Financial Report

For the period ended 31 December 2011

New Zealand Branch of SCOR Global Life SE

Global Life

STATUTORY AND OTHER DISCLOSURES

For the period ended 31 December 2011

This report is presented on the New Zealand Branch of SCOR Global Life SE for the period from 30th November 2010 to 31st December 2011.

Branch offices are useful in that it allows the administrative aspect of the business to be conducted in locations around the globe, this type of entity is broadly used by the SCOR SE (the Group). The Life Insurance division of the Group, SCOR Global Life SE (the Company or SGL SE) main office is located in France. The New Zealand branch office is managed by its Chief Executive Officer who reports directly to, and take orders from, the Company's executive management. Branch offices enable the Group to conduct business in different locations in a cost effective manner, as well as cater to, and be more informed in, the needs of specific locations.

The New Zealand branch of SCOR Global Life SE includes and is limited to all the transactions of SCOR Global Life SE related to the New Zealand territory.

Principal activities

SCOR Global Life SE a body corporate incorporated in France, is registered on the New Zealand overseas company register to carry on business in this country, under Part XVIII of the Companies Act 1993. SGL SE was certified as an overseas Non-ASIC Company by the Registrar of Companies New Zealand on 30th November 2010, under Section 337[1] of the Companies Act 1993.

The principal activity of SGL SE New Zealand branch (the Branch) during the financial period was the provision of life reinsurance services.

The Branch's current proposition includes reinsurance of group risk and bancassurance / retail risk business across the New Zealand market.

Operating and financial review

The Branch's net loss for the financial period after income tax is NZ$ 347k.

The branch's operations during its first reporting period performed as expected. The Branch is in a strong position to deliver future growth and profitability.

Risk management

The Branch takes a proactive approach to risk management and provides regular reporting of any key issues or risks relating to New Zealand business to the SCOR Group's Risk Management team.

Significant events after the balance date

From March 2012, the Reserve Bank of New Zealand (RBNZ) will take on the role of insurance regulator and industry supervisor. All segments of insurance business are covered by the new legislation, and all insurers wishing to undertake insurance business in New Zealand will need to apply for a licence.

The Company was issued with a licence by the RBNZ to carry on insurance business in New Zealand under the new regime with effect from 8 March 2012.

STATUTORY AND OTHER DISCLOSURES

For the period ended 31 December 2011

Other than the above mentioned, the directors are not aware of any further matter or circumstance since the end of the financial year, not otherwise dealt with in this report nor the attached financial statements that has significantly affected the operations of the Branch.

Likely developments and expected results

The Branch is in a strong position to grow its business and profitability and to take advantage of opportunities in the local reinsurance market.

Environmental regulation and performance

The Company's New Zealand operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification and insurance of directors and officers

The Officers of the Company are covered by policies of directors' and officers' liability insurance which ensure that they will incur no monetary loss as a result of actions undertaken by them as officers of the Company provided they operate within the law.

No person has applied for leave of Court to bring proceedings on behalf of the Branch, or intervene in any proceedings against the Branch during the period.

Non-audit services provided by the Auditor (Ernst & Young - EY)

The Branch may decide to employ its auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Branch is important.

The Board is satisfied that the provision of the non-audit services by the Branch auditor is compatible with the general standard of independence for auditors. The nature and scope of the non-audit service provided means that auditor independence was not compromised.

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) and where noted ($'000).

STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 31 December 2011

	Note	2011 $'000
Life Reinsurance Premium Income	3	2,578
Investment Income	4	66
Total Income		**2,644**
Life Reinsurance Claims Expense	5	(374)
Life Reinsurance Commission Expense		(32,265)
Other Expenses		(749)
Operating Expenses	6	**(33,014)**
Movement in Life Reinsurance Contract Liabilities	7	30,262
Total Claims and Expenses		**(3,126)**
Loss before Income Tax		**(482)**
Income Tax credit	8	135
Loss after Income Tax		**(347)**
Other Comprehensive Income net of Tax		-
Total Comprehensive Loss for the period		**(347)**

