Aviva plc
2020 Results

Disclaimer

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For a more detailed description of these risks, uncertainties and other factors, please see the 'Risk and risk management' section of the strategic report.
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Agenda

Strategic progress update

Amanda Blanc

Full year 2020 financial results

Jason Windsor

Accelerating UK growth – strategic update

Amanda Blanc

Q&A

Strategic progress update

Delivering at pace against our strategic priorities

Focus the portfolio

- **Completed disposals since 6th August 2020 of £1.7bn:**
  Singapore, Indonesia and Hong Kong
- **Announced disposals with expected completion in 2021 of £4.3bn:**
  France, Italy, Vietnam and Turkey
- **Actively managing for value:**
  Poland and JVs

Transform performance

- **Delivering robust performance and growth in targeted areas**
- **Reinvigorated leadership team and culture**
- **Increased ambition to be UK Financial Services leader on sustainability**
- **Today announcing new financial targets**

Financial strength

- **Accelerating debt reduction £1.7bn in H1 2021**
- **Sustainable and resilient dividend policy, aligned to Core markets**
- **21p per share 2020 dividend**
- **Excess capital to be returned to shareholders**

Delivering robust financial and trading performance

Resilient performance from Core markets in 2020

Cash remittances[‡] to the Group	Cost savings	Operating profit[‡]
£1.4bn	£180m to date towards our 2022 £300m target	£2.5bn excl. centre costs

GI NWP	Life new business[‡]	S&R Net Flows[‡]
£7.7bn	£29.3bn	£8.5bn

GI COR[‡]	Life value of new business[‡]	AI External Net Flows[‡,1]
96.8%	£0.7bn	£1.7bn

Growth highlights

- ✓ **Commercial lines NWP of £3.2bn, up 8% YoY**
- ✓ **BPA record new business sales[2] of £6.0bn with robust margins**
- ✓ **S&R net flows[‡] of £8.5bn and AuM[‡] up 13% to £128bn**
- ✓ **Group Protection new business sales[2] of £0.7bn**

All footnotes on pages 64 - 66

Transforming performance and growing "New Aviva"

Strategic beliefs underpinning performance transformation

- Customers at the heart of everything we do
- Strong social purpose
- Clear focus on where Aviva can win
- Execution discipline
- Creating value for customers, shareholders and our people

Building on strong positions in our Core markets

16m customers

The only UK & Ireland insurer able to serve all customer needs, with market-leading positions

2m customers

Top 3 market position across GI[1]

Partnership with RBC – Canada's leading financial services provider

£366bn AuM[‡]

Asset manager for Aviva Group

Top 5 on responsible investment globally

Award winning real assets capability

UK strategic update today - Canada update later in year

All footnotes on pages 64 - 66

Reinvigorated leadership team and culture

New and experienced leadership team

Amanda Blanc
Group CEO

Jason Windsor
Group CFO

Nick Amin
Group COO

Doug Brown
UK&I Life

Lindsey Rix
UK S&R

Colm Holmes
UK&I GI

Jason Storah
Aviva Canada

Mark Versey
Aviva Investors

Adam Winslow
International

Stephen Doherty
Brand,
Corporate Affairs

Jan-Hendrik Erasmus
Risk

Danielle Harmer
People

Martin O'Malley
Audit

Chetan Singh
Strategy
and M&A

Kirstine Cooper
General Counsel &
Company Secretary

Stronger performance culture

7 new appointees to the ExCo

Clarity on expectations of our leaders

Overhaul of individual performance management

Collaborative approach and culture across the business

Increased ambition on sustainability

Leading by example, creating easy ways for our customers to do good and influencing others to act…

- **Investments & underwriting**
- **Purposeful propositions**
- **People & operations**
- **Extending impact & voice**

Fighting climate change

Net zero company[1]	Reduction in carbon intensity of assets[1]	Net zero operations & supply chain
2040 First major insurer worldwide	**25% by 2025** **60% by 2030**	**2030**

Building a stronger Britain

UK population saving and retiring with Aviva[2]	Investment in UK infrastructure and real estate	Profits invested in the community[3]
>13% … 2020 and growing	**£10bn** Over next 3 years	**2%** Avg. per annum

Sustainable business

All footnotes on pages 64 - 66

Creating value for our shareholders

New financial targets

Cash remittances[‡] from Core		Operating efficiency		Debt leverage ratio[‡,2]
>£5bn cumulative 2021-'23	**£1.8bn** 2023	**£300m** net savings from Core by end of 2022	**Top quartile** efficiency across all businesses[1]	**<30%**

Excess capital deployment

Announcing today £1.7bn debt reduction in H1 2021

£800m tender offer and £900m maturities/calls[3]

Investing in the business and returning excess capital to shareholders

Following completion of announced transactions

All footnotes on pages 64 - 66

Full year 2020 financial results

Delivering on our priorities

Delivering against our strategy

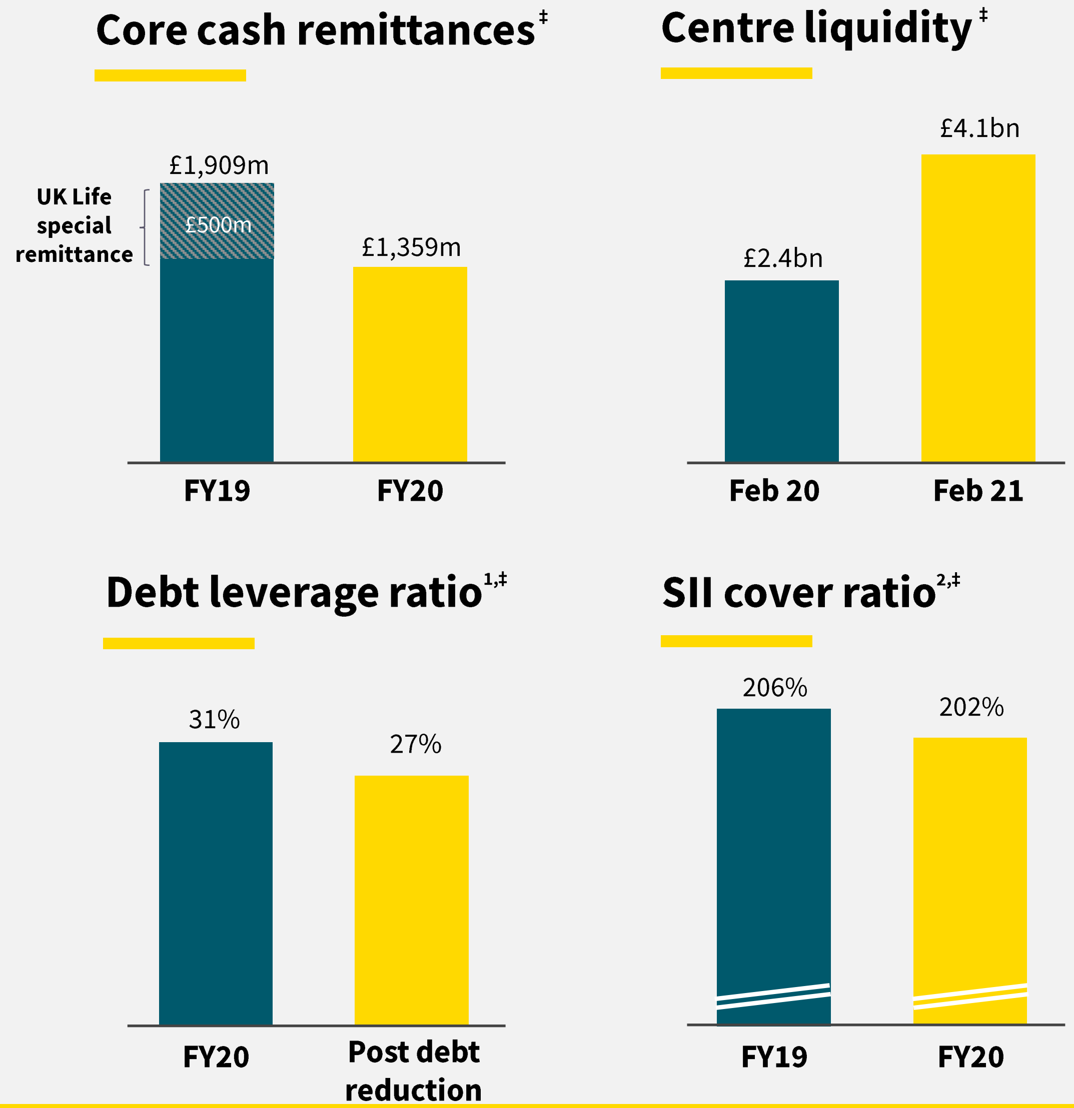
- Decisive progress on focusing the portfolio
- Strong Solvency II position and centre liquidity‡
- £1.7bn debt reduction to accelerate deleveraging
- Clear path to return capital to shareholders

Resilient financial and operating performance

- Momentum across the Core business segments
- Absorbed the impact of COVID-19
- Good progress on cost savings with more to come

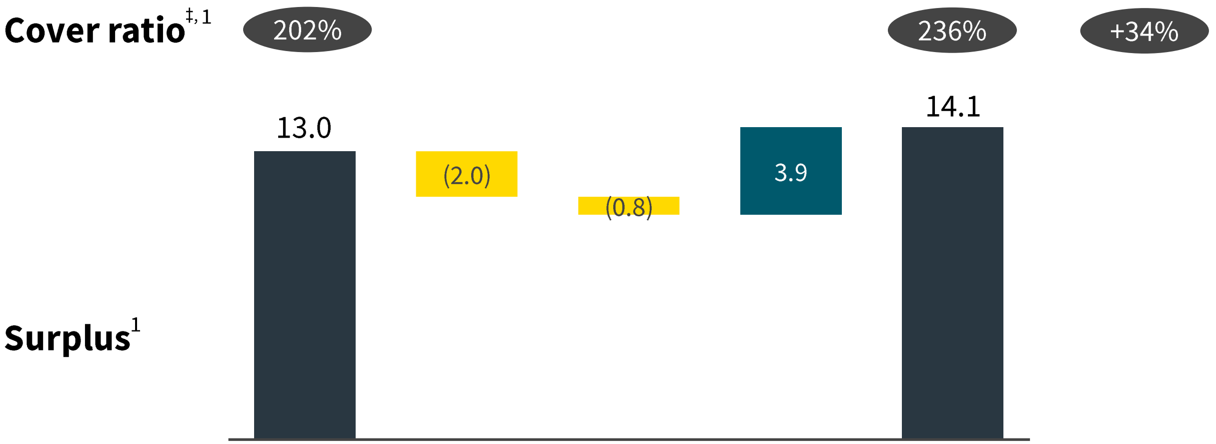
New cash remittance‡ target: > £5bn (2021 – 2023)

- Strong growth in remittances‡ from Core businesses
- Sustainable dividend growth



All footnotes on pages 64 - 66

Sales of Aviva France and Italy – major progress in our strategic transformation



Estimated (£m)	**FY20**	Less France	Less Italy (inc. Vita)	Proceeds[2]	**Post France and Italy**	**Impact**
Own funds[1]	**25.8**	(3.6)	(1.6)	3.9	**24.5**	**(1.3)**
SCR[1]	**(12.8)**	1.6	0.8	-	**(10.4)**	**2.4**
Surplus[1]	**13.0**				**14.1**	**1.1**
Excess > 180% SII cover ratio‡	**2.8**	-		-	**5.8**	**3.0**

- SCR figures are post Group diversification

All footnotes on pages 64 - 66

- Sales of France for £2.8bn and Italy for £1.1bn (including previously announced sale of Aviva Vita)
- On completion, together these would significantly strengthen our capital and liquidity:
    - Cover ratio‡ up c. 34 percentage points
    - Excess capital up c. £3.0bn
    - Centre cash‡ up c. £3.9bn
- Reduces exposure to interest rate risk
- Expect completion by end of 2021
- Remaining Group diversification (inter-market[3]) of c.£2.5bn, with over £2bn in Core markets

