

It takes
AVIVA

Aviva plc
Interim results 2022
10 August 2022

For
325
years



Disclaimer & important information

Cautionary statements

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the impact of changes in short or long-term inflation; the impact of changes in equity or property prices on our investment portfolio; fluctuations in currency exchange rates; the effect of market fluctuations on the value of options and guarantees embedded in some of our life insurance products and the value of the assets backing their reserves; the amount of allowances and impairments taken on our investments; the effect of adverse capital and credit market conditions on our ability to meet liquidity needs and our access to capital; changes in, or restrictions on, our ability to initiate capital management initiatives; changes in or inaccuracy of assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, lapse rates and policy renewal rates), longevity and endowments; a cyclical downturn of the insurance industry; the impact of natural and man-made catastrophic events (including the longer-term impact of COVID-19) on our business activities and results of operations; the transitional, litigation and physical risks associated with climate change; failure to understand and respond effectively to the risks associated with environmental, social or governance ("ESG") factors; our reliance on information and technology and third-party service providers for our operations and systems; the impact of the Group's risk mitigation strategies proving less effective than anticipated, including the inability of reinsurers to meet obligations or unavailability of reinsurance coverage; poor investment performance of the Group's asset management business; the withdrawal by customers at short notice of assets under the Group's management; failure to manage risks in operating securities lending of Group and third-party client assets; increased competition in the UK and in other countries where we have significant operations; regulatory approval of changes to the Group's internal model for calculation of regulatory capital under the UK's version of Solvency II rules; the impact of actual experience differing from estimates used in valuing and amortising deferred acquisition costs (DAC) and acquired value of in-force business (AVIF); the impact of recognising an impairment of our goodwill or intangibles with indefinite lives; changes in valuation methodologies, estimates and assumptions used in the valuation of investment securities; the effect of legal proceedings and regulatory investigations; the impact of operational risks, including inadequate or failed internal and external processes, systems and human error or from external events and malicious acts (including cyber attack and theft, loss or misuse of customer data); risks associated with arrangements with third parties, including joint ventures; our reliance on third-party distribution channels to deliver our products; funding risks associated with our participation in defined benefit staff pension schemes; the failure to attract or retain the necessary key personnel; the effect of systems errors or regulatory changes on the calculation of unit prices or deduction of charges for our unit-linked products that may require retrospective compensation to our customers; the effect of simplifying our operating structure and activities; the effect of a decline in any of our ratings by rating agencies on our standing among customers, broker-dealers, agents, wholesalers and other distributors of our products and services; changes to our brand and reputation; changes in tax laws and interpretation of existing tax laws in jurisdictions where we conduct business; changes to International Financial Reporting Standards relevant to insurance companies and their interpretation (for example, IFRS 17); the inability to protect our intellectual property; the effect of undisclosed liabilities, separation issues and other risks associated with our business disposals; and other uncertainties, such as diversion of management attention and other resources, relating to future acquisitions, combinations or disposals within relevant industries; the policies, decisions and actions of government or regulatory authorities in the UK, the EU, the US, Canada or elsewhere, including changes to and the implementation of key legislation and regulation (for example, FCA Consumer Duty and Solvency II). Please see Aviva's most recent Annual Report and Accounts for further details of risks, uncertainties and other factors relevant to the business and its securities.

Aviva undertakes no obligation to update the forward looking statements in this announcement or any other forward-looking statements we may make. Forward-looking statements in this report are current only as of the date on which such statements are made.

This report has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

As a reminder

Throughout this presentation we use a range of financial metrics to measure our performance and financial strength. These metrics include Alternative Performance Measures (APMs), which are non-GAAP measures that are not bound by the requirements of IFRS and Solvency II. A complete list and further guidance in respect of the APMs used by the Group can be found in the 'Other information' section of the 2022 Half Year Report. All references to 'Operating profit' represent 'Group adjusted operating profit'. All comparatives presented are from continuing operations

Agenda

Business update

Amanda Blanc, Group CEO

Interim results 2022

Colin Simpson, Interim Group CFO

Summary

Amanda Blanc, Group CEO

Q&A



Strong first half results

H1 2022 financial progress¹

Aviva is growing...	+13%	UK&I value of new business
	+6%	GI premiums ²
	£5bn	Wealth net flows

Costs are falling...	-2%	Cost reduction ³
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Profitability is improving...	+46%	SII own funds generation
	+14%	Operating profit
	94%	GI combined ratio

Cash remittances on track...	£0.8bn	Cash remittances to centre
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High performing businesses

Insurance	+5%	UK&I GI premiums
	+6%	Canada GI premiums ²
	+5%	Protection & Health value of new business
Wealth	£2.4bn	Adviser Platform net flows
	£2.7bn	Workplace net flows
	7%	Total Wealth net flows as % of opening AUM
Retirement	£1.9bn	Bulk purchase annuity premiums
	+27%	Equity release sales
	£2.1bn	Real assets origination

Confident outlook; anticipate further capital return

Position of financial strength

213%

pro forma¹

SII shareholder
cover ratio²

28%

pro forma¹

SII debt
leverage ratio

£2.7bn

Centre liquidity

Confidence in performance outlook

- ✓ Strong performance **momentum for 2022**
- ✓ Interim dividend **10.3p per share**, up 40%

Anticipate further capital return



Anticipate commencing a **new share buyback programme** with our 2022 full year results



Preference for **regular and sustainable return of surplus capital**



Any capital return will be guided by our **capital management framework**

Strategic priorities driving growth and performance

The leading UK provider and go-to customer brand for all insurance, wealth and retirement needs

Customer



Growth



Efficiency



Sustainability



On track to deliver our financial targets

>£5.4bn

Cash remittances 2022-24

£1.5bn

SII operating own funds generation p.a. by 2024

£750m

Gross cost reduction 2018-24¹

Delivering for our customers

Customer



Helping customers to navigate challenges of today's world

- Received **19k storm claims** of which **c.2k settled on the day of notification**
- Keeping **garages open 24/7** to mitigate impact of supply chain issues
- Delivering on **COVID-19 pledge** with **£81m** rebated to eligible UK customers
- Helped **100k+ families** settling Health & Protection claims worth **£800m+**



Improving experience and innovating for customers

- **100+ continuous improvements** on MyAviva and Aviva Connect
- Paying **Individual Protection bereavement claims in a single call**
- Launched '**Aviva Journey**' telematics proposition in Canada
- **Rolled out Pension Snapshot** increasing Workplace customers engagement



Growing franchise and building on our strong brand

- Added **150k Workplace customers** and **reduced outflows** from Wealth business²
- **Increased advice engagement by 40%** leveraging data and AI capabilities
- Top ranked **by UK Commercial GI brokers** across all 11 key sentiment metrics
- Implemented **pricing practices** with **retail motor retention up 7-8pp**

#1

Trust

#1

For Brokers and IFAs

5.5m (+500k¹)

MyAviva registrations

41

Group TNPS

15.3m

#1 UK customer franchise

#1

Brand consideration

Driving targeted profitable growth

Growth

- ✓ **Increased underwriting capacity** for Regional Brokers & **E-Trade expansion** in UK Commercial
- ✓ Launched **multinational proposition** for Canadian owned businesses



Insurance

- ✓ On track to become **#1 in UK GI HNW** segment
- ✓ **Over 10k Aviva Zero** policies since launch
- ✓ Launched Protection partnership with **Reassured**

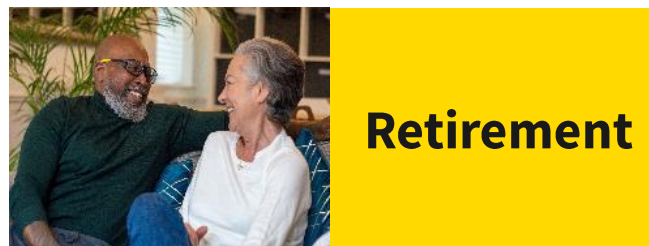
- ✓ Regulatory approval for **Succession Wealth**
- ✓ Enhanced **adviser platform functionality**



Wealth

- ✓ Won **193 new Workplace schemes**
- ✓ Enhanced Master Trust proposition and launched **open banking** functionality

- ✓ Expanded our advisor capability to cover **Equity Release advice**
- ✓ **BPA platform modernisation** underway



Retirement

- ✓ Improved **Individual Annuities** pricing
- ✓ **ESG credentials** recognised by trustees

