

# “SCOR Global Life : European Roots, Global Reach”

SCOR and Revios to create together a  
Top-Tier Life Reinsurer

5 July 2006

**SCOR**

# Disclaimer

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Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors, including the risk that the contemplated acquisition may not be consummated. The following factors, among others, could cause actual results to differ materially from those described herein or from past results: the risk that the SCOR and Revios Rückversicherung AG businesses will not be integrated successfully; the costs related to the transaction; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals and consents; other risks and uncertainties affecting SCOR's and Revios Rückversicherung AG's businesses including, without limitation, the risk of future catastrophic events, economic and market developments, regulatory actions and developments, litigations and other proceedings.

This list is not exhaustive. Please refer to SCOR's document de référence for the year ended December 31, 2005 and SCOR's Annual Report on Form 20-F for the year ended December 31, 2005, for a description of certain additional important factors, risks and uncertainties that may affect SCOR's business.

Please refer to Revios Rückversicherung AG's Annual Report for the year ended December 31, 2004, for a description of certain important factors, risks and uncertainties that may affect Revios Rückversicherung AG's business.

SCOR operates in a continually changing environment and new risks emerge continually. Neither SCOR nor Revios Rückversicherung AG undertakes any obligation to update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

# SCOR acquires Revios

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## Transaction Highlights

Life Reinsurance: a Growing and Strategic market for SCOR

Revios: a Strong Franchise

Building a Top-Tier Global Life Reinsurer: **SCOR Global Life**

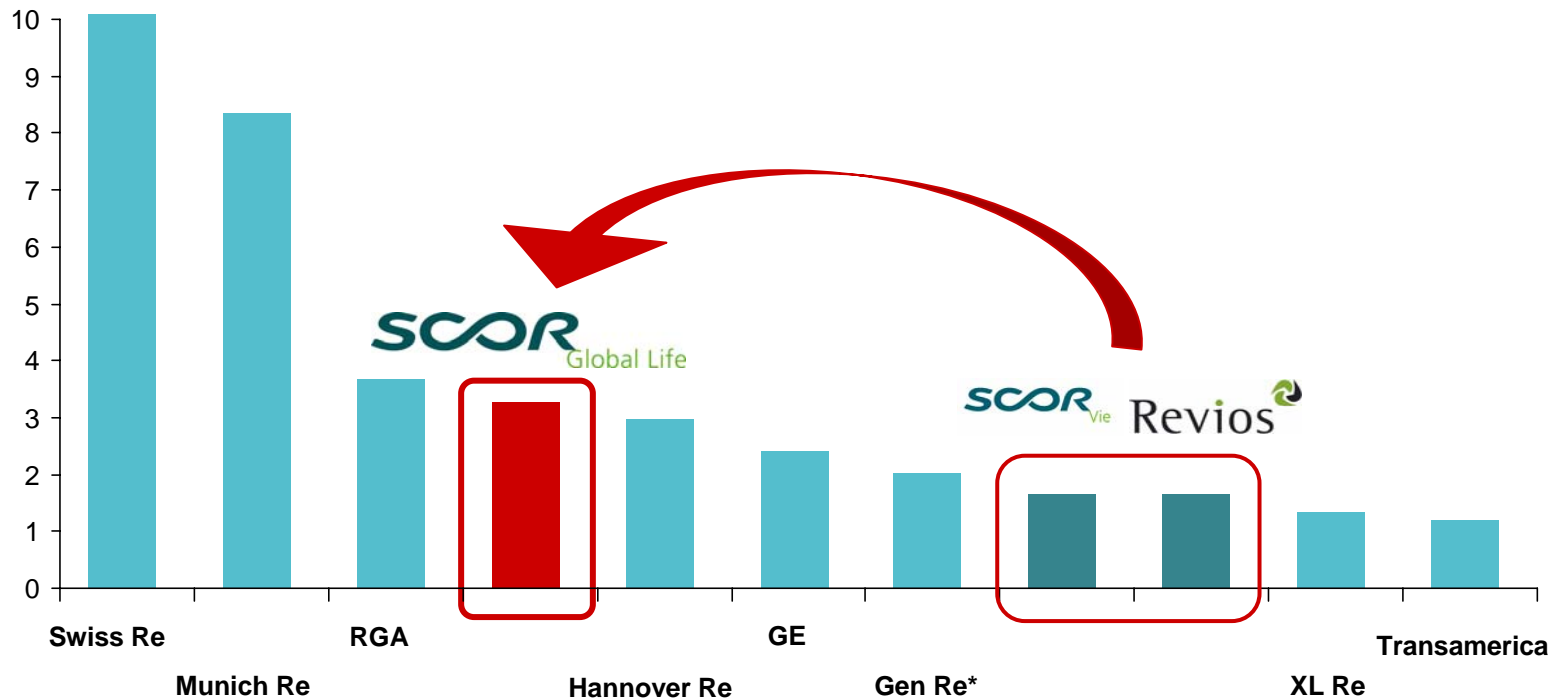
Value Creation for SCOR Shareholders

Indicative Timetable

# SCOR to acquire Revios and create **SCOR Global Life**, a Top-Tier Global Life Reinsurer

## Top Global Life Reinsurers

2004 GWP, in USD billion



Source: S&P Global Reinsurance Highlights 2005

(\*) Premium figures relate to Net Premium Written



"SCOR Global Life: European Roots, Global Reach", July 5, 2006

# Transaction Overview

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## Strong Strategic Rationale

- ▶ A “twin engine” Life / P&C strategy confirmed at the Group level
- ▶ A critical mass advantage creating a worldwide top 5 player in Life Reinsurance
- ▶ Powerful business fit with complementary platforms
- ▶ Common approach to markets and underwriting practices

