



Aviva plc Interim Results 2024

14 August 2024



Disclaimer & important information

Cautionary statements

This document should be read in conjunction with the documents distributed by Aviva plc (the 'Company' or 'Aviva') through The Regulatory News Service (RNS). This announcement contains (and we may make other verbal or written) 'forward-looking statements' with respect to certain of Aviva's plans and current goals and expectations relating to future financial condition, performance, results, strategic initiatives and objectives (including, without limitation, climate and other sustainability-related plans and goals). Statements containing the words 'believes', 'intends', 'expects', 'projects', 'plans', 'will', 'seeks', 'aims', 'may', 'could', 'outlook', 'likely', 'target', 'goal', 'guidance', 'trends', 'future', 'estimates', 'potential', 'objective', 'predicts', 'ambition' and 'anticipates', and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty. 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 pandemics) 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 sustainability; 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 impact of exposure to Lloyds related risks following the acquisition of Probitas, including dependence on Lloyd's credit rating, solvency position and the maintenance of Lloyd's own licence and approvals to underwrite business, and commitment to certain financial and operational obligations, including to make contributions to funds at Lloyd's; the policies, decisions and actions of government or regulatory authorities in the UK, the EU, the US, Canada or elsewhere, including changes to and the implementation of key legislation and regulation (for example, FCA Consumer Duty and Solvency II). Please see Aviva's most recent Annual Report and Accounts for further details of risks, uncertainties and other factors relevant to the business and its securities.

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

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

As a reminder

Throughout this presentation we use a range of financial metrics to measure our performance and financial strength. These metrics include Alternative Performance Measures (APMs), which are non-GAAP measures that are not bound by the requirements of IFRS and Solvency II. A complete list and further guidance in respect of the APMs used by the Group can be found in the 'Other information' section of the 2024 Half Year Report. All references to 'Operating profit' represent 'Group adjusted operating profit'. All references to 'Solvency II cover ratio refer' to 'Estimated Solvency II shareholder cover ratio'. All references to 'Sales' for Insurance (Protection & Health) refer to 'Annual Premium Equivalent (APE)'. All references to 'Sales' for IWR or Retirement (Annuities and Equity Release) refer to 'Present Value of New Business Premiums (PVNBP)'. All references to 'premiums' for General Insurance refer to 'Gross Written Premiums (GWP)'. All references to 'COR' refer to 'Undiscounted COR' unless stated otherwise. All references to 'SII OFG' refer to 'Solvency II operating own funds generation'. All references to 'SII OCG' refer to 'Solvency II operating capital generation'.

Agenda

Group CEO Update

Amanda Blanc, Group CEO

Interim Results 2024

Charlotte Jones, Group CFO

Summary

Amanda Blanc, Group CEO

Q&A



Aviva's momentum building - much more to come

Quarter-on-quarter delivery continues

Consistent strategy and unique diversified model

Strