

26 April 2011

N° 13 – 2011

*For further information, please contact:***Jean-Charles Simon / Géraldine Fontaine****+33 (0) 1 46 98 73 17**

Communications and Public Affairs

**Antonio Moretti****+44 (0) 203 207 8562**

Investor Relations Director

## **SCOR becomes the second largest Life reinsurer in the United States through the acquisition of Transamerica Re's mortality business from AEGON**

- SCOR and AEGON have entered into a definitive agreement pursuant to which SCOR will acquire the mortality risk reinsurance business of Transamerica Re, a part of AEGON. The business to be acquired relates solely to biometric risks.
- Transamerica Re is part of AEGON, but not as a legal entity. Therefore, the acquisition includes a series of retrocession agreements from AEGON to SCOR Global Life US entities. As part of the acquisition, SCOR will also purchase from AEGON one Irish legal entity, which underwrites Transamerica Re business.
- AEGON will transfer to SCOR EUR 1.2 billion (USD 1.8 billion) of liabilities and corresponding assets in cash and/or securities in line with SCOR's investment policy.
- The total consideration for the acquired business amounts to approximately<sup>1</sup> EUR 630 million (USD 912.5 million). It includes an estimated statutory capital of around<sup>1</sup> EUR 340 million (USD 497 million) for the Irish entity.
- The transaction will be financed by SCOR through the use of own funds and a potential limited debt issuance, without the issuance of any new shares.
- The transaction is fully in line with the "Strong Momentum" profitability and solvency targets, and is not expected to impact the Group's rating.
- This acquisition will significantly enlarge the global footprint of SCOR's Life reinsurance business. SCOR will benefit from Transamerica Re's leading market position in the US, with its strong biometrics focus and very limited franchise overlap.
- Thanks to this transaction, SCOR will rank number two in the US Life reinsurance market, while strengthening its positions in Asia and Latin America.

<sup>1</sup> On the basis of a EUR/USD exchange rate as of 21 April 2011 of 1.458

**SCOR SE**

1, av. du Général de Gaulle  
92074 Paris La Défense Cdx  
France

Tél + 33 (0) 1 46 98 70 00

Fax + 33 (0) 1 47 67 04 09

[www.scor.com](http://www.scor.com)

RCS Nanterre B 562 033 357

Siret 562 033 357 00020

Société Européenne au capital

de 1 478 740 032 euros

26 April 2011

N° 13 – 2011

- Overview of the business to be acquired:
  - Transamerica Re is the 3rd largest<sup>2</sup> Life reinsurer in the US based on 2009 recurring new business volume, and the 7th largest<sup>3</sup> in the world based on 2010 net earned premiums. It is active in the Life mortality markets.
  - Transamerica Re's gross written premiums amount to USD 2.2 billion in 2010, with 87% generated in the US. It is headquartered in Charlotte, North Carolina and operates in 11 countries with 451 employees.

**Denis Kessler, Chairman & Chief Executive Officer of SCOR SE**, comments: *“The acquisition of Transamerica Re’s mortality portfolio will mark a new milestone in the history of SCOR. This transaction relates only to biometric risks, and is fully consistent with SCOR’s strategy and risk appetite. The rebalancing of the Life reinsurance book between the United States, Asia and Europe, while enlarging the Group’s footprint and significantly expanding our global franchise, will also provide additional stability to the Group.*”

*This transaction will be financed through own funds and a potential limited debt issuance, without the issuance of new shares. It satisfies the Group’s profitability criteria and is expected to create value for SCOR’s shareholders.*

*This transaction paves the way towards a fruitful and long-lasting partnership with AEGON over the next fifteen years.”*

\*  
\*            \*  
\*

## **1. A growth opportunity that perfectly fits the Group’s strategic orientations**

### ***a. Acquisition of a biometric risk portfolio***

Transamerica Re’s mortality business perfectly fits SCOR’s strategic orientations, which involve focusing its Life reinsurance activities on biometric risks, as reiterated in the Group’s strategic plan for the period 2010-2013, “Strong Momentum”.

The transaction excludes Transamerica Re’s other activities, i.e. structured solutions and fixed and variable annuities, which are not in line with SCOR’s strategic orientations.

---

<sup>2</sup> Source: 2009 Munich American SOA Survey

<sup>3</sup> Source: Company reports

26 April 2011

N° 13 – 2011

***b. Major reinforcement of SCOR's Life reinsurance business in the US***

With this transaction, SCOR Global Life (SGL), which combines all of SCOR's Life reinsurance activities, will consolidate its position among top-tier worldwide Life reinsurers and become the second largest Life reinsurer in terms of recurring new business volume in the United States, a market representing more than half of the world's Life reinsurance business.

The transaction is expected to lead to a major reinforcement of SGL's position in the United States, with a highly skilled and experienced management team, a strong franchise, a proven infrastructure and an underwriting system of the highest standard. The business to be acquired represents a gross premium volume of USD 2.2 billion in 2010, 87% of which was underwritten in the United States.

***c. An acquisition that strengthens the Group's diversification policy***

With the acquisition of a major mortality risk reinsurance portfolio in the United States, SCOR aims to further increase its geographical diversification, in line with the strategy it has been following for several years. Indeed, the increased share of American business in the SGL portfolio is in line with one of the goals set out in the "Strong Momentum" plan. Finally, the activities of SGL and Transamerica Re are largely complementary, with limited overlaps in their respective franchises.