SCOR Global Life

STATEMENT OF FINANCIAL POSITION

For the financial period ended 31 December 2011

	Note	2011 $'000
ASSETS		
Cash and Cash Equivalents	9	23
Financial Assets at fair value (through the Statement of Comprehensive Income)	10	526
Accrued Interest		7
Receivables	11	2,231
Deferred Tax Asset	12	8,948
TOTAL ASSETS		**11,735**
LIABILITIES		
Payables	13	33,005
Provisions	14	36
Deferred Tax Liability	15	8,803
Life Reinsurance Contract Liabilities	7	(30,262)
TOTAL LIABILITIES		**11,582**
NET ASSETS		**153**
EQUITY		
Contributed Equity		500
Cumulative Losses		(347)
TOTAL EQUITY		**153**

Director of SCOR SGL SE
Date: 30 October 2012

Director of SCOR SGL SE
Date: October 30, 2012

STATEMENT OF CHANGES IN EQUITY

For the financial period ended 31 December 2011

In $'000	Contributed Equity	Retained Earnings	Total
at the beginning of the period	-	-	-
Contributed Equity	500		500
Loss for the period		(347)	(347)
at 31 December 2011	500	(347)	153

STATEMENT OF CASH FLOWS

For the financial period ended 31 December 2011

	Note	2011 $'000
Cash Flows from Operating Activities		
Interest Received (net of witholding tax)		23
Net Cash Flow from Operating Activities	**9(ii)**	**23**
Cash Flows from Investing Activities		
Purchase of Debt Securities		(500)
Net Cash Flow used in Investing Activities		**(500)**
Cash Flows from Financing Activities		
Contributed Equity		500
Net Cash Flow used in Financing Activities		**500**
Net Increase in Cash Held		**23**
Cash at the beginning of the financial period		**-**
Cash at the end of the financial period	**9(i)**	**23**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 1. Summary of Significant Accounting Policies

a) Corporate information

SGL SE is a profit-oriented entity incorporated as a French overseas company, under the New Zealand Companies Act 1993, and operating in New Zealand as a Branch. The direct and ultimate parent of SGL SE is SCOR SE, a company incorporated in France and listed on the Euronext Paris.

This is the Branch's first reporting period, commencing on the 30th November 2010 and ending on the 31st December 2011.

b) Principles underlying the conduct of life reinsurance business

The life reinsurance operations of the Branch comprise the selling and administration of contracts that are classified as life reinsurance contracts. Life reinsurance contracts involve the acceptance of significant insurance risk. The life reinsurance operations of the Branch consist solely of non-investment-linked business.

Non-investment-linked business is business in which a licensed entity issues a contract where the reinsured benefit is not directly linked to the market value of investments held. These benefits are payable on death, or on the occurrence of an insured event such as injury, illness or disability. The risk of the occurrence of the event, which crystallises the payment of the insured benefit, is borne by the reinsurer.

c) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and the requirements of the Companies Act 1993 and the Financial Reporting Act 1993, on an ongoing concern basis.

The financial report is presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

The principal accounting policies adopted in the preparation of the financial report are set out below.

d) Statement of compliance

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (IFRS), as appropriate for profit-oriented entities.

e) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The statements are presented in New Zealand dollars, which is the Branch's functional and presentation currency.

ii. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

f) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Policy liabilities arising from life reinsurance contracts are calculated at each reporting date using mathematical and statistical models. The valuations are prepared by appropriately qualified and experienced actuaries on the basis of internationally recognised actuarial methods set out in Professional Standards issued by the New Zealand Society of Actuaries, a full member of the International Actuarial Association. The methodology takes into account the risks and uncertainties of the particular classes of business written.

The key factors that affect the estimation of these liabilities are:

- The cost of providing benefits and administering these contracts;
- Mortality and morbidity experience on life reinsurance products;
- Persistency experience, which affects the entity's ability to recover the cost of acquiring new business over the lives of the contracts;
- Other factors such as regulation, competition, interest rates, the performance of the capital markets and general economic conditions affect the level of these liabilities.

The uncertainties surrounding these assumptions mean that it is likely that the actual observed claims incidence will vary from the liability estimated at the reporting date.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

g) Early adoption of standards

The Branch has not elected to early adopt, in this financial report, any new standards, amendments or interpretations that are issued but not yet effective, including improvements to NZ IFRSs, for the financial period ended 31 December 2011.

These new standards and interpretations, when applied in future periods, are not expected to have a material impact on the financial position or performance of the Company.

h) Data

The Branch is dependent on the accuracy and timeliness of premium, in-force and claims data received from its ceding companies. The valuation of liabilities is mainly dependent on the data as provided by ceding companies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

i) Specific Accounting Policies

i. Premium Revenue

Premiums are recognised as revenue on an accruals basis. A provision for unearned premiums is included in the actuarial valuation of liabilities. Outstanding premiums are included as an asset in the Statement of Financial Position.

ii. Claims Recognition

Claims are recognised when the liability to the cedant under the reinsurance contract has been established or upon notification of the reinsured event. Reserves for claims incurred but not reported, claims reported but not admitted and claims considered likely to arise are included in the actuarial valuation of reinsurance contract liabilities.