+6%¹
GI GWP

94%
GI COR

£2.4bn
Adviser platform net flows

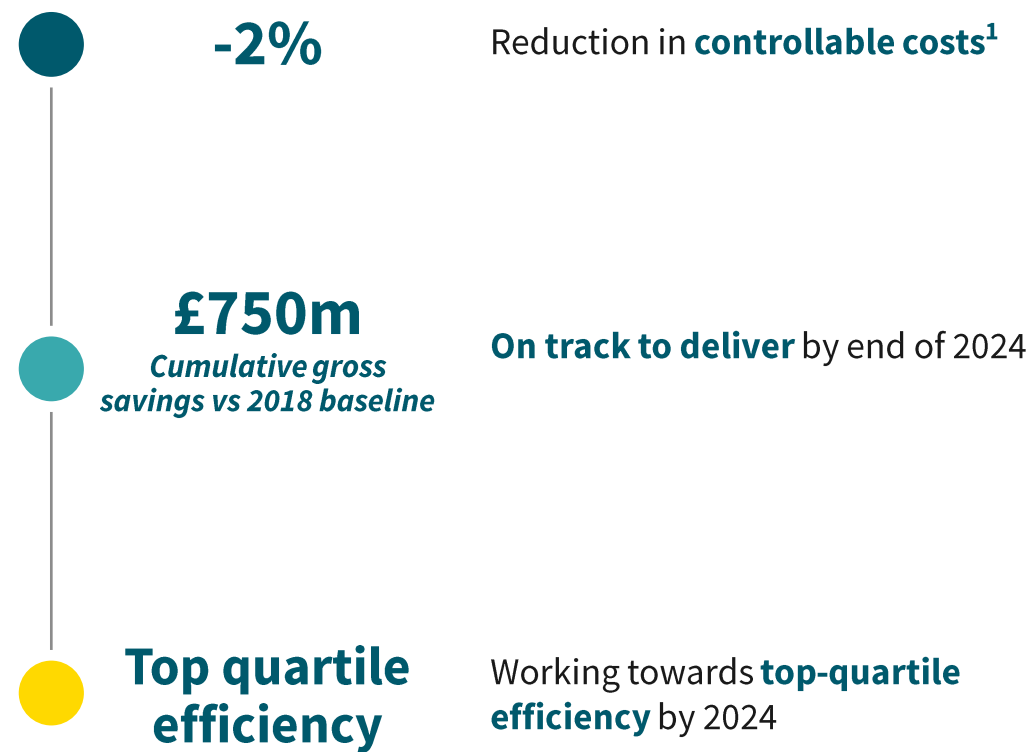
£2.7bn
Workplace net flows

£1.9bn
BPA premiums

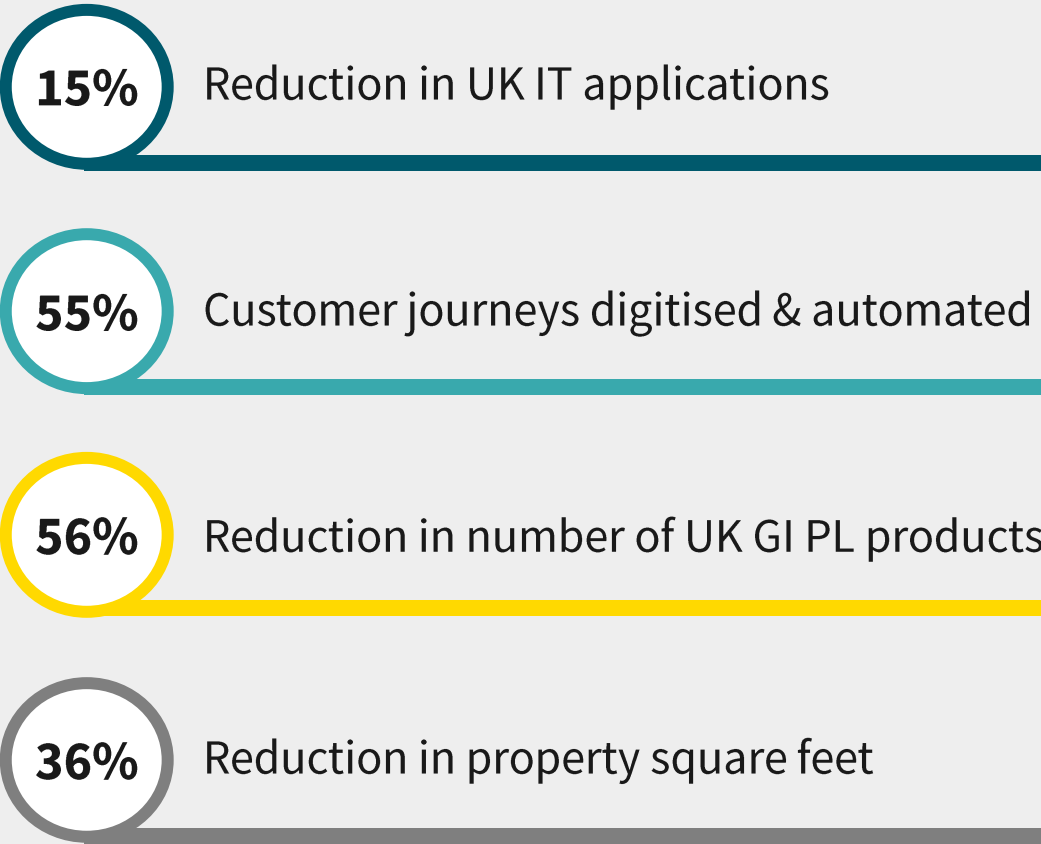
+27%
Equity release sales

Delivering on cost reduction and efficiency

Achieving our efficiency ambitions



Taking tangible actions to reduce costs



Change vs FY2020

All footnotes on pages 42-43

Leading UK financial services on sustainability

Sustainability



UK infrastructure & real estate investment

£5.5bn

H1 2022

People helped via Aviva community resilience activities

700k

H1 2022

Sustainable transition loans

£1.1bn

achieved 2025 target

AI EU domiciled Funds classed as SFDR Article 8¹

88%

with c.£50bn assets

MSCI

AA

ESG rating

SUSTAINALYTICS

5th

out of 288 global insurers²



Supporting our customers, colleagues, and communities during cost of living crisis

- **£15m financial resilience pot** to get advice and support to those that need it most
- **Low-cost** home and motor **cover**
- **ABI Flood Directory** to improve access to flood cover
- **Real living wage, free kids' lunches, and one-off payments** for lower paid colleagues

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Half year 2022 financial highlights

Group performance

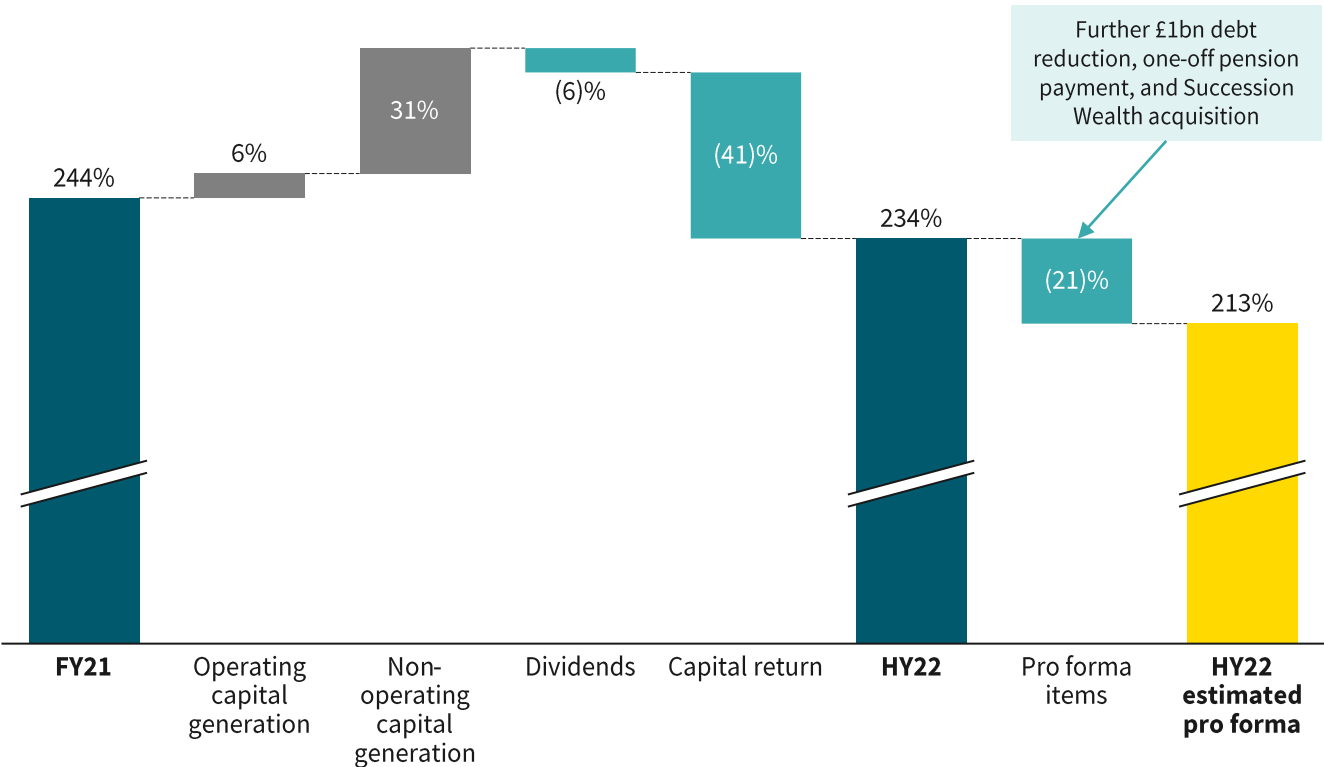
SII OFG	Operating profit	Costs ¹	SII shareholder cover ratio	Centre liquidity
£538m +46%	£829m +14%	£1.3bn -2%	234% Pro forma: 213% ²	£2.7bn Cash remittances: £0.8bn

Trading

UK&I Life VNB	Wealth net flows	General Insurance GWP	UK&I Life SII OFG	General Insurance COR
£300m +13%	£5.0bn 7% of opening AUM annualised	£4.7bn +6% ³	£328m +51%	94.0% +2.4pp

Capital position remains strong...

