SCOR
Form 20-F/A
January 27, 2006

As filed with the Securities and Exchange Commission on January 27, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F/A

Amendment No. 1

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)**
OF THE SECURITIES EXCHANGE ACT OF 1934
OR
x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2004
OR
o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number: 001-14518

SCOR

(Exact name of registrant as specified in its charter)

N/A	**The Republic of France**
(Translation of registrant s name into English)	*(Jurisdiction of incorporation or organization)*

_____

1, Avenue du Général de Gaulle, 92800 Puteaux, France

(Address of principal executive offices)

_____

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
American Depositary Shares (as evidenced by American Depositary Receipts), each representing one Ordinary Share	New York Stock Exchange, Inc.
Ordinary Shares, no par value *	New York Stock Exchange, Inc.

* Listed, not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

NONE

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

NONE

Indicate the number of outstanding shares of each of the issuer s class of capital or common stock as of the close of the period covered by the annual report:

819,269,070 Ordinary Shares, including 29,615,519 American Depositary Shares (as evidenced by American Depositary Receipts), each representing one Ordinary Share.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

x YES o NO

Indicate by check mark which financial statement item the registrant has elected to follow:

o ITEM 17 x ITEM 18

EXPLANATORY NOTE

SCOR is filing this Amendment No. 1 on Form 20-F/A to its Annual Report on Form 20-F for the fiscal year ended December 31, 2004, which was originally filed with the Securities and Exchange Commission on April 29, 2005, to amend Items 4 (Information on the Company) and 5 (Operating and Financial Review and Prospects), each of which is amended by replacing such Item in its entirety.

In addition, in connection with the filing of this amended Form 20-F and pursuant to the rules of the Securities and Exchange Commission, the Company is including with this amended Form 20-F certain currently dated certifications.

This Form 20-F/A consists of a cover page, this explanatory note, Item 4 (Information on the Company), Item 5 (Operating and Financial Review and Prospects), a signature page, and the principal executive and principal financial officer certifications required to be filed as exhibits hereto.

This Form 20-F/A does not reflect events occurring after the filing of the Annual Report, and does not modify or update the disclosures therein in any way other than as required to reflect the amendments described above.

The filing of this amended Form 20-F shall not be deemed an admission that the original filing, when made, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

Item 4. Information on the Company

A. BUSINESS OVERVIEW

General

SCOR is a French société anonyme with its registered office at 1, avenue du Général de Gaulle, 92800 Puteaux, France. SCOR s telephone number is: +33.(0)1.46.98.70.00 and its internet address is http://www.scor.com. Information contained on SCOR s website is not part of this Annual Report. SCOR s Articles of Association are registered with the Nanterre under registry number B562033357.

SCOR provides treaty and facultative reinsurance on a worldwide basis to Property-Casualty and Life insurers. In 2004, the Group had net written premiums of EUR 2,126 million, which management believes make it one of the 15 largest European reinsurers, based on management s estimate of the 2004 net premiums written by major international reinsurers and excluding intra-group business. SCOR operates in 19 countries through its subsidiaries, branches and representative offices and provides services in more than 100 countries.

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 better 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 in 2004, including:

- strengthening the Group s reserves;

- replenishing 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.

Consistent with the Back on Track plan, SCOR s gross written premiums declined approximately 32% in the year ended December 31, 2004 primarily due to the implementation of the Back on Track plan, which imposed more rigorous underwriting standards, as well as SCOR s lower financial strength ratings. 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. from approximately 37% in the year ended December 31, 2002 to approximately 16% in the year ended December 31, 2003 and approximately 9% in the year ended December 31, 2004, while increasing the percentage of Non Life premium income in Europe from approximately 42% in the year ended December 31, 2002 to approximately 53% in the year ended December 31, 2003 and approximately 60% in the year ended December 31, 2004.

In the second half of 2004, the Board of Directors adopted a new strategic plan for 2005 through 2007, entitled Moving Forward . The 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. As part of the Moving Forward plan, SCOR has also reassessed its capital allocation plan along the Group s lines of business and by market. 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. On the basis of this modeling of underwriting policy for 2005 through 2007, the Group s objective is to maintain profitability and ensure solvency.

History of SCOR

SCOR was founded 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. SCOR s current *statuts* provide for a term that expires on June 30, 2024, unless the shareholders elect to shorten or extend the Company s term by extraordinary resolution.

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 rationalize its organization.

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 Irish Reinsurance Partners, 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.

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.

Recent Developments

IRP

Pursuant to agreements dated December 28, 2001 entered into in connection with the formation of IRP Holdings Limited, or IRP Holdings, IRP Holdings minority shareholders have an agreed set of exit rights exercisable during certain defined periods. The agreements permit the minority shareholders to exit IRP Holdings during the first half of 2005 and in any event require an exit no later than May 31, 2006. SCOR may acquire the shares held by the minority shareholders either with existing or newly-issued SCOR shares, with cash, or with a combination of shares and cash. SCOR may, depending on conditions at the time of the exit, decide to acquire all or part of these shares in 2005. For more information on IRP Holdings, see Item 9.A. The Offer and Listing IRP , and for a description of the pending litigations initiated by the minority shareholders of IRP Holdings, see Item 8.A. Consolidated Statements and Other Financial Information Legal Proceedings .

Renewals

The January 1, 2005 renewal period involved approximately 80% of SCOR s 2004 Property & Casualty treaty portfolio, approximately 20% of SCOR s 2004 Large Corporate Accounts portfolio and approximately 95% of SCOR s 2004 Credit & Surety portfolio. Gross premiums written on Property & Casualty treaties during the January 1, 2005 renewal period were approximately EUR 802 million. SCOR increased its quota share on existing treaties and regained several lead underwriting positions in European Property & Casualty treaties, gaining or regaining 40 clients, as opposed to losing 27 clients in the prior renewal year, 14 of which SCOR decided to relinquish, 7 of which left following a decision made by the cedants due to SCOR s ratings and 6 of which left following mergers

---

between cedants. In the United States, SCOR has maintained its commercial presence while pursuing a selective underwriting policy despite its current ratings. SCOR has continued to reposition itself with small and medium-sized regional cedants. In Mexico and the Caribbean, SCOR has benefited from a rate increase in high-layer natural catastrophe lines in the zones recently affected by hurricanes. In Canada, SCOR has initiated relationships with several clients and has increased its share on several existing treaties. In Asia, SCOR regained quota share on its treaties in Malaysia, Indonesia, China and Singapore and gained new clients in Malaysia, Taiwan and Hong Kong.

Renewals in the Large Corporate Accounts business are carried out throughout the year. However, of the 20% of SCOR s Large Corporate Accounts portfolio up for renewal during the January 1, 2005 renewal period, 77% of business was renewed. The trends in this sector to lower premiums and adverse exchange rate fluctuations have weighed on the value of premiums where the accounting currency is often U.S. dollars. SCOR has initiated relationships with four new clients and has increased its quota share on several existing treaties in the Credit & Surety sector.

World Trade Center Litigation

The September 11, 2001 attack on the World Trade Center resulted in the Group establishing reserves on the basis that the attack on the two towers of the World Trade Center was one single occurrence and not two occurrences under the terms of the applicable insurance coverage. On December 6, 2004, a jury determined that the attack on the World Trade Center constituted two distinct occurrences and therefore that our ceding company, which provided insurance on the World Trade Center, was liable for two events on the basis of its policy wording. The jury verdict did not determine the amount of indemnification due from insurers. A separate court-supervised appraisal procedure is underway to determine the amount of indemnification due from the insurers resulting from the destruction of the World Trade Center. Pending the final determination of the appraisal process, we felt that it would be prudent to increase our reserves based on the actual replacement value established by the ceding company's claims adjusters. The gross amount of reserves has accordingly been increased from USD 355 million as of December 31, 2003 to USD 422 million as of December 31, 2004, and net of retrocession from USD 167.5 million to USD 193.5 million. The jury verdict that the attack on the World Trade Center constituted two occurrences and not one occurrence under the terms of the ceding company's insurance policy is expected to be appealed and we have issued two letters of credit in the aggregate amount of USD 145.3 million as security required by the ceding company to guarantee our capacity to pay the ceding company if the jury verdict is not reversed by the U.S. Court of Appeals for the Second Circuit, or if an appraisal process to be conducted under court supervision in 2005 and possibly 2006 were to lead to an increased amount of liabilities to be paid in the future. See "Item 8.A. Consolidated Statements and Other Financial Information - Legal Proceedings" for a discussion of the pending World Trade Center litigation.

Claims

The storm damage of January 8 to 9, 2005 in Northern Europe is currently being assessed and could reach a relatively large sum exceeding the initial estimates made after it had occurred.

Furthermore, decisions made by the operator of Roissy airport to perform more significant reconstruction work on terminal 2 E than that declared by the client and his insurers when the claim was launched will result in a reassessment of the gross cost, the impact of which for SCOR should be significantly reduced by the involvement of retrocessionaires. The impact on the Group s accounts should be marginal.

Commutations

There were two commutations for USD 26.9 million of reserves in the Bermudan subsidiary of SCOR (CRP) since January 1, 2005, for which the discounted reserves have now been reduced to EUR 216 millions, down by 32% compared to the level as of December 31, 2003. Moreover, several negotiations started in 2004 have recently been achieved.

On February 7, 2005, SCOR and its U.S. and Bermudan subsidiaries, SCOR U.S. and Commercial Risk Companies (CRP) signed a large commutation agreement for the SCOR Group which will reduce the overall reserves of SCOR U.S. (and CRP but to a lesser extent) by approximately USD 300 million and will be accounted for in the first quarter of 2005.

These transactions reduce the Group s risk exposure and the volatility of reserves, especially for segments exposed to claims inflation.

Run off management in the United States

SCOR U.S. has set up a run off department, which is managed separately from the Company s normal underwriting business. This department administers all claims, accounting and actuarial activities relating to market segments in which SCOR U.S. is no longer writing new business.

Retrocession

The SCOR Group continues to pursue a conservative retrocession policy based on acquiring capacity tailored to requirements and uses. SCOR has selected market models to assess its exposure and reinsurance policy in terms of catastrophic risks. The result is a program better adapted to the requirements of the Group and its customers, and a sharp reduction in retrocession expenses. SCOR continues to retain the same level of risks for catastrophic risks and individual events as in the past.

OCEANEs Issuance and Repayment

In July 2004, we issued EUR 200 million of OCEANEs, consisting of 100 million bonds having a nominal value of EUR 2 each, which are bonds convertible or exchangeable for new or existing shares. The OCEANEs bonds will be fully redeemed in 2010. We used the proceeds from the OCEANEs bond issuance, together with available cash, to repay our OCEANEs bonds originally issued in June 1999.

On January 3, 2005, SCOR repaid its OCEANEs bonds originally issued in June 1999 in the original principal amount of approximately EUR 233 million, at a price of EUR 65.28 per bond, for an aggregate amount of EUR 263 million, including repayment premium and reimbursement value of previously repurchased bonds. In 2004, we had previously repurchased 577,258 OCEANEs bonds, the reimbursement value of which corresponds to EUR 37.7 million.

INDUSTRY OVERVIEW

Principles

Reinsurance is an arrangement in which a company, the reinsurer, agrees to indemnify an insurance company, the ceding company, against all or a portion of the primary insurance risks underwritten by the ceding company under one or more insurance contracts. Reinsurance business is similar to the insurance business. The main differences stem from a greater complexity due to a wider diversity of activities and from a more international practice. 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 write more business than would be possible without a concomitant increase in capital and surplus. 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.

Reinsurance provides three essential functions:

First, reinsurance helps to stabilize direct insurers earnings when unusual and major events occur, by assuming the high layers of these risks or relieving them of accumulated individual exposures.

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.

Reinsurance makes substantial quantities of liquidity available to insurers in the event of major loss events.

In addition, reinsurers also:

help ceding companies define their reinsurance needs and devise the most effective reinsurance program, to better plan for their capital adequacy and solvency margins;

supply a wide array of support services, particularly in terms of technical training, organization, accounting and information technology;

provide expertise in certain highly specialized areas such as the analysis of complex risks and risk pricing;

enable ceding companies to build up their business even if they are undercapitalized, particularly in order to launch new products requiring heavy investment.

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 is contractually bound to cede and the reinsurer is bound to assume a specified portion of a type or category of risks insured by the ceding company. Treaty reinsurers, including SCOR, do not separately evaluate each of the individual risks assumed under their treaties and, consequently, after a review of the ceding company s underwriting practices, are dependent on the original risk underwriting decisions made by the ceding company s primary policy writers. Such dependence subjects reinsurers in general, including SCOR, 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 assumed by a particular specified 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 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 more accurately to reflect the risks involved.

Proportional and Non-Proportional Reinsurance

Both treaty and facultative reinsurance can be written on a proportional, or pro rata, basis or a non-proportional, or excess of loss or stop loss, basis. With respect to proportional, or pro rata, 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 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 contract limit.

Although the frequency of losses under a pro rata reinsurance contract is usually greater than on an excess of loss contract, generally the loss experience is more predictable and the terms and conditions of a pro rata contract can be structured to limit aggregate losses from the contract. A pro rata reinsurance contract 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 that in higher layers due to a greater historical frequency, and therefore, like pro rata reinsurance, better enables underwriters and actuaries to 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 that the ceding company pays to the reinsurer for pro rata reinsurance are proportional to the premiums that the ceding company receives, consistent with the proportional sharing of risk. In addition, in pro rata reinsurance 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, including commissions, premium taxes, assessments and miscellaneous administrative expense, and also may include a profit factor for producing the business.

Retrocession

Reinsurers typically purchase reinsurance to cover their own risk exposure or to increase their capacity. Reinsurance of a reinsurer s business is called a retrocession. Reinsurance companies cede risks under retrocessional agreements to other reinsurers, known as retrocessionaires, 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.

Broker vs. Direct Reinsurance

Reinsurance can be written through professional reinsurance brokers or directly from ceding companies. From a ceding company s perspective, both the broker market and the direct market have advantages and disadvantages. 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.

Cyclicality

The insurance and reinsurance sectors, particularly in the Non Life area, are cyclical and are characterized by periods of intense price competition due to excessive underwriting capacity and periods when shortages of underwriting capacity permit favorable 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 favorable 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 strong premium rate increases, the reinsurance industry has been experiencing a plateau in most lines of business in 2004, except general liability, and a moderate decrease in the reinsurance market is expected in 2005, notwithstanding the effects of a number of large and costly natural catastrophes in the second half of 2004 which may reduce the downward trend of the cycle in some countries.

PRODUCTS AND MARKETS

General

Our operations are organized into the following two business segments: Non Life and Life/Accident & Health. Non Life is further organized into four sub-segments: Property-Casualty Treaty; Facultatives and Large Corporate Accounts written on a facultative basis by SCOR Business Solutions, or SBS; Credit, Surety & Political Risks; and Alternative Reinsurance. The Non Life and Life segments discussed below differ from the Non Life and Life/Accident & Health segments contained in our financial statements included elsewhere herein because on a statutory basis the Accident and Health reinsurance business are classified in the Non Life category. Within each segment, we write various classes of business, as indicated below. Responsibilities and reporting within the Group are established based on this structure, and our consolidated financial statements reflect the activities of each segment.

Credit, Surety and Political Risks relates to reinsurance treaties, either proportional or non-proportional, with companies specialized in credit insurance, such as COFACE, Euler-Hermès and NCM. In 2004, SCOR merged its Credit, Surety and Political Risks business into its Non Life segment in its financial statements 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 presentation and discussion contained herein have been revised to reflect such reclassification for prior years.

SCOR s Alternative Reinsurance Treaty business, or ART, has been limited to underwriting within its Bermudan subsidiary, Commercial Risk Partners, which has been in run-off since January 2003. Therefore, in 2004, SCOR merged its ART business into its Non Life business segment in its financial statements since SCOR is no longer active in this business. The presentation and discussion contained herein have been revised to reflect such reclassification for prior years.

The following table sets forth our gross premiums written by segment and class of business:

	Year ended December 31,					
	2002 (Restated)		2003 (Restated)		2004	
	EUR	%	EUR	%	EUR	%
	(EUR, in millions, except percentages)					
By segment of business						
Non Life	3,696	75	2,323	70	1,365	61%
Life/Accident & Health	1,218	25	983	30	880	39%
Total	4,914	100	3,306	100	2,245	100%
By class of business						
Non Life						
Property-Casualty Treaty						
Property	1,139	52	972	58	608	57
Casualty	920	42	609	36	326	31
Marine, Aviation and Transportation	77	4	63	4	19	2
Construction	40	2	46	2	111	10
Total Property-Casualty Treaty	2,176	100	1,690	100	1,064	100
Facultatives and Large Corporate Accounts (SBS)						
Property	437	47	329	58	161	62
Casualty	278	30	85	15	30	11
Marine, Aviation and Transportation	79	8	36	6	41	16
Construction	136	15	119	21	29	11
Total Facultatives and Large Corporate Accounts	930	100	569	100	261	100
Credit, Surety & Political Risks	123		65		38	
Alternative Reinsurance	467		(1)		2	
Total Non Life	3,696		2,323		1,365	

Life/Accident & Health						
Annuity-based	182	15	198	18	33	4
Individual & group life	493	40	384	46	511	58
Accident	100	8	132	12	97	11
Disability	56	5	50	4	39	5
Health	200	16	105	9	74	8
Unemployment	14	1	28	3	28	3
Long-term care	173	14	86	8	98	11
Total Life/Accident & Health	1,218	100	983	100	880	100

Non Life

The Non Life segment is divided into four operational sub segments:

Property-Casualty Treaty;

Facultatives and Large Corporate Accounts.

Credit, Surety & Political Risks; and

Alternative Reinsurance.

Property-Casualty Treaty

The Property-Casualty Treaty sub-segment includes: the proportional and non-proportional treaty classes of property; casualty; marine, aviation and transportation; and construction reinsurance.

Property. The Group s proportional and non-proportional property treaty business provides reinsurance coverage for underlying insured property damage or business interruption losses resulting from fire or other perils in the homeowners, personal auto, industrial and general commercial property lines. In addition, SCOR s specialized excess of loss coverage also provides catastrophe loss protection to cedents.

Casualty. The Group s proportional and non-proportional casualty treaty reinsurance business includes auto liability and general third party liability coverage, as well as the liability components of both homeowners and general commercial coverage. Auto liability reinsurance covers bodily injury and third party property and other liability risks arising from both private passenger and commercial fleet auto coverage.

Marine, Aviation and Transportation. The Group s marine, aviation and transportation treaty business relates primarily to ocean and inland marine risk, as well as a limited amount of commercial aviation coverage.

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

Facultatives and Large Corporate Accounts

The second sub-segment of the Non Life segment is Facultatives and Large Corporate Accounts, which we refer to as SCOR Business Solutions, or SBS. SBS consists of six industrial sectors: energy & utilities, new technologies, including a unit dedicated to space risks, finance & services, industry, contracting & major projects and large facultatives in three geographic areas: Europe, Asia Pacific and North America. SBS consists

mostly of facultative business, which is written by specialized underwriting teams. It was reorganized in 2000 to cover the activities of corporate buyers seeking global risk financing solutions that combine traditional risk coverage and alternative financing. It shares risks on a proportional or non-proportional basis with cedents for large, complex industrial or technical

risks, such as automotive assembly lines, semiconductor manufacturing plants, oil and gas or chemical facilities, oil and gas exploration and production sites, energy facilities, and boiler and machinery installations.

The Group s large facultative business is primarily written in property, as well as, to a lesser degree, in the liability, transportation, space and construction classes of business. SBS also writes casualty facultative business, which encompasses commercial fleet auto coverage, workers compensation, fraud and commercial third party liabilities.

Space and transportation facultative coverage is written particularly in the areas of space and offshore risks, and requires the application of sophisticated, highly technical risk analysis and underwriting criteria. 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 cedents, brokers, insureds, risk managers and project sponsors in optimizing the combination of risk management techniques and insurance solutions.