## Attractive Price

- ▶ Acquisition price of EUR 605 million, 1.02 times the 2004 Embedded Value of Revios
- ▶ Reimbursement of EUR 50 million of the outstanding debt of Revios
- ▶ EPS and ROE enhanced from Year One (i.e. 2007)

# Transaction Overview

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## Financing

- ▶ Acquisition of 100% of the equity capital of Revios paid in cash
- ▶ Total financing needs approx. EUR 650 million
- ▶ Rights issue approx. EUR 300 million
- ▶ Subordinated debt up to EUR 350 million
- ▶ Closing to be completed by Q4 2006, once all regulatory and antitrust approvals are obtained

## SCOR + Revios

- ▶ Estimated gross written premium in 2006: EUR 4 billion
- ▶ A portfolio rebalanced between Life business (60%) and Property & Casualty business (40%)
- ▶ A significantly lowered risk profile
- ▶ Solvency and Financial Strength reinforced

# A Transaction in line with our strict acquisition criteria

## ✓ Strategically Coherent

- ✓ Solidify the Life / Non Life business mix established in Moving Forward as a pillar of the strategy
- ✓ Increased diversification and lower risk profile

## ✓ Satisfy SCOR target profitability

- ✓ Meet the criteria of ROE set out in Moving Forward of the risk free rate + 600 bp
- ✓ ROE enhanced by 100 bp
- ✓ Decrease in the Cost Ratio of the Group: -1.3 points in 2006

## ✓ Value for SCOR Shareholders

- ✓ Accretive in terms of Earnings per Share from Year One (i.e. 2007)
- ✓ Synergies essentially on revenues, but also on costs

## ✓ Reinforcing the financial strength of the Group

- ✓ Increase the Capital Adequacy Ratio of the new Group
- ✓ Optimize capital management and allocation

## ✓ Cultural Fit

- ✓ Common approach to markets and underwriting practices
- ✓ Clear corporate governance rules
- ✓ Limited execution risks



## Transaction Highlights

**Life Reinsurance: a Growing and Strategic market for SCOR**

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Value Creation for SCOR Shareholders

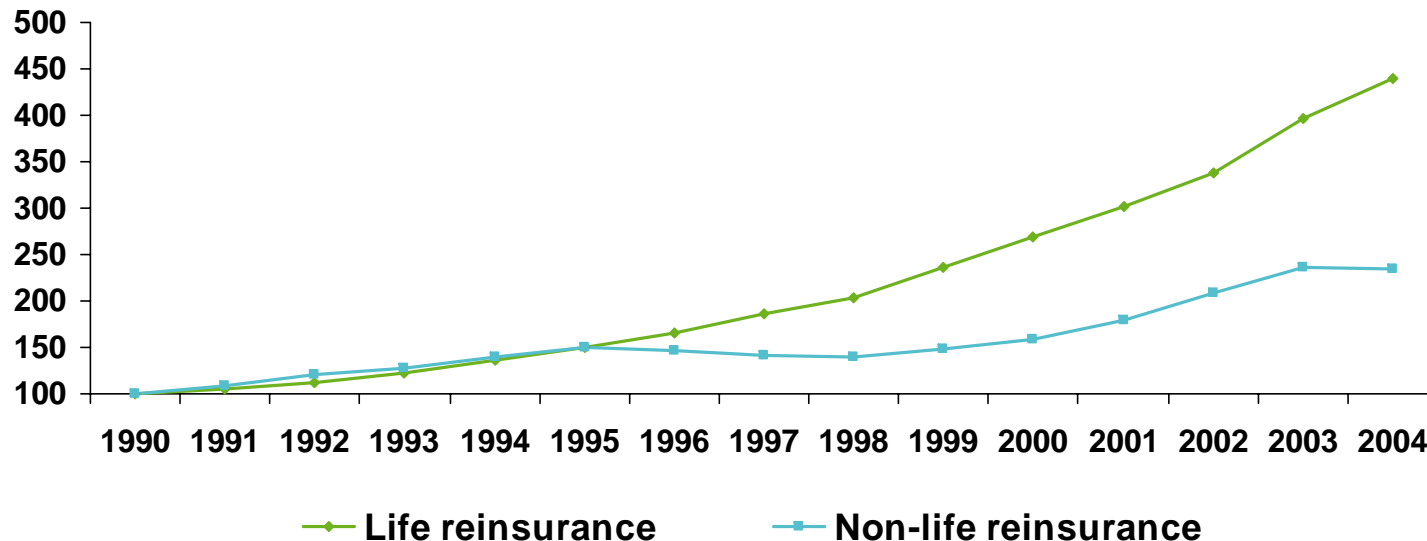
Indicative Timetable

# Life Reinsurance: a Growing and Strategic Market for SCOR (1/2)

- ▶ The worldwide Life reinsurance market:
  - A CAGR of 10% over the last 4 years
  - 1/5<sup>th</sup> of the total worldwide reinsurance market (EUR 29 billion)