Solvency II shareholder cover ratio



Pro forma¹ SII debt leverage: 28%
Centre liquidity: £2.7bn

213% pro forma¹ cover ratio (FY21: 186%) represents c.£2bn² of excess capital above 180% target solvency ratio

Most of the increase in pro forma Solvency cover ratio has come from **market movements**

We expect to return some excess capital to shareholders through a new share buyback programme, subject to regulatory approval and market conditions

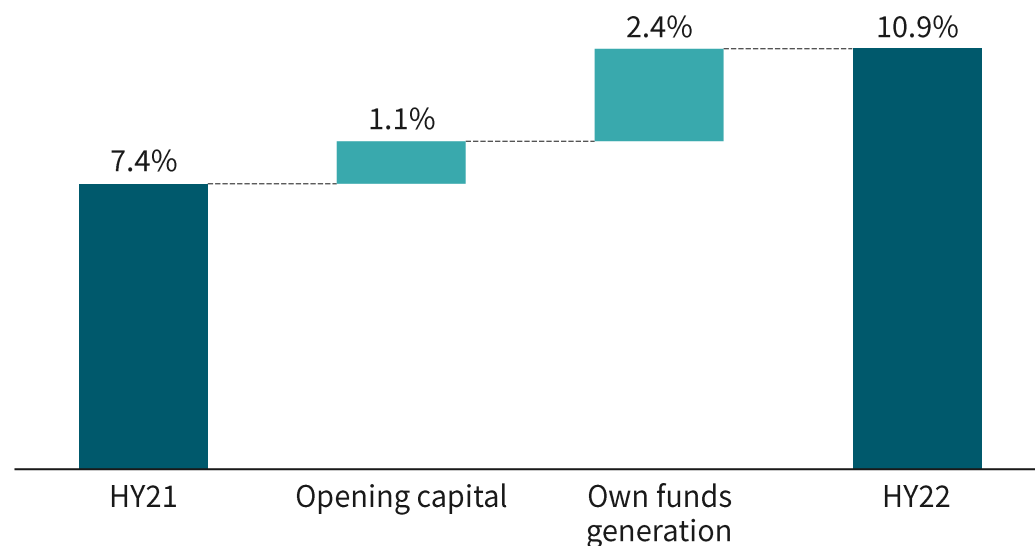
Interest rate sensitivity has reduced in the period

Solvency II NAV per share of 420p

All footnotes on pages 42-43

...and return on capital is improving

Group SII RoE



	HY22	HY21 ¹	Change
Return on capital (unlevered)			
UK&I Life	5.1%	3.4%	1.7pp
UK&I General insurance	16.5%	10.1%	6.4pp
Canada	19.9%	25.3%	(5.4)pp
Aviva Investors	7.0%	9.3%	(2.3)pp
UK, Ireland, Canada & Aviva Investors	8.0%	6.1%	1.9pp
Group SII Return on Equity	10.9%	7.4%	3.5pp
<i>- Group Return on Equity (excl. Heritage)</i>	12.3%	8.8%	3.5pp

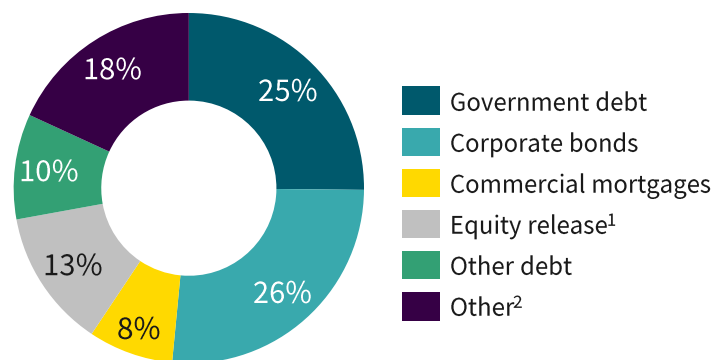
Diversified portfolio of businesses with clear focus on **growing returns over time** – good progress in 2022

Historically, **UK Life RoC significantly higher** in 2nd half of the year

Run-off of Heritage will provide **tail-wind to returns** over time

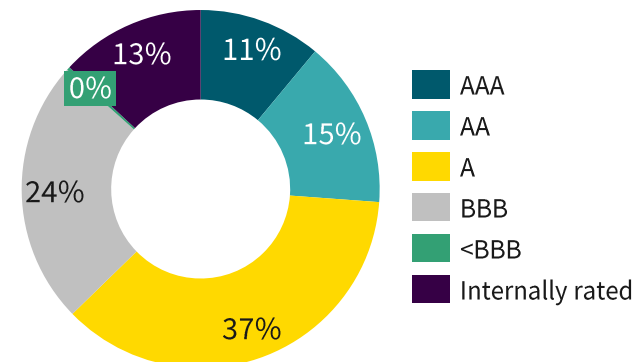
Shareholder asset portfolio well positioned...

Total shareholder assets: £85.6bn



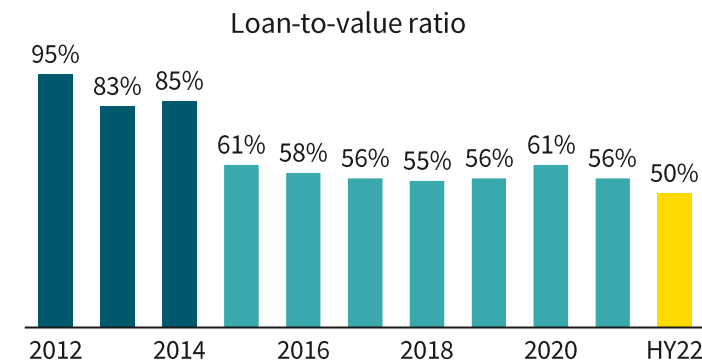
- High-quality portfolio continues to perform well
- Defensive investment profile - we have not chased growth.
- Low shareholder exposure to equities, emerging markets sovereigns, and European peripherals

Corporate bonds by rating: £22.2bn



- Corporate bond portfolio continues to perform well
- <£150m of portfolio downgraded to a lower letter
- No corporate bonds downgraded below investment grade

Commercial mortgage portfolio: £6.6bn



- Largely long-duration fixed-rate contracts with limited re-financing risk to borrowers
- Significant restructuring has led to consistently low LTVs for last 7 years
- Strong loan interest cover of 2.67x

...and we are navigating the inflationary environment

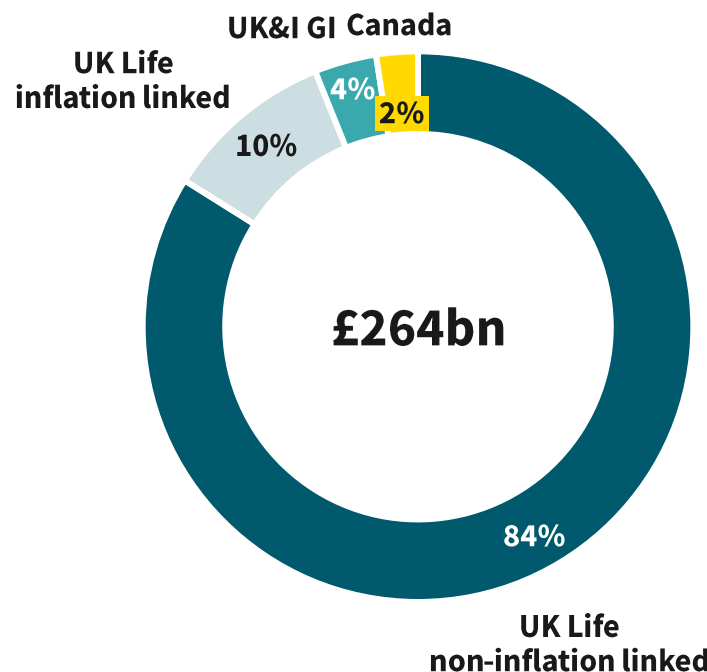
UK Life

- Majority of inflation linked liabilities are subject to caps
- Inflation linked exposures managed through hedging, including RPI-linked bonds
- Solvency insensitive to inflation
- ~90% of long-term insurance and investment liabilities are non-inflation linked

Debt & Other

- Debt profile favourable – no requirement to re-finance before 2024
- Staff pension scheme liabilities are largely inflation linked but also subject to caps and closely matched

Gross IFRS liabilities for insurance and investment contracts



UK General insurance

- Used car prices increased c.30% in Q2
- Retail motor rate +12-13pp YTD¹
- £9.6bn of insurance liabilities
 - o/w: ~60% injury
 - o/w: ~40% damage

Canada

- Double digit inflation in property damage in Q2
- Injury inflation partially contained by policy limits
- Ontario auto rate +12pp YTD¹
- £6.5bn of insurance liabilities
 - o/w: ~65% injury
 - o/w: ~35% damage

~84% of the Group's gross IFRS insurance and investment contract liabilities are non-inflation linked

The majority of remaining liabilities are closely matched by inflation-linked assets and further limited through reinsurance

UK & Ireland Life – Insurance, Wealth & Retirement

	HY22 £m	HY21 £m	Change %
Protection & Health (Insurance)			
Operating profit	95	107	(11)%
VNB	100	95	5%
Wealth			
Operating profit	71	73	(3)%
AUM (£bn)*	140	152	(8)%
Net flows (£bn)	5.0	5.2	(4)%
Annuities & Equity Release (Retirement)			
SII OFG	169	143	18%
Sales ¹	2,762	2,466	12%
- o/w BPA	1,862	1,622	15%
- o/w Individual annuities	449	488	(8)%
- o/w equity release	451	356	27%
UK & Ireland Life			
VNB	300	265	13%
Baseline controllable costs	515	545	(6)%
Operating profit	651	545	19%
SII OFG	328	217	51%
Cash remittances	706	983	(28)%

*Prior period comparator refers to 31 Dec 21 for AUM

- **Protection & Health:** strong performance in Group Protection and Health, with sales up 31% and 8% respectively
 - Individual protection volumes down 7% reflecting reduced demand and removal of stamp duty relief in 2022
- **Wealth:** robust performance with net flows of £5bn, 7% of annualised opening AUM. 150k customers added in workplace
- **A&ER:** BPA volumes of £1.9bn, of which £0.8bn related to internal pension scheme
 - Outlook remains positive with higher volumes and improved margins expected in H2
- **Management actions & other:** contributed £(71)m (HY21: £(38)m) to operating profit in H1.

