It takes AVIVA

Aviva plc
Results 2022
9 March 2023

Disclaimer & important information

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Aviva believes factors that could cause actual results to differ materially from those indicated in forward-looking statements in the announcement include, but are not limited to: the impact of ongoing uncertain conditions in the global financial markets and the national and international political and economic situation generally (including those arising from the Russia-Ukraine conflict); market developments and government actions (including those arising from the evolving relationship between the UK and the EU); the effect of credit spread volatility on the net unrealised value of the investment portfolio; the effect of losses due to defaults by counterparties, including potential sovereign debt defaults or restructurings, on the value of our investments; reduce the value or yield of our investment portfolio and impact our asset and liability matching; 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. The climate metrics used in this document should be treated with special caution, as they are more uncertain than, for example, historical financial information and given the wider uncertainty around the evolution and impact of climate change. Climate metrics include estimates of historical emissions and historical climate change and forward-looking climate metrics (such as ambitions, targets, climate scenarios and climate projections and forecasts). Our understanding of climate change and its impact continue to evolve. Accordingly, both historical and forward-looking climate metrics are inherently uncertain and, therefore, less decision-useful than metrics based on historical financial statements.

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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 Full Year Report. All references to 'Operating profit' represent 'Group adjusted operating profit’. All comparatives presented are from continuing operations

Agenda

Group CEO update

Amanda Blanc, Group CEO

FY 2022 results

Charlotte Jones, Group CFO

Strategic update

Amanda Blanc, Group CEO

Q&A

Significant momentum in 2022

Delivering Aviva's Promise

Position of market strength
with market-leading positions in all core segments

Competitive advantage of the model
across Customer, Scale, and Diversification

Clear strategy with focus on execution
Customer, Growth, Efficiency, Sustainability

Transforming performance
Strong set of results and consistent performance delivery

2022 highlights

Strong financial results, benefitting from our diversification

Investing for Aviva's future (for growth and efficiency)

Capital strength: resilient in the face of 2022 market volatility

Completed **£4.75bn capital return**. Announcing **new share buyback** today

31.0p dividend for the year. Upgrading **dividend guidance** today

Support for our **customers and colleagues** through the cost of living crisis

Strong 2022 results; on track to meet or exceed targets

2022 financial progress[1]

Aviva is growing	Costs are falling	Strong profitability	Capital & cash generative
+15% UK&I Life value of new business	**-3%** Cost reduction[3]	**+37%** Solvency II OFG	**£1.8bn** Cash remittances
+8% GI premiums[2]	**-7%** 2022 cost reduction pre-inflation[3]	**+35%** Operating profit	**+11%** Cash remittances
£9.1bn Wealth net flows	**£575m** Gross cost savings vs 2018[3]	**94.6%** GI combined operating ratio	**212%** SII shareholder cover ratio

All footnotes on pages 57-58

Delivering for our customers

Helping customers to navigate challenges of today's world

£23bn
Claims paid

£39m
QMH Essential premiums

#1
Brand Trust

Focusing on experience and innovation for customers

500k
New MyAviva registrations

+41
Transactional Net Promoter Score

46%
Online Experience Score

Growing franchise and building on our strong brand

18.7m
Aviva customers

374
New Workplace schemes

+5pp
UK GI PL customer retention

Growing across our diversified businesses

Insurance	**+14%** Canada Commercial growth across **mid market & GCS**	**+29%** **Group Protection** sales[1] growth	**+14%** **Health** sales[1]
Wealth	**+14%** Workplace net flows, **£6bn**	**£4bn** **Platform** net flows, resilient in challenging backdrop	**£1.3bn** Net flows from **Aviva Investors** external clients
Retirement	**50** **BPA** deals in 2022, higher margins, strong pipeline	**+68%** External **individual annuities** sales[1]	**£2.4bn** **Real Assets** origination

All footnotes on pages 57-58

New share buyback and upgraded dividend guidance

New share buyback

- Announcing today a **new £300m share buyback programme**
- Commencing **10 March**
- Preference for **regular and sustainable return of surplus capital**

>£5bn **Total capital return to shareholders since 2021**

2022 dividend

20.7p	31.0p	c.£870m
Final DPS	Total DPS for the year	Dividend cost

Upgraded dividend guidance[1]

New guidance:

- **c.£915m cash cost** for 2023
- **Low-to-mid single digit growth in cash cost** thereafter

Upgraded from:

- Low-to-mid single digit growth in DPS thereafter

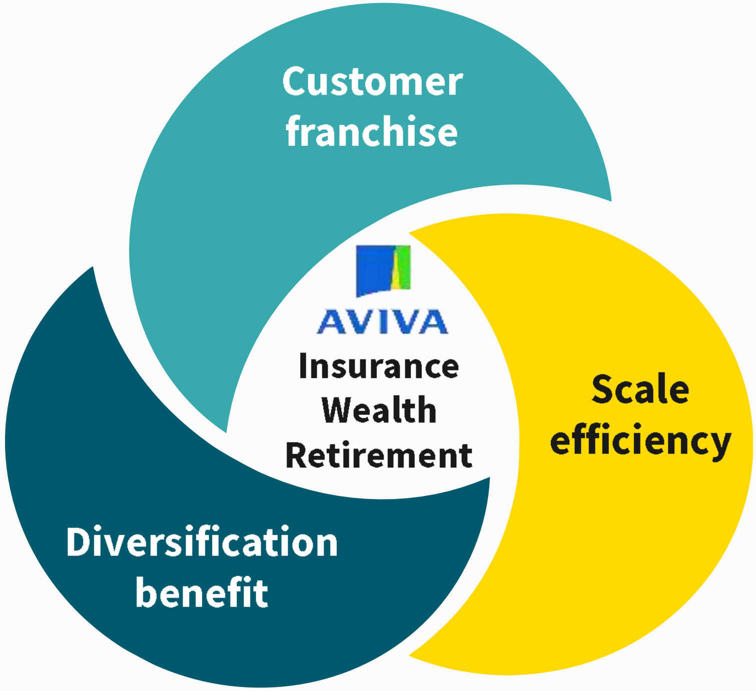
All footnotes on pages 57-58

Delivering the strategy is unlocking competitive advantage

Strong progress on our strategy...

- **Customer**
- **Growth**
- **Efficiency**
- **Sustainability**

...is unlocking the competitive advantage of Aviva model...



...underpinning confidence in delivery of our commitments

>£5.4bn

Cash remittances 2022-24

£1.5bn

SII operating own funds generation p.a. by 2024

£750m

Gross cost reduction 2018-24[1]

Growing dividend

Regular & sustainable capital returns

Net Zero by 2040

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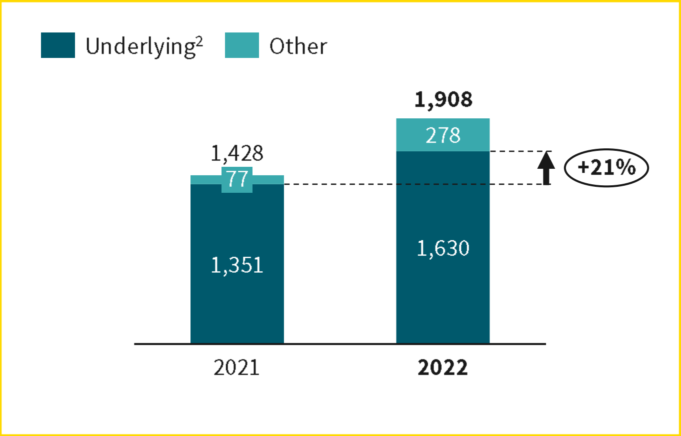
Strong results demonstrating benefits of diversified model

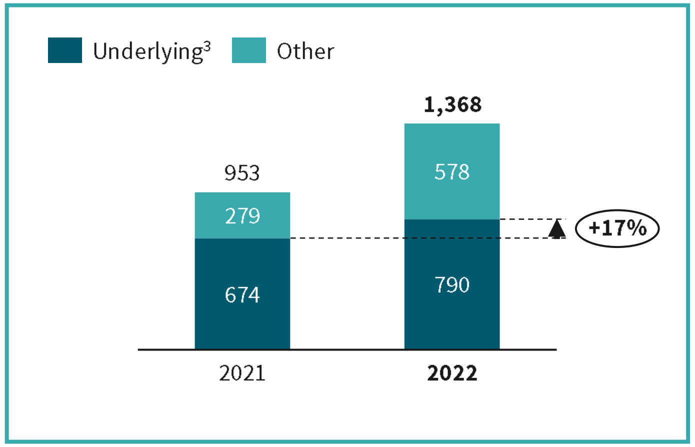
SII OFG	Operating profit	SII Return on Equity	SII shareholder cover ratio
£1.6bn +37% Underlying SII OFG[1]: +15%	**£2.2bn** +35% Underlying operating profit[2]: +24%	**16.4%** +5.7pp	**212%** Pro forma: 207%[4]

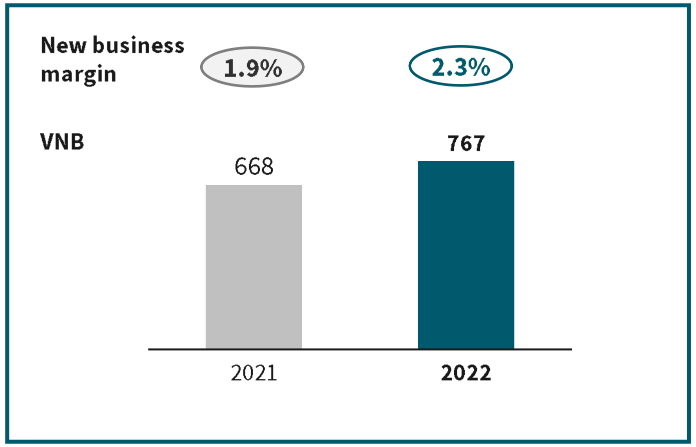
Cash remittances	Costs[3]	SII OCG	Post-deployment cover ratio
£1.8bn +11%	**£2.8bn** (3)%	**£1.4bn** +5%	**196%** After share buyback & payment of final dividend

UK & Ireland Life – growth across key measures

Operating Profit	SII OFG	Costs[1]	Wealth net flows	VNB
£1.9bn	£1.4bn	£1.1bn	£9.1bn	£767m
+34%	+44%	(1)%	6% of opening AUM	+15%



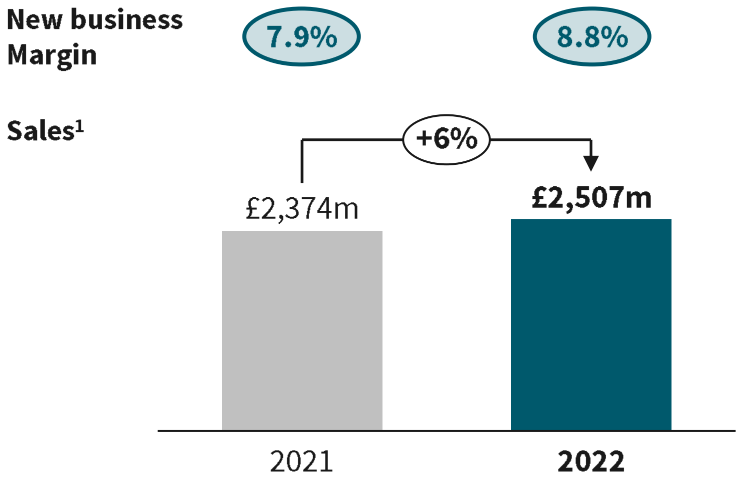




Ambition VNB: UK&I Life 5-7% growth per annum | Wealth: net flows at least 10% CAGR (2021-24)