Material reduction in leverage in H1 2021 as first step in executing against our capital framework

Our capital framework

SII cover ratio[1,‡]
160%–180%
working range

Debt leverage ratio[2,‡]
< 30%

Invest for growth

Maintain AA credit rating metrics

Excess capital > 180% to be returned to shareholders

Accelerating leverage reduction

£1.7bn debt reduction

£800m
Tender offer

£900m
H1 maturities/calls[3]

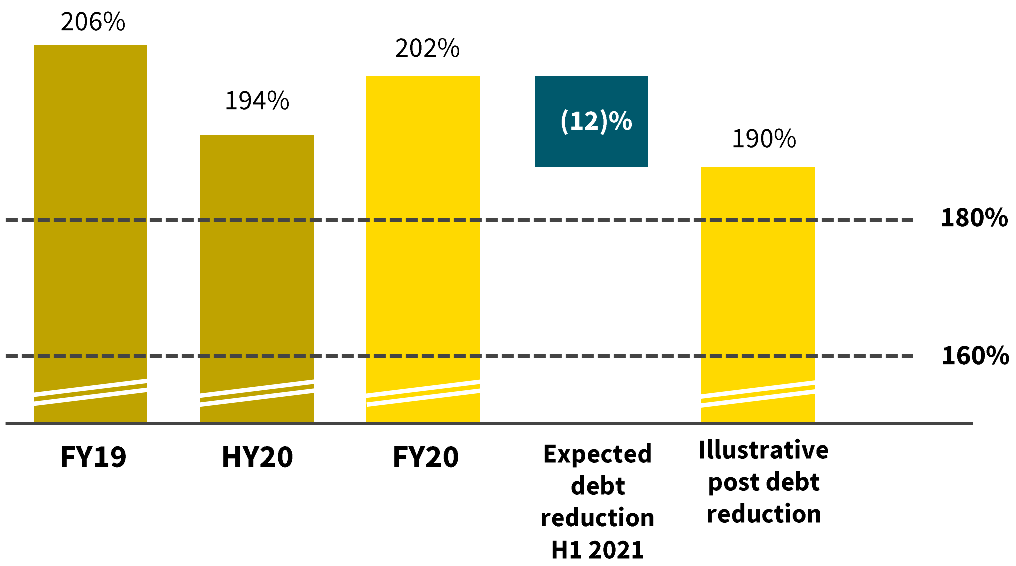
Estimated debt leverage ratio[‡,2] reduction of c4pp – 27% post debt reduction

Savings on annual debt interest cost of c. £100m

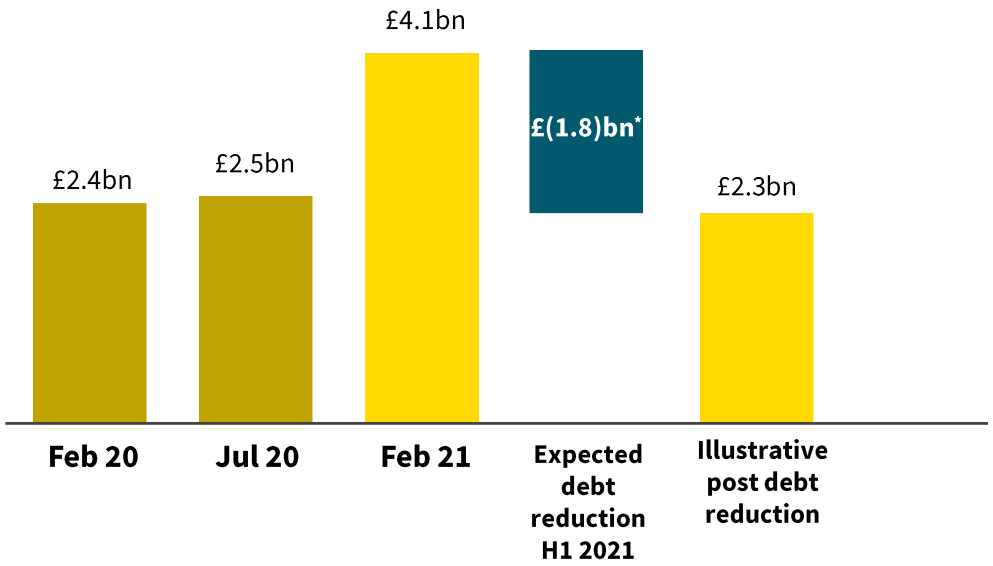
All footnotes on pages 64 - 66

Debt actions utilising majority of current excess cash and capital

SII cover ratio[1,‡]



Centre liquidity[‡]



Supporting deleveraging and unlocking future returns to shareholders

*Includes illustrative cost of premium for redeeming debt above par. All footnotes on pages 64 -66

Cash remittance target with strong growth in excess cash flow

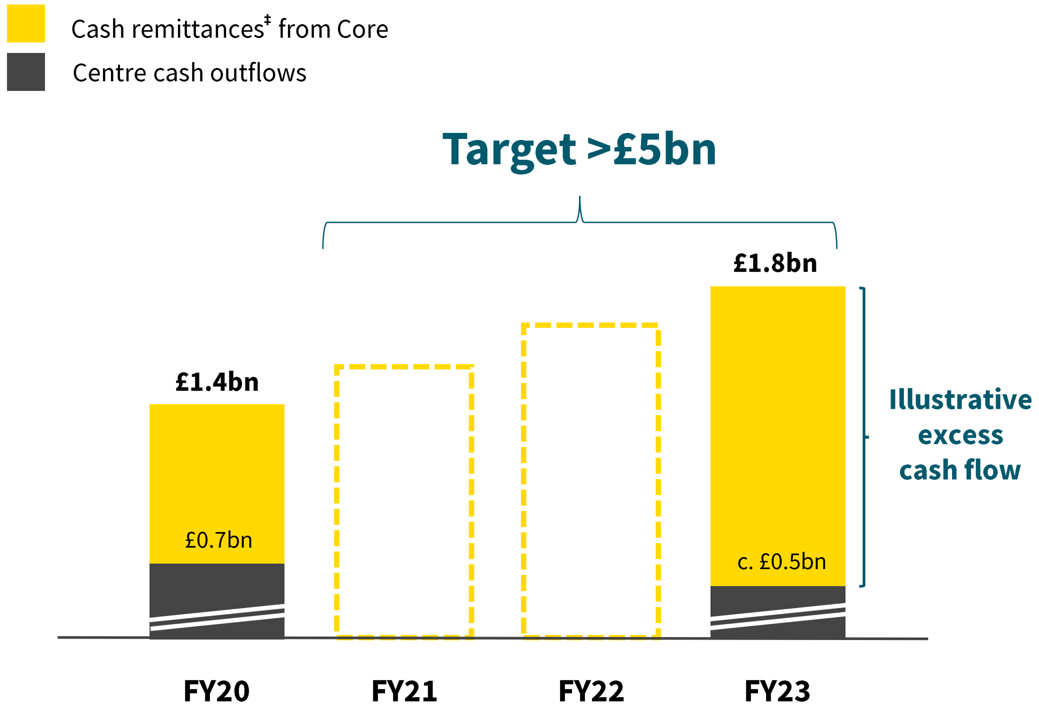
New 3-year remittance target

Cash remittances‡ from Core

>£5bn

Cumulative target
2021-23

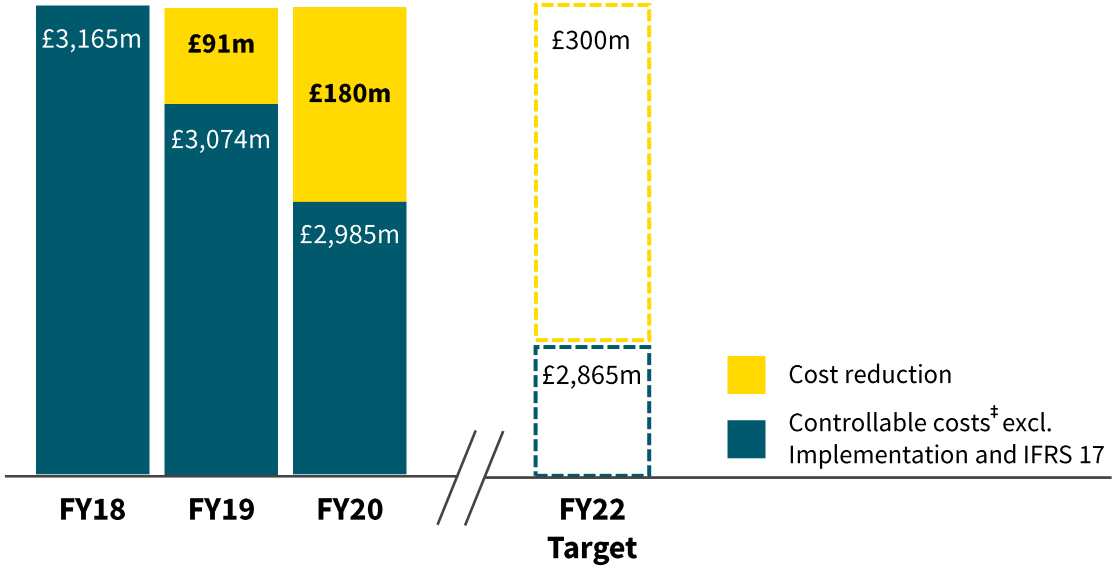
Building excess cash flow to support business and dividend growth



Ambitious cash target, built on better performance

£300m net cost target from Core markets on track

Delivered £180m of cost savings to date



Core markets, Corporate centre and Other Group operations	FY18 £m	FY19[1] £m	FY20 £m
Controllable costs‡	**3,178**	**3,138**	**3,090**
Less: Implementation and IFRS 17 costs	(13)	(64)	(105)
Controllable costs‡ excl. Implementation and IFRS 17	**3,165**	**3,074**	**2,985**

£300m target now to be delivered from Core markets only

- 9.5% of FY18 controllable costs‡ from Core markets (previously c.7.5% of Group) plus absorbing 4 years of inflation

Continued progress as we focus on efficiency

- 4% reduction in Core markets workforce since FY19 mostly through attrition and >30% reduction in number of external contractors
- Product simplification
- Data-centre migration to cloud
- Rationalisation of property footprint

Targeting top quartile efficiency

All footnotes on pages 64 - 66

2020 financial results highlights

Group

	FY20 £m	FY19 £m	Change %
Operating profit[1,‡]	**3,161**	3,184	(1)%
IFRS profit after tax	**2,910**	2,663	9%
Cash remittances[‡] excl. specials	**1,500**	1,925	(22)%
- Special remittances	**-**	672	n/a
OCG[‡]	**1,932**	2,259	(14)%
OCG excl. Other[2]	**1,414**	1,433	(1)%
SII RoE[3,‡] (%)	**9.8%**	14.3%	(4.5)pp
SII RoE excl. Other[2] (%)	**9.8%**	8.1%	1.7pp

Core markets

UK, Canada, Ireland & Aviva Investors	FY20 £m	FY19 £m	Change %
Operating profit[‡]	**2,492**	2,558	(3)%
Cash remittances[‡] excl. specials	**1,359**	1,409	(4)%
- Special remittance UK Life	-	500	n/a
OCG[‡]	**1,948**	1,850	5%
OCG excl. Other[2]	**1,380**	1,378	-

Resilient operating profit[‡] despite challenging year

RoE[‡] and OCG[‡] reduction, primarily driven by correction to French Life model

Robust trading across Core markets

Cash remittances[‡] lower as subsidiaries maintained strong balance sheets

All footnotes on pages 64 - 66

UK & Ireland Life

	FY20 £m	FY19 £m	Change %
Operating profit[1, 2, ‡]	**1,907**	**1,974**	**(3)%**
- Savings & Retirement	119	88	35%
- Annuities & Equity Release	815	866	(6)%
- Protection & Health	189	201	(6)%
- Heritage	321	389	(17)%
- Ireland Life	(6)	59	(110)%
- Management actions & other[3]	469	371	26%
OCG[‡]	1,259	1,248	1%
SII RoC[‡] (%)	7.4%	9.1%	(1.7)pp
Controllable costs[4,‡] excl. implementation and IFRS 17	1,137	1,194	(5)%

