Aviva plc Results 2023

7 March 2024

Disclaimer & important information

Cautionary statements

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Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. 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 escalation of Russia-Ukraine and Israel-Palestine conflicts into wider regional conflicts); market developments and government actions; 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; the impact of changes in short or long-term interest rates and inflation reduce the value or yield of our investment portfolio and impact our asset and liability matching; 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 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, including quality financial advisers; the failure to act in good faith, resulting in customers not achieving good outcomes and avoiding foreseeable harm; 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 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; the inability to protect our intellectual property; the effect of undisclosed liabilities and other risks associated with our business disposals; and other uncertainties, such as diversion of management attention and other resources, relating to recent and 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, projections, forecasts and other forward-looking statements 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 2023 Full Year Report. All references to 'Operating profit' represent 'Group adjusted operating profit’.

Agenda

Group CEO Update

Amanda Blanc, Group CEO

FY 2023 Results

Charlotte Jones, Group CFO

Strategic Update

Amanda Blanc, Group CEO

Q&A

Aviva's momentum

Track record of performance with strong 2023 results, exceeding targets

Investing for the future, supplementing organic growth with bolt-on M&A

Delivering on our promises for customers, colleagues and shareholders

Upgrading Group targets, dividend guidance and next share buyback

2023 results – another year of strong progress

Aviva is growing	More efficient	More profitable	Cash generative
+13% GI premiums[1]	**-1%** Baseline costs[2]	**+9%** Operating profit	**£1.9bn** Cash remittances
£8.3bn Wealth net flows	**£757m** Gross cost reduction 2018-2023[2]	**14.7%** Return on equity[3]	**207%** Solvency cover ratio[4]

All footnotes on pages 66-68

Consistent strategy with investment for the future

Delivering benefits from our £500m investment 2022-24

£100m
Operating profit benefit by 2025

£757m
Gross cost reduction, 2018-2023[1]

Continuing to invest for the future

Future-proofing our operations & technology in IWR

Customer experience & innovation

Supplementing organic growth with bolt-on M&A

1492 PROBITAS*

AIG UK Protection*

OPTIOM

SUCCESSION WEALTH

AXA XL Insurance Reinsurance

AZUR*

All footnotes on pages 66-68

*Subject to customary closing conditions, including regulatory approvals

Group targets achieved early, now upgrading

New Group targets

Operating profit	**£2bn** by 2026
SII OFG	**£1.8bn** by 2026
Cash remittances	**>£5.8bn** 2024-2026

Exceeding previous targets

Cost reduction
£750m
2018-2024[1]

SII OFG
£1.5bn
by 2024

Cash remittances
>£5.4bn
2022-2024
On track

All footnotes on pages 66-68

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Next share buyback and upgrading dividend guidance

>£9bn capital returns and dividends delivered over the last 3 years[1]

£300m share buyback programme, commencing 8 March

Regular and sustainable return of surplus capital

2023 dividend

22.3p	33.4p	~£915m
Final DPS	Total 2023 DPS **+8%** YoY	Dividend cost

Upgraded dividend guidance

Mid-single digit growth in dividend cash cost[2]

All footnotes on pages 66-68

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Strong grip on capital allocation & performance

Consistent capital allocation framework – discipline, agility, and keeping our commitments

Sustainable growth in earnings & cash

Flexible resource & capital allocation delivers earnings resilience

Maintain balance sheet strength

Strong capital position, leverage within appetite

Growing regular dividend

Mid-single digit cash cost growth, DPS benefits from reducing share count

Investing in the business

Organic investments, accelerating through bolt-on M&A

Returning capital to shareholders

Expect these to be regular & sustainable

2023 - another year of strong and profitable growth

Outperformance on Group metrics

Business units delivering

Operating profit	Own funds generation[1]	Solvency cover ratio[2]	GI premiums[3]	Undiscounted COR
£1,467m	£1,729m	207%	£10.9bn	96.2%
+9%	+12%	(5)pp	+13%	+1.0pp

Cash remittances	Return on equity[4]	Costs[5]	Operating value added[6]	Wealth net flows
£1,892m	14.7%	£2,734m	£1,849m	£8.3bn
+3%	+4.8pp	(1)%	+13%	6% of opening AuM

All footnotes on pages 66-68

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UK & Ireland General Insurance[1]

Premiums

£6.6bn

+16%

SII OFG

£315m

+21%

COR

96.8%

+0.4pp

Discounted COR: 93.6%

Operating profit

£452m

+63%

UK personal lines

- **Premiums up 24%** as we have rated ahead of inflation and achieved growth from new propositions including Aviva Zero and the Azur HNW acquisition
- **COR of 95.9%** (2022: 96.2%) improved due to strong rating actions and the continued shift towards higher margin retail business (now over 50% of PL) which more than offset increased reinsurance costs

UK commercial lines

- **Premiums up 10%** driven by significant rate actions across all business lines, robust retention and new business. GCS grew 7% and SME grew 13%
- **COR of 97.9%** (2022: 96.6%) reflecting higher weather costs versus the prior year and increased reinsurance costs

Ireland

- **Premiums up 5%**[2] driven by growth in commercial lines

Overall

- **Operating profit up 63%** to £452m reflecting a strong underwriting result and higher interest rates improving investment returns

 All footnotes on pages 66-68

Accelerating growth with the acquisition of Probitas*

Opening up access to international licensing and distribution through Lloyd's

Excellent strategic fit

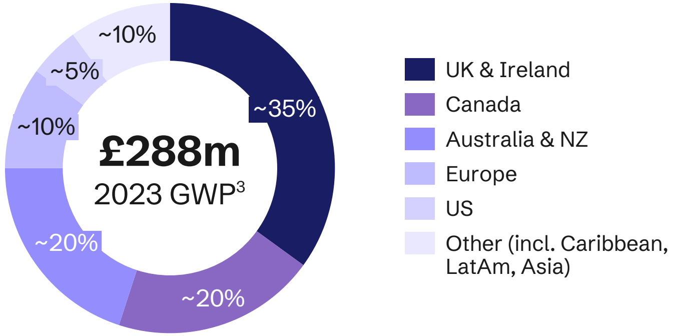
1492 PROBITAS

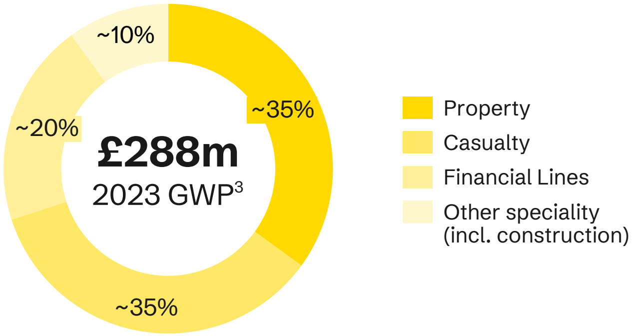
Clear synergies with Aviva broker and client base

Track record of **strong growth & market-leading underwriting**

Strong management team with Lloyd's experience

Complementary business mix





Attractive returns

£242m
purchase price[1]

82%
5 year average COR[2]

High-teens
IRR

All footnotes on pages 66-68

*Subject to customary closing conditions, including regulatory approvals

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Canada General Insurance[1]

Premiums	SII OFG
£4.2bn	**£339m**
+10%	+29%
COR	**Operating profit**
95.3%	**£399m**
+1.6pp	+18%
Discounted COR: 91.4%	

Personal lines

- **Premiums up 9%** driven by strong new business volumes in the RBC and direct channels and rate actions across the entire portfolio
- **COR of 99.5%** (2022: 95.2%) reflecting heightened weather-related losses, higher reinsurance costs, claims frequency returning to more normal levels and elevated Ontario auto theft

Commercial lines

- **Premiums up 13%** driven by inflationary rating actions and new business in large corporate and mid-market
- **COR of 88.0%** (-2.9pp) reflects the beneficial impact of rating actions and improved efficiencies on underwriting performance and favourable PYD

Overall

- **Operating profit up 18%** to £399m due to strong commercial lines underwriting results, improved investment returns and portfolio growth

 All footnotes on pages 66-68

Strong IWR performance - growing future profits

IWR performance

Sales[1]

£35.5bn **+7%** from growth in Insurance, Workplace & Annuities

Operating value added

£1,849m **+13%** a key measure of IWR performance

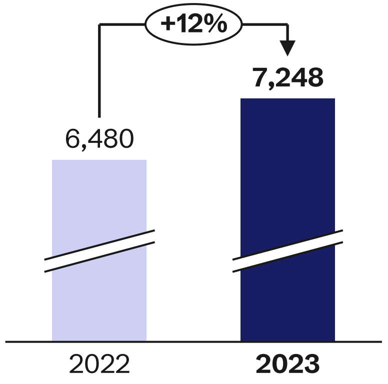
Operating profit

£994m **(17)%** (**+10%*** excl. interest rate mismatch)

SII OFG

£1,297m **(5)%** (**+7%** excl. management actions)

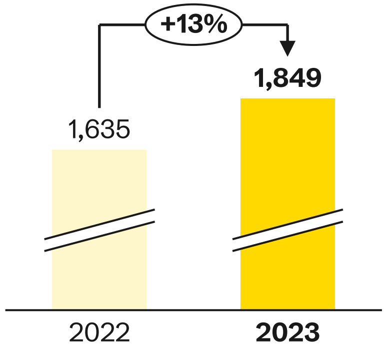
IWR contractual service margin



- CSM growth of 12% driven by strong **annuity new business** and **beneficial assumption changes**
- Growth in the CSM **exceeds the CSM unwind of 9.9%**

Recap: *The CSM spreads profits over time, representing the unearned profit that unwinds to profit over the life of the policy*

IWR operating value added



- Operating value added represents operating profit plus **growth in the CSM, which drives the 13% improvement**

Recap: *Operating value added better reflects performance than operating profit, as it recognises items at the time value is generated*

All footnotes on pages 66-68

*Operating profit variance excludes assumption changes in Retirement, primarily from the BEL / CSM interest rate mismatch[2]

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IWR - Insurance

Total sales[1]	Health sales[1]
£415m	**£151m**
+16%	+41%

Operating value added	Operating profit
£228m	**£118m**
(7)%	(32)%

Health

- **Sales up 41%** benefitting from a growing market and strong performance with corporate clients
- **Normalisation of claims post-pandemic** and consumer trends more than offset portfolio growth, with operating profit lower
- Overall profitability remains very strong with **low-90s COR**[2]