## Life reinsurance market

base 100, 1990



# Life Reinsurance: a Growing and Strategic Market for SCOR (2/2)

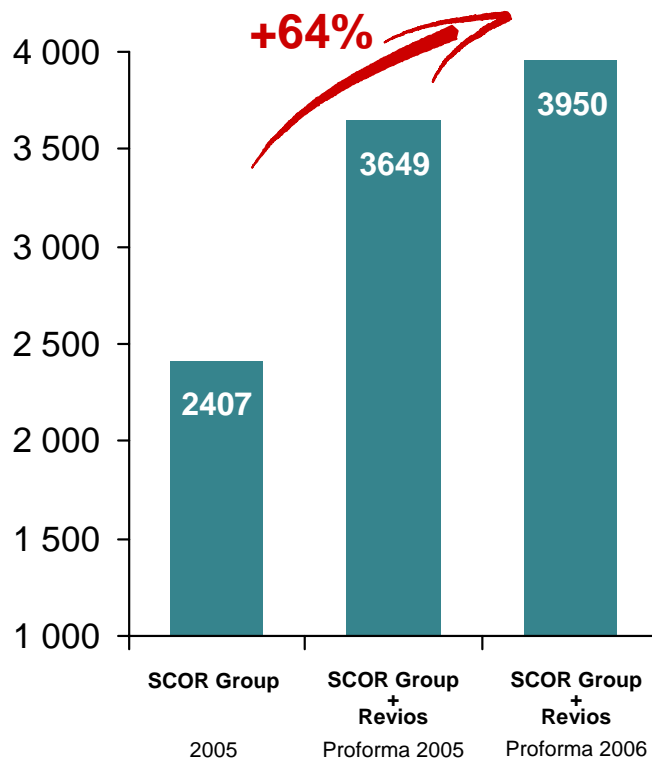
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- ▶ The Life Reinsurance market is characterized by recurrent and long-term growth, driven by:
  - Double-digit, cycle-free growth of the primary Life insurance market
  - The mobilization of banking networks for the distribution of Life insurance products
  - The aging of OECD country populations, creating the need for long-term care, longevity and annuity products
  - The increase in the need for products related to new risks (pandemic, bacteriological, rare disease risks)
  - The growing role of reinsurers in the financing of Life insurance due to the increase in cession rates, in Europe particularly

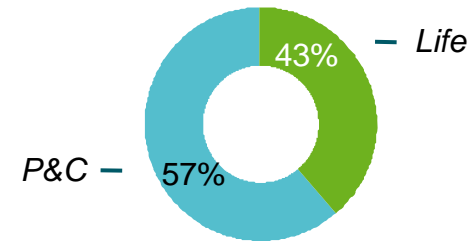
# SCOR: a Twin-Engine Group

## ► Group structure post transaction

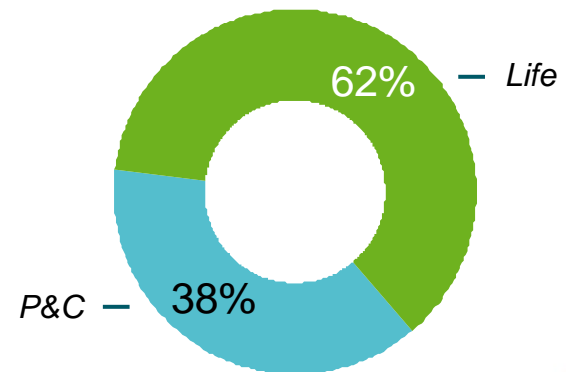
Gross written premiums  
(EUR million)