Industrial clients are particularly sensitive to the ratings of the reinsurers who are covering their risks. See Item 3.D. Risk Factors Ratings are important to our business.

Credit, Surety & Political Risks

SCOR s Credit, Surety and Political Risks business is conducted by teams based primarily in Europe and to a lesser extent in the United States. In credit insurance contracts, the insurer covers risks of loss due to non-payment of debts, while in surety insurance contracts, the insurer acts as guarantor to pay, or make pay, a debt. Political risks insurance covers risks of loss as a result of measures taken by governments or governmental entities jeopardizing a sales contract or an obligation.

Alternative Reinsurance

SCOR s ART business has been limited to underwriting within its Bermudan subsidiary, Commercial Risk Partners, and has been in run-off since January 2003.

Life/Accident & Health

Life/Accident & Health reinsurance includes life reinsurance products, as well as personal casualty reinsurance, namely accident, disability, health, unemployment and long-term care.

Life. The Group s Life business, written primarily on a proportional and non-proportional treaty basis, provides life reinsurance coverage with respect to individual and group life, reinsurance of annuity-based products, and longevity reinsurance, to primary life insurers and pension funds.

Accident, disability, health, unemployment and long-term care. The segments of this business are written primarily on a proportional treaty basis.

Distribution by geographic area

In 2004, SCOR generated approximately 60% of its gross premiums written in Europe, with significant market positions in France, Germany, Spain and Italy, 19% of its gross premiums written in North America, including Bermuda and the Caribbean region and 21% of its gross premiums written in Asia and the rest of the world.

As part of its strategic reassessment in 2002, the Group has pursued and is continuing to pursue the reorientation of its Non Life business portfolio by geographic zone, particularly by a deliberate reduction of underwriting in the United States. The strategic reorientation pursued since September 2002 has allowed the Group to write better quality business. As a result of its efforts, SCOR reduced the percentage of Non Life premium income in the U.S. from approximately 37% in the year ended December 31, 2002 to approximately 16% in the year ended December 31, 2003 and approximately 9% in the year ended December 31, 2004, while increasing the percentage

---

of Non Life premium income in Europe from approximately 42% in the year ended December 31, 2002 to approximately 53% in the year ended December 31, 2003 and approximately 60% in the year ended December 31, 2004. In connection with its Asian operations, SCOR has submitted a file for converting its representation bureau in Beijing into a subsidiary and on April 16, 2004 obtained a license for its Seoul bureau to be converted into a branch.

The following table shows the distribution of the Group s gross Life and Non Life premiums written by geographic area:

Gross Premiums Written by Geographic Area(1)

	Year ended December 31,					
	2002 (Restated)		2003 (Restated)		2004	
	EUR	%	EUR	%	EUR	%
	(EUR figures in millions)					
Total Europe	2,217	45%	1,925	58%	1,355	60%
France	840	17%	720	22%	480	21%
Europe (Outside of France)	1,377	28%	1,205	36%	875	39%
North America	1,934	39%	822	25%	430	19%
Asia-Pacific and Other International	763	16%	559	17%	460	21%
Total	4,914	100%	3,306	100%	2,245	100%

_____

(1) Premiums are allocated by geographic area based on information received by the Group from its cedents concerning the primary location of the cedents underlying insured risks.

RATINGS

Ratings are important to all reinsurance companies, including SCOR, as ceding companies will seek reinsurance from institutions with a higher quality financial standing. Our Life reinsurance business and large facultative and direct underwriting areas are particularly sensitive to the way our clients and ceding companies perceive our financial strength as well as to our credit ratings. See Item 3.D. Risk Factors Ratings are important to our business.

Our current solicited Group ratings by Standard & Poor s, A.M. Best Co. (A.M. Best) and Moody s are as follows:

	Insurer Financial Strength	Senior Debt	Subordinated Debt
Standard & Poors November 9, 2004	BBB+ (positive outlook)	BBB+ (positive outlook)	BBB (positive outlook)
AM Best December 1st, 2004	B++ (positive outlook)	bbb (positive outlook)	bbb (positive outlook)
Moody s December 7, 2004	Baa2 (positive outlook)	Baa3 (positive outlook)	Ba2 (positive outlook)

In November 2004, Standard & Poor s Rating Services revised its outlook on SCOR and guaranteed subsidiaries rating to positive from stable. At the same time, SCOR s BBB+ ratings for insurer financial strength and senior debt were affirmed.

In December 2004, A.M. Best affirmed the financial strength rating of B++ (Very Good) of SCOR (Paris) and its core subsidiaries and assigned an issuer credit rating of bbb+ to these companies. The rating on SCOR s commercial paper program has been affirmed. The outlook for all these ratings has been changed to positive from stable.

11

In December 2004, Moody s Investors Service announced that it had upgraded SCOR s Insurance Financial Strength Rating to Baa2 from Baa3, Senior Debt Rating to Baa3 from Ba2, and Subordinated Debt Rating to Ba2 from Ba3. These ratings all have a positive outlook.

12

UNDERWRITING, RISK MANAGEMENT AND RETROCESSION

Underwriting

Consistent with its strategy of selective market and business segment development, the Group seeks to maintain a portfolio of business risks that is strategically diversified both geographically and by line and class of business. Consistent with the Moving Forward plan, SCOR has sought to reduce its exposure to the U.S. market by declining to underwrite large national insurers. SCOR furthered the geographic rebalancing of its business in 2004 by reducing the percentage of Non Life premium income in the U.S. from approximately 37% in the year ended December 31, 2002 to approximately 16% in the year ended December 31, 2003 and approximately 9% in the year ended December 31, 2004, while increasing the percentage of Non Life premium income in Europe from approximately 42% in the year ended December 31, 2002 to approximately 53% in the year ended December 31, 2003 and approximately 60% in the year ended December 31, 2004. In addition, the Company has centrally established underwriting guidelines for its subsidiary companies to ensure the diversification and management of risk with respect to its business by line and class of business.

The Group s underwriting is conducted through Property-Casualty Treaty and Facultative and Large Corporate Accounts underwriting teams in its Non Life segment and through its Life underwriting team, with the support of technical departments such as actuarial, claims, legal, retrocession and accounting.

Underwriting, actuarial, accounting and other support staff are located in the Group s Paris headquarters as well as in local subsidiaries and branches. While underwriting is carried out at decentralized subsidiary or division level, the Group s overall exposure to particular risks and in

particular geographic zones is centrally monitored from Paris.

Property-Casualty Treaty underwriters manage client relationships and offer reinsurance support after a careful review and assessment of the cedents underwriting policy, portfolio profile, exposures and management procedures. They are responsible for writing treaty business as well as small facultative risks in their respective territories within the limits of their delegated underwriting authority and the scope of underwriting guidelines approved by the Group general management.

The underwriting teams are supported by a technical underwriting unit based in the Group head office. The technical underwriting unit provides worldwide treaty and small facultative underwriting guidelines, the delegation of capacity, underwriting support to specific classes or individual risks when required, ceding company portfolio analyses and risk surveys.

The underwriting teams are also supported by a Group actuarial unit responsible for pricing and reserving methods and tools to be applied by the actuarial units based in the treaty operating units. The Group audit department conducts frequent underwriting audits in the operating units.

Most facultative underwriters belong to the Group s SCOR Business Solutions integrated division, which operates on a worldwide basis, from four underwriting centers in Paris, London, New York and Singapore and with underwriting entities located in certain of the Group s subsidiaries and branches. This division is dedicated to large corporate business and is geared to provide its clients with solutions for conventional risks. Small Property and Casualty facultative underwriting is handled by the Property-Casualty Treaty underwriting team.

Life underwriting within the Group is under the worldwide responsibility of SCOR VIE. Our Life clients are life or accident and health insurance companies worldwide. They are served by specialized Life underwriters familiar with the specific features of each of the markets in which they operate, including mortality tables, morbidity risks, disability and pension coverage, product development, financing and specific market coverage and policy conditions. Life underwriting consists of the consideration of many factors, including the type of risks to be covered, ceding company retention levels, product and pricing assumptions and the ceding company s underwriting standards and financial strength.

Life underwriters worldwide are supported by the Life Underwriting Department, or LUD, which coordinates underwriting activities at the Group level and conducts underwriting audits in the operating units, and by the Technical and Development Department, or TDD, responsible for pricing tools, reserving rules, product development and retrocession. These two departments set the underwriting guidelines, which are approved by the Underwriting Innovation Committee, comprising SCOR Vie General Management, and the heads of underwriting units LUD and TDD. This Committee periodically reviews and updates the four levels of underwriting authority delegated to each underwriter.

Catastrophe Risk and Exposure Controls

Like other reinsurance companies, SCOR is exposed to multiple insured losses arising out of a single occurrence, whether a natural event such as a hurricane, windstorm, flood, hail or severe winter weather storm or an earthquake, or a man-made catastrophe such as an explosion or fire at a major industrial facility or an act of terrorism. Any such catastrophic event could generate insured losses in one or many of SCOR s lines of business.

In 2004, SCOR, like most other reinsurers, was adversely affected by the unusually high frequency of natural catastrophes around the world, including four hurricanes in the United States and the Caribbean and a number of typhoons in Asia. Hurricanes Ivan, Charley, Frances and Jeanne produced an estimated aggregate pre-tax catastrophic loss for the Group, gross of retrocession, of EUR 34 million by the year end. Similarly, Typhoon Songda produced an estimated pre-tax catastrophic loss for the Group, gross of retrocession, of EUR 30 million, while Typhoons Rananim and Chaba, as well as the tsunami in December 2004 had an estimated aggregate pretax catastrophic loss for the Group, gross of retrocession, of approximately EUR 12 million. The aggregate catastrophic loss for these events for the year ended December 31, 2004 is estimated by the Group, before tax and retrocession, at EUR 76 million.

In 2003, SCOR experienced no major natural catastrophic losses, the largest one being the storms in the Midwest of the U.S. for a cost of approximately EUR 20 million as of December 31, 2004, net of retrocession, down from the EUR 30 million reported in 2003.

During the summer of 2002, the catastrophic floods in Central Europe affecting the Czech Republic, Germany and Austria produced a pre-tax catastrophe loss for the Group, net of retrocession, of EUR 95 million for 2002. These events did not produce additional loss for the Group in 2004. Typhoon Rusa in Korea in August 2002, the flooding in the southeast of France in September 2002 and the windstorm Jeannet in Northern Europe in October 2002 did not have any new material impact on SCOR in the year ended December 31, 2004.

SCOR carefully evaluates its potential natural event and other risk accumulation for its entire property business at the head office level, including exposures underwritten by its subsidiaries worldwide. Pursuant to overall guidelines and procedures established from the Paris headquarters, each subsidiary monitors its own accumulation for the relevant country or region, and the Accumulation Department based in Paris centrally consolidates the results for the Group.

SCOR employs various techniques, depending upon the region and peril, to assess and manage its accumulated exposure to property natural catastrophe losses in any one region of the world and quantifies that exposure in terms of its potential maximum loss. SCOR defines this as its anticipated maximum loss, taking into account contract limits, caused by a single catastrophe affecting a broad contiguous geographic area, such as that caused by a windstorm, a hurricane or an earthquake, occurring within a given return period. SCOR estimates that its current Group-wide potential maximum loss from natural catastrophe events, before retrocessional reinsurance, is related primarily to earthquake risks in Japan, Italy, Taiwan, Chile, Israel, Turkey and Portugal and wind and other weather-related risks concentrated primarily in North America, Europe and Asia.

The following table summarizes the main projected natural catastrophe exposures of the Group by geographic area:

Range of Potential Catastrophe Exposure(1)	**Subject countries as of December 2004**
	(EUR, in millions)
100 to 200	Canada, Colombia, Greece, Peru, United States, Mexico
200 to 300	Chile, Israel, Italy, Portugal, Taiwan, Turkey
300 and over	Japan, Europe

(1) Calculated on a potential maximum loss basis for a given return period before retrocession.

For more than 15 years, SCOR has been using its own internally-developed and regularly updated software program for evaluating earthquake potential maximum losses for 20 countries. SCOR currently utilizes SERN for the simulation of events and of their consequential damages. SERN (*Système d Evaluation des Risques Naturels* or Natural Risks Evaluation System) is an enhancement of existing models initiated in 1997 by SCOR and partners from prominent research institutes and recognized private IT companies. This software program is linked directly to our worldwide database and available to all of SCOR s subsidiaries and operating units. As of December 31, 2004, SERN was operational for earthquake exposure in Australia, Algeria, Canada, Chile, Colombia, Greece, Indonesia, Israel, Jordan, Italy, Japan, Mexico, New Zealand, Peru, Philippines, Portugal, Taiwan, Turkey, the United States and Venezuela. For

countries such as Japan and the United States, SCOR s analyses are compared with other calculations performed using programs developed by specialized independent consultants.

The potential accumulation for hurricanes in the United States is analyzed in a similar fashion, using third-party software and simulation tools. The potential accumulation for typhoons in Japan is analyzed using maximum liability for non-proportional treaties and scenarios based on Mireille, a major typhoon in Japan in 1991, for pro rata treaties. European windstorm accumulation in the treaty portfolio is also assessed by SERN, which has been adapted to analyze windstorm events and is now operational in eight European countries, reproducing past events. SCOR continues to refine its loss estimation methodologies internally with the assistance of outside consultants.

The following table sets forth certain data regarding the Group s catastrophe loss experience in each of the three years ended December 31, 2004:

	Year ended December 31,		
	2002	**2003**	**2004**
	(EUR, in millions)		
Number of catastrophes(1)	1	4	2
Incurred losses and LAE from catastrophes, gross	95(2)	78(3)	40(4)
Incurred losses and LAE from catastrophes, net of retrocession	94(2)	72(3)	40(4)
Group loss ratio(5)	97%	99%	69%
Group loss ratio excluding catastrophes	94%	96%	67%

(1) A catastrophe is defined by SCOR as an event involving multiple insured risks causing pre-tax losses, net of retrocession, of EUR 10 million or more.

(2) Catastrophic floods in Central Europe.

(3) Floods in Italy and Southwestern France, storms in the Midwestern United States and Typhoon Maemi in South Korea.

(4) Typhoon Sondga plus Hurricane Ivan.

(5) Loss incurred prior to discount on workers compensation reserves on North American operations expressed as a percentage of premiums earned.

As previously reported, incurred losses and LAE from catastrophes were EUR 670 million on a gross basis and EUR 215 million net of retrocession for the year ended December 31, 2001. Such amounts reflected the impact of the September 11 attack on the World Trade Center.

Claims

SCOR s Group Claims Division, created in April 2003, is tasked with implementing the general claims handling policy for the Group, implementing worldwide control and reporting procedures and managing commutation of claim portfolios.

The claims handling function is performed by the subsidiary Claims Departments, which initially process and monitor reported claims. The Group Claims Division supports and controls their general activity and takes over the direct management of large, litigious, serial and latent claims. Additionally, periodic audits are conducted on specific claims and lines of business and claims processing and procedures are examined at the ceding companies offices with the aim of evaluating their claims adjusting process, valuation of reserves and overall performance. Technical and legal assistance is provided to underwriters before and after accepting certain risks. When needed, recommendations are given to underwriters, local claims adjusters and management.

The main objectives of the Group Large Claims Committee, chaired by the Group Chief Operating Officer, are to review the consolidated impact of large and strategic claims and to monitor the management of such claims across lines of business and countries. It reviews on a monthly basis all reported new large and strategic claims and follows the development of all such claims.

Retrocessional Reinsurance

The Group retrocedes a portion of the risks it underwrites in order to control its exposures and losses, and pays premiums based upon the risks and exposures of its facultative and treaty acceptance, subject to such retrocession reinsurance. The Group generally limits retrocession to catastrophe and property large risks. Retrocession reinsurance is subject to collectibility in all cases where the original business accepted by the

Group suffers from a loss. The Group remains primarily liable to the direct insurer on all risks reinsured although the retrocessionaire is liable to the Group to the extent of the reinsurance limits purchased. The Group then monitors the financial condition of retrocessionaires on an ongoing basis. In recent years, the Group has not experienced any material difficulties in collecting recoverable amounts from its retrocessional reinsurers. The Group reviews its retrocession arrangements periodically, to ensure that they fit closely to the development of its business.

Retrocession procedures are centralized in the retrocession department of the non life sector. The Group utilizes a variety of retrocession agreements with non-affiliated retrocessionaires to control its exposures to large property losses. In particular, the Group has implemented an overall program set in place on an annual basis that provides partial coverage for up to three major catastrophic events within one occurrence year. A major event is likely to be a natural catastrophe such as an earthquake, a windstorm, a hurricane or a typhoon in a region where the Group has major aggregate exposures stemming from the business written.

IRP Holdings was established in December 2001 to reinsure (as a retrocessionaire) 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%. The relevant quota share agreements were terminated with effect from January 1, 2005, and IRP Holdings minority shareholders must exit IRP not later than May 31, 2006. SCOR s initial ownership interest in IRP Holdings was 41.70%, and increased to 53.35% as of June 30, 2003. IRP Holdings has been fully consolidated with SCOR since fiscal year 2001. For more information on IRP Holdings, see Item 9.A. The Offer and Listing IRP and Item 8.A. Consolidated Statements and Other Financial Information Legal Proceedings.

On December 28, 2001, the Group purchased a USD 150 million multi-year reinsurance cover, to provide coverage against the occurrence of an earthquake in California or in Japan, or a severe windstorm in Northern Europe, subject to a limit of USD 100 million per occurrence. The contract, provided by Atlas Reinsurance II p.l.c., a public limited company incorporated under the laws of Ireland, protected SCOR s property and construction business for a period of three years from January 1, 2002 to December 31, 2004. Atlas Reinsurance II p.l.c. issued two classes of notes for a total of USD 150 million with principal reduction contingent on the parametric model designed by Risk Management Solutions (RMS) based on SCOR s exposure. This coverage expired on December 31, 2004, and the notes were redeemed pursuant to the agreement on the scheduled redemption date on January 7, 2005. Atlas II is in the course of being liquidated.

RESERVES

Significant periods of time may elapse between the occurrence of an insured loss, the reporting of the loss to the ceding company and the reinsurer and the ceding company s payment of that loss and subsequent payments to the ceding company by the reinsurer. To recognize liabilities for unpaid losses, LAE and future policy benefits, insurers and reinsurers establish reserves, which are balance sheet liabilities representing estimates of future amounts needed to be paid in respect of not yet reported (IBNYR) and not enough reserved (IBNER) claims that are incurred but not yet reported, which are referred to as IBNR, and related expenses.

The Group maintains reserves to cover its estimated ultimate liability for losses and LAE with respect to reported and not yet reported claims. Because reserves are estimates of ultimate losses and LAE, management monitors reserve adequacy over time, evaluating new information as it becomes known and adjusting reserves, as necessary. Management considers many factors when setting reserves, including the following:

information from ceding companies;

historical trends, such as reserving patterns, loss payments, pending levels of unpaid claims and product mix;

internal methodologies that analyze the Group s experience with similar cases;

current legal interpretations of coverage and liability; and

economic conditions.

Based on these considerations, management believes that adequate provision has been made for the Group s Life and Non Life loss and LAE reserves as of December 31, 2004. In the Life business the reserves totaled EUR 2,635 million (net of retrocession) as of December 31, 2004 and the Non Life loss and LAE reserves totaled EUR 5,583 million as of December 31, 2004. Actual loss and LAE paid may deviate, perhaps significantly, from such reserves. To the extent reserves prove to be insufficient to cover actual losses and LAE after taking into account available retrocessional coverage, the Group would have to augment such reserves and incur a charge to earnings which could have a material adverse effect on the Group s consolidated financial condition and results of operations. See Item 3.D. Risk Factors If our reserves prove to be inadequate, our net income, results of operations and financial condition may be adversely affected.

The Group Chief Risk Officer conducted an appraisal of the technical reserves as at December 31, 2004, based on reports by internal and external actuaries.