Protection

- **Sales up 5%** to £264m primarily driven by growth in the IFA and direct channels in Individual Protection
- **Less beneficial assumption changes** resulted in a lower operating value added, whilst operating profit was impacted by adverse mortality experience

All footnotes on pages 66-68

IWR – Wealth

Net flows

£8.3bn

6% of opening AuM

Revenue

£620m

+11%

AuM

£170bn

+15%

Operating profit

£100m

after £28m investment in the business

Workplace

- **Net flows up 19%** to £6.9bn benefitting from **477 new scheme wins** and the impact of wage inflation on employee contribution
- Workplace AuM **increased 18% to £109bn**

Platform

- **Net flows of £2.1bn**, a good performance in a challenging market
- **AuM increased 13%** due to net flows and market movements

Overall

- Operating profit of £100m with **asset growth** offset by investment in the business, as previously outlined
- We are investing to capture the **significant growth opportunity in the UK Wealth market**
- Ambition to reach **>£250bn in assets** and **>£280m in operating profit** p.a. in 2027, as set out at October 2023 'In Focus' session

IWR - Retirement

Sales[1]
£7.1bn
+14%

SII OFG
£1,061m
+16%

Operating value added
£1,606m
+24%

Operating profit
£622m
-22% (**+22%*** excl. interest rate mismatch)

BPA

- **Sales of £5.5bn** (2022: £4.4bn) across 56 transactions, at strong margins
- BPA capital strain is **self-sustaining at current volumes**

Individual annuities

- **Sales were up 17%** driven by increased demand in a higher interest rate environment
- **Strong margins** as we maintain pricing discipline

Equity release

- **Significant reduction in the market size in** a higher interest rate environment resulted in 48% lower sales

Overall

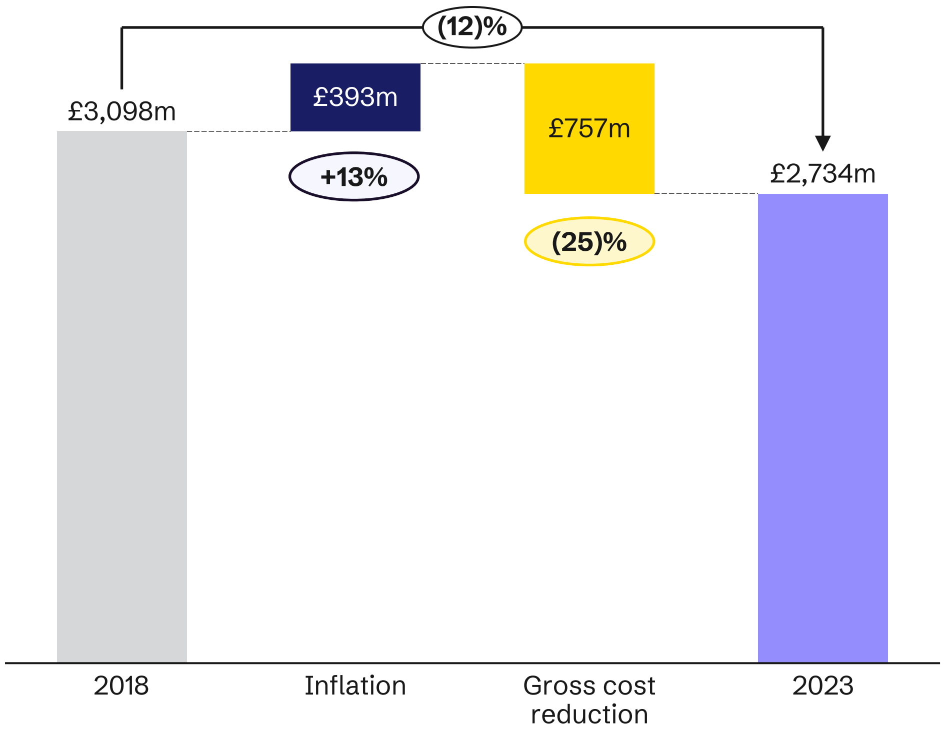
- Operating profit reflected **portfolio growth and higher investment returns**
- **Operating value added up 24%** due to higher investment returns, new business and positive assumption changes

All footnotes on pages 66-68

*Operating profit variance excludes assumption changes in Retirement, primarily from the BEL / CSM interest rate mismatch[2]

£750m cost target exceeded - delivered one year early

£757m gross savings[1]



Cost reduction by business

	2023 £m	2018 £m	Change
IWR	**1,085**	1,236	(12)%
UK & Ireland General Insurance	**674**	776	(13)%
Canada	**415**	391	6%
Aviva Investors	**311**	381	(18)%
UK, Ireland, Canada & Aviva Investors	**2,485**	2,784	(11)%
Corporate centre costs & other operations	**249**	314	(21)%
Baseline controllable costs	**2,734**	3,098	(12)%

Focus on operational efficiency continues...

All footnotes on pages 66-68

Driving further simplicity and efficiency across IWR

Two key partnership extensions

DILIGENTA

Services many customers across IWR

New 15 year agreement will:

- Reduce the number of legacy IT platforms
- Increase the number of policies serviced

FNZ

Our existing strategic partner for Wealth

New 15 year agreement will:

- Introduce more Heritage products onto the FNZ platform
- More customers to benefit from modern IT platform

Expected benefits

- **Improved customer service** and uplift in MyAviva policies
- **Consolidation** of providers and IWR IT applications
- **Operational efficiencies** leading to more streamlined cost-base
- **Revenue benefits** through increased retention and improved customer insights

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Attractive financial benefits from Diligenta & FNZ extensions

Capital & cash

£208m initial operating OFG benefit

>£1bn additional operating OFG cumulative over 10 years

>£0.7bn cash remittance capacity, cumulative over 10 years

£356m one-time non-operating OFG restructuring costs

IFRS Profit

>£100m operating profit benefit per annum by 2033

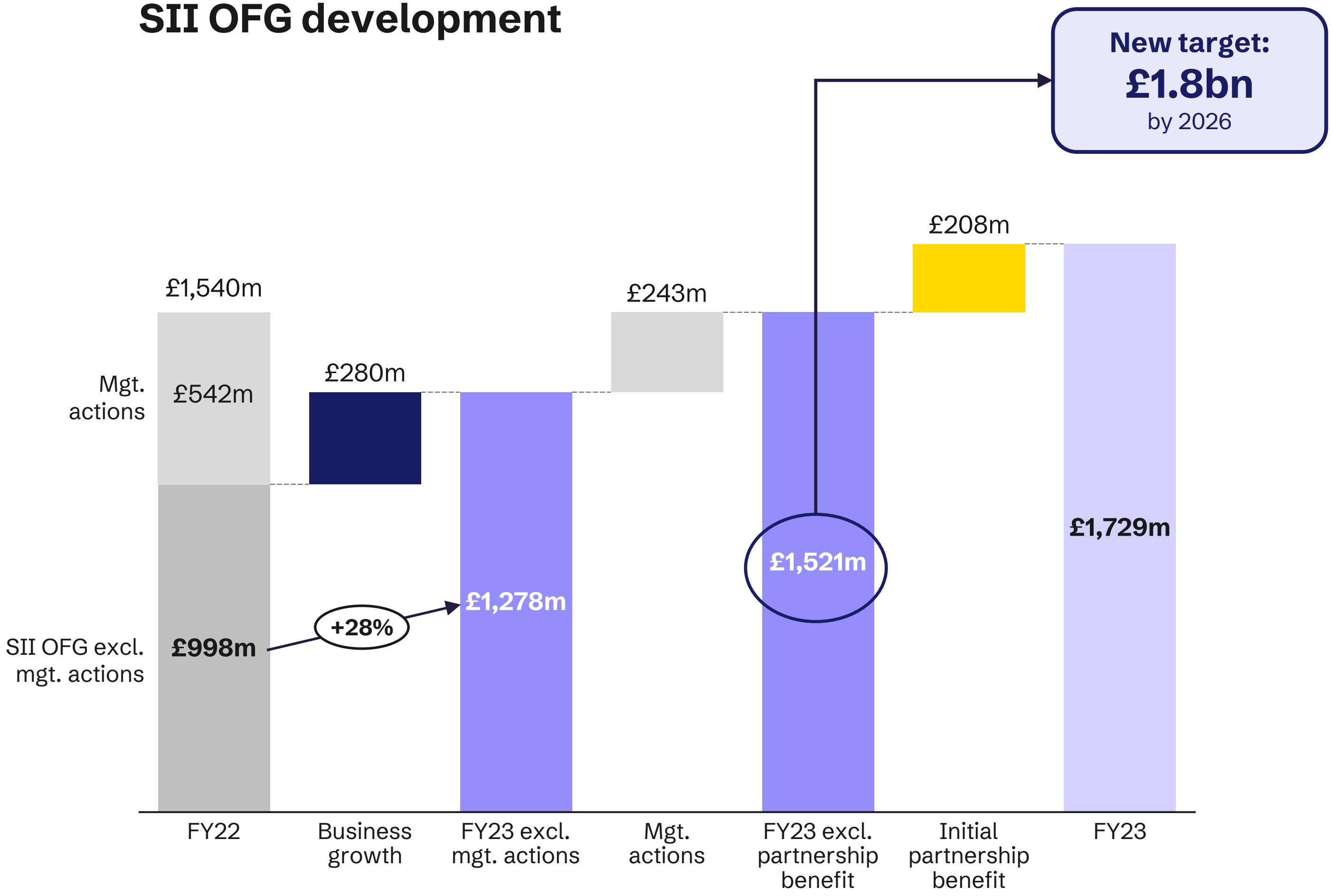
£61m 2023 non-operating restructuring costs

£95m 2023 non-operating CSM cost

~£300m 2024-28 non-operating restructuring costs

Strong growth in own funds generation

SII OFG development



SII OFG up 12% to £1,729m
OFG up 28% excl. management actions

Strong business growth in IWR (+7%) and General Insurance (+22%), centre & debt costs down 19%

Improvements **supportive of longer-term cash generation and dividends**

SII RoE of 14.7% (FY22: 9.9%)