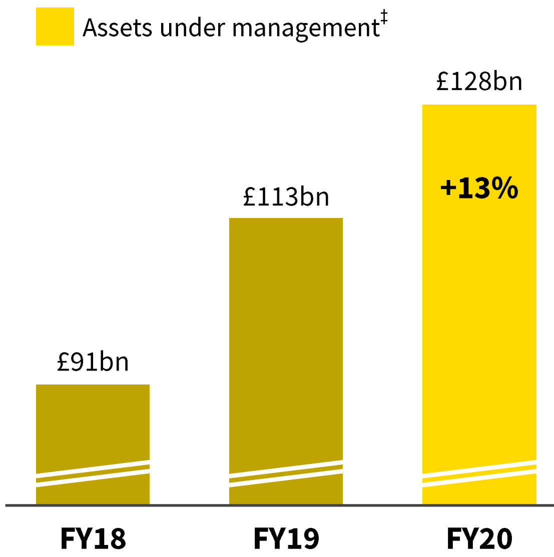
- Growth in **Savings & Retirement and BPA**, offset by lower new business profits in **individual protection and equity release**
- **Heritage** continues to run off broadly in line with our expectations
- Higher project costs and lower assumption changes driving reduction in **Ireland Life**
- OCG[‡] in line with prior year with stable NB strain despite higher BPA volumes
- **Controllable costs**[‡] benefited from lower project spend and cost management actions

Resilient operating profit and operating capital generation

All footnotes on pages 64 - 66

Strong growth in S&R and bulk purchase annuities

Savings & Retirement

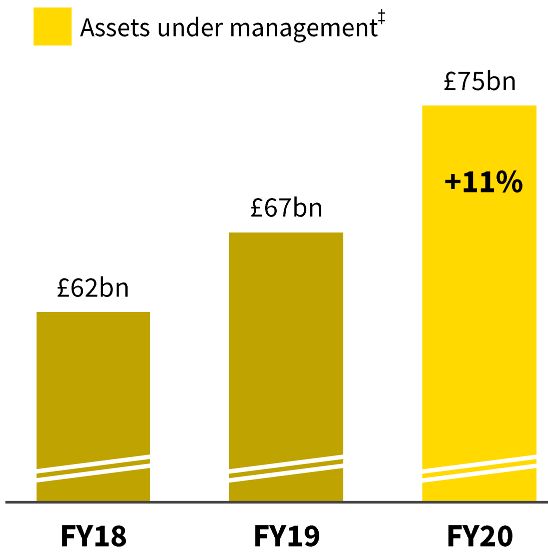


2020

£119m
+35%
Operating profit[‡]

£8.5bn
+14%
Net flows[‡]

Annuities & Equity Release



2020

£815m
-6%
Operating profit[‡]

New business
+25% **VNB[‡]**
+21% **PVNBP[‡]**

Revenue growth of 17% to £571m

Largest **workplace**[1] provider with 3.8m customers, up 246k in 2020

Adviser platform ranked number 2 by net flows[‡] and AUM[‡] up 18% to £32bn

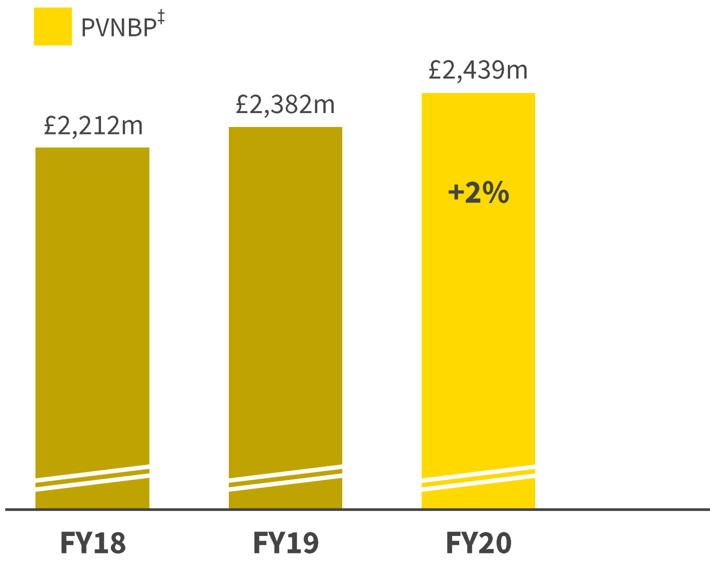
BPA sales[2] up 48% to £6.0bn, VNB[‡] up 33% to £278m

Equity release sales[2] and NB profits down as lockdowns limited physical valuations

All footnotes on pages 64 - 66

Resilience in Protection & Health and continued benefit from management actions and assumption changes

Protection & Health



2020

£189m
-6%
Operating profit‡

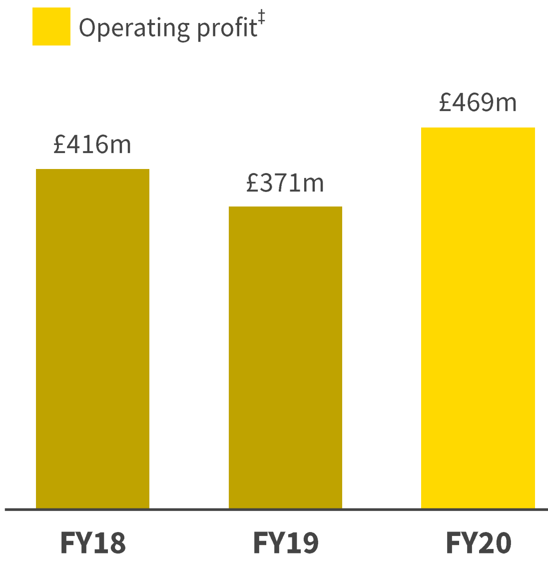
+38%
Group Protection PVNBP‡

Record **Group Protection** sales[1] up 38% to £0.7bn

Individual Protection sales[1] down 11% to £1.2bn due to lockdowns

Health sales flat at £513m as strong performance in corporate offset consumer and SME

Management actions and other[2]



2020

£123m
Expenses release

£390m
Longevity benefit

Lower benefit from longevity of £390m (2019[3]: £751m). Driven by long term trends not COVID-19

Improved efficiency resulted in expense reserve release of £123m (2019: £(60)m)

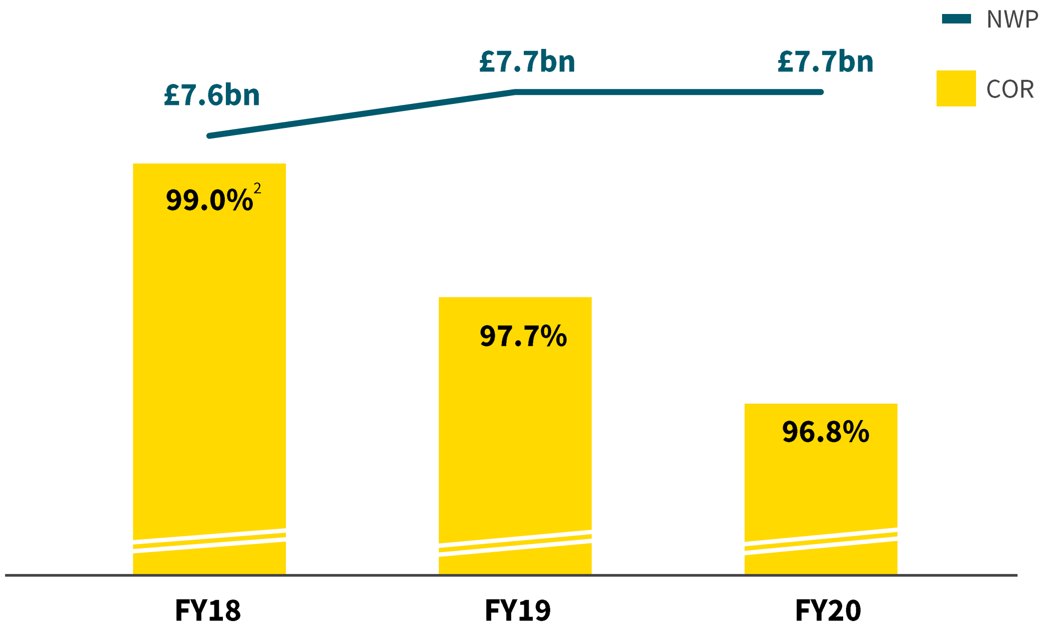
All footnotes on pages 64 - 66

General Insurance – UK, Ireland and Canada

Improvement in underlying operating performance

	FY20 £m	FY19 £m	Change %
Operating profit[1,‡]	**500**	**488**	**2%**
Underwriting result	244	183	33%
LTIR and other	256	305	(16)%
NWP	**7,726**	**7,699**	**-**
COR[‡] (%)	**96.8%**	**97.7%**	**(0.9)pp**
PYD and weather	0.1%	3.3%	(3.2)pp
COVID-19 (net claims and commission)	(1.1)%	-	(1.1)pp
	95.8%	101.0%	(5.2)pp
Controllable costs[‡] excl. implementation and IFRS 17	1,170	1,193	(2)%

Strong progress in COR[‡]



Strong improvements in underwriting result offsetting lower LTIR

All footnotes on pages 64 - 66

UK GI – Double-digit growth in commercial lines

UK GI personal lines

	FY20	FY19	Change
NWP (£m)	2,232	2,399	(7)%
Underwriting (£m)	172	17	912%
COR‡	**92.4%**	**99.3%**	**(6.9)pp**
PYD, weather and COVID-19*	9.2%	4.6%	4.6pp
	101.6%	103.9%	(2.3)pp

RNPS +17pp vs. competitor benchmark

10% market share

UK GI commercial lines

	FY20	FY19	Change
NWP (£m)	2,008	1,819	10%
Underwriting (£m)	(109)	69	(258)%
COR‡	**105.7%**	**96.0%**	**9.7pp**
PYD, weather and COVID-19*	(11.4)%	5.4%	(16.8)pp
	94.3%	101.4%	(7.1)pp

95% (+3%) broker trust score

11% market share

NWP reduction driven by COVID-19 disruption of distribution partners and exit of unprofitable business

Aviva brand motor offering successfully launched onto comparison websites in Q4, and our Home offering has followed

NWP growth of 10% driven by rate increases and good retention

Strong COR‡ driven by growth and improved rates, adversely impacted by COVID-19

* COVID-19 net claims and commission

Canada GI – Strong improvement in underlying performance

Canada GI personal lines

	FY20	FY19	Change
NWP (£m)	2,075	2,100	(1)%
Underwriting (£m)	262	46	470%
COR‡	**87.2%**	**97.8%**	**(10.6)pp**
PYD, weather and COVID-19*	4.0%	2.2%	1.8pp
	91.2%	100.0%	(8.8)pp

2.4m customers

9% market share (as of FY19)

Canada GI commercial lines

	FY20	FY19	Change
NWP (£m)	1,021	961	6%
Underwriting (£m)	(100)	19	(626)%
COR‡	**110.2%**	**97.8%**	**12.4pp**
PYD, weather and COVID-19*	(17.6)%	(0.7)%	(16.9)pp
	92.6%	97.1%	(4.5)pp

378k policies

8% market share (as of FY19)

NWP reflects customer relief measures as well as COVID-19 impact

Underwriting benefited from profitability actions initiated in 2018, favourable weather losses and lower claims frequency

Investing in product range (e.g. telematics) and a direct to consumer digital offering

NWP 6% higher driven by rate increases partially offset by focus on more profitable business

