8 June 2021

DESCRIPTION OF AEMA GROUPE AND OF THE ACQUISITION OF AVIVA FRANCE BY MACIF (INCLUDING THE PRO FORMA FINANCIAL STATEMENTS OF AEMA GROUPE)

IMPORTANT NOTICE

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The purpose of this document is to present certain aspects of the acquisition of Aviva France by MACIF and the new perimeter of Aéma Groupe following such acquisition (were it to proceed to completeion) which is expected by the end of 2021, together with the pro forma financial statements of Aéma Groupe pre- and post-acquisition. No assurances can be giving that such acquisition will be completed or, if so, by when. This document does not, nor does it purport to, provide all information in relation to such acquisition.

This document contains forward-looking information and statements. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Although MACIF's and Aéma Groupe's management believe that the expectations reflected in such forward-looking statements are reasonable, readers are informed that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond MACIF's or Aéma Groupe's control, that could cause actual results and developments to differ noticeably from those expressed, suggested or projected in the forward-looking information and statements.

Aéma Groupe

History

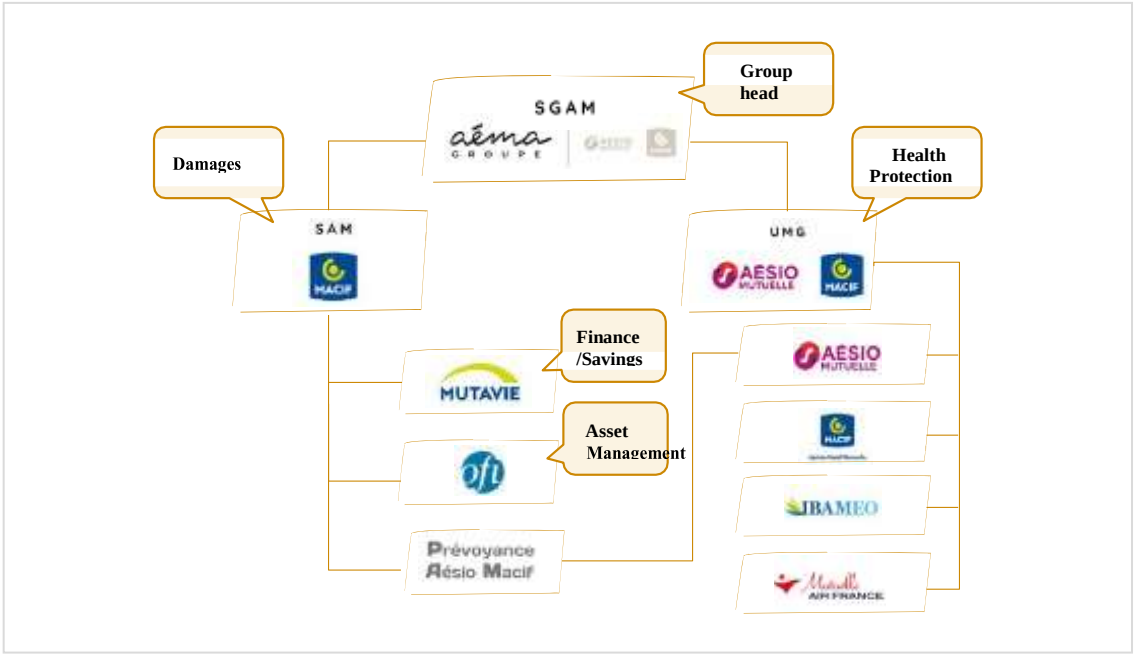
In 2017, the MACIF group and Aésio group (another mutualist group active in the health insurance sector and organised as a mutualist union group (*union mutualiste de groupe* or "**UMG**") with three affiliates (Adréa, Apréva and Eovi Mcd)) entered into a cooperation agreement with the aim of creating a new mutual insurance group company (*société de groupe d'assurance mutuelle* or "**SGAM**").

In 2019, the first concrete expression of their joint ambition in the protection insurance sector was launched through the Prévoyance Aésio Macif joint venture and the deployment and distribution of MACIF's Multi-Vie life insurance offer through the Aésio network.

During 2020, MACIF and Aésio focussed on defining the common goal of their respective entities and on implementing the structuring and governance procedures of the Group. In February 2020, a founding pact (the "**Founding Pact**") was approved by the boards of directors of both the MACIF and Aésio groups. In March 2020, the effective creation of the new SGAM was approved by the French competition authority (*Autorité de la concurrence*) and in November 2020 by the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**").

Since 1 January 2021, the MACIF and Aésio groups have formed a joint SGAM operating under the name of SGAM Aéma Groupe (the Aéma Groupe, together with all the members of the SGAM mentioned, herein, the "**Group**"). As the Group itself was being formed, the three mutual Adréa, Apréva and Eovi Mcd themselves merged to become Aésio Mutuelle.

The activities of the Group are structured around the two main entities of Aéma Groupe, MACIF and UMG Aésio MACIF, as shown in the chart below:



Aéma Groupe's voting rights are held at 60% by MACIF and the remaining 40% are held by UMG Aésio MACIF. It prepares non-consolidated and combined financial statements for the Group and is supervised by the ACPR as the head of the combined prudential group. It is responsible for defining the strategic orientations and the *raison d'être* of the Group and for ensuring the coherent implementation of these strategic orientations. See "*Functioning of a SGAM and the financial solidarity mechanism"* below.

Based on the common vision outlined in the Founding Pact, the Group began to roll out its 2021-2023 strategic plan "Building to Conquer" in January 2021 which is due to be completed by the end of 2023. This plan, which combines the strategic plans of the Group's entities in the context of the consolidation of the Group, comprises three main themes: the development of a producer-distributor model in favour of an enhanced client experience, the focus on a mutualist performance to be achieved by the acquisition of new clients and consolidation of economic fundamentals, and the implementation of policies on goods and persons protection, in the context of the consolidation of the Group.

With eight million policyholders, generating €8.6bn in combined revenues in France for 2020 (unaudited pro forma combined financial statements of Aéma Group (before Aviva's acquisition) for the year ended 31 December 2020), €7.4bn in Solvency II own funds (pro forma), and counting nearly one in eight French citizens among its policyholders, Aéma Groupe aims to establish itself as a leading mutual protection group and the 13th insurer on the French market (source: Aéma Groupe). Aéma Groupe is a financially robust player with a Solvency II ratio of 208% as of 31 December 2020 (pro-forma).

Aéma Groupe relies on strong and diversified distribution channels, accounting a network of more than 800 agencies throughout France, a wholesale broker, Apivia Courtage, and a network of mobile sales representatives dedicated to professional clients.

Main business activities and strategy of the Group

The Group's activities are divided into three main sectors: Property & Casualty; Health-Protection; and Finance-Savings, and additionally asset management. These sectors provide automobile, home, leisure insurance, individual and group health insurance, and protection contracts, and represent respectively, 40%,

35%, 25% of the combined revenues of the Group for the 2020 financial year (pro forma (before Aviva's acquisition)). Specifically, MACIF covers non-life insurance activities, as well as Finance-Savings activities through its wholly owned subsidiary, Mutavie, and asset management through its subsidiary, OFI Holding (61% owned as of 31 December 2020), while the UMG Aésio MACIF Group covers Health and protection activities through its affiliates, Aésio Mutuelle, Apivia Macif Mutuelle, Mutuelle Nationale des Personnels Air France and IBAMEO.

MACIF group's earned contributions (at the MACIF SGAM (now Aéma Groupe) level) amounted to €6,651m in 2020, compared with €6,489m in 2019, up to 2.5% over the year:

- **Property & Casualty**, earned premiums amounted to €3,421m, an increase of 3.6% over the year;
- **Health-Protection**, the MACIF SGAM (now Aéma Groupe) earned €1,093m, up 0.5% compared to 2019, due to the gradual switchover of regulated insurance solidarity schemes (ACS and CMU-C) from November 2019 to a managed-for-account scheme (CSS), which weighs €64min the comparison. Excluding the solidarity schemes, revenues rose by 6.8% ;
- **Finance-Savings,** the MACIF SGAM (now Aéma Groupe) reported gross premium income of €2,138m, up 1.9% over the year. This growth was significantly higher than that observed in the French life insurance market, which declined by 20% over the year.

MACIF group maintained over the past 5 years a Solvency II ratio at or above ca. 200% and maintained an A2 insurance financial strength rating with Moody's since 2004, as shown hereafter:

UMG Aésio MACIF's total current operating income was €1,963m in 2020, compared with €2,077m in 2019, with a net income (group share) of €7.8m and €-15k respectively.

Property & Casualty Sector

The Property and Casualty sector focusses on providing automobile insurance, home and leisure insurance, and offers its services principally but not exclusively through MACIF, as described below:

- **MACIF** is a mutual insurance company (*Société d'assurance mutuelle*), providing automobile, property and accident insurance policies, targeted at individuals and insurance policies targeted at professionals and non-profit organisations. The MACIF's reported revenues for 2020 were of €3,447m in 2020, up by 3.5% compared to 2019 and net income of €40.7m, up by 107.6% compared to 2019. The company reported revenues of €3,330m in 2019, up by 3.0% compared to 2018, and net income of €19.6m in 2019, down 86% compared to 2018. Some of this activity is also carried out by various

subsidiaries of MACIF, such as Macifilia and Thémis. Furthermore, MACIF is in charge of the distribution network of all products (including in the life and health sectors) branded MACIF.

- The Property and Casualty's business line also includes **Inter Mutuelles Assistance** ("**IMA**"), an assistance group with entities in continental Europe and in Morocco, the activities of which are all grouped under IMA SA, 28.85% owned by MACIF as of 31 December 2020. The IMA group's revenues for 2020, were €773.6m, down by 6.7% compared to 2019, up by 7.9% compared to 2018 with €775m of revenues. In 2020, the consolidated net income of the IMA group were of €5.5m, compared to €7.7m in 2019.

