This combination is fully in line with the Group strategy in place since 2002 and in particular with the Moving Forward Plan published in September 2004. Life reinsurance is a central element in the Group's strategy, which is to maintain a balance between Life reinsurance and Property & Casualty reinsurance. This business mix enables the Group to lower its risk profile thanks to the diversity of its portfolio, to reduce the volatility of its results and to optimise the use of its capital depending on the development of the respective markets.

Thanks to this transaction, two structures complementing each other through their offices throughout the world and their services on offer, will join forces to create the fourth largest Life reinsurer in the world. This strategic combination will enable the Group to reinforce the contribution made by Life reinsurance to its results in a consolidating market.

(c) SCOR Global Life is set to become a top-tier Life reinsurer

- (i) SCOR Global Life will have a critical mass on the major Life reinsurance markets, particularly in almost all European countries.

SCOR Global Life will combine the businesses of Revios and SCOR Vie. SCOR Global Life will thereby have a top-tier Life reinsurance platform with increased geographic diversity and an enhanced client base. Total premium income for SCOR Global Life in 2005 was EUR 2,266 million on a pro-forma basis, representing an estimated worldwide market share of around 8%.

In France, SCOR Global Life will consolidate its position as market leader; SCOR Global Life will be the third largest Life reinsurer in Germany, second in Spain and Italy, and amongst the top five in Northern Europe, the United Kingdom and Ireland.

In the United States and Canada, SCOR Global Life's market share in Life reinsurance will reach approximately 5%, ensuring critical mass and credibility on the largest Life reinsurance market in the world.

In Asia, SCOR Global Life is one of the top three players on the key markets (i.e. Japan and Korea).

SCOR Global Life will aim to develop its portfolio in Latin America, in other Asian countries and also in the CIS and the Middle East.

- (ii) An efficient organisational structure with clear corporate governance rules.

SCOR Global Life, SCOR Global P&C and SCOR will adopt the *Societas Europaea* status.

Following the model set by SCOR Global P&C, SCOR Global Life will be an operational entity. As part of the strategy set by the parent company, SCOR Global Life will be responsible for all Life reinsurance operations. SCOR Global Life will have the human and financial resources to ensure its development in a competitive market.

SCOR Global Life will be structured with a view to preserving each entity's fields of excellence. SCOR Global Life should be structured around geographic profit centres based in Cologne, in Paris and in the United States, and around technical, cross-sector functions such as Underwriting Management, Actuarial, Finance Management and Research Centres.

A Liaison Committee, comprising all the Executive Committee members of SCOR Vie and Revios, will manage SCOR Global Life's operations until the transaction has been definitively consummated, and will define its structure in detail. This Liaison Committee will monitor the work of the Integration Committees.

Several Integration Committees have been created in order to coordinate the combination of the two entities SCOR Vie and Revios. These committees will focus on the following areas: Underwriting Policy, Organising the Commercial Network, Information Systems, Accounting and Finance Systems and Human Resources. Two committees (for North America and Asia) will deal with integration aspects specific to these regions.

Once the transaction has been definitively consummated, the governing bodies of SCOR Global Life will be established (i.e. Board of Directors, Executive Committee and key managers).

(iii) Synergies

The combination of SCOR Vie and Revios is based first and foremost on a shared strategic vision, on geographic complementarities, on convergent business plans and on a shared underwriting approach. This combination will also create synergies.

These synergies will be generated in particular through team consolidation in those countries where SCOR Vie and Revios both have offices, the combination of IT systems and optimised retrocession costs. The synergies identified so far are estimated at EUR 6 million in 2007 and EUR 12 million from 2008. In 2006, integration costs should be approximately EUR 15 million.

The complementarities of the two groups and the new dimension of SCOR Global Life should, in principle, generate additional income and profits, notably through an increased range of products and services, the sharing of expertise and technical underwriting specificities (e.g. long-term care and critical illness), easier access to business financing and increased growth potential on new markets.

Revios' integration within SCOR will lower the Group's cost ratio by over 1 percentage point.

(d) A financially attractive transaction

The total purchase price for the acquisition of 100% of the equity capital of Revios Rückversicherung AG is EUR 605 million, representing 1.02x Revios' Embedded Value in 2004. SCOR will also be reimbursing EUR 50 million of Revios Rückversicherung AG's outstanding subordinated debt to GLOBALE Rückversicherungs-AG.

SCOR will finance this acquisition through:

- a rights issue for approximately EUR 300 million,
- a subordinated debt issue up to EUR 350 million.

This financing structure will in principle ensure:

- an accretive impact on Earnings Per Share from Year One (2007),
- an estimated positive impact on SCOR's Return On Equity from Year One (2007),
- a reinforced level of financial strength and solvency.