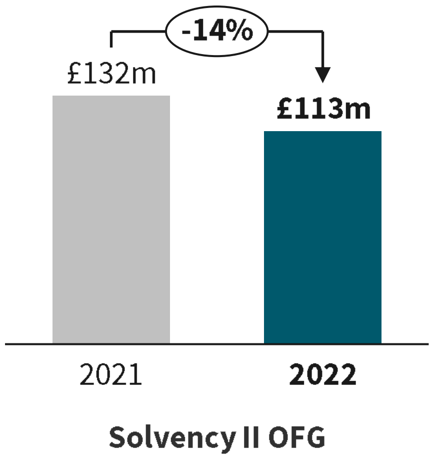
Strong Protection & Health sales with improved margins

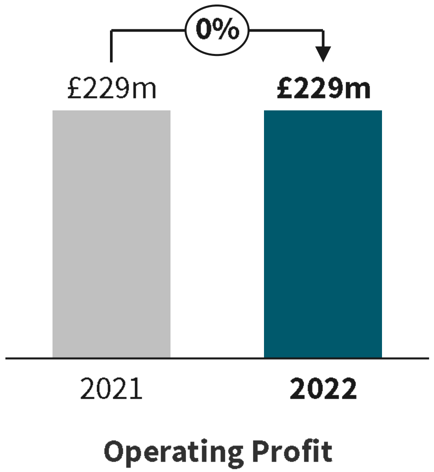
Trading



- **Sales[1]** were up 6% with strong growth in Group Protection & Health more than offsetting the impact of higher interest rates
- **VNB** up 18% due to sales[1] growth and improved margins reflecting favourable assumption changes

Profitability



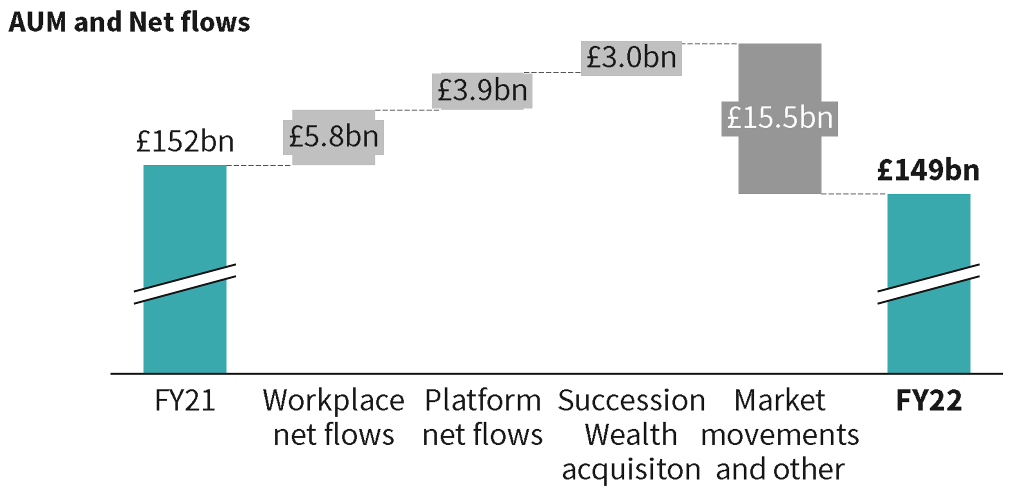


- **Solvency II OFG** was down 14% due to the non-recurrence of favourable Group Income Protection claims experience
- **Operating Profit** was flat as the Group Income Protection experience was offset by improvements in Individual Protection and Health

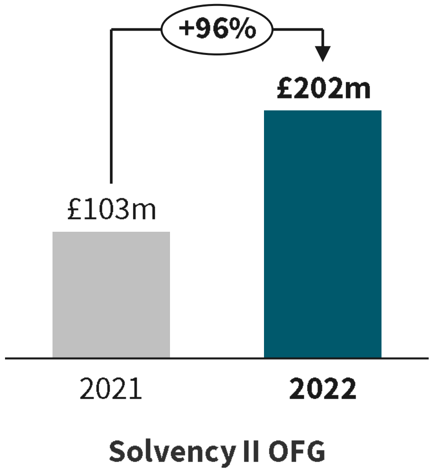
Ambition **VNB: UK&I Life 5-7% growth per annum**

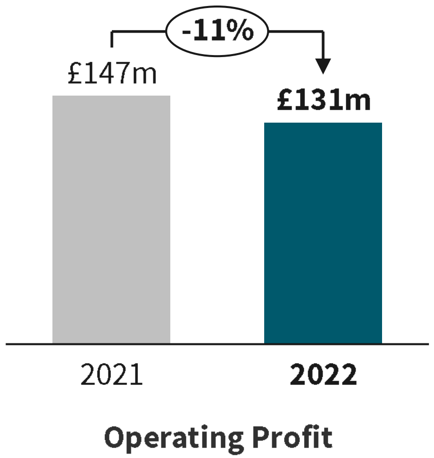
Resilient Wealth net flows despite challenging conditions

Trading



Profitability





- **Workplace net flows** were up 14% benefiting from the impact of wage inflation on employee contributions and high scheme retention
- **Platform net flows** were 32% lower driven by reduced demand amid the uncertain economic environment
- **Solvency II OFG** up 96% primarily reflecting growth from new business and a one-off experience provision release
- **Operating profit** 11% lower driven by adverse impact of market volatility on revenue, and an adjustment to cost allocations

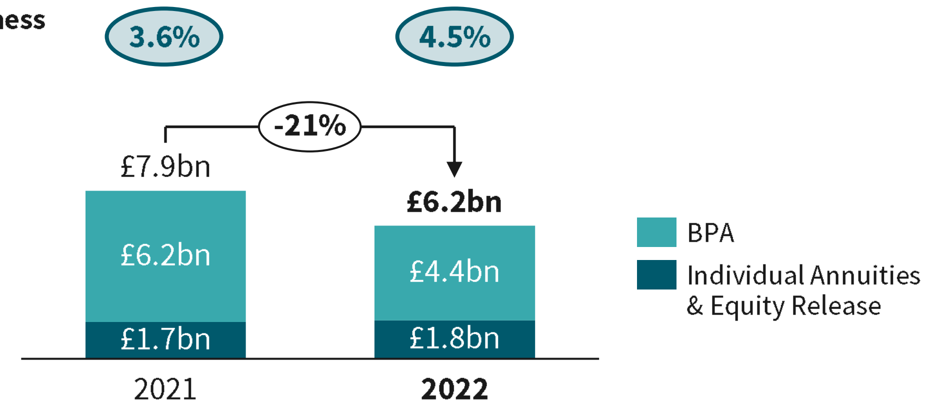
Ambition **Wealth: net flows at least 10% CAGR (2021-24)**

Maintaining pricing discipline in Retirement

Trading

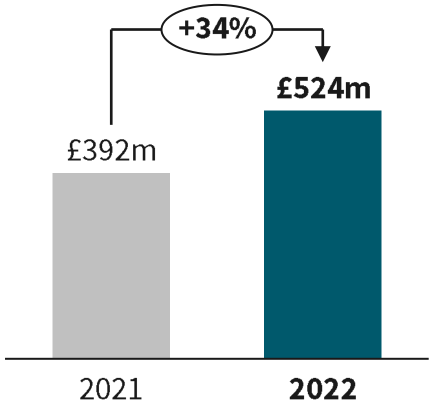
New business Margin

Sales[1]

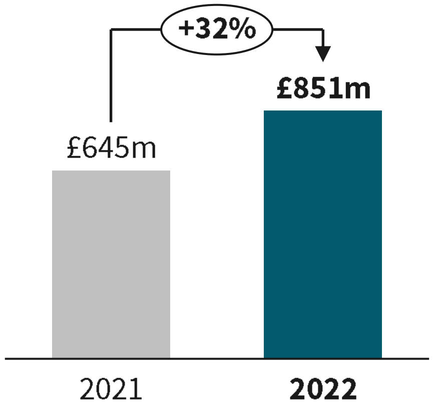


- **Sales[1]** were down 21% with strong growth in Equity Release more than offset by lower volumes of Individual Annuity and BPA volumes as we remain focused on maintaining pricing discipline
- **New business margin** was up 0.9pp reflecting a strong year of asset origination and higher allocation of corporate bonds and illiquid assets resulting in VNB remaining flat

Profitability



Solvency II OFG



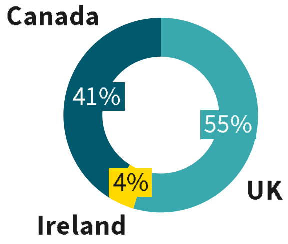
Operating Profit

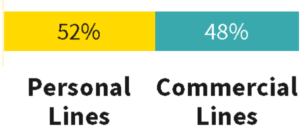
- **Solvency II OFG** up 34% and **Operating Profit** up 32%, both reflecting higher new business profit from BPA, higher expected return from backing assets and favourable experience

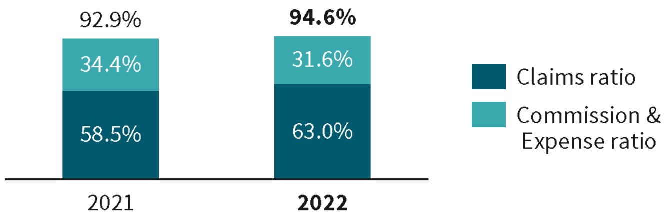
Ambition VNB: UK&I Life 5-7% growth per annum | BPA: £15-20bn of volumes over 2022-24

Strong profitability and growth across General Insurance

GWP	COR	Costs[1]	Operating profit	SII OFG
£9.7bn	94.6%	£1.1bn	£771m	£618m
+11%	+1.7pp	flat	+1%	(8)%

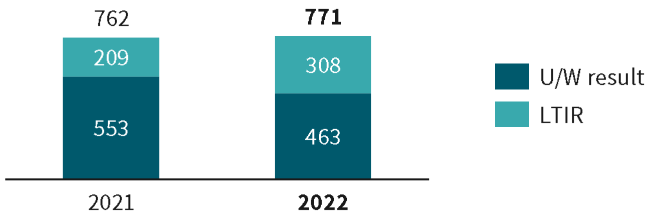






PYD: 0.4pp positive as the UK&I strengthening (0.8pp) was more than offset by prior year releases in Canada (2.1pp)

Weather: 0.1pp better than LTA as better than expected weather in Canada (0.9pp) was offset by the UK&I (0.4pp)



Underwriting result: down 16% due to an increase in motor claims frequency to a more normal level

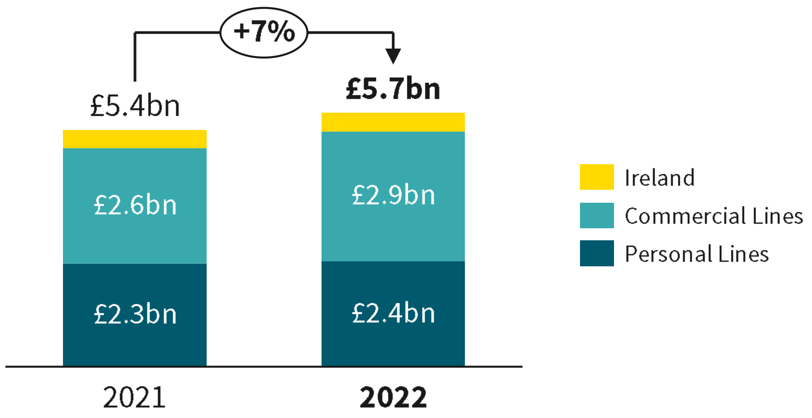
LTIR: up 47% due to higher reinvestment yields