UK & Ireland General Insurance

	HY22 £m	HY21 £m	Change %
GWP	2,840	2,705	5%
- UK personal lines	1,198	1,213	(1)%
- UK commercial lines	1,430	1,280	12%
- Ireland	212	212	0%
COR (%)	95.6%	93.6%	2.0pp
- UK Personal lines	97.1%	94.2%	2.9pp
- UK Commercial lines	93.9%	93.6%	0.3pp
- Ireland	96.2%	89.9%	6.3pp
COR excluding PYD & weather	93.9%	93.0%	0.9pp
LTIR (% of assets)	1.7%	1.3%	0.4pp
Baseline controllable costs	350	357	(2)%
Operating profit	171	191	(11)%
SII OFG	193	121	60%
Cash remittances	59	52	13%

- **Strong trading momentum** continues with UK&I GI GWP up 5%. UK GI up 5% and Ireland flat (up 3% at constant currency)
 - UK PL trading remains stable in a challenging market, with premiums down 1% reflecting our strong pricing discipline
 - YTD new business rates +12-13pp¹ in UK Retail Motor and +8pp in Home
 - UK CL premiums up 12% ($\frac{1}{3}$ volume, $\frac{2}{3}$ rate). Strong new business and retention of profitable accounts
- **UK&I COR of 95.6%** reflects normal weather patterns overall in H1 2022, and more normal levels of claims frequency post Covid-19
- **Improved investment return** in H1 2022 reflects higher risk-free rates and asset re-risking actions
- Solvency II Operating **Own Funds Generation up 60%**.

Canada

	HY22 £m	HY21 £m	Change %
GWP	1,854	1,661	12%
- Personal lines	1,138	1,047	9%
- Commercial lines	716	614	17%
COR	91.7%	88.8%	2.9pp
- Personal lines	94.4%	87.9%	6.5pp
- Commercial lines	86.8%	90.6%	(3.8)pp
COR excluding PYD & weather	93.2%	88.2%	5.0pp
LTIR (% of assets)	2.1%	2.0%	0.1pp
Baseline controllable costs	197	189	4%
Operating profit	204	229	(11)%
SII OFG	174	194	(10)%
Cash remittances	14	17	(18)%

- **Continued trading momentum** in Canada with GWP growth of 12% (6% at constant currency)
 - Canada PL premium growth of 4% at constant currency predominantly reflects strong inflationary rate increases
 - Canada CL premiums up 11% at constant currency (6pp rate, 5pp volume) reflecting the strong rate environment, and growth in mid-market and large corporate accounts
- **Canada COR of 91.7%**, up 2.9pp owing to normalised motor frequency, partly offset by lower commissions
- **Improved investment return** in H1 2022 reflects higher reinvestment yields and growth in the portfolio
- Solvency II Operating **Own Funds Generation down 10%**

	HY22 £m	HY21 £m	Change %
Operating profit	14	19	(26)%
Revenue ¹	190	192	(1)%
Baseline controllable costs	165	168	(2)%
Cost income ratio	87%	87%	-
Net flows excluding liquidity funds & cash (£bn)	(4.3)	0.8	n/a
<i>of which external (£bn)</i>	0.2	1.1	(81)%
AUM (£bn)	232	258	(10)%
SII OFG	14	18	(22)%

- **Operating profit** down 26% to £14m reflecting investment in cost reduction initiatives
 - Excluding this, **operating profit improved to £25m** (HY21: £24m)
- **External net flows** of £0.2bn (HY21: £1.1bn)
- **Baseline controllable costs down 2%** to £165m (HY21: £168m) reflecting continued focus on efficiency
- £50bn of EU domiciled AUM now **categorised as SFDR Article 8²**

Confidence in 2022 and beyond

Group targets

Cash remittances

>£5.4bn

2022-2024

SII Operating own funds generation

£1.5bn

Per annum by 2024

Cost reduction

£750m

2018-24¹

Business unit ambitions

UK Life

5-7% p.a. VNB growth

Wealth

≥10% Net flows CAGR (2021-24)

General Insurance

<94% Combined operating ratio

Aviva Investors

<75% Cost income ratio

Dividend & capital return

2022
c.£870m/c.31.0p²

2023
c.£915m/c.32.5p²

Growing DPS at low-to-mid single digits thereafter

Further capital returns - anticipate launching new buyback with FY22 results

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Delivering Aviva's promise

Position of market strength

with market-leading positions in all core segments

Competitive advantage of Aviva model

across Customer, Scale, and Diversification

Consistent performance delivery

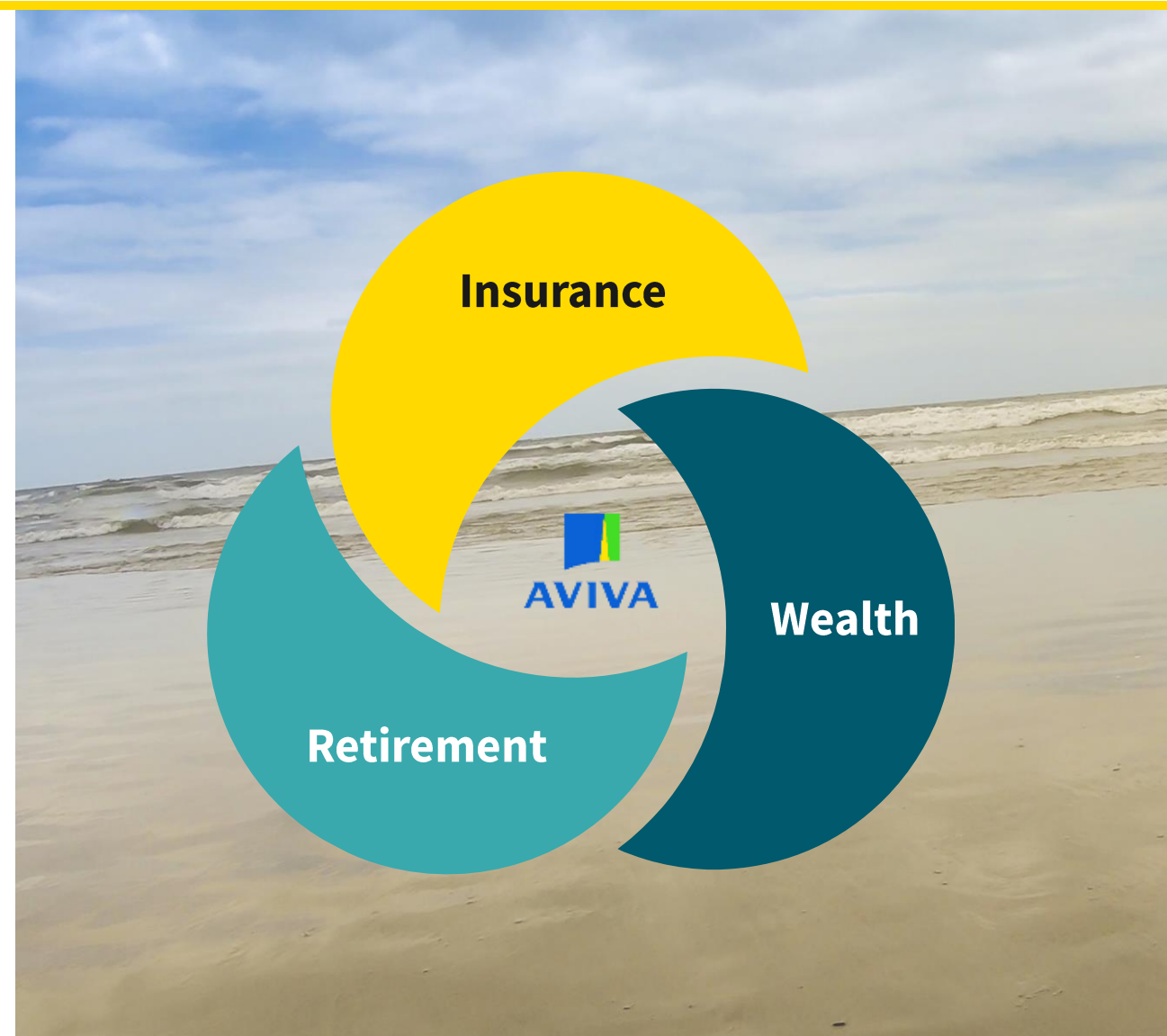
Strong first half. On track to meet financial targets

Attractive and growing dividend

on track to deliver in line with guidance for FY 2022

Further capital return

anticipate launching new share buyback with FY 2022 results,
subject to regulatory approval and market conditions



Q&A

Amanda Blanc

Group CEO

Colin Simpson

Interim Group CFO



Appendices

For
325
years



International Investments, Group centre and debt costs

International Investments – Singapore, China & India

	HY22 £m	HY21 £m	Change %
Operating profit	55	55	-%
Cash remittances	19	11	73%
Life sales ¹	569	617	(8)%
Value of new business	46	59	(23)%
SII OFG	75	84	(11)%