SCOR Group 2005



SCOR + Revios 2005



Transaction Highlights

Life Reinsurance: a Growing and Strategic market for SCOR

**Revios: a Strong Franchise**

Building a Top-Tier Global Life Reinsurer: **SCOR Global Life**

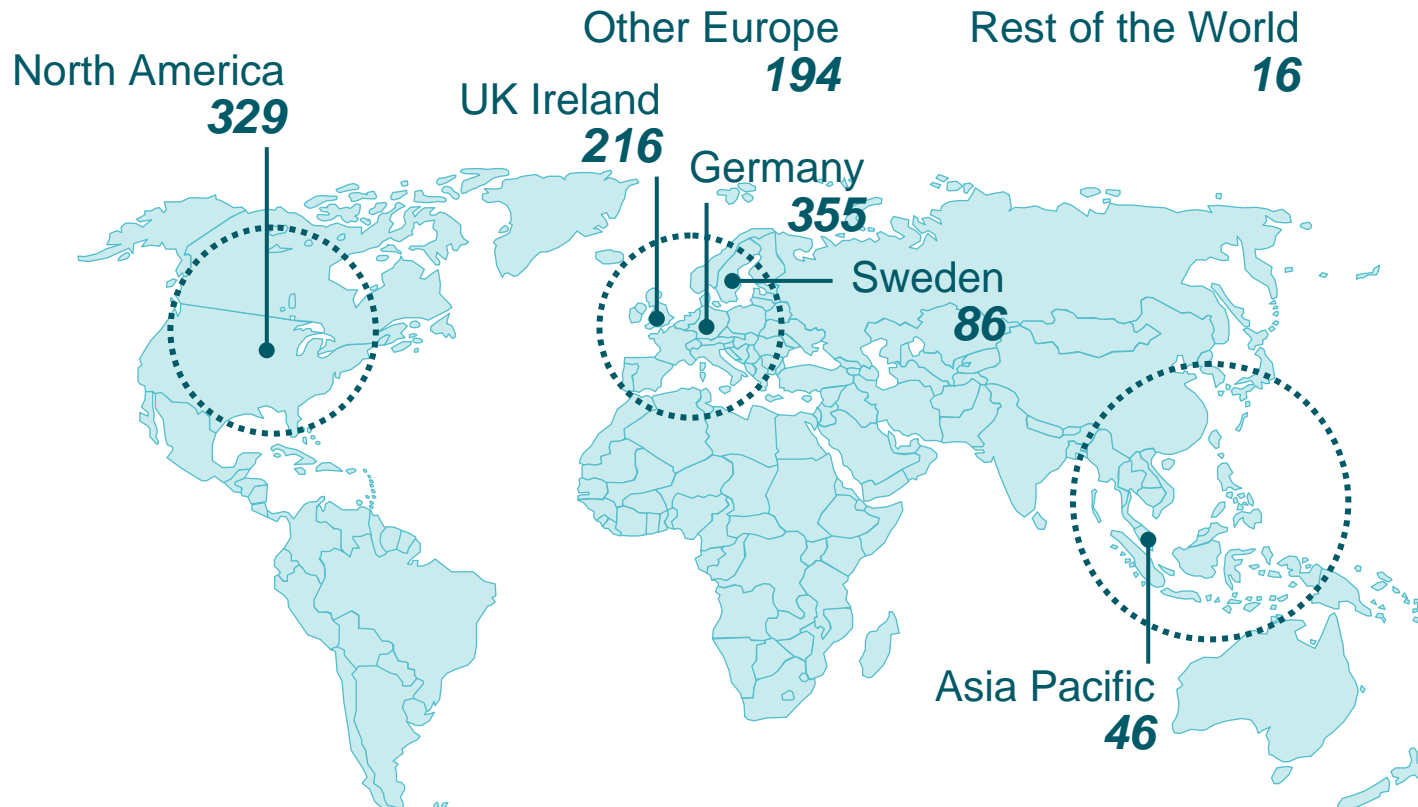
Value Creation for SCOR Shareholders

Indicative Timetable

# Revios: a Life Reinsurer active worldwide

## Premium income by geographic areas

GWP 2005, EUR million



*A staff of 277*

*Present in 42 countries*

*578 clients*

# Revios: a high-performance Life Reinsurer

## Key Figures

(in EUR million)

	2003	2004
<i>Gross Written Premiums</i>	<b>1307.0</b>	<b>1203.0</b>
<i>Operating Income</i>	<b>66.6</b>	<b>78.9</b>
<i>Consolidated net Profit</i>	<b>40.2</b>	<b>50.4</b>
<i>Embedded Value</i>	<b>558.0</b>	<b>592.0</b>

- ▶ The level of the Embedded Value should have increased in 2005 given the favorable environment identical to that which has benefited SCOR Vie
- ▶ Revios 2004 Consolidated accounts show a Net Profit of EUR 50 million and 2005 IFRS Consolidated accounts will be issued before closing

# Revios: an attractive business

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- ▶ A **specific expertise** in technical and value-added products, services and markets
- ▶ A **strong** and **respected management team** with highly qualified professionals
- ▶ Less than 4 years after its creation, Revios has gained **full momentum** and is today **the first European** specialized Life reinsurer

**Revios evolved out of Gerling Life reinsurance unit and successfully developed itself independently from 2002**



# Revios: a powerful business fit

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## A business concept similar to SCOR Vie's approach to the market:

- ▶ Based mainly on **direct access** to clients
- ▶ **Stable long-term relationships** with core clients and **strong franchise**
- ▶ A focus on **service** offering based on customized R&D and tailored solutions

Transaction Highlights

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# A new unified brand

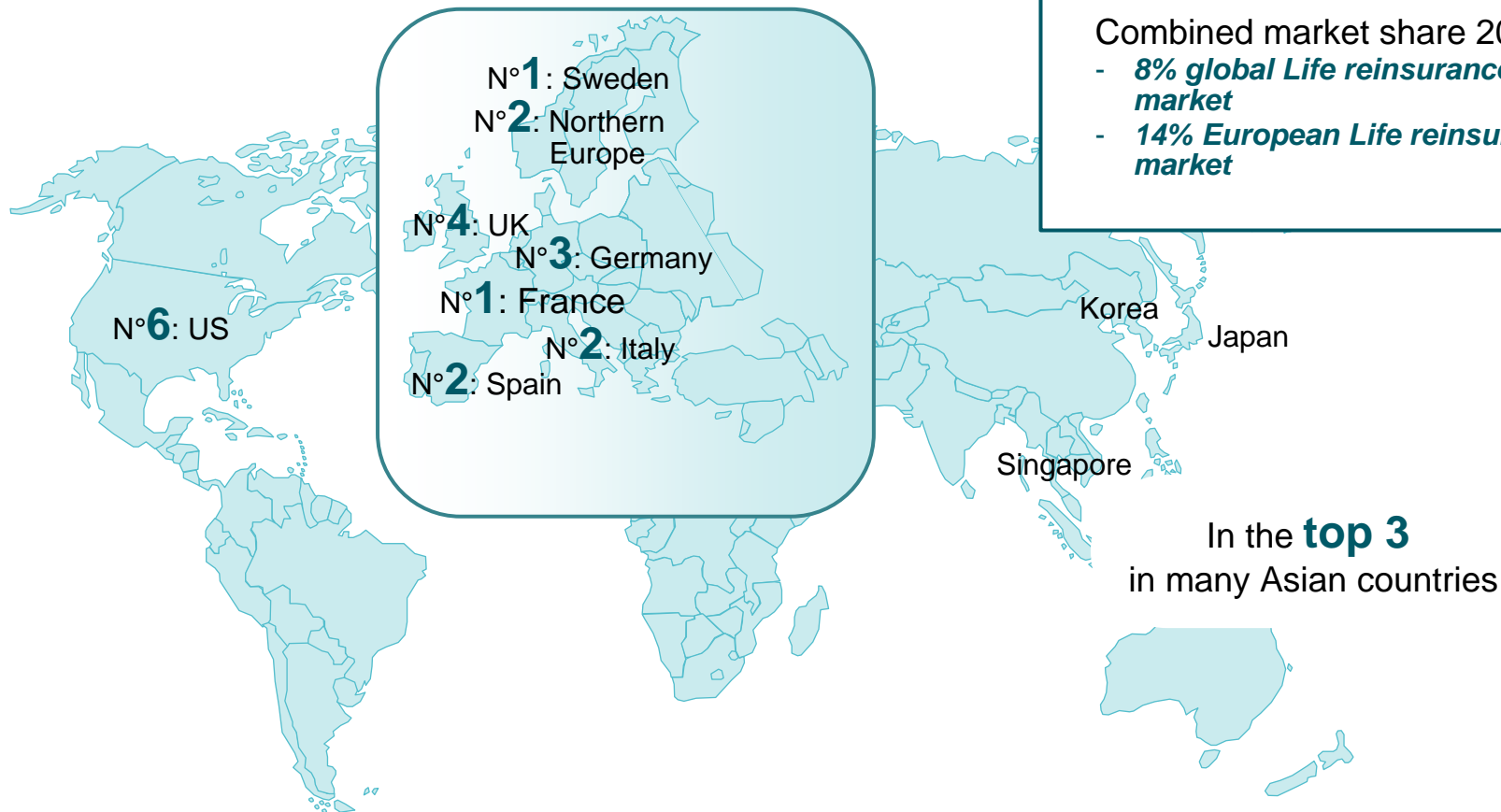
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**SCOR** Global Life