- **Inter Mutuelles Entreprises** ("**IME**"), a limited liability company, is a joint venture between MACIF and Matmut, designed to provide a comprehensive insurance solution for civil liability and property damage for professionals and companies. MACIF holds 40% of IME's shares as of 31 December 2020. The company's revenues for 2020 were €58.1m, down by 7.8% compared to 2019 which were at €63m, down by 0.8% compared to 2018. The company reported a net income of €2.7m in 2020, compared to €3.1m in 2019 and €7.1m in 2018.

Health and Protection Sector

The Health and Protection sector provides individual and group health insurances as well as protection contracts offered principally through UMG Aésio MACIF, a *Union mutualiste de groupe* responsible for the Health and Protection sector, composed of four mutual insurers, Apivia Macif Mutuelle, Mutuelle Nationale France, IBAMEO and Aésio Mutuelle. Health and Protection contracts are also offered through Securimut, a simplified joint stock company which manages and distributes loan insurance policies on behalf of its insurance partners:

- **Apivia Macif Mutuelle**, a mutual insurance company, formed by the merger of Apivia Mutuelle and Macif-Mutualité in November 2020. This entity aims to offer comprehensive insurance solutions and innovative services by upholding the values of mutualism, in terms of access to healthcare for the greatest number of people, the fight against the denial of healthcare and preventative healthcare.

  Apivia Macif Mutuelle has nearly 1,100,000 policyholders and 900,000 personal protection contracts. Following the merger between Apivia Mutuelle and Macif-Mutualité, the advantages of the contracts concluded with Apivia Mutuelle and Macif-Mutualité have been maintained. Its revenues were €971m in 2020, up by 4.9% compared to 2019 which were at €925m (pro forma). The net profit in 2020 was €9.5m compared to €20.9m in 2019 (pro forma).

- **Aésio Mutuelle**, was created in 2020 from the merger of its three founding mutual insurance companies Adréa, Apréva and Eovi-Mcd and covers entirely the Health and Protection sector of Aésio Groupe while specialising in individual protection. With an extensive network of more than 280 agencies, at the end of 2020, Aésio Mutuelle generated almost all of UMG Aésio Groupe's non-life revenues and accounted 2.9m policyholders.

- **Mutuelle Nationale des Personnels Air France** ("**MNPAF**"), a mutual insurance company, covers the risks for airline sector employees, including Air France employees through collective contracts for employees or individual contracts for retirees and spouses. The MNPAF revenues were €106.8m in 2020, down by 2.3% compared to 2019 which, at €109.4m, were up by 3.1% compared to 2018. The net income came in €2.3m representing 2.2% of revenues compared to €2.5m and 2.3% respectively for 2019.

- **IBAMEO**, formerly MPIBM, a mutual insurance company, covers the health costs of IBM employees and their staff and families, including for work stoppage and disability. The IBAMEO revenues were €41.3m in 2020, up by 2.0% compared to 2019 which, at €40.5m, were up by 0.2% compared to 2018. The net income came in €0.2m compared to €-0.7m for 2019.

- **Prévoyance Aésio Macif** ("**PAM**"), created in 2018, operating since 2019 and equally owned by the MACIF and UMG Aésio groups, provides individual and group protection policies distributed through the commercial networks of the two shareholder groups. PAM's revenues were €13.8m in 2020, compared to 2019 which stood at €2.4m. Net income was €-3.2m compared to €-4.3m for 2019. Those revenues and income are attributable to the MACIF and UMG Aésio groups in equal parts due to the shared ownership of PAM.

- **Securimut**, a simplified joint stock company, created in 2006 and wholly owned by MACIF as of 31 December 2020, manages and distributes insurance policies on behalf of its partners and is responsible for the distribution of loan insurance contracts and insurance policies on behalf of its partners. At the end of 2019, the company managed nearly 106,500 contracts, including 89,000 for the MACIF portfolio, with a revenue growth of 8.7% in 2019 and a net income of €5.4m. At the end of 2020, the company managed nearly 125,300 contracts. Securimut's revenues amounted to €17.3m in 2020, up by 6.1% compared to 2019 which, at €16.2m, were up by 8.7% compared to 2018. Net income was €6.2m, representing 35.8% of revenues compared to €5.4m and 33.1% respectively for 2019.

Finance, Savings and Asset Management

The Finance, Savings and Asset Management sector provides savings, life insurance products and services through Mutavie and consumer loans and retail banking services through Socram Banque.

- **Mutavie**, an S.E., 98.47% owned by MACIF as of 31 December 2020, operates in the life insurance sector, mainly in the form of individual savings contracts, and to a lesser degree, group retirement and protection insurance contracts (notably mortgage loan coverage). Mutavie's revenues were €2,142m in 2020, up by 1.7% compared to 2019 which, at €2,107m, were up by 8.6% compared to 2018. Net income was €29m representing 1.4% of revenues compared to €28m and 1.3% respectively for 2019.

- **Socram Banque**, a limited liability company, 33.72% owned by MACIF as of 31 December 2020, provides consumer credit and banking products and services distributed by its mutual shareholders to their members. Regarding its lending activity, the amount of funds made available amounted to €484m in 2020 compared to €574m in 2019. As of 31 December 2020, outstanding loans amounted to €1,178m compared to €1,287m in 2019. In the current accounts and bank savings business, the portfolio included 222,784 accounts or passbook savings account, with a total outstanding of €1,078m (up by 10% compared with the end of 2019). Socram Banque's revenues were €71.3m in 2020, down by 9.5% compared to 2019 which, at €78.7m, were down by 5.3% compared to 2018. Net banking income was €1.35m compared to €5.6m for 2019.

- **OFI Asset Management** is the principal asset management structure of the OFI group. It is wholly owned by OFI Holding (itself 61% owned by MACIF as of 31 December 2020). It carries out asset management activities through its subsidiaries and other asset management companies in which it holds equity participations. At the end of 2020, assets under management by the OFI Group amounted to approximately €67bn (as compared to €72bn at the end of 2019), including nearly €41bn from asset management mandates (*gestion sous mandat*) and €18bn in collective funds and €8bn in unlisted assets. The decrease in assets under management includes a positive market effect of €1.6bn and a net outflow of nearly €6.9bn, resulting from the transfer of a mandate to a management company closely related to OFI. OFI Asset Management's revenues amounted to €100.3m in 2020, up by 17.7% compared to 2019 which, at €85.2m, were down by 2.8% compared to 2018. Net income was €12.4m representing 12.4% of revenues compared to €19.4m and 22.8% respectively for 2019.

Proposed acquisition of Aviva France and description of Aviva France

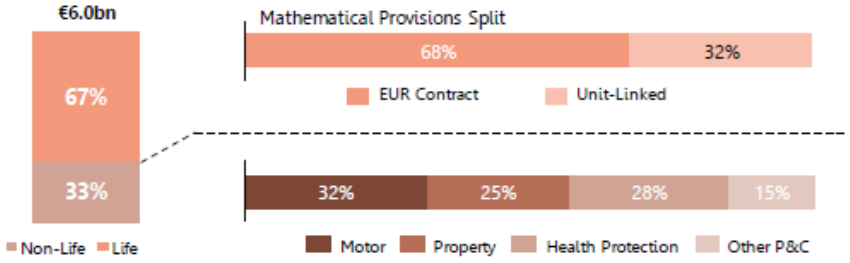
On 26 May 2021, MACIF and Aviva plc have signed a seller purchaser agreement ("**SPA**") related to the acquisition of Aviva France by MACIF for €3.2bn, following the signing of a memorandum of understanding ("**MoU**") on 23 February 2021 and the workers' council process.

General presentation of Aviva France

Aviva France, the French subsidiary of the Aviva Group, is a general insurer providing insurance solutions to nearly three million customers through a complete range of products for retail customers, professionals and businesses, relying on a balanced, profitable distribution model and innovative products, such as Aviva Vie Solutions Durable ("**AVSD**"), a comprehensive range of responsible life insurance products, offering a wide choice of Socially Responsible Investment (SRI) labelled funds, providing simple savings solutions that combine a responsible social commitment with the search for financial performance.

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

With reported revenues of €6.0bn and net income of €200m and with three million customers as of 31 December 2020, Aviva France holds strong positions in the life insurance, property and 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 revenues in 2020 break down as follows:



Its historical financial performance over the past four years is summarized in the table below (French GAAP):

	2017	2018	2019	2020
Income statement (€m)				
Gross earned premium	6,521	6,262	7,794	5,983
Operating result	359	518	237	315
Net profit	281	389	105	200
Balance sheet (€m)				
Shareholders' equity	2,027	2,164	1,919	2,115
Total assets	89,934	90,122	95,574	96,271
Key ratios				
RoE	13.9%	18.0%	5.5%	9.4%

RoE = Return on Equity

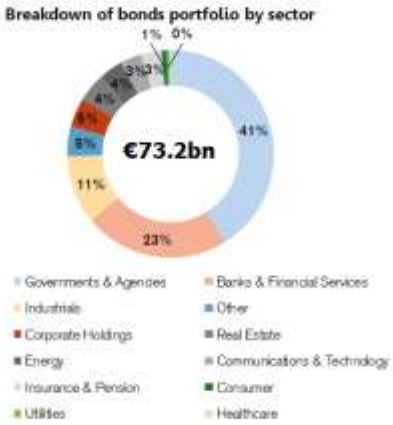
The acquisition

The rationale of the transaction is threefold:

- Become a well-diversified (with a balanced life and non-life portfolio of activities) and top five participant in France across all insurance segments;
- Strengthen its distribution networks, gain scale in life insurance and asset management; and
- Preserve its strong balance sheet and enhance its capital generation capacity.