Underwriting result impacted by reserves set up in relation to COVID-19

Continued benefit from ongoing rate hardening through 2021

* COVID-19 net claims and commission

Aviva Investors - Improved net flows and positive outlook

	FY20 £m	FY19 £m	Change
Operating profit[1,‡]	**85**	**96**	**(11)%**
Total net flows[‡]	**8.5**	**(2.8)**	**11.3**
Net flows[‡] excluding liquidity funds (£bn)	0.2	(4.1)	4.3
- Internal legacy (£bn)	(6.6)	(7.8)	1.2
- Internal core (£bn)	5.1	1.4	3.7
- External (£bn)	1.7	2.3	(0.6)
Net flows[‡] into liquidity funds (£bn)	8.3	1.3	7.0
AUM[‡] (£bn)	366	346	6%
Aviva Investors France operating profit	54	49	10%
Aviva Investors France AUM[‡] (£bn)	100	94	6%

A challenging year for performance

- Operating profit[1,‡] impacted by reduction in revenue partly offset by improvement in costs

Attracting assets

- Net flows[‡] of £8.5bn

Future focus

- Supporting growth and success of Savings & Retirement and Annuities
- Third party success; Real Assets, including Infrastructure, Multi-asset, Liability Managed and Credit
- Simplification project launched and ongoing focus on cost management to deliver efficiency improvements

Leveraging decades of ESG leadership to drive future growth

All footnotes on pages 64 - 66

Manage-for-value markets

Continental Europe and Asia	FY20 £m	FY19 £m	Change %
Operating profit[1, ‡]	**1,311**	**1,150**	**14%**
- France	467	473	(1)%
- Italy	298	195	53%
- Poland	196	194	1%
- Other	38	37	3%
- Discontinued operations	312	251	25%
SII RoC[‡] **(%)**	6.2%	11.4%	(5.2)pp
OCG[‡]	172	867	(80)%
Cash remittances[‡]	127	613	(79)%
PVNBP[‡]	12,834	15,240	(16)%
GI NWP	1,687	1,610	5%
COR[‡] **(%)**	93.5%	96.6%	(3.1)pp

- **France** profit stable with an improved mix of business offsetting adverse protection claims experience
- **OCG**[‡] reduced as a result of correction to a mis-applied rule in French Life model.
- Lower **cash remittances**[‡] were affected by regulatory restrictions on dividends related to COVID-19
- Shift of product mix and reduced costs in **Poland** offset trading disruption from COVID-19
- Operating profit[1,‡] increased in **Italy** driven by fee income from higher AUM[‡] and favourable claims experience in GI

Remittances impacted by regulatory restrictions

All footnotes on pages 64 - 66

Delivering on our priorities

Focusing the portfolio

- Sales of France and Italy – major progress in our strategic transformation
- Builds on divestments in other markets including Singapore, Vietnam, Turkey

Executing against our capital framework

- Taking actions to reduce leverage[1,‡] <30%
- Investing in the business to accelerate cash generative growth
- Excess capital over 180% to be returned to shareholders

Delivering cash and growth in Core business

- Focus on sustainable cash remittances[‡], including new three-year target, to drive dividends
- Continued progress on cost reduction and ambition to achieve top quartile efficiency
- Winning in key segments

All footnotes on pages 64 - 66

Accelerating UK growth – strategic update

Big vision and clear priorities for the UK

Our vision

To be the UK's leading insurer by establishing Aviva as the go-to customer brand …

… for all insurance, protection, savings and retirement needs…

… for all of our customers – individuals, corporates, and their intermediaries

Four strategic priorities

1  SIMPLIFY, DIGITISE AND AUTOMATE

2  DRIVE TARGETED GROWTH

3 

POWER UP THE AVIVA BRAND

4  BUILD ENGAGING, DIGITALLY LED CUSTOMER EXPERIENCE

Strategy centred on what our customers need

Our customers...

Individuals

SMEs & Corporates

Intermediaries

What they need...

FINANCIAL SECURITY

- **Saving for the future, for themselves and employees**
- **Secure income in retirement**
- **Protect health, wellbeing, dependents and employees**
- **Protect and insure against key and emerging risks**

What they want from their insurer...

- Simple and transparent products that **meet their needs at a fair price**
- **Trusted brand** they can rely on to deliver when it matters
- **Excellent service** and **positive claims experience**
- **Easy** to interact with **across all channels:** face to face and digital
- **Sustainable** and **ethical** company making decisions for the **long term**

Delivering on our customers' expectations

#1 brand in our sector	**66%** Consideration (58% nearest competitor)	**55%** Spontaneous awareness (40% nearest competitor)	**42%** Consumer trust (40% nearest competitor)
Award winning Propositions	THE BRITISH INSURANCE AWARDS	Insurance Times awards	WSB 2020 AWARDS
Market leading customer services	**+45 TNPS** S&R	**+36 TNPS** UKGI	**+53 TNPS** Health & Protection
Strong digital assets	Quote me happy.com	MyAviva	Aviva Connect
A force for good	SUSTAINABLE DEVELOPMENT GOALS	TCFD	MOMENTUM CHANGE
Robust financial strength	**AA-** S&P	**Aa3** Moody's	**A** A.M.Best

15m
UK customers [1]

4.8m
MyAviva registered customers

4.2m
Multiple product holders [2]

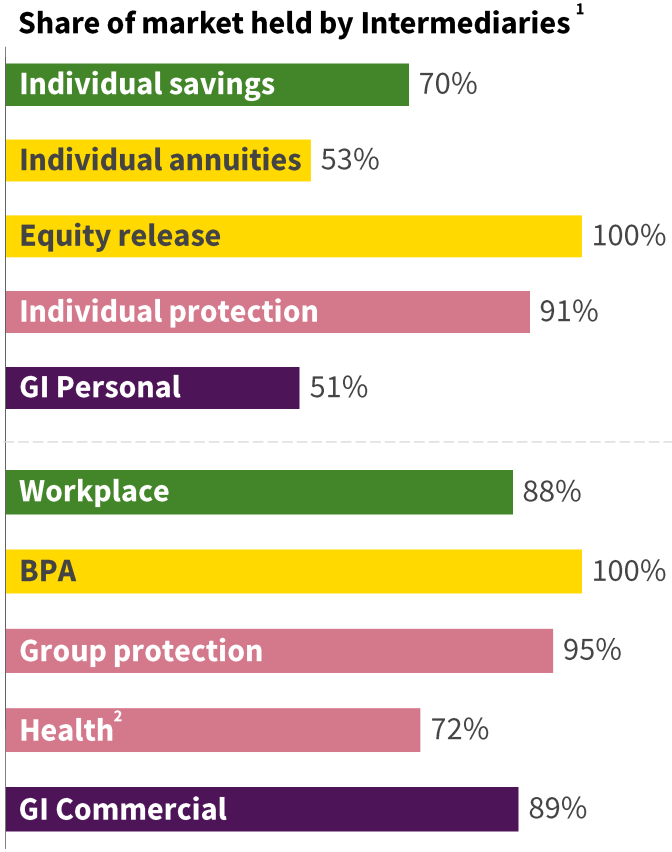
All footnotes on pages 64 - 66

Strongest relationships with intermediaries

Intermediaries are crucial in the UK…

Individuals

SMEs & Corporates



… and Aviva has the strongest relationships

General insurer of the year
THE BRITISH INSURANCE AWARDS

#1 insurer with brokers and IFAs
#1 in broker surveys
cobra network
#1 in IFA study in Savings & Investments and Health Insurance

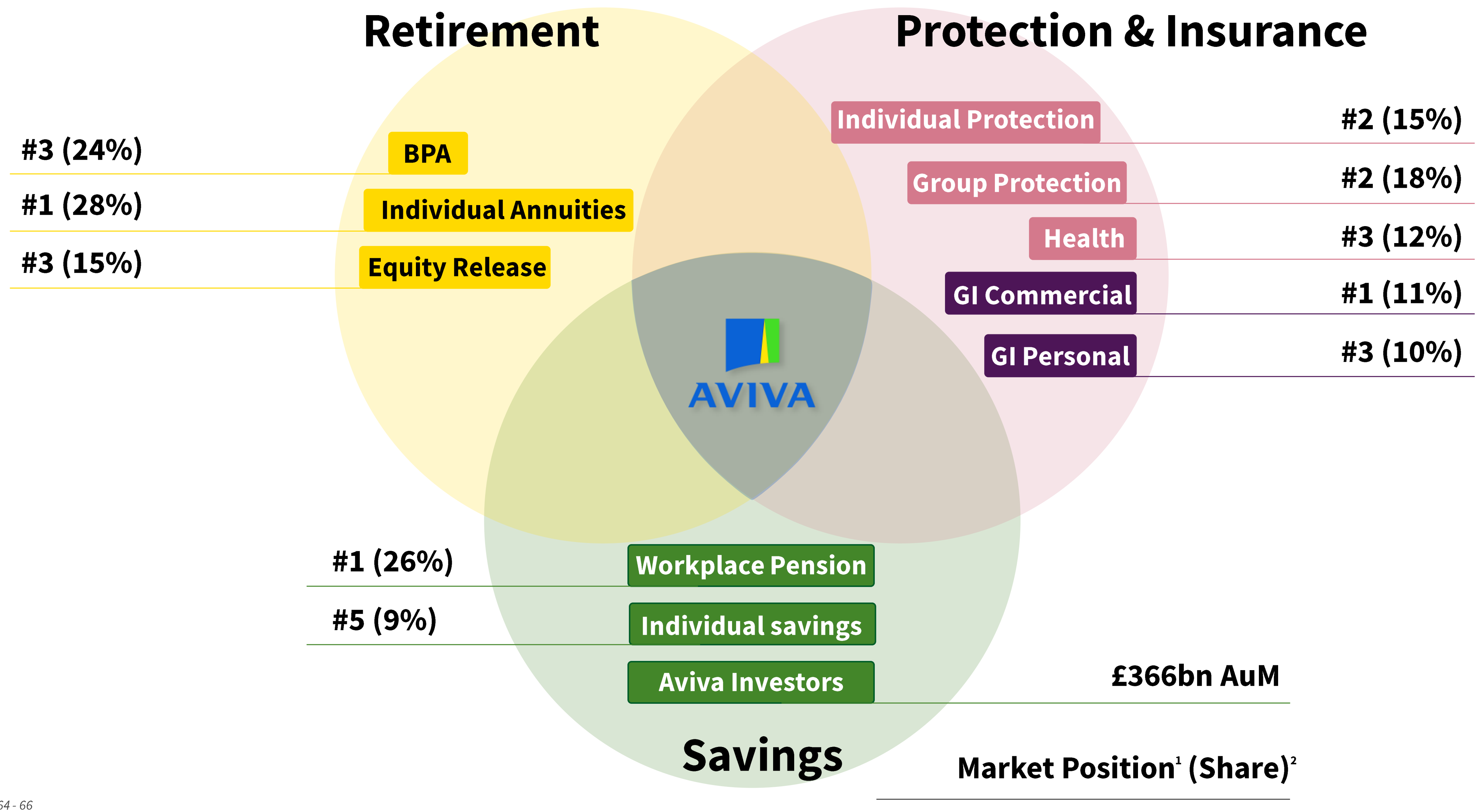
#1 for commercial digital trading
Fast Trade e-trading platform
Insurance Times awards

Company of the year 11 years in a row[3]
Health Insurance & Protection AWARDS

Best use of platform technology
Retail Adviser Platform
Schroders UK PLATFORM AWARDS

All footnotes on pages 64 - 66

Our leading UK market positions are a unique strength



All footnotes on pages 64 - 66

Our UK model delivers tangible benefits and synergies

Capitalising on #1 position in workplace pension[1]

Bulk Purchase Annuities

DB schemes de-risking

Health, Protection & Wellness

Broad benefit offering

Corporates

24k

No. of Workplace corporate clients

Employees

3.8m

No. of Workplace scheme members

Serving needs of individuals

Personal General Insurance

Individual Savings & Retirement

Advice, pension consolidation, retirement solutions

Workplace Pension and Auto-enrolment

UK Economy

Real asset investments

Default funds ESG funds

Aviva Investors

Brand Synergies	Customer Synergies	Capital Synergies	Value chain Synergies	Scale Benefits