**2. An acquisition consistent with the Group's solvency and profitability targets and with limited execution risk*****a. A self-financed transaction***

The acquisition of Transamerica Re's mortality business is expected to bring SCOR a substantial and recurring stream of earnings. SCOR will finance this acquisition through existing resources and a potential limited debt issuance expected to be in the region of EUR 200 million. Moreover, in view of AEGON's support in this respect, there is limited need for additional triple-X collateral. This acquisition is consistent with the "Strong Momentum" plan to target a return of 1000 basis points above the risk-free rate over the period.

***b. An acquisition in line with the Group's solvency target***

With the acquisition of Transamerica Re's mortality business, SCOR maintains the solvency objective set out in its "Strong Momentum" plan, i.e. to offer its clients an "AA" level of security by the end of the plan. The transaction is not expected to impact the Group's rating.

***c. An acquisition with limited execution risk***

The combined businesses will be managed by the current management team of Transamerica Re, led by Paul E. Rutledge, who is due to join SCOR's executive committee after the consummation of the transaction. Paul Rutledge is supported by a seasoned and talented senior management team, which has unanimously elected to join SCOR on the closing of the transaction (see page 5).

26 April 2011

N° 13 – 2011

All of SCOR Global Life's operations in the US will be based in Charlotte North Carolina, where Transamerica Re is currently headquartered. SCOR Global Life Americas will be part of the Americas hub, which is based in New York. Furthermore, through this transaction, SCOR will acquire Transamerica International Reinsurance Ireland Limited (TIRI), an entity based in Dublin.

During the period prior to the consummation of the transaction, SGL and Transamerica Re will continue to operate independently, without any business discontinuity, whilst planning to combine their activities as soon as possible once the transaction has been consummated.

As soon as the Transamerica Re business to be acquired by SCOR has been integrated, all business is expected to be fully operational, due in very large part to the complementarity of the structures, the very high quality of the teams and the fact that the acquisition is expected to have no impact on business operations.

**3. SCOR will strengthen its dynamics and continue to actively implement its "Strong Momentum" plan**

***a. Further strengthened dynamics***

With this transaction, SCOR confirms its dynamics and will enlarge its expertise, deepen its franchise and complement its set of Life systems and tools.

With an expected increase in the volume of its Life business of just over 50%, SCOR will expand its ability to provide its clients with a set of even more comprehensive solutions, over a wider geographic area.

***b. Further implementation of the twin-business engine growth model***

SCOR's growth model is strengthened, with two business engines balanced between Life reinsurance, reinforced with the acquisition of Transamerica Re's mortality business, and Non-Life reinsurance, the dynamism and profitability of which were once again confirmed by the renewals at 1 January 2011.

***c. An acquisition that complements "Strong Momentum" plan targets***

As set out in the "Strong Momentum" plan, SCOR remains dedicated to the regular, organic growth of its business. This organic growth will be enhanced by the launch of the SGL's four new initiatives detailed in the Group's strategic plan for 2010-2013: to develop a foothold in Australia and New Zealand, to enter the longevity market, to provide Solvency II-related solutions for clients and to support European pension funds. Overall, SCOR will carry on pursuing the technical profitability criteria it has set for all its operations.

\*  
\*                      \*

26 April 2011

N° 13 – 2011

SCOR and AEGON, along with their relevant subsidiaries, are now initiating all actions and procedures necessary for the consummation of this transaction, notably those relating to obtaining the authorisations required by the various regulatory authorities. The transaction is expected to be consummated during the third quarter of 2011.

BNP Paribas and Citi are acting as financial advisers to SCOR SE, Deutsche Bank as advisor for collateral financing aspects, and Skadden, Arps, Slate, Meagher & Flom LLP as legal advisers.

\*  
\*      \*

*Paul Rutledge is President of Transamerica Reinsurance, a position he has held since joining the organization in 1998. Paul has more than 30 years of experience in the insurance industry. Before joining Transamerica Reinsurance, he served as President and Chief Executive Officer of Life of Virginia, a consumer business of GE Capital Services. A native of St. Louis, Missouri, Paul holds a Bachelor of Arts degree in mathematics from Duke University and attended Northeastern University for graduate studies in Actuarial Science. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.*

*Paul Rutledge is supported by a seasoned management team:*

- *Michael Colannino, Executive Vice President, International Division*
- *Glenn Cunningham, Executive Vice President, Life Reinsurance*
- *Stephen Devine, Managing Director, TIRI*
- *David Dorans, Vice President, Mortality Solutions*
- *Thomas Freitas, Senior Vice President, Technology and Operations*
- *Joseph Gilmour, Executive Vice President & Chief Financial Officer*
- *Otto Lowe, Managing Director, Capital & Liquidity Management*
- *James McArdle, Senior Vice President, Sales and Marketing*
- *Larry Moews, Senior Vice President, Chief Actuary and Chief Risk Officer*
- *David O'Brien, Managing Director, Asia Pacific*
- *Raymond Prosser, Senior Vice President and General Counsel*
- *Brock Robbins, Senior Vice President, Life Solutions*
- *William Sofsky, Senior Vice President and Chief Accounting Officer*
- *David Wesley, Vice President, Medical Research and Development*

26 April 2011

N° 13 – 2011

**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 8 March 2011 under number D.11-0103 (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.

**SCOR SE**

1, av. du Général de Gaulle  
92074 Paris La Défense Cdx  
France  
Tél + 33 (0) 1 46 98 70 00  
Fax + 33 (0) 1 47 67 04 09  
[www.scor.com](http://www.scor.com)  
RCS Nanterre B 562 033 357  
Siret 562 033 357 00020  
Société Européenne au capital  
de 1 478 740 032 euros