Claims are treated as an expense and are recognised when a liability to the cedant is established.

iii. Investment Revenue

All investment income is recognised as revenue on an accruals basis. Consistent with the principles of fair value accounting for investment assets, movements in the valuation of investment assets are recognised in the Statement of Comprehensive Income.

Interest income is brought to account on an accruals basis when the entity obtains the right to receive the interest income.

iv. Expenses

All costs are charged to operating expenses as incurred.

All operating expenses in respect of life reinsurance contracts have been apportioned between policy acquisition and policy maintenance expenses with regard to the objective when incurring the expense and the outcome achieved.

Policy Acquisition Costs

The actuary, in determining the life reinsurance contract liabilities, takes account of the deferral and future recovery of acquisition costs, which are capitalised by way of movement in life reinsurance contract liabilities, then amortised over the period in which they will be recoverable.

Where overall product profitability of new business written during the year is expected to support the recovery of acquisition costs incurred in that year, these costs are effectively deferred as an element of life reinsurance contract liabilities and amortised over the life of the policies written. Unamortised acquisition costs are a component of life reinsurance contract liabilities.

Amortisation of acquisition costs is recognised in the Statement of Comprehensive Income as a component of net change in life reinsurance contract liabilities at the same time as policy margins are released.

Policy acquisition costs comprise the costs of acquiring new business and are expensed in the Statement of Comprehensive Income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

Policy Maintenance Costs

Maintenance costs are the fixed and variable costs of administering policies subsequent to sale. These include general growth and development costs. Maintenance costs include all operating costs other than acquisition and investment management costs.

Investment Management Expenses

Investment management costs are the fixed and variable costs of managing investment funds. Maintenance and investment management costs are recognised in the Statement of Comprehensive Income on an accrual basis.

v. Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise cash on hand that is available on demand and deposits that are held at call with financial institutions. Cash and cash equivalents are measured at fair value, being the principal amount.

Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

(i) Operating activities include all transactions and other events that are not investing or financing activities.
(ii) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.
(iii) Financing activities are those activities relating to changes in the equity and debt structure of the Branch.

vi. Investments and other financial assets

Investments and financial assets in the scope of NZ IAS 39 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

The Branch has determined that all assets held within the Branch are assets backing policy liabilities of the life reinsurance business. As these assets are managed on a fair value basis and are reported on this basis, they have been valued at fair value through profit or loss wherever the applicable standard allows.

Investments in financial assets are initially recognised at fair value determined as the purchase cost of the asset, exclusive of any transaction costs.

Subsequent to initial recognition, the fair value of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models, making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

vii. Receivables

Receivables are recognised initially at fair value. Due to the short term nature of these assets the recoverable value, i.e. allowing for doubtful debts, will generally be the fair value. Receivables related to technical operations are recognised and carried at billed amount. No amounts have been provided for any uncollectible amounts. Interest income is brought to account on an accruals basis when the entity obtains the right to receive the interest income.

viii. Payables

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the financial year which are unsettled. Payables are generally recognised at fair value.

ix. Life Reinsurance Contract Liabilities

Life reinsurance liabilities in the statement of financial position and the increase or decrease in policy liabilities in the Statement of Comprehensive Income have been calculated in accordance with the New Zealand Society of Actuaries Professional Standard No 3 – Determination of Life Insurance Policy Liabilities (‘PS3’) which prescribes the Margin on Services (‘MoS’) basis. Life reinsurance contracts are accounted for in accordance with the requirements of NZ IFRS 4 Insurance Contracts.

Life reinsurance contract liabilities are measured using the accumulation method. This methodology is used where the benefit is in the nature of an accumulation starting from the currently accumulated value and where expected future benefit growth and expected future investment income occur in the same time pattern.