General

Non Life business

As part of the reserving process, insurers and reinsurers review historical data and anticipate the impact of various factors such as legislative enactments and judicial decisions that may tend to affect potential losses from casualty claims, changes in social and political attitudes that may increase exposure to losses, mortality and morbidity trends and trends in general economic conditions. This process assumes that past experience, adjusted for the effects of current developments, is an appropriate basis for anticipating future events. The reserving process implicitly recognizes the impact of inflation and other factors affecting losses by taking into account changes in historical claim patterns and perceived trends. There is no precise method, however, for subsequently evaluating the impact of any specific item on the adequacy of reserves, because the eventual deficiency or redundancy of reserves is affected by many factors.

The Group periodically reviews and updates its methods of determining the IBNR reserves. Estimation of loss reserves is a difficult process, however, especially in view of changes in the legal and tort environment that may impact the development of loss reserves. While the reserving process is difficult and subjective for ceding companies, the inherent uncertainties of estimating such reserves are even greater for reinsurers, due primarily to the longer time between the date of an occurrence and the reporting of any attendant claims to the reinsurer, the diversity of

development patterns among different types of reinsurance treaties or facultative contracts, the necessary reliance on the ceding companies for information regarding reported claims and differing reserving practices among ceding companies. In addition, trends that have affected development of liabilities in the past may not necessarily occur or affect liability development to

---

the same degree in the future. Thus, actual losses, LAE and future policy benefits may deviate, perhaps significantly, from estimates of reserves reflected in the Group s consolidated financial statements.

When a claim is reported to the ceding company, its claims personnel establish a case reserve for the estimated amount of the ultimate settlement, if any, with respect to such claim. The estimate reflects the judgment of the ceding company s claims personnel, based on its reserving practices. The ceding company reports the claim to the Group entity from which it obtained the reinsurance, together with the ceding company s suggested estimate of the claim s cost. The Group records the ceding company s suggested reserve and may establish additional reserves based on review by the Group s claims department and internal actuaries. Such additional reserves are based upon the consideration of many factors, including coverage, liability, severity and the Group s assessment of the ceding company s ability to evaluate and handle the claim.

In accordance with industry practice, the Group maintains IBNR reserves. IBNR reserves are actuarially determined and reflect the ultimate loss amount which may have to be paid by the Group on claims for events and circumstances which have occurred but which have not yet been reported either to the ceding company or to the Group, and the expected change in the value of those claims, which have already been reported to the Group.

In its actuarial determination of IBNR reserves, the Group uses generally accepted actuarial reserving techniques that take into account quantitative loss experience data, together with, where appropriate, qualitative factors. IBNR reserves are also adjusted to reflect changes in the volume of business written, reinsurance contract terms and conditions, the mix of business and claims processing that can be expected to affect the Group s liability for losses over time. The Group does not discount Non Life reserves, except for most of CRP s reserves and certain reserves associated with workers compensation that are discounted pursuant to applicable U.S. and Bermudian regulation.

Life business

In the Life area, reserves for future policy benefits and claims are established based upon the Group s best estimates of mortality, morbidity, persistency and investment income, with provision for adverse deviation. The liabilities for future policy benefits established by the Group with respect to individual risks or classes of business may be greater or less than those established by ceding companies due to the use of different mortality and other assumptions. Reserves for policy claims and benefits include both mortality and morbidity claims in the process of settlement and claims that have been incurred but not yet reported. Actual experience in a particular period may be worse than assumed experience and, consequently, may adversely affect the Group s operating results for such period.

Catastrophe Equalization Reserves

In addition to loss, LAE, future policy benefits and IBNR reserves, under French GAAP and pursuant to applicable French insurance regulations, and in the case of certain non-French subsidiaries pursuant to applicable local regulations, SCOR is required to establish certain equalization reserves for future catastrophes and other losses. These reserves are generally established by setting aside in each year a specified portion of underwriting gains, if any, for such year, subject to specified aggregate limits based on premium volumes in lines of business affected by catastrophes or other events. These reserves are not recorded as liabilities in the financial statements prepared in accordance with U.S. GAAP. The U.S. GAAP financial statements do, however, include an allocation of retained earnings to a catastrophe reserve recorded as an account in shareholders equity. Retained earnings allocated to the catastrophe reserve represent amounts expensed as catastrophe coverage premium expense under French GAAP but not under U.S. GAAP. Because such amounts have been expensed for French accounting purposes, these amounts are not distributable as dividends and consequently have been shown as an allocation of retained earnings in the U.S. GAAP financial statements.

Changes in Historical Reserves

The table below shows changes in historical loss reserves, on a U.S. GAAP basis, for the Group s Property-Casualty operations for 1995 and subsequent years, net of retrocessional reinsurance. The Group s reinsurance contracts are generally written on an underwriting year basis and the Group maintains its records on this same basis. As compared to loss development tables presented on an accident year basis by U.S. registrants, presentation on an underwriting year basis accelerates the timing of the presentation of loss reserve development by moving development of losses that actually occur in an accident year subsequent to the end of the applicable underwriting year back into such underwriting year. As discussed in the third paragraph below, the Company s underwriting year loss development data is, as a result, not fully comparable with accident year data presented by U.S. registrants.

The top line of the table shows the initial estimated gross reserves for unpaid losses and LAE recorded at each year-end date, as well as the amount of such initial reserve. The upper (paid) portion of the table presents the cumulative amounts paid through each subsequent year on those claims for which reserves were carried as of each specific year-end. The lower (liability re-estimated) portion shows the re-estimated amount of the previously recorded reserves, net of retrocession, based on experience as of the end of each succeeding year. The estimate changes as more information becomes known about the actual claims for which the initial reserves were created. The cumulative redundancy/deficiency line represents the cumulative change in estimates since the initial reserve was established. It is equal to the latest liability re-estimated amount less the initial reserve.

An underwriting year reinsurance contract reinsures losses incurred on underlying insurance policies that begin at any time during the reinsurance contract term. This means that, if both the underlying insurance contracts and the reinsurance contract have twelve-month terms, the reinsurance contract will cover underlying losses occurring over a twenty-four month period. For example, if an underwriting year reinsurance contract term was from January 1 to December 31, 2004, it would cover underlying policies with terms beginning on both January 1, 2004 and December 31, 2004. Losses incurred on underlying policies beginning on January 1, 2004 could occur as early as January 1, 2004 while losses incurred on underlying policies beginning on December 31, 2004 could occur as late as December 30, 2005.

For purposes of the loss reserve development table, the Group has assigned all losses incurred under reinsurance contracts written in a particular year to that year, even though some of those losses may not have been incurred until twelve months after the end of the year. Since losses have been so assigned, the reserve re-estimated x years later set forth in the table includes all those losses incurred during the x years following the reference year, but related to an underwriting year prior to and including the reference year. As a result, the amounts on the line labeled cumulative redundancy/ (deficiency) before premium development in the loss development tables are not a precise indication of the adequacy of the initial reserves that appear on the first and third lines of the tables.

This has been partially corrected by inclusion in the line labeled premium development of all the premiums attributable to the underwriting year and which are earned in subsequent years. Such earned premiums are comprised primarily of amounts included in the unearned premium reserves at the end of a given reference year and which are progressively earned during the years following such reference year, but also include experience rated premiums received under certain reinsurance contracts written in such underwriting year. The Group does not specifically segregate experience rated premiums in its accounting systems, but management does not believe such amounts are material. This presentation permits a comparison of the reserves for claims and claims expenses as initially established with the re-estimated reserves for claims and claims expenses, which have been adjusted for the effect of claims and claims expenses incurred subsequent to the reference year-end. While the resulting adjusted cumulative redundancy/deficiency is not a precise measurement and is not fully comparable to the amounts that would be determined using accident year data, management believes it to be a reasonable indication of the adequacy of the Group s loss and LAE reserves as recorded in its consolidated financial statements as of the referenced year ends.

The following tables present ten-year loss development on a U.S. GAAP basis and a three-year reconciliation of beginning and ending reserve balances on a U.S. GAAP basis. The U.S. GAAP loss development data is presented on an underwriting year basis, while the reserve reconciliation data represents the Company s allocation of incurred and paid losses and LAE between current and prior years on a calendar year basis. See also Note 18 to the consolidated financial statements.

Ten-Year Loss Development Table Presented Net of

Reinsurance with Supplemental Gross Data (U.S. GAAP)(1)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Initial gross reserves for unpaid loss and LAE	2,760	2,600	3,361	3,723	3,942	4,774	5,575	8,365	7,966	7,004	6,119
Initial retroceded reserves	351	234	316	306	337	421	507	1,448	1,033	673	536
Initial net reserves	2,409	2,366	3,045	3,417	3,605	4,353	5,068	6,917	6,933	6,331	5,583
Paid (Cumulative) as of: (2)											
One year later	354	420	654	874	1,040	1,399	1,807	2,514	2,627	1,426	
Two years later	717	901	1,136	1,440	1,570	2,294	3,163	3,614	3,736		
Three years later	1,054	1,188	1,405	1,778	1,946	3,046	4,390	3,575			
Four years later	1,292	1,368	1,599	2,015	2,356	3,606	5,027				
Five years later	1,431	1,505	1,731	2,306	2,626	4,028					
Six years later	1,542	1,590	1,953	2,488	2,874						
Seven years later	1,613	1,779	2,073	2,646							
Eight years later	1,777	1,871	2,176								

Nine years later	1,853	1,948								
Ten years later	1,923									
Eleven years later										
Reserve re-estimated as of:(3)										
One year later	2,595	2,630	3,458	3,690	4,057	4,996	5,938	8,030	8,344	6,466
Two years later	2,665	2,733	3,411	3,772	4,082	5,278	6,358	8,699	7,984	
Three years later	2,767	2,702	3,401	3,810	4,117	5,446	7,385	8,794		
Four years later	2,758	2,692	3,404	3,807	4,209	5,952	7,412			
Five years later	2,748	2,675	3,379	3,887	4,479	5,962				
Six years later	2,722	2,653	3,429	4,002	4,454					
Seven years later	2,711	2,711	3,522	3,990						
Eight years later	2,777	2,792	3,507							
Nine years later	2,834	2,780								
Ten years later	2,823									
Eleven years later										
Cumulative redundancy/(deficiency) before premium development	(414)	(414)	(462)	(573)	(849)	(1,609)	(2,344)	(1,877)	(1,052)	(136)
% before premium development	(17)%	(18)%	(15)%	(17)%	(24)%	(37)%	(46)%	(27)%	(15)%	(2)%
Premium development	245	229	361	343	390	487	942	1,215	676	339
Cumulative redundancy/(deficiency) after premiums development	(169)	(185)	(101)	(230)	(459)	(1,122)	(1,402)	(662)	(376)	203
Percentage	(7)%	(8)%	(3)%	(7)%	(13)%	(26)%	(28)%	(10)%	(5)%	3%
Gross re-estimated liability at December 31, 2004	3,328	3,134	4,020	4,700	5,181	7,113	8,639	12,841	9,702	7,532
Re-estimated receivable at December 31, 2004	505	354	513	710	727	1,151	1,227	4,047	1,718	1,066
Net re-estimated liability at December 31, 2004	2,823	2,780	3,507	3,990	4,454	5,962	7,412	8,794	7,984	6,466
Gross cumulative redundancy/(deficiency) before premium development	(568)	(534)	(659)	(977)	(1,239)	(2,339)	(3,064)	(4,476)	(1,736)	(529)
Gross premium adjustments	288	281	332	366	360	459	784	1,154	735	495
Gross Cumulative redundancy/(deficiency) after premiums development	(280)	(253)	(327)	(611)	(879)	(1,880)	(2,280)	(3,322)	(1,001)	(34)
Percentage	-10.15%	-9.74%	-9.74%	-16.41%	-22.31%	-39.38%	-40.90%	-39.71%	-13%	-0.49%

_____

(1) Initial gross, initial retroceded and initial net reserves are shown on a U.S. GAAP basis. Paid (cumulative) amounts and reserves re-estimated amounts are shown on an underwriting year basis, consistent with the reporting practices of the Company and its cedents, particularly in the European market.

(2) Cash commutation payments (i) received in 1993 of EUR 60 million and in 1994 of EUR 129 million and (ii) paid in 1994 of EUR 48 million have been excluded from the paid (cumulative) amounts presented.

The EUR 260 million North American portfolio acquired in 1996 has been excluded from the paid (cumulative) amount presented for the years concerned.

(3)

Re-estimated gross claims reserves for a given underwriting year are reduced by the amount of any premiums earned subsequent, but related, to that underwriting year, including experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.

Reconciliation of Reserves for Losses and LAE (U.S. GAAP)

	Year ended December 31,		
	2002 (Restated)	2003 (Restated)	2004
	(EUR, in millions)		
Reserves for losses and LAE at beginning of year, net	6,917	6,933	6,331
Effect of changes in foreign currency exchange rates	(745)	(656)	(203)
Effect of claims portfolio transfer and other reclassifications	107	31	9
Incurred related to:			
Current year	2,802	1,661	1,002
Prior years	660	1,078	174
Total incurred losses and LAE(1)	3,462	2,739	1,176
Paid related to:			
Current year	450	316	116
Prior years	2,358	2,400	1,614
Total paid losses and LAE(1)	2,808	2,716	1,730
Reserves for losses and loss expenses at end of year net	6,933	6,331	5,583
Reinsurance recoverable on unpaid losses	1,033	673	536
Reserves for losses and loss expenses at end of year gross	7,966	7,004	6,119

(1) Initial gross, initial retroceded and initial net reserves are shown on a U.S. GAAP basis. Paid (cumulative) amounts and reserve re-estimated amounts are shown on a calendar year basis.

Commutations

In 2003, CRP s reserves were reduced on the balance sheet by approximately EUR 577 million, due to two significant commutations. These commutations in 2003 reduced the Group results of operations for the year ended December 31, 2003 by approximately EUR 26 million, before taxes.

In 2004, the reduction in reserves on the balance sheet due to significant commutations amounted to approximately EUR 26 million at CRP, and approximately EUR 60 million at SCOR U.S. The commutations in 2004 did not have a material effect on the Group results of operations for the year ended December 31, 2004.

Asbestos and environmental

The Group s reserves for losses and LAE include an estimate of its ultimate liability for asbestos and environmental claims for which an ultimate value cannot be estimated using traditional reserving techniques and for which there are significant uncertainties in estimating the amount of the Group s potential losses. SCOR and its subsidiaries have received and continue to receive notices of potential reinsurance claims from ceding insurance companies which have in turn received claims asserting environmental and asbestos losses under primary insurance policies, in part reinsured by Group companies. Such claims notices are frequently merely precautionary in nature and generally are unspecific, and the primary insurers often do not attempt to quantify the amount, timing or nature of the exposure. Due to the imprecise nature of these claims, the uncertainty surrounding the extent of coverage under insurance policies and whether or not particular claims are subject to an aggregate limit, the number of occurrences involved in particular claims and new theories of insured and insurer liability, we can, like other reinsurers, only give a very approximate estimate of our potential exposures to environmental and asbestos claims that may or may not have been reported. Nonetheless, due to the changing legal and regulatory environment, including changes in tort law, the final cost of our exposure to asbestos-related and environmental claims may be increasing in undefined proportions. Diverse factors could increase our exposure to the consequences of asbestos-related risks, such as an increase in the number of claims filed or in the number of persons likely to be covered by these claims. These uncertainties inherent to environmental and asbestos claims are unlikely to be resolved in the near future, despite several aborted regulatory attempts in the U.S. for containing the overall costs related to asbestos. Evaluation of these risks is all the more difficult given that claims related to asbestos

---

and environmental pollution are often subject to payments over long periods of time. In these circumstances, it is difficult for us to estimate the reserves that should be recorded for these risks and to guarantee that the amount reserved will be sufficient.

Case reserves have been established when sufficient information has been developed to indicate the involvement of a specific reinsurance contract. In addition, incurred but not reported reserves have been established to provide for additional exposure on both known and unasserted claims. These reserves are reviewed and updated continually. In establishing liabilities for asbestos and environmental claims, management considers facts currently known and the current legal and tort environment. The Group may be required to increase the reserves in future periods if evidence becomes available to support that the latent claims will develop above the recorded amounts. As a result of all these uncertainties, it cannot be excluded that the final settlement of these claims may have a material effect on the Group s results of operations and financial condition.

See Item 3.D. Risk Factors We could be subject to losses as a result of our exposure to environmental and asbestos-related risks .

The following table shows information related to the Group s asbestos and environmental gross claims reserves and LAE paid:

	Year ended December 31,					
	Asbestos(1)			Environmental(1)		
	2002	2003	2004	2002	2003	2004
	(EUR, in millions)					
Gross Non Life claims reserves, including IBNR reserves	157	109	98	88	59	54
% of total loss and LAE reserves	2%	1.5%	1.6%	1.1%	0.8%	0.9%
Non Life claims and LAE paid	7	15	15	71	13	5
% of the Group s total net property-casualty claims and LAE paid	0.3%	0.6%	0.9%	2.5%	0.5%	0.3%

(1) Asbestos and environmental (A&E) reserve data includes SCOR s estimated A&E exposures in respect of its participation in the Anglo French Reinsurance Pool, for which A&E exposures for the years shown were as follows:

The 2002 reserves were EUR 30 million and EUR 28 million for asbestos and environmental, respectively. The 2002 paid claims and LAE were EUR 0.8 million and EUR 0.7 million for asbestos and environmental, respectively.

The 2003 reserves were EUR 19 million and EUR 18 million for asbestos and environmental, respectively. The 2003 paid claims and LAE were EUR 0.6 million and EUR 0.9 million for asbestos and environmental, respectively.

The 2004 reserves were EUR 18 million and EUR 16 million for asbestos and environmental, respectively. The 2004 paid claims and LAE were EUR 0.3 million and EUR 0.3 million for asbestos and environmental, respectively.

More generally, SCOR has developed a policy of buying back its longstanding liabilities on asbestos and environmental exposures whenever the possibility exists to do so on a commercially reasonable basis, whenever SCOR determines, based on its assessment of the potential exposure of the Group based on actuarial techniques and market practices, that the terms of the final negotiated settlement are attractive in light of the possible development of future liabilities. Preference is given to selected treaties with regard to specific circumstances such as the maturity of claims, the level of claims information available, the status of cedents and market settlements. SCOR s exposure to asbestos was reduced in 2004 by EUR 9.3 million compared to 2003, due to commutations. Environmental exposure also decreased by EUR 2.5 million over the same period for the same reason. It is the intention of management that this commutation policy be further pursued and developed in 2005 and in subsequent years. It is anticipated that the policy will affect settlement patterns to a limited degree in future years. Although the changes in settlement patterns may improve predictability and reduce potential volatility in the reserves, they may also have an adverse effect on the Group s cash flows linked to these reserves.

SCOR s exposure to asbestos and environmental liabilities stems from its participation in both proportional and non-proportional treaties and in facultative contracts which have generally been in run-off for many years.

Proportional treaties typically provide claims information on a global treaty basis, and as a result specific claims data is rarely available. With respect to non-proportional treaties and facultative contracts, normal market practice is to provide a specific proof of loss for each individual claim, making it possible to record total claims notified for such contracts. With respect to environmental exposures, most of SCOR s identified claims stem from its U.S. subsidiary operations, with less significant amounts recorded by its European subsidiaries.

When applicable, LAE are part of the claims submitted by cedents and as such are included in the figures above for both asbestos and environmental exposures.

	Year ended December 31, 2004	
	Asbestos	**Environmental**
Number of claims notifications with respect to non-proportional treaties and facultative contracts	7,725	7,116
Average cost per claim(1)	EUR 13,298	EUR 4,556

(1) Not including claims that were settled at no cost, and claims of a precautionary nature not quantified in amount.