Four priorities for the UK

1  SIMPLIFY, DIGITISE AND AUTOMATE

2  DRIVE TARGETED GROWTH

3 

POWER UP THE AVIVA BRAND

4  BUILD ENGAGING, DIGITALLY LED CUSTOMER EXPERIENCE

Intensifying simplification, digitisation and automation

Digitise & automate customer journeys

50%

2020, UK customer journeys digitised and automated[1]

>75%

By end of 2023

Simplify our product portfolio

261

2020, UK GI PL products (30% reduction over past year)

-65%

By end of 2022

Simplify our technology estate

749

2020, UK IT applications (27% reduction over past 3 years)

-25%

By end of 2023

Right size our property portfolio

1.7m ft^2

2020, UK property footprint

-30%

By end of 2021

Better customer experience, sustainable cost transformation and great agility

All footnotes on pages 64 - 66

Targeted growth supported by fundamental trends

Fundamental trends	Material opportunities	Aviva growth priorities
Ageing population and income in retirement gap	**1 in 4** people in the UK will be +65 by 2039 **>£120bn** gross flows in Platform market	Individual Savings and Retirement
Individual responsibility for retirement and pension auto-enrolment	**£389bn** DC assets, **£955bn** by 2028 **>£40bn** of assets moving into retirement each year	Workplace Pension and Benefits
Shift from DB to DC and Corporate de-risking	**£2tn** DB liabilities **£30bn - £50bn** BPA flows p.a. over next 5 years	Bulk Purchase Annuities
Heightened focus on health & wellness and protection gap	**x2 growth rate** in global health spending **44%** of UK firms have standalone well-being strategy	Health & Protection
Economic recovery and changing landscape in general insurance	**New risks** needing insurance, e.g. $15bn global cyber premiums by 2022 **Changing base of competition** driven by UK FCA pricing review **Future mobility**, e.g. EV only UK new car sales by 2035	Commercial and Personal GI

Powering up the Aviva brand

Aviva is the **No. 1 insurance brand** in the UK

The brand needs to provide **clarity on the breadth of our offering**

Brand needs to highlight Aviva as the **UK's leading insurer**

Relaunching of the **Aviva brand** in April 2021

Build trust and improve awareness with customers, who will have a greater understanding of the breadth of our offering

Building engaging, digitally led customer experience

Enhance mobile-led digital platforms, giving customers access to full Aviva offering and useful tools

46%
YoY growth in app log-ins per app user

410k
log-ins in Jan 2021

MyAviva App

Aviva Connect
For intermediaries, brokers and advisors

Connect rich customer data to offer customers the right products and services at the right time

Single view of customer

QUANTUM
Our Global Data Science Practice

Lead the UK market with customer-centric innovative propositions

Income in retirement

Wealthify
Digital saving platform

Mid-Life MOT

Total customer solution

Commercial Intelligence Tool
For client insight

Aviva Digital GP

Greater customer engagement and increased number of products per customer, resulting in higher growth and higher customer retention

Big vision and clear priorities for the UK

Our vision

To be the UK's leading insurer by establishing Aviva as the go-to customer brand …

… for all insurance, protection, savings and retirement needs…

… for all of our customers – individuals, corporates, and their intermediaries

Four strategic priorities

1  SIMPLIFY, DIGITISE AND AUTOMATE

2  DRIVE TARGETED GROWTH

3 

POWER UP THE AVIVA BRAND

4  BUILD ENGAGING, DIGITALLY LED CUSTOMER EXPERIENCE


AVIVA

How we will measure success

Growing Aviva customer franchise	**Profitable growth** GI: NWP & COR‡ Life: PVNBP‡ & VNB‡ S&R & Aviva Investors: NF‡ & CIR	**Meeting more customers' needs** % multiple product holders[1]
Modernising operations	**Customer NPS** Top quartile	**Customer journeys digitised and automated** >75% 2023
Leading on sustainability	**Net zero company** 2040	**UK population saving and retiring with Aviva[2]** >13% … 2020 and growing

Creating value for shareholders from our Core markets

Cash remittances‡ to the Group		Operating efficiency		SII debt leverage ratio‡,[3]
>£5bn cumulative 2021-'23	£1.8bn 2023	£300m net savings by end of 2022	Top quartile in all businesses	<30%

All footnotes on pages 64 - 66

Key messages and take-aways

- Clear vision and priorities for Aviva
- Strong progress to date and delivering on our commitments
- Reinvigorated leadership team in place
- Leading UK financial services on fighting climate change and building a stronger Britain
- Confident in our ability to grow the business

Creating value for customers and shareholders

Q&A session

Amanda Blanc, Chief Executive Officer

Jason Windsor, Chief Financial Officer

Investor relations

Coming up …

March	Virtual roadshows
16 March	Morgan Stanley conference
29/31 March	HSBC West Coast Financials conference
6 May	Annual General Meeting
27 May	First quarter 2021 update
12 August	Half year 2021 results

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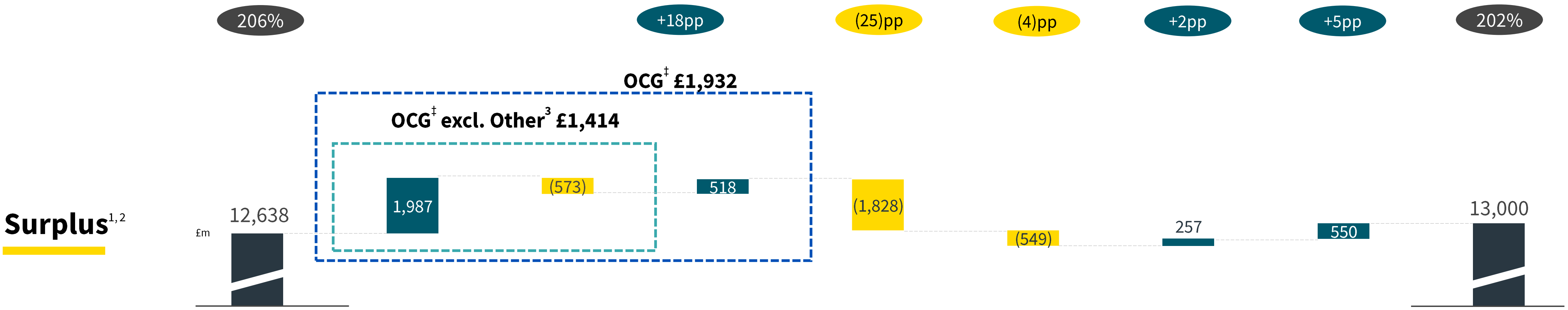
Appendix

Balance sheet

Solvency II position

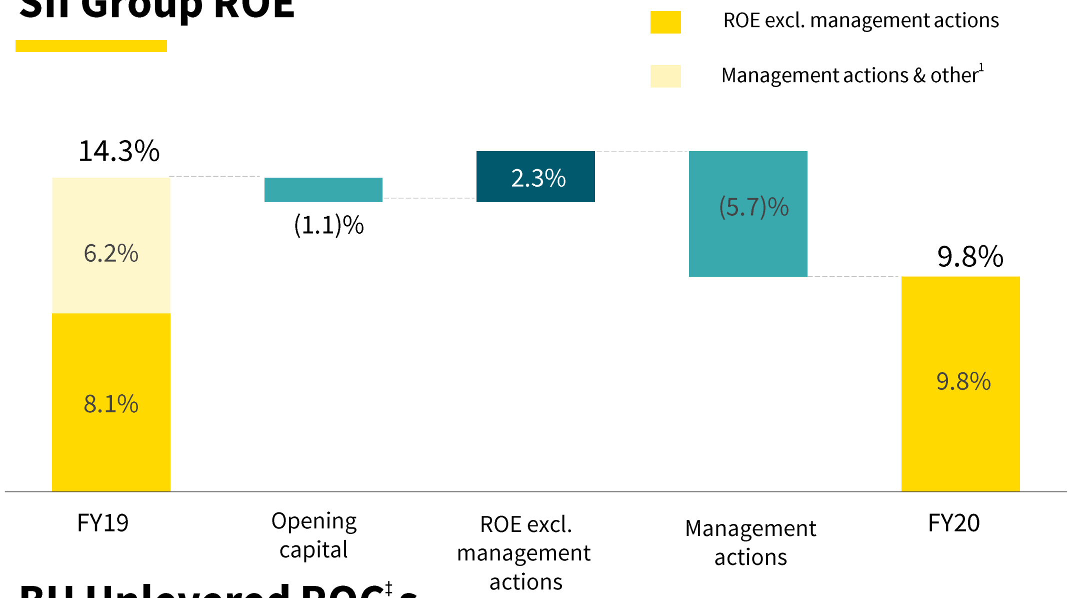


£m	31 Dec 2019	BU generation	Debt & Centre costs	Other[3]	Market, FX & other[2]	Dividends[4] (ordinary + preference)	Debt issuance / repayment	Disposals	31 Dec 2020
Own funds	**24,548**	2,242	(557)	6	(663)	(549)	257	486	**25,770**
SCR	**(11,910)**	(255)	(16)	512	(1,165)	-	-	64	**(12,770)**

All footnotes on pages 64 - 66

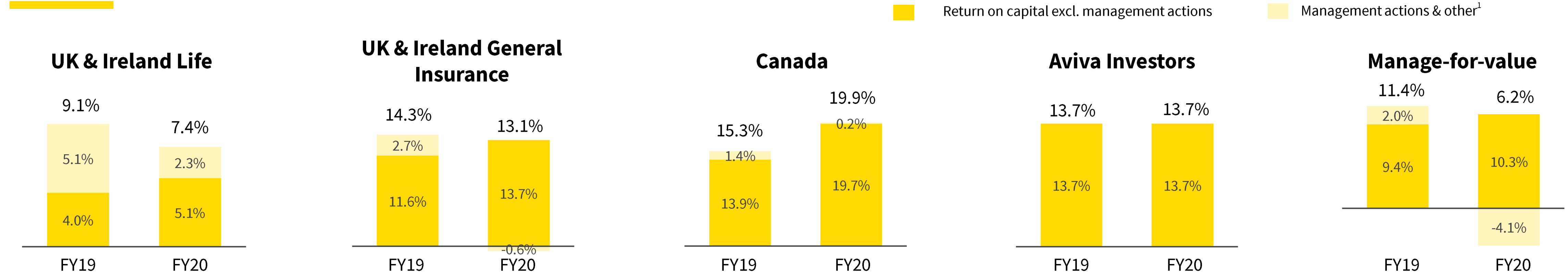
Solvency II return on capital/equity‡

SII Group ROE‡



	FY20 £m	FY19 £m	Change %
Life new business	698	659	6%
Existing business	1,549	1,125	38%
Debt & centre costs (incl. pref/DCI costs)	(627)	(543)	(15)%
Management actions & other[1]	6	944	(99)%
Own funds generated‡ (UT1)	**1,626**	**2,185**	**(26)%**
Opening own funds (UT1)	**16,578**	**15,296**	**8%**
SII RoE‡ (%)	9.8%	14.3%	(4.5)pp
Core markets SII RoC‡ (%)	**9.3%**	**10.4%**	**(1.1)pp**

BU Unlevered ROC‡s



All footnotes on pages 64 - 66

Solvency II return on capital/equity‡ (FY19)