*European Roots, Global Reach*

# European Roots, Global Reach: building a top-tier Global Life reinsurer

A European top-tier reinsurer with  
a worldwide network



Total Premium income 2005:  
**EUR 2,266 million**

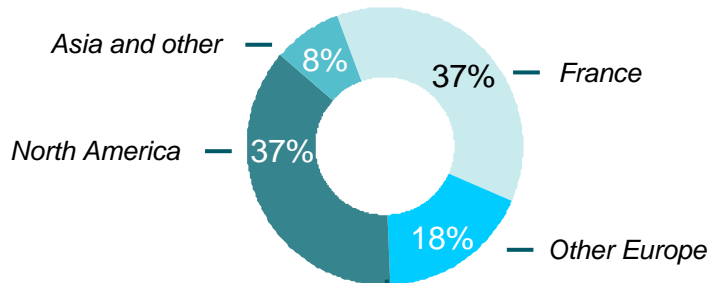
Combined market share 2005:

- **8% global Life reinsurance market**
- **14% European Life reinsurance market**

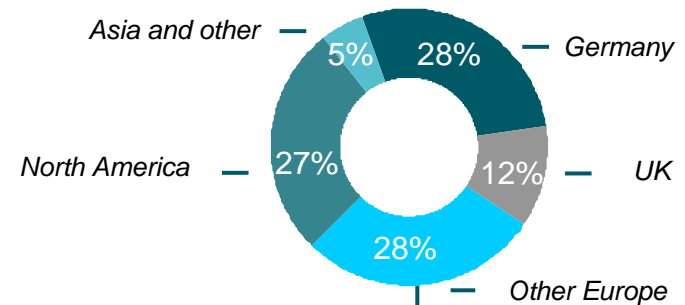
In the **top 3**  
in many Asian countries

# SCOR Global Life: a highly diversified Group

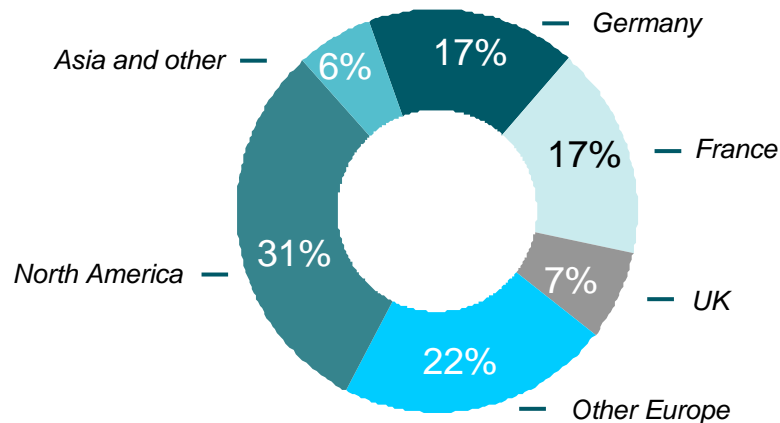
SCOR Vie, GWP (2005)



Revios, GWP (2005)



SCOR Vie + Revios, GWP (2005)



# Market complementarity ensuring business development

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## ▶ Main SCOR Vie markets:

*France*  
*Italy*  
*Spain*  
*Korea*  
*Japan*  
*Canada*

## ▶ Main Revios markets:

*Germany*  
*United Kingdom*  
*Sweden*  
*Ireland*  
*Switzerland*  
*New Zealand*

- ▶ United States: a post-merger market share of around 5% ensuring critical mass and credibility in a consolidating market
- ▶ The combined entity will optimize opportunities in markets such as India, China, South Africa and Australia

# A common approach to markets and underwriting practices

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## Common values and an enhanced product mix will benefit SCOR Global Life

- ▶ A shared philosophy of underwriting and market approach based on:
  - long-term relationships with clients founded on partnership
  - products and services adapted to the specific requirements of cedants
  - an emphasis on actuarial research & development
- ▶ Revios has specific expertise on critical illness in the UK and in Asia, disability in Sweden
- ▶ SCOR Vie has specific expertise of products developed in Latin countries, especially on group insurance and long-term care
- ▶ Complementary expertise:
  - Sar@ and GEM underwriting systems
  - financing deals
  - group business
  - bancassurance
  - fixed annuities in the U.S.