Under an accumulation approach, the Policy Liability is equal to the current benefit accumulation less an amount representing the recoverable unrecouped portion of any Acquisition Costs (net of tax relief), subject to a minimum of the Best Estimate Liability. In determining the recoverable unrecouped portion of Acquisition Costs it will be necessary to use projection techniques, so as to reflect the incidence and amount of ongoing fees, surrender penalties and any other elements of a benefit associated with the recovery of Acquisition Costs. The surrender value is not an appropriate basis for the Policy Liability unless the surrender penalty equals the recoverable unrecouped portion of Acquisition Costs. An accumulation approach will cause Profit Margins to emerge as the excess of fee income over expenses and Acquisition Cost recovery amount in each period.

The measurement of life reinsurance contract liabilities is subject to actuarial assumptions. Assumptions made in the calculation of the life reinsurance contract liability at each reporting date are based on best estimates at that date. Best Estimate Assumptions must be made about the future cost of the risks accepted and services provided, including probabilities of occurrence, having regard to available statistical and other evidence subject to any requirements in PS3. The assumptions used in the calculation of the life reinsurance contract liabilities are reviewed at each reporting date. The assumptions should be reviewed against the entity’s own experience and management practices, published information on industry experience and emerging trends (both in New Zealand, and where relevant, overseas) and professional standards. A summary of the significant actuarial methods and assumptions used is contained in note 2.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

x. Taxes

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position balance date.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates which are expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities.

Deferred tax, including amounts in respect of life reinsurance contracts, is not discounted to present value.

Income tax expense

The income tax expense is the tax payable on taxable income for the current period, based on the income tax rate for each jurisdiction and adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

xi. Other Taxes

All revenues, expenses and certain assets are recognised net of goods and services taxes (GST) except where the GST is not recoverable. In these circumstances the GST is included in the related asset or expense. Receivables and payables are reported inclusive of GST. The net GST payable to or recoverable from the tax authorities as at balance date is included as a receivable or payable in the balance sheet.

xii. Allocation of Operating Results

All of the operating result is allocated to the Branch. There are no participating policy owners.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 2. Summary of Significant Actuarial Methods and Assumptions

The effective date of the policy liabilities and solvency reserves calculation is 31 December 2011. The Appointed Actuary is satisfied as to the accuracy of the data from which the policy liabilities have been determined.

This note summarises the assumptions made and the methods adopted for the calculation of policy liabilities and solvency requirements.

The profit carriers used for the major product groups in order to achieve the systematic release of planned margins are as follows:

Product Group	Method	Profit Carriers
Individual Lump Sum Risk	Accumulation	Premium
Individual Disability Income	Accumulation	Premium

Note that all policies have been valued on an accumulation methodology.

Claims assumptions have been based on pricing assumptions given the relatively undeveloped nature of the historic experience. Allowance for incurred but not reported claims, reported but not paid and disability income claims in the course of payment reserves has been made.

a) Impact of Changes in Assumptions

There is no impact to the financial statements arising from changes in Actuarial assumptions.

b) Sensitivity Analysis

Assumption	Impact on Net Profit $'000	Impact in Net Assets $'000
10% Increase in Mortality and Morbidity	-50	-50
10% Increase in Lapses	0	0
10% Increase in Maintenance Expenses	0	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 3. Life Reinsurance Premium Income

	2011
	$'000
Life Reinsurance Contract Premiums	2,578
Insurance Premium Received or Receivable net of Outwards Reinsurance Expense	**2,578**

NOTE 4. Investment Income

	2011
	$'000
Financial Assets held at Fair Value through Statement of Comprehensive Income:	
- Fixed interest securities	
Interest income	40
Net unrealised gain	26
Total Investment Income (excluding capital gains or losses)	**66**

NOTE 5. Life Reinsurance Claims Expense

	2011
	$'000
Life Reinsurance Contract Claims Expense	(374)
Claims Paid or Payable, net of Outward Reinsurance Recoveries	**(374)**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 6. Operating Expenses

	2011
	$'000
Policy Acquisition - Life Reinsurance Contracts	
- Commission Expenses	(32,265)
Policy Maintenance - Life Reinsurance Contracts	
- Management fee expenses	(713)
- Professional fees	(36)
Total Operating Expenses	**(33,014)**

NOTE 7. Life Reinsurance Contract Liabilities

	2011
	$'000
Opening balance at the beginning of the period	-
Outstanding Claims Reserves	498
Unearned Premium Reserve	680
Deferred Acquisition Costs	(31,440)
Movement in Life Reinsurance Contract Liabilities	(30,262)
Closing Balance at 31 December 2011	**(30,262)**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 8. Income Tax

The following income tax expense disclosures reflect the current and deferred tax positions on the results of the Branch for the reporting period.