INVESTMENTS

General

SCOR s overall investment strategy is to achieve satisfactory returns on managed assets with minimal exposure to risk. This investment strategy also reflects the structure of SCOR s liability profile, and the duration of the assets of each subsidiary is generally established based upon the expected duration of liabilities. At December 31, 2004, the weighted average duration of the Group s fixed maturity portfolio was approximately 6.2 years. See Changes in Historical Reserves for a discussion of the expected duration of the Group s reinsurance liabilities, and the tabular summary of the Group s fixed maturities by remaining contract maturity, set forth in Note 4 to the consolidated financial statements, for information concerning the duration of the Group s assets. As a general practice, the Group does not invest in derivative securities for the purpose of managing the relative duration of its assets and liabilities. Similarly, assets are generally invested in currencies corresponding to those in which the related liabilities are denominated in order to minimize exposure to currency fluctuations. The Group does use currency spot and forward contracts, as well as swap and other derivative contracts, to a limited extent, to manage its foreign currency exposure.

SCOR s investment policy is largely centralized. Investment guidelines are established annually and regularly reviewed and updated by the Investment Committee, subject to supervision by the Company s Board of Directors. Regular meetings of the Investment Committee are held to review portfolio performance and monitor market and portfolio developments.

The Group s portfolio consists primarily of government and government-guaranteed bonds with medium term maturities. The remainder of the portfolio is divided among equity securities, real estate and liquid and short-term assets. The Company manages its investment portfolio to maximize income and generally does not manage such portfolio for the purpose of generating capital gains, but seeks to realize capital gains or

losses when and as they become available as a result of its normal investing activities.

The following table summarizes net investment income of the SCOR Group s portfolio for 2002, 2003 and 2004. See also Note 4 to the consolidated financial statements.

Consolidated Net Investment Income

	Year ended December 31,								
	2002 (Restated)			2003 (Restated)			2004 (Restated)		
			Realized			Realized			Realized
		Pre-tax	Gains		Pre-tax	Gains		Pre-tax	Gains
	Income	Yield(1)	(Losses)	Income	Yield(1)	(Losses)	Income	Yield(1)	(Losses)
	(EUR in millions)								
Fixed maturity securities	318	5.6%	72	265	4.8%	93	244	4.4%	27
Equity securities	6	4.0%	(123)	3	1.1%	14	6	1.4%	17
Trading equity securities	39			47			3		
Short term and other (2)	105	2.6%	93	100	4.7%	10	112	4.4%	(2)
Less investment expense									
Swap interest	(17)			(8)			(7)		
Administration expense	(16)			(29)			(33)		
Other	(68)			(52)			(43)		
Total	367			326			282		

(1) Pre-tax yield is calculated as investment income (including dividends in the case of equities) divided by the average of the beginning and end of year investment balances. Investment balances were at fair value, except for equities for which cost was used. To the applicable, investment balances were converted into euro from local currencies at year-end exchange rates.

(2) Includes swap income of EUR 10 million in 2002, EUR 3 million in 2003 and EUR 8 million in 2004. Other swap-related net income is included in realized and unrealized capital gains (and losses).

Portfolios

The following table details the distribution by category of investment of the Group s insurance investment portfolio by net carrying value:

Consolidated Investment Position

	Net carrying value as of December 31,					
	2002 (Restated) (EUR in millions)		2003 (Restated)		2004	
Fixed maturities available for sale, at fair value	5,805	63%	5,130	64%	5,272	63%
Equity securities, available for sale	440	5%	109	1%	265	3%
Trading Investments	433	5%	740	9%	778	9%
Short term investments	198	2%				
Other long-term investments	434	5%	316	4%	322	4%
Cash and cash equivalents	1,788	20%	1,824	22%	1,798	21%
Total	9,098	100%	8,119	100%	8,435	100%

See Note 4 to the consolidated financial statements for a breakdown of amortized costs and estimated fair values of fixed maturity investments by major type of security, including fixed maturities held to maturity and available for sale as of December 31, 2002, 2003 and 2004.

The following table presents the Group s fixed maturities by counterparty credit quality, including fixed-maturities classified as trading, as of December 31, 2004:

	As of December 31, 2004	
Rating	Net carrying value (EUR, in millions)	% of total net book value
Guaranteed by the French or European government or its agencies, or the European Union(1)	273	5%
AAA	4,040	70%
AA	396	7%
A	608	10%
BBB	347	6%
Below BBB	4	0%
Unrated	125	2%
Total	5,793	100%

(1) Debt securities issued or guaranteed by the French government, by another European government or by the European Union, none of which are rated.

See Note 4 to the consolidated financial statements for a breakdown of fixed maturities included in the Group s portfolio by remaining maturity as of December 31, 2004.

INFORMATION TECHNOLOGY

SCOR has a uniform global Information System used in all locations worldwide, with the exception of CRP.

Its core reinsurance back-office system is a custom application, called Omega. Omega is designed to allow for Group-wide relationship, follow up with clients and insureds, worldwide online facultative clearance, analysis of the technical profitability of contracts, and quarterly closing based on ultimate result estimates.

In addition to the reinsurance administration system, SCOR has implemented the PeopleSoft software package solutions for human resources and finance. SCOR is promoting a paperless environment. Internally, imaging solutions have been implemented worldwide for document sharing within the Group. With business partners, SCOR is able to receive and process automatically electronic reinsurance accounts, formatted in the ACORD standard, without any re-keying. New exchanges have been launched in 2004 with large international brokers.

The SCOR technical environment is based on an international secured network. Corporate technical standards have been implemented in all locations, either on personal computers or servers. The Group has implemented an ambitious security plan, with a strong focus on internet and disaster recovery in 2004.

The Group has defined a strategic plan called the IS2005 strategy , which sets out the evolutions of the information system based on the SCOR business strategy. The IS2005 strategy is the first component of the Group s information system governance, which is now largely set up, and provides scorecards and a standard way to evaluate value created by systems.

Most of SCOR s efforts in 2004 have been dedicated to front-office applications for an improved risk selection, anticipation and reactivity on markets and products. A management system has also been developed to provide decision makers with information on business lines and market development. From the underwriting plan, an accounting forecast is built, and comparative analyses are performed through standard adequate reports. Finally, a strong emphasis is put on the reinforcement of risk control where important projects are underway, integrating SCOR standard pricing models, profitability rules, and catastrophe simulation facilities information.

The portal has been designated as the central repository for sharing all information, internal or collected from outside sources.

REGULATION OF THE REINSURANCE INDUSTRY

French corporations exclusively engaged in the reinsurance business are subject to reporting requirements and are controlled by the French Insurance Control Commission (*Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance or C.C.A.M.I.P.*) in application of the French Law dated August 8, 1994 (Law no. 94-679). This regime has been modified significantly by the May 15, 2001 New Economic Regulation Act (Law no. 2001-420), which institutes a system of prior authorization. This regime applies equally to companies already engaged in the reinsurance business at the time of entry into force. However, pending publication of the enabling decrees, this new regime has not come into effect.

Under the new regime, reinsurance companies will be required to file an application with the C.C.A.M.I.P., which will have authority to issue and revoke operating licenses. Within the framework of its supervisory mission, which has been enhanced by the New Economic Regulation Act, the C.C.A.M.I.P. will in particular have the power to conduct onsite inspections, to place reinsurers whose solvency is impaired or is liable to be impaired under special surveillance, and to impose sanctions on reinsurers found to be in breach of the regulations applicable to them. The New Economic Regulation Act has broadened the range of sanctions, which now include revocation of a company s license to engage in reinsurance operations.

There is no European regulatory framework, at present, harmonizing the supervision of reinsurance across Europe. The European Commission has been working closely with the member states of the European Union since 2001 on a draft directive aimed at instituting solvency ratios and mutual recognition of reinsurance companies in the EU member states. It is expected that this directive will be adopted in 2005.

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 licensed or authorized. 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. Re Insurance Company, the principal Life 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.

Solvency margin

In the reinsurance industry, the solvency margin is defined as the ratio between 100% of shareholders equity to net premiums, and serves to indicate the amount of capital base required to write reinsurance contracts.

The book solvency margin is defined as the ratio to book shareholders equity, while the economic solvency margin also comprises certain components of long-term borrowing that qualify for inclusion in equity.

Even though there is no regulatory solvency margin defined in the reinsurance sector in the European Union, (except in the United Kingdom), European reinsurers consider economic solvency margins of between 40% and 50% of net written premium appropriate. This ratio is between 80% and 100% for American reinsurers. In light of the loss accounted for in 2003, the Group s solvency margin has been reduced. But, following the completion of the capital increase in January 2004 and the reduction of the gross premiums written in 2004, the Group s solvency margin improved in 2004.

B. ORGANIZATIONAL STRUCTURE

OPERATIONS

General

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, respectively known as Division SCOR Non-Vie and Division SCOR Business Solutions, 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, which was made a subsidiary on December 1, 2003. SCOR Vie operates mainly through its branches in Italy, Germany and Canada as well as through SCOR Life Re U.S. Commercial Risk Partners (CRP) Bermuda is an ART specialized subsidiary which has been placed in run-off since January 2003. The following sets forth the Group s primary reinsurance subsidiaries as of December 31, 2004, their respective country of incorporation, and between parentheses, the main markets served by each entity:

(ORGANIZATIONAL STRUCTURE CHART)

_____

(1) SCOR has currently submitted a file for converting its representation bureau in Beijing into a subsidiary, and obtained on April 16, 2004, a licence for its Seoul Bureau to be converted into a branch. The Honk Kong office is linked to the Singapore office.

The current 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.

The Group s headquarters in Paris provides underwriting policy and risk accumulation direction and control claims, actuarial, accounting, legal, administrative, systems, internal audit, investment, human resources and other support to the Group s subsidiaries. The Group s worldwide offices are connected through a backbone network and application, data and exchange systems, allowing local access to centralized 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.

C. PROPERTY, PLANTS AND EQUIPMENT

In 2003, SCOR sold the Group s headquarters, consisting of 30,000 square meters of offices located in the business district of Paris La Défense. The Group remains a tenant of these offices. Under U.S. GAAP, SCOR is still considered for financial reporting purposes as the owner of the building.

The Group also rents space separate from its home office for the purpose of safeguarding its data handling capability in case of emergency. The Group also owns properties in Hanover (Germany), Milan (Italy) and Singapore, where its local subsidiaries have their home offices, and rents space for other subsidiaries. SCOR U.S. s headquarters, located at the World Trade Center in New York, were destroyed in the attack of September 11, 2001 and have since been relocated to other facilities in Lower Manhattan. SCOR believes that the Group s facilities are adequate for its present needs in all material respects. SCOR also holds other investment properties in connection with its reinsurance operations.

Item 5. Operating and Financial Review and Prospects

A. OPERATING RESULTS

You should read the following discussion together with the consolidated financial statements of SCOR and the notes thereto included elsewhere in this annual report. The consolidated financial statements of SCOR included herein and the financial information discussed below have been prepared in accordance with U.S. GAAP. SCOR also publishes consolidated financial statements, not included herein, prepared in accordance with French GAAP, which differ in certain respects from U.S. GAAP.

Restatement

In the course of implementing International Financial Reporting Standards, or IFRS, which the Group will be required to follow in France as of January 1, 2005 for purposes of satisfying French regulatory requirements, the Group identified a number of errors in its financial statements for 2003 and 2002 that had been prepared in accordance with U.S. GAAP, including the 2002 opening balance sheet. As a result, the Group determined that it was necessary to restate its previously issued U.S. GAAP consolidated financial statements.

The restatement principally relates to:

consolidation: capital leases and mutual fund;

accounting for taxation: deferred taxes on the reserve de capitalisation and valuation allowance;

accounting for foreign currency: foreign currency transaction and financial statement, translation of goodwill and impact of currency fluctuations on available for sale debt securities held in currencies other than the functional currency;

accounting for post-retirement benefits; and

accounting for other issues: impairment of securities, derivative contracts, several minor unadjusted difference items for the periods concerned and costs incurred in connection with the creation of the SCOR Vie subsidiary.

The impacts of the restatements on net loss and shareholders equity are detailed in the following table (summary table). All items are present net of tax.

	In millions of Euros			
	Net loss	**Shareholders equity**	**Net loss**	**Shareholders equity**
	2002	**2002**	**2003**	**2003**
Previously Reported	**(561)**	**1,145**	**(577)**	**428**
Consolidation	**45**		**12**	
Capital lease			(1)	
Consolidation of mutual funds	45		13	
Taxation	**(7)**	**(29)**	**28**	**(1)**
Deferred taxes on Réserve de capitalisation	(7)	(29)	(11)	(40)
Valuation allowance			39	39
Foreign Currency	**56**	**(9)**	**14**	**(57)**
Foreign exchange			(24)	(37)

Goodwill	(9)	(20)

Available for sale securities			14	
Foreign currency transactions	56		24	
Employee Benefits	**(2)**	**(9)**	**(4)**	**(13)**
Other Adjustments	**(24)**	**(20)**	**15**	**(1)**
Other Than Temporary Impairments of Investments	(3)		1	
Horizon	(7)		(8)	1
Creation of SCOR Vie subsidiary			(3)	
Miscellaneous adjustments	(14)	(20)	25	(2)
Total Impact Due to Restatements	**68**	**(67)**	**65**	**(72)**
Restated	**(493)**	**1,078**	**(512)**	**356**

	2002	**2003**
Basic earnings per share:		
As previously reported	(4.11)	(4.23)
Total impact due to restatements*	(8.92)	0.47
Basic earnings per share, as restated	(13.03)	(3.76)
Diluted earnings per share:		
As previously reported	(4.11)	(4.23)
Total impact due to restatements	(8.92)	0.47
Diluted earnings per share, as restated	(13.03)	(3.76)

_____

* Including impact of changes to the calculation of the weighted average number of shares.

Consolidation

Accounting for capital leases

In connection with its review of certain leases related to office buildings, the Group determined that two leases should have been accounted for as capital leases rather than operating leases. Accordingly, the Group restated its prior year U.S. GAAP consolidated financial statements to record these assets in its U.S. GAAP consolidated balance sheet, with an approximately equal increase in its debt in respect of capital leases. The effects on the U.S. GAAP consolidated statements of operations was relatively minor as the additional depreciation expense for the capital lease properties was substantially offset by the reduction in rental expense. There was no net significant effect on the U.S. GAAP consolidated statements of cash flows.

This restatement has the following effects on the U.S. GAAP consolidated balance sheets:

Increasing other long term investments under capital leases by:

January 1, 2002	
December 31, 2002	EUR 90 million
December 31, 2003	EUR 101 million

Increasing other long term debt in respect of capital leases by:

January 1, 2002	
December 31, 2002	EUR 90 million
December 31, 2003	EUR 101 million

The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Consolidation of mutual funds

The Group has determined that six wholly-owned mutual funds known as Organismes de Placement Collectif en Valeurs Mobilières or OPCVMs that the Group previously reported as available for sale investments under FAS 115 (Accounting for Certain Investments in Debt and Equity Securities), should have been consolidated in the past, because the Group has economic control of these funds.

To correct these errors, the Company consolidated the six mutual funds and classified the related investment portfolio as trading (i.e. carried at fair value with changes in fair value reported through earnings) in the restated financials statements. The impact on opening equity is a reclassification between other comprehensive income and retained earnings (see summary table above).

Accounting for deferred taxes

Deferred taxes on the réserve de capitalisation

French insurance companies are required by law to establish a réserve de capitalisation , which is equal to the cumulative amount of realized gains and losses on investment securities. Each time a gain is realized, which is taxable, an equivalent amount is deducted and credited to this reserve so that the net amount taxed is zero. Similarly, realized losses are offset by a reduction in this reserve so that there is no net loss for tax purposes. Accordingly, this deferral of taxable income creates a temporary difference and gives rise to a deferred tax liability. Insurance companies would generally expect over time that their net investment gains realized would be positive, and thus the réserve de capitalisation would never reverse until liquidation of the company. This reserve is not established for U.S. GAAP, so there is a future taxable book-tax difference for this amount. Under Statement of Financial Accounting Standard (FAS) No. 109 Accounting for Income Taxes , because this difference does not meet the definition of a permanent difference and does not fall into exemptions allowed by FAS 109, a deferred tax liability related to this reserve should have been recorded in the consolidated financial statements.

The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Valuation allowance

In 2003, the Company recognized a full valuation allowance against its deferred tax assets due to a cumulative loss position. The Company has determined that the calculation of that tax valuation allowance did not include a tax planning strategy that is available to the Company to recapture some of the deferred tax assets. That strategy involves the sale of certain real estate assets owned by the Company. Accordingly the valuation allowance has been restated to reflect the tax strategy that is available to the Company. The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Reduced rate items

There exist certain tax asset temporary differences that due to the nature of the items were determined by the Company to be unlikely to be recovered. Previously, the Company did not recognize either the deferred tax asset or the corresponding valuation allowance. As a result the Group restated its prior year U.S. GAAP consolidated financial statements to record these deferred tax assets and valuation allowances.

The effect of recording these deferred tax assets and related valuation allowances in the U.S. GAAP consolidated balance sheets in prior periods is be as follows:

Increasing deferred tax assets by	
January 1, 2002	
December 31, 2002	EUR 40 million
December 31, 2003	EUR 130 million

Increasing valuation allowance by

January 1, 2002	
December 31, 2002	EUR 40 million
December 31, 2003	EUR 130 million

Net effects on the statements of operations:

Increase/(decrease) in income tax expense and increased/(reduced) net loss of

Year ended December 31, 2002
Year ended December 31, 2003

This previous error does not effect either the net loss or shareholders equity and, accordingly, has not been included in the summary table above.

Accounting for translation of foreign currency transactions and foreign currency financial statements

Foreign exchange

The Company discovered an error in its 2003 financial statements related to the accounting for a forward sale of USD 400 million initiated in September 2003. As at December 31, 2003, the mark-to-market adjustment for this derivative carried at fair value in the balance sheet had been accounted for twice: once as a gain through income with a related tax effect, and again through the 2003 foreign currency translation adjustment without a related tax effect in a separate component of U.S. GAAP shareholders equity, for an amount of EUR 37 million gross of tax. The Company has determined that there was a hedging relationship and therefore the amount recorded in income should be reversed. At the same time, the tax effect on the equity was booked.

The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Goodwill

The Company has determined that it should have accounted for goodwill related to a certain block of its US Non Life operations as US dollar-denominated and converted it into EUR at each closing, instead of considering it as a Euro-denominated asset.

The effects on U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Impact of currency fluctuations on available for sale debt securities held in currencies other than the functional currency

The Group determined that Emerging Issues Task Force (EITF) Issue No. 96-15 Accounting for the Effects of Changes in Foreign Currency Exchange Rates on Foreign-Currency-Denominated Available-for-Sale Debt Securities was not properly applied in its previously issued consolidated U.S. GAAP financial statements. EITF 96-15 requires the entire change in the fair value of foreign-currency denominated available-for-sale debt securities to be reported in accumulated other comprehensive income. The Group previously included the portion of the change in fair value related to currency fluctuations in its statement of operations. Accordingly, the Group has restated its prior U.S. GAAP consolidated financial statements.

The effects of the restatement on the prior years U.S. GAAP consolidated financial statements are as follows:

Increase (decrease) in accumulated other comprehensive income:

January 1, 2002
December 31, 2002
December 31, 2003 EUR (14) million

Increase (decrease) in retained earnings:

January 1, 2002
December 31, 2002
December 31, 2003 EUR 14 million

Increase (decrease) in other comprehensive income: unrealized depreciation on investments net

Year ended December 31, 2002
Year ended December 31, 2003 EUR (14) million

Increase (decrease) in foreign exchange gain, net:

Year ended December 31, 2002	
Year ended December 31, 2003	EUR 14 million

Accounting for transactions in foreign currencies

The Group determined that certain of its subsidiaries did not properly apply FAS 52 Foreign Currency Translation for the conversion their foreign currency transactions into the subsidiaries functional currency. FAS 52 requires that, at each balance sheet date, recorded balances that are denominated in a currency other than the functional currency of the entity be translated to the functional currency using the exchange rate at the time of the transaction. FAS 52 also requires that any adjustments resulting from this procedure be made to income currently. In prior years, the amounts relating to the revaluation of foreign currency balances of certain subsidiaries were recorded as a component of other comprehensive income rather than being included in the statement of operations. Accordingly, the Group has restated its prior U.S. GAAP consolidated financial statements.