Ambition **Combined operating ratio: <94%[2]**

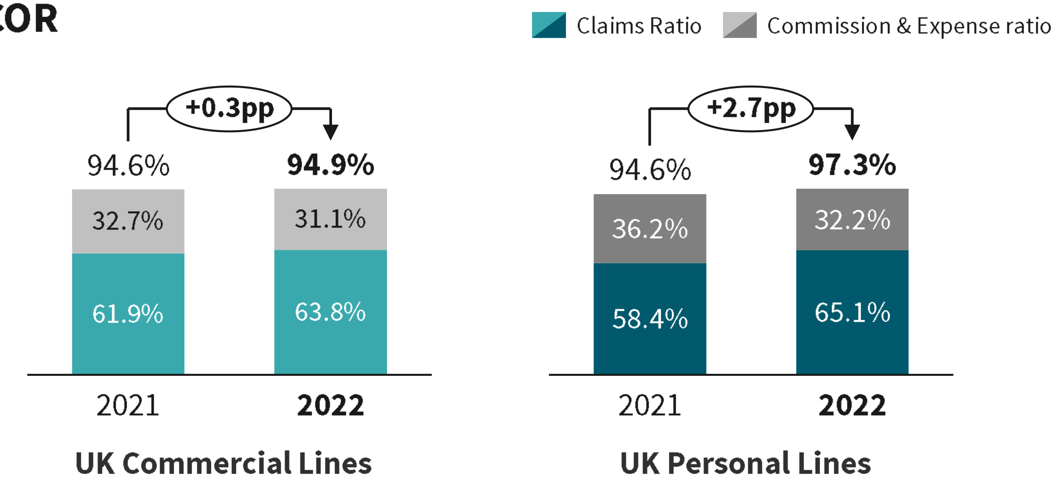
Resilient performance in UK & Ireland General Insurance

COR of 96.1% in a challenging environment, with GWP of £5.7bn up 7%

GWP



COR



- **UK Commercial Lines** up 12% driven by the continued favourable rate environment and strong new business and retention
- **UK Personal Lines** up 2% where our principal focus is on maintaining pricing discipline in the current environment

- **UK Commercial Lines** up 0.3pp as we absorbed headwinds from inflation, largely offset by profitable new business growth
- **UK Personal Lines** was 2.7pp higher due to claims inflation, adverse weather and the return to more normal claims frequency

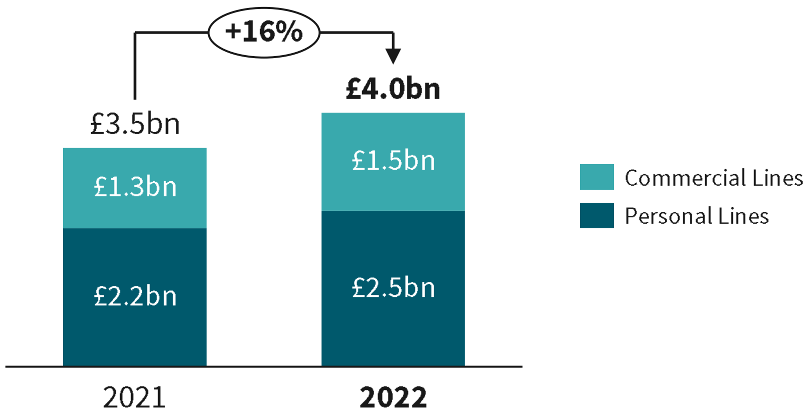
Ireland GI: **GWP** up 3% reflecting strong rate and retention in Commercial Lines. **COR** 95.8% up 4.1pp due to a return to more normal claims frequency

UK&I GI: **Operating profit** 5% lower, a good performance given the inflationary backdrop. **Solvency II OFG** 14% lower

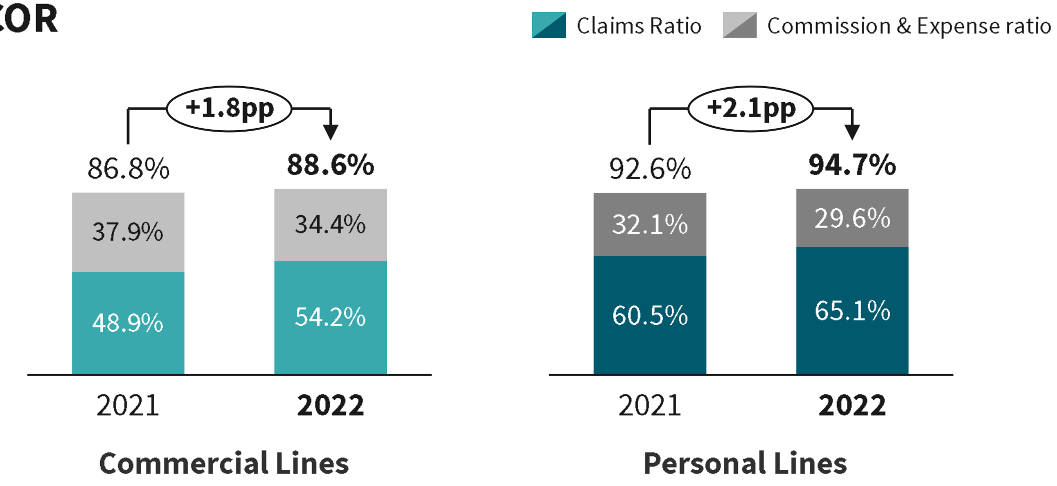
Excellent Canadian General Insurance result

Strong COR of 92.5% and GWP up 9% in constant currency to £4.0bn

GWP



COR



- **Commercial Lines** up 14% in constant currency driven by increased rate in a hard market and strong new business growth
- **Personal Lines** up 6% in constant currency due to new business growth and strong Ontario motor rate increases in the current year

- **Commercial Lines** up 1.8pp and **Personal Lines** up 2.1pp, both reflecting a return to more normal level of claims frequency, partly offset by favourable PYD and better weather experience

Operating profit up 6% as increased long-term investment returns more than offset the impact of claims returning to a more normal level

Solvency II OFG 2% lower primarily due to inflationary pressures and a return to more normal level of claims

Successful completion of reinsurance renewal

2023 reinsurance renewal

- Property catastrophe reinsurance programme **fully placed** before 1 January 2023, in a challenging market
- **Maximum cover increased** to £3.2bn / C$3.9bn of losses per event, £600m more than in 2022
- **Achieved lower risk-adjusted rate increases** than peer benchmarks
- **Retained an aggregate protection policy** to provide further cover if there are multiple cat events over 2023
- Higher retentions increase the SCR. Our diversified model results in only a 5pt SII shareholder cover ratio impact, **lower than on a standalone GI basis**
- The outcome **enables us to execute our business plans as intended**

Reinsurance cover levels

Per event (excess of loss)	UK	Ireland	Rest of World	Canada
2023 retention	**£200m**	**€25m**	**£40m**	**C$125m**
2022 retention	*£150m*	*€25m*	*£25m*	*C$50m*
Maximum Cover	**£3.2bn**		**£0.2bn**	**C$3.9bn**

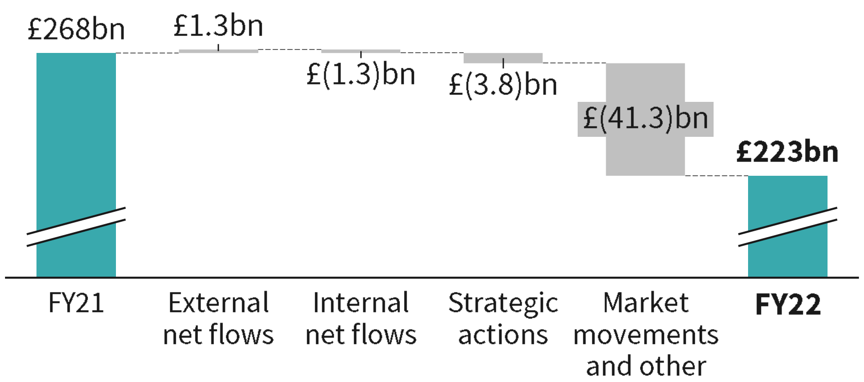
Aggregate (multiple events)	UK	Ireland	Rest of World	Canada
2023 aggregate	**£350m retention; £200m limit of cover**			
2022 aggregate	*£175m retention; £350m limit of cover*			

- No reinsurance renewals due at 1 April 2023
- Motor renewal due at 1 July 2023: much less significant given limited use of motor reinsurance

Continued focus on Aviva Investors' efficiency

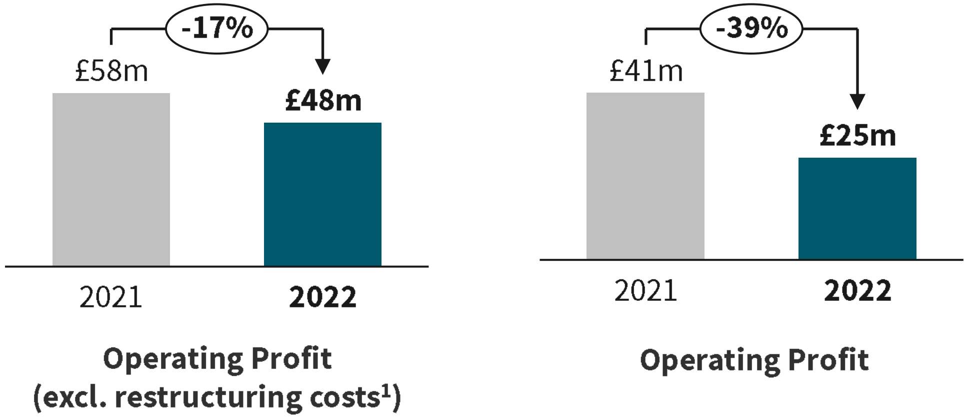
- **Originated £2.4bn** of real assets for UK Life, **supporting improved margins in the annuity business**
- **Outsourcing arrangements** signed with Bank of New York Mellon and Mount Street **as we progress on cost reduction initiatives**

AUM and net flows



- **External net flows** remained positive at £1.3bn despite the challenging environment, including £0.6bn in Q4
- **Total net flows** of £(3.8)bn primarily reflect outflows from clients previously part of the Aviva Group, mainly in France

Profitability

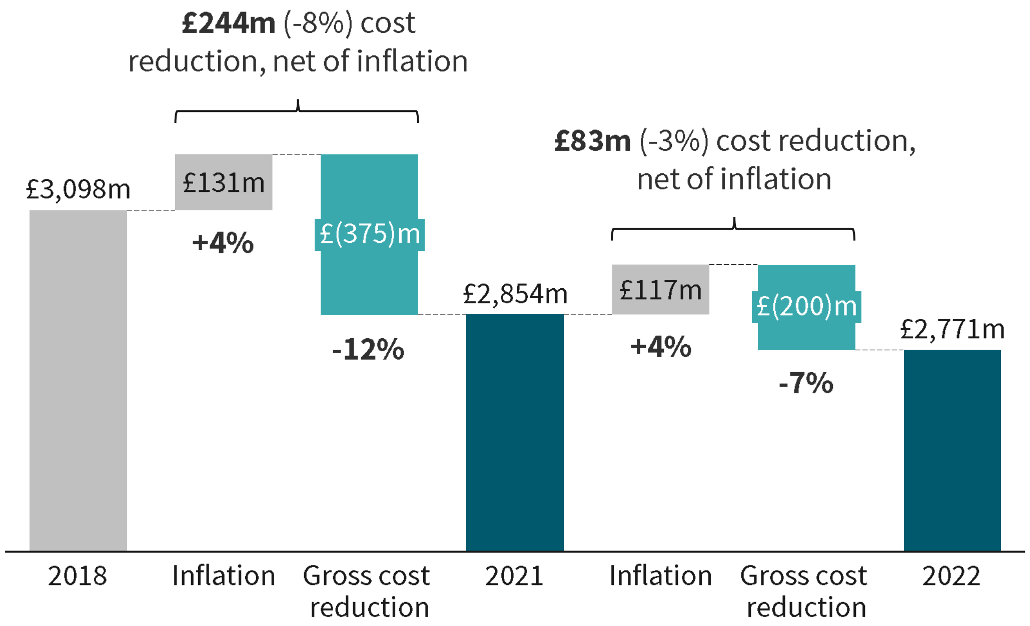


- **Operating Profit** 39% lower (17% excluding the impact of restructuring costs[1]) due to lower revenues, reflecting the adverse impact of weak investment markets on AUM, partly offset by a 4pp reduction in baseline controllable costs
- **Cost Income ratio** up 1pp to 87% despite a 4pp reduction in baseline controllable costs, reflecting a reduction in revenue due to lower average AUM