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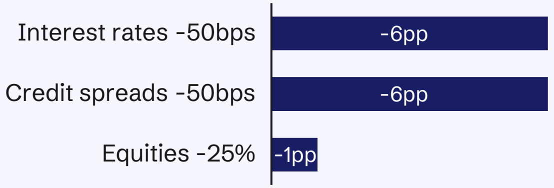
Robust balance sheet and asset portfolio

Solvency II cover ratio[1]

207%

- **Strong and resilient**
- **Remain well positioned** to absorb economic changes

Economic sensitivities:



Shareholder asset portfolio

£85bn

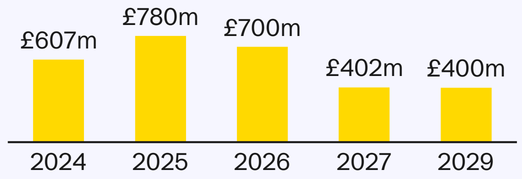
- **Defensively positioned**
- Resilient portfolio **continues to perform well**
  - Net upgrades in corporate bonds
  - <1% corporate bonds rated below BBB
  - Low average LTVs in loan portfolio
  - CRE portfolio performance very robust

Solvency II debt leverage

30.7%[2]

- **Comfortable leverage position**
- Preference to be **below 30% over time**

Call/redeem opportunities over time[3]:



Centre liquidity: £1.9bn | Managing to at least £1bn reflecting current size of Group

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Targets – delivering our promises

	Upgrading Group targets	
Operating profit	**£2bn** By 2026	• Clear and achievable trajectory across key markets • Underpinned by clarity of CSM run-off profile • Reflects impact of forward rates on expected returns
SII OFG	**£1.8bn** By 2026	• Assumes normal level of management actions in 2026 (~£200m) • Strong underlying OFG[1] growth • Key metric to drive solvency and cash remittances over time
Cash remittances	**>£5.8bn** 2024-2026	• Continued expectation of further cash remittances growth • Net cash remittances covering dividends, capital returns and bolt-on M&A across the planning cycle

All footnotes on pages 66-68

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Aviva's compelling investment case

The UK's leading diversified insurer
majority capital-light, with material international earnings

Consistent strategy
with investment for the future

Strong organic growth
accelerated through bolt-on M&A

Track record of delivery
with strong performance momentum

Superior returns for shareholders
with growing dividends and regular capital returns

The UK's leading diversified insurer

Unique strengths of our model

Diversified, but focused portfolio

Scale positions in UK&I and Canada

Growth opportunities in all our markets

Customer franchise advantage

Disciplined capital allocation

Insurance[1]

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

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19m+ customers[2]

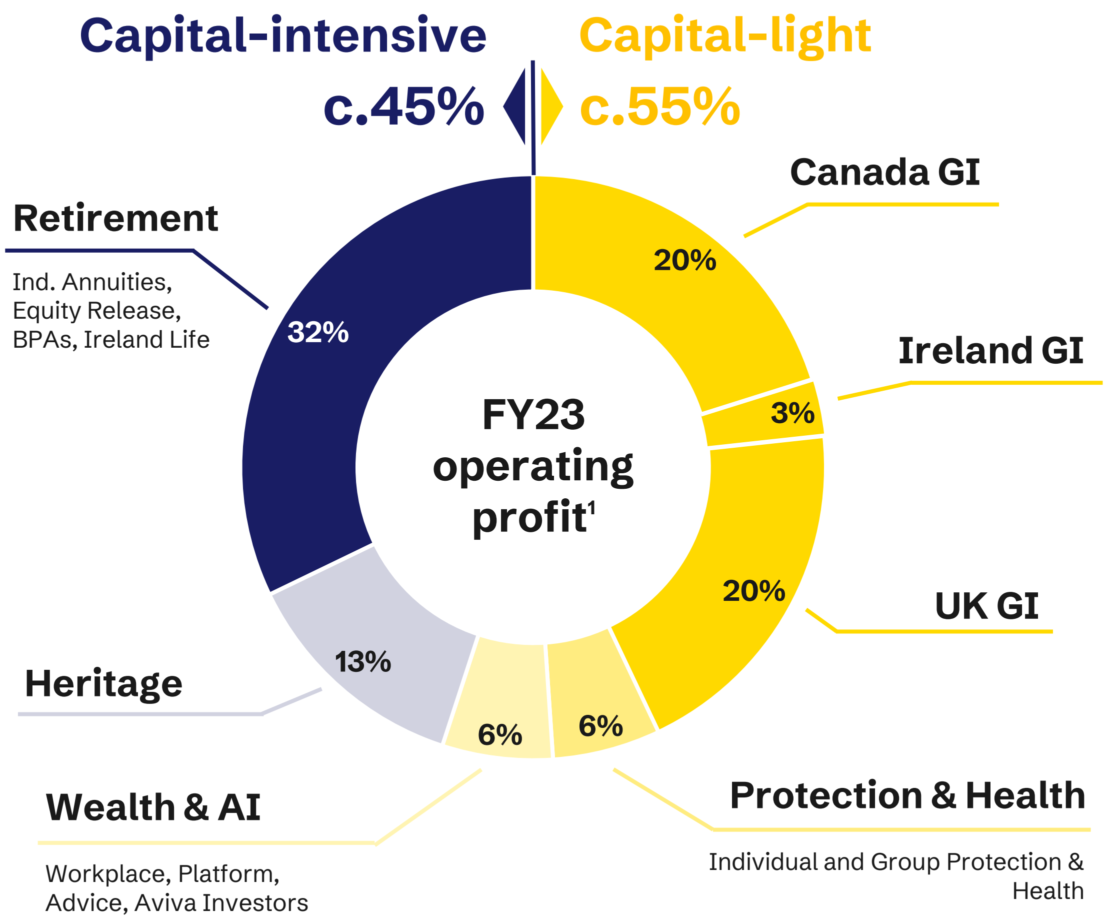
Wealth[1]

Workplace	#1
Adviser Platform	#2
Advice	>200 advisers
Direct Wealth *(relaunching)*	#16
Aviva Investors	£227bn AUM
Heritage	£68bn AUM

Retirement[1]

BPA	#4
Individual Annuities	#1
Equity Release	#1
Ireland Life	#4
AI Real Assets origination	£2.6bn

Complementary portfolio, majority capital-light



GI, Protection & Health, Wealth

Customer acquisition and growth engines, driving higher returns and cash growth

Retirement & Heritage

Underpinning cash generation; and in Heritage a significant customer franchise, supporting Wealth

Aviva Investors

Critical enabler for Wealth and Retirement growth, and Aviva's sustainability agenda

 All footnotes on pages 66-68

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Consistent strategy, focus on execution

The UK's go-to brand across insurance, wealth and retirement with leading franchises in Canada & Ireland... delivering for our customers, colleagues and shareholders

	Strong foundations	Momentum for the future
Growth	Complementary portfolio with growth opportunities in all markets	Accelerating growth in capital-light businesses
Customer	Unrivalled insurance franchise and #1 brand	Digitally-led customer experience and serving more needs
Efficiency	Simplification, automation, and cost control	Top-quartile efficiency with synergies from our model, and technology at the core
Sustainability	Leadership on sustainability	Committed to climate and social action

Growth opportunities in all our markets

Wealth	**£1.6tn assets[1], growing at 10% p.a.** Self-provision for retirement; generational wealth transfer
Protection & Health	**£15bn GWP[1], growing at up to 10% p.a.[2]** Increasing pressures on NHS; focus on wellbeing
UK&I GI	**£61bn GWP[1], growing at 5-10% p.a.** Economic growth and inflation; new risks (cyber, mobility)
Canada GI	**£45bn GWP[1], growing at 5-10% p.a.** Strong population growth; #1 GDP outlook of G7 countries[3]
Retirement	**£50bn BPAs[1], with £250bn+ over next 5 years** Ageing population; improved DB pension scheme funding

Well placed for regulation

Advice Gap

Pension reforms

Mansion House Compact

Consumer Duty

 All footnotes on pages 66-68

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Strong organic growth, accelerated through bolt-on M&A

Accelerating capital-light growth[1]

£170bn
Wealth AUM
#1 UK Wealth player

Advice
9k+ leads generated, with 5% conversion rate

+5%
Protection sales[2]
#1 with 18% share

+41%
Health sales[2]
#3 with 14% share

+16%
UK&I GI GWP[3]
#1 with 12% share

+10%
Canada GI GWP[4]
#2 with 9% share

Disciplined growth in retirement

£5.5bn
BPA Premiums
#4 with 11% share

+17%
Individual Annuity sales[2]
#1 with 21% share

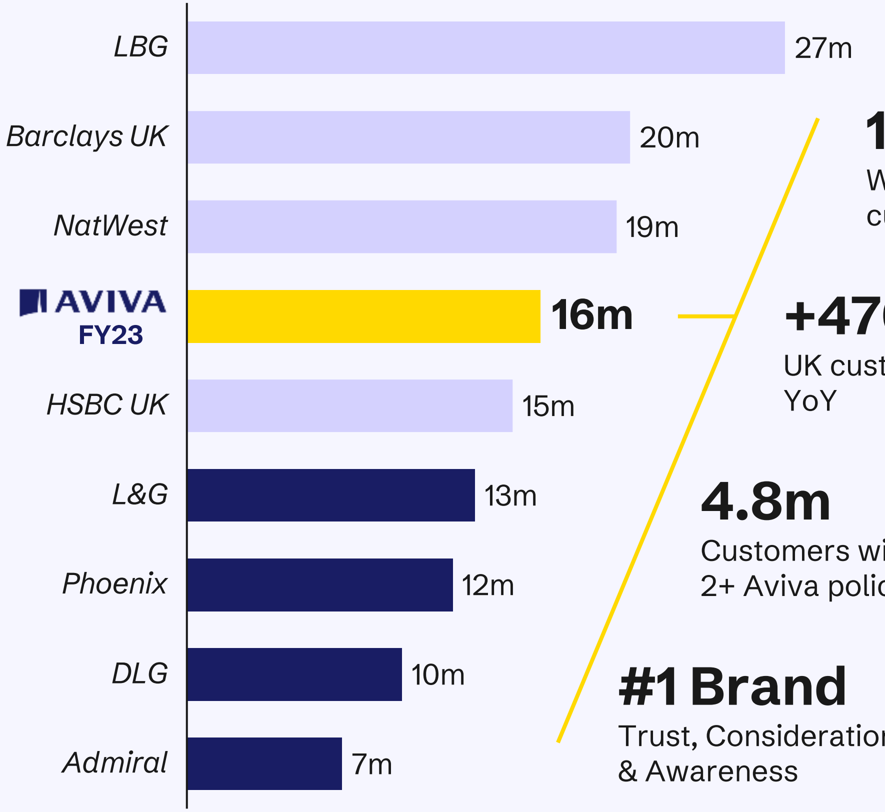
£423m
Equity Release sales[2]
#1 in-force with 17% NB share