The effects of the restatement on the prior years U.S. GAAP consolidated financial statements are as follows:

Increase (decrease) in accumulated other comprehensive income:

January 1, 2002	EUR 5 million
December 31, 2002	EUR (51) million
December 31, 2003	EUR (75) million

Increase (decrease) in retained earnings:

January 1, 2002	EUR (5) million
December 31, 2002	EUR 51 million
December 31, 2003	EUR 75 million

Increase (decrease) in other comprehensive income:

Year ended December 31, 2002	EUR (56) million
Year ended December 31, 2003	EUR (24) million

Increase in foreign exchange gain, net:

Year ended December 31, 2002	EUR 56 million
Year ended December 31, 2003	EUR 24 million

The total effects on U.S. GAAP consolidated net loss and stockholders equity are given in the summary table above.

Accounting for employee post retirement benefits

In connection with its review of pension and retirement plans the Group determined that certain defined benefit plans primarily related to its non-U.S. entities had not been consistently accounted for in accordance with FAS 87, Employers Accounting for Pensions , FAS

88, Employers Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits , FAS 106, Employers Accounting for Postretirement Benefits Other Than Pensions , or APB 12, Omnibus Opinion 1967 , as applicable. Several small plans had either not been included for purposes of U.S. GAAP accounting and disclosure or not properly valued in accordance with U.S. rules.

Accordingly, the Group restated its prior year U.S. GAAP consolidated financial statements to record additional liabilities related to employee benefits on the balance sheet as well as the related charge in each period concerned.

The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Other adjustments

Other than temporary impairments of investments

U.S. GAAP requires that securities accounted for in accordance with FAS 115, Accounting for Certain Investments in Debt and Equity Securities , be evaluated for impairment whenever the fair value of a security is less than its amortized cost basis. Whenever a decline in the fair value of a security below its amortized cost basis is deemed other than temporary (which is not the same as permanent impairment), the security is deemed to be impaired and it is written down to its fair value with the amount of the write-down included in earnings.

In prior years, the Group determined its impairment on debt and equity securities for U.S. GAAP consistent with the determination made for French GAAP. Under French GAAP, impairments are generally recognized when the book value of an investment is in excess of its estimated recovery value, which could include factors such as strategic value and longer-term value, and thus may be a less restrictive and longer-term concept than that used under U.S. GAAP.

The Group restated its prior U.S. GAAP consolidated financial statements for such securities to record additional impairment losses on equity securities available for sale.

The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Horizon special purpose vehicle

Horizon is an entity that was set up in 2002 as a mean to pass some of the Group s exposure to its past credit reinsurance activities to the capital markets. Horizon issued credit-linked notes and entered into two swaps with a bank, with the Group entering into mirroring swaps with the same bank that passed along certain credit risks ultimately to the credit-linked noteholders.

Since inception, the Group has consolidated Horizon. When evaluating Horizon as part of their adoption of FIN 46(R), Consolidation of Variable Entities, an interpretation of ARB No. 51 , the Group determined that two types of accounting errors were made in the past when consolidating Horizon into SCOR s consolidated financial statements.

The derivative contracts between the Group and the bank were not carried at fair value in the consolidated financial statements with fluctuations in fair value recognized in earnings.

Remeasurement of foreign currency-denominated credit linked notes and investments in bonds (both denominated in Euros) had not been done into Horizon s U.S. dollar functional currency, with foreign currency transaction gains and losses reported in earnings.

The effects on the U.S. GAAP consolidated net loss and total shareholders equity are given in the summary table above.

Costs incurred in connection with the creation of the SCOR Vie subsidiary

The life company SCOR Vie was incorporated in 2003. Costs associated with its incorporation and initial expenses totaling EUR 3 million were recorded directly as a reduction of equity rather than being expensed as required under U.S. GAAP. This does not have any effect on ending total U.S. GAAP consolidated shareholders equity at December 31, 2004 or 2003, nor does it have any effect on U.S. GAAP consolidated cash flows. However, restatement of the year 2003 for this item increases the net loss by EUR 3 million. The net effect on income tax expense is 0 as a valuation allowance was immediately recorded on the related deferred tax asset.

The effects on the U.S. GAAP consolidated net income and shareholders equity are given in the summary table above.

Miscellaneous adjustments

Upon determining that a restatement of prior period U.S. GAAP consolidated financial statements was necessary, the Group also decided to record certain unadjusted differences previously considered immaterial by the Group.

The effects on the U.S. GAAP consolidated net loss and shareholders equity are given in the summary table above.

Reclassifications

Certain reclassifications have been made to balances previously reported to conform to the current presentation.

The Company has not amended, and does not intend to amend, its previously filed Annual Reports on Form 20-F for the years affected by the restatements that ended prior to December 31, 2004. For this reason, those prior Annual Reports and the consolidated financial statements, auditors reports and related financial information for the affected years contained in such reports should no longer be relied upon.

Overview

In recent years, SCOR, along with many other insurance and reinsurance companies suffered a series of unprecedented setbacks both with respect to their assets and their liabilities. Leaving aside the direct economic cost of at least USD 40 billion to the world s insurers and reinsurers, the September 11, 2001 terrorist attacks deeply affected the industry in terms of capacity and the cost of insurance coverage. Other disasters, such as the floods in central Europe in the summer of 2002 and typhoons in Asia and hurricanes and tornadoes in the US and the Caribbean in 2004, have also had a serious impact on the industry. In addition, insurers under-estimated risks taken on in the late-1990s, which is demonstrated by the low prices at which risks were underwritten at the time. As a consequence, in 2002, many insurers were required to set aside additional reserves to cover prior-year writings.

At the same time, companies assets and surplus were adversely impacted by the stock market crisis in 2001 and 2002, as the world s major stock markets lost between 40% and 60% of their value and interest rates continued to fall. Historically, financial and underwriting cycles have been asynchronous, with investment income offsetting technical losses, and vice versa. In recent years, however, insurance and reinsurance companies liabilities have increased significantly, but their assets have decreased simultaneously.

As a result of these developments, major insurance companies have revised their underwriting policies and developed measures to improve risk analysis and selection, and adjust rates. They have also refocused their investment portfolio in light of falling equity markets and interest rates.

The unprecedented loss that hit the industry over prior years led to pricing adjustments that were needed and expected by reinsurers. Although Non Life rates did not reach the level of 2002, they remained hard in 2003 and 2004. This was true for the business overall, and more particularly for some Casualty lines which, due to persistent poor developments over recent years, were first in need of pricing reevaluations. The Life and Accident and Health markets continued to develop, offering reinsurance opportunities to respond to new needs of new operational structures.

As the performance of financial markets and reinsurers improves and reinsurance capacity increases, however, ceding companies are more inclined to ask for price reductions in the most profitable lines of business and underwriting quality tends to decline. After three years of strong premium rate increases, the reinsurance industry has been experiencing a plateau in most lines of business in 2004, except general liability, and a moderate decrease in the reinsurance market is expected in 2005, notwithstanding the effect of a number of large catastrophes in the second half of 2004 which may reduce the downward trend in some countries. See Item 3.D. Risk Factors The insurance and reinsurance sectors are cyclical, which may impact our results.

Exchange Rate Fluctuations

The following table sets forth the value of one euro in our subsidiaries main functional currencies, used in the preparation of the Group s consolidated financial statements for balance sheet items (year-end exchange rates) and income statement items (average yearly rates) as published by Natexis bank at each month end.

	Value of one euro in each currency					
	Year-end exchange rates			**Average annual exchange rates for**		
	as of December 31,			**the year ended December 31,**		
	2002	**2003**	**2004**	**2002**	**2003**	**2004**
U.S. Dollar	1.042	1.263	1.3604	0.950	1.141	1.244
Canadian Dollar	1.638	1.623	1.648	1.487	1.587	1.619
British Pound	0.650	0.705	0.709	0.629	0.693	0.679
Singapore Dollar	1.809	2.145	2.228	1.693	1.986	2.010

SCOR books its operations in approximately 100 local currencies. All these currencies are then converted into euro. The fluctuation of the main transaction currencies of the Group in comparison to the euro has an important impact on income statement items and balance sheet items. In particular, when a currency is not matched (i.e. there is a surplus in assets or liabilities in one currency), the variation of exchange rate from one period to another has a direct impact on the foreign exchange result. See Item 3.D. Risk Factors We are exposed to the risk of changes in foreign exchange rates.

Business Segments

Our operations are organized into the following two business segments: Non Life and Life/Accident & Health. Non Life is further organized into four sub-segments: Property-Casualty Treaty; Large Corporate Accounts written on a facultative basis by SCOR Business Solutions; Credit, Surety & Political Risks; and Alternative Reinsurance. The Non Life and Life segments discussed below differ from the Non Life and Life/Accident & Health segments contained in our financial statements included elsewhere herein because on a statutory basis the Accident and Health reinsurance business are classified in the Non Life category. Within each segment, we write various classes of business. Responsibilities and reporting within the Group are established based on this structure and our reported financial segments reflect the activities of each segment.

Credit, Surety and Political Risks relates to reinsurance treaties, either proportional or non-proportional, with companies specialized in credit insurance, such as COFACE, Euler-Hermès and NCM. In 2004, SCOR merged its Credit, Surety and Political Risks business into a sub segment of its Non Life segment in its financial statements 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 presentation contained herein has been revised for prior years to reflect such reclassification.

SCOR s Alternative Reinsurance Treaty business has been limited to underwriting within its Bermudan subsidiary, Commercial Risk Partners, which has been in run-off since January 2003. Therefore, in 2004, SCOR merged its ART business into a sub segment of its Non Life segment in its financial statements since SCOR is no longer active in this business. The presentation contained herein has been revised for prior years to reflect such reclassification.

Consolidated Results of Operations

We recorded a net profit of EUR 247 million for the year ended December 31, 2004 compared to a net loss of EUR 512 million in 2003 and a net loss of EUR 493 million in 2002. The following discussion addresses the principal components of our revenues, expenses and results of operations in each of those years.

Premiums

Gross premiums written

The following table sets forth the Group s gross premiums written for the years ended December 31, 2002, 2003 and 2004:

	Year ended December 31,		
	2002 (Restated)	2003 (Restated)	2004
	(EUR, in millions)		
Gross premiums written			
Non-life			
Treaty Property-Casualty	2,176	1,690	1,064
Credit, Surety & Political Risks	123	65	38
Large Corporate accounts	930	569	261
Alternative Reinsurance	467	(1)	2
Total Non-life	3,696	2,323	1,365
Life/Accident & Health	1,218	983	880
Total	4,914	3,306	2,245

Gross premiums written decreased by 32% in 2004 from EUR 3,306 million in 2003 to EUR 2,245 million in 2004. In 2003, gross premiums decreased by 33% from EUR 4,914 million in 2002 to EUR 3,306 million in 2003. The one-third reduction in the volume of gross written premiums in each of 2004 and 2003 resulted primarily from the combination of the following two constraining factors: the implementation of the Back on Track plan, the lowering of the Group s financial strength ratings and, in 2003, the negative impact of the fluctuations in exchange rates.

In 2004, the Non Life segment represented 61% of our overall gross premiums written, compared to 70% in 2003 and 75% in 2002. Within the Non Life segment, Property-Casualty Treaty accounted for 78% of overall gross premiums written in 2004, compared to 73% in 2003 and 59% in 2002, while Large Corporate accounts represented 19% of overall gross premiums written in 2004, compared to 24% in 2003 and 25% in 2002. Credit, Surety and Political Risks share represented 3% of Non Life overall gross premiums written in 2004, 2003 and 2002, while Alternative Reinsurance decreased from 13% of Non Life overall gross premiums written in 2002 to 0% in 2003 and 2004 following the Group s decision to cease business underwritten by CRP.

Life and Accident & Health represented 39% of overall gross premiums written in 2004, compared to 30% in 2003 and 25% in 2002.

Conclusion of the Back on Track plan and implementation of the Moving Forward plan. SCOR s Back on Track plan was implemented in 2002 and was effective for both 2004 and 2003 renewals. Pursuant to the 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 better able to establish prices that are less susceptible to the adverse effects of the ceding companies underwriting and pricing.

This restructuring plan refocused underwriting activities on profitable businesses such as Life & Accident reinsurance, Large Corporate Accounts and Property & Casualty reinsurance. The plan also refocused on profitable regions. The Back on Track plan included the exit of a number of unprofitable lines of business in the U.S. as well as the discontinuation of alternative risk transfer and credit derivatives underwriting.

In 2004, the plan had met its four major objectives, including:

- strengthening the Group s reserves;
- replenishing 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, focusing 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 Moving Forward . The 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. As part of the Moving Forward plan, SCOR has also reassessed its capital allocation plan along the Group s lines of business and by market. The plan seeks to maintain SCOR s client base in Europe, Asia, North America and emerging countries and regaining shares in treaties where premium rates, terms and conditions meet the Group s return on equity requisites.

Impact of changes in the Group financial strength rating. The downgrading of SCOR s financial strength ratings in 2003 affected SCOR s business development during 2004 and 2003. In 2003, Standard & Poors downgraded SCOR s financial strength rating from A- to BBB+. On November 6, 2003, A.M. Best Co. changed the under review status of SCOR s financial strength rating of B++ (Very Good) to negative from developing and on December 1, 2004 A.M. Best Co. affirmed the financial strength rating of B++ (Very Good) of SCOR (Paris) and its core subsidiaries. On November 19, 2003, Fitch Ratings downgraded SCOR Group s major reinsurance entities Insurer Financial Strength (IFS) rating to BB+ from BBB.

In November 2004, Standard & Poor s Rating Services revised its outlook on SCOR and guaranteed subsidiaries rating to positive from stable. At the same time, SCOR s BBB+ ratings for insurer financial strength and senior debt were affirmed. In December 2004, A.M. Best affirmed the financial strength rating of B++ (Very Good) of SCOR (Paris) and its core subsidiaries and assigned an issuer credit rating of bbb+ to these companies. The rating on SCOR s commercial paper program has been affirmed. The outlook for all these ratings has been changed to positive from stable. In December 2004, Moody s Investors Service announced that it had upgraded SCOR s Insurance Financial Strength Rating to Baa2

from Baa3, Senior Debt Rating to Baa3 from Ba2 and Subordinated Debt Rating to Ba2 from Ba3. These ratings all have a positive outlook.

Fluctuations in exchange rates. In 2003, the fluctuations in exchanges rates used to translate foreign currencies into Euro, and particularly the depreciation of the US dollar against the EUR by 17% have had an adverse impact of 7% on the development of premium income year over year. On a constant exchange rate basis, the Group s gross written premiums decreased by 23% in 2003 compared to 2002. In 2004, the fluctuation of exchanges rates was limited, with the Group s gross written premiums decreasing by 31% in 2004 compared to 2003 on a constant exchange rate basis as compared to 32% at current exchanges rates.

Net premiums written

The following table sets forth the Group s net premiums written for the years ended December 31, 2002, 2003 and 2004:

	Year ended December 31,		
	2002 (Restated)	**2003 (Restated)**	**2004**
	(EUR, in millions)		
Net premiums written			
Non life			
Treaty Property-Casualty	1,982	1,580	1,014
Credit, Surety & Political Risks	108	63	38
Large Corporate accounts	757	461	227
Alternative Reinsurance	466	(1)	3
Total Non life	3,313	2,103	1,282
Life/Accident & Health	1,045	885	844
Total	4,358	2,988	2,126

Net premiums written constitute gross premiums written during the financial year, net of retrocession, including unearned premiums. Net premiums written decreased by 29% in 2004 from EUR 2,988 million in 2003 to EUR 2,126 million in 2004, reflecting primarily the decrease in gross premiums written, partially offset by an increase in our retention level. During 2003, net premiums written decreased by 31% from EUR 4,358 million in 2002 to EUR 2,988 million in 2003, reflecting the decrease in gross premiums written.

The premiums retroceded decreased 63% in 2004 and 43% in 2003 from EUR 557 million in 2002 to EUR 318 million in 2003 and EUR 118 million in 2004 due to lower costs for retrocession agreements and the lower need for retrocession contracts as a result of the

decrease in gross written premiums. Our overall retention level was 95% in 2004, compared to 90% in 2003 and 89% in 2002. Our retention level for premiums is computed as net premiums divided by gross premiums.

Revenues

Our consolidated total revenues decreased by 32% to EUR 2,551 million in 2004 compared to EUR 3,767 million in 2003 due primarily to a 34% decrease in net premiums earned and, to a lesser extent, a 13% decrease in net investment income and a 64% decrease in net realized gain on investments.

In 2003, our consolidated total revenues decreased by 17% from EUR 4,562 million in 2002 to EUR 3,767 million in 2003 due primarily to a 20% decrease in net premiums earned and to a 11% decrease in net investment income, which was partially offset by a significant increase in net realized gain on investments of EUR 117 million in 2003 compared to EUR 42 million in 2002.

Net premiums earned

The following table sets forth the Group s net premiums earned for the years ended December 31, 2002, 2003 and 2004:

	Year ended December 31,		
	2002 (Restated)	**2003 (Restated)**	**2004**
	(EUR, in millions)		
Net premiums earned			
Non life			
Treaty Property-Casualty	2,016	1,670	1,120
Credit, Surety & Political Risks	153	122	51
Large Corporate accounts	559	504	253
Alternative Reinsurance	524	159	3
Total Non life	3,252	2,455	1,427
Life/Accident & Health	901	869	800
Total	4,153	3,324	2,227

Net premiums earned decreased by 33% in 2004 from EUR 3,324 million in 2003 to EUR 2,227 million in 2004 and represented 90% of our consolidated total revenues in 2004 compared to 89% in 2003. The overall decrease in net premiums earned resulted primarily from decreases of 33% in Treaty Property-Casualty, 50% in Large Corporate Accounts, 58% in Credit, Surety & Political Risks, 98% in Alternative Reinsurance and 8% in Life-Accident & Health. The decreases in net premiums earned were due to a 32% decrease in gross written premiums in 2004 and a 33% decrease in gross written premiums in 2003.

Net premiums earned decreased by 20% in 2003 from EUR 4,153 million in 2002 to EUR 3,324 million in 2003 and represented 88% of our consolidated total revenues in 2003 compared to 93% in 2002. The overall decrease in net premiums earned resulted primarily from decreases of 17% in Treaty Property-Casualty, 10% in Large Corporate Accounts, 20% in Credit, Surety & Political Risks, 70% in Alternative Reinsurance and 4% in Life-Accident & Health. The decreases in net premiums earned were primarily due to a 33% decrease in gross written premiums in 2003.

Net Income from investments

Net income from investment is comprised of investment income, investment expenses and realized capital gains and losses.

Investment income decreased from EUR 415 million in 2003 to EUR 365 million in 2004 primarily due to a decrease in revenue from fixed-maturity securities from EUR 265 million in 2003 to EUR 244 million in 2004 and from trading equity securities from EUR 47 million in 2003 to EUR 3 million in 2004. Approximately 79% of invested assets were invested in fixed-maturity securities in 2004, compared to approximately 82% in 2003. Invested assets increased by 5% from EUR 6,295 million in 2003 to EUR 6,637 million in 2004. Investment income decreased by 11% in 2003 from EUR 468 million in 2002 to EUR 415 million in 2003 due to a decrease in revenue from fixed-maturity securities from EUR 318 million in 2002 to EUR 265 million in 2003, which was partially offset by an increase in revenue from trading in equity securities from EUR 39 million in 2002 to EUR 47 million in 2003.

Investment expenses, mainly comprised of financial expenses, decreased from EUR 89 million in 2003 to EUR 83 million in 2004.

Investment expenses decreased from EUR 101 million in 2002 to EUR 89 million in 2003 mainly due to the decrease in financial charges on commercial paper.