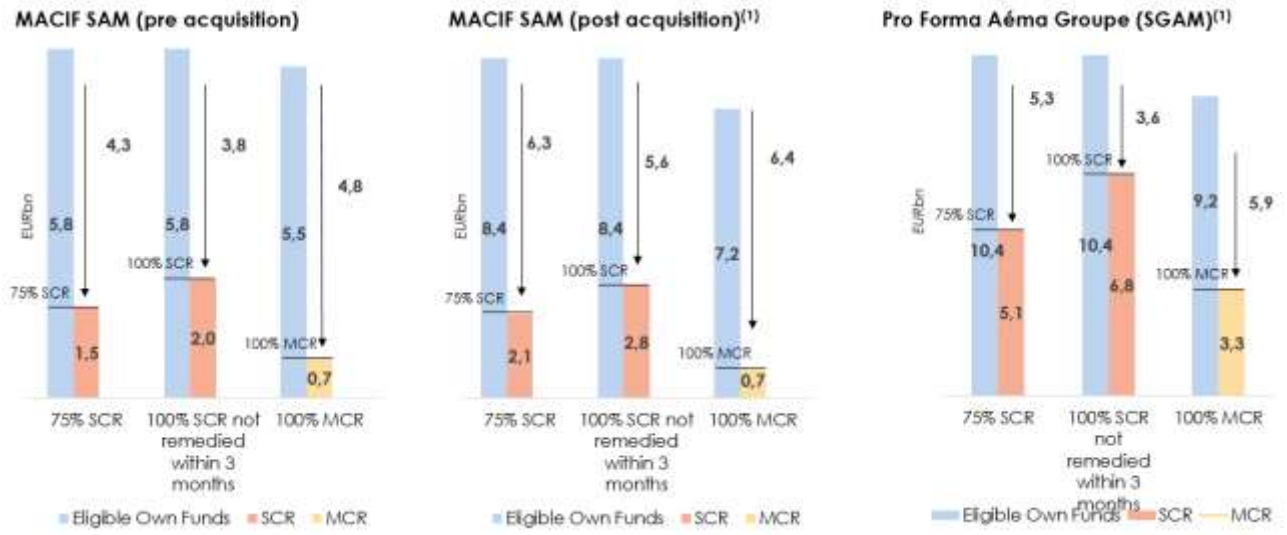
The future Aéma Groupe, including Aviva France, would represent €14.6bn in revenues and become a key protection and insurance provider among the top five in the French market, and the sixth biggest asset manager in France (by assets under management) (based on 2020 figures (SGAM Aéma groupe (including Aviva's

acquisition) unaudited pro forma)), with more than 18,000 employees. The €3.2bn acquisition will rely on the Group's equity and the issuance of up to €1.75bn of subordinated debt. Upon completion of this transaction, Aéma Groupe would hold a strong financial position, with total assets of €141bn (of which €73.2 are invested in fixed income products), €10.4bn of Solvency II own funds, a level of subordinated debt of €2.3bn (SGAM Aéma groupe (including Aviva's acquisition) unaudited pro forma) (post issuance of the subordinated debt for the acquisition, SGAM Aéma groupe (including Aviva's acquisition) unaudited pro forma) comparable to peers and a solvency ratio of approximatively 154% (all figures are pro-forma post-acquisition as of 31 December 2020), with a target of 190% in 2024 due to organic capital generation. See hereafter the anticipated impact in terms of Solvency II margin, own funds and SCR of the future Aéma Groupe (pro-forma) and the fixed income portfolio allocation:



Note: FY 2020, Aéma Groupe Pro Forma, Market Value.

The following diagram displays the buffers to principal write-down triggers (under the restricted tier 1 notes) before and after completion of the Acquisition and issuance of €1.75bn of subordinated debt issuance:



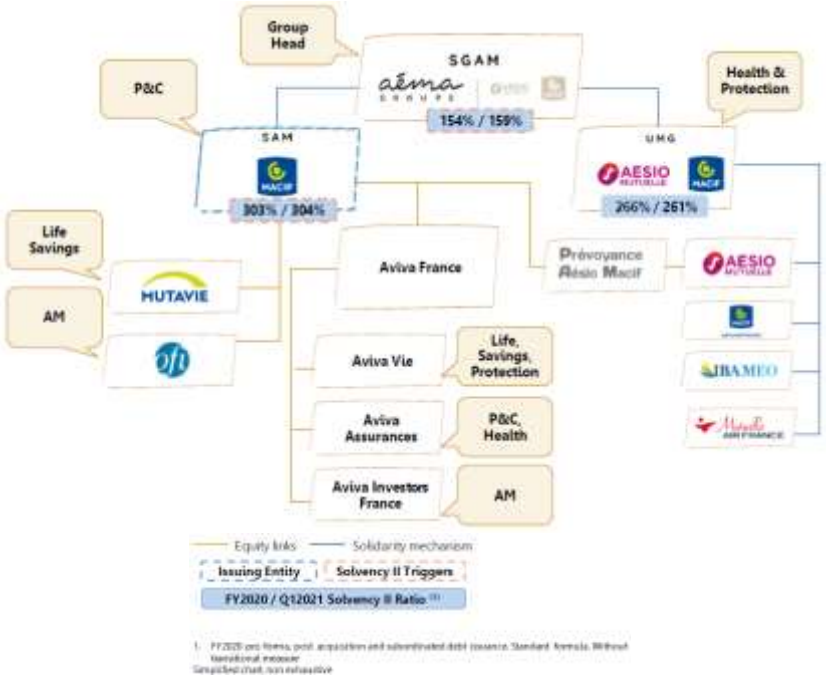
Note: FY 2020
1. Pro forma, post subordinated debt issuance of €1.75bn, incl. €400 of RT1

The business segments of the future Aéma Groupe, including Aviva France, would total (based on 2020 pro-forma figures):

- In Life Insurance, assets under management of €91bn, making it the 5th largest player in the French market;
- In Property & Casualty, earned premiums €4.7bn, making it the 5th largest player in the French market;
- In Health and Protection, revenues of €3.4bn, rankings 3rd in the French market;
- In Finance-Savings, assets under management of €187bn, making it the 6th largest player in the French market.

The revenues of the newly formed group would be well-balanced in terms of revenues between life and non-life activities (figures based on gross earned premiums, 2020):

Post-acquisition, and taking into account the issuance of €1.75bn of subordinated debt, the structure chart of Aéma Group would be as follows:



Apart from customary warranties and indemnities, Aéma Groupe and Aviva PLC have agreed to a risk-sharing agreement in respect to so-called "known price" ("*cours connu")* contracts which constitute liabilities under part of the activities forming part of Aviva's business. This mechanism would ensure that Aéma Groupe would limit its 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 respecting the identities, brands and specificities of its subsidiaries. Aéma Groupe will therefore focus on developing Aviva's expertise, personnel and tied agents, taking into account all stakeholders to provide the best products and services to its customers, enabling Aéma Groupe to strengthen its multi-brand, multi-network and multi-business model by bringing in new business expertise and networks.

The transaction, which remains subject to regulatory and compliance approvals, is expected to be completed by in the fourth quarter of 2021.

Following the acquisition, the Aéma Groupe estimates that its services and contracts would be protecting one French person out of six and cover the whole range of insurance related needs.

Strategy

The integration strategy aims at preserving the specificities of the target while building on the respective strengths and complementarity of Aéma Groupe and Aviva France. This approach will allow the preservation of the targeted customer segments in which Aviva France has a strong legitimacy and an established footprint while enabling the new group to diversify its customer base, with an increased proportion of professional customers due to Aviva France positioning.

Therefore, business activities will remain within Aviva France, but an operational model will be set allowing Aéma Groupe and Aviva France share expertise and best practices, emphasizing strong complementarities.

Selected financial information

The tables below show selected financial information related to main entities of the Group (the SGAM and UMG Aésio MACIF), of Aviva France and of the SGAM Aéma groupe (before Aviva's acquisition) and SGAM Aéma groupe unaudited (including Aviva's acquisition) pro forma with a split by business activity.

In the tables below, **Net Combined Ratio** means the ratio of the sum of management expenses, reinsurance balance and the cost of claims to total premiums (being understood that a technically profitable business is characterised by a ratio <100%).

		SGAM	UMG Aésio MACIF	Pro forma, pre acquisition	Aviva France	Pro forma, post acquisition [1]
Business Mix (in €m)	Gross Earned Premiums	6,651	1,918	8,559	5,983	14,542
	of which Property & Casualty	51%	-	40%	24%	33%
	of which Life	32%	2%	25%	67%	43%
	of which Health & Protection	16%	98%	35%	9%	24%
Performance (in €m)	Net Combined Ratio[2]	97.5%	98.5%	97.8%	98.2%	97.9%
	of which Property & Casualty	97.3%	-	97.3%	98.7%	97.7%
	of which Health & Protection	98.1%	98.5%	98.4%	96.9%	98.1%
Income Statement (in €m)	Current Operating Profit [6]	218	-29	192	315	534
	of which Property & Casualty & Health & Protection[7] [8]	73%	90%	71%	7%	19%
	of which Life[7]	20%	10%	21%	82%	70%
	of which Asset Management[7]	7%	-	8%	11%	11%
	Net Profit [5]	97	8	105	200	322
	Net Profit excl. Exceptional Items [5][3]	169	30	199	207	423
Balance Sheet (in €m)	Total Assets	38,153	2,417	40,523	96,271	141,268
	Subordinated Debt[4]	544	-	544	1,100	2.294
	Equity Capital	3,349	1,566	4,894	2,119	4,894
	Net technical provisions	32,104	348	32,451	85,136	123,517
Key Ratio	Return on Equity	2.9%	0.5%	2.1%	9.4%	6.6%
	Return on Equity excluding Exceptional Items	5.0%	1.9%	4.1%	9.8%	8.6%