All footnotes on pages 66-68

Strength of customer franchise underpins our growth story

Unrivalled insurance franchise

Number of UK customers[1]



19.2m
Worldwide customers[2]

+470k
UK customers YoY

4.8m
Customers with 2+ Aviva policies

#1 Brand
Trust, Consideration & Awareness

Delivering value for our customers

£25.6bn
Claims paid, 2023

Full
Benefit of interest paid on platform cash balances passed on

Building engaging digital-led experience

6.3m
Registered MyAviva users, **+1.8m** vs. 2020

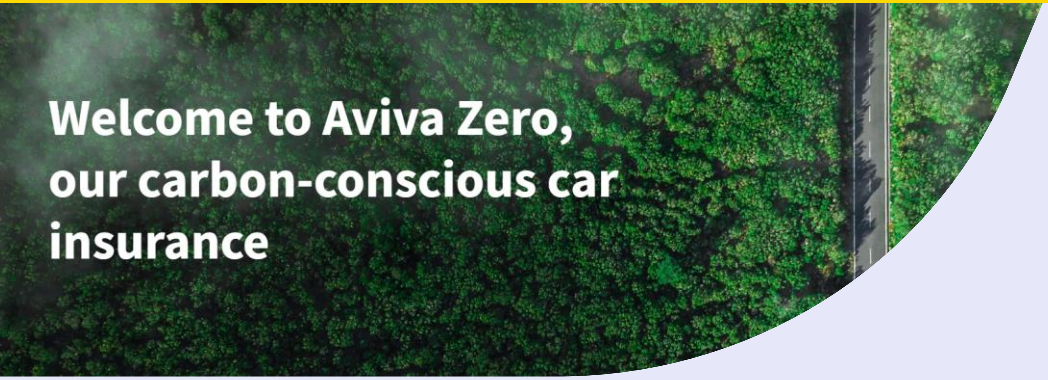
8.5m
Marketable customers, **+3.5m** vs. 2020[3]

Deepening customer relationships

39%
New sales to existing customers

>45%
New Health Corporate schemes with existing Aviva customers

Innovating to serve more customer needs



Continuing to serve more insurance needs through Aviva Zero

Next-gen motor proposition on leading tech stack

>500k
Policies sold since launch

>150k
Policies sold to existing customers, of which **>60k** are pension customers

+4pp
Higher retention across GI customers with 2+ Aviva policies[1]

Making it easy for customers to consolidate their pensions with Aviva

Optimised digital transfer-in & AI-led pension tracing

>50%
Increase in Workplace transfer-in flows vs. 2022, to **£1.4bn**[2]

>90%
Reduction in time for pension tracing & checking with Fabric.[3]

3x
More likely to drawdown with Aviva having consolidated into a workplace pension[4]

Go-to brand throughout our customers' life moments

39% New sales to existing customers

Junior ISA
Congratulations, it's a boy

Car Insurance
Passed first time, now he's going places

Workplace pension
Step on to that career ladder

Health Insurance
Ouch! Need some physio, fast

Life Insurance
Home Insurance
New home, new responsibilities

Direct Wealth
Putting his money to work

SME Cyber cover
Set-up his own start-up

Financial Advice
Planning for the future

Annuities
Equity Release
Make the most of retirement

AVIVA

Growing profits with operating leverage

Transforming our operations	**£30m+** motor claims indemnity benefit	**~30%** reduction in UK IT applications[1]	**40%** reduction in property footprint[1]
Extracting synergies from our model	**£300m+** cost synergies from our Group model	**Capital diversification** benefits	**>60%** of Workplace net flows into Aviva Investors
Putting technology at the core	**60%** UK application estate is cloud-hosted	Building **generative AI** capabilities and use cases	Enterprise capabilities with **Snowflake, Salesforce & AWS**

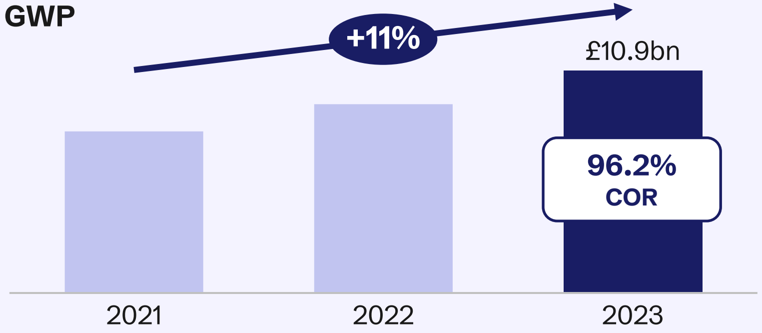
 All footnotes on pages 66-68

AVIVA

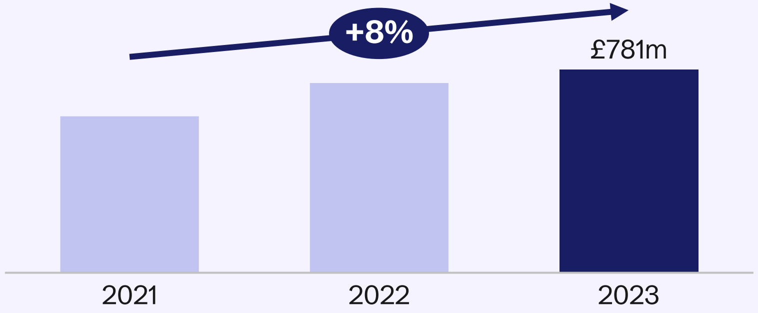
3-year track record of delivery

Sustainable, profitable growth...

GI GWP

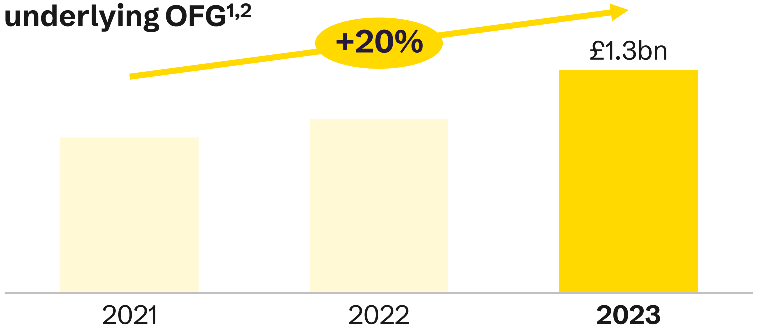


IWR VNB[2]

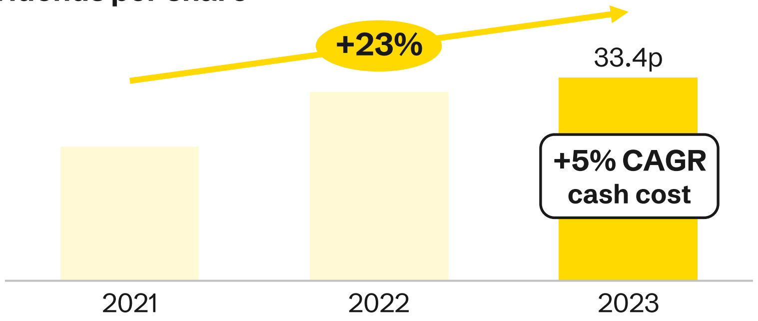


... driving capital generation & dividends

SII underlying OFG[1,2]



Dividends per share



>£9bn capital returns and dividends delivered to shareholders[3]

 All footnotes on pages 66-68

Confident in the next phase of our growth

Strong 2023 with continued performance track record

Well positioned for the future with a clear strategy and growth momentum in all our markets

Delivering attractive value for shareholders - growing profits and dividends, with additional capital returns

Q&A

Amanda Blanc

Group CEO

Charlotte Jones

Group CFO

Appendices

Continued strong performance in 2023

	Operating profit 2023 (£m)	Operating profit 2022 (£m)	Operating change in CSM 2023 (£m)	Operating change in CSM 2022 (£m)	Operating value added 2023 (£m)	Operating value added 2022 (£m)
UK&I General Insurance	**452**	278				
Canada General Insurance	**399**	*352*				
IWR	**994**	1,199	**855**	436	**1,849**	1,635
- o/w Wealth	*100*	*124*				
- o/w Protection & Health	*118*	*174*	*110*	*72*	*228*	*246*
- o/w Retirement	*622*	*798*	*984*	*494*	*1,606*	*1,292*
- o/w Heritage	*254*	*251*	*(235)*	*(155)*	*19*	*96*
Aviva Investors	**21**	25				
International Investments	**63**	*39*				
Total business units	**1,929**	1,893				
Centre & debt and other	**(462)**	(543)				
Group	**1,467**	1,350				

Reminder

- The **CSM spreads profits over time**, with unearned profit recorded as a liability that unwinds to the P&L over the life of the policy
- **Operating value added better reflects the performance** for Protection, Retirement & Heritage than operating profit, as it recognises items at the time value is generated
- Future value of **capital-light businesses are not included in operating value added**