2019	New business (life) £m	Existing business (life) £m	Non-life capital generation £m	Other[1] £m	Total £m	Opening own funds £m	Solvency II Return on capital‡/equity‡ %
	Solvency II operating own funds generation‡						
UK & Ireland Life	373	171	—	703	1,247	13,733	9.1%
UK & Ireland General Insurance[2]	—	—	271	62	333	2,326	14.3%
Canada	—	—	185	18	203	1,330	15.3%
Aviva Investors	—	—	70	—	70	509	13.7%
Core markets	**373**	**171**	**526**	**783**	**1,853**	**17,898**	**10.4%**
Manage-for-value markets	286	320	92	152	850	7,453	11.4%
Group centre costs and Other[2]	—	16	(187)	9	(162)	(1,800)	N/A
Solvency II return on capital‡ at 31 December	**659**	**507**	**431**	**944**	**2,541**	**23,551**	**10.8%**
Less: Senior debt					(12)	—	—
Less: Subordinated debt					(272)	(6,979)	—
Solvency II operating own funds generation‡ at 31 December					**2,257**		
Direct capital instruments & Tier 1 notes					(34)	(731)	—
Preference shares[3]					(38)	(450)	—
Net deferred tax assets					—	(95)	—
Solvency II return on equity‡ at 31 December					**2,185**	**15,296**	**14.3%**
Less: Management actions and other					(944)	—	(6.2)%
Solvency II return on equity (excl. management actions)					1,241	15,296	8.1%

Solvency II return on capital/equity‡ (FY20)

2020	Solvency II operating own funds generation‡ New business (life) £m	Existing business (life) £m	Non-life capital generation £m	Other[1] £m	Total £m	Opening own funds £m	Solvency II Return on capital‡/equity‡ %
UK & Ireland Life	449	273	—	335	1,057	14,241	7.4%
UK & Ireland General Insurance[2]	—	—	344	(15)	329	2,509	13.1%
Canada	—	—	284	3	287	1,442	19.9%
Aviva Investors	—	—	67	—	67	488	13.7%
Core markets	**449**	**273**	**695**	**323**	**1,740**	**18,680**	**9.3%**
Manage-for-value markets	249	443	133	(328)	497	8,010	6.2%
Group centre costs and Other[2]	—	5	(266)	11	(250)	(2,142)	N/A
Solvency II return on capital‡ at 31 December	**698**	**721**	**562**	**6**	**1,987**	**24,548**	**8.1%**
Less: Senior debt					(12)	—	—
Less: Subordinated debt					(284)	(6,942)	—
Solvency II operating own funds generation‡ at 31 December					**1,691**		
Direct capital instrument					(27)	(500)	—
Preference shares[3]					(38)	(450)	—
Net deferred tax assets					—	(78)	—
Solvency II return on equity‡ at 31 December					**1,626**	**16,578**	**9.8%**
Less: Management actions and other					(6)	—	—
Solvency II return on equity (excl. management actions)					1,620	16,578	9.8%

All footnotes on pages 64 - 66

Solvency II own funds

	Opening own funds 1 January 2020 £m	**Closing own funds 31 December 2020 £m**
UK & Ireland Life	14,241	**15,148**
UK & Ireland General Insurance[1]	2,509	**2,401**
Canada	1,442	**1,534**
Aviva Investors	488	**472**
Core markets	18,680	**19,555**
Manage-for-value markets	8,010	**7,166**
Group centre costs and Other[1]	(2,142)	**(951)**
Estimated Solvency II shareholder own funds	24,548	**25,770**
Estimated unrestricted shareholder tier 1 own funds	16,578	**17,358**

All footnotes on pages 64 - 66

Solvency II sensitivities (shareholder view)

	Sensitivity	Impact on surplus – FY20 £bn	Impact on cover ratio – FY20 pp	Impact on surplus – FY19 £bn	Impact on cover ratio - FY19 pp
Changes in economic assumptions	25 bps increase in interest rate	0.3	5pp	0.2	4pp
	50 bps increase in interest rate	0.6	9pp	0.2	6pp
	100 bps increase in interest rate	0.8	15pp	0.4	11pp
	25 bps decrease in interest rate	(0.3)	(5)pp	(0.2)	(5)pp
	50 bps decrease in interest rate	(0.8)	(11)pp	(0.6)	(11)pp
	50 bps increase in corporate bond spread[1,2]	0.0	2pp	(0.5)	(4)pp
	100 bps increase in corporate bond spread[1,2]	(0.1)	3pp	(1.1)	(10)pp
	50 bps decrease in corporate bond spread[1,2]	(0.1)	(3)pp	0.4	3pp
	Credit downgrade on annuity portfolio[3]	(0.5)	(6)pp	(0.3)	(4)pp
	10% increase in market value of equity	0.2	1pp	0.3	2pp
	25% increase in market value of equity	0.5	3pp	0.8	5pp
	10% decrease in market value of equity	(0.2)	(1)pp	(0.4)	(2)pp
	25% decrease in market value of equity	(0.6)	(5)pp	(0.9)	(7)pp
	20% increase in value of commercial property[4]	0.8	8pp	0.7	7pp
	20% decrease in value of commercial property[4]	(1.1)	(11)pp	(0.9)	(9)pp
	20% increase in value of residential property[4]	0.6	6pp	0.4	4pp
	20% decrease in value of residential property[4]	(0.7)	(7)pp	(0.6)	(6)pp
Changes in non-economic assumptions	10% increase in maintenance and investment expenses	(1.0)	(9)pp	(0.9)	(9)pp
	10% increase in lapse rates	(0.3)	(2)pp	(0.4)	(3)pp
	5% increase in mortality/morbidity rates – life assurance	(0.2)	(2)pp	(0.2)	(2)pp
	5% decrease in mortality rates – annuity business	(1.6)	(16)pp	(1.3)	(13)pp
	5% increase in gross loss ratios	(0.3)	(3)pp	(0.3)	(3)pp

All footnotes on pages 64 - 66

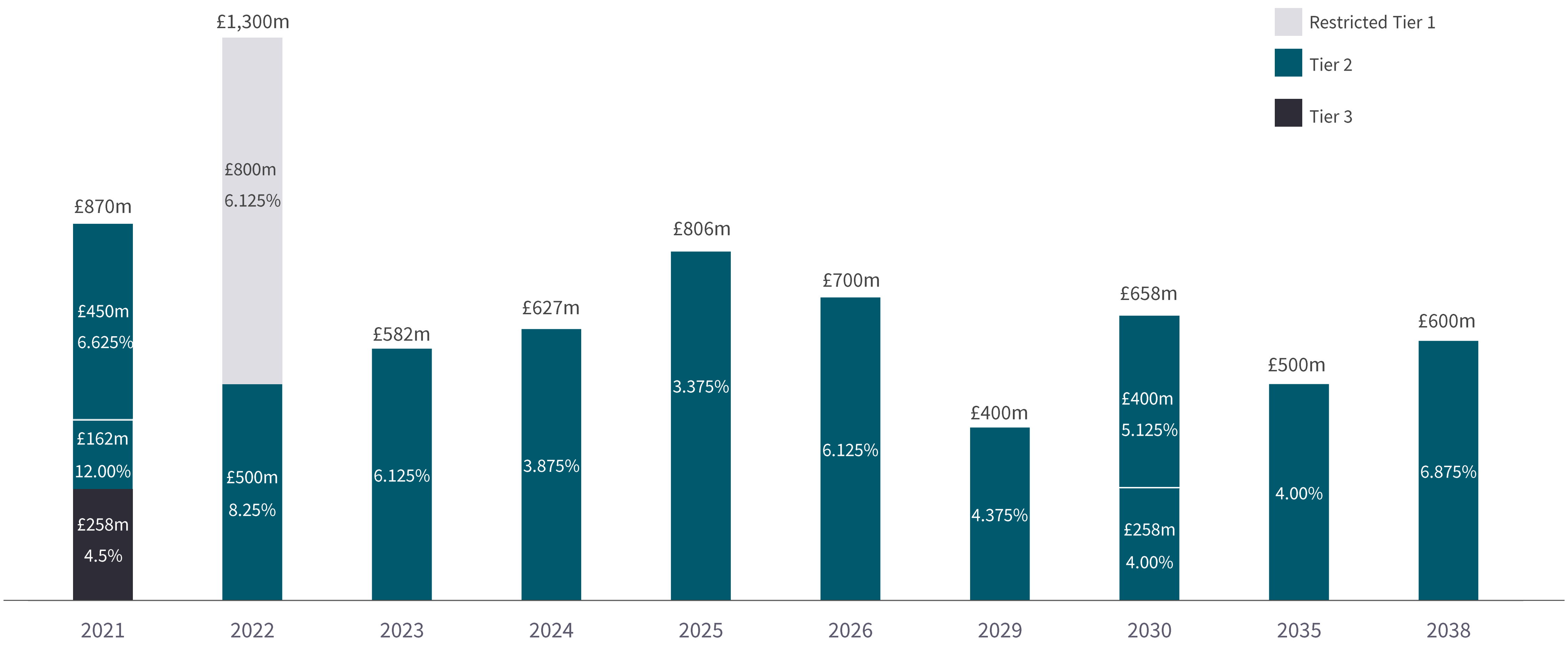
Solvency II regulatory own funds tiering and debt leverage‡

Regulatory view	**2020 £m**	2019 £m	**% of own funds FY20**	% of own funds FY19	**% of SCR FY20**	% of SCR FY19
Unrestricted Tier 1	**20,850**	20,377	**71%**	72%	**127%**	131%
Restricted Tier 1	**1,317**	1,839	**5%**	7%	**8%**	12%
Tier 2	**6,740**	5,794	**23%**	20%	**41%**	38%
Tier 3[1]	**355**	337	**1%**	1%	**2%**	2%
Est. regulatory own funds[2]	**29,262**	28,347	**100%**	100%	**178%**	183%

Regulatory view	**2020 £m**	2019 £m
Solvency II regulatory debt[3]	**8,316**	7,892
Senior notes	**1,112**	1,052
Commercial paper	**108**	238
Total debt	**9,536**	9,182
Est. regulatory own funds, senior notes and commercial paper	**30,482**	29,637
Solvency II debt leverage ratio‡, [4]	**31%**	31%

All footnotes on pages 64 - 66

Subordinated debt profile



All debt instruments have been presented at optional first call dates at nominal values converted to GBP using 31 December 2020 rates.

Earnings per share

Operating earnings per share

	FY20	FY19
Continuing operations		
Adjusted operating profit before tax attributable to shareholders' profits[‡]	**2,849**	2,933
Less		
- Tax attributable to shareholders' profit	**(596)**	(640)
- Amount attributable to non-controlling interests	**(98)**	(98)
- Coupon payments in respect of DCI and tier 1 notes (net of tax)	**(27)**	(34)
- Cumulative preference dividends for the year	**(17)**	(17)
Operating profit attributable to ordinary shareholders from continuing operations	**2,111**	2,144
Operating profit attributable to ordinary shareholders from discontinued operations	**274**	223
Operating profit attributable to ordinary shareholders	**2,385**	2,367
Weighted average number of shares	**3,925**	3,911
Operating earnings per share[‡,1]	**60.8p**	60.5p