- International investments **operating profit** flat
- **Sales¹ 8% lower** reflecting ongoing lockdowns in China, and strong prior period which benefitted from new product launches

Group centre & debt costs

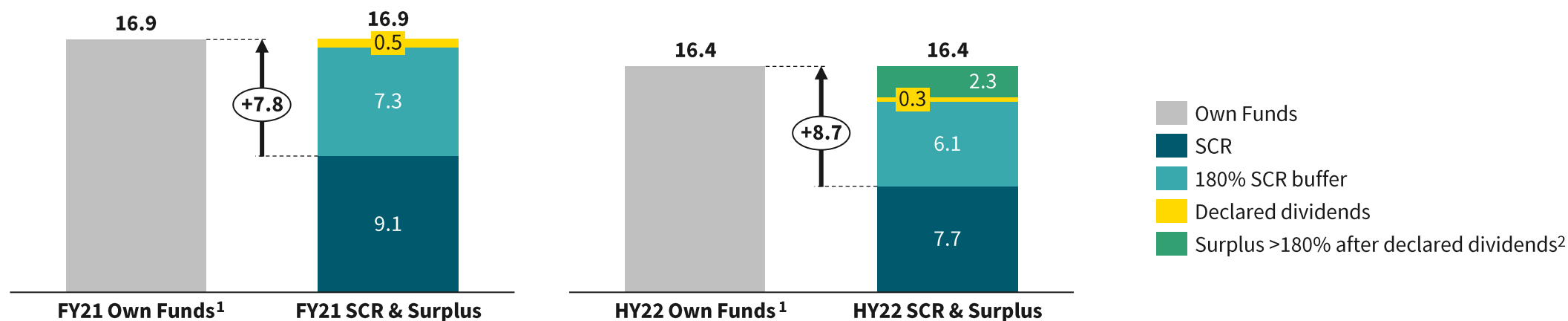
	HY22 £m	HY21 £m	Change %
Corporate centre costs	68	73	(7)%
Project spend, implementation & other	70	61	15%
Group debt costs & other interest	128	180	(29)%
Total	266	314	(15)%

- Successful debt actions taken in 2021 have **reduced Group debt costs & other interest by 29%** in 2022
- **Corporate centre costs down 7%**. Project spend, implementation & other driven by strategic investments, IFRS 17 and cost reduction implementation

Solvency II

Solvency II position

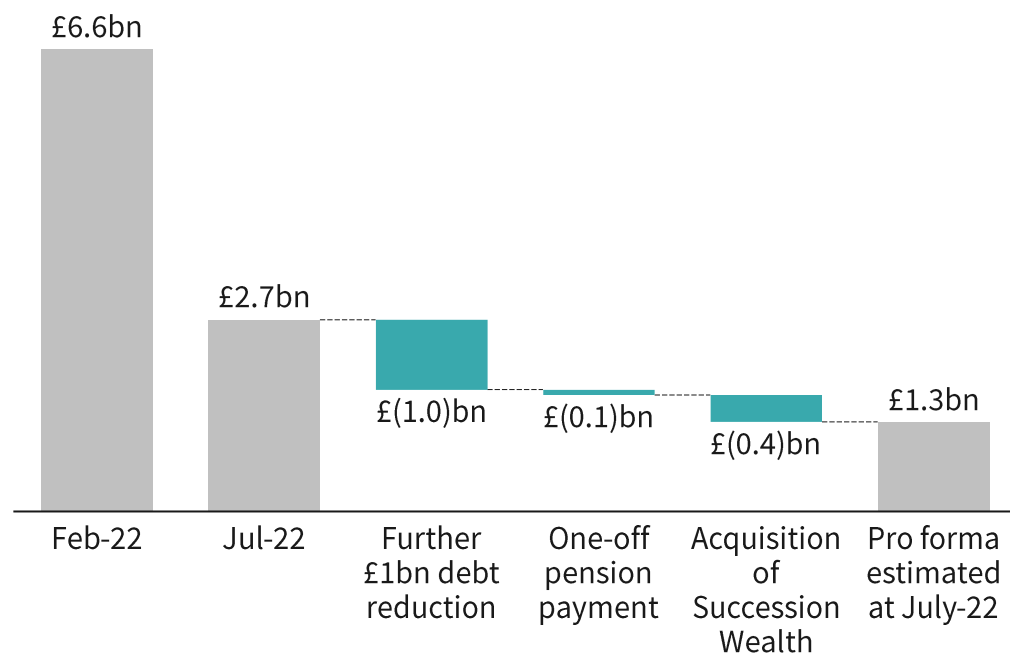
As the SCR falls there is a **geared impact on surplus above 180% SCR**



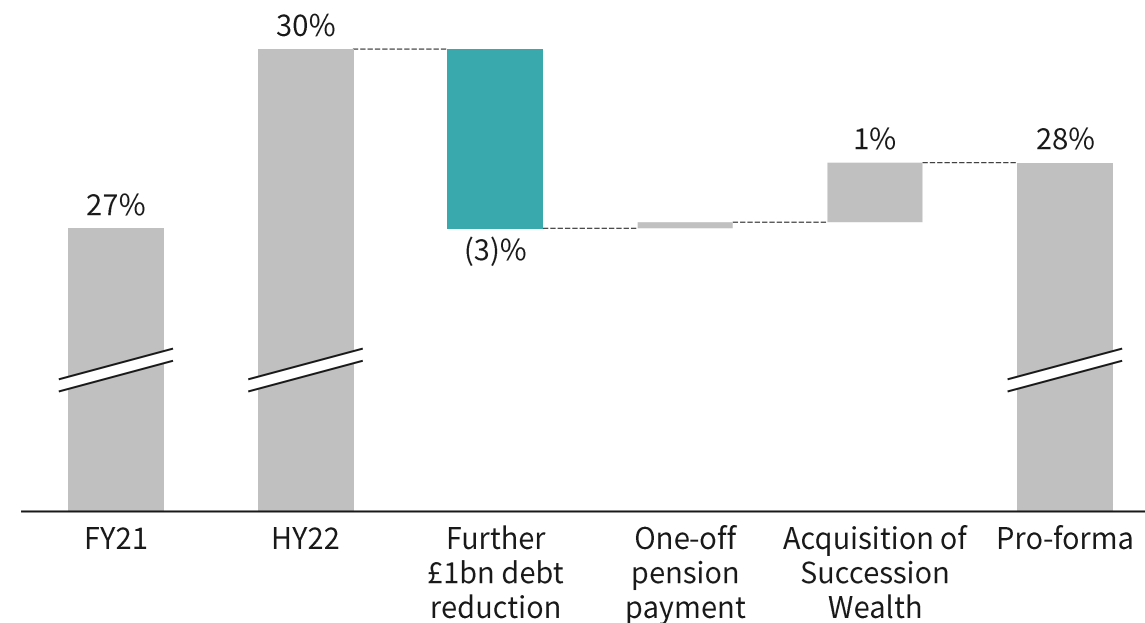
£m	31 December 2021	BU generation ³	Debt & Centre costs	Other ⁴	Non-operating generation	Dividends ⁵ (ordinary + preference)	Debt issuance / repayment	Capital returns	30 Jun 2022
Own funds	22,150	753	(246)	31	(369)	(560)	-	(3,750)	18,009
SCR	(9,076)	(66)	34	50	1,349	-	-	-	(7,709)

Pro forma centre liquidity and SII debt leverage ratio

Centre liquidity



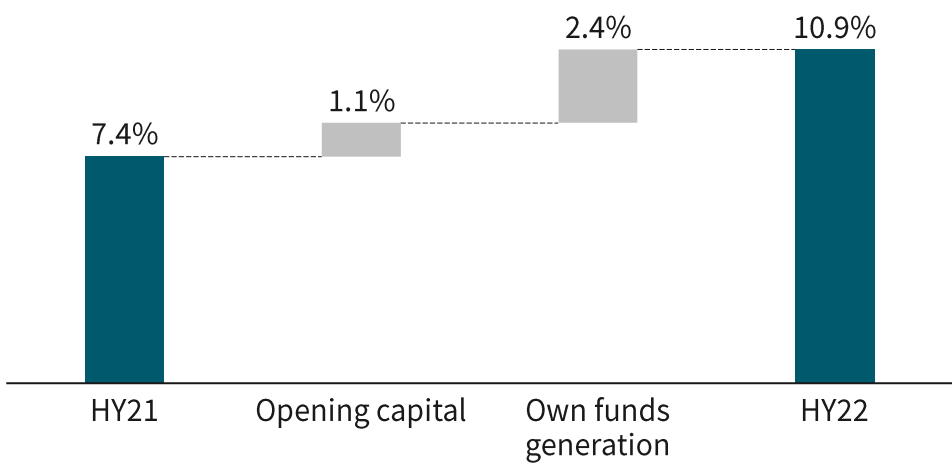
SII debt leverage ratio



Centre liquidity and leverage remain strong following capital return and deleveraging