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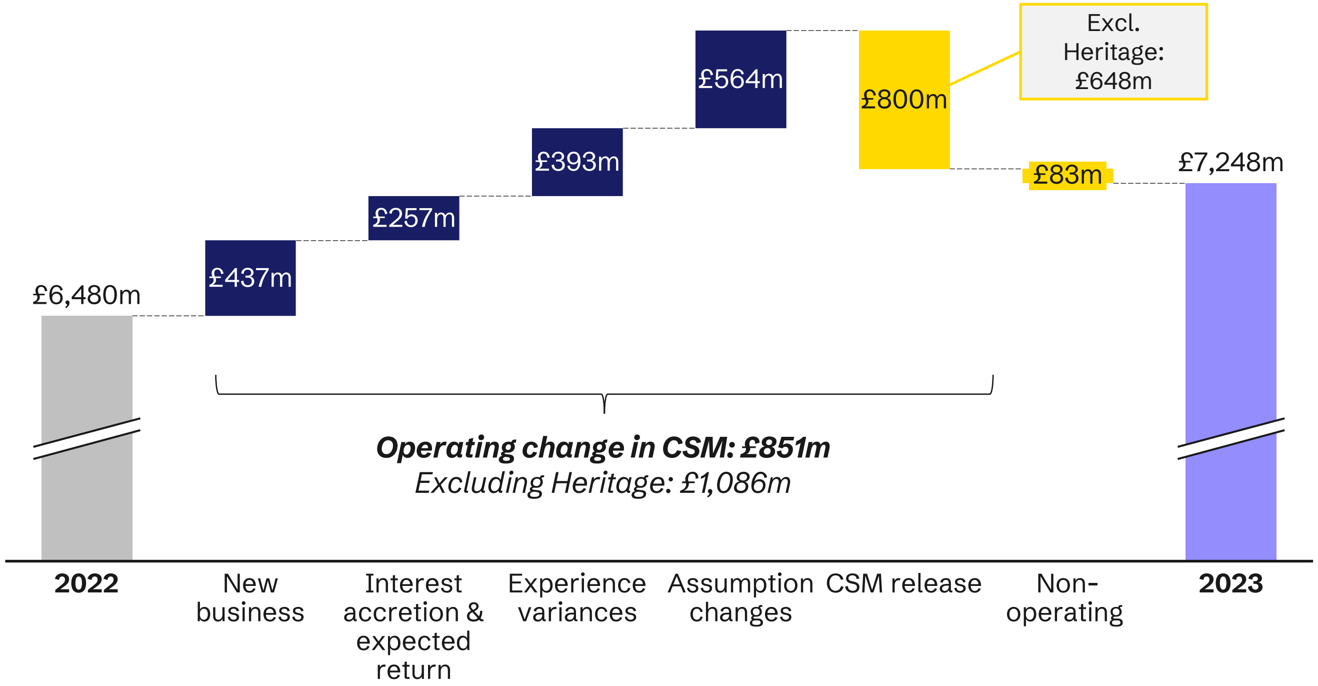
Contractual service margin development

Contractual service margin (CSM)

Analysis of change



CSM: £7.2bn + Risk adjustment: £1.2bn = Stock of future profit: £8.4bn

Operating growth in the CSM of £851m

Retirement new business and interest accretion exceed the CSM release

Improving interest accretion as we are writing business at higher rates than the portfolio average

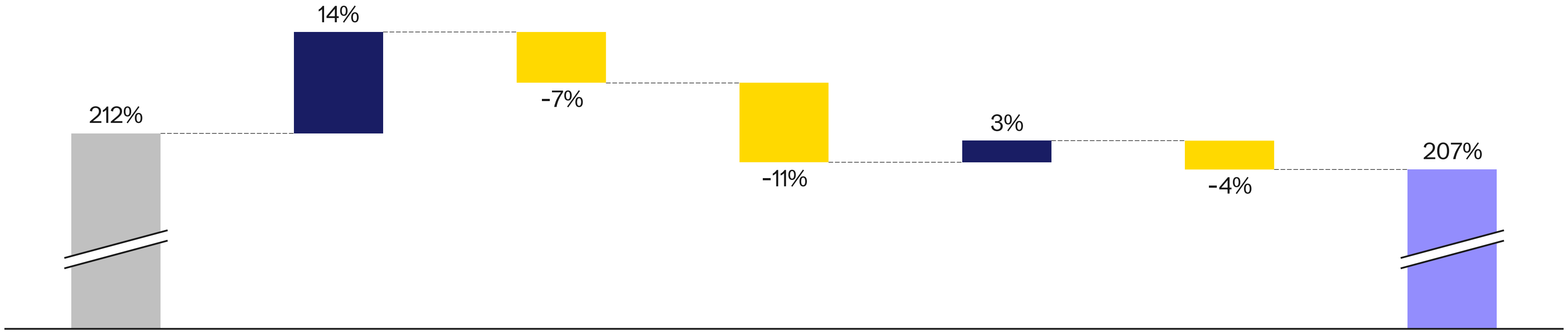
CSM release is 9.9% of the pre-release closing CSM

The stock of future profit, which includes the risk adjustment and CSM, **grew by 8% to £8.4bn**

Capital position

Solvency II shareholder position

Cover Ratio[1]



£bn	31 Dec 2022	OCG	Non-OCG	Dividends	Debt	Share buyback	31 Dec 2023
Own funds	**16,468**	1,729	(202)	(917)	241	(300)	**17,019**
SCR	**(7,774)**	(274)	(158)	0	0	0	**(8,206)**
Surplus	**8,694**	**1,455**	**(360)**	**(917)**	**241**	**(300)**	**8,813**

 All footnotes on pages 66-68

Reinsurance cover levels

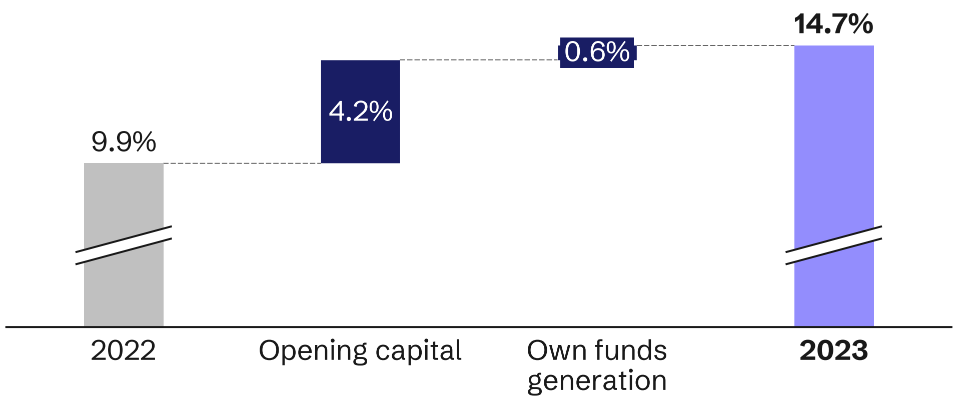
Per event (excess of loss)	UK	Ireland	Rest of World	Canada
2024 retention	**£200m**	**€25m**	**£60m**	**C$125m**
2023 retention	*£200m*	*€25m*	*£40m*	*C$125m*
Maximum Cover	**£3.2bn**		**£0.2bn**	**C$4.3bn**

Solvency II

AVIVA

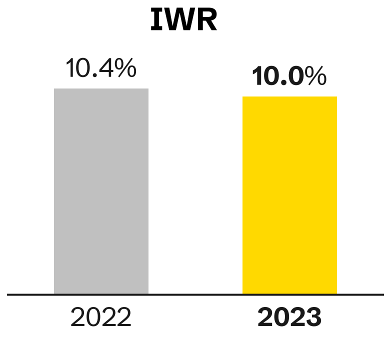
Solvency II return on capital/equity

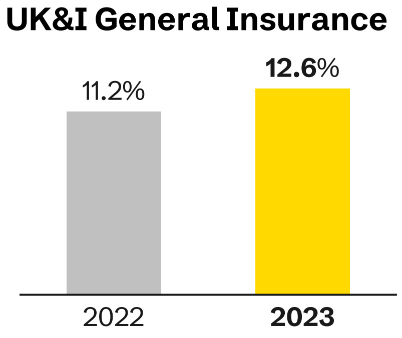
SII RoE

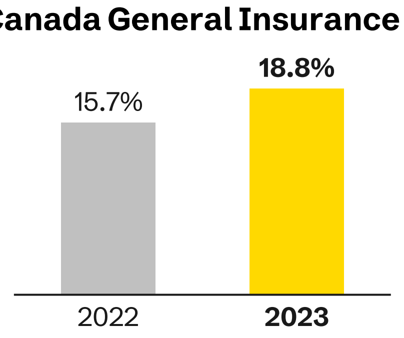


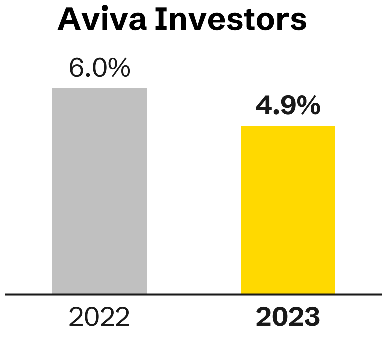
	2023 £m	2022 £m	Change %
Life new business	**461**	457	1%
Existing business	**500**	539	(7)%
Non-life capital generation	**673**	559	20%
Debt & centre costs (incl. pref/DCI costs)	**(469)**	(548)	14%
Management actions & other[1]	**451**	542	(17)%
SII OFG (UT1) post TMTP adjustment	**1,616**	1,549	4%
Opening own funds (UT1)	**10,962**	15,697	(30)%
SII RoE (%)	**14.7%**	9.9%	4.8pp

Market SII RoC









 All footnotes on pages 66-68

Solvency II return on capital/equity (2023)

	Solvency II operating own funds generation							
	Impact of new business (life) £m	Earnings from existing business (life) £m	Management actions & other[1] £m	Non-life capital generation £m	**Total £m**	Solvency II OFG (post TMTP adjustment) £m	Opening own funds[3] £m	**Solvency II Return on capital/equity %**
IWR	388	461	448	—	**1,297**	1,256	12,564	**10.0%**
UK & Ireland General Insurance	—	—	—	315	**315**	315	2,491	**12.6%**
Canada General Insurance	—	—	—	339	**339**	339	1,800	**18.8%**
Aviva Investors	—	—	—	19	**19**	19	387	**4.9%**
International investments	73	80	3	—	**156**	156	1,187	**13.1%**
Business unit Solvency II return on capital	**461**	**541**	**451**	**673**	**2,126**	**2,085**	**18,429**	**11.3%**
Corporate centre costs and other operations	—	—	—	(219)	**(219)**	(219)		
Group external debt costs and other interest	—	—	—	(178)	**(178)**	(178)		
Solvency II operating own funds generation	**461**	**541**	**451**	**276**	**1,729**	**1,688**		
Less preference shares and RT1 notes[2]						(72)		
Solvency II return on equity						**1,616**	**10,962**	**14.7%**

 All footnotes on pages 66-68

AVIVA

Solvency II return on capital/equity (2022)