Realized capital gains on investments decreased from EUR 117 million in 2003 to EUR 42 million in 2004 primarily due to the sale of fixed-maturity securities at lower prices due to higher interest rates in 2004. In 2004, realized capital gains on investment amounted to EUR 42 million and consisted of EUR 27 million from the sale of fixed-maturity securities, EUR 17 million from the sale of equity securities and a loss of EUR 2 million on short term investments.

Realized capital gains on investments increased from EUR 42 million in 2002 to EUR 117 million in 2003 primarily due to increases in the sale of equity securities and increases in trading equity securities, which were EUR (123) million and EUR 14 million in 2002 and 2003, respectively, as a result of higher equity markets in 2003. In 2003, realized capital gains on investment amounted to EUR 117 million and consisted of EUR 93 million from the sale of fixed-maturity securities, EUR 14 million from the sale of equity securities and EUR 10 million from the sale of real estate.

The realized capital gain on the sale of SCOR head office that took place in December 2003 for EUR 69 million is not included in the realized capital gain recorded in the fiscal years 2003 and 2004. Under FASB 13, 66 and 98, because SCOR has a continuing involvement in the property, the sale-leaseback transaction has not been treated as a sale. Therefore the sale is not currently recognized and the asset remains on SCOR s books. In addition, the sale proceeds are considered as financing and part of SCOR s debt as of December 31, 2003 and 2004. Under the financing method, lease payments (EUR 10,3 million per year over 9 years) will reduce the debt over the lease and property will be amortized. Sale will be recognized at the end of the lease at the latest.

Expenses

In 2004, the Group s consolidated total expenses decreased by 41% to EUR 2,356 million, compared to EUR 3,967 million in 2003, or 9% more than the reduction in total revenues. In 2003, the Group s consolidated total expenses decreased by 21% to EUR 3,967 million, compared to EUR 4,995 million in 2002, or 4% more than the reduction in total revenues.

Total incurred claims decreased by 49% in 2004, while the volume of premiums earned decreased by 33% primarily due to increases in reserves in 2003. Total incurred claims decreased by 19% in 2003, notwithstanding the reserve increases noted below, while the volume of premiums decreased by 20%.

Non-life claims decreased by 57% in 2004 to EUR 1,176 million, resulting in a loss ratio of 69% in 2004 (98% in 2003), compared to a decline in non-life earned premium volumes of 39%. This decrease resulted from a combination of a better loss ratio in 2004 and the impact of EUR 272 million re-reserving in 2003 on US Treaties. Losses were impacted in 2004 by hurricanes in the US and Caribbean, typhoons in Asia and additional World Trade Center reserves, all of which amounted to EUR 96 million, net of retrocession, in 2004.

Non Life claims decreased by 21% in 2003, resulting in a loss ratio of 98% in 2003 compared to 97% in 2002, as premium volumes also declined. Losses were also impacted in 2003 by the US portfolio reserve strengthening in an amount equal to EUR 272 million and storms in the Midwest of America, typhoon Maemi in South Korea and floods in Italy and in the Southwestern France for a total of EUR 72 million, net of retrocession.

Life claims increased by 7% to EUR 451 million in 2004 compared to EUR 421 million in 2003 primarily due to a 2% increase in Life premiums earned in 2004. Life claims decreased by 8% to EUR 421 million in 2003 compared to EUR 459 million in 2002. This decrease was 3 percentage points lower than the reduction in Life earned premiums in 2003.

Policy acquisition costs and commissions decreased by 23% to EUR 568 million in 2004, compared to EUR 742 million in 2003. This decrease is 10 percentage points less than the reduction in earned premiums primarily due to the relative increase in the percentage of Proportional business in Treaty which had higher average commission rates in 2004 than in 2003. Underwriting and administration expenses decreased by 15% in 2004 to EUR 135 million compared to EUR 160 million in 2003 mainly due to a reduction of salary expenses.

Policy acquisition costs and commissions decreased by 18% to EUR 742 million in 2003, compared to EUR 909 million in 2002. This decrease is in line with the decrease of 20% in earned premiums. Underwriting and administration expenses decreased by 22% in 2003 to EUR 160 million compared to EUR 204 million in 2002.

Foreign exchange gain of EUR 37 million in 2004 compared to a gain of EUR 147 million in 2003 was primarily due to better matching by the Company of the currencies of assets and liabilities denominated in foreign currency. As a result, the depreciation of the dollar against the EUR did not have as a large of a positive effect on the Company in 2004 compared to prior years. Foreign exchange gain increased by 34% to EUR 147 million in 2003 compared to a gain of EUR 110 million in 2002 primarily due to the strengthening of the EUR against the US Dollar of 16.8% between 2002 and 2003, based on average annual exchange rates as reported by Natexis bank at each end of month.

No impairment of goodwill occurred in 2004 and 2003. In 2002, an impairment of EUR 17 million was made with respect to CRP, which had been fully depreciated by year end 2002.

Interest expenses were EUR 49 million in 2004 compared to EUR 33 million in 2003 and EUR 34 million in 2002. In 2004, the increase in interest expenses from EUR 34 million in 2003 to EUR 49 million in 2004 was primarily due to the issuance of OCEANEs bonds in July 2004 which contributed EUR 3 million, and to the total lease payments of the SCOR head office, which amounted EUR 10.3 million in 2004. On January 1, 2005, SCOR reimbursed its OCEANEs bonds issued in June 1999 with the proceeds from the 2004 OCEANEs bond issuance, together with available cash.

In 2003, interest expenses was EUR 33 million, a 4% decrease over the EUR 34 million recorded in 2002, mainly due to a decrease in the Eurolibor and U.S. Libor rates and a significant reduction of our short-term debt securities due to the issuance of EUR 200 million 5-year senior notes in May 2002.

Other operating expenses were EUR 14 million in 2004 compared to other operating expenses of EUR 19 million in 2003 and EUR 20 million in 2002. Other operating expenses were comprised mainly of provisions for risks and charges, depreciation on bad debt and amortization of fixed assets.

In 2004, the ratio of underwriting and administration expenses to gross premiums written was 6 % compared to 4.8% in 2003 and 4.1% in 2002. This increase is due to the reduction of the gross premiums income of 32% when underwriting and administration expenses decreased of 16% in 2004.

Income taxes

The total rate of income tax on French corporations applied on taxable income in 2004, 2003 and 2002 was 35.43%. The total rate of income tax on French corporations to be applied on taxable income is scheduled to decrease to 34.93% in 2005 and 34.43% in 2006. In 2003, French tax law changed and thus authorizing unlimited carry forward of tax losses compared to 5 years previously.

In 2004, the Group recorded a net income tax gain of EUR 73 million compared to an income tax loss equal to EUR 287 million in 2003 and EUR 51 million in 2002.

The 2004 net income tax benefit consisted of tax benefit computed at the statutory rate equal to EUR 49 million, net of the change in valuation allowance on deferred tax assets resulting from tax loss carry forwards. The 2004 net income tax benefit was partially offset by certain

tax-exempt expenses equal to EUR 14 million, the reduction in French corporate tax rates for 2004, which amounted to EUR 12 million, and by an increase in the tax on capitalisation reserve and other items amounting to EUR 2 million.

In 2004, the Company recorded a EUR 133 million reduction to the valuation allowance on French net operating losses, mainly due to improvements in the profitability in 2004 and actions taken by management to sustain profitability in the future.

At December 31, 2003, the most significant factor affecting net income tax expense was a tax loss resulting from an additional valuation allowance on deferred tax assets in accordance with SFAS 109 due to a net loss of SCOR U.S. and SCOR on a consolidated basis for three consecutive years. The net impact of this additional valuation allowance on income tax is EUR 353 million. The 2003 net income tax expense consisted of a tax loss computed at the statutory rate equal to EUR 282 million, including the write off of deferred tax assets resulting from tax loss carry forwards. This net income tax loss was also due to certain tax-exempt expenses (EUR 9 million), the reduction in French Corporate tax rates for 2003 (EUR (4) million), and on a tax on a capitalisation reserve and other items for EUR 10 million.

Minority interests

Minority interests were EUR 24 million in 2004 compared to 26 million in 2003 and EUR 13 million in 2002. The increase in 2003 was due to increased earnings at IRP and the increase in SCOR s stake in IRP to 53.35% as of December 31, 2003. The decrease in 2004 is due to the decrease of IRP business.

Income from investments accounted for under the equity method

Income from investments accounted for under the equity method totaled EUR (1) million in 2004, 1 million in 2003 and EUR 4 million in 2002.

On June 1, 2004 we sold our 50% stake in Unistrat, which was the only remaining company accounted for under the equity method and thus is no longer included in our accounts. The result of this transaction was recorded in the first half of 2004. On March 29, 2002, we sold our 35.26% stake in Coface, which is no longer included in our accounts, and the capital gain realized in this transaction was recorded in the first half of 2002. Coface s contribution to our net income was EUR 1 million in 2002.

Changes in accounting standards

In July 2003, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position (SOP) 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. SOP 03-1 provides a conceptual framework that facilitates the determination of the proper accounting for various life and annuity products. SOP 03-1 requires (1) the classification and valuation of certain nontraditional long-duration contract liabilities, (2) the reporting and measurement of separate account assets and liabilities as general account assets and liabilities when specified criteria are not met, and (3) the capitalization of sales inducements that meet specified criteria and amortizing such amounts over the life of the contracts using the same methodology as used for amortizing deferred acquisition costs, but immediately expensing sales inducements accrued or credited if such criteria are not met.

SOP 03-1 was effective for financial statements for fiscal years beginning after December 15, 2003 and was adopted by the Group on January 1, 2004. The adoption resulted in a one-time cumulative accounting gain of approximately EUR 5 million before taxes, or EUR 4 million after taxes, reported as a Cumulative effect of accounting change, net of taxes in the results of operations for the year ended December 31, 2004. This gain reflects the impact of reducing reserves for future policy benefits for certain annuity contracts in the U.S., offset by additional reserves for certain annuitization benefits and net of the related impact on amortization of PVFP.

Underwriting Results

Non Life

The Non Life segment is divided into four operational sub-segments: Property-Casualty Treaty, including the proportional and non-proportional treaty classes of property; casualty; marine; aviation and transportation; and construction reinsurance; Facultatives and Large Corporate Accounts, or SCOR Business Solutions, including the Group s large facultatives business; Credit, Surety and Political Risks; and Alternative Reinsurance (ART).

The following table sets forth premium, loss and expense data, and related ratios, for our Non Life segment for the periods indicated:

	Year ended December 31,		
	2002	**2003**	**2004**

	(Restated)	(Restated)	
	(EUR, in millions)		
Gross premiums written	3,696	2,323	1,365
Net premiums written	3,313	2,103	1,282
Net premiums earned	3,252	2,455	1,427
Net loss and LAE	3,258	2,507	999
Net commissions and expenses(1)	830	613	461
Underwriting (loss)	(834)	(673)	(17)
Loss ratio	100%	102%	70%
Expense ratio(1)	26%	25%	32%
Combined ratio	126%	127%	102%

_____

(1) Expenses include direct charges of each business segment and indirect charges allocated by business segment pro rata according to direct expenses.

Gross Non-life premiums written decreased by 41% in 2004 compared to 2003 and by 37% in 2003 compared to 2002. This decrease reflected the implementation of the Back on Track plan announced in November 2002 and completed in 2004, that aimed to apply a strict and selective underwriting policy to return to profitability and resulted in the Group s underwriters taking significant actions in 2003 to cancel unprofitable or non-core businesses and, when necessary, adjusting pricing or improving terms and conditions. In 2004 and 2003, favorable premium rates and renewal terms and conditions remained on the whole in line with expectations and SCOR continued to focus on profitable activities, particularly on short to medium tail business.

In 2004, Property-Casualty Treaty gross premiums decreased 37%, Large Corporate Accounts gross premiums decreased 54% and Credit, Surety and Political Risks gross premiums decreased 42%. The Property Casualty business, Large Corporate Accounts and Credit and Surety businesses represented 78%, 19% and 3% of the Non-Life segment, respectively, in 2004 compared to 73%, 24% and 3%, respectively, in 2003. Net premium earned showed a 42% decrease in 2004 compared to 2003, reflecting premiums earned in 2004 from 2003, while gross and net written premiums decreased by 41% and 39%, respectively.

In 2003, the percentage of Property Treaty premiums increased by 7 points to 44%, while Casualty Treaty business and Large Corporate Accounts decreased by 3 points and 5 points, respectively, to represent 31 % and 25 % of the Non Life segment, respectively. Net premium earned showed a 16% decrease in 2003 compared to 2002, reflecting premiums earned in 2003 from 2002, while gross and net written premiums decreased by 27% and 25%, respectively.

The retention level of the Non Life segment increased by 3 percentage points to 94% in 2004 and by 3 percentage points to 91% in 2003. The 2004 combined ratio of the Non Life segment was 102% compared 127% in 2003. This improvement, that represented a decrease of 32 points of the loss ratio in 2004 compared to 2003, was primarily due to significant re-reserving in 2003 and 2002. The combined ratio of the Non Life segment was 127% in 2003 compared to 126% in 2002.

Our credit and surety business consists primarily of our surety business outside of the United States, including insuring commitments of financial institutions against the risk of default of their borrowers. The Group stopped the underwriting of its credit derivatives business in November 2001.

In 2004, 2003 and 2002, the Group significantly reduced its Credit, Surety & Political Risk gross premium income. Credit, Surety & Political Risk gross written premiums were reduced by 42% in 2004, 47% in 2003 and by 30% in 2002. These reductions mainly reflected share reductions in existing portfolios as well as the continuing impact of the reduction of the Group s surety business in the United States. Credit,

Surety & Political Risk earned premiums decreased 58% in 2004 compared to 2003 and 20% in 2003 compared to 2002 due to the continuing spread out of the credit derivatives premiums. On December 1, 2003, SCOR removed its credit derivative exposures by entering into an agreement with Goldman Sachs to hedge the Group entirely against all credit events that occur on or subsequent to that date, representing a maximum loss amount of USD 2.5 billion. The overall cost for SCOR, including a related commutation transaction that took place at the beginning of the fourth quarter of 2003, amounted to EUR 45 million.

Commercial Risk Partners, the ART Bermuda-based subsidiary of SCOR, ceased writing business in January 2003. During the first quarter of 2003, SCOR began Commercial Risk Partners sales negotiations and started commutation negotiations with its largest ceding

companies. By year-end, the sale of CRP was no longer pursued, but SCOR had succeeded in commuting approximately 60% of its alternative risk transfer portfolio. Due to the termination of activity, Commercial Risk Partners had no gross premiums written in 2003 and 2004. Commercial Risk Partners net premiums earned from the run-off operations was EUR 0 million in 2004 compared to EUR 159 million in 2003 and EUR 524 million in 2002, reflecting its run-off status.

The loss ratio decreased to 70% despite the fact that the claims related to natural catastrophes represented a net cost of EUR 76 million in 2004 for the Non Life segment compared to EUR 72 million in 2003. Following a second phase verdict returned on December 6, 2004 by a New-York jury regarding the WTC tower losses, SCOR decided to book an additional, net of retrocession, reserve of EUR 20 million in the fourth quarter of 2004. In 2004, SCOR, like most other reinsurers, was affected by the unusually high frequency of events, including four hurricanes in the United States and Caribbean and a number of typhoons in Asia. The decrease of the reserves in 2004 reflects the evolution of the exchange rate, particularly the weakening of the US Dollar, which accounted for approximately EUR 350 million, a large commutation in July 2004, which accounted for approximately EUR 70 million, and the run-off of ART, which accounted for approximately EUR 102 million.

In 2003, the increase in our loss reserves, based on a comprehensive review of our claims reserves at best estimate in September 2003, amounted to EUR 233 million and contributed 11 percentage points to our Non Life loss ratio of 102% in 2003. The amount of claims related to natural catastrophes represented a net charge of EUR 72 million in 2003, including EUR 31 million for storms in the Midwest of America, EUR 31 million, EUR 18 million for typhoon Maemi in South Korea, EUR 12 million for floods in Italy and EUR 11 million for floods in Southwest France, compared to a net charge of EUR 94 million in 2002 for floods in Central Europe.

Non Life commissions and expenses ratio increased from 25% in 2003 to 32% in 2004 primarily due to the increase in the percentage of proportional treaties, which have higher commission rates, to SCOR s total business mix as a result of a 54% decrease in Large Corporate account premiums in 2004.

Life/Accident & Health

The following table sets forth premium, loss and expense data, and related ratios, for the Group s Life/Accident & Health segment for the years indicated:

	Year ended December 31,		
	2002 (Restated)	2003 (Restated)	2004
	(EUR, in millions)		
Gross premiums written	1,218	983	880
Net premiums written	1,045	885	844
Net premiums earned	901	869	800
Net loss and LAE	663	653	627
Net commissions and expenses(1)	312	319	266
Underwriting (loss)	(74)	(104)	(93)
Loss ratio	73%	75%	78%
Expense ratio(1)	35%	37%	33%
Combined ratio	108%	112%	111%

(1) Expenses include direct charges of each business segment and indirect charges allocated by business segment pro rata according to direct expenses.

The Life and Accident & Health gross written premiums decreased by 11% in 2004 compared to 2003 mainly from the Accident & Health segment in which Accident and Medical Care decreased.

In 2003, the gross written premiums decreased by 19% compared to 2002. This reduction, which impacted the Accident & Heath segment resulted primarily from a significant withdrawal from the French medical welfare business initiated by the Group in the last quarter of 2002.

In 2004, net premiums written decreased by 5% compared to 2003. As a result, the retention level for 2004 increased to 96% from 90% in 2003. This 6% percentage point increase in the overall retention level of this segment was principally due to an increase of the retention on the Life/Death class of business.

In 2003, net premiums written decreased by 16% compared to 2002. As a result, the retention level for 2003 increased to 90% from 86% in 2002. This 4 percentage points increase in the overall retention level of the Life and Accident & Health segment was principally due to the withdrawal from the French medical welfare business on which we had a low retention level in 2002.

The 8% decrease in net premiums earned in 2004 compared to 2003 was more pronounced than the decrease in net written premiums in the same period due to the acquisition of the premiums on Long Term Care contracts, which have a larger acquisition period. The 4% decrease in net

earned premium in 2003 compared to 2002 was less pronounced than the decrease in net written premiums in the same period, due to the writing of a contract in the last quarter of 2002 that generated strong retained earned premiums in 2003.

During the period from the 2000 to 2003 balance sheet years, newly obtained experience data for the industry in general and SCOR revealed medical cost inflation in the United States significantly exceeding original projections. Indeed, the actual medical consumer price index exceeded SCOR's original projection of 7% per annum and turned out to be 14%. This effect was progressive and was recognized accordingly across these balance sheet years.

This increase happened after a few years of relatively low increases in medical costs due to the introduction of the Health Management Organizations (HMO). In the late 1990s, the effectiveness of HMOs diminished and medical expenses increased dramatically. This development was not expected by the non life insurance industry. This caused SCOR and other members of the industry to reevaluate the impact of medical costs on all of the reserves for U.S. Casualty lines of business, particularly those relating to U.S. workers compensation for underwriting years 1997, 1998, 1999 and 2000. The increase in reserves on the balance sheet at SCOR U.S. over the period totaled approximately EUR 929 million comprising an increase of EUR 206 million, 201 million, 197 million and 325 million in 2000, 2001, 2002 and 2003, respectively. These increases in reserves were reflected in Property-Casualty claims in the consolidated statement of operations for the corresponding year. No change in actuarial methods was made. SCOR also revised the reserves corresponding to CRP's business in 2000 to 2003. The net technical result of these operations corresponded respectively to a loss of EUR 14 million in 2000, a loss of EUR 60 million in 2001, a loss of EUR 240 million in 2002 and a loss of EUR 170 million in 2003. These increases in reserves were reflected in Property-Casualty claims in the consolidated statement of operations for the corresponding year. No change in actuarial methods was made.

In 2004, commissions and expenses decreased by 17% from 2003 due to new regulation SOP 03 01 which accelerated the amortization of the value of business acquired on the SCOR Life Re portfolio, when net premiums earned decreased 8%.

In 2003, commissions and expenses were relatively stable, increasing 2% from 2002 to 2003.

In 2004, loss and LAE decreased by 4% compared to 2003, 4 points less than premiums earned due to run-off of prior years. In 2003, loss and LAE decreased by 2% compared to 2002 in line with the decrease of premiums earned.

B. LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

The following table sets forth the Group s summarized cash flows statements:

	Year ended December 31,		
	2002 (Restated)	**2003 (Restated)**	**2004**
	(EUR, in millions)		
Net cash flows provided by (used in) operating activities	264	(98)	(229)
Net cash flows provided by (used in) investing activities	(614)	258	(450)
Net cash flows provided by financing activities	395	50	846
Effect of exchange rate changes on cash	(49)	21	(135)
Cash and cash equivalents at beginning of year	1,927	1,788	1,824
Effect of changes in exchange rates on cash beginning	(135)	(195)	(58)
Cash and cash equivalents at end of year	1,788	1,824	1,798

In the insurance and reinsurance industries, liquidity generally relates to the ability of a company or a group to generate adequate amounts of cash from its normal operations, including from its investment portfolio, in order to meet its financial commitments, which are principally obligations under its insurance or reinsurance contracts. Future catastrophe claims, the timing and amount of which are inherently unpredictable, may create increased liquidity requirements for the Group.

The principal sources of funds for the Group s reinsurance operations are premiums, net investment income and realized capital gains, while the major uses of these funds are to pay claims and related expenses, and other operating costs. The Group generates cash flow from operations as a result of most premiums being received in advance of the time when claim payments are required. These positive operating cash flows, along with that portion of the investment portfolio that is held in cash and highly liquid securities, have historically met the liquidity requirements of the Group s operations. Despite the level of cash generated by SCOR s ordinary activities, we may be required to seek full or partial external debt or equity financing in order to meet some or all of SCOR s obligations. See Item 3.D. Risk Factors We face a number of significant liquidity requirements in the short to medium-term.

The Group s liquidity requirements are met on both a short and long-term basis by funds provided by reinsurance premiums collected, investment income and collected retrocessional reinsurance receivable balances, and from the sale and maturity of investments. The Group also has access to the financial markets, commercial paper, medium-term note and other credit facilities described below as additional sources of liquidity.

In the reinsurance business, operating cash flow is primarily provided by premiums written and cash is primarily used by the subsequent payment of claims. In an increasing or stable business environment, premiums received are ordinarily higher than the claims paid on prior years and the current year and generate a positive operating cash-flow. In a decreasing business environment, premiums received decrease while at the same time claims paid relating to prior years ordinarily increases, generating, as a consequence, a negative operating cash-flow.

Our operating cash outflows include claim settlements. Since cash inflow from premiums is received in advance of cash outflow required to settle claims we accumulate funds that we invest. SCOR's asset/liability management strategy entails minimizing asset risk, since SCOR's core business activity, reinsurance, can expose SCOR to significant uncertainty regarding the expected timing of its liabilities. In addition, changes in SCOR's underwriting strategy and the run-off of certain business segments have impacted the composition of SCOR's liabilities. Consequently, SCOR has historically maintained a conservative investment policy. In general, SCOR invests in liquid, high-grade securities, with a majority (63%, 64% and 63% for each of 2002, 2003 and 2004, respectively) of its investments in fixed maturities, and a significant portion of its investments in cash and cash equivalents (20%, 22% and 21% for each of 2002, 2003 and 2004, respectively) in order to maintain sufficient liquidity to meet its expected liabilities together with a reasonably possible deviation from these expected liabilities. As a result, liquidation of fixed maturity securities should not be necessary in the ordinary course of business. As a general practice, the Group does not invest in derivative securities for the purpose of managing the relative duration of its assets and liabilities. Similarly, assets are generally invested in currencies corresponding to those in which the related liabilities are denominated in order to minimize exposure to currency fluctuations. The Group does use currency spot and forward contracts, as well as swap and other derivative contracts, to a limited extent, to manage its foreign currency exposure.

The Group s balance of cash and cash equivalents was EUR 1,798 million at December 31, 2004 compared to EUR 1,824 million at December 31, 2003 and EUR 1,788 million at December 31, 2002.

Net cash used by operations was EUR 229 million in 2004 compared to EUR 98 million in 2003 and net cash provided of EUR 264 million in 2002. The significant increase in cash flow used in operating activities in 2004 was primarily due to the combination of the reduction of premiums written and the payment of claims on run-off portfolio.

In 2004, the non-life technical provisions decrease for claims (EUR (662) million) and unearned premiums (EUR (167) million) was a result of the decrease in our activities in accordance with the Back on Track plan which was completed at the end of the 2004 financial year. The decrease of reserves in 2004 is primarily due to the impact of exchange rate fluctuations, principally the weakening of the US Dollar, which accounted for approximately EUR 350 million, a large commutation in July 2004, which accounted for approximately EUR 70 million and the run-off of our Bermudan subsidiary CRP, which accounted for approximately EUR 102 million.

In 2003, the non-life technical provisions decrease for claims (EUR (230) million) and unearned premiums (EUR (375) million) was a result of the decrease in our activities in accordance with the Back on Track plan which we started during the fourth quarter of 2002. In 2003, net cash used in operating activities was primarily due to an increase in our reserves related to certain reinsurance contracts in the United States prior to 2002 by EUR 272 million and the commutation of business underwritten by our Bermudan subsidiary CRP.

In 2002, the operating cash-flow provided is due to the developments in our activities. As a consequence, the technical provisions increased for claims (EUR 501 million) and unearned premiums (EUR 192 million). In particular, the higher increase in losses and LAE reserves than in unearned premium reserves was due to the high loss ratios in Alternative Reinsurance and in Credit, Surety and Political Risks. We readjusted our reserves related to certain reinsurance contracts in the United States prior to 2001. Likewise, we readjusted our reserves, due particularly to an increase in claims related to certain credit derivatives reinsurance contracts largely caused by the worsening of the condition of certain debtors, to certain events related to the Program Business of SCOR U.S. and to the high claims rate of certain contracts covering workers compensation in the United States underwritten by our Bermudan subsidiary CRP.

Changes in assets and liabilities resulted in net cash used of EUR 72 million in 2004 compared to net cash provided of EUR 125 million in 2003. This cash used in 2004 was mainly due to an increase of the cash deposits of EUR 266 million partly compensated by a decrease of the balance receivable of EUR (205) million due to the 29% reduction in premiums.

Changes in assets and liabilities created net cash provided of EUR 140 million in 2003 compared to net cash used of EUR 116 million in 2002. This cash provided in 2003 was mainly due the decrease of the balance recoverable of EUR (232) million due to the 31% reduction in premiums.

In 2002, changes in assets and liabilities created net cash used of EUR 116 million. This was due to a strong increase (EUR 275 million) in deposits with ceding companies (mainly due to Life deposits and a stronger need of guarantees from the cedent due to the downgrade of our ratings) and in receivable on sundry debtors and creditors (EUR 102 million), compensated by a decrease in accrued reinsurance balance payable (EUR 409 million) due to a decrease of our estimates taking into consideration the ceding accounts receipt.

Net cash used by investing activities was EUR 450 million in 2004 compared to cash provided by investing activities of EUR 258 million in 2003 and net cash used in investing activities of EUR 614 million in 2002. For 2004, our investing activities consisted primarily of a net purchase of fixed maturity securities amounting to EUR 257 million and equity securities amounting to EUR 189 million.

For 2003, our investing activities consisted of a net sale of fixed maturity securities amounting to EUR 33 million and short-term investments amounting to EUR 169 million.

For 2002, our investing activities consisted of a net purchase of fixed maturity securities amounting to EUR 1,227 million and a net sale of equity securities amounting to EUR 253 million and short-term investments amounting to EUR 174 million and a net sale of reinsurance companies (COFACE) amounting to EUR 275 million.

Net cash provided by the Group s financing activities was EUR 846 million in 2004 compared to EUR 50 million in 2003 and EUR 395 million in 2002. Net cash provided by financing activities in 2004 was primarily due to the issuance of 682,724,225 shares at a subscription price of EUR 1.10 on January 7, 2004, resulting in a capital increase of EUR 708 million, and the issuance of a new OCEANEs bond issuance on July 2, 2004 for EUR 200 million.

Net cash provided by financing activities in 2003 was due primarily to a proceed of long-term borrowings of EUR 209 million, and was partially offset by repayments of borrowings for EUR 114 million and our acquisition of minority interests in IRP for EUR 40 million.

Net cash provided by financing activities in 2002 was due primarily to the issuance of new shares in the Company s December 2002 capital increase, which contributed EUR 363 million. As part of its short and medium term debt management strategy, SCOR finalized the placement of a 5-year, 5.25% senior notes issue in June 2002 for a total amount of EUR 200 million. This offering lengthened the average duration of SCOR s outstanding debt. Following the lower of SCOR s ratings in 2003, the interest was increased to 7.75%.

The issue was used entirely to consolidate part of SCOR s existing commercial paper program and did not alter the Group s overall debt ratio.

On April 17, 2002, SCOR issued USD 112 million index-linked securitization of liabilities designed to lower its risk profile in Credit Reinsurance. This securitization was fully backed by Aaa rated assets. The coverage was linked to Moody s A and Baa ratings indices, which comprise weighted credit risk populations rated between A1 and Baa3. The indices were picked for their match with the credit exposures SCOR is seeking to protect in terms of quality, geographic diversity and range of sectors.

At December 31, 2004, the Group had approximately EUR 44 million available in unused short and long-term credit lines, compared to approximately EUR 50 million at December 31, 2003 and approximately EUR 100 million at December 31, 2002. For additional information, see below under Off Balance Sheet Transaction . As of December 31, 2004, SCOR believes that its working capital is sufficient for its present requirements.

During the year ended December 31, 2004, the Group had a credit line of EUR 50 million EUR 44 million of which was outstanding on December 31, 2004 and had letters of credit outstanding with a face amount of EUR 867 million on December 31, 2004, as follows:

EUR 50 million short term credit line

On November 5, 2003, the Board of Directors of the Company authorized the extension and amendment of a contract signed on December 11, 2002 concerning the opening of a EUR 100 million short-term credit line between SCOR and a syndicate of banks. Pursuant to a December 8, 2003 amendment, the global commitment under the short-term credit line was reduced to EUR 50 million and one bank left the syndicate. The credit line was terminated by SCOR on February 24, 2004. Interest on amounts outstanding under the credit line accrued at a rate equal to EURIBOR plus a margin of 1% to 1.5%, depending on SCOR s credit rating. The facility agreement provided for payment of an annual commitment fee of 0.75%, a fronting fee of 0.20% and a contract extension fee of 0.20% of the EUR 50 million credit line provided.

SCOR stand-by letters of credit facility

On December 26, 2002, SCOR entered into a facility agreement with a banking syndicate relating to the issuance of letters of credit in favor of third party beneficiaries designated by SCOR. The purpose of this facility agreement is to secure SCOR s obligations with respect to ceding companies. The initial maximum commitment of the participating banks amounted to USD 900 million. The facility agreement was amended on November 13, 2003 for an amended aggregate amount of up to USD 842 million. This maximum amount was subsequently reduced by a series of partial cancellations by SCOR, the most recent occurring in November 2004, to USD 115 million. In addition to other customary covenants, the facility agreement requires SCOR to notify the participating banks in the event of any sale by SCOR of substantial assets exceeding EUR 50 million, or any sale by SCOR s significant subsidiaries of assets exceeding EUR 75 million, and of the occurrence of any damages or litigation involving an amount higher than EUR 50 million. The facility contains a negative pledge with a basket of EUR 250 million for security interests and EUR 125 million for guarantees. Any disposal of SCOR s controlling interest in SCOR Vie requires the consent of a majority of the participating banks. Events of default include (i) the failure by SCOR to pay amounts due under the facility; (ii) a breach of representation or the failure by SCOR to comply with its other obligations under the agreement; (iii) a default or acceleration of payment obligations under the SCOR Vie stand-by letters of credit facility described below; (iv) an event of default in relation to any financial debt of more than EUR 50 million of the Company or any company of the Group or the Company or any company of the Group fails to pay when due any other debt exceeding EUR 50 million; (v) the occurrence of any insolvency event or proceeding, or any other similar event or proceeding, with respect to the Company or any company of the Group; (vi) the occurrence of a material adverse event (as defined in the facility agreement) or an event which the majority of the syndicate (67%) deems to be a material adverse event; (vii) a decrease of SCOR s consolidated net worth below EUR 1 billion; (viii) the auditors of the Company or a company of the Group refusing to certify statutory financial statements, or certifying only with significant reservations; and (ix) attachments on assets with value in excess of EUR 30 million. The outstanding amount of the letters of credit is collateralized by French Government OAT Bonds in an amount equal to 105% of such outstanding amount. The facility agreement provides for a number of fees, including a utilization fee of 0.15% per year, a contract extension fee of 0.045% and a fronting fee of 0.10%, each based on the outstanding amount of the letters of credit, and a non-utilization fee of 0.06% per year, based on the non-used portion of the facility. The facility agreement expires on December 31, 2005. It shall automatically be renewed for an additional period of twelve months unless SCOR or the banking syndicate delivers a termination notice to the other party no later than 3 months prior to the maturity date.

SCOR Vie stand-by letters of credit facility

On November 14, 2003, in the context of the contribution of the Life business of SCOR to SCOR Vie, SCOR Vie entered into a stand-by letter of credit facility agreement with the banking syndicate referred to above. The purpose of this facility agreement is also to secure SCOR Vie s obligations with respect to ceding companies. The initial amount of the facility was USD 110 million and was subsequently reduced by amendment to USD 85 million. As in the case of the SCOR credit facility, this credit facility requires the payment of similar banking fees and provides for similar covenants and events of default. The outstanding amount of the letters of credit is also secured by collateral given to the banking syndicate in the form of French Government OAT Bonds for an aggregate amount equal to 105% of such amount.

Stand-by letter of credit facility

On October 11, 2004, the Company and SCOR Vie each entered into a separate stand-by letters of credit facility with Deutsche Bank AG in amounts up to an aggregate of USD 200 million. The letters of credit facilities were issued to secure their respective reinsurance activities and related contracts and expire on December 31, 2005 unless earlier terminated as a result of an event of default. Interest on amounts drawn under the letters of credit accrues at the prime rate. An annual commitment fee of 0.05% of the undrawn portion of the facility is due to the bank. The facility agreements include the same type of events of default as those provided in the above stand-by letters of credit facilities. The collateral securing the amounts drawn and outstanding is comprised of U.S. Treasury bills with a percentage of overcollateralization depending on the term of such notes.

C. OFF-BALANCE SHEET TRANSACTIONS

We enter into off-balance-sheet arrangements in the ordinary course of business both on our own behalf and on behalf of our customers. Off-balance-sheet arrangements we enter into for our own behalf generally consist of OTC and other derivative instruments, and are described in Note 13 to the Consolidated Financial Statements.

Off-balance-sheet arrangements we enter into for our clients consist of letter of credit (LOC) transactions where we provide LOC coverage for all or part of our reinsurance obligations to ceding companies, or where similar coverage is provided to us by our retrocessionaires. These transactions are entered into in the ordinary course to comply with ceding companies credit or regulatory requirements. We also pledge some securities as collateral in order to guarantee the payment of cedants reserves. The following table sets forth our off-balance-sheet engagements at December 31, 2002, 2003 and 2004:

	Year ended December 31,		
	2002	2003	2004
	(EUR, in millions)		
Commitments received			
Unused credit lines	100	50	44
Endorsements and sureties	1	68	47
Letters of Credit	1,262	1,285	867
Other commitments	1		13
Total	1,364	1,403	971
Commitments given			
Endorsements and sureties	1	90	47
Leases	28	17	10
Letters of Credit	1,085	594	656
Collateralized securities	2,583	3,226	1,885
Other commitments	23	139	99
Total	3,720	4,066	2,698

As of December 31, 2004, SCOR was not aware of factors relating to the foregoing off-balance-sheet arrangements that are reasonably likely to adversely affect liquidity trends or the availability of or requirements for capital resources. As of December 31, 2004, there were no material additional financial commitments required from Group companies in respect of such arrangements.

Guarantees

In connection with a leasing arrangement accounted for as a capital lease by the Company related to a building, the Company guaranteed the lessor against realized losses that may be incurred on the ultimate sale of the building. Under the terms of the lease, if the Company, as lessee, does not elect to exercise the bargain purchase option contained within the lease agreement, and the building is sold at a realized loss, the Group is obligated to fund this guarantee. In doing so, the Group would be required to pay the lessor to the extent that the residual value exceeds the sale price of the building. The maximum potential amount of future payments the Group could be required to fund under the guarantee is contractually limited to EUR 18 million. The guarantee expires in 2012. As of December 31, 2004, the Group has not been required to make any payments under this guarantee.

In connection with the sale of the Group s interest in an insurance entity, the Group guaranteed the purchasers against adverse developments related to insurance and reinsurance contracts written by the entity. There is no expiration date for this guarantee. The

Group believes that there is no maximum potential loss from this guarantee. As of December 31, 2004, there has been no material adverse development in the reserves concerned. Accordingly, the Group has not been required to make any payments under this guarantee as of December 31, 2004.

Pursuant to agreements dated December 28, 2001 entered into in connection with the formation of IRP Holdings, the minority shareholders of IRP Holdings have an agreed set of exit rights exercisable during the first half of 2005 and in any event require an exit no later than May 31, 2006. SCOR may acquire the shares held by the minority shareholders either with existing or newly-issued SCOR shares, with cash, or with a

combination of shares and cash. SCOR may, depending on conditions at the time of the exit, decide to acquire all or part of these shares in 2005.

D. CONTRACTUAL OBLIGATIONS

The following table sets forth the schedule of repayments of SCOR s debt as of December 31, 2004.

Year	**Payment (EUR, in millions)**	
2005	266	
2006	78	
2007	232	
2008	16	
2009	205	
Thereafter	295	
Total long-term debt	1,092	(1)

_____

(1) Excluding EUR 147 million related to the sale of the SCOR building.

	Payment due by period				
		Less than			**More than**
Contractual obligations	**Total**	**1 year**	**1-3 years**	**3-5 years**	**5 years**
Long term debt (principal)	995	262	300	211	222
Long term debt (interest)(1)	218	30	68	23	97
Losses and loss adjustment expenses(2)	6,119	1,782	1,726	1,047	1,564
Future policy benefits(2)	2,677	705	182	182	1,608
Capital lease	97	4	10	10	73
Operating lease					
Purchase					
Other long term liabilities					
Total(3)	10,106	2,783	2,286	1,473	3,564

_____

(1) Some of SCOR's long term debt bears interest at floating rates and is denominated in U.S. dollars. The calculation of interest payments on long term debt is based on interest rates and exchange rates as of December 31, 2004.

(2) Given that loss reserves and future policy benefits are estimates, the payment of these estimates are generally not fixed as to amount or timing. The projected amounts included in the table are estimates based on past experience and our judgment. The projected settlement of loss reserves and future policy benefits will differ, perhaps significantly, from future payments. Deviations from these estimates are normal and are to be expected. These estimates can not be extrapolated to future underwriting years payment patterns as underwriting policy has changed and the commutation policy pursued by SCOR in the past might significantly change in the future. Additionally, estimated losses as of the financial statement date do not take into account the impact of estimated losses from future business. For further information regarding the uncertainty associated with loss reserves and future policy benefits see "Reserves" on page 17 and "Critical Accounting Policies" on page 50.

(3) Excluding EUR 147 million related to the sale of the SCOR building.

For more information, see Note 9 to the financial statements. See Item 3.D. Key Information Risk Factors SCOR faces a number of significant liquidity requirements in the short to medium-term.

E. RESEARCH AND DEVELOPMENT, PATENTS, LICENSES

See Item 4.B. Business overview Information Technology.

F. TREND INFORMATION

See Item 4.B. Business overview and Item 5.A. Operating results.