Note: FY 2020
1. Including a €1.75bn subordinated debt issuance, of which €400m (exp.) of RT1 notes
2. Combined Ratio net means the ratio of the sum of management expenses, reinsurance balance and the cost of claims to total premiums (being understood that a technically profitable business is characterised by a ratio <100%
3. Exceptional items include the covid tax (€35m for SGAM MACIF, €63m for UMG Aésio MACIF, €10m for Aviva France), exceptional depreciation as write-down or reversal (€32m for SGAM MACIF, -€23m for UMG Aésio MACIF), other exceptional items (€23m for SGAM MACIF, €5m for UMG Aésio MACIF) and related tax effect (-€19m for SGAM MACIF, -€22m for UMG Aésio MACIF, -€3m for Aviva France)
4. Aviva France gross financial debt of €1.1bn becomes an intragroup post acquisition
5. Net profit group share
6. Current operating profit means current operating revenues less current operating costs
7. The split does not include the allocation of holdings costs
8. In respect of UMG Aésio MACIF only, also includes other items

Property and Casualty, focus on 2020 performance:

		Pro forma, pre acquisition	Aviva France	Pro forma, post acquisition [1]
Business Mix (On)	GEP 2020 (€m) [3]	3,421	1,414	4,835
	o/w Motor	62%	44%	57%
	o/w Home	27%	35%	30%
	o/w Other	11%	21%	14%
	GEP 2019	3,304	1,336	4,639
	GEP evolution 2020/2019 (%)	3.6%	5.9%	4.2%
Performance	Net Combined Ratio 2020 [2]	97.3%	98.7%	97.7%
	Net Combined Ratio 2019 [2]	99.3%	102.5%	100.2%
	Net Combined Ratio evolution 2020/2019	-2.0pts	-3.8pts	-2.5pts

1. Including a €1.75bn subordinated debt issuance, of which €400m (exp.) of RT1 notes
2. Combined Ratio net means the ratio of the sum of management expenses, reinsurance balance and the cost of claims to total premiums (being understood that a technically profitable business is characterised by a ratio <100%
3. GEP = Gross Earned Premiums

Health and Protection, focus on 2020 performance:

		SGAM	UMG Aésio MACIF	Pro forma, pre acquisition	Aviva France	Pro forma, post acquisition [1]
Business Mix (€m)	GEP 2020 [3]	1,093	1,885	2,967	552	3,518
	GEP 2019	1,087	1,999	3,086	545	3,631
	GEP evolution 2020/2019 (%)	0.5%	-5.7%	-3.9%	1.3%	-3.1%
Performance	Net Combined Ratio 2020 [2]	98.1%	98.5%	98.4%	96.9%	98.1%
	Net Combined Ratio 2019	97.1%	101.3%	99.8%	92.7%	98.8%
	Net Combined Ratio evolution 2020/2019	+0.9pts	-2.8pts	-1.5pts	+4.2pts	-0.7pts

1. including a €1.75bn subordinated debt issuance, of which €400m (exp.) of RT1 notes
2. Combined Ratio net means the ratio of the sum of management expenses, reinsurance balance and the cost of claims to total premiums (being understood that a technically profitable business is characterised by a ratio <100%
3. GEP = Gross Earned Premiums

Life, focus on 2020 performance:

		Pro forma, pre acquisition	Aviva France	Pro forma, post acquisition [1]
Business Mix (€m)	GEP 2020 [2]	2,171	4,018	6,188
	o/w €	96%	54%	68%
	o/w Unit-Linked	4%	46%	32%
	GEP 2019	2,125	5,912	8,037
	GEP evolution 2020/2019 (%)	2.2%	-32.0%	-23.0%
Mathematical provisions (€m)	Gross mathematical provisions 2020	22,918	77,663	100,618
	o/w €	97%	68%	74%
	o/w Unit-Linked	3%	32%	26%

1. including a €1.75bn subordinated debt issuance, of which €400m (exp.) of RT1 notes
2. GEP = Gross Earned Premiums

Asset Management, focus on 2020 performance:

Split of AuM and Evolution

		Pro forma	Aviva France	Pro forma and post acquisition
AUM	AUM 2020 (€bn)	67	122	189
	AUM 2019 (€bn)	71	131	202
	AUM evolution 2020/2019	-6%	-7%	-7%

PRO-FORMA FINANCIAL STATEMENTS OF AÉMA GROUPE

Pro Forma Combined Condensed Financial Information of the Aéma Groupe

at 31 December, 2020

1. Introduction

1.1. Background on the Transactions

The unaudited pro forma combined condensed financial information of SGAM Aéma (the "Aéma Groupe" or the "SGAM") consists of the unaudited pro forma combined condensed balance sheet as at 31 December, 2020 and the unaudited pro forma combined condensed income statement for the 12-month period ended 31 December, 2020 together with the corresponding explanatory notes (together, the "**Unaudited Pro Forma Combined Condensed Financial Information**").

This information has been prepared to present the expected effects:

- Of the merger of the MACIF Group and the Aésio Group on 1 January, 2021 through their affiliation in a mutual insurance group (SGAM –*Société de groupe d'assurance mutuelle*): Aéma (formerly SGAM MACIF) (hereinafter, the "**Aésio Merger**"):
    - the merger of the MACIF and Aésio Groups was initiated with the signing of a preliminary memorandum of understanding on 19 December, 2017, followed by a final memorandum of understanding signed on 4 December, 2018,
    - the guiding principles of the new Group were agreed by the Boards of Directors of both Groups in November and December 2019,
    - the "Founders' Agreement" of both Groups was then adopted on 3 February, 2020 by the Boards of Directors of the entities concerned,
    - the new Group's legal structure and the associated texts were approved by the Boards of Directors and General Meetings of the entities of both Groups between May and September 2020,
    - the merger of the two Groups was authorised by the French Competition Authority (*Autorité de la concurrence*) on 13 March, 2020 and approved by the French Prudential Supervision and Resolution Authority (ACPR) on 23 November, 2020,
    - the formation of the Aéma Groupe is effective as of 1 January, 2021;

- Of the Aviva France acquisition (hereinafter, the "Aviva France Acquisition");

- Of the "Aviva France Acquisition" and of the "Aésio Merger" (hereinafter, the "Transactions").
    - in August 2020, the British group Aviva Plc announced that it was considering the sale of its French subsidiary, Aviva France, as a result of its strategy of refocusing on its core markets of the United Kingdom, Canada and Ireland,
    - SGAM MACIF, renamed the Aéma Groupe as of 1 January, 2021, expressed its strategic interest in Aviva France in order to be given the opportunity to study the project; Aviva Plc agreed to the Group entering into an audit of the target in November 2020,
    - this process culminated in the submission of a binding offer on 28 January, 2021. Following a negotiation period to settle the terms of the transaction, the Aéma Groupe submitted its final offer to the seller on 16 February, 2021,

- on 23 February, 2021, Aviva Group Holdings Limited and MACIF entered into a Memorandum of Understanding on the proposed acquisition of the securities of Aviva France, to which a draft share purchase agreement is attached,
- information and consultation processes with employee representative bodies of Aviva France and the Aéma Groupe were launched in early March. Responses were collected on 18 and 19 May, 2021. The acquisition agreement, including conditions precedent (authorisations from the supervisory authorities), was signed on 26 May, 2021 (hereinafter, the "**signing**"),
- pre-notification for the planned acquisition was submitted to the French Competition Authority on 3 May, 2021. Notification is expected to be submitted in early June with a view to obtaining clearance by the end of July,
- requests for the necessary regulatory approvals will be submitted to the relevant supervisory authorities (the ACPR for insurance activities, the ACPR/ECB for banking activities, and the AMF for asset management companies) in mid-July with a view to obtaining the required decisions in October/November 2021,
- the takeover will only be effective after the necessary authorisations have been obtained, which is expected in late 2021 (hereinafter, the "**closing**").

The Unaudited Pro Forma Combined Condensed Financial Information anticipates the Aéma Groupe's takeover of Aviva France and all its subsidiaries, through MACIF's acquisition of almost 100% of Aviva France securities.

The proposed transaction does not include the acquisition of a limited balance of securities held by individuals, representing less than 0.01% of the share capital.

1.2. Basis of preparation

The unaudited pro forma combined condensed balance sheet has been prepared as if the "Transactions" had been completed on 31 December, 2020. The unaudited pro forma combined condensed income statement has been prepared as if the "Transactions" had been completed on 1 January, 2020. The Unaudited Pro Forma Combined Condensed Financial Information is presented in thousands of euros.

a. Regulatory framework

The Unaudited Pro Forma Combined Condensed Financial Information has been prepared on a voluntary basis in connection with the notes issued on the EuroMTF market of the Luxembourg Stock Exchange to finance the "Aviva France Acquisition" (see Paragraph 1.3 – Financing of MACIF's acquisition of the Aviva France securities) and will be incorporated by reference in the memoranda relating to these issues (hereinafter, the "**Information Memoranda**").

As such, the Unaudited Pro Forma Combined Condensed Financial Information has been prepared in accordance with Annex 20 of Commission Delegated Regulation (EU) 2019/980 of 14 March, 2019 "Pro forma information" and the ESMA recommendation (ESMA32-382-1138 of 4 March, 2021).

b. Business combinations

The Unaudited Pro Forma Combined Condensed Financial Information is produced in accordance with:

- CRC Regulation 2000-05 relating to the consolidated and combined financial statements of companies governed by the French Insurance Code and of employee benefit schemes governed by the French Social Security or Rural Code, in accordance with the best information available to the Aéma Groupe at the date of preparation,

- the historical financial information used.

c. The Unaudited Pro Forma Combined Condensed Financial Information

This information is based on:

- The combined financial statements of the Aéma Groupe (previously SGAM MACIF) for the year ended 31 December, 2020, prepared in accordance with accounting principles generally accepted in France (French GAAP), which are incorporated by reference in the Information Memoranda. These combined financial statements were audited by Mazars and Groupe Y Audit;
- The combined financial statements of UMG Aésio MACIF (previously UMG Aésio) for the year ended 31 December, 2020, prepared in accordance with French accounting rules and methods, which are incorporated by reference in the Information Memoranda. These combined financial statements have been audited by Tuillet Audit, a French member of Grant Thornton, and KPMG;
- the consolidated financial statements of Aviva France for the year ended 31 December, 2020, prepared in accordance with French GAAP, which are incorporated by reference in the Information Memoranda. These consolidated financial statements have been audited by Emargence Audit and PricewaterhouseCoopers Audit.

d. Pro forma restatements and adjustments

The pro forma financial information has been prepared in accordance with the accounting policies that the Aéma Groupe applies when preparing its financial statements.