(a) Income tax expense	**2011**
	$'000
Deferred tax assets	(8,938)
Deferred tax liabilities	8,803
Aggregate income tax expense	**(135)**

(b) Numerical reconciliation of income tax to prima facie tax payable

A reconciliation of the differences between prima facie tax, calculated as 28% of the profit before income tax for the period and the actual income tax expense recognised in the Statement of Comprehensive Income for the period is as follows:

	2011
	$'000
Loss before Income Tax	(482)
Tax at the New Zealand tax rate of 28%	135
Tax effect of non-taxable amounts	-
Tax effect of non-deductible amounts	-
Income tax credit	**135**
Loss after Income Tax	**(347)**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

(c) Tax Losses

There are no unused tax losses for which a deferred tax asset has not been recognised.

(d) Taxation Basis

The principal elements for the calculation of the taxable income are as follows:

(i) Investment earnings made up of interest received
(ii) Premiums Earned
(iii) Other Income

The allowable deductions for each taxable class of business in New Zealand include:

(i) Claim Payments
(ii) Commissions
(iii) General Management Expenses
(iv) Other Expenses referable to the business

NOTE 9. Cash and Cash Equivalents

i) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, Cash includes in banks. Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position:

	2011
	$'000
Cash at Bank	23
Total Cash	**23**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

ii) Reconciliation of the Profit/(Loss) from Operating Activities after Income Tax to the Net Cash Flows from Operations

	2011
	$'000
Loss after Income Tax	**(347)**
Investment Unrealised Gains	(26)
Loss from Operating Activities After Income Tax	(373)
Change in Assets and Liabilities during the financial period:	
Increase in Accrued Interest	(7)
Increase in Sundry Debtors	(2,231)
Increase in Deferred Tax Assets	(8,948)
Increase in Accounts Payables	33,005
Increase in Provisions	36
Increase in Deferred Tax Liabilities	8,803
Movement in Life Reinsurance Contract Liabilities	(30,262)
Net Cash Provided by Operating Activities	**23**

NOTE 10. Financial Assets at Fair Value

	2011
	$'000
Fixed Interest Investments	
New Zealand Government Stock 6.50% 15APR2013	526
Total Financial Assets at Fair Value	**526**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 11. Receivables

	2011
	$'000
Current	
Goods & Services Tax	2,231
Total Receivables	**2,231**

NOTE 12. Deferred Tax Assets

	2,011
	$'000
The balance of Deferred Tax Assets for the period is attributable to	
Provisions	10
Loss from continuing operations	8,938
	8,948

The total amount of Deferred Tax Assets is expected to be recovered after more than 12 months

Movements for the period	2011		
	$'000		
	Provisions	**Loss from continuing operations**	**Total**
At beginning of period	-	-	-
Movement			
- to profit or loss	10	8,938	8,948
At end of the period	**10**	**8,938**	**8,948**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 13. Payables

	2011
	$'000
Amounts owed to related parties	
SCOR Global Life SE - Singapore branch	31,544
SCOR Global Life Australia Pty Ltd	713
Trade payables	748
Total Payables	**33,005**
Current	1,461
Non-current	31,544
Total Payables	33,005

NOTE 14. Provisions

	2011
Professional Fees	**$'000**
Arising during the period	**36**
- Utilised	-
- Unused amounts reversed	-
- Discount rate adjustment & imputed interest	-
At 31 December 2011	**36**
Provisions due within 12 months	**36**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 15. Deferred Tax Liabilities

	2,011
	$'000
The balance of Deferred Tax Liabilities for the period is attributable to:	
Deferred acquisition costs	8,803

The total amount of Deferred Tax Liabilities is expected to be recovered after more than 12 months

Movements for the period	**2011**		
	$'000		
	Deferred acquisition costs	**Other**	**Total**
At beginning of period	-	-	-
Movement			
- to profit or loss	8,803	-	8,803
At end of the period	**8,803**	**-**	**8,803**

NOTE 16. Auditor's Remuneration

	2011
	$'000
The auditor of the Branch is Ernst & Young.	
Amounts received or due and receivable by Ernst & Young (Australia) for:	
- An audit and review of the financial report of the entity	26

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 17. Related Party Disclosures

a) The Directors of SCOR Global Life SE - New Zealand branch during the financial period were:

- Denis KESSLER (Chairman of the Board of Directors)
- Julien CARMONA
- Paolo DE MARTIN
- Philippe TRAINAR
- Gilles MEYER (General Director)

b) Ultimate Controlling Entity:

SGL SE is a profit-oriented entity incorporated as a French overseas company, under the New Zealand Companies Act 1993, and operating in New Zealand as a Branch. The direct and ultimate parent of SGL SE is SCOR SE, a company both domiciled and incorporated in France and listed on the Euronext Paris.

c) The following related party transactions occurred during the financial period:

Related Party Transactions

	2011		
	$'000		
	Amounts owed by related parties*	Amounts owed to related parties*	Revenue / (Expense)
SCOR Global Life SE - Singapore branch			
Reinsurance Commissions		31,544	
SCOR Global Life Australia Pty Ltd			
Management Services Rendered		713	(713)
	-	32,257	(713)

* The amounts are classified as receivables and payables, respectively.

Economic Dependency

The Branch is reliant on SGL SE to provide all financial support to meet its business as usual commitments. It is also noted that the Branch fully relies on SGL SE to comply with the solvency requirements under the RBNZ "Solvency Standard for Life Insurance Business".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

NOTE 18. Events Subsequent to Balance Date

In the interval between the end of the financial period and the date of this report no item, transaction or event of a material nature, likely to affect significantly the operations of the Branch or the state of affairs of the entity in future financial periods has arisen.

NOTE 19. Commitments and Contingent Liabilities

SCOR Global Life SE and its subsidiaries regularly take part in judiciary and arbitration procedures, within the normal framework of their activities. However, to the best of the knowledge of the Branch , there does not exist, on the date of approval of this financial statements, any litigation likely to have or have had in the recent past significant impact on the financial situation, the activity and operating results of the Branch.

NOTE 20. Risk Management

Risk Management Framework

Day to day management of the Branch is the responsibility of the Branch Chief Executive Officer (CEO) . The CEO recommends changes in the business, performance, goals, strategies and plans of the Branch. The CEO monitors aggregate risk data and make overall risk management decisions. The two risks with potentially the most serious outcomes are counter-party failure or inadequate capital funding. Both are deemed to be unlikely.

The Board has in place an integrated framework of controls designed to safeguard the Group's assets and interests and to ensure the integrity of its reporting.

SGL SE has documented its fit and proper persons policy and risk management framework in support of its application for a full license under the Insurance (Prudential Supervision) Act 2010 from the Reserve Bank of New Zealand ('RBNZ'). The Company adheres to the New Zealand Society of Actuaries ('NZSA') solvency standard ('PS5') and has also calculated solvency on the new RBNZ solvency standard issued in August 2011.

Solvency Information

Separate to policy liabilities recognised in the balance sheet, a life reinsurer shall disclose its regulatory solvency position. Under Professional Standard No. 5.01 'Solvency Reserving for Life Insurance Business' issued by the New Zealand Society of Actuaries, life insurers are required to hold reserves in excess of the amount of policy liabilities.

The Solvency Reserve as calculated under this Standard is designed to give a reasonable expectation that an entity has sufficient assets to:

- meet its obligations to existing policyholders, including appropriate allowances for future bonuses and to creditors under a range of adverse conditions; and
- meet its obligations to policyholders and creditors should all policies discontinue and current surrender values be paid.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

These additional reserves are necessary to support the life reinsurer's capital requirements under its business plan and to provide a cushion against adverse experience in managing long-term risks.

Under the new regulatory framework, the Reserve Bank of New Zealand ('RBNZ') is the entity responsible to grant licenses to Insurance Companies that comply with the requirements of the Insurance (Prudential Supervision) Act 2010. On 5 August 2011, the RBNZ issued a "Solvency Standard for Life Insurance Business", this solvency standard is made under Section 55 of the Insurance (Prudential Supervision) Act 2010.

Under this standard the Company's unaudited solvency return calculation results at 31 December 2011 were:

Solvency calculation results	**2011**
	$'000
Actual Solvency Capital	1,944,100
Minimum Solvency Capital	5,000
Solvency Margin	1,939,100
Solvency ratio	388.82

Financial Instruments Categories

As at the end of the reporting period, the Branch held the following financial instruments:

	2011
	$'000
ASSETS	
Cash and Cash Equivalents	23
Financial Assets at fair value (through the Statement of Comprehensive Income)	526
Receivables	2,231
TOTAL ASSETS	**2,780**
LIABILITIES	
Payables	33,005
Provisions	36
TOTAL LIABILITIES	**33,041**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

Concentration of Life Reinsurance Risk

The life reinsurance business of the Branch involves a number of non-financial risks concerned with the pricing, acceptance and management of the mortality, morbidity and longevity risks accepted from policyholders.