All footnotes on pages 64 - 66

Basic earnings per share

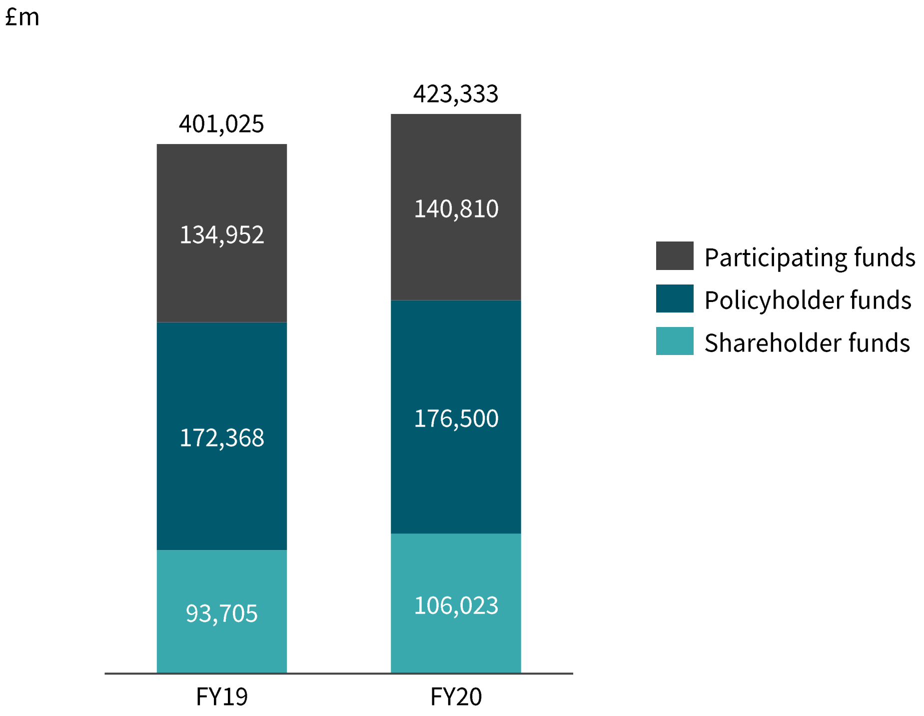
	FY20	FY19
Continuing operations		
Adjusted operating profit attributable to ordinary shareholders[1]	**2,111**	2,144
Adjusting items		
- Life business: Investment variances and economic assumption changes	**143**	558
- Non-life business: Short-term fluctuation in return on investments	**(11)**	118
- General insurance and health business: Economic assumption changes	**(83)**	(33)
- Impairment of goodwill, joint ventures, associates and other amounts expensed	**(27)**	(11)
- Amortisation and impairment of intangibles acquired in business combinations	**(55)**	(51)
- Amortisation and impairment of acquired value of in-force business	**(174)**	(230)
- Loss on disposal and remeasurement of subsidiaries, joint ventures and associates	**12**	5
- Other	**(30)**	(46)
Profit attributable to shareholders from continuing operations	**1,886**	2,454
Discontinued operations		
Adjusted operating profit attributable to ordinary shareholders[1]	**274**	223
Adjusting items	**594**	(180)
Profit attributable to ordinary shareholders	2,754	2,497
Weighted average number of shares	**3,925**	3,911
Basic earnings per share	**70.2p**	63.8p