The Aéma Groupe has carried out a preliminary review of the Aésio Group's accounting policies, as well as those of Aviva France on the basis of available public information, in order to identify how their accounting policies diverge from those of the Aéma Groupe. This preliminary review did not identify any major differences in the application of French GAAP apart from the differences described in Note 3.

After the Transaction is closed, when the Aéma Groupe obtains full access to the detailed information, it will fully standardise the accounting methods and finalise the presentation of the Group's combined financial statements.

Furthermore, the Aéma Groupe, UMG Aésio MACIF (previously UMG Aésio) and Aviva France do not have any material previous relationship that would meet the reciprocal transactions definition.

The pro forma adjustments to the Unaudited Pro Forma Combined Condensed Financial Information are limited to those that are: (i) material and directly attributable to the Transactions, (ii) factually supportable.

The Unaudited Pro Forma Combined Condensed Financial Information does not reflect items such as synergies or operating efficiencies that may result from the Transactions or restructuring and integration costs that may be incurred in connection with the Transactions.

The Unaudited Pro Forma Combined Condensed Financial Information has been prepared on the basis of certain assumptions which the Aéma Groupe considers reasonable as of the date of producing the Information Memoranda.

This Unaudited Pro Forma Combined Condensed Financial Information is presented for illustrative purposes only. As such, it is not necessarily indicative of the financial position or performance that would have occurred had the Transactions been completed at an earlier date than the one proposed. Nor does it constitute an indication of the Aéma Groupe's financial position or performance in future financial years.

1.3. Financing of MACIF's acquisition of Aviva France securities

The total amount paid is €3,200 million, broken down as follows:

- €2,100 million for the acquisition of Aviva France shares;
- €1,100 million for the redemption of the subordinated debt issued by Aviva France.

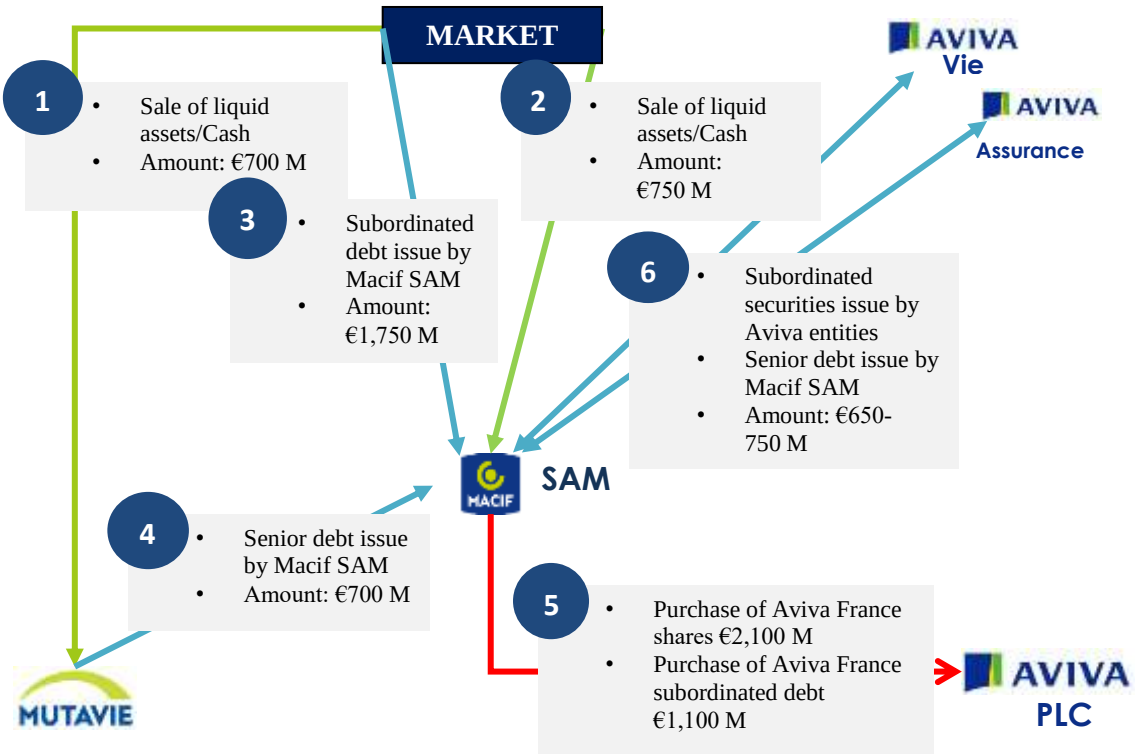
A bridge loan was set up on 24 March, 2021 for the full €3,200 million payment by Credit Suisse and a bank consortium.

The bridge loan will be refinanced on the following basis:

- €1,450 million of available cash from the disposal of liquid assets (Mutavie for €700 million and MACIF for €750 million);
- €1,750 million through a subordinated debt issue.

In 2021, the timing of the financial flows will be as follows:

1. **Between signing and closing**: sale of Mutavie's liquid assets on the markets for €750 million;
2. **Between signing and closing**: sale of MACIF's liquid assets on the markets for €700 million;
3. **Issuance** by MACIF of up to €1,750 million of subordinated debt on the EuroMTF market of the Luxembourg Stock Exchange;
4. **October**: Senior debt issue by MACIF for €700 million, fully subscribed by Mutavie;
5. **Closing:**
    1. Purchase of Aviva France shares €2,100 million,
    2. Redemption of Aviva France subordinated debt €1,100 million;
6. **Post Closing:**
    1. Subordinated debt issue by Aviva entities for €650-750 million, fully subscribed by MACIF,
    2. Senior debt issue by MACIF for €650-750 million, subscribed by Aviva entities.



Expenses related to setting up the financing are estimated at €21,853 thousand. They break down as follows:

(in thousands of euros)	Bridge loan	Subordinated debt	Total	Tax impact	Net
Borrowed capital	3,200,000	1,750,000			
Bank charges	10,200	8,400	18,600	5,956	12,644
Consulting services	327	2,926	3,253	1,042	2,211
Total	**10,527**	**11,326**	**21,853**	**6,997**	**14,856**

In the Unaudited Pro Forma Combined Condensed Financial Information, these costs will be fully expensed in the reporting period. The tax effects have been calculated at the rate of 32.02% applicable to the 2020 financial year.

1.4. Costs related to the Aviva France acquisition

Acquisition costs related to the Aviva France acquisition amount to €27,220 thousand.

(in thousands of euros)	Gross	Tax impact	Net
Communication Services	721	231	490
Consulting services	24,399	7,813	16,586
Registration fees	2,100	672	1,428
Total	**27,220**	**8,716**	**18,504**

These correspond to external costs directly linked to the transaction, i.e. expenses that would not have been incurred if the transaction had not taken place. They include fees for consultants, banks, legal formalities and related expenses, communication and advertising, and transfer taxes.

Conversely, costs related to the financing of the securities acquisition (mainly fees) are excluded (see Paragraph 1.3.).

In the Unaudited Pro Forma Combined Condensed Financial Information, the Aviva France securities are eliminated (including expenses) as part of the full consolidation of this entity. The special depreciation allowance recorded in the parent company financial statements is cancelled with the consolidation. This restatement results in recognition of a deferred tax liability.

The tax impact has been recorded at the tax rate applicable at 31 December 2020, i.e. 32.02%.

1.5. Change of control clauses

The only material change of control clause identified relates to the subject described below:

Within the Aviva France Group, a reinsurance arrangement was put in place ("Mixer" treaty) in August 2016. This arrangement significantly reduces the company's risk exposure and, therefore, the level of its required solvency capital by allowing the risks of all entities participating in the "Mixer" to be pooled, thus benefiting from diversification of the Group's activities:

- French GI "Mixer" Treaty between Aviva Assurance (FGI) and Aviva International Insurance Ltd (AII);
- Proportional reinsurance at 50% net of existing reinsurance arrangements;
- Covers technical risks over the whole portfolio from the effective date (including run-off claims) and for subsequent new business;
- Covers market risks on the portion of assets relating to reinsured liabilities.

This treaty was once again renewed by tacit agreement on 1 January, 2021.

The treaty includes a termination clause in case of a change of shareholder for the assignor, which is automatically activated at the time of the buyout. However, as part of MACIF's buyout, the seller has contractually undertaken (SPA) for this treaty to remain in force until midnight on 31 December, 2021 or until the final date of the buyout, whichever is later.

As part of this buyout, a final account must be established according to the contractual calculation methods.

The account balance will be established by the difference between the provisions transferred under French GAAP and the assignor's back book transfer price, comprising:

- The SII provisions (BE), plus
- An FGI Risk Appetite factor;
- Applied to the discounted value of economic capital required;
- Multiplied by the local cost of capital net of tax (Risk Premium/1-corporate tax rate).

Unrealised investment gains and losses are then added to this amount, i.e. €0.3 million at 31 December, 2020. The final balance owed by Aviva Assurance is thus estimated (by Aviva) at 31 December, 2020 at €91.3 million.

This amount represents the flow that would be realised on the basis of the records related to the switchover. The switchover would be recorded for an amount of €1,307 million (receivable from reinsurance operations) offset against the Fund Withheld Account (liabilities arising from reinsurance transactions) of €1,398 million. This preliminary valuation as at 31 December, 2020 will be updated on the effective termination date.

The calculation provided for in the treaty refers to the Aviva Group's internal valuation and pricing methodologies; MACIF has not had access to these details.

As part of the reinsurance analyses in the buyout process, the "Mixer" treaty is expected to be replaced with another reinsurance treaty provided by an external reinsurer. This treaty would aim to cover via an LPT (Loss Portfolio Transfer) of 50% the provisions on previous reserves and a share of 50% on the current year. This treaty would not cover the asset risks but would make it possible to reproduce similar effects to the "Mixer" on the Aviva Assurance SCR (excluding the Market SCR).