Key objectives in managing insurance risk are;

(i) To ensure sound business practices are in place for underwriting risks and claims management;

(ii) To ensure solvency and capital requirements are met.

Insurance risks are controlled through the use of underwriting procedures and adequate premium rates and policy charges. Tight controls are also maintained over claims management practices to ensure the correct and timely payment of reinsurance claims.

The Branch aims to maintain a portfolio of policyholders with a broad spread of reinsurance risk types, ages, sexes, occupation classes and geographical locations for the individual and group risk business.

Capital Management

The Branch's main objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns and benefits for its stakeholders while maintaining the solvency requirements prescribed by the Prudential Standards.

Solvency requirements established by the RBNZ are in place to reinforce safeguards for policyholders' interests and primarily relate to the Branch's ability to meet future claims payments.

Credit Risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations.

Credit risk arises from the financial assets of the Branch, which comprise cash and cash equivalents, receivables, and financial assets at fair value through profit and loss. The Branch trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Branch's policy to securitise its receivables.

Credit quality of financial assets

The Branch holds its Cash within a major bank and holds investment assets in New Zealand Sovereign debt, it has no other significant concentrations of credit risk. The Branch has processes in place to ensure that services are performed for customers with an appropriate credit history and cash is held with financial institutions of high credit-worthiness.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

	2011
Equivalent Standard & Poor's Rating*	**$'000**
- AA and above	
Cash and Cash Equivalents	23
Financial Assets at fair value (through the Statement of Comprehensive Income)	526

** The equivalent Standard & Poor's Rating of the financial assets represents that rating of the rating of the financial asset itself*

Concentration of credit risk

Concentration of credit risk exists if a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions.

The concentration of credit risk on financial assets is generally the carrying amount, net of any provisions for doubtful debts.

Interest rate risk and Fair Value

The Branch's exposure to market interest rates relates primarily to its investment in New Zealand Sovereign debt. At balance date, the Branch had the following financial assets exposed to New Zealand variable interest rate risk:

	2011
	$'000
Fixed Interest Investments - Quoted market price (Level 1)	
New Zealand Government Stock 6.50% 15APR2013	526

The Branch may use various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table above.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date, at 31 December 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2011

Judgements of reasonably possible movements:

	2011
	$'000
Post tax profit higher/(lower)	
+1% (100 basis points)	
-1% (100 basis points)	

Financing and Liquidity Risk

Prudent liquidity risk management requires the maintenance of sufficient cash and access to funding to meet current and future obligations of the Branch. The Branch manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturities of financial liabilities

The table below analyses the Branch's financial liabilities into relevant maturity groupings. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	2011
Non-derivatives	**$'000**
Less than 12 months	
Payables	1,461
Provisions	36
More than 12 months	
Payables	31,544

INDEPENDENT AUDITOR'S REPORT

For the financial period ended 31 December 2011

ERNST & YOUNG

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Independent Auditor's Report

To the Shareholders of SCOR Global Life SE

Report on the Financial Statements

We have audited the financial statements of the New Zealand branch of SCOR Global Life SE on pages 4 to 28, which comprise the statement of financial position of the New Zealand branch of SCOR Global Life SE as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 13 months period then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body, in accordance with Section 19(3) of the Financial Reporting Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the New Zealand branch of the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements, in accordance with generally accepted accounting practice in New Zealand, and that give a true and fair view of the matters to which they relate and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the New Zealand branch of the company's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Zealand branch of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interest in the New Zealand branch of the company.

Partners and employees of our firm may deal with the New Zealand branch of the company on normal terms within the ordinary course of trading activities of the business of the New Zealand branch of the company.

INDEPENDENT AUDITOR'S REPORT

For the financial period ended 31 December 2011

ERNST & YOUNG

Opinion

In our opinion, the financial statements on pages 4 to 28:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the New Zealand branch of the company as at 31 December 2011 and its financial performance and cash flows for the 13 months period then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required.
- In our opinion proper accounting records have been kept by the New Zealand branch of SCOR Global Life SE as far as appears from our examination of those records.

Ernst & Young

Ernst & Young
16 November 2012
Sydney