	Impact of new business (life) £m	Earnings from existing business (life) £m	Management actions & other[1] £m	Non-life capital generation £m	**Total £m**	Solvency II OFG (post TMTP adjustment) £m	Opening own funds[3] £m	**Solvency II Return on capital/equity %**
	Solvency II operating own funds generation							
IWR	390	400	578	—	**1,368**	1,432	13,830	**10.4%**
UK & Ireland General Insurance	—	—	—	261	**261**	261	2,339	**11.2%**
Canada General Insurance	—	—	—	274	**274**	274	1,746	**15.7%**
Aviva Investors	—	—	—	24	**24**	24	400	**6.0%**
International investments	67	75	(36)	—	**106**	106	982	**10.8%**
Business unit Solvency II return on capital	**457**	**475**	**542**	**559**	**2,033**	**2,097**	**19,297**	**10.9%**
Corporate centre costs and other operations	—	—	—	(279)	**(279)**	(279)		
Group external debt costs and other interest	—	—	—	(214)	**(214)**	(214)		
Solvency II operating own funds generation	**457**	**475**	**542**	**66**	**1,540**	**1,604**		
Less preference shares and RT1 notes[2]						(55)		
Solvency II return on equity						**1,549**	**15,697**	**9.9%**

 All footnotes on pages 66-68

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Solvency II own funds

	Closing own funds 31 December 2023 £m	Opening own funds 1 January 2023 £m
IWR	**12,855**	12,564
UK & Ireland General Insurance	**2,504**	2,491
Canada	**2,140**	1,800
Aviva Investors	**392**	387
UK, Ireland, Canada and Aviva Investors	**17,891**	17,242
International investments	**1,082**	1,187
Group centre costs and Other	**(1,954)**	(1,961)
Estimated Solvency II shareholder own funds	**17,019**	16,468
Estimated unrestricted shareholder tier 1 own funds	**11,374**	10,962

Solvency II sensitivities (Group shareholder view)

	Sensitivity	31 December 2023 Impact on surplus £bn	31 December 2023 Impact on cover ratio pp	31 December 2022 Impact on surplus £bn	31 December 2022 Impact on cover ratio pp
Changes in economic assumptions	50 bps increase in interest rate	**0.1**	**4pp**	–	4pp
	100 bps increase in interest rate	**0.1**	**8pp**	0.1	7pp
	50 bps decrease in interest rate	**(0.1)**	**(6)pp**	(0.1)	(5)pp
	100 bps decrease in interest rate	**(0.3)**	**(13)pp**	(0.1)	(10)pp
	50 bps increase in corporate bond spread[1]	**0.1**	**4pp**	–	4pp
	100 bps increase in corporate bond spread[1]	**0.1**	**7pp**	–	6pp
	50 bps decrease in corporate bond spread[1]	**(0.2)**	**(6)pp**	(0.1)	(5)pp
	Credit downgrade on annuity portfolio[2]	**(0.4)**	**(7)pp**	(0.4)	(7)pp
	10% increase in market value of equity	**-**	**(1)pp**	0.1	-pp
	25% increase in market value of equity	**0.1**	**(2)pp**	0.2	(2)pp
	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	**0.3**	**6pp**	0.4	7pp
	20% decrease in value of commercial property	**(0.4)**	**(8)pp**	(0.5)	(9)pp
	20% increase in value of residential property	**0.3**	**6pp**	0.3	5pp
	20% decrease in value of residential property	**(0.6)**	**(9)pp**	(0.5)	(9)pp
Changes in non-economic assumptions	10% increase in maintenance and investment expenses	**(0.7)**	**(9)pp**	(0.7)	(10)pp
	10% increase in lapse rates	**(0.3)**	**(4)pp**	(0.3)	(4)pp
	2% increase in mortality/morbidity rates – life assurance	**(0.1)**	**(1)pp**	(0.1)	(1)pp
	2% decrease in mortality rates – annuity business	**(0.3)**	**(5)pp**	(0.3)	(5)pp
	5% increase in gross loss ratios	**(0.3)**	**(3)pp**	(0.3)	(4)pp

 All footnotes on pages 66-68

AVIVA

Solvency II regulatory own funds tiering and debt leverage

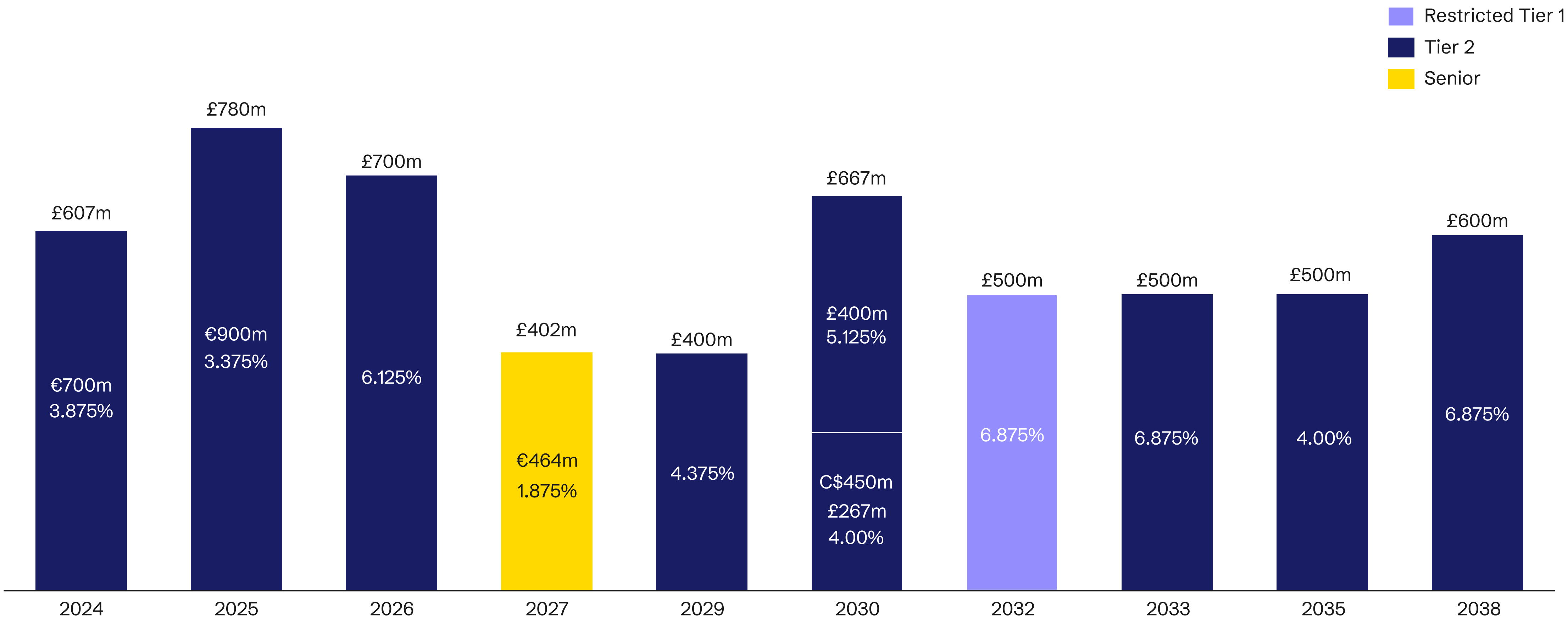
Regulatory view	2023 £m	2023 % of own funds	2023 % of SCR	2022 £m	2022 % of own funds	2022 % of SCR
Unrestricted Tier 1	**13,179**	**70%**	**132%**	13,162	70%	140%
Restricted Tier 1	**946**	**5%**	**9%**	946	5%	10%
Tier 2	**4,526**	**24%**	**45%**	4,264	23%	45%
Tier 3[1]	**173**	**1%**	**2%**	296	2%	3%
Est. regulatory own funds	**18,824**	**100%**	**188%**	18,668	100%	198%

Regulatory view	2023 £m	2022 £m
Solvency II regulatory debt[2]	**5,472**	5,210
Senior notes	**401**	687
Commercial paper	**51**	252
Total debt	**5,924**	6,149
Est. regulatory own funds, senior notes and commercial paper	**19,276**	19,607
Solvency II debt leverage ratio	**30.7%**	31.4%

 All footnotes on pages 66-68

AVIVA

Debt call/redemption profile



All debt instruments have been presented at optional first call dates at nominal values converted to GBP using 31 December 2023 rates

IFRS

Protection & Health – operating value added drivers

£m	2023 Operating profit	2023 Operating change in CSM	2023 Operating value added	2022 Operating profit	2022 Operating change in CSM	2022 Operating value added
New business	-	128	128	–	132	132
Releases from stock of future profit	183	(172)	11	159	(146)	13
Operating assumption changes	5	9	14	20	84	104
Experience variances, expenses and other	(120)	125	5	(72)	(10)	(82)
Insurance result	68	90	158	107	60	167
Investment result	(15)	20	5	(12)	12	-
Health	65	-	65	79	–	79
Protection & Health	118	110	228	174	72	246

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Retirement – operating value added drivers

£m	2023 Operating profit	2023 Operating change in CSM	2023 Operating value added	2022 Operating profit	2022 Operating change in CSM	2022 Operating value added
New business	**38**	**294**	**332**	49	253	302
Releases from stock of future profit	**503**	**(453)**	**50**	460	(365)	95
Operating assumption changes	**(82)**	**648**	**566**	222	261	483
Experience variances, expenses and other	**(51)**	**324**	**273**	(68)	202	134
Insurance result	**408**	**813**	**1,221**	663	351	1,014
Investment result	**128**	**171**	**299**	57	143	200
Equity Release	**86**	**-**	**86**	78	–	78
Retirement	**622**	**984**	**1,606**	798	494	1,292

Heritage - operating value added drivers

£m	2023			2022		
	Operating profit	**Operating change in CSM**	**Operating value added**	Operating profit	Operating change in CSM	Operating value added
Releases from stock of future profit	**157**	**(152)**	**5**	181	(166)	15
Operating assumption changes	**(1)**	**(93)**	**(94)**	13	(15)	(2)
Experience variances, expenses and other	**62**	**(60)**	**2**	45	(42)	3
Insurance result	**218**	**(305)**	**(87)**	239	(223)	16
Investment result	**36**	**70**	**106**	12	68	80
Heritage	**254**	**(235)**	**19**	251	(155)	96

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Ireland - operating value added drivers