Ambition | **Cost:Income ratio <75%**

On track to deliver against our Group cost savings targets

Significant cost savings achieved to date[1]



£575m cost reduction, gross of inflation

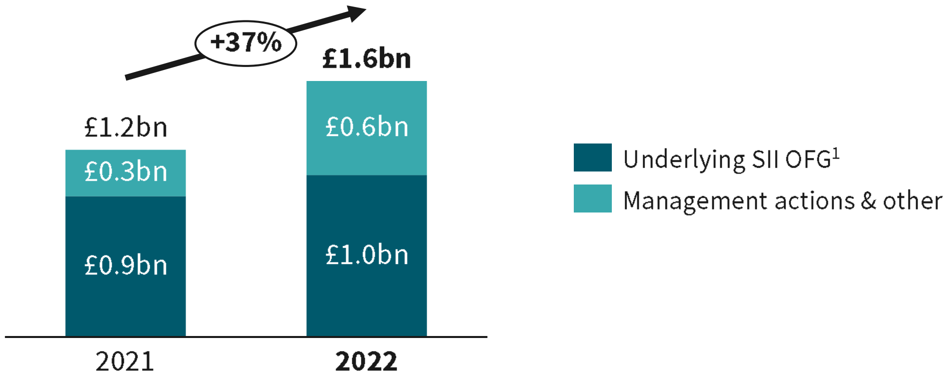
Cost reduction by business

	2022 £m	2018 £m	Change
UK & Ireland Life	**1,093**	1,236	(12)%
UK & Ireland General Insurance	**703**	776	(9)%
Canada	**410**	391	5%
Aviva Investors	**331**	381	(13)%
UK, Ireland, Canada & Aviva Investors	**2,537**	2,784	**(9)%**
Corporate centre costs & other operations	**234**	314	(25)%
Baseline controllable costs	**2,771**	3,098	**(11)%**

Target: £750m cost reduction by 2024[1] ✓ **On track** | **Top quartile efficiency thereafter**

Expect to exceed SII OFG target. On track to deliver on cash

Growing Solvency II OFG



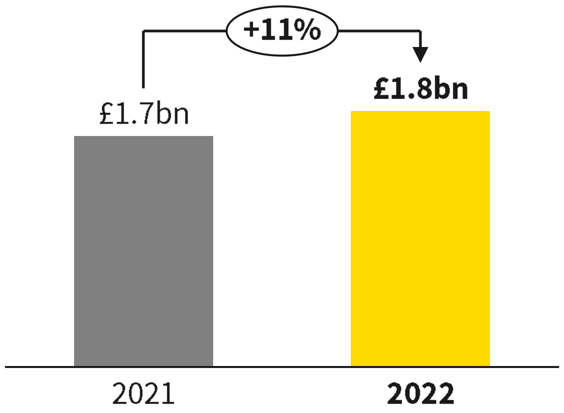
Solvency II OFG up 37%

- Underlying SII OFG[1] +15% primarily driven by existing business improvements in Wealth & BPA
- Strong progress towards our target of £1.5bn SII OFG p.a. by 2024

Target: £1.5bn p.a. by 2024

✓ **On track to exceed**

Growing cash remittances



Cash remittances up 11%

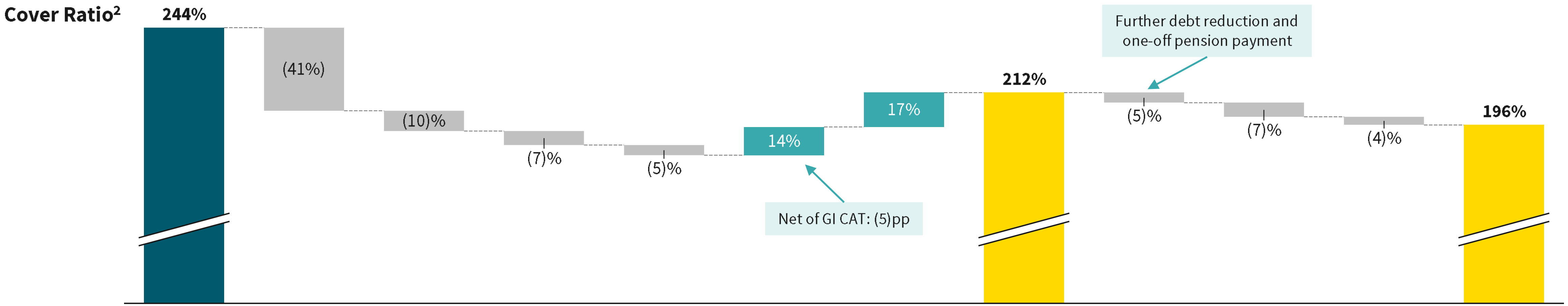
- Increased remittances from Canada and UK&I GI; partly offset by
- Lower UK&I Life remittances due to a dividend deferral amid volatility

Target: >£5.4bn 2022-24

✓ **On track**

Capital position remains robust

Solvency II shareholder position[1]



£bn	FY21	Capital return	Dividends	Debt reduction	Acquisitions & disposals	Operating capital generation	Non-operating capital generation	FY22	Pro forma[3] items	Final dividend	Share buyback	FY22 adjusted pro-forma
Own funds	**22.2**	(3.75)	(0.9)	(0.5)	(0.4)	1.6	(1.8)	**16.5**	(0.3)	(0.6)	(0.3)	**15.2**
SCR	**(9.1)**	-	-	-	(0.0)	(0.2)	1.5	**(7.8)**	-	-	-	**(7.8)**
Surplus	**13.1**	**(3.75)**	**(0.9)**	**(0.5)**	**(0.4)**	**1.4**	**(0.3)**	**8.7**	**(0.3)**	(0.6)	(0.3)	**7.5**

Capital diversification benefit: £2.1bn | **Pro forma[3] SII debt leverage ratio: 30%** | **Centre liquidity: £2.2bn (Feb 2023)**

Group capital management policy

Capital framework

SII shareholder cover ratio	c.180%
Centre liquidity	c.£1.5bn
SII debt leverage ratio	<30%
Maintain AA credit rating metrics	

Surplus capital

Surplus capital is available for:

- **Further investment in the business** to support our growth and top-quartile efficiency objectives
- **Bolt-on M&A** where this delivers attractive risk adjusted returns and the opportunity is in line with our strategy
- **Additional returns to shareholders** releasing excess capital over time

Confidence in 2023 and beyond

Group targets		Progress
Cash remittances	>£5.4bn 2022-2024	✓ On track
SII Operating own funds generation	£1.5bn Per annum by 2024	✓ On track to exceed
Cost reduction	£750m 2018-24[1]	✓ On track

Dividend guidance & capital return

2023 dividend[2]	c.£915m
Dividend growth	Growing cash cost at low-to-mid single digits 2024 onwards
Capital return	Launching new share buyback of £300m

Agenda

Group CEO update

Amanda Blanc, Group CEO

FY 2022 results

Charlotte Jones, Group CFO

Strategic update

Amanda Blanc, Group CEO

Q&A

Building on a unique position of market strength

Insurance[1]

UK GI	#1
Canada GI	#2
Ireland GI	#3
Protection	#2
Health	#3

AVIVA
18.7m customers[3]

Wealth[1]

Workplace	#1
Adviser Platform	#2
Advice	~250 advisers
Direct Wealth	~#15
Aviva Investors	£223bn AuM
Heritage	£69bn AuM

Retirement[1]

BPA	£4.4bn premiums
Individual Annuities	#1
Equity Release	#3
Ireland Life	#4
AI Real Assets origination £2.4bn[2]	

Unrivalled customer franchise

#1 Trusted brand

Strong relationship with intermediaries

Serving all customer needs

Highly synergistic business model

Playing into attractive market opportunities

Near-term tailwinds outweigh headwinds

Headwinds

Tailwinds

- Inflation
- Cost of living crisis
- Market volatility
- Reinsurance

+ Demand for DB de-risking
+ Resilient workplace
+ Increased demand for Private Medical Insurance
+ Improved GI retention
+ Increased focus on employee benefits
+ Solvency II reforms

Attractive growth opportunities in all markets

Insurance	**£50bn** UKGI market growing at 4% **£40bn** Canada market growing at 5% **£14bn** UK Protection & Health market growing at 3-4%
Wealth	**£2.1tn+** wealth assets by 2025 **£28tn+** estimated global ESG assets by 2026
Retirement	**£40bn - £90bn** BPAs flows p.a. expected in 2023-2025 **1 in 4** people in the UK will be 65+ by 2039 **£45bn+** of assets moving into retirement p.a.

Investing for Aviva's future

£300m
for customer & growth

Investing over 2022-24 to **improve customer experience, drive targeted profitable growth, generating £100m** operating profit benefit by 2025

£200m
for efficiency

Investing over 2022-23 to **drive the next phase of cost reduction and reach our target of £750m cost reduction** gross of inflation by 2024

£385m
Succession Wealth

Acquisition of Succession Wealth to **build out our Advice capability**, **delivering double digit return** on investment

