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## PRESS RELEASE

### **Aéma Groupe has entered into exclusive negotiations with Aviva Group for the acquisition of Aviva France**

**Aéma Groupe announces that it has entered into exclusive negotiations to acquire Aviva France. This project fuels its strategy to become a reference player in the French protection and insurance markets.**

Following Aviva Group's decision to refocus its activities, Aéma Groupe entered the due diligence process to study the acquisition of Aviva France –through its affiliate Macif SAM – and made a firm acquisition proposal to Aviva Group. After reviewing Aema's offer, the Board of Directors of Aviva Group has invited Aéma Groupe to enter into exclusive negotiations for the acquisition of Aviva France.

With 7.8 billion euros revenues, 335 million euros net income and 3 million customers as of December 31, 2019, Aviva France holds strong positions in life insurance, property & casualty and asset management markets in France, and benefits from a tier one distribution network with nearly 1,000 tied agents. Aviva France employs 4,200 people.

Aviva France's expertises and distribution networks are complementary to Aema's activities. In life and retirement markets, Aema intends to strengthen and develop AFER partnership in the best interests of AFER customers. AFER (Association française de l'épargne et de la retraite).

The future group, including Aviva France's acquisition, would represent €16 billion revenues and become a key protection and insurance provider among the top 5 in the French market. The financing of this €3,2 billion acquisition will rely on the group's equity and the issuance of €1,75 billion subordinated debt. Upon completion of this transaction, Aéma Groupe would hold a strong financial position, with €11 billion regulatory capital, a debt position comparable to its peers and a solvency ratio of more than 165%, to recover to 200% within 4 years.

Apart from customary warranties and indemnities, Aema Groupe and Aviva have agreed to a risk-sharing agreement, in respect to the « known price » contracts. This mechanism would ensure Aema Groupe to keep a total exposure to « known price » contracts at a negligible level in view of the group solvency position.

Aéma Groupe, as a mutual insurance group with a democratic governance, is strongly committed to respect identities, brands and specificities of its subsidiaries. Aema will therefore focus on developing Aviva's expertises and people, tied agents, taking into account all stakeholders to provide best products and services to its customers.

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*Pascal Michard, Chairman of the Management Board of Aéma Groupe declares: "The insurance market is facing dramatic changes; it is our responsibility as a key mutual insurance player to accompany our stakeholders through this journey. I would like to thank George Culmer, Chairman of the board of Directors, Amanda Blanc, Chief Executive Officer and the Board of Directors of Aviva Group to have considered our proposal and invited us to enter into exclusive negotiations; this decision reflects the tremendous work accomplished by Aviva and Aéma teams in a constructive manner. Our governance has fully approved this transaction and has mandated Adrien Couret and his team to lead this new step."*

*Adrien Couret, Chief Executive Officer of Aéma Groupe adds: "As the creation of Aéma Groupe in January, the acquisition of Aviva France aims at offering tomorrow's protection to the greatest number of French people. With Aviva France employees and partners, I am convinced we can build a top tier insurance group, able to provide best products and services, while focusing on customer proximity and support."*

**At the end of this process, Aéma Groupe would protect one French person out of 6 and cover the whole range of insurance related needs.**

[For this transaction, Aéma Groupe is advised by Lazard ( M&A Counsel), Crédit Suisse (co-M&A and Financing), White & Case (Lawyers), Keaney (Strategy), EY (Accounting and Financial Analysis), Fomont Briens (Lawyers), Primact' (Actuarial).]

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### About Aéma Group

Aéma is the mutual protection group resulting from the merger between Aésio and Macif.

With 8 million policy-holders, it employs 14,000 people, has a turnover of 8 billion euros in France and 7,4 billion Euros equity.

Every day, Aéma Groupe imagines the outlines of a fairer and more humane world by placing thoughtfulness at the heart of its relationship with its members, shareholders and corporate clients.

Find out more : [aemagroupe.fr](http://aemagroupe.fr)

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