G. CRITICAL ACCOUNTING POLICIES

SCOR s consolidated financial statements included in this annual report have been prepared in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. The following presents those accounting policies that management believes are the most critical to its operations and those policies that require significant judgment on the part of management. These critical accounting policies are those which involve the most complex or subjective decisions or assessments, and relate to the recognition of premium income, the establishment of technical insurance reserves, the recording of deferred acquisition costs, goodwill, deferred taxes and the determination of the fair value of financial assets. In each case, the determination of these items is fundamental to our financial condition and results of operations, and requires management to make complex judgments based on information and financial data that may change in future periods. As a result, determinations regarding these matters necessarily involve the use of assumptions and subjective judgments as to future events and are subject to change, as the use of different assumptions or data could produce materially different results.

Technical Reserves.

Our insurance provisions, or technical reserves, represent estimates of future payouts that we will make in respect of our Property-Casualty and Life reinsurance claims, including expenses relating to such claims. Such estimates are made on a case-by-case basis, based on the facts known to us at the time provisions are established, and are periodically adjusted to recognize the estimated ultimate cost of a claim. As a reinsurance company, our reserve estimates are largely based on information received from our ceding companies, which are in turn dependent on information received from their underlying insured, with the result that a significant amount of time can lapse between the assumption of risk on our part, and the ultimate payment of a claim on a covered loss event. In addition, we establish IBNR reserves in our Property-Casualty business to recognize the estimated cost of losses that have occurred but about which we do not yet have notice. The establishment of our technical reserves is an inherently uncertain process, involving assumptions as to factors such as court decisions, changes in laws, social, economic and demographic trends, inflation and other factors affecting claim costs. Reserves are calculated on the basis of their ultimate cost undiscounted, except for workmen s compensation which is discounted. In our Life reinsurance business, the technical reserves for life benefits that we establish are based on information received from our ceding companies, together with actuarial estimates concerning mortality and morbidity trends. See also Note 3.16 to the consolidated financial statements.

Reserve Segmentation:

SCOR's overall Property and Casualty business portfolio is divided into more than one hundred different reserving segments. Every contract is assigned to a reserving segment which is defined homogenously using, among other parameters, the applicable line of business and geographical areas of underwriting.

Once a year, in light of year end actuarial studies and in order to improve the assessment of reserves estimates, modifications of criteria used to segment the portfolio can be proposed to the Group Actuarial department which then decides whether or not to implement any modifications to the portfolio segmentation criteria. During the course of the year, any new contract is allocated to the existing pre-defined segmentation.

Actuarial methods:

Reserves are actuarially determined by reserving segment, using methods consistent with industry practices and taking into account various assumptions and factors such as internal analyses, loss and exposure information provided by the ceding companies, historic loss development and trend experience, which is viewed as indicative of future loss development and trends, as well as court decisions, changes in legislation, social, economic and demographic trends, inflation and other factors affecting claim costs. SCOR's actuaries do

not determine a range of loss reserve estimates. Instead, SCOR's actuaries determine point estimates for each reserving segment which are then aggregated to determine the total loss reserve estimate. SCOR's management examines and challenges the actuarial determinations although the actuaries are responsible for the reserve estimates. No adjustments were made by management to the actuarially determined loss reserve estimates as of December 31, 2004.

The methods commonly used by us include, but are not limited to, the "Chain Ladder" technique, the Bornhuetter-Ferguson method (which takes into account exogenous information in the a priori loss ratio used), and the loss ratio method. The method used depends heavily on the characteristics of the reserving segments. The classical loss development factor methods are usually used for underwriting years where the information available is considered sufficiently reliable. For recent underwriting years, exogenous information such as underwriting information

and pricing elements are taken into account and the Bornhuetter-Ferguson and loss ratio methods are used. Catastrophe claims are evaluated by using commercial catastrophe modeling systems.

Assumptions:

In order to properly apply those actuarial techniques, a thorough knowledge of the portfolio is needed to analyze and interpret any trends. For example, changes in legislation or changes in the underwriting policies of cedents or SCOR could result in a balance sheet or underwriting effect.

From a mathematical standpoint, the assumptions to be verified for the "Chain Ladder" method are the independence of the underwriting years and similar loss development factors of a given development year. If one of these assumptions is not able to be verified, then the model can be altered. With respect to the Bornhuetter-Ferguson and loss ratio methods, the a priori expected loss ratio used reflects the projected loss ratio from the prior year adjusted for loss trends and the impact of rate changes.

Long tail:

For long tail reserving segments such as medical malpractice, motor liability and workers compensation (other than asbestos and environmental claims described below), classic reserving methods are not always directly applicable due to the long-term characteristics of these types of claims. For example, for bodily injury losses, the assessment of the ultimate cost needs to take into account the stabilization of the victim s state of health and may also take into account a court decision, which option leads to a long duration between the occurrence of a loss and its settlement. Assumptions must also be made regarding the timing of the cash flows, contributing further to the inherent uncertainty in estimating reserves for these lines of business. Therefore, in order to complete the analysis for such reserves, additional studies are performed, taking into account various factors, such as loss and exposure information provided by the ceding companies, historic loss development and trends, medical costs, jury verdicts, regulatory environment, inflation and other factors affecting claims costs. In some cases, a more detailed analysis on a contract-by-contract basis is performed.

Asbestos and Environmental Claims:

Due to the Group's limited activities in these types of risks, SCOR's exposure to these losses is limited.

Due to the characteristics of asbestos and environmental claims, which include:

- a loss which does not manifest itself until some considerable time after exposure (latency period); and
- large volumes of unanticipated claims or claims with their scope significantly misjudged when underwritten,

other reserving techniques than the ones previously mentioned are used.

SCOR has four different methods which it can use to assess the appropriate level of reserves for asbestos and environmental claims. Depending on the historical data available for each book, SCOR applies one or more of these methods.

The first method used is the survival ratio technique, defined as the ratio of loss reserves (including IBNR) over the average of calendar paid losses over the last three years. This ratio is commonly used in the industry and by SCOR. It represents the number of future calendar years,

taking into account assumptions regarding average annual claims payment that the held reserves could fund.

The survival ratio technique is very sensitive to a company's litigation settlement philosophy and commutation activity. The three other actuarial methods used to compute reserve estimates are an S-curves approach, a frequency-severity method using the Manville pattern and the market share approach. It is important to note that none of these methods can be considered to be perfect. In some cases, the results of these four methods can vary significantly.

Range and Process:

SCOR believes that due to the variability and unpredictability of the many factors that impact reserve estimates such as inconsistent and unforeseeable court decisions, judicial interpretations that have broadened coverage, increases in medical costs and related liabilities, and the increasing frequency of catastrophe losses, one cannot reasonably expect the reserves to fall within any particular narrow range. This is particularly the case for the long-tail lines of business.

For latent claims, which represent the most uncertain exposures, industry experience indicates that the upper end of the range cannot be quantified.

On specific reserving segments, SCOR actuaries conduct stress test scenarios using assumed evolution of some parameters and/or deviation of Ultimate Loss Ratios. For example, a deviation of 5% of workers compensation and non proportional casualty's Ultimate Loss Ratios (underwriting years 1994 to 2004), would increase by around USD 100 million the amount of IBNRs for those two segments.

Each quarter, actuaries within SCOR's local business units conduct analyses of reserves. These analyses undergo a review by local management, the SCOR Group actuarial department and the head of SCOR's global property and casualty division. As part of this review the methodologies and the underlying assumptions are challenged. Studies of independent actuaries, where conducted, are also taken into consideration. Based on these reviews the appropriate level of reserves is determined.

SCOR sets its claim reserves for assumed reinsurance operations based upon information received from the ceding companies, utilizing different methodologies used for its non-life and life businesses.

Non-Life

SCOR's policy is to ensure that all claims are promptly and adequately reserved. An adequate reserve is a reserve that is sufficient to cover SCOR s entire estimated ultimate share of a loss and the expenses generated by such a loss. In accordance with this policy, the claims handling procedures at SCOR are designed (i) to ensure that reserves are adequately recorded, and (ii) that the appropriate control mechanisms are in place to allow proper monitoring of the process.

Claims are handled promptly. Upon receipt of a claim, all related documents are directed to and handled by the technical staff who verifies that the claim submission conforms to the terms and conditions of the contract, as already recorded in SCOR s IT system (called Omega). Any issues regarding coverage are then discussed and resolved with the underwriter and, when necessary, with SCOR's legal department and outside counsel. In addition, in each business unit dedicated staff are in charge of overseeing the claims activity. All claims in litigation are reported to, and monitored by, the Group Claims Division based in Paris.

If additional claim information is needed, the claims examiner will contact the ceding company or broker. The booking of reserves is performed promptly even if additional information from the ceding company is being requested. If the examiner s evaluation of the claim reveals that the actual loss value is greater than the claim notice, the examiner will book an Additional Case Reserve (ACR). In cases where SCOR has knowledge of a loss (whether from the cedant, market information or media reports) but with no amount yet reported by the cedant, substitution reserves (SR) are booked by SCOR to reflect a level of reserve consistent with the exposure analysis. Substitution reserves are replaced by information reported by the cedant as soon as it is available. Both ACR and SR are dynamically adjusted as new information is obtained. SCOR's policy is to actively seek claims information in order to ensure that the reserve figure booked is as adequate as possible.

Before each quarterly closing, SCOR's technical accounting department also analyzes the backlog of claims and ensures that any material claims detected in the backlog are booked.

Claims with reserves in excess of a defined threshold are subject to committee review and a detailed written description of the claim is circulated to the management, underwriters and actuaries. Claims transactions are monitored regularly to verify that claim reserve and payments are accurate and that any deviation is immediately detected and corrected. A report of all claims posted on an accounting data basis is produced periodically in order to detect and analyse the most significant claims and check their reliability.

On a regular basis, SCOR conducts claims audits at the insurance companies premises. Such audits (i) permit an in-depth analysis of the quality of the claims work by the insurance companies and, as a consequence, they allow an appraisal of the reliability of reported case reserves and (ii) permit the early detection of loss trends, legislation, jurisprudence or social inflation that could have an impact on reserves.

Lastly, the Group Claims Division performs internal audits of claims operations in order to verify that the group claims guidelines and group settlement and reserve policy are complied with.

Life

With respect to the life reinsurance business, reserves for future policy benefits are generally based on the ceding companies' information which is usually set forth in the reinsurance treaty between the cedent and SCOR. Occasionally, specific audits can be performed on the ceding company's books and records.

SCOR's reserves for future policy benefits are based on cedents' reserves, adjusted for US GAAP when appropriate, or are directly calculated when individual data is available.

Reserves for future policy benefits include pending claims, benefits to be paid under the contract and Additional Technical Reserves.

These Additional Technical Reserves are calculated to take into account :

- a reserve component that SCOR has identified as an item missing in the information received from the cedent; or
- a Loss Recognition Reserve, when SCOR's actuarial analysis of the reinsured risks reveals that overall losses are expected until termination of the contracts.

For the interest sensitive line of business, the benefit reserve is the account value which is considered a deposit.

The process described above is highly automated and controlled. SCOR's underwriting system automatically calculates estimates for premiums, commissions and losses based on the underwriting conditions of each treaty which assists in mitigating the potential impact of backlogs, missing and/or late accounts.

Premiums.

Management must make judgments about the ultimate premiums written by the Group. Due to lags in the reporting of premium data by our ceding company clients, our reported premiums written are based on reports received from ceding companies, supplemented by our own estimates of premiums written for which ceding company reports have not been received. Property-Casualty and Life premiums recorded in the year correspond to the estimated premiums anticipated at the time of writing the contract. This is regularly reviewed in the course of the year to adjust for possible modifications in premiums paid under the contract. An unearned premium reserve is calculated, either on a time apportioned contract-by-contract basis, or using a statistical method when this yields as a result close to that obtained via the contract-by-contract method. See also Note 3.9 to the consolidated financial statements.

Methodology

SCOR determines its estimates of assumed premiums with different methodologies for its non-life and life businesses and for proportional and non-proportional contracts.

Non-Life

The estimated ultimate premium for a given contract and a given underwriting year (also called Estimated Gross Premium Income, or EGPI) is the starting point for SCOR's premium recognition process. The determination of this EGPI depends upon the nature of the particular products comprising the non-life business.

For proportional non-life reinsurance contracts, the ultimate premium is specified by the cedent in its proposal. In the case of a proposal to renew an existing contract, the SCOR underwriter assigned to review the particular proposal verifies the validity of the information provided in the proposal against existing statistics and actual accounts recorded during the previous underwriting year in respect of the cedent's existing contract or contracts with SCOR. The ultimate premium is revised on a regular basis according to data received and recorded during the life of the contract, including information furnished by the cedent and experience. Specific internal reports are also available for these verifications and controls, including pattern models. The recorded estimated premium is the difference between the latest revised ultimate premium (prorated for the contract risk period) and the actual partial premium received and recorded from the cedent company to date.

For the non-proportional business, the ultimate premium is equal to the subject premium provided by the cedent multiplied by the quoted premium rate. Non-proportional treaties usually include a minimum premium equal to approximately 80% of the EGPI. Prior to any

acceptance, the SCOR actuarial department provides a quotation to allow the underwriter to evaluate the rate proposed by cedent. Similarly to the proportional business, the estimated subject premium for non-proportional business is revised regularly according to information received during the life of the contract and specific internal reports are available for these verifications and controls, including pattern models. The recording of estimates follows the premium installment schedules set forth in the signed contract.

Lastly, for the facultative business, the ultimate premium is provided by the cedent in its proposal, which is approved by SCOR underwriters. This estimated premium is immediately recorded and will be revised according to the installment schedule sent by the cedent, or if there is any change on the coverage provided for the business. Again, specific internal reports are available for these verifications and controls, including patterns models.

Life

For life treaties, estimated premium income is determined for each cedents accounting years and premium is recognized when due from cedents and policyholders. As long as all premium information has not been received from cedents, the estimates can be reviewed.

Life premium estimates are calculated on a treaty-by-treaty basis by SCOR's administration department, and the premium estimates are then validated by SCOR's underwriters for a sampling of treaties. A treaty is "sampled" if the estimated premium volume is greater than EUR 150,000, or if the expected technical result is greater than plus or minus EUR 100,000, or if related technical reserves are greater than EUR 450,000. These "sampled" treaties generally represent more than 90% of the life contracts portfolio.

"Non-sampled" treaties are estimated on a bulk basis by geographical segments and by the nature of the business (proportional or non-proportional). Premium estimates are generally based upon the cedents premium information which are then validated by SCOR's underwriters.

Estimates are reviewed each time a new information is received from the ceding companies or from industry sources.

The estimates recorded by SCOR are the difference between the total estimated premium income and the actual premium actually sent in reinsurance accounts by ceding companies to date.

Different calculation methods are used depending on the type of business. For renewed or cancelled proportional treaties, estimates are calculated based upon statistical trends which are then completed using specific underwriting information. For new proportional treaties, the estimated gross premium income is either provided by SCOR's underwriters and/or calculated by actuaries based on the quotation files. Lastly, for non-proportional treaties, estimated gross premium income results from the estimated subject premium (provided by SCOR's underwriters based upon the cedents' information) on which SCOR applies the quoted premium rate.

Accounting

The assumed premium estimates for SCOR's non-life and life businesses are booked as assets on SCOR's consolidated balance sheet net of the estimates of the corresponding commissions payable by SCOR. As of December 31, 2004, the assumed premium estimates for SCOR's non-life and life businesses amounted to EUR 1,271 million.

In cases where SCOR has over-estimated the assumed premium, this over-estimation would generally be largely offset by a corresponding over-estimation of commissions and losses payable by SCOR. If the non-life estimated premium as of end of balance sheet year 2004 for the 2004 and 2003 underwriting years were over estimated by 5%, non-life underwriting premium revenues would be overstated by EUR 23 million, and after adjustments for related expenses, the net effect would be to overstate underwriting income before income taxes by EUR 1.7 million, and by EUR 1.2 million after income taxes.

SCOR's management considers that the booking of provisions for depreciation of assumed premium estimates is not necessary for the following reason. In cases where SCOR identifies a counter-party risk on one of its cedents, the risk appreciation by SCOR will be performed on the net financial position (including reserves, deposits, current account and estimates) of the cedent vis-à-vis SCOR and thus it is rare that SCOR be in a net debit position because loss reserves largely exceed premium estimates and premiums receivable. As long as premium is not due, claims are neither due. In case of a recoverability issue the uncollectible premium would be offset by unpaid claims.

Amortization of Deferred Policy Acquisition Costs.

We amortize our deferred policy acquisition costs (DAC) for life business based on a percentage of our expected gross profits (EGPs) over the life of the policies. Our estimated EGPs are computed based on assumptions related to the underlying policies written, including the lives of the underlying policies, and, if applicable, growth rate of the assets supporting the liabilities. We amortize deferred policy acquisition costs by estimating the present value of the EGP s over the lives of the insurance policies and then calculate a percentage of the policy acquisition cost deferred as compared to the present value of the EGPs. That percentage is used to amortize the deferred policy acquisition cost such that the amount amortized over the life of the policies results in a constant percentage of amortization when related to the actual and future gross profits.

Because the EGPs are only estimates of the profits we expect to recognize from these policies, the EGPs are adjusted at each balance sheet date to take into consideration the actual gross profits to date and any changes in the remaining expected future gross profits. When EGPs are adjusted, we also adjust the amortization of the DAC amount, if applicable, to maintain a constant amortization percentage over the entire life of the policies, or to take into account the absence of future profits. For 2004, we have not materially changed the weighted average expected life of the policies. The present value of the future profits acquired in the context of the purchase of SCOR Life Re US is determined in a similar manner. See Note 3.10 to the consolidated financial statements.

In our Property-Casualty business, deferred acquisition costs represent the portion of commissions pertaining to contracts in force at year-end over the period for which premiums are not yet earned, and are written down over the residual duration of the contacts in question.

Fair Values.

Fair value determinations for financial assets are based generally on listed market prices or broker or dealer price quotations. If prices are not readily determinable, fair value is based on either internal valuation models or management s estimate of amounts that could be realized under normal market conditions, assuming an orderly liquidation over a reasonable period of time. Certain financial instruments, including OTC derivative instruments, are valued using pricing models that consider, among other factors, contractual and market prices, correlations, time value, credit, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair value.

Goodwill.

The excess of purchase price over the fair value of the net assets acquired of a company restated to fair value at the date of purchase, is recorded as goodwill. Under FASB 142 (Goodwill and other intangible assets), goodwill is not amortized but is subject to an assessment for impairment on an annual basis, or more frequently if circumstances indicate that a possible impairment has occurred. If the goodwill is higher than its fair value, an impairment is recorded in the statement of income. During 2002, Commercial Risk Partners goodwill, which is included in the Alternative Risk Transfer sub-segment, was determined to be fully impaired.

Deferred Tax.

The deferred tax assets and liabilities on the consolidated balance sheets reflect timing differences between the carrying amount of assets and liabilities for financial reporting and income tax purposes. See Note 10 (Income Tax) to the consolidated financial statements for significant components of the Group s deferred tax assets and liabilities.

SFAS 109 requires the establishment of a valuation allowance for deferred income tax benefits if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In assessing the realizability of deferred tax assets, including French net operating losses, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Item 19. Exhibits

The following documents are filed as exhibits to this Amendment No. 1:

Exhibit Number	Description
12.1	Certification of chief executive officer pursuant to 17 CFR 240.13a-14(a), promulgated under Section 302 of the Sarbanes-Oxley Act of 2002
12.2	Certification of chief financial officer pursuant to 17 CFR 240.13a-14(a), promulgated under Section 302 of the Sarbanes-Oxley Act of 2002
13.1	Certification of chief executive officer furnished pursuant to Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), promulgated under Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of chief financial officer furnished pursuant to Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), promulgated under Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to this annual report on its behalf.

SCOR

By: /s/ Denis Kessler

Name: Denis Kessler
Title: Chairman and Chief Executive Officer

Dated: January 27, 2006