Key figures		
In EUR millions	SCOR*	REVIOS**
Gross written premiums	2,407	1,203***
Operating income	242	78.9
Net income	131	50.4
Embedded-value	693****	592
Liabilities relating to contracts	9,849	4,071
Investments	9,743	4,061
Staff (at 30 June 2006)	891	277
Offices	24	17

*SCOR : 2005 audited accounts

**Revios : 2004 audited accounts

***Revios 2005 Gross Written Premium : EUR 1 242 million

****European Embedded Value of SCOR Vie at 31 December 2005

TAXATION

The statements herein regarding taxation are based on the laws in force in the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Notes.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. This Directive has been implemented in French law under Article 242 *ter* of the French *Code général des impôts*.

French Taxation

The Notes being *obligations* denominated in euro and accordingly deemed to be issued outside the Republic of France, interest and other revenues paid by the Issuer in respect of the Notes to non-French tax residents who are not concurrently shareholders of the Issuer will, upon issue, benefit from an exemption from withholding tax pursuant to Article 131 *quater* of the *Code général des impôts* (French tax code). Accordingly, such payments do not give rise to any tax credit from any French source."

Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the Directive on the taxation of savings income and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially fifteen (15) per cent., increasing steadily to twenty (20) per cent. and to thirty five (35) per cent. The withholding tax system will only apply during a transitional period, the ending

of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A ten (10) per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

All prospective Noteholders should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

BNP Paribas (the **Manager**) has, pursuant to a subscription agreement (the **Subscription Agreement**) dated 26 July 2006 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 100% of the total principal amount of the Notes, less a combined management and underwriting commission of 0.80% of the total principal amount of the Notes. There will be no selling concession. The Issuer has agreed to indemnify the Manager against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General

No action has been taken or will be taken by the Issuer or the Manager that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

The Manager must, to the best of its knowledge, comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended) or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor the Manager shall have any responsibility therefore. The Manager will not offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of any offering materials relating to the Notes by the Manager will be made on the same terms.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States of America or to or for the account or benefit of any person in the United States of America, within the meaning of Regulation S, or to any person acting on a non-discretionary basis for any person in the United States of America.

The Notes will be offered and sold exclusively outside the United States of America in offshore transactions, within the meaning of and in accordance with Regulation S.

The Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the commencement of the offering and the closing date of the offering (the **Restricted Period**) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the Restricted Period a confirmation of or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

United Kingdom

The Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provision of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each of the Manager and the Issuer has acknowledged that the Notes are being deemed issued outside the Republic of France and, accordingly, each of the Manager and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes in the Republic of France, and has not distributed and will not distribute or cause to be distributed in the Republic of France the Prospectus or any other offering material relating to the Notes, except to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Italy

The offering of the Notes has not been registered with CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to professional investors ("operatori qualificati"), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July 1998, as amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 (the Financial Services Act) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- a. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1 September 1993 (the Banking Act), as amended; and
- b. in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, inter alia, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and
- c. in accordance with any other applicable laws and regulations.

GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the Luxembourg Stock Exchange Regulated Market.
- (2) The estimate of the total expenses related to the admission of the Notes to trading is Euro €2,600.
- (3) The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear, Brussels with the Common Code number 026261112. The International Securities Identification Number (ISIN) for the Notes is FR0010359687. The address of Euroclear France is 155 rue de Réaumur, 75081 Paris Cedex 02, France.
- (4) Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer and the Group since 31 December 2005.
- (5) There has been no material adverse change in the prospects of the Issuer since 31 December 2005.
- (6) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
- (7) The issue of the Notes was authorised pursuant to a resolution of the *Conseil d'administration* of the Issuer dated 4 July 2006 and a decision of its *Président et Directeur Général* dated 19 July 2006.
- (8) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), there are, at the date of this Prospectus, no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
- (9) At the date of this Prospectus, there are no conflicts of interest which are material to the issue or offer of the Notes between the duties of the members of the Board of Directors to the Issuer and their private interests and/or their other duties.
- (10) Copies of the latest annual report of the Issuer, including its consolidated accounts may be obtained without charge from the specified offices for the time being of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (11) For as long as the Notes are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agent:
 - (i) this Prospectus;
 - (ii) the *statuts* of the Issuer;
 - (iii) the audited consolidated annual accounts of the Issuer for the two latest fiscal years (which at the Issue Date comprise the Issuer's audited consolidated annual accounts for the fiscal years ended 31 December 2005 and 31 December 2004).

The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (12) The statutory auditors of the Issuer are Mazars et Guérard (Le Vinci, 4 allée de l'Arche, 92075 Paris-La Défense, France) and Ernst & Young Audit (Tour Ernst and Young, 11, faubourg de l'Arche, 92037 Paris-La Défense, France) (both entities are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*). Ernst & Young Audit and Mazars et Guérard are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles et de Paris* which is supervised by the *Compagnie Nationale des commissaires aux Comptes*. They have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2005 and 31 December 2004.
- (13) The yield of the Notes, calculated at the issue date on the basis of the issue price, is 6.154%. It is not an indication of future yield.

REGISTERED OFFICE OF THE ISSUER

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To the Manager as to French law

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