

News Release



4 March 2021

Aviva announces exit from Italy

Aviva's transformation to focus on its strongest businesses continues with the sale of its remaining Italian Life and General Insurance businesses ("Aviva Italy") for €873m in cash. This values the businesses at €1.2bn including Unicredit Group's 49% shareholding in Aviva S.p.A.

Key highlights:

- Sale of Aviva's Life insurance business¹ to CNP Assurances for €543m, and
- Sale of Aviva's General insurance business² to Allianz for €330m
- Collectively the transactions represent a multiple of 0.8x Solvency II own funds³ and 1.5x IFRS net asset value³ as at 31 December 2020
- Together with expected proceeds from the previously announced sale of our shareholding in Aviva Vita⁴ to UBI Banca, Aviva will realise over €1.3bn of cash from the sale of its insurance businesses in Italy

Amanda Blanc, Chief Executive Officer of Aviva, said:

"Since I announced our new strategy in August last year, we have announced seven divestments that will generate over £5bn of cash proceeds. This rapid progress allows us to focus on transforming and growing our already strong businesses in the UK, Ireland and Canada. The sale of our Italian operations to high quality buyers is a positive outcome for our customers, employees, distributors and shareholders. We promised that we would deliver quickly and we are. Our work to improve Aviva for the benefit of our shareholders continues."

The estimated financial impact of the transactions⁵ on Aviva as at 31 December 2020, is:

- Increase of Solvency II capital surplus⁶ by c.£0.2bn and Solvency II cover ratio by c.7 percentage points
- Increase of excess capital above 180% Solvency II cover ratio⁶ by c. £0.7bn
- Increase in IFRS net asset value⁶ of c.£0.2bn

Customers, partners, financial advisors and agents of Aviva Italy will continue to receive the same high quality service from the businesses and there is no impact to customer policies as a result of this announcement. Employees of Aviva Italy will transfer with the businesses.

Aviva expects to use the increased capital and cash to support its previously communicated capital framework of debt reduction, investment for long-term growth and return of excess capital to shareholders.

The transactions are subject to customary closing conditions, including regulatory and anti-trust approvals, and are expected to complete in the second half of 2021.

Notes:

1. Primarily comprises 51% shareholding in Aviva S.p.A. and 100% shareholding in Aviva Life S.p.A.
2. Comprises Aviva Italia S.p.A.
3. Multiple presented on a 100% basis.
4. On 23 November 2020, Aviva announced the sale of Aviva's entire 80% shareholding in Aviva Vita S.p.A. to its partner UBI Banca.
5. Estimated financial impacts of the transactions presented in isolation from impacts of other announced transactions.
6. Using 31 December 2020 GBP/EUR FX spot rate of £1/€1.12.

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Notes to editors:

- For information on how Aviva is helping our people, customers and communities impacted by COVID-19 visit: www.aviva.com/covid-19-our-response/
- We exist to be with people when it really matters, throughout their lives – to help them make the most of life. We have been taking care of people for more than 320 years, in line with our purpose of being ‘with you today, for a better tomorrow’.
- In 2020, we paid £30.6 billion in claims and benefits to our customers.
- Aviva is invested in our people, our customers, our communities and our planet. In 2021, we announced our plan to become a Net Zero carbon emissions company by 2040, the most demanding target of any major insurance company in the world. This plan means Net Zero carbon emissions from our investments by 2040; setting out a clear pathway to get there with a cut of 25% in the carbon intensity of our investments by 2025 and of 60% by 2030; and Net Zero carbon emissions from our own operations and supply chain by 2030. Aviva has been leading this agenda for decades: Aviva was the first international insurer to go operationally carbon neutral in 2006 and we are champions of renewable energy and energy storage at our offices, allowing us to achieve our 2030 carbon reduction target (70% reduction on 2010 levels) 10 years early. Find out more about our climate goals at www.aviva.com/climate-goals and our sustainability ambition at www.aviva.com/sustainability.
- Aviva is a Living Wage and Living Hours employer and provides market-leading benefits for our people, including flexible working, paid carers leave and equal parental leave. Find out more at www.aviva.com/social-purpose
- We are focused on the UK, Ireland and Canada where we have leading market positions and significant potential. We will invest for growth in these markets. Our international businesses in Europe and Asia will be managed for long-term shareholder value. We will also transform our performance and improve our efficiency. Our transformation will be underpinned by managing our balance sheet prudently, reducing debt and increasing our financial resilience.
- Total group assets under management at Aviva group are £535 billion and our Solvency II capital surplus is £13.0 billion (FY20). Our shares are listed on the London Stock Exchange and we are a member of the FTSE 100 index.

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- For more details on what we do, our business and how we help our customers, visit www.aviva.com/about-us
 - The Aviva newsroom at www.aviva.com/newsroom includes links to our spokespeople images, podcasts, research reports and our news release archive. [Sign up](#) to get the latest news from Aviva by email.
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 - We have a Globelynx system for broadcast interviews. Please contact the Press Officer noted above if you would like to make a booking.