£100m
for UK GI growth

AXA XL's High Net Worth business & AZUR HNW. **Leading HNW insurer**

Acquisition of Barclays' Home book **enhancing #1 position in Home**

Delivering our strategy is unlocking competitive advantage

Clear strategy with focus on execution

Customer

Go-to customer brand for Insurance, Wealth & Retirement

Growth

Targeted, disciplined and profitable growth

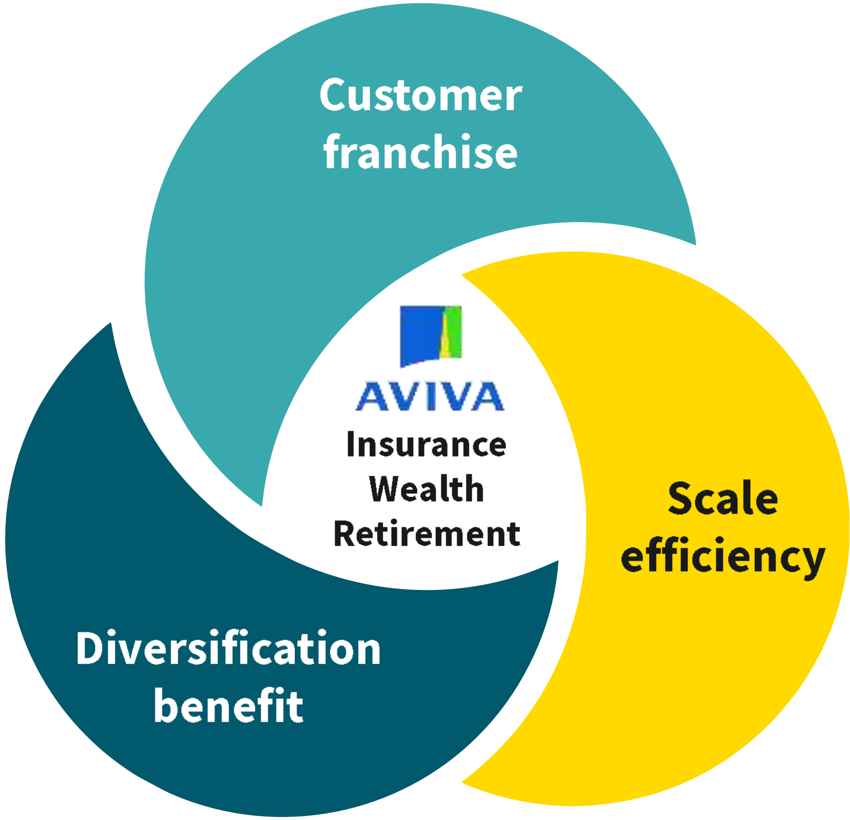
Efficiency

Top-quartile efficiency with technology at the core

Sustainability

Leading on Climate Action, Stronger Communities & Sustainable Business

Unlocking competitive advantage of our model



Investing behind our customer advantage

Building an engaging mobile-led customer experience

£600m+ Gross flows driven through our enhanced MyAviva digital pension journey

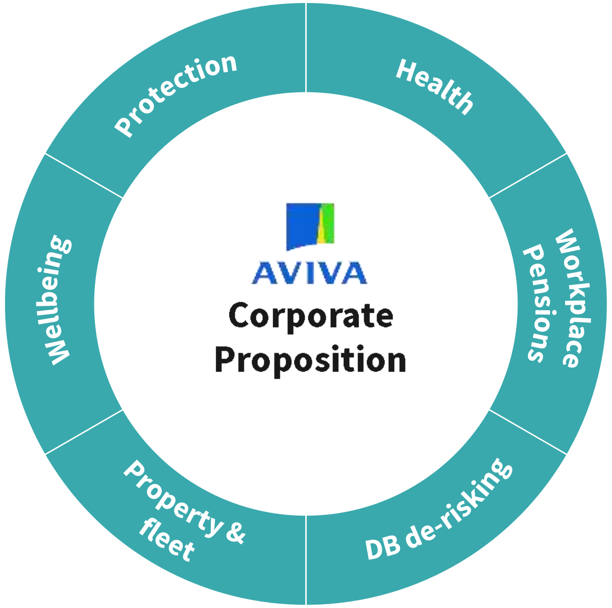
Harnessing data for timely & personalised engagement

1.8x More motor policy PCW sales to Aviva pension customers

Leveraging Brand across Insurance, Wealth & Retirement

37m+ Unique viewers of our new Masterbrand campaign (25 Dec – 20 Feb)

Connecting market-leading propositions



Established credibility and expertise with large corporates

Uniquely able to partner with major EBCs across full range of corporate needs

Strategic Account Management service for top corporates

~30%

UK Aviva Corporate customers with 2+ products from Aviva

Leading with customer-centric innovation

Building next generation businesses and services

100k policies sold

60% growth in customer numbers

Investing in start-ups for strategic & financial returns

£150m Aviva Ventures Fund 2 launching in 2023

Creating & accelerating new ventures and propositions

Creating a culture of innovation & diversity

Winner - Corporate Innovator of the Year

$10m investment in Female Innovators Lab Fund

Aviva pensions consolidation

Market leading AI-led pension tracing solution

Developed in partnership with Fabric.

Available for Workplace and Direct customers

Built ahead of government pensions dashboard

£1bn+

Ambition for assets to be transferred/retained over the next 4 years

Growing across Aviva's diversified portfolio

Growth

	Ambition	Example investments		
Insurance	**Above market growth with <94% GI COR**	Building new capabilities and processes to **expand attainable market in Canada GCS**	Focused growth in UK Personal Lines and building on **leading HNW position**	Leveraging Aviva's distribution network to **supercharge Health SME growth**
Wealth	**10%+** Wealth net flows (2021-24 CAGR)	Enhanced **Master Trust** proposition	SUCCESSION WEALTH Accelerating Integrated Wealth with **Succession Wealth** & **Direct Wealth**	AVIVA INVESTORS ShareAction» Investing in ESG capabilities resulted in being ranked as **#3 global asset manager for responsible investment**
Retirement	**5-7% p.a.** UK&I Life VNB growth	Enhancing **BPA proposition** & modernising BPA platform	Launched **next generation retirement proposition** for Workplace	Expanded our advisor capability to cover **Equity Release advice**

Delivering real efficiency gains

Delivering on our cost commitments

£575m
£327m net cost reduction delivered

Cumulative gross savings vs 2018 baseline[1]

£750m
Cumulative gross savings vs 2018 baseline

On track to deliver by end of 2024

Top quartile efficiency

Working towards **top-quartile efficiency** across all Business Units

Simplifying our business

17% Group centre cost reduction

22% Reduction in UK IT applications

57% Customer journeys digitised & automated

27% Property cost reduction

Change vs FY2020

Working towards top quartile efficiency

Efficiency

	Benchmark		Example investments		
UK&I GI	Distribution ratio[1]	**32%** 31% today	Claims process reengineering	70% reduction in GI Personal Lines products	Improved data led pricing and underwriting
Canada GI	Distribution ratio[1]	**30%** 31% today	Building best-in-class pricing capability	Streamlined operations in commercial insurance	Successful expansion of Aviva Trial Lawyers
UK&I Life	Costs[2]/AuM[3]	**30bps** 35bps today	Modernisation of Equity Release IT Estate	Optimisation of existing outsourcing relationships	34 front-end digital journeys delivered
Aviva Investors	Costs[2] / AI revenue[4]	**<75%** 87% today	Real assets operations outsourcing	Liquid assets operations outsourcing	Closed sub-scale funds

All footnotes on pages 57-58

Leading UK Financial Services on Sustainability

Leading on Climate Action

Science-based targets validated

£1.5bn Climate Transition Funds AuM

£38m Donated to help restore Britain's temperate rainforests

Stronger Communities

£6.9bn Invested in UK Real Estate & Infrastructure

2% Profits reinvested in communities

£9m Committed to Citizens Advice and Money Advice Trust

Sustainable Business

SUSTAINALYTICS 5th out of 293 global insurers[1]

37% Women in senior leadership positions

88% Employees agree that Aviva is a good corporate citizen

Ambition:

Net Zero by 2040

£25bn+ investment in UK economy over next 10 years

Go-to sustainable employer

All footnotes on pages 57-58

Delivering Aviva's promise

Position of market strength
with market-leading positions in all core segments

Competitive advantage of the model
across Customer, Diversification and Scale

Clear strategy with focus on execution
Customer, Growth, Efficiency, Sustainability

Confidence to invest in the business
accelerating strategic execution

Performance & potential
Consistent performance delivery and ambitious growth plans

- ✓ **Confidence in medium-term targets**
- ✓ **Attractive and growing dividend**
- ✓ **Sustainable and regular capital return**

Q&A

Amanda Blanc

Group CEO

Charlotte Jones

Group CFO

Appendices

International Investments, Group centre and debt costs

International Investments – India, China & Singapore

	2022 £m	2021 £m	Change %
Cash remittances	**19**	11	73%
SII OFG	**106**	124	(15)%
Operating profit	**52**	97	(46)%
Life sales[1]	**1,172**	1,122	5%
Value of new business	**84**	78	8%

- International investments **operating profit** 46% lower reflecting the impact of a one-off property charge
- **Sales[1]** 3% lower in constant currency primarily due to a reduction in Singapore, which had a particularly strong prior period, following the successful launch of a long-term care product

Group centre & debt costs

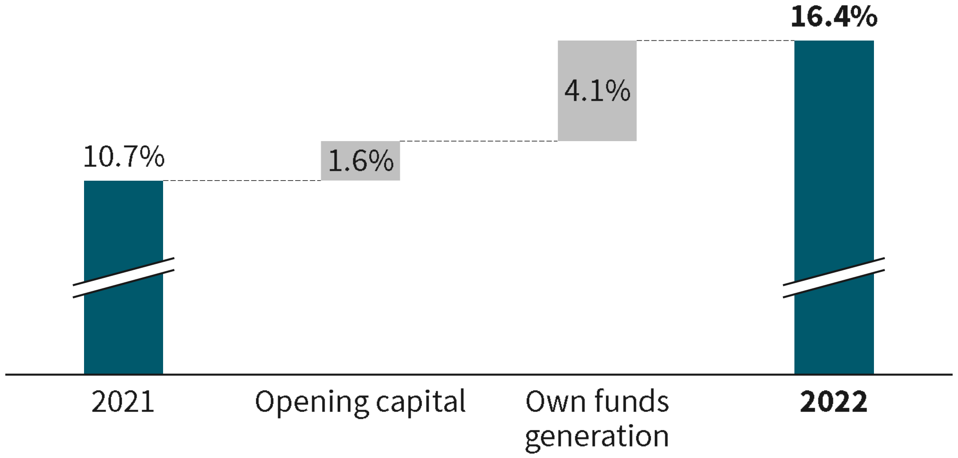
	2022 £m	2021 £m	Change %
Central spend	**156**	169	(8)%
Project spend, implementation & other	**141**	210	(33)%
Group debt costs & other interest	**246**	315	(22)%
Total	**543**	694	(22)%

- Successful debt actions taken in 2021 have **reduced Group debt costs & other interest by 22%** in 2022
- **Central spend down 8%**. Project spend, implementation & other driven by strategic investments, IFRS 17 and cost reduction implementation

Solvency II

Solvency II return on capital/equity

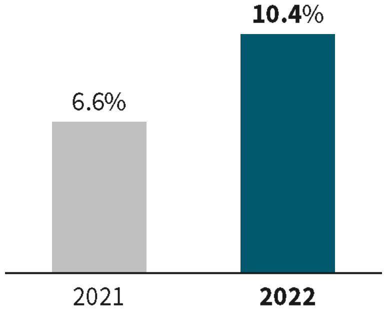
SII RoE



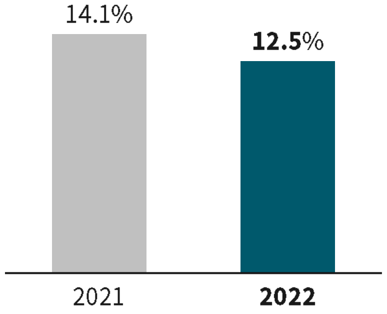
	2022 £m	2021 £m	Change %
Life new business	**457**	423	8 %
Existing business	**539**	416	30 %
Non-life capital generation	**589**	692	(15) %
Debt & centre costs (incl. pref/DCI costs)	**(561)**	(610)	8 %
Management actions & other[1]	**597**	294	103 %
Operating own funds generated (UT1) post TMTP adjustment	**1,621**	1,215	33 %
Opening own funds (UT1) post excess capital adjustment	**9,884**	11,320	(13) %
SII RoE (%)	**16.4%**	10.7%	5.7 pp

Market SII RoC

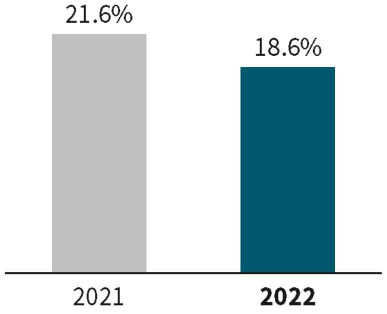
UK & Ireland Life



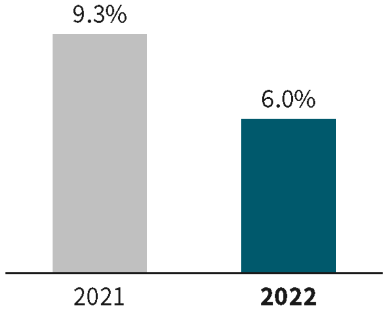
UK & Ireland General Insurance



Canada



Aviva Investors



Solvency II return on capital/equity (FY22)