# A critical mass leading to increased profitable business growth

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- ▶ A larger platform will enable **SCOR Global Life** to:
  - invest in R&D (product innovation, demographic research)
  - provide innovative and competitive financing solutions to clients
  - fully benefit from a worldwide network and cross-selling synergies
  - achieve economies of scale
- ▶ **SCOR Global Life** will have a better potential access to new financing solutions on:
  - securitization of Deferred Acquisition Costs, mortality and in-force blocks, which current sizes of portfolio prevent from realizing
  - refinancing triple “X” reserves in the U.S. under optimized terms
  - improved negotiation of Letters of Credit and other financing structures

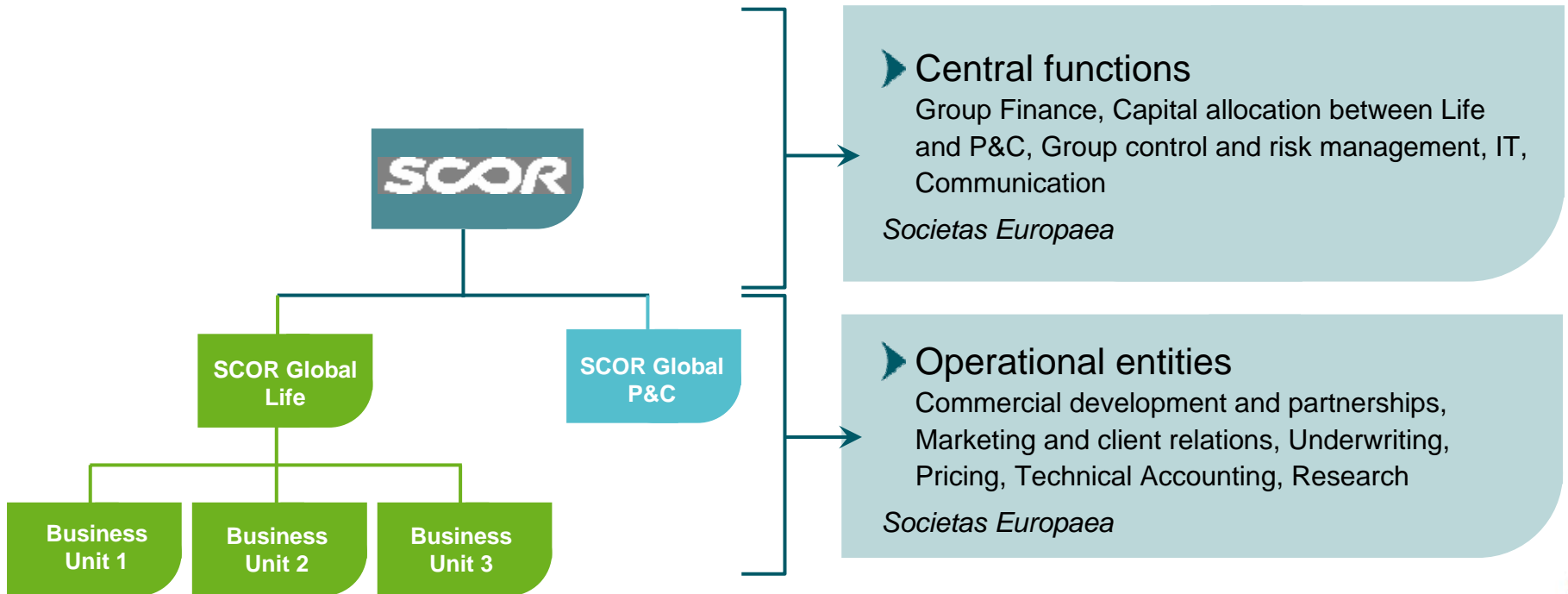


# A dedicated management team with clear Corporate Governance rules

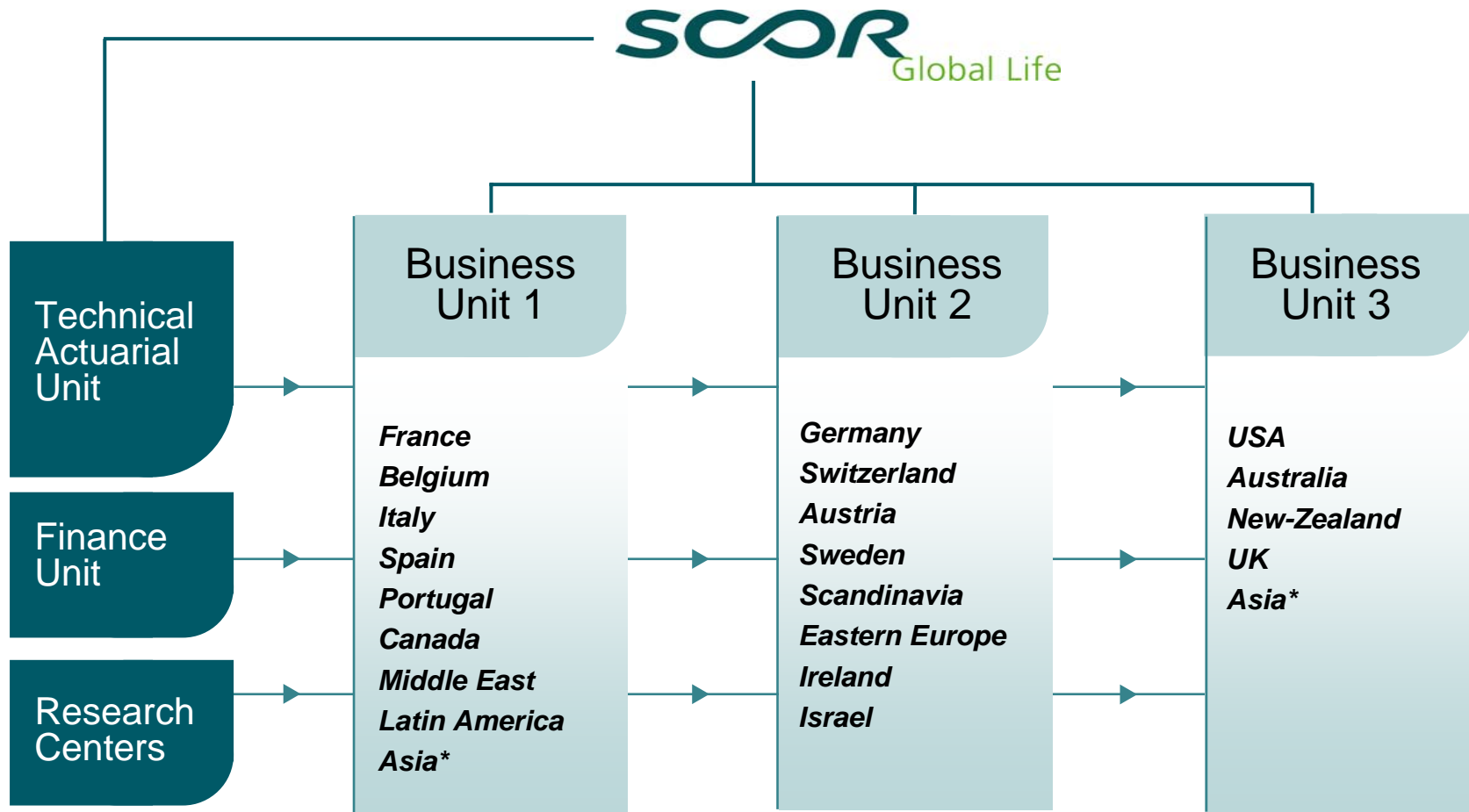
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- ▶ As soon as the Sell & Purchase Agreement is signed, a Liaison Committee will work on the new structure
- ▶ Management positions at **SCOR Global Life** to be based on competence and not on passport
- ▶ Implementation of Management Letters and Quarterly Business Reviews (as is currently the practice in the whole SCOR Group)