1.6. Goodwill

a. Preliminary remarks

Preliminary goodwill is determined by the difference between the consideration transferred and the present value of the assets and liabilities recognised in the Aviva France Group statement of financial position as at 31 December, 2020.

This preliminary goodwill calculation is only for the purpose of preparing the Unaudited Pro Forma Financial Information.

Post-acquisition, it will be revised on the basis of final valuations performed with the support of specialists. Access to information will allow more detailed work to be carried out.

The determination of the fair value of the assets acquired and liabilities assumed may change and result in the recognition of certain identifiable assets acquired (such as the value of business in force). Downward changes may also result from a decline in the value assigned to the assets, the disappearance of certain assets or the revaluation or recognition of additional liabilities.

As a result, the Group's future results could be affected.

b. Cost of acquisition of securities

Pursuant to CRC Regulation 2000-05, "Consolidated and combined financial statements of companies governed by the insurance code", the securities acquisition cost is equal to the amount of consideration paid to the seller by the buyer, plus all other costs that can be directly attributed to the acquisition. In this case, the acquisition cost includes the costs of acquiring the securities net of the corresponding tax savings (applicable tax rate for the 2020 financial year of 32.02%):

(in thousands of euros)	Amount	Ref.
Acquisition price	2,100,000	Paragraph 1.3
Cost of acquisition of securities	27,220	Paragraph 1.4
Tax impact on securities acquisition costs	-8,716	Paragraph 1.4
Acquisition cost	**2,118,504**	

c. Consideration transferred

The provisional entry values for the identifiable assets and liabilities of controlled companies were determined and valuation differences identified, in accordance with CRC Regulation 2020-05.

These valuation differences correspond to the pro forma adjustments identified in Notes 6 and 8.

The pro forma adjustments have been prepared and calculated on the basis of available information, the preliminary analysis by the Aéma Groupe, and estimates and assumptions considered reasonable. At this stage, and given the complexity of the valuation of identifiable assets and liabilities:

- the amounts for these adjustments are preliminary and are not exhaustive. Intangible items relating to value of business in force or other identifiable intangible assets are not determined;
- the difference between the acquisition cost and the carrying amount of the acquired assets including the partial adjustments made has been fully recognised as goodwill.

At this stage of the analysis, the termination of the "Mixer" reinsurance treaty at midnight on 31 December, 2021 or, at the latest, at the definitive date of the buyout, whichever is later, would not result in any additional net liability for the Aéma Groupe and would not affect the preliminary goodwill determination.

d. Details of the preliminary goodwill calculation

(in thousands of euros)	Amount	Ref.
Consolidated net position of Aviva France Group (Group share) from audited financial statements	2,118,581	
Pro forma adjustments		
Cancellation of Aviva France goodwill	-863	(e)
Cancellation of intangible assets	-14,849	(f)
Costs for debt issuance and bridge loans	-21,853	1.3
Deferred acquisition costs net of commercial charges	-330,188	(h and l)
Value in use of financial investments	344,477	(g and l)
Recognition of deferred tax assets	29,373	(i)
Deferred tax effect of adjustments	7,141	(i)
Total adjustments	**13,238**	
Total pro forma consolidated net position, Group share	**2,131,819**	
Cost of acquisition of securities	2,118,504	
Goodwill	**-13,316**	

Negative preliminary goodwill was recorded as a provision for risks and expenses for €13,316 thousand.

2. Pro forma financial information

2.1. Pro forma combined condensed balance sheet as at 31 December, 2020, unaudited

Assets *(in thousands of euros)*	Sgam MACIF Audited Combined Historical	UMG Aésio MACIF Audited Combined Historical	Unaudited Pro Forma Adjustments: Reclassification to conform to Sgam Aéma presentation/ Accounting policies	Unaudited Pro Forma Adjustments: Adjustments to conform to Sgam Aéma presentation/ Accounting policies	Sgam Aéma Unaudited Pro Forma	Aviva France Audited Consolidated Historical	Unaudited Pro Forma Adjustments: Aviva France Reclassification to conform to Sgam Aéma presentation/ Accounting policies	Unaudited Pro Forma Adjustments: Pro forma adjustments (Aéma + Aviva France)	Sgam Aéma + Aviva Unaudited Pro Forma
			Note 1	Note 2			Note 5	Note 6	
Goodwill	27,221	0	0	0	27,221	863	0	-863 e	27,221
Intangible assets	172,991	20,625	0	-226 b	193,390	39,221	0	-14,849 f	217,762
Investments by insurance companies	33,674,892	1,525,639	0	-78,836 b	35,121,695	65,544,459	0	5,264,077 g	105,930,231
Investments representing unit-linked commitments	729,842	0	0	0	729,842	25,113,445	0	0	25,843,287
Investments of other companies	134,914	225	0	-86 b	135,053	457,579	0	0	592,632
Securities accounted for using the equity method	180,597	166,352	0	7 b	346,956	0	0	0	346,956
Reinsurers' and retrocessionaires' share of technical provisions	1,070,844	81,679	0	-253 b	1,152,271	1,668,512	0	0	2,820,783
Receivables from insurance or reinsurance operations	991,659	153,192	0	43,250 b	1,188,101	721,940	0	0	1,910,041
Receivables on companies in the banking sector	272,288	297,320	0	-12,050 b	557,558	861,396	0	-49,073 j	1,369,881
Other receivables	277,333	110,470	-6,018 a	5,304 b	387,089	441,000	0	0	828,089
Other assets	139,168	33,873	0	-4,235 b	168,806	11,340	0	0	180,146
Prepayments and accrued income	481,665	27,347	6,018	-500 b	514,529	1,407,115	0	-725,069 k	1,196,575
Deferred acquisition costs	146,936	4,468	0	0	151,404	866,347	0	-770,300 h	247,451
Other	334,728	22,879	6,018 a	-500 b	363,125	540,768	0	45,231 i	949,124
Currency translation gains	0	0	0	0	0	4,014	0	0	4,014
Total assets	**38,153,414**	**2,416,723**	**0**	**-47,626**	**40,522,511**	**96,270,884**	**0**	**4,474,223**	**141,267,618**

Liabilities *(in thousands of euros)*	Sgam MACIF Audited Combined Historical	UMG Aésio MACIF Audited Combined Historical	Unaudited Pro Forma Adjustments: Reclassification to conform to Sgam Aéma presentation/ Accounting policies	Unaudited Pro Forma Adjustments: Adjustments to conform to Sgam Aéma presentation/ Accounting policies	Sgam Aéma Unaudited Pro Forma	Aviva France Audited Consolidated Historical	Unaudited Pro Forma Adjustments: Aviva France Reclassification to conform to Sgam Aéma presentation/ Accounting policies	Unaudited Pro Forma Adjustments: Pro forma adjustments (Aéma + Aviva France)	Sgam Aéma + Aviva Unaudited Pro Forma
			Note 1	Note 2			Note 5	Note 6	
Group equity	3,348,559	1,565,843	0	-20,684 b	4,893,718	2,118,581	0	-2,118,581	4,893,718
Minority interests	57,190	10,128	0	-10,117 b	57,200	111,000	0	0	168,200
Subordinated liabilities	543,509	0	0	0	543,509	1,100,000	0	650,000 m	2,293,509
Gross technical provisions	32,444,508	429,857	0	-634 b	32,873,730	61,682,166	0	5,929,488 l	100,485,384
Life technical provisions	23,593,165	53,561	0	8 b	23,646,734	58,284,003	0	5,929,488 l	87,860,225
Non-life technical provisions	8,851,343	376,296	0	-642 b	9,226,996	3,398,163	0	0	12,625,159
Unit-linked technical provisions	729,852	0	0	0	729,852	25,122,017	0	0	25,851,869
Provisions for risks and charges	181,473	38,572	0	-180 b	219,865	108,052	0	13,316 n	341,233
Debts from insurance and reinsurance operations	226,136	116,380	0	14 b	342,531	1,729,859	0	0	2,072,390
Debts represented by securities	0	0	0	0	0		0		0
Debts to companies in the banking sector	94,973	31,222	0	-5,583 b	120,612	136,506	0	0	257,118
Other payables	503,998	223,710	0	-9,443 b	718,264	4,099,284	0	0	4,817,548
Accruals and deferred income	23,216	1,011	0	-999 b	23,229	63,419	0	0	86,648
Currency translation losses	0	0	0	0	0	0	0	0	0
Total liabilities	**38,153,414**	**2,416,723**	**0**	**-47,626**	**40,522,511**	**96,270,884**	**0**	**4,474,223**	**141,267,618**

2.2. Pro forma combined condensed income statement for the 12 months ended 31 December, 2020, unaudited

Income statement *(in thousands of euros)*	Sgam MACIF Audited Combined Historical	UMG Aésio MACIF Audited Combined Historical	Unaudited Pro Forma Adjustments: Reclassification to conform to Sgam Aéma presentation/ Accounting policies	Unaudited Pro Forma Adjustments: Adjustments to conform to Sgam Aéma presentation/ Accounting policies	Sgam Aéma Unaudited Pro Forma	Aviva France Audited Consolidated Historical	Unaudited Pro Forma Adjustments: Aviva France Reclassification to conform to Sgam Aéma presentation/ Accounting policies	Aviva France Adjustments (Aéma + Aviva France)	Sgam Aéma + Aviva Unaudited Pro Forma
			Note 3	Note 4			Note 7	Note 8	
Written premiums	6,663,489	1,918,188	0	-10,986 d	8,570,690	6,003,398	0	0	14,574,088
Change in unearned premiums	-12,180	-316	0	352 d	-12,143	-20,062	0	0	-32,205
Earned premiums	6,651,310	1,917,872	0	-10,634	8,558,547	5,983,336	0	0	14,541,883
Revenue and income from other activities	90,714	4,009	0	-4,009 d	90,714	305,196	0	0	395,910
Other operating income net of expenses	-138,266	36,027	0	-20,271 d	-122,511	277,677	0	0	155,166
Financial income net of expenses	555,582	4,937	4,966 c	5,741 d	571,226	1,202,872	0	-1,022,929 q	751,169
Total current operating income	**7,159,339**	**1,962,844**	**4,966**	**-29,173 d**	**9,097,977**	**7,769,181**	**0**	**-1,022,929**	**15,844,229**