£m	2023 Operating profit	2023 Operating change in CSM	2023 Operating value added	2022 Operating profit	2022 Operating change in CSM	2022 Operating value added
New business	-	15	15	-	29	29
Releases from stock of future profit	31	(28)	3	18	(16)	2
Operating assumption changes	-	2	2	(8)	(15)	(23)
Experience variances, expenses and other	(12)	4	(8)	(7)	28	21
Insurance result	19	(7)	12	3	26	29
Investment result	7	3	10	7	(1)	6
Other	(11)	-	(11)	1	-	1
Ireland	15	(4)	11	11	25	36

Contractual service margin - analysis of change

£m	31 December 2022	New business	Interest accretion	Experience variance	Assumption changes	CSM release	Non-operating	31 December 2023
Protection	**738**	128	20	125	9	(172)	11	**859**
Annuities	**4,194**	294	171	324	648	(453)	(69)	**5,109**
Heritage	**1,422**	-	70[2]	(60)	(93)	(152)	(18)	**1,169**
Ireland	**278**	15	3	4	2	(28)	(7)	**267**
Other[1]	**(152)**	-	(7)	-	(2)	5	-	**(156)**
Total	**6,480**	**437**	**257**	**393**	**564**	**(800)**	**(83)**	**7,248**
Total (excl. Heritage)	***5,058***	*437*	*187*	*453*	*657*	*(648)*	*(65)*	***6,079***

 All footnotes on pages 66-68

AVIVA

Operating earnings per share

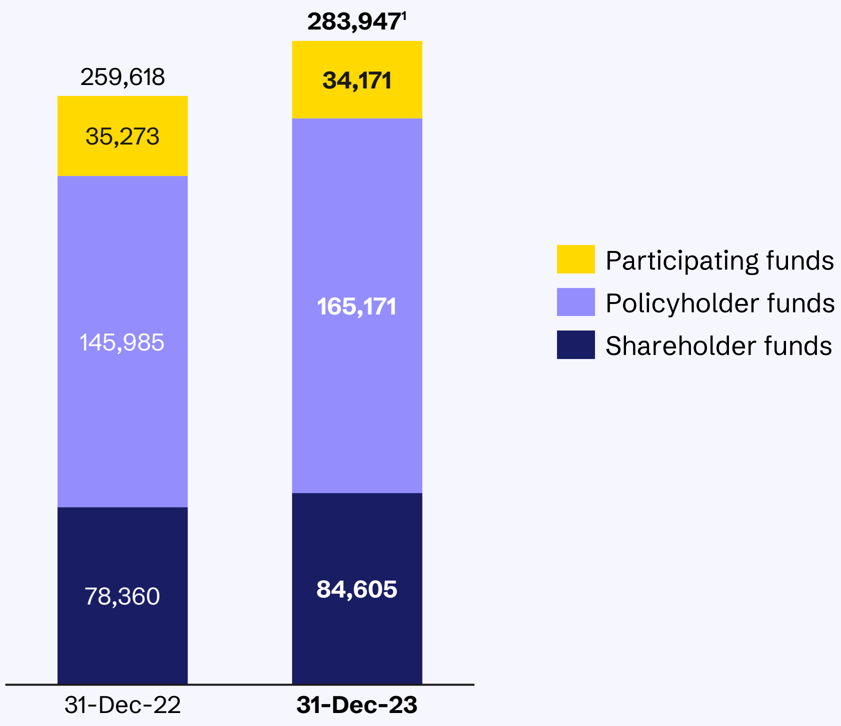
	2023 £m	2022 £m	Change %
Group adjusted operating profit	**1,467**	1,350	9%
Tax on Group adjusted operating profit	**(289)**	(178)	(62)%
Amounts attributable to non-controlling interests	**(21)**	(21)	-
Coupon payments in respect of tier 1 notes	**(34)**	(17)	(100)%
Preference shares	**(17)**	(17)	-
Profit attributable to ordinary shareholders	**1,106**	1,117	(1)%
Weighted average number of shares[1]	**2,744**	2,798	(2)%
Operating earnings per share[1]	**40.3**	39.9	1%

 All footnotes on pages 66-68

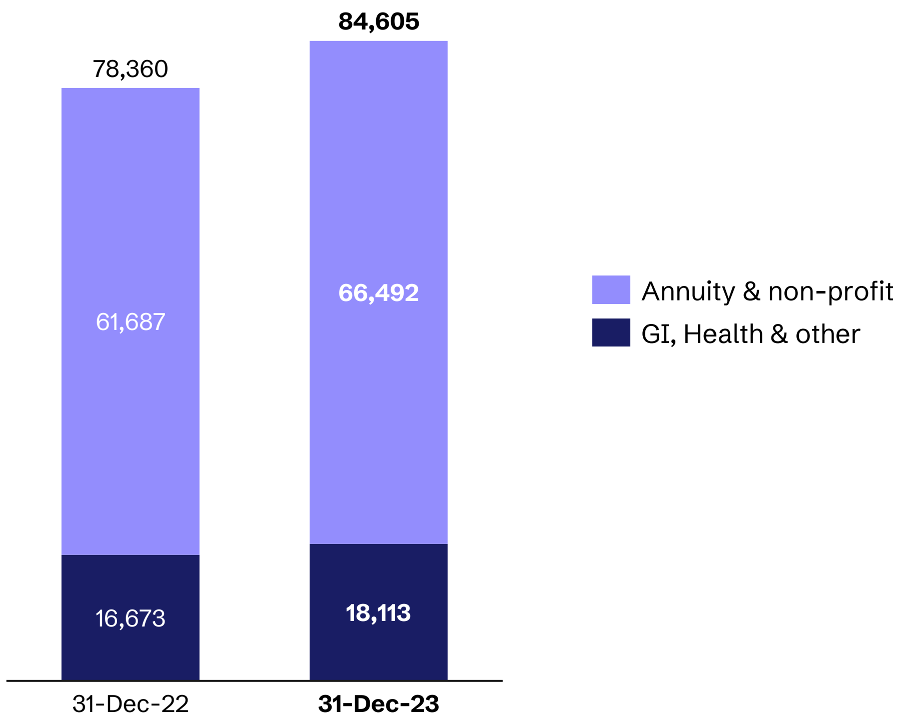
Assets

Total managed assets

Assets by type of liabilities covered (£m)



Shareholder assets by type (£m)



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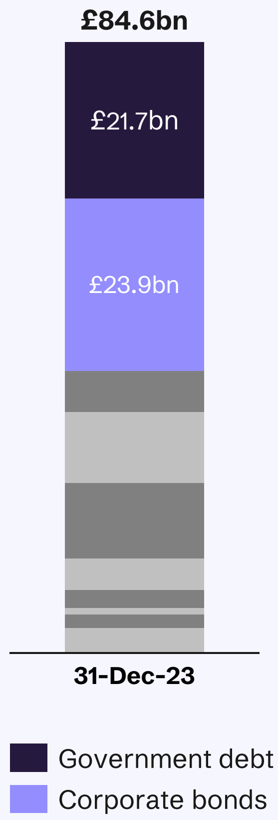
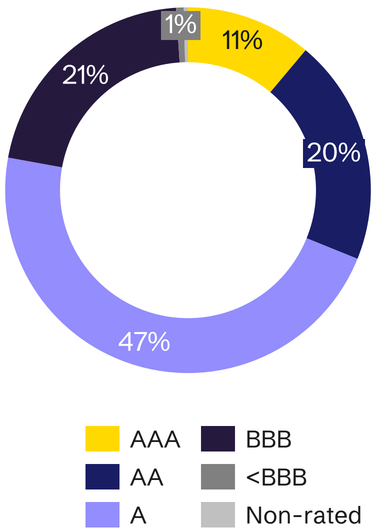
AVIVA

Corporate bonds and government debt

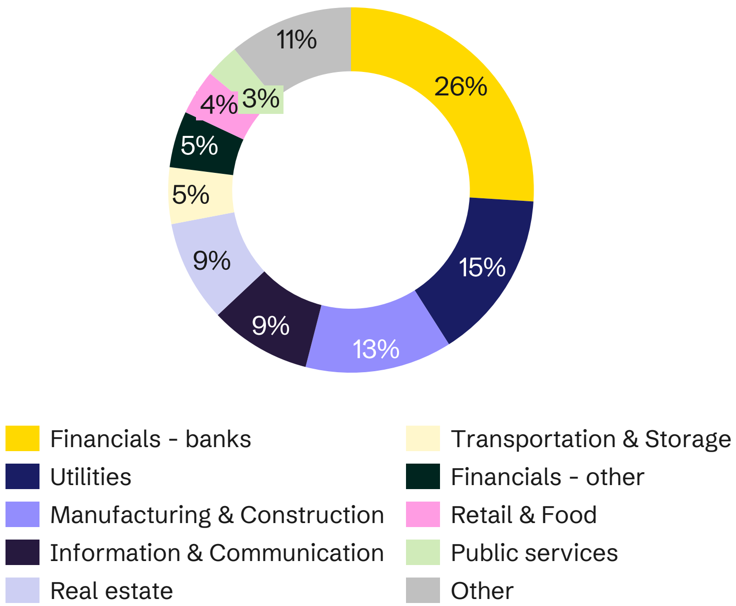
Shareholder assets (£bn)



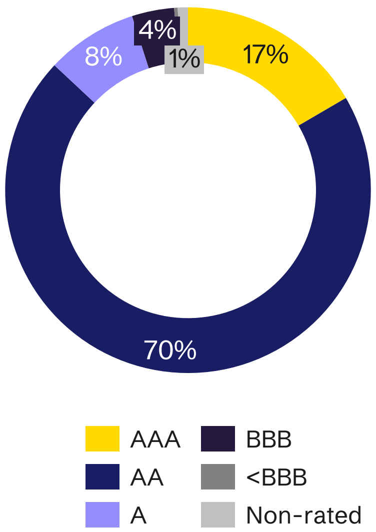
Corporate bonds by rating



Corporate bonds by industry



Government debt by rating



Corporate bond portfolio continues to perform well

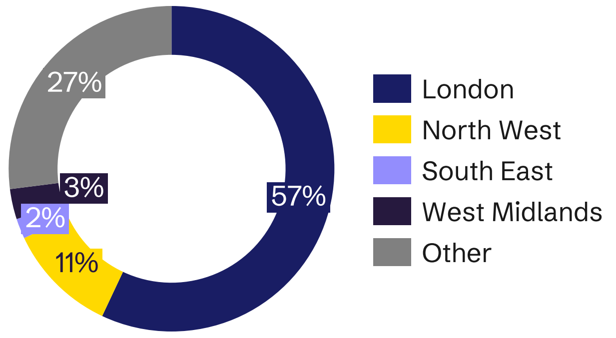
~£400m upgraded to a higher ratings letter and only ~£100m of portfolio downgraded to a lower ratings letter