2022	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 %
	Solvency II operating own funds generation							
UK & Ireland Life	390	400	—	578	1,368	1,432	13,830	10.4%
UK & Ireland General Insurance[2]	—	—	260	33	293	293	2,339	12.5%
Canada	—	—	305	20	325	325	1,746	18.6%
Aviva Investors	—	—	24	—	24	24	400	6.0%
UK, Ireland, Canada and Aviva Investors	**390**	**400**	**589**	**631**	**2,010**	**2,074**	**18,315**	**11.3%**
International investments	67	75	—	(36)	106	106	982	10.8%
Corporate centre costs and other operations	—	—	(281)	2	(279)	(290)		
Group external debt costs and other interest	—	—	(214)	—	(214)	(214)		
Solvency II operating own funds generation at 31 December	**457**	**475**	**94**	**597**	**1,623**	**1,676**		
Less preference shares and RT1 notes[3]						(55)		
Solvency II return on equity at 31 December						**1,621**	**9,884**	**16.4%**

All footnotes on pages 57-58

Solvency II return on capital/equity (FY21)

2021	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 %
	Solvency II operating own funds generation							
UK & Ireland Life	360	314	—	279	953	996	15,073	6.6%
UK & Ireland General Insurance[2]	—	—	330	9	339	339	2,401	14.1%
Canada	—	—	326	6	332	332	1,534	21.6%
Aviva Investors	—	—	36	—	36	36	385	9.3%
UK, Ireland, Canada and Aviva Investors	**360**	**314**	**692**	**294**	**1,660**	**1,703**	**19,393**	**8.8%**
International investments	63	62	—	(1)	124	124	909	13.6%
Corporate centre costs and other operations	—	(3)	(340)	1	(342)	(344)		
Group external debt costs and other interest	—	—	(255)	—	(255)	(230)		
Solvency II operating own funds generation from continuing operations at 31 December	**423**	**373**	**97**	**294**	**1,187**	**1,253**		
Less DCI preference shares and RT1 notes[3]						(38)		
Solvency II return on equity at 31 December						**1,215**	**11,320**	**10.7%**

Solvency II own funds

	Opening own funds 1 January 2022 £m	**Closing own funds 31 December 2022 £m**
UK & Ireland Life	13,830	**12,588**
UK & Ireland General Insurance	2,339	**2,490**
Canada	1,746	**1,800**
Aviva Investors	400	**387**
UK, Ireland, Canada and Aviva Investors	18,315	**17,265**
International investments	982	**1,187**
Group centre costs and Other[1]	2,853	**(1,985)**
Estimated Solvency II shareholder own funds	22,150	**16,468**
Estimated unrestricted shareholder tier 1 own funds	15,697	**10,962**
Estimated unrestricted shareholder tier 1 own funds (post-excess capital adjustment)	9,884	**8,488**

Solvency II sensitivities (Group shareholder view)

	Sensitivity	FY22 Impact on surplus £bn	FY22 Impact on cover ratio pp	FY21 Impact on surplus £bn	FY21 Impact on cover ratio pp
Changes in economic assumptions	50 bps increase in interest rate	–	4pp	0.3	12pp
	100 bps increase in interest rate	0.1	7pp	0.4	21pp
	25 bps decrease in interest rate	–	(2)pp	(0.2)	(6)pp
	50 bps decrease in interest rate	(0.1)	(5)pp	(0.3)	(11)pp
	100 bps decrease in interest rate[1]	(0.1)	(10)pp	n.a.	n.a.
	50 bps increase in corporate bond spread[2]	–	4pp	0.2	7pp
	100 bps increase in corporate bond spread[2]	–	6pp	0.4	15pp
	50 bps decrease in corporate bond spread[2]	(0.1)	(5)pp	(0.4)	(11)pp
	Credit downgrade on annuity portfolio[3]	(0.4)	(7)pp	(0.5)	(9)pp
	10% increase in market value of equity	0.1	–pp	0.1	-pp
	25% increase in market value of equity	0.2	(2)pp	0.3	1pp
	10% decrease in market value of equity	(0.1)	–pp	(0.1)	-pp
	25% decrease in market value of equity	(0.3)	(1)pp	(0.3)	(1)pp
	20% increase in value of commercial property	0.4	7pp	0.3	6pp
	20% decrease in value of commercial property	(0.5)	(9)pp	(0.5)	(9)pp
	20% increase in value of residential property	0.3	5pp	0.4	8pp
	20% decrease in value of residential property	(0.5)	(9)pp	(0.6)	(10)pp
Changes in non-economic assumptions	10% increase in maintenance and investment expenses	(0.7)	(10)pp	(0.7)	(11)pp
	10% increase in lapse rates	(0.3)	(4)pp	(0.3)	(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	(0.7)	(12)pp	(1.4)	(21)pp
	5% increase in gross loss ratios	(0.3)	(4)pp	(0.2)	(3)pp

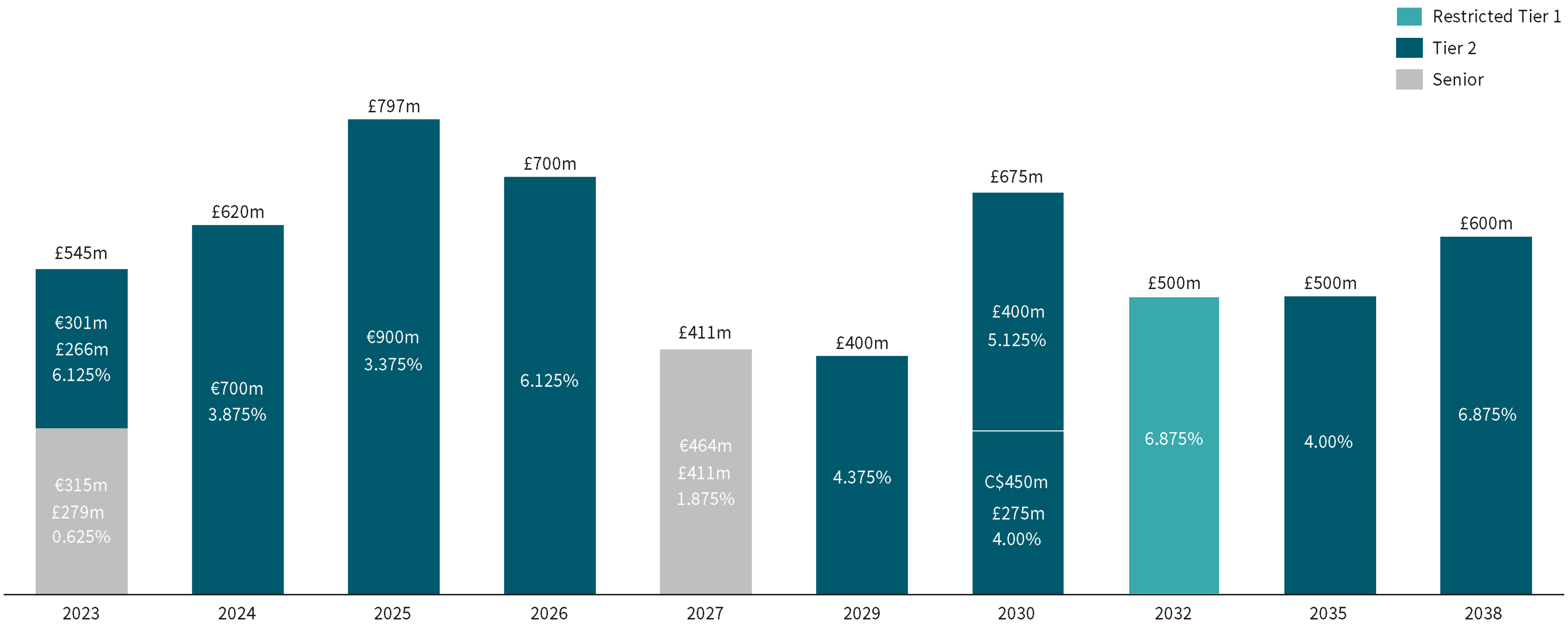
All footnotes on pages 57-58

Solvency II regulatory own funds tiering and debt leverage

Regulatory view	**£m 2022**	£m 2021	**% of own funds 2022**	% of own funds 2021	**% of SCR 2022**	% of SCR 2021
Unrestricted Tier 1	13,162	19,120	**70%**	75%	**140%**	153%
Restricted Tier 1	946	967	**5%**	4%	**10%**	8%
Tier 2	4,264	5,363	**23%**	21%	**45%**	43%
Tier 3[1]	296	123	**2%**	—	**3%**	1%
Est. regulatory own funds	**18,668**	**25,573**	**100%**	100%	**198%**	205%

Regulatory view	**£m 2022**	£m 2021
Solvency II regulatory debt[2]	**5,210**	6,330
Senior notes	**687**	651
Commercial paper	**252**	50
Total debt	**6,149**	7,031
Est. regulatory own funds, senior notes and commercial paper	**19,607**	26,274
Solvency II debt leverage ratio	**31%**	27%

Subordinated and senior debt profile

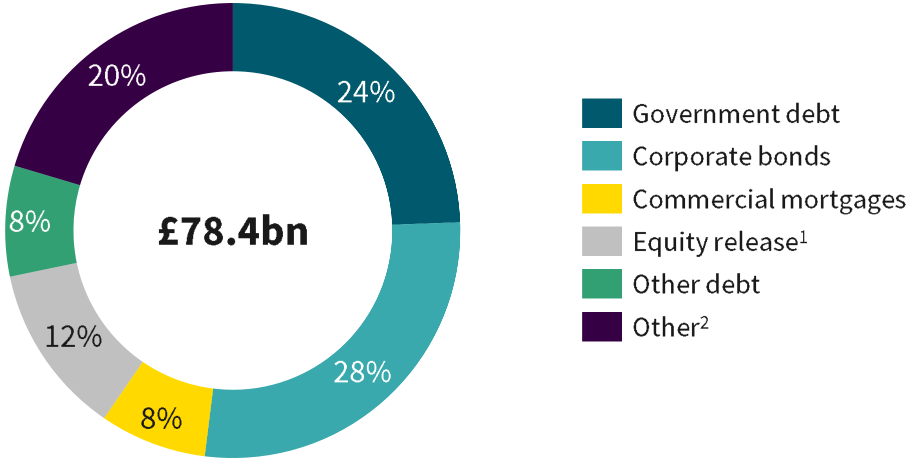


All debt instruments have been presented at optional first call dates at nominal values converted to GBP using 31 December 2022 rates.