Expenses for insurance services	-6,054,807	-1,568,228	0	9,285	d	-7,613,750	-6,269,282	0	1,007,052	r	-12,875,980
Net income or expense from ceded reinsurance	57,115	-34,768	0	3,658	d	26,004	-41,661	0	16,897	s	1,240
Expenses from other activities	-79,239	-39,366	0	2,426	d	-116,179	-291,687	0	0		-407,866
Management expenses	-864,106	-349,969	0	12,429	d	-1,201,646	-851,560	0	26,109	t	-2,027,097
Total current operating expenses	**-6,941,037**	**-1,992,332**	**0**	**27,797**		**-8,905,571**	**-7,454,290**	**0**	**1,050,058**		**-15,309,804**
Income from current operations	218,302	-29,488	4,966	c -1,375	d	192,405	314,891	0	27,129		534,425
Other net income	-33,772	25,923	-4,966	261	d	-12,554	-28,245	0	0		-40,799
Extraordinary profit	-22,796	-4,798	0	-156	d	-27,750	-10,348	0	0		-38,098
Income tax	-24,939	760	0	3	d	-24,177	-77,919	0	-9,760	u	-111,856
Net profit of integrated companies	**136,795**	**-7,603**	**0**	**-1,268**		**127,924**	**198,379**	**0**	**17,369**		**343,672**
Share in the results of associates	-28,227	16,124	0	0		-12,104	0	0	0		-12,104
Amortisation of goodwill	-7,228	0	0	0		-7,228	-866	0	0		-8,094
Net profit of the combined entity	**101,339**	**8,521**	**0**	**-1,268**	**d**	**108,593**	**197,513**	**0**	**17,369**	**v**	**323,474**
Minority interests	-3,860	-705	0	705	d	-3,860	2,056	0	0		-1,804
Net profit, Group share	**97,479**	**7,816**	**0**	**-563**		**104,732**	**199,569**	**0**	**17,369**		**321,670**

3. Notes to the Unaudited Pro Forma Combined Condensed Financial Information

3.1. Unaudited pro forma financial statements of Sgam Aéma (before Aviva France acquisition)

- **Note 1 – UMG Aésio MACIF: Reclassifications applied on the combined balance sheet**

(a) The respective managements of the Aéma Groupe and of UMG Aésio MACIF (previously UMG Aésio) have carried out a preliminary comparison of their accounting methods. This comparison has not identified any material differences at this stage except as follows: The deferred tax assets recorded by the Aésio Group under "Other receivables" have been reclassified under "Prepayments and accrued income" for an amount of €6,018 thousand. This balance of deferred tax assets is representative of the net balance of deferred tax recognised for the Aésio Mutuelle tax group

- **Note 2 – UMG Aésio MACIF: Adjustments applied to the combined balance sheet**

(b) In determining its combined scope, the Aéma Groupe applies a decision tree that provides for the consolidation of significant entities. Conversely, non-significant entities are excluded from the combined scope. The application of this decision tree has led the Aéma Groupe not to retain certain entities (SCI, Unions and substituted mutual insurers) consolidated within the UMG Aésio MACIF (previously UMG Aésio) financial statements in the pro forma financial information. This accounting method affects almost all items in the pro forma balance sheet and income statement.

	Retained in the scope		Contribution to Group equity		
(in thousands of euros)	**UMG Aésio MACIF**	**SGAM Aéma**	**UMG Aésio MACIF**	**SGAM Aéma**	**Variance**
UMG Aésio MACIF	X	X	1,500	1,500	-
Aésio Mutuelle	X	X	1,518,852	1,518,852	-
Mutex	X	X	27,185	27,185	-
Prévoyance Aésio MACIF	X	X	-2,377	-2,377	-
Mutuelle fraternelle Saint-Vincent De Paul	X		225		225
La Mutuelle des hospitaliers de Saint-Etienne	X		153		153
Mutuelle des ports du détroit	X		7		7
SCI de la Mutualité de l'Isère	X		3,598		3,598
SCI Nouvelle Clinique Mutualiste	X		9,930		9,930
Solidarité mutualiste LSM	X		1,760		1,760
Territoria Mutuelle TEM	X		4,763		4,763
Union ADREA	X		169		169
Union EOVI-MCD	X		77		77
Total			**1,565,843**	**1,545,160**	**20,684**

On the liabilities side of the balance sheet, it reduces the Aéma Groupe's equity by €**20,684 thousand**.

- **Note 3 – UMG Aésio MACIF: Reclassifications applied on the income statement**

(c) The net financial income of certain UMG Aésio MACIF (previously UMG Aésio) Group entities, presented under the heading "Other net income", has been reclassified as financial income in the pro forma Aéma financial statements. This reclassification amounts to **€4,966 thousand**.

- **Note 4 – UMG Aésio MACIF: Adjustments applied on the income statement**

(d) In determining its combined scope, the Aéma Groupe applies a decision tree that provides for the consolidation of significant entities. Conversely, non-significant entities are excluded from the combined scope. The application of this decision tree has led the Aéma Groupe not to retain certain entities (SCI, Unions and substituted mutual insurers) consolidated within the UMG Aésio MACIF (previously UMG Aésio) financial statements in the pro forma financial information.

In the income statement, this results in a reduction of the Aéma Groupe's net profit by **€563 thousand**.

	Retained in the scope		Contribution to Group profit (loss)		
(in thousands of euros)	UMG Aésio MACIF	SGAM Aéma	UMG Aésio MACIF	SGAM Aéma	Variance
UMG Aésio MACIF	X	X	257	257	-
Aésio Mutuelle	X	X	-7,073	-7,073	-
Mutex	X	X	16,124	16,124	-
Prévoyance Aésio MACIF	X	X	-2,054	-2,054	-
Mutuelle fraternelle Saint-Vincent De Paul	X		4		4
La Mutuelle des hospitaliers de Saint-Etienne	X		-10		-10
Mutuelle des ports du détroit	X		1		1
SCI de la Mutualité de l'Isère	X		613		613
SCI Nouvelle Clinique Mutualiste	X		134		134
Solidarité mutualiste LSM	X		17		17
Territoria Mutuelle TEM	X		-288		-288
Union ADREA	X		70		70
Union EOVI-MCD	X		22		22
Total			**7,816**	**7,253**	**563**

3.2. Unaudited pro forma financial statements of Sgam Aéma + Aviva

The Aéma Groupe has carried out a preliminary review of Aviva France's accounting policies on the basis of available public information, in order to identify how its accounting policies diverge from those of the Aéma Groupe. This preliminary review did not reveal any major differences based on the information available.

After the Transaction is closed, further reclassifications and adjustments may be necessary. The Aéma Groupe will fully standardise the accounting methods when it obtains full access to the detailed information.

- **Note 5 – Aviva France: Reclassifications applied on the balance sheet**

No reclassifications have been made to Aviva France's consolidated financial statements.

- **Note 6 – Aviva France: Adjustments applied to the balance sheet**

Assets

Breakdown of adjustments in thousands of euros	Balance sheet Assets	Ref
Cancellation of Aviva France goodwill	-863	**(e)**
Cancellation of intangible assets	-14,849	**(f)**
Value in use of financial investments	6,714,077	
Disposal of investment securities by Mutavie and MACIF	-1,450,000	
Total Investments by insurance companies	5,264,077	**(g)**
Cash inflow from the disposal of investment securities (see above)	1,450,000	
Cash inflow from the MACIF subordinated debt issue	1,750,000	
Disbursement to finance the acquisition of Aviva France securities	-2,100,000	
Disbursement of acquisition costs for securities	-27,220	
Disbursement of loan issue costs and cost of bridge loan	-21,853	
Disbursement of Aviva France debt buyback	-1,100,000	
Total Receivables due from companies in the banking sector	-49,073	**(j)**
Elimination of deferred acquisition costs	-770,300	**(h)**
Deferred tax assets on adjustments		
On elimination of intangibles	3,835	
On cancellation of deferred acquisition costs and charges	85,291	
On value in use of financial investments net of policyholder rights	-88,981	
On loan issue costs and cost of bridge loan	6,997	
On acquisition costs for securities	8,716	
Subtotal	15,858	**(i)**
Recognition of deferred tax assets	29,373	**(i)**
Total prepayments and accruals	**-725,069**	**(k)**

Adjustments to the carrying amounts of identifiable assets of acquired companies

The application of CRC Regulation 2000-05 results in determination of provisional entry values of identifiable assets and liabilities of controlled companies and to the identification of valuation differences. These adjustments are explained below:

(e) Unamortised goodwill recorded in the consolidated financial statements at 31 December, 2020 for the Aviva France Group is cancelled as it relates to previous acquisition transactions for an amount of **€863 thousand.**

(f) Intangible assets relating to value of business in force and goodwill recorded in the consolidated balance sheet for the Aviva France Group at 31 December, 2020 are cancelled in the amount of **€14,849 thousand**. These assets correspond to values determined at the time of previous acquisitions. The other intangible assets (notably software and software packages) are maintained at the net carrying amount that appears in the Aviva France consolidated financial statements.