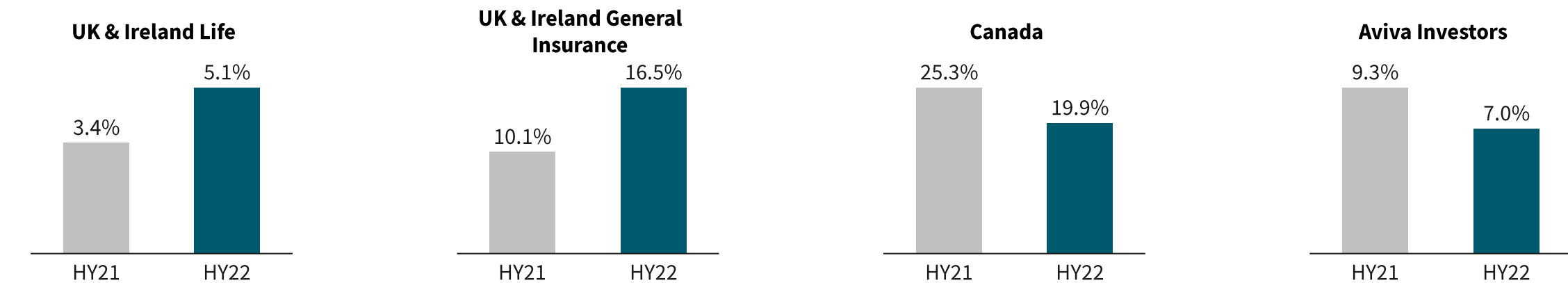
Solvency II return on capital/equity

SII RoE



	HY22 £m	HY21 ¹ £m	Change %
Life new business	195	208	(6)%
Existing business	216	146	48%
Non-life capital generation	370	338	9%
Debt & centre costs (incl. pref/DCI costs)	(273)	(254)	7%
Management actions & other ²	31	(20)	255%
Solvency II operating own funds generated (post TMTP adjustment)	539	418	29%
Opening own funds (UT1) post excess capital adjustment	9,884	11,320	
SII RoE (%)	10.9%	7.4%	

Market SII RoC



Solvency II return on capital/equity (HY22)

Solvency II operating own funds generation

	Impact of new business (life) £m	Earnings from existing business (life) £m	Non-life capital generation £m	Management actions & other ¹ £m	Total £m	Solvency II OFG (post TMTP adjustment) ⁴ £m	Opening own funds £m	Solvency II Return on capital/equity %
UK & Ireland Life	159	148	-	21	328	356	13,830	5.1%
UK & Ireland General Insurance ²	-	-	195	(2)	193	193	2,339	16.5%
Canada	-	-	161	13	174	174	1,746	19.9%
Aviva Investors	-	-	14	-	14	14	400	7.0%
UK, Ireland, Canada and Aviva Investors	159	148	370	32	709	737	18,315	8.0%
International investments	36	40	-	(1)	75	75	982	15.3%
Corporate centre costs and other operations	-	-	(135)	-	(135)	(143)		
Group external debt costs and other interest	-	-	(111)	-	(111)	(111)		
Solvency II operating own funds generation at 30 June	195	188	124	31	538	558		
Less preference shares ³						(19)		
Solvency II return on equity at 30 June						539	9,884	10.9%

Solvency II return on capital/equity (HY21)

Solvency II operating own funds generation								
	Impact of new business (life) £m	Earnings from existing business (life) £m	Non-life capital generation £m	Management actions & other ¹ £m	Total £m	Solvency II OFG (post TMTP adjustment) ⁴ £m	Opening own funds £m	Solvency II Return on capital/equity %
UK & Ireland Life	160	61	-	(4)	217	260	15,073	3.4%
UK & Ireland General Insurance ²	-	-	129	(8)	121	121	2,401	10.1%
Canada	-	-	191	3	194	194	1,534	25.3%
Aviva Investors	-	-	18	-	18	18	385	9.3%
UK, Ireland, Canada and Aviva Investors	160	61	338	(9)	550	593	19,393	6.1%
International investments	48	42	-	(6)	84	84	909	18.5%
Corporate centre costs and other operations	-	(1)	(114)	(5)	(120)	(120)		
Group external debt costs and other interest	-	-	(145)	-	(145)	(120)		
Solvency II operating own funds generation from continued operations at 30 June	208	102	79	(20)	369	437		
Less preference shares ³						(19)		
Solvency II return on equity on a continuing basis⁵ at 30 June						418	11,320	7.4%

Solvency II sensitivities (Group shareholder view)

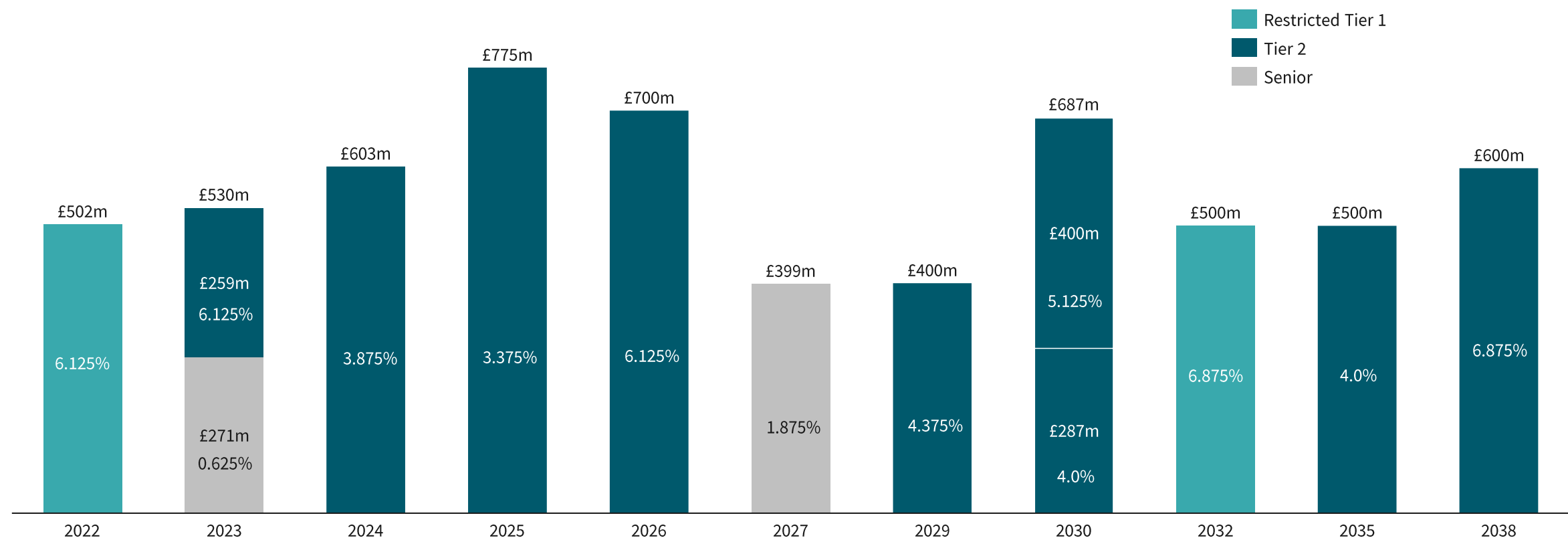
	Sensitivity	30 Jun 2022 Impact on surplus £bn	30 Jun 2022 Impact on cover ratio pp
Changes in economic assumptions	25 bps increase in interest rate	0.1	4pp
	50 bps increase in interest rate	0.1	8pp
	100 bps increase in interest rate	0.2	15pp
	25 bps decrease in interest rate	(0.1)	(4)pp
	50 bps decrease in interest rate	(0.2)	(8)pp
	50 bps increase in corporate bond spread ¹	0.1	5pp
	100 bps increase in corporate bond spread ¹	0.2	10pp
	50 bps decrease in corporate bond spread ¹	(0.3)	(9)pp
	Credit downgrade on annuity portfolio ²	(0.5)	(11)pp
	10% increase in market value of equity	0.1	0pp
	25% increase in market value of equity	0.2	1pp
	10% decrease in market value of equity	(0.1)	(1)pp
	25% decrease in market value of equity	(0.3)	(2)pp
	20% increase in value of commercial property	0.3	5pp
	20% decrease in value of commercial property	(0.5)	(10)pp
	20% increase in value of residential property	0.3	7pp
	20% decrease in value of residential property	(0.6)	(11)pp
Changes in non-economic assumptions	10% increase in maintenance and investment expenses	(0.8)	(13)pp
	10% increase in lapse rates	(0.2)	(4)pp
	5% increase in mortality/morbidity rates – life assurance	(0.2)	(3)pp
	5% decrease in mortality rates – annuity business	(0.9)	(16)pp
	5% increase in gross loss ratios	(0.3)	(4)pp

Solvency II regulatory own funds tiering and debt leverage

Regulatory view	£m HY22	£m FY21	% of own funds HY22	% of own funds FY21	% of SCR HY22	% of SCR FY21
Unrestricted Tier 1	15,297	19,120	71%	75%	149%	153%
Restricted Tier 1	1,451	967	7%	4%	14%	8%
Tier 2 ¹	4,539	5,363	21%	21%	44%	43%
Tier 3 ¹	253	123	1%	-	2%	1%
Est. regulatory own funds	21,540	25,573	100%	100%	209%	205%

Regulatory view	£m HY22	£m FY21
Solvency II regulatory debt ²	5,990	6,330
Senior notes	669	651
Commercial paper	52	50
Total debt	6,711	7,031
Est. regulatory own funds, senior notes and commercial paper	22,261	26,274
Solvency II debt leverage ratio	30%	27%

Subordinated and senior debt profile



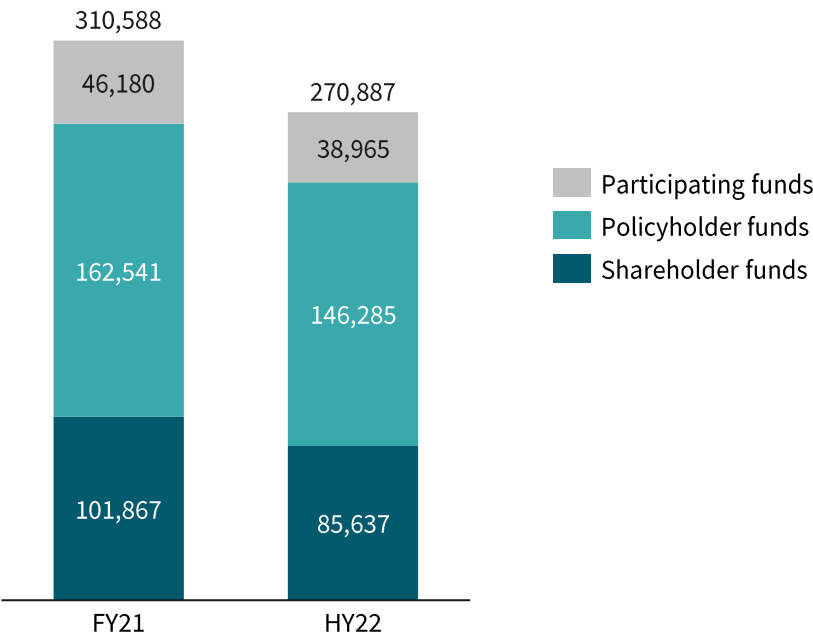
All debt instruments have been presented at optional first call dates at nominal values converted to GBP using 30 June 2022 rates.