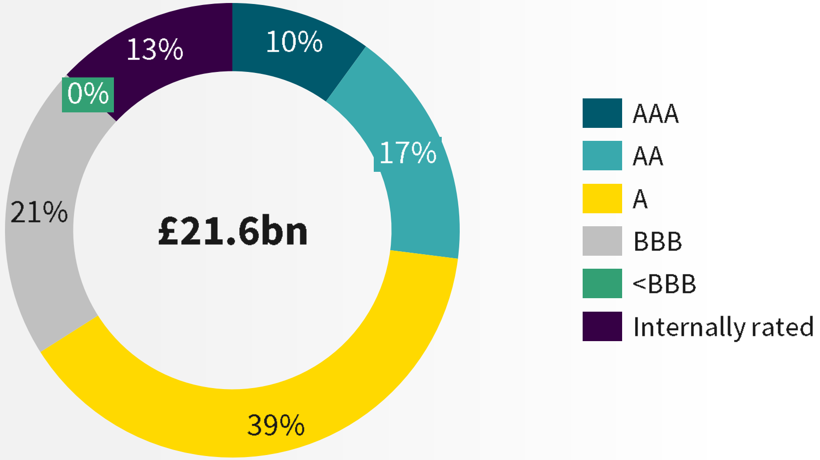
Assets

Shareholder asset portfolio well positioned

Total shareholder assets



Corporate bonds by rating



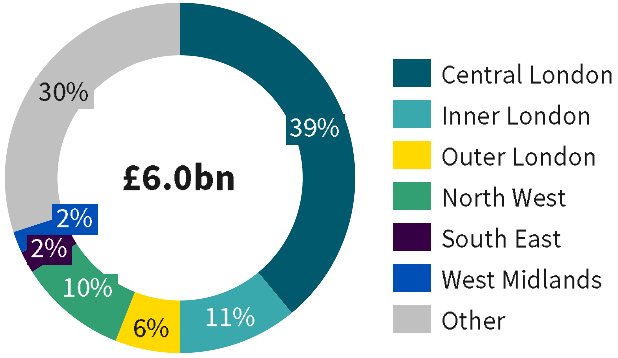
- **High-quality portfolio** continues to perform well
- **Defensive investment profile** - we have not chased growth
- **Low shareholder exposure** to equities, emerging markets sovereigns, and European peripherals

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

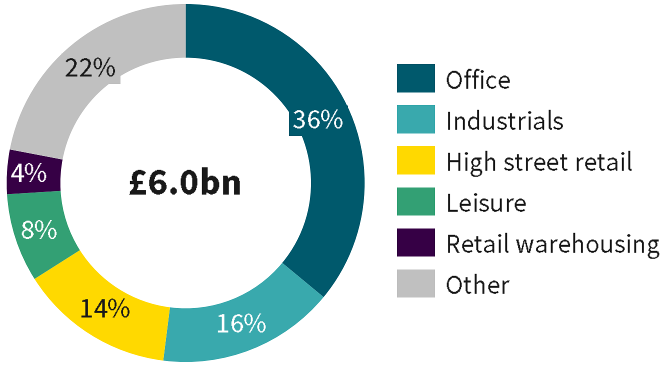
All footnotes on pages 57-58

A high quality commercial mortgage portfolio

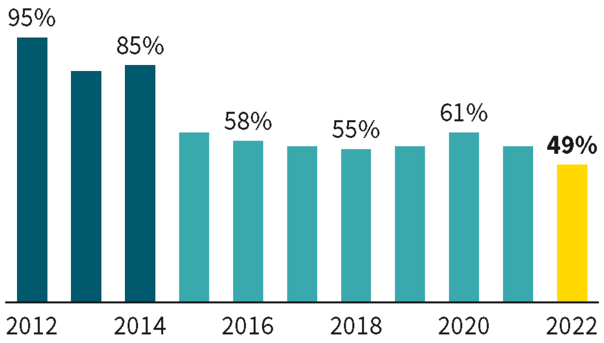
Commercial mortgage assets by geography



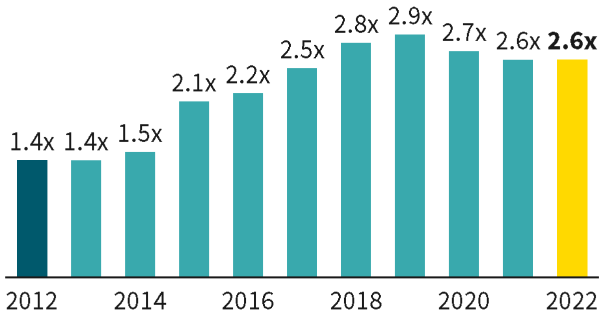
Commercial mortgage assets by industry



Low average loan-to-value ratio



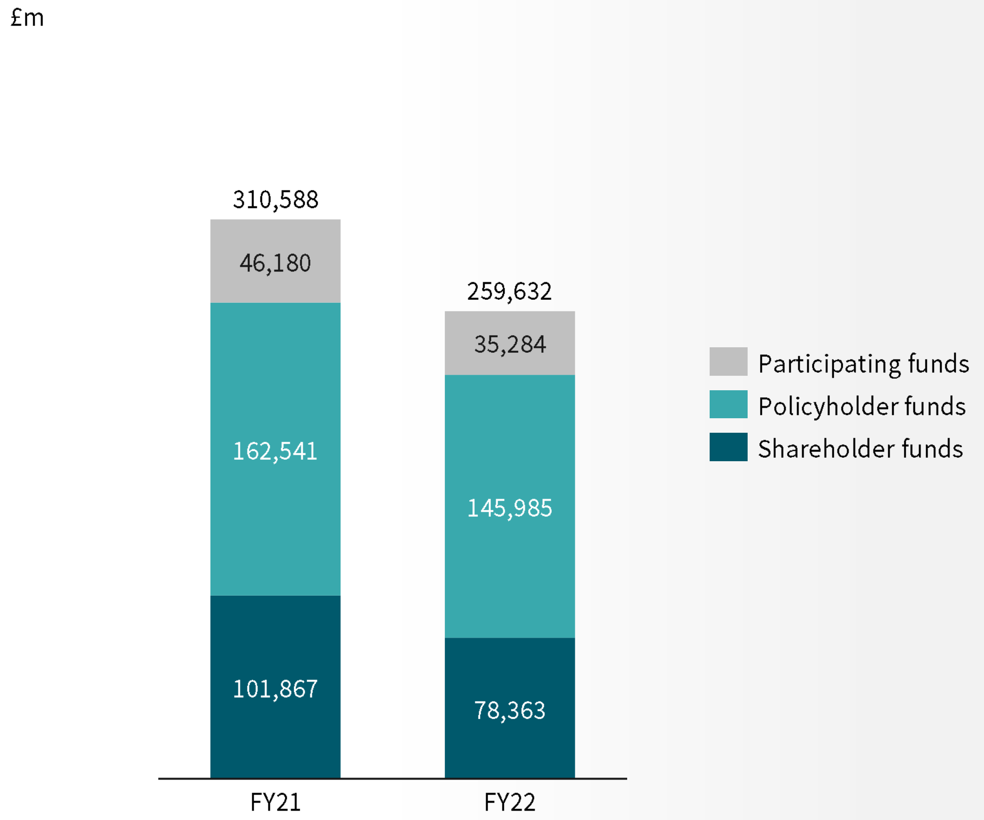
Strong loan interest cover



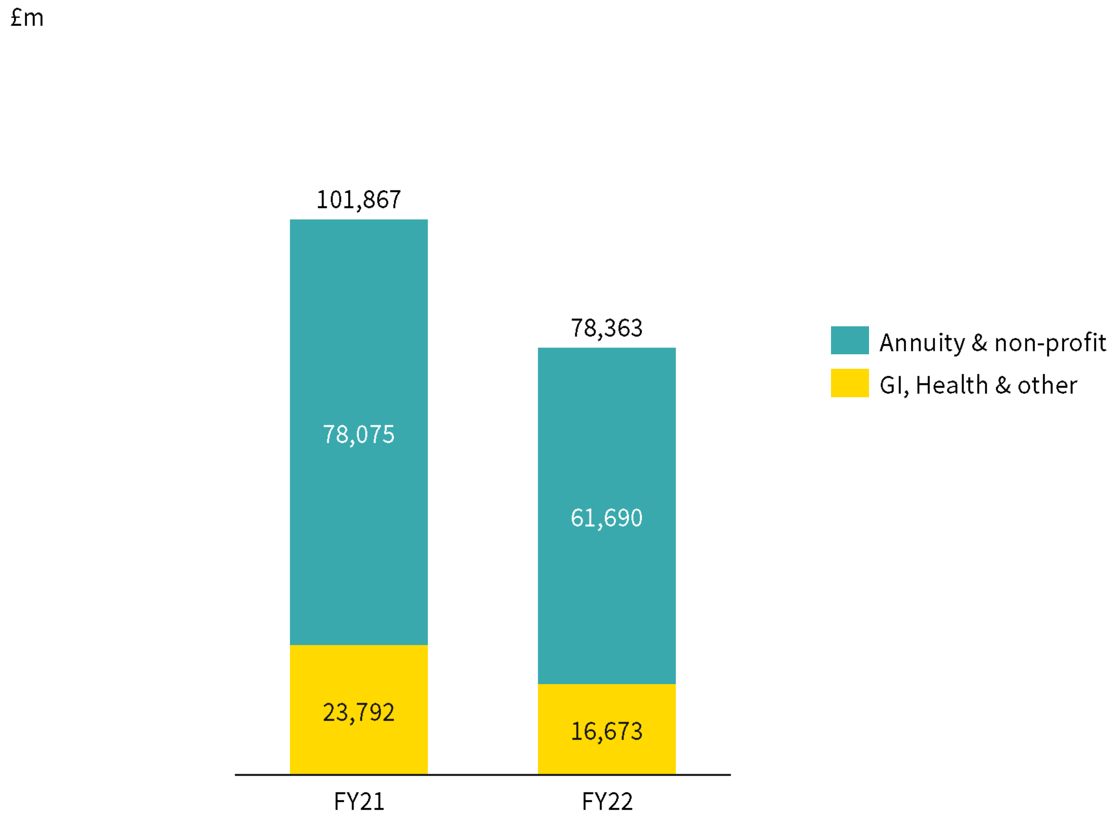
- **Experienced team** of real estate professionals understand the market
- **Long term relationships** with most borrowers
- **Protective covenants in place**, while monitoring provides early warnings
- **Early engagement** allows asset management activity or sponsor support to remediate
- Largely **long-duration fixed-rate loans** with **limited refinance risk** in near term
- Well diversified, **high quality tenant base**