# Proposed Group structure (1/2)



# Proposed Group structure (2/2)



\* Organization in Asia subject to the decision of the Liaison Committee on the basis of the conclusion of the dedicated Integration Committee

# An integration process already in place

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- ▶ Several integration committees will be established in order to coordinate and pilot the combination of the two entities.
- ▶ These committees will ensure the continuity of operations, prepare the integration and accelerate the combination process.
- ▶ Several committees established so far are:
  - Underwriting guidelines
  - Branch integration
  - IT
  - Accounting & Reporting
  - Human Resources
  - Communication
  - Corporate Finance & Asset Management
  - Asia
  - North America

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Indicative Timetable

# A value creating transaction (1/2)

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- ▶ A total purchase price for 100% of the equity capital of Revios: EUR 605 million
- ▶ Reimbursement of EUR 50 million of Revios' outstanding subordinated debt to Globale Rückversicherung AG
- ▶ Financing structure:



- ▶ This financing mix:
  - preserves the financial strength of the Group
  - ensures an accretive impact for SCOR shareholders as soon as Year One
  - optimizes the financial structure of SCOR

# A value creating transaction (2/2)

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- ▶ The combination will be accretive to Earnings Per Share from Year One (i.e. 2007)
- ▶ and will enhance Return On Equity from Year One (i.e. 2007)

	2007	2008
<i>Expected EPS accretion*</i>	<b>+7.0%</b>	<b>+10.0%</b>
<i>Expected RoE increase*</i>	<b>+80 bps</b>	<b>+100 bps</b>

\* Estimates 4 July 2006

# Financial strength preserved

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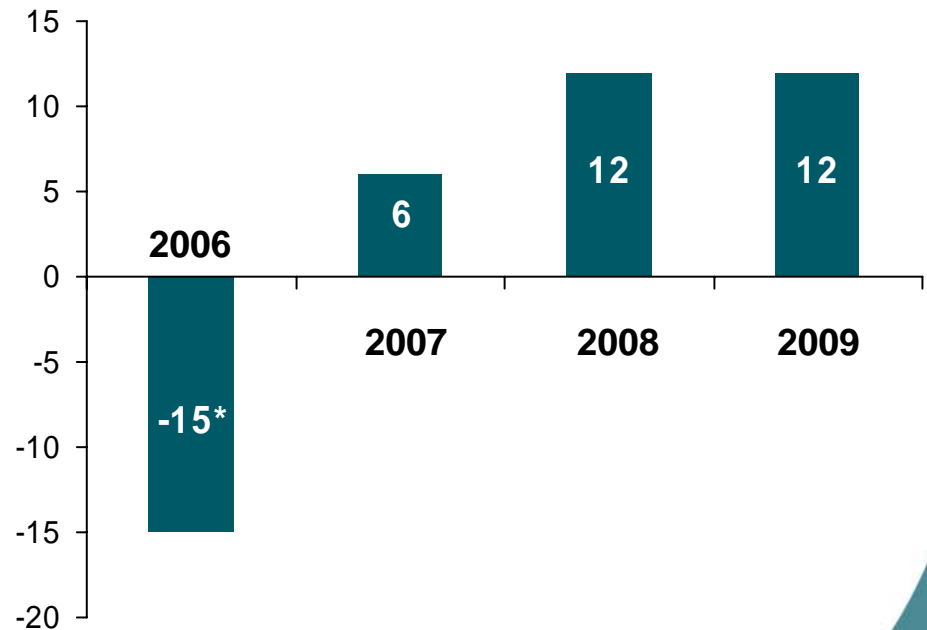
- ▶ SCOR Vie and Revios are both rated « A -, stable outlook » by S&P and have a similar risk profile
- ▶ Revios is rated « A-, stable outlook » and SCOR Vie is rated « B++ , positive outlook » by AM Best ; SCOR is in continuous dialogue with AM Best on the issue
- ▶ The combination of SCOR Vie and Revios will significantly reduce the risk profile of the SCOR group
  - A greater geographic diversification
  - An extension of the product range
  - A deepening of technical expertise
  - An improvement of risk management
- ▶ The « Solvency II » profile of the new Group will be improved