Assets

Total managed assets

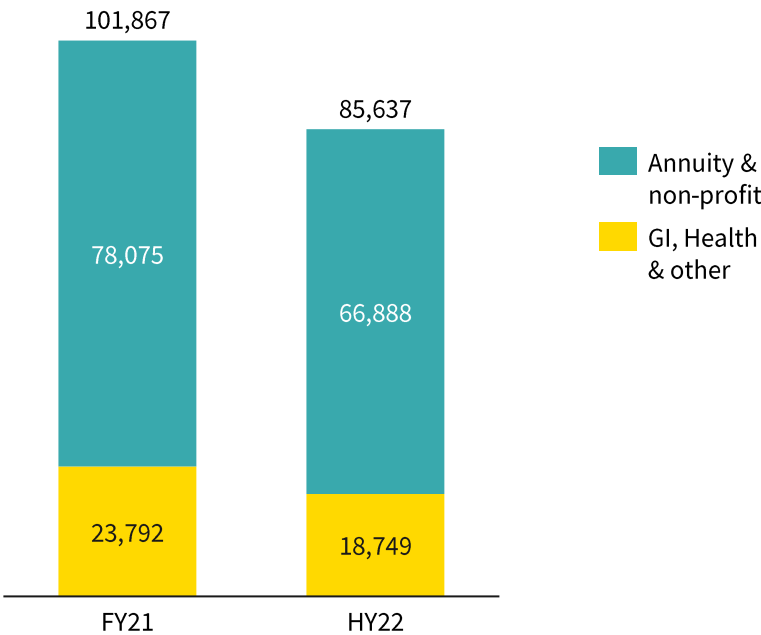
Assets by type of liabilities covered

£m



Shareholder assets by type

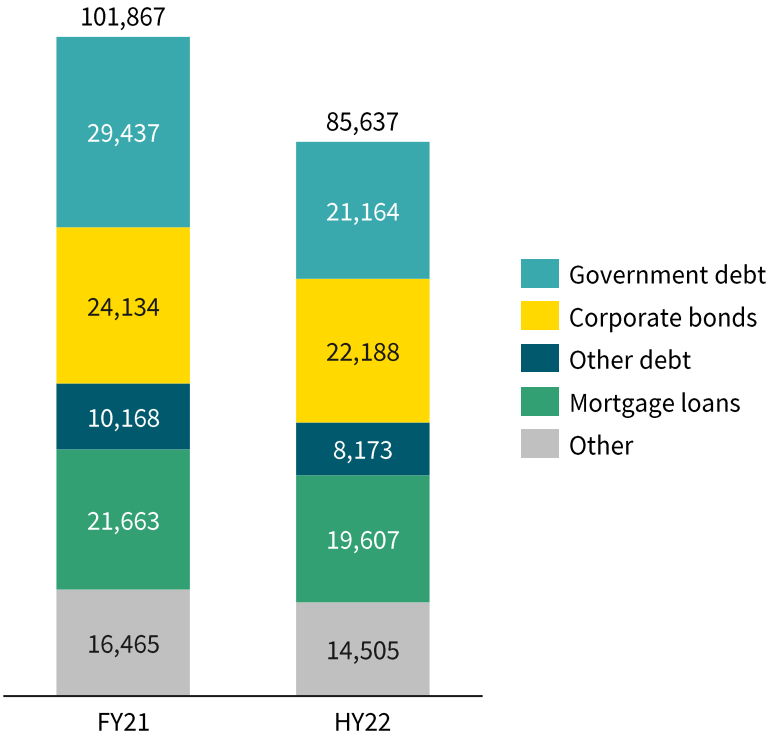
£m



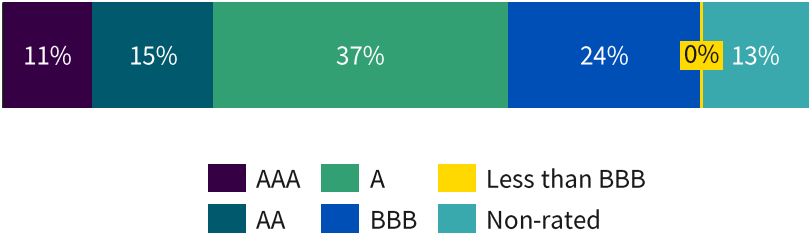
Shareholder assets

Shareholder assets by type

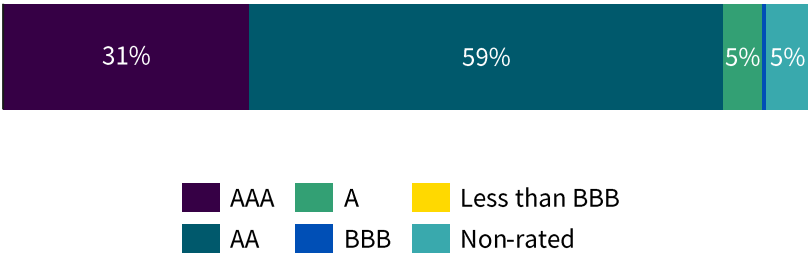
£m



Corporate debt by rating

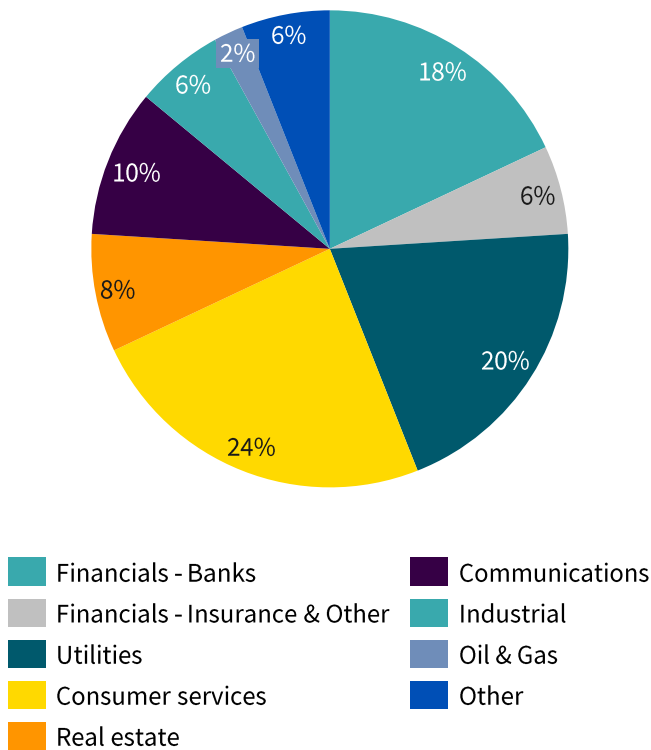


Government debt by rating

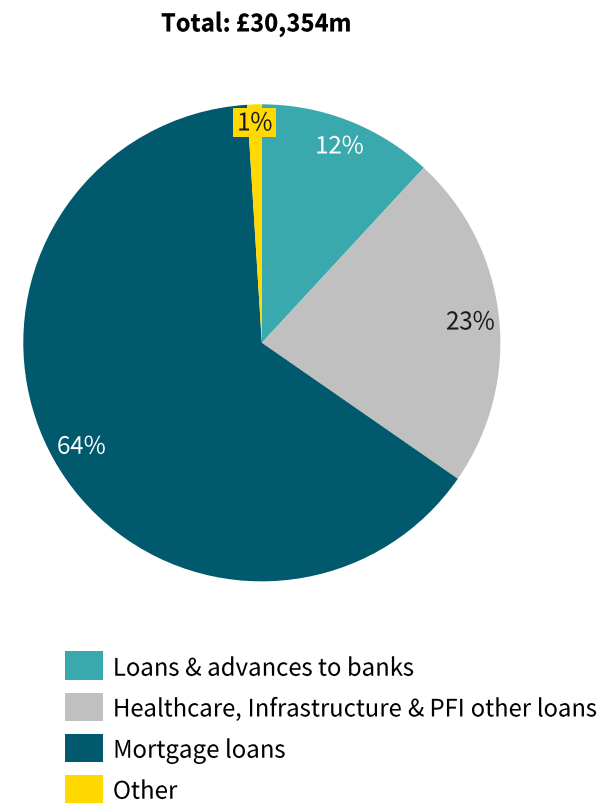


Shareholder assets – corporate bonds and loans

Corporate bonds by industry

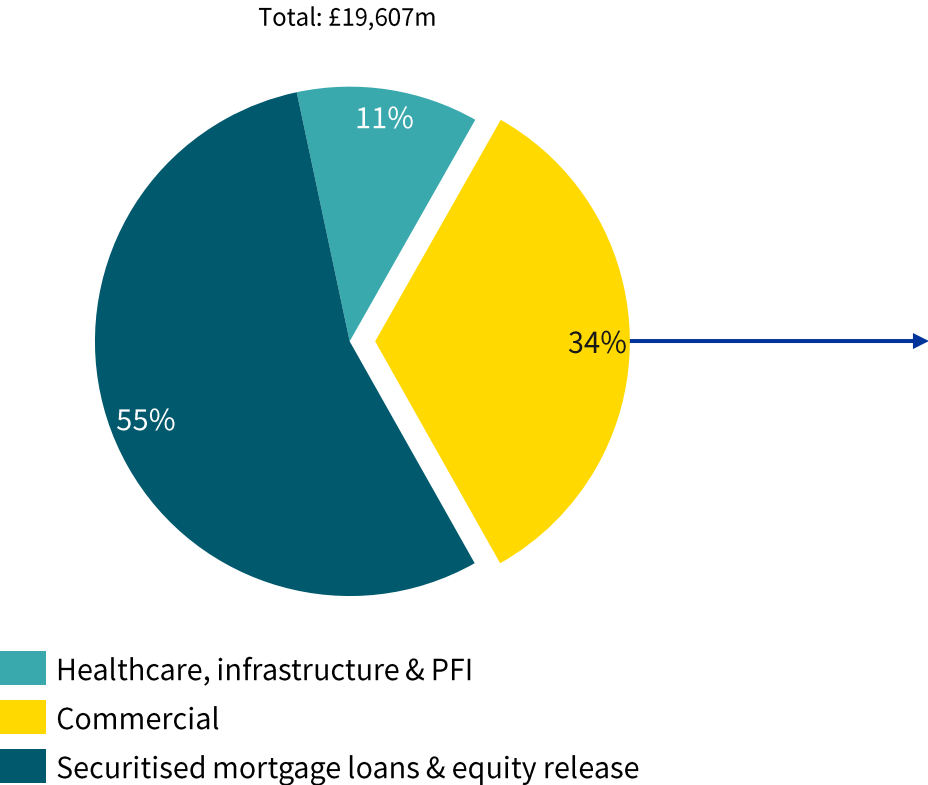


Loans by type

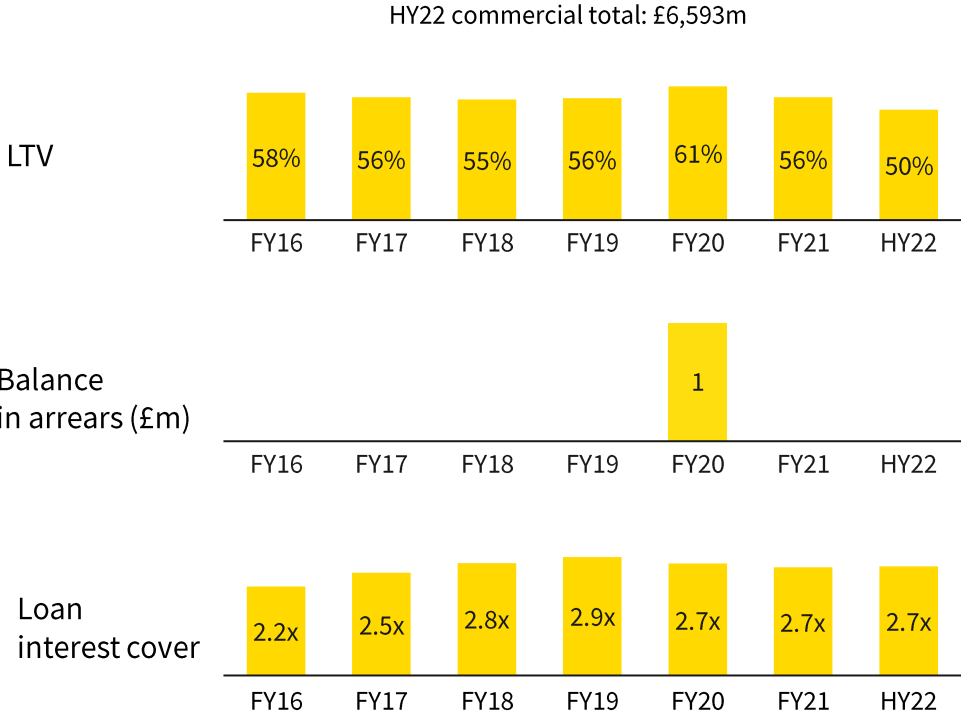


Shareholder assets – mortgage loans

Mortgage loans



Commercial real estate portfolio



Footnotes

Footnotes

Slide	Reference	Footnote
4	1	Where applicable financial highlights related to year-on-year comparisons
	2	Gross written premiums at constant currency
	3	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS17 and other costs not included in the 2018 cost savings target baseline
5	1	Pro forma for further £1bn debt reduction, one-off pension scheme payment and the acquisition of Succession Wealth.
	2	The estimated solvency II position represents the shareholder view only
6	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS17 and other costs not included in the 2018 cost savings target baseline
7	1	Last twelve months. FY21 has been restated as 5.3m users following a change to our analysis of registered users
	2	Outflows as a percentage of opening AUM
8	1	Constant currency
9	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS17 and other costs not included in the 2018 cost savings target baseline
10	1	An Article 8 Fund under Sustainable Finance Disclosure Regulation is defined as a fund which ‘promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices’
	2	As at 9 August 2022
12	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS17 and other costs not included in the 2018 cost savings target baseline
	2	Pro forma adjusted for further £1bn debt reduction, one-off pension scheme payment and acquisition of Succession Wealth
	3	Constant currency
13	1	Pro forma adjusted for further £1bn debt reduction, pension scheme payment and acquisition of Succession Wealth
	2	After payment of 2022 interim dividend
14	1	HY21 Restated. In the numerator, Transitional Measure on Technical Provisions (TMTP) run-off has been replaced with the economic cost of holding equivalent capital to the opening value of TMTP on a shareholder basis and, for Group Solvency II return on equity only, the denominator has been adjusted to exclude excess capital above our target Solvency II shareholder cover ratio
15	1	Equity release and securitised mortgage loans
	2	Other includes other loans, equity securities, investment property, other investments and healthcare, infrastructure and PFI mortgage loans. See note C3 of the Half Year Report for more information
16	1	As at 9 August 2022
17	1	References to ‘Sales’ refer to PVNBP
18	1	As at 9 August 2022

Footnotes

Slide	Reference	Footnote
20	1	Represents Aviva Investors revenue. Further guidance in respect of the APMs used by the Group can be found in the 'Other information' section of the 2022 half year results announcement