Total managed assets

Assets by type of liabilities covered

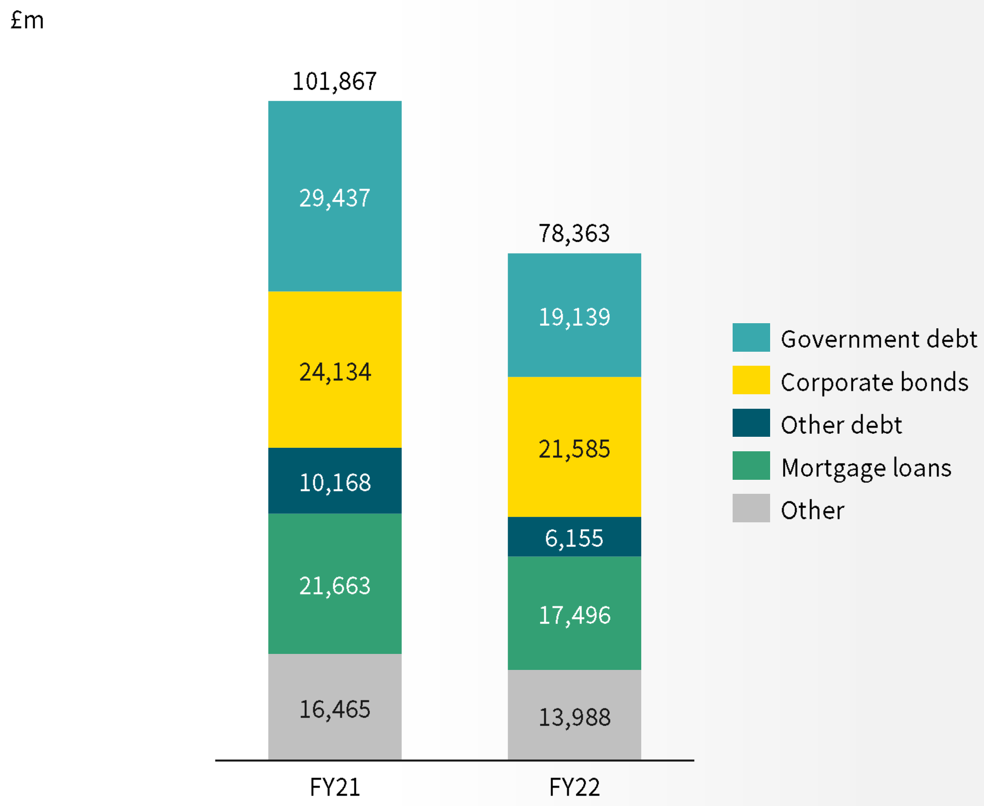


Shareholder assets by type

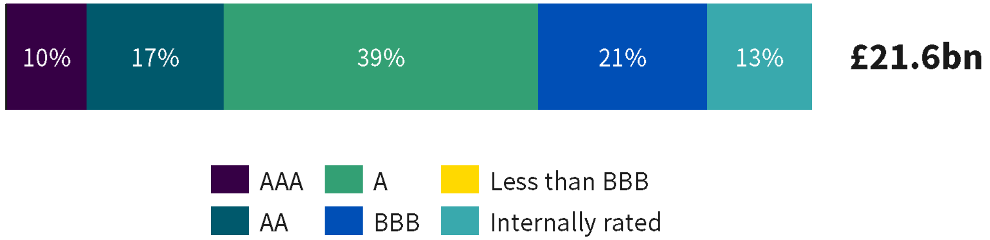


Shareholder assets

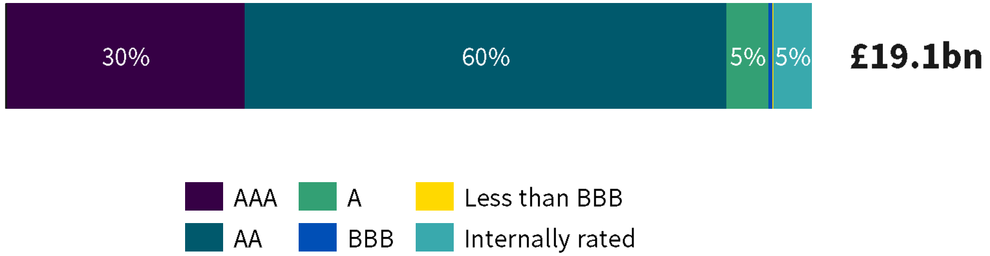
Shareholder assets by type



Corporate debt by rating

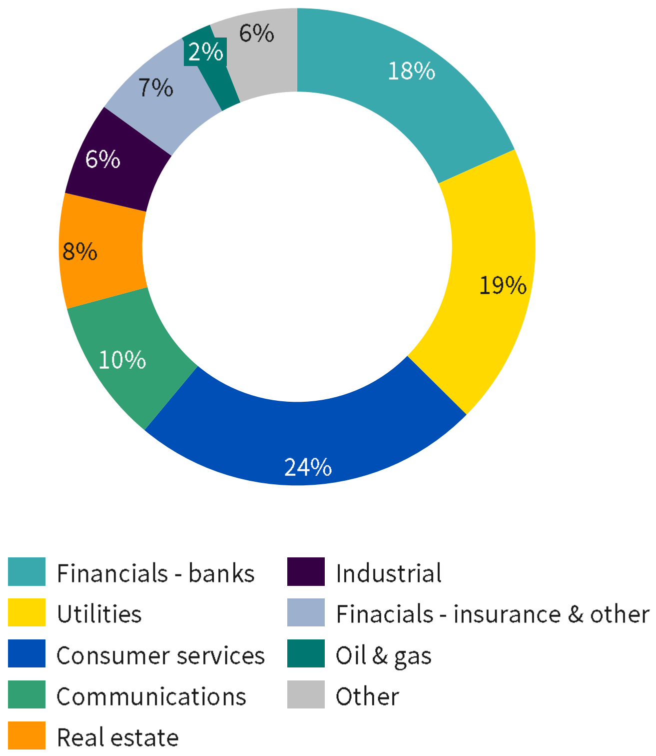


Government debt by rating

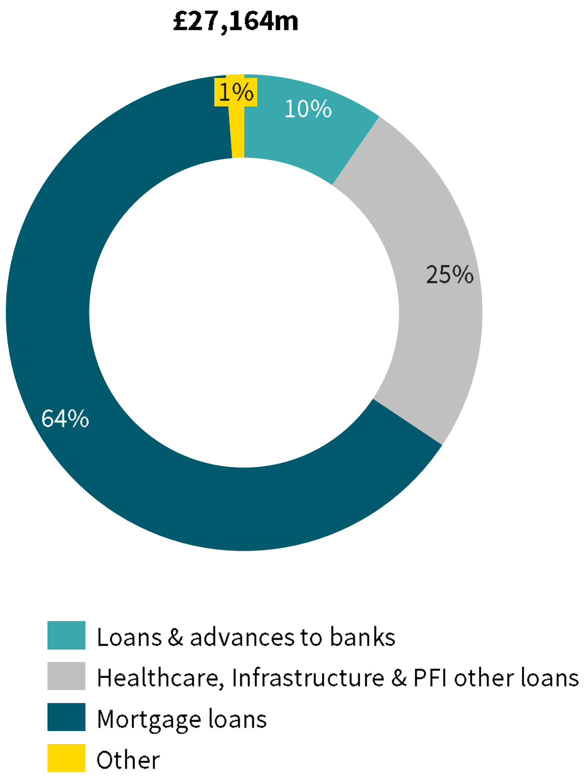


Shareholder assets – corporate bonds and loans

Corporate bonds by industry

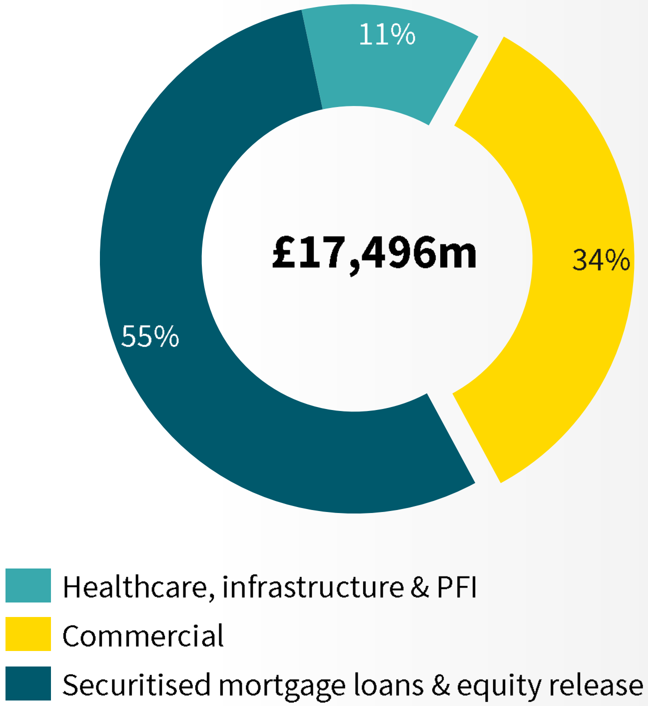


Loans by type



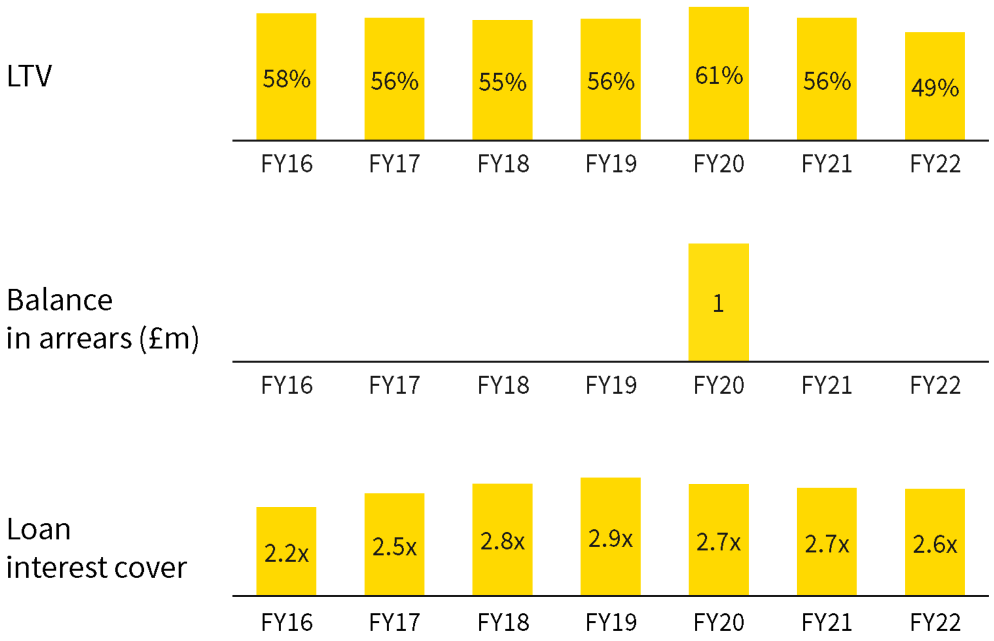
Shareholder assets – mortgage loans

Mortgage loans



Commercial real estate portfolio

FY22 commercial total: £5,953m



Footnotes

Footnotes (1/2)

Slide	Reference	Footnote
5	1	Where applicable financial highlights relate to year-on-year comparisons
	2	Gross written premiums at constant currency
	3	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
7	1	References to sales represent present value of new business premiums (PVNBP) for life or GWP in GI
8	1	The Board has not approved or made any decision to pay any dividend in respect of any future period
9	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
11	1	Excludes UK&I Life other, which represents changes in assumptions and modelling, non-recurring items and non-product specific overheads
	2	Excludes UK&I Life management actions and other, which represents the impact of capital actions, non-economic assumption changes and other non-recurring items
	3	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
	4	Pro forma adjusted for further £0.5bn debt reduction (which we now expect to incorporate a combination of subordinated and senior debt) and £0.1bn one-off pension scheme payment
12	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
	2	Excludes UK&I Life other, which represents changes in assumptions and modelling, non-recurring items and non-product specific overheads
	3	Excludes UK&I Life management actions and other, which represents the impact of capital actions, non-economic assumption changes and other non-recurring items
13	1	References to sales represent present value of new business premiums (PVNBP) for life or GWP in GI
15	1	References to sales represent present value of new business premiums (PVNBP) for life or GWP in GI
16	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
	2	IFRS 4 basis
20	1	Cost reduction implementation, strategic investment costs and foreign exchange movements
21	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
22	1	Excludes UK&I Life management actions and other, which represents the impact of capital actions, non-economic assumption changes and other non-recurring items
23	1	Rounding differences apply
	2	Solvency II shareholder cover ratio
	3	Pro forma adjusted for further £0.5bn debt reduction (which we now expect to incorporate a combination of subordinated and senior debt) and £0.1bn one-off pension scheme payment
25	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 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

Footnotes (2/2)

Slide	Reference	Footnote
27	1	Market positions based on HY22, except Ireland GI (FY21), Health (FY20), Direct Wealth (estimated), Aviva Investors (FY22), Heritage (FY22), Advice (FY22); Adviser Platform ranking is based on Fundscape platform market advised channel net flows (9m22)
	2	Originated in support of our BPA business, with total of £4.4bn (including origination for external clients)
	3	Individual customers
34	1	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
35	1	Represents the ratio of earned expenses, excluding IFRS 17 and implementation costs and planned investment in growth, plus earned commission divided by net earned premium
	2	Baseline controllable costs excludes strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
	3	Average AuM
	4	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 Results Announcement
36	1	As at February 2023
40	1	References to sales represent present value of new business premiums (PVNBP) for life or GWP in GI
42	1	Management actions & other includes the impact of capital actions, non-economic assumption changes and other non-recurring items
43/44	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 £21 million of dividends and £250 million 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
45	1	Reduction since 31 December 2021 primarily reflects the £3.75 billion capital return
46	1	The 100 bps decrease in interest rate sensitivity was not disclosed as at 31 December 2021.
	2	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
	3	An immediate full letter downgrade on 20% of the annuity portfolio credit assets (e.g. from AAA to AA, from AA to A)
47	1	Tier 3 regulatory own funds at 31 December 2021 consist of £296 million net deferred tax assets (2021: £123 million). There is no subordinated debt included in Tier 3 regulatory own funds (2021: £nil)
	2	Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds and Tier 3 subordinated debt
50	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 Full Year results for more information