

## **SCOR finalises the acquisition of Generali U.S.**

SCOR finalises the acquisition of 100% of Generali U.S. Holdings, Inc. ("**Generali U.S.**"), the holding company of Generali's U.S. life reinsurance operations, with effect from today. SCOR has obtained all the necessary regulatory approvals. With this transaction, the main operating company, Generali USA Life Reassurance, will be changing its name to SCOR Global Life USA Reinsurance Company.

This acquisition, which was announced on 4 June 2013, amounts to a total consideration of EUR 579 million<sup>1</sup> (USD 750 million) plus, as announced in June, a 2013 earnings adjustment. This adjustment amounts to approximately USD 29 million and is subject to a post-close review and possible adjustment. The transaction has been financed by SCOR without the issuance of new shares.

The deal fits well with SCOR's four strategic cornerstones - strong franchise, high diversification, controlled risk appetite, and robust capital shield. It is fully in-line with the Optimal Dynamics profitability and solvency targets and is expected to be accretive on an EPS and ROE basis. And it reinforces SCOR's leadership in the life reinsurance market. The combination of SCOR Global Life Americas ("SGLA") and Generali U.S. creates the market leader in the US life reinsurance market.

### **Acquisition enhances value for SCOR's shareholders**

- As originally announced, the purchase price represents a significant discount to SCOR's preliminary EV estimate of the Generali U.S. in-force portfolio.
- The acquisition has been financed, in part, with the proceeds of the successful issuance of CHF 250 million perpetual subordinated notes, as announced on 10 September 2013. Approximately USD 230 million of the funding was provided from short-term financing, while the remaining funds were provided from internal resources. SCOR's solvency position remains strong following the acquisition and all four major rating agencies affirmed their ratings for SCOR shortly after the June 4<sup>th</sup> announcement.
- The acquisition further enhances the Group's diversification. The post-acquisition business mix is 55% life vs. 45% P&C.<sup>2</sup>

### **And reinforces our strong client franchise in the US**

- The Generali U.S. acquisition enhances the already strong SGLA platform in the US. The combined group has a market-leading share of the US life reinsurance market, in terms of both in-force and new business.
- This acquisition brings a well-established and highly regarded franchise into the SCOR family. Generali U.S.'s strong client relationships, skills and infrastructure benefit SCOR's US and worldwide life business.
- Both companies are focused on biometric risks, but with an important complementarity of their product offering. SGLA's strong franchise in co-insurance, longevity, financial reinsurance and underwriting management tools (such as its patented Velogica offering) is reinforced by Generali U.S.'s capabilities in yearly renewable term, group life and facultative underwriting.

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<sup>1</sup> On the basis of an exchange rate as of 31/05/2013 of 1 EUR = 1.2960 USD

<sup>2</sup> On a 2012 pro-forma basis, based on Gross Written Premiums.

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- The combination creates the largest block of mortality experience in the US life reinsurance market, creating research and development opportunities which the company intends to leverage for the benefit of clients and the US life insurance industry.

## **The combination of SGLA and Generali U.S. provides a strong management team**

SCOR has leveraged its existing structure and experience in integrating acquisitions to efficiently combine the two organisations. The new organisation is now built around two main locations – Charlotte and Kansas City.

The SCOR Global Life and Generali U.S. teams are now united within a new organisational structure that combines the strengths and competencies of SCOR and Generali U.S.

Joe Gilmour, until now the CFO of SGL, will lead the combined SGLA / Generali U.S. activities as CEO of SGLA. The department heads reporting to Joe will be:

- JC Brueckner, in charge of the US life reinsurance department
- Glenn Cunningham, for Strategic Planning and Industrial Affairs
- Brock Robbins, as Chief Pricing Officer
- Michael Colannino, in charge of Latin America & Canada
- Larry Moews, as Global Americas CRO (for all Group entities in the Americas)
- Tamora Kapeller, as COO
- Brona Magee, as CFO
- Jay Kinnamon, as Chief Actuary
- David Gates as General Counsel
- Zaira Goodman, as Head of Human Resources
- Maxine Verne, as Corporate Secretary

Paul Rutledge, CEO of SGLA, will be stepping down from his operational role but will continue to support SCOR through his participation as a Director of the Americas and Irish life reinsurance companies.

SCOR is confident that the clients of SGLA and Generali U.S. will benefit immediately from the reinforced service offering created by the combination of the two businesses, without disruption to existing cover and support.

**Denis Kessler, Chairman & Chief Executive Officer of SCOR SE**, comments: *“We are delighted to have finalised the acquisition of Generali U.S., in line with the timing initially announced. This acquisition reflects SGL’s ambitions and targets in the important US market, namely to further strengthen its leadership position through Generali U.S.’s strong product expertise, client relationships and infrastructure. This transaction is expected to be highly accretive, it benefits both our clients and shareholders, is fully in line with the strategy and financial targets set out in the Group’s new strategic plan, Optimal Dynamics, and it further consolidates the Group’s position as a leading global reinsurer. I am excited about the new management team we have in place and am pleased to welcome the Generali U.S. employees to the SCOR family and to what is now an even stronger franchise. I would like to thank Paul for the dedication he has shown and the contribution he has made since joining SCOR two years ago.”*

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## Forward-looking statements

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

Please refer to SCOR's Document de référence filed with the AMF on 6 March 2013 under number D.13-0106 (the "Document de référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".