	2	An Article 8 Fund under Sustainable Finance Disclosure Regulation is defined as a fund which 'promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices'
21	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS17 and other costs not included in the 2018 cost savings target baseline
	2	The Board has not approved or made any decision to pay any dividend in respect of any future period
26	1	References to 'Sales' refer to PVNBP
28	1	Pro forma Own Funds after deleveraging, pension payment and Succession Wealth acquisition
	2	Solvency II Own Funds less 180% SCR and future dividend payment
	3	Group Solvency II operating capital generation excluding Group external debt costs, corporate centre costs and other
	4	Other includes the impact of capital actions, non-economic assumption changes and other non-recurring items
	5	Dividends includes £9 million of Aviva plc preference dividends, £10 million of General Accident preference dividends and £541 million for the final dividends in respect of the 2021 financial year
30	1	HY21 Restated. In the numerator, Transitional Measure on Technical Provisions (TMTP) run-off has been replaced with the economic cost of holding equivalent capital to the opening value of TMTP on a shareholder basis and, for Group Solvency II return on equity only, the denominator has been adjusted to exclude excess capital above our target Solvency II shareholder cover ratio
	2	Management actions & other includes the impact of capital actions, non-economic assumption changes and other non-recurring items
31/32	1	Management actions & other includes the impact of capital actions, non-economic assumption changes and other non-recurring items
	2	For UK General Insurance only, capital held for internal risk appetite purposes is used instead of opening shareholder Solvency II own funds to ensure consistency in measuring performance across markets. This is only applicable to UK General Insurance Solvency II return on capital and not to the aggregated Group Solvency II return on equity measure
	3	Preference shares includes £10 million of dividends and £250m of capital in respect of General Accident plc
	4	Adjustment to remove return on excess capital above target Solvency II shareholder cover ratio included in Corporate centre costs and other operations
	5	In Group Solvency II return on equity on a continuing basis, Restricted Tier 1, Tier 2 and Tier 3 capital repaid during 2021 and associated debt costs are assumed to be attributable to discontinued operations
33	1	The corporate bond spread sensitivity is applied such that even through movements vary by rating and duration consistent with the approach in the solvency capital requirement, the weighted average spread movement equals the headline sensitivity
	2	An immediate full letter downgrade on 20% of the annuity portfolio credit assets (e.g. from AAA to AA, from AA to A)
34	1	Tier 2 regulatory own funds at 30 June consist of £253m net deferred tax assets (FY21: £123m). There is no subordinated debt included in Tier 3 regulatory own funds
	2	Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds and Tier 3 subordinated debt