No corporate bonds downgraded below investment grade

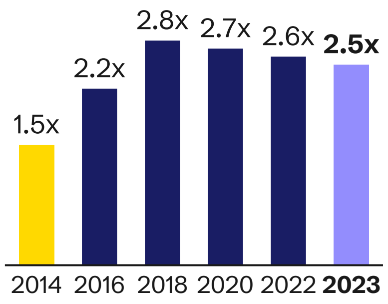
Commercial mortgages

Shareholder assets (£bn)

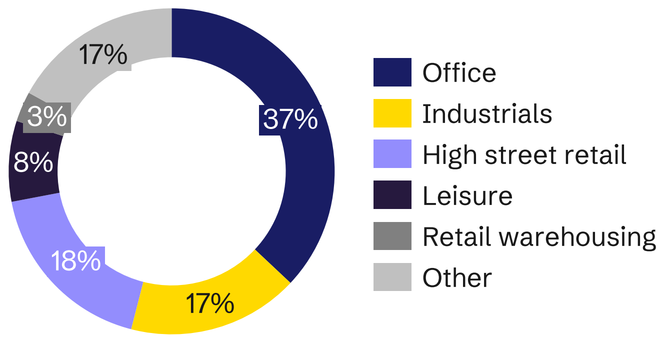
Commercial mortgages by geography



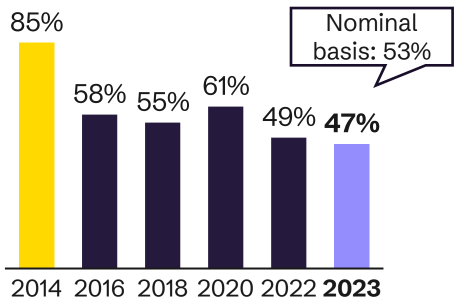
Loan interest cover



Commercial mortgages by industry



Loan-to-value ratio[1]



- **Low average LTV** of 47% on a fair value basis and 53% on a nominal basis
- **Strong loan interest cover** leaving borrowers significant headroom to absorb lower rents or rental voids
- **Financial covenants in place on most contracts,** including all new lending to restrict maximum LTVs and minimum LICs with swift action taken to bring loans back in tolerance in the event of a breach
- **Loans are fixed rate** so interest volatility doesn't directly impact the interest cost for the borrower
- **Limited refinancing risk** over the short-term as only few maturities are upcoming
- Prioritise lending to **counterparties who have wider portfolios of properties** that can be used as security to minimise the risk of losses on default

 All footnotes on pages 66-68

Equity release mortgages

Shareholder assets (£bn)

- Securitised mortgage loan and equity release portfolio of £9.8bn is mostly internally securitised with **low average LTV of 27%**
- ~87% of equity release loans have an **LTV <50%**[2]
- **~£7m of losses** arising from 'no negative equity guarantees' since 2015
- Equity release **new business LTVs are actively managed**
- We remain a **conservative lender within the overall marketplace**
- **House price growth over recent years has reduced LTVs,** providing a headroom against short-term property price volatility

 All footnotes on pages 66-68

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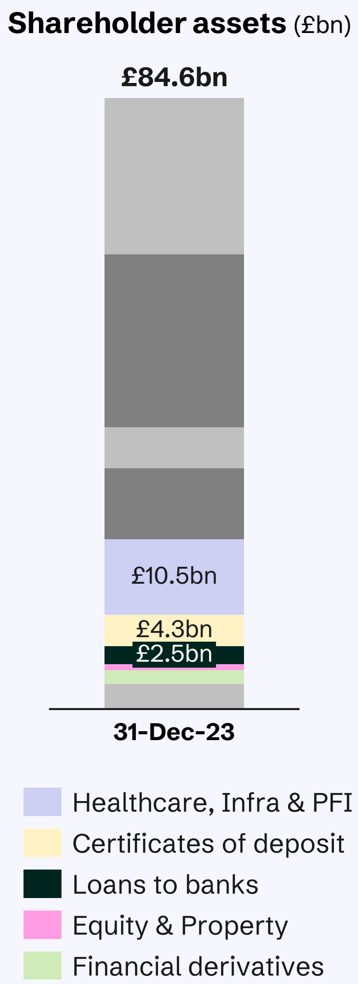
Other shareholder assets



- **Healthcare, Infra & PFI loans (incl. mortgage loans)** are largely secured against infrastructure, healthcare, education, social housing and emergency services related facilities which receive government support and are at low risk of default
- **Certificates of deposit**: deposits held with banks with a fixed term of at least three months
- **Loans & advances to banks** primarily relate to loans of cash collateral received in stock lending transactions and are therefore collateralised by other securities

Footnotes

Footnotes (1/3)

Slide	Reference	Footnote
5	1	Change in constant currency
	2	Baseline controllable costs exclude strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
	3	SII RoE
	4	Estimated Solvency II shareholder cover ratio at 31 December 2023
6	1	Baseline controllable costs exclude strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
7	1	Baseline controllable costs exclude strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
8	1	Including FY23 final dividend and £300m share buyback announced 7 March 2024
	2	From low-to-mid single-digit growth in dividend cash cost previously. The Board has not approved or made any decision to pay any dividend in respect of any future period.
11	1	SII OFG
	2	Estimated Solvency II shareholder cover ratio at 31 December 2023
	3	Gross written premium. Change in constant currency
	4	SII RoE
	5	Baseline controllable costs exclude strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
	6	IWR operating value added
12	1	Premiums refer to Gross Written Premiums. COR refers to Undiscounted COR unless stated otherwise
	2	Change in constant currency
13	1	Total consideration, as at 31 December 2023
	2	Reported COR for Syndicate 1492 over 2019-2023
	3	FY23 Syndicate 1492 Gross Written Premium. Geographic mix refers to insured domicile
14	1	Premiums refer to Gross Written Premiums. COR refers to Undiscounted COR unless stated otherwise. Changes in constant currency
15	1	PVNBP
	2	The value of the assumption changes recognised in the CSM is measured at the interest rates that prevailed when the business was originally written, however the change in the best estimate liability for the same assumption changes is measured at current rates. The impact of this mismatch in rates is recognised in operating profit immediately

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Footnotes (2/3)

Slide	Reference	Footnote
16	1	New business APE
	2	Undiscounted COR
18	1	PVNBP
	2	The value of the assumption changes recognised in the CSM is measured at the interest rates that prevailed when the business was originally written, however the change in the best estimate liability for the same assumption changes is measured at current rates. The impact of this mismatch in rates is recognised in operating profit immediately
19	1	Baseline controllable costs exclude strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 cost savings target baseline
23	1	Estimated Solvency II shareholder cover ratio at 31 December 2023
	2	Solvency II debt leverage ratio. 28.9% excluding £500m T2 issuance from November 2023
	3	Debt instruments have been presented at optional first call dates at nominal values converted to GBP using 31 December 2023 rates
24	1	SII OFG excluding management actions and other
27	1	Aviva's analysis using latest information available including company reporting, Fundscape, Boring Money, Corporate Adviser, ABI, Insurance Ireland, UK Finance, Swiss Re Group Watch, Milliman
	2	Individual Aviva customers
28	1	Excludes IWR Other and International Investments
30	1	Market size figures based on 2022 data – except for BPA volumes, which is based on 2023 volumes
	2	Covering a range of growth outlooks across Individual Protection, Group Protection and Health
	3	Based on IMF growth projections for 2025, published in January 2024
31	1	Market shares and positions based on latest available data, which varies by business
	2	Sales for Protection & Health refer to Annual Premium Equivalent (APE). Sales for Retirement (Annuities and Equity Release) refers to Present Value of New Business Premiums (PVNBP)
	3	Position and share relates to UK GI only (ex. Ireland)
	4	Gross written premiums at constant currency
32	1	Using latest data publicly available
	2	Individual Aviva customers
	3	5m FY20, excluding "temporary sourced contact details" and adjustments for QMH/GA Brands

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Footnotes (3/3)

Slide	Re1ference	Footnote
33	1	For General Insurance customers with 2+ Aviva policies; not specific to Aviva Zero
	2	Individual member transfers into Workplace pension schemes
	3	Time taken by Aviva to process each step of the process – excludes time taken for responses from other providers
	4	Based on causal analysis of workplace customers who consolidated pensions with Aviva in 2020
35	1	Versus 2020 baseline
36	1	Excluding management actions and other. From continuing operations only
	2	As reported
	3	Including FY23 final dividend and £300m share buyback announced 7 March 2024
42	1	Solvency II shareholder cover ratio
45 - 47	1	Management actions & other includes the impact of capital actions, non-economic assumption changes and other non-recurring items
	2	Preference shares includes £21 million of dividends and £250 million of capital in respect of General Accident plc.
	3	Opening own funds for Group Solvency II return on equity reflects opening unrestricted tier 1 shareholder Solvency II own funds adjusted to exclude excess capital above our target Solvency II shareholder cover ratio.
49	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
	2	An immediate full letter downgrade on 20% of the annuity portfolio credit assets (e.g. from AAA to AA, from AA to A)
50	1	Tier 3 regulatory own funds at 31 December 2023 consist of £173 million net deferred tax assets (31 December 2022: £296 million). There is no subordinated debt included in Tier 3 regulatory own funds (31 December 2022: £nil)
	2	Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds and Tier 3 subordinated debt
57	1	Other includes intra-group reinsurance of Periodic Payment Orders (PPOs)
	2	Interest accretion for Heritage includes the expected investment return that is deferred in the CSM
58	1	Operating earnings per share in 2022 was impacted by the share consolidation completed on 16 May 2022. The operating earnings per share numbers is shown using weighted average number of shares as if the share consolidation had taken place on 1 January
60	1	Includes £199m of assets classified as held for sale
62	1	Fair value LTV
63	1	Equity release and securitised mortgage loans
	2	As at 30 September 2023