(g) The insurance companies' investment securities are recorded at their realisable value in accordance with CRC Regulation 2000-05 "Consolidated and combined financial statements of companies governed by the insurance code". The realisable values correspond to those used by the Aviva France Group for its consolidated financial statements drawn up at 31 December, 2020. The investment securities held by the other consolidated entities (mainly UFF, SOFRAGI and Epargne-Actuelle) are maintained at their net carrying amount, as the amounts involved are not material in relation to the Group's total investments (net book assets of €467 million, consisting mainly of €85 million in money market assets and €154 million in assets recorded in Sofragi's financial statements. As this company is owned by Aviva Vie, any unrealised capital gains would give rise to the recognition of deferred profit sharing for an almost equivalent amount. Non-consolidated investments are also included at realisable value.
The upward revaluation of insurance company investments amounts to €6,714,077 thousand. After recording the sale of investment securities by MACIF and Mutavie for €1,450,000 thousand, the net impact of the revaluation is **€5,264,077 thousand.**

(h) The deferred acquisition costs of the acquired company's life business are cancelled in the amount of **€770,300 thousand**, in accordance with CRC Regulation 2000-05.

(i) The pro forma adjustments result in the recognition of deferred taxes at the ultimate rate of 25.83%, the rate used by the Aéma Groupe, except for the adjustments relating to the loan issue costs and the bridge loan cost, for which the 2020 rate of 32.02% has been applied. The deferred tax effects of the various adjustments to assets and liabilities have generated a net tax asset position of €15,858 thousand in the pro forma balance sheet. This amount includes:

a. Deferred tax on the acquisition costs of equity investments, carried in the securities acquisition cost, for €8,716 thousand;
b. Deferred tax on other adjustments in the amount of €7,142 thousand.

Aviva France has a different deferred tax position in its consolidated financial statements. Aviva France's accounting policy does not recognise any net deferred tax assets in the consolidated balance sheet. At 31 December, 2020, the total net deferred tax balances not recognised in the Aviva France consolidated balance sheet amounted to €29,373 thousand.

Taking into account the earnings outlook for the Aviva scope and the Aéma Groupe's accounting policies, this balance of net deferred tax assets is recognised in full in the pro forma balance sheet.
The stock of deferred tax assets after this final adjustment amounts to **€45,231 thousand.**

(k) The sum of the adjustments to deferred acquisition costs (h) and the adjustments to deferred tax (i) amounts to **€725,069 thousand**.

Adjustments related to the financing of the acquisition transaction (cash inflows/disbursements)

(j) The acquisition transactions for Aviva France securities and the redemption of the subordinated debt recorded in the Aviva France financial statements generated the following cash inflows/disbursements:

- Cash inflow from the sale of marketable assets without delay: €1,450,000 thousand
- Cash inflow from the MACIF subordinated debt issue: €1,750,000 thousand
- Disbursement to finance the acquisition of Aviva France securities: -€2,100,000 thousand
- Disbursement of acquisition costs for the securities: -€27,220 thousand
- Disbursement of subordinated debt issuance and bridge loan costs: -€21,853 thousand
- Disbursement of Aviva France debt redemption: -€1,100,000 thousand

The balance of **€49,073 thousand** corresponds to the disbursement for equity security acquisition costs, subordinated debt issue costs, and the cost of the bridge loan detailed in Paragraphs 1.3 and 1.4. It was deducted from consolidated shareholders' equity in the amount of €21,853 thousand.

Liabilities

Breakdown of adjustments in thousands of euros	**Balance sheet Liabilities**	**Ref**
Issue of MACIF subordinated debt	1,750,000	
Elimination of Aviva France subordinated debt redeemed	-1,100,000	
Total Subordinated liabilities	650,000	**(m)**
Cancellation of commercial charges to be carried forward	-440,112	
Policyholders' rights on the value in use of insurance company investments	6,369,600	
Total Life technical provisions	5,929,488	**(l)**

Adjustments to the carrying amounts of the identifiable liabilities of acquired companies

As stated above, the valuation differences or "Pro forma adjustments" have been prepared and calculated on the basis of available information, the preliminary analysis conducted by the Aéma Groupe, and estimates and assumptions considered reasonable. These adjustments are explained below:

(l) The commercial charges to be deferred for the life business, recorded in Aviva France's consolidated financial statements at 31 December, 2020 under technical provisions, are cancelled in the amount of €440,112 thousand, mirroring the cancellation of deferred acquisition costs, and in accordance with CRC regulation 2000-05.

The revaluations of the financial investments of insurance companies result in a difference between the bases for calculating policyholders' rights in the Aviva France consolidated financial statements before adjustments and after adjustments for the life companies. In order to take account of these commitments, additional deferred profit sharing is recognised. This deferred profit sharing is estimated on the following basis:

Investments representing shareholders' equity: deferred profit-sharing rate of 0%;

Investments representing commitments to policyholders: deferred profit-sharing rate of 100%.

The amount of this deferred profit sharing (or policyholders' rights) is valued at €6,369,600 thousand.

The accounting impact of the revaluations of financial investments net of policyholders' rights on the consolidated net position is €255,595 thousand net of deferred tax. Given the assumptions used for the deferred profit-sharing rate, this amount corresponds to the revaluation of financial assets for property and casualty insurance and to the revaluation of financial assets representing equity capital for the life insurance companies.

The addition of the adjustments on commercial charges and deferred profit-sharing to the revaluation of the financial investments of the insurance companies amounts to **€5,929,488 thousand.**

Adjustments related to the financing of the acquisition transaction

(m) As indicated in Paragraph 1.3, MACIF issued subordinated debt totalling €1,750,000 thousand in order to finance the transaction. MACIF's redemption of the subordinated debt issued by Aviva France for the nominal amount of €1,100,000 thousand transforms this financial debt into intra-group debt, which is eliminated from the pro forma consolidated balance sheet.

The net impact of this adjustment amounts to **€650,000 thousand**

(n) This adjustment represents the recognition of goodwill under liabilities for an amount of **€13,316 thousand** (see Paragraph 1.4).

- **Note 7 – Aviva France: Reclassifications applied on the income statement**

No reclassification is applied on the Aviva France income statement.

- **Note 8 – Aviva France: Restatements applied on the income statement**

Breakdown of adjustments in thousands of euros	**Income statement**	**Ref**
Cancellation of realised capital gains	-80,187	(q)
Reversal of write-downs on financial investments	22,688	(q)
Premiums and discounts on depreciable investments	-971,575	(q)
Restatement of "Mixer" reinsurance treaty financial component	1,991	(q)
Financing costs	-21,853	(q)
Cancellation of financial expense related to Aviva France subordinated debt	60,132	(q)
Integration of the financial expense related to the MACIF subordinated debt	-34,125	(q)
Total Financial income net of expenses	**-1,022,929**	**(q)**
Policyholders' rights on elements of the financial result	1,007,052	
Total Expenses for insurance services	**1,007,052**	**(r)**
Restatement of the "Mixer" reinsurance treaty underwriting component	16,897	
Total Net income or expense from ceded reinsurance	**16,897**	**(s)**
Deferred acquisition costs and commercial charges	26,109	
Total Management expenses	**26,109**	**(t)**
Income tax	**-9,760**	**(u)**
Total adjustments	**17,369**	**(v)**

Adjustments related to the revaluation of investments on the pro forma income statement:

(q) The financial investments of the insurance entities are revalued when they are entered on the Aéma Groupe's consolidated balance sheet, with the following consequences:

- The insurance entities have little ability to generate capital gains on the sale of securities in the first year in the consolidated financial statements. In order to take this situation into account, the capital gains realised by the insurance companies as recorded in the Aviva France Group's 2020 consolidated income statement in the amount of €80,187 thousand are cancelled in the pro forma income statement. The other consolidated entities do not have any significant capital gains realised in 2020.
- Impairments on financial and property investments (provisions for permanent impairment and impairments on buildings) are no longer relevant following the measurement of the realisable value. They are cancelled on the basis of their amount in the Aviva France Group 2020 consolidated income statement for a total amount of **€22,688 thousand**.
- The integration of the Aviva France Group entities' depreciable securities in the consolidated balance sheet at their market value on 31 December, 2020 led to the recalculation of the premiums and discounts on the basis of these new entry values. The charge for the year now corresponds to the first

year of amortisation of the premiums and discounts of the depreciable assets in the portfolio, i.e. an additional charge of **€971,175 thousand**. The methodology used to recalculate premiums and discounts was as follows:

- use of the market values of the securities taken from the statement of investments included in the consolidated financial statements,
- use of the characteristics of the securities (redemption date, redemption value) also taken from the consolidated financial statements,
- calculation of a straight-line and non-actuarial amortisation, without significant impact on the amounts, taking into account the level of bond market rates.

(r) To simplify this, it is considered that all adjustments relating to the financial investments of the life companies result in rights for the policy beneficiaries of up to 100% of the adjustments, i.e. an amount of **€1,007,052 thousand**.

Adjustments related to the financing transaction:

(q) MACIF's redemption of the subordinated debt issued by Aviva France for its nominal amount of €1,100,000 thousand transforms this debt into an intragroup debt; the interest expense of **€60,132 thousand** borne by Aviva France in 2020 is therefore cancelled in the pro forma financial statements.

Conversely, the debt issued by MACIF for an amount of €1,750,000 thousand results in an additional interest expense estimated at **€34,125 thousand** for the first full year, on the basis of information available on the date of the pro forma. The issue costs relating to this subordinated debt of €1,750,000 thousand as well as the cost of the bridge loan are recognised as financial expenses in the amount of **€21,853 thousand**.

Other adjustments:

(q and s) Aviva France has set up a "Mixer" reinsurance treaty covering the Group's property and casualty business. This treaty provides for a 50% disposal of the underwriting result component as well as disposal of a financial component under specific conditions. As the parties involved anticipate the termination of this agreement on 31 December, 2021, its impacts are neutralised in the pro forma for an amount of:

- **€1,991 thousand** (income) for the financial component;
- **€16,897 thousand** (income) for the underwriting component.

(t) The deferred acquisition costs of the acquired company are cancelled on the opening balance sheet. As a result, the deferred acquisition costs and commercial charges to be carried forward for the generation of policies taken out in 2020 are retained in the income statement but the amortisation charge for previous generations is cancelled. The balance is an income of **€26,109 thousand**.

(u) The tax impact of the above restatements of **€9,760 thousand** has been recorded at the tax rate applicable at 31 December, 2020, i.e. 32.02%.