# A transaction leading to synergies

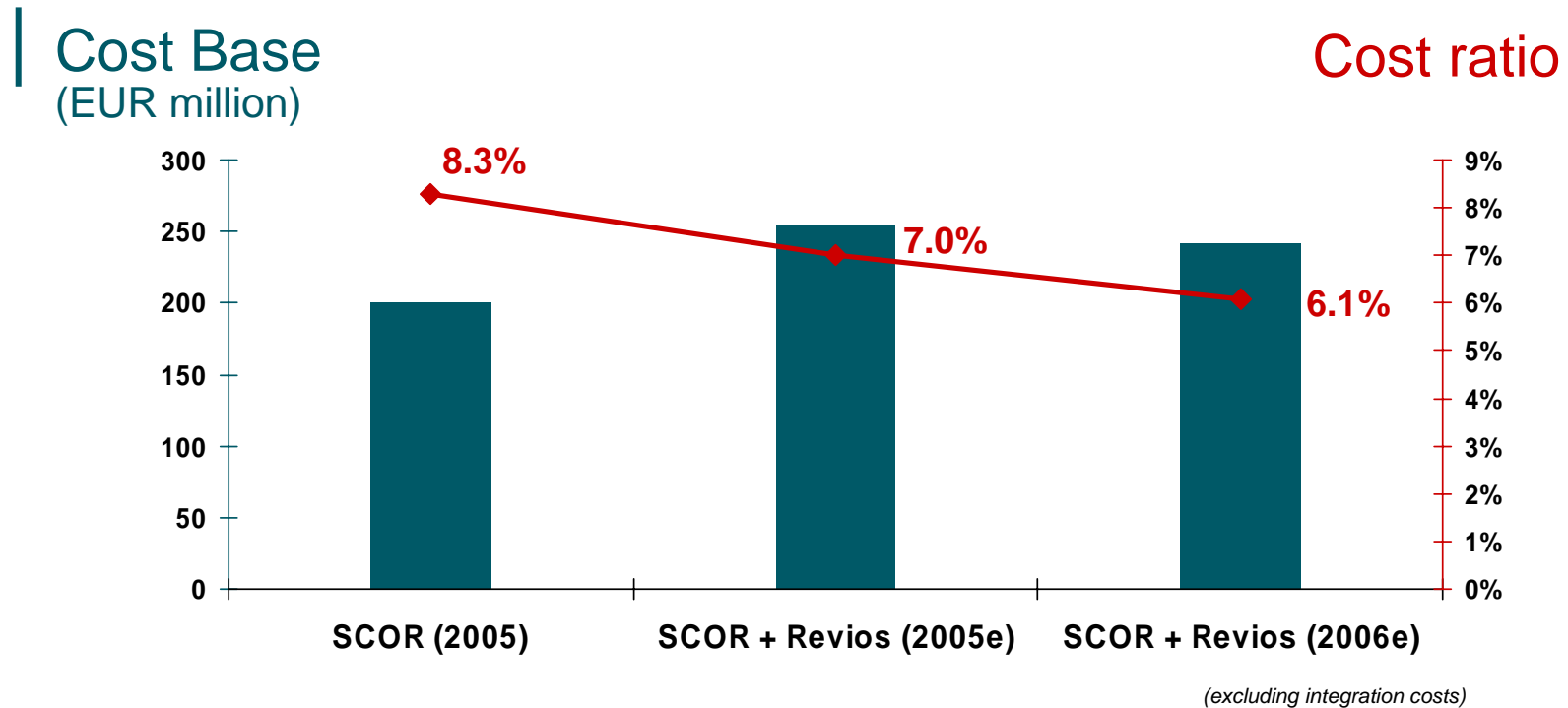
- ▶ A transaction relying mainly on revenue synergies
- ▶ and on realistic recurrent cost synergies (geographical rationalization, IT merger, retrocession, etc)

Synergies estimated so far  
in EUR million



\* Provision for integration process

# A transaction improving SCOR's cost ratio



- ▶ With a larger premium base in 2006, the combination will mechanically decrease the cost ratio of SCOR Group
- ▶ In the following years, the cost ratio of SCOR Group will benefit from the combined effect of cost and revenue synergies

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**Indicative Timetable**

# Indicative timetable

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Revios 2005 IFRS consolidated annual results



**End of August 2006**

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Revios Embedded Value as at 31/12/2005



**4<sup>th</sup> Quarter 2006**

- 
- Antitrust approvals
  - Regulatory approvals



**End of October 2006**

# European Roots, Global Reach: building a top-tier reinsurer

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- **A financially attractive transaction**
- **A near-perfect complementarity**
- **An expanded geographic reach**
- **A deepening of top-level expertise**

# ANNEX

# Key Figures

In EUR million	SCOR*	REVIOS**
<i>Gross written premiums</i>	<b>2,407</b>	*** <b>1,242</b>
<i>Operating income</i>	<b>242</b>	<b>78.9</b>
<i>Net income</i>	<b>131</b>	<b>50.4</b>
<i>Embedded-value</i>	<b>693****</b>	<b>592</b>
<i>Liabilities relating to contracts</i>	<b>9,849</b>	<b>4,071</b>
<i>Investments</i>	<b>9,743</b>	<b>4,061</b>
<i>Staff (at 30 June 2006)</i>	<b>891</b>	<b>277</b>
<i>Offices</i>	<b>24</b>	<b>17</b>

\* SCOR: 2005 audited accounts

\*\* Revios: 2004 audited accounts

\*\*\* Revios 2005 Gross Written Premium: EUR 1 242 million

\*\*\*\* European Embedded Value of SCOR Vie at 31/12/2005