All footnotes on pages 64 - 66

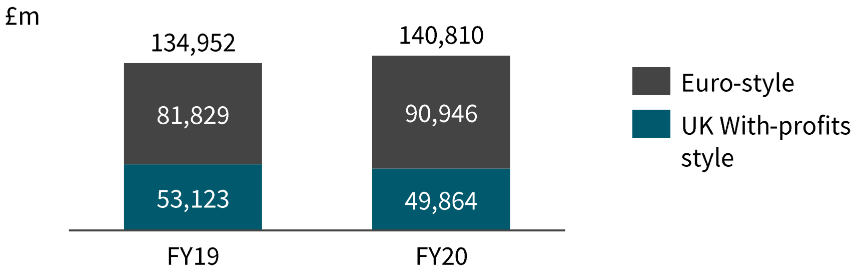
Assets

Total managed assets

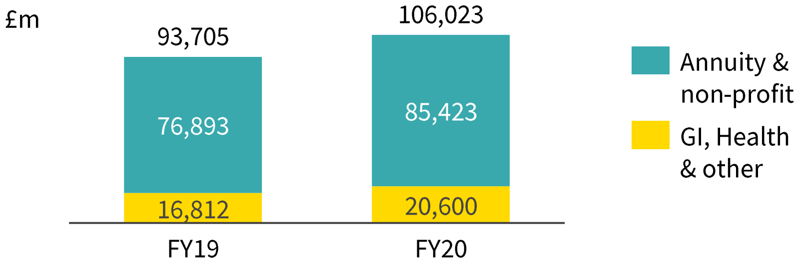
Assets by type of liabilities covered



Participating assets by type

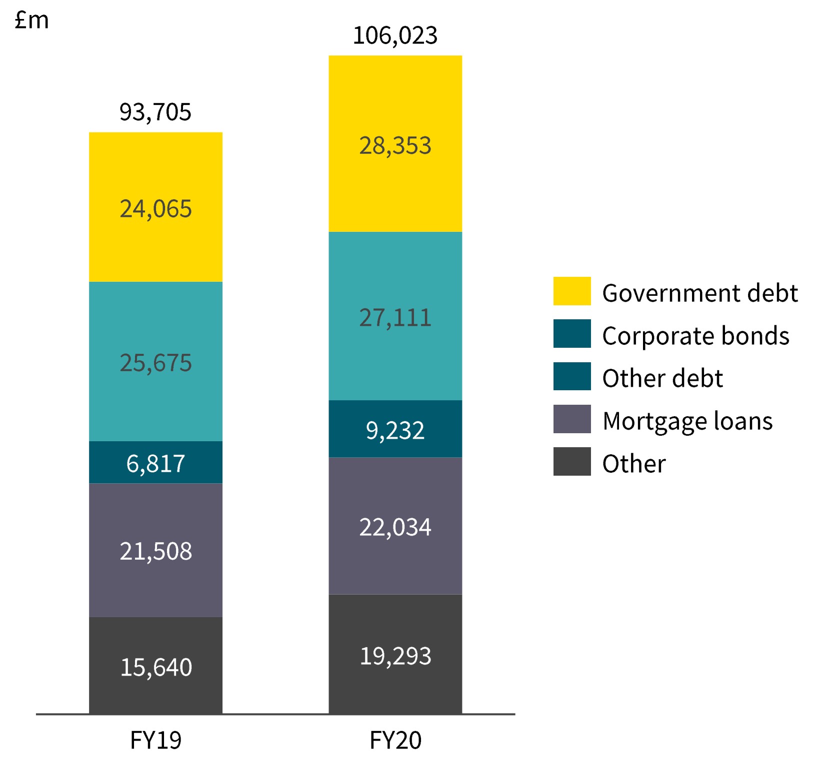


Shareholder assets by type

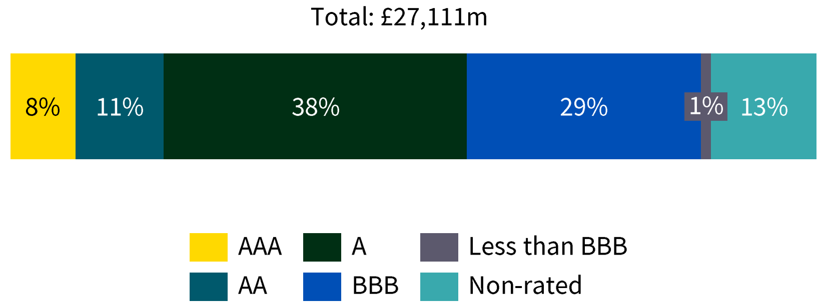


Shareholder assets

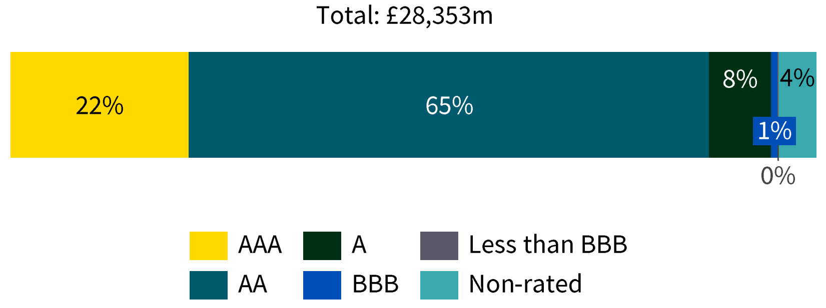
Shareholder assets by type



Corporate debt by rating

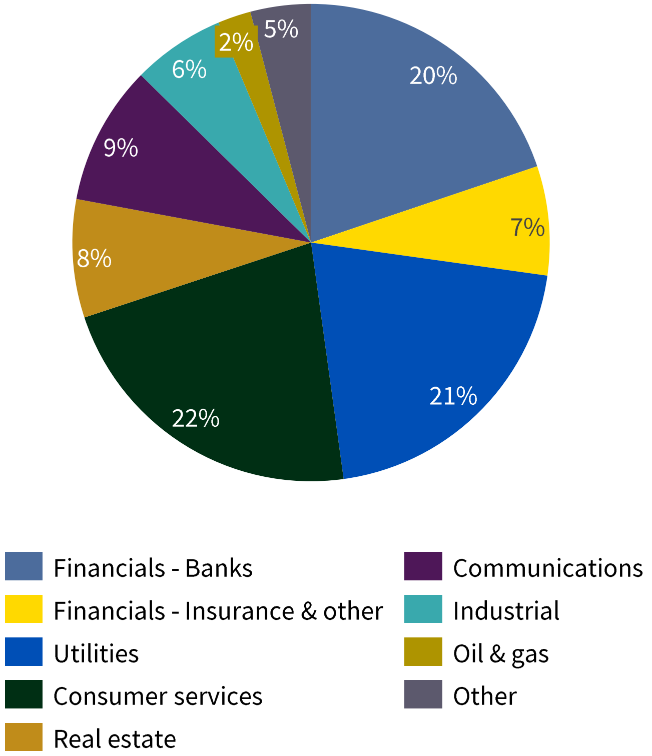


Government debt by rating

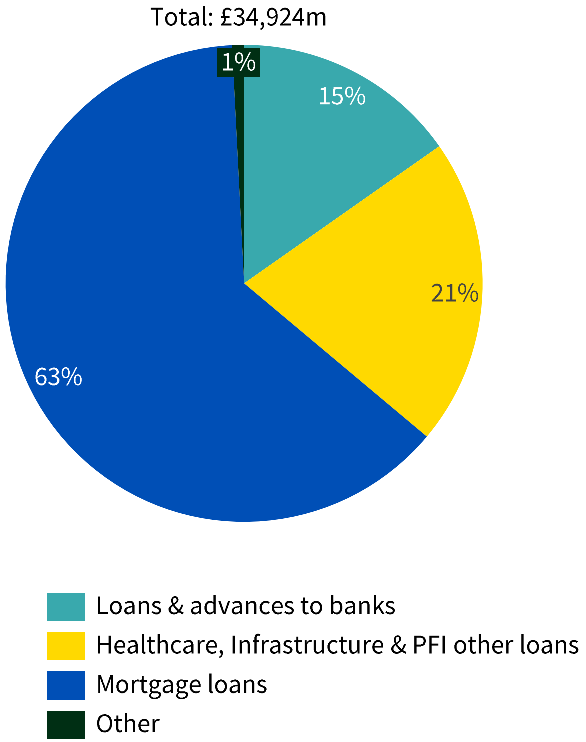


Shareholder assets – corporate bonds and loans

Corporate bonds by industry

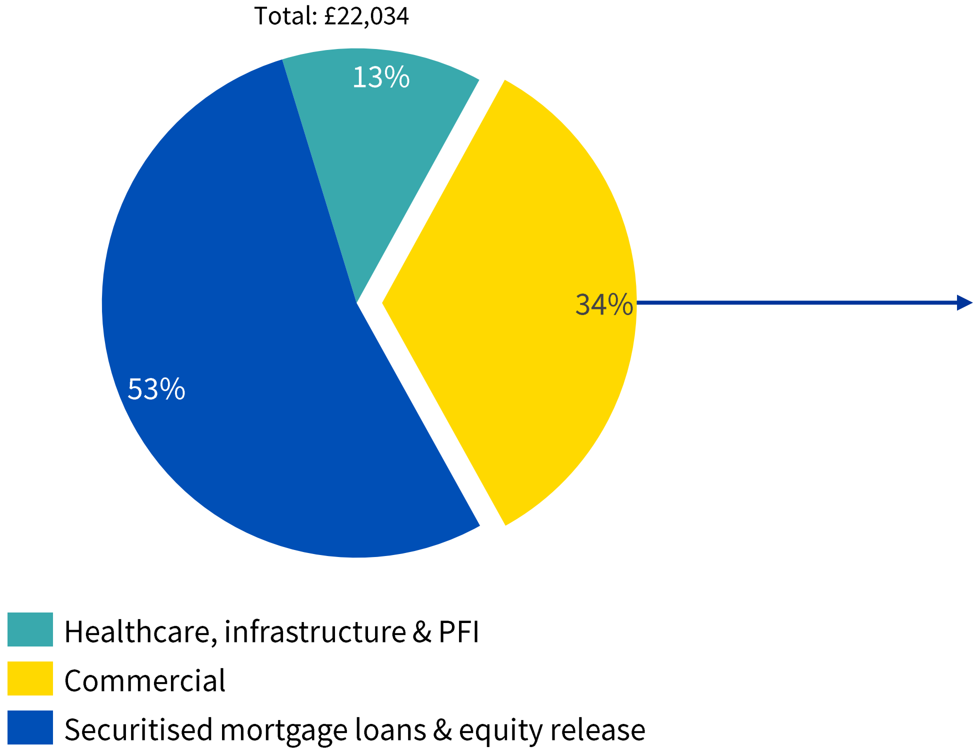


Loans by type

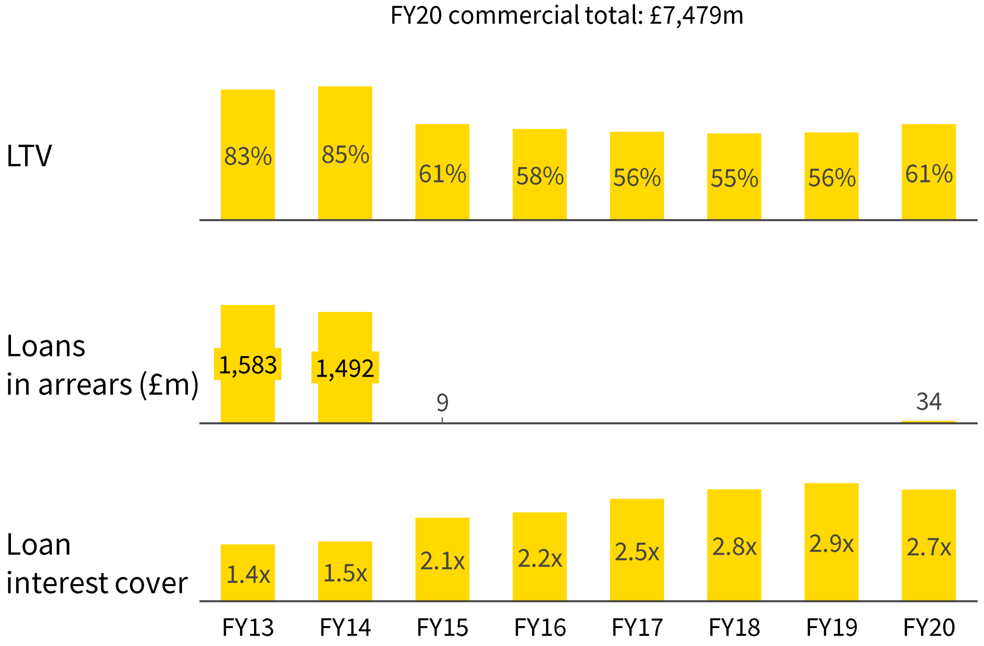


Shareholder assets – Mortgage loans

Mortgage loans



Commercial real estate portfolio



Footnotes (1)

‡ Denotes Alternative Performance Measures (APMs) and further information can be found in the 'Other Information' section of the Analyst Pack.

Slide	Reference	Footnote
6	1.	External net flows excluding net flows into liquidity funds and cash
	2.	References to sales represents present value of new business sales (PVNBP‡) which is an APM and further information can be found in the 'Other information' section.
7	1.	Market-Security Analysis & Research Inc. Includes: Lloyds, excludes: ICBC, SAF, SGI and Genworth
9	1.	This will cover shareholder and policyholder assets where we have control and data; and the main asset classes of Aviva's Core markets (credit, equities, direct real estate and sovereign debt). We will be able to expand this further as new data and methodologies become available.
	2.	Based on population over 18 years of age
	3.	Contribution stated as a % of Group Adjusted Operating Profit from the Core Group markets only
10	1.	Measured by cost income ratios and distribution ratios
	2.	Represents Solvency II debt leverage ratio
	3.	Represents debt with maturity or first call date in H1. Aviva has the option to call on these dates but no decisions have been made yet.
12	1.	Represents Solvency II debt leverage ratio
	2.	The estimated Solvency II position represents the shareholder view only. See section 3 of the Analyst Pack for more details.
13	1.	The estimated Solvency II position represents the shareholder view only. See section 3 of the Analyst Pack for more details.
	2.	Proceeds net of transaction costs
	3.	Inter-market diversification including diversification from internal reinsurance entity (Aviva Insurance International)
14	1.	The estimated Solvency II position represents the shareholder view only. See section 3 of the Analyst Pack for more details
	2.	Represents Solvency II debt leverage ratio
	3.	Represents debt with maturity or first call date in H1. Aviva has the option to call on these dates but no decisions have been made yet.
15	1.	The estimated Solvency II position represents the shareholder view only. See section 3 of the Analyst Pack for more details.
17	1.	Following a review of the presentation of claims handling costs, to achieve consistency in our reporting, comparative amounts have been restated by £83 million for the year ended 31 December 2019 to include previously excluded claims handling costs attributable to the Life & Health businesses from the UK, Ireland and Poland in controllable costs.
18	1.	Operating profit refers to Group adjusted operating profit or adjusted operating profit which is a non-GAAP APM not bound by the requirements of IFRS. Further details of this measure are included in the 'Other information' section of the Analyst Pack.
	2.	Other includes the impact of capital actions, non-economic assumption changes and other non-recurring items
	3.	Includes Group centre, debt costs and other items not allocated to the markets

Footnotes (2)

‡ Denotes Alternative Performance Measures (APMs) and further information can be found in the 'Other Information' section of the Analyst Pack.

Slide	Reference	Footnote
19	1.	Following a review of the presentation of intercompany loan interest, to achieve consistency in our reporting, comparative amounts have been restated to reclassify net interest expense of £65 million from UK & Ireland Life to Group debt costs and other interest for the year ended 31 December 2019 as a non-operating item. The change has no impact on the Group's operating profit. In addition, comparative amounts for operating capital generation of £69 million for the year ended 31 December 2019 have been restated. The change has no impact on the Group's operating capital generation.
	2.	Operating profit refers to adjusted operating profit which is a non-GAAP APM not bound by the requirements of IFRS. Further details of this measure are included in the 'Other information' section of the Analyst Pack.
	3.	Management actions and other life represents changes in assumptions and modelling, non-reccuring items and non-product specific overheads
	4.	Following a review of the presentation of claims handling costs, to achieve consistency in our reporting, comparative amounts have been restated by £83 million for the year ended 31 December 2019 to include previously excluded claims handling costs attributable to the Life & Health businesses
20	1.	Largest provider of bundled Workplace pensions
	2.	References to sales represents present value of new business sales (PVNBP)‡ which is an APM and further information can be found in the 'Other information' section.
21	1.	References to sales represents present value of new business sales (PVNBP)‡ which is an APM and further information can be found in the 'Other information' section.
	2.	Management actions and other life represents changes in assumptions and modelling, non-reccuring items and non-product specific overheads
	3.	£751m in 2019 includes mortality assumption changes.
22	1.	Operating profit refers to adjusted operating profit which is a non-GAAP APM not bound by the requirements of IFRS. Further details of this measure are included in the 'Other information' section of the Analyst Pack.
	2.	2018 adjusted to reflect UK Digital alignment to UK business, consistent with treatment from 2019 onwards.
25	1.	Operating profit refers to adjusted operating profit which is a non-GAAP APM not bound by the requirements of IFRS. Further details of this measure are included in the 'Other information' section of the Analyst Pack
26	1.	Operating profit refers to adjusted operating profit which is a non-GAAP APM not bound by the requirements of IFRS. Further details of this measure are included in the 'Other information' section of the Analyst Pack
27	1.	Represents Solvency II debt leverage ratio
31	1.	Includes all direct and indirect Aviva customers (UK only)
	2.	Includes multiple products on a single policy e.g. multiple vehicles/lives/pensions
32	1.	Sources: ABI FY19; Fundscape FY19; LaingBuisson, Healthcover 16ed published 2020.
	2.	New business sales only; Includes both corporate and individual sales.
	3.	2010-2020 inclusive. The award category descriptor changed from 'Health Insurance Company of the year' to 'Company of the year' in 2018.
33	1.	Sources: Aviva's analysis of company reporting; Fundscape; LaingBuisson, Healthcover 16ed published 2020.
	2.	Sources: Aviva estimates based on ABI Gross Written Premiums; ABI New business; Equity Release Council New lending; Swiss Re Group Watch In force premiums; LaingBuisson, Healthcover 16ed published 2020 Premium income; Fundscape Advised channel gross flows.
34	1.	Largest provider of bundled Workplace pensions

Footnotes (3)

‡ Denotes Alternative Performance Measures (APMs) and further information can be found in the ‘Other Information’ section of the Analyst Pack.

Slide	Reference	Footnote
36	1.	Aviva-owned UK customer journeys i.e. excludes outsourced journeys
42	1.	Includes multiple products on a single policy e.g. multiple vehicles/lives/pensions
	2.	Based on population over 18 years of age
	3.	Represents Solvency II debt leverage ratio
48	1.	The estimated Solvency II position represents the shareholder view only. See section 3 of the Analyst Pack for more details.
	2.	Includes opening restatement, of £(124)m surplus, which allows for adjustments to the estimated position presented in the preliminary announcement and the final position in the Solvency and Financial Condition Report.
	3.	Other includes the impact of capital actions, non-economic assumption changes and other non-recurring items.
	4.	Dividends includes £17 million (2019: £17 million) of Aviva plc preference dividends and £21 million (2019: £21 million) of General Accident plc preference dividends, and £511 million for the interim dividends in respect of the 2019 and 2020 financial years.
49	1.	Other includes the impact of capital actions, non-economic assumption changes and other non-recurring items.
50 / 51	1.	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 capital and Solvency II return on equity measures, with the reversal of the impact included in Group centre costs and Other opening own funds.
	3.	Preference shares includes £21 million of General Accident plc preference dividends and £250 million of capital in respect of General Accident plc
52	1.	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 capital and Solvency II return on equity measures, with the reversal of the impact included in Group centre costs and Other opening own funds.
53	1.	The corporate bond spread sensitivity is applied such that even though movements vary by rating and duration consistent with the approach in the solvency capital requirement, the weighted average spread movement equals the headline sensitivity. Fundamental spreads remain unchanged. This methodology differs to the prior period. The 31 December 2019 corporate bond spread sensitivities have not been restated for the change in approach.
	2.	A modelling refinement was implemented to the corporate bond credit sensitivities in the UK following a review of the 31 December 2019 methodology.
	3.	An immediate full letter downgrade on 20% of the annuity portfolio credit assets (e.g. from AAA to AA, from AA to A). The 31 December 2020 downgrade sensitivity now includes infrastructure (except Private Finance Initiatives).
	4.	The property sensitivities are in addition to reduced property growth assumed over the next 5 years in the base solvency position.
54	1.	Tier 3 regulatory own funds at 31 December 2020 consists of £259 million subordinated debt *(2019: £259 million*) plus £96 million net deferred tax assets *(2019: £78 million*).
	2.	Regulation was introduced in France that allows French insurers to place the Provision pour Participation aux Excedents (PPE) into Solvency II own funds. At December 2019 PPE was included in the France local regulatory own funds but was excluded from the estimated Group regulatory own funds, subject to confirmation of the appropriate treatment at Group level. The treatment has since been confirmed and PPE is included in the estimated Group regulatory own funds at 31 December 2020.
	3.	Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds, and Tier 3 subordinated debt.
	4.	Solvency II debt leverage ratio is calculated as the total debt as a proportion of total regulatory own funds plus commercial paper and senior notes
57	1.	This measure is derived from the Group adjusted operating profit APM. Further details of this measure are included in the ‘Other information’ section of the Analyst Pack.
58	1.	Adjusted operating earnings per share from continuing operations and discontinued operations is 60.8p *(2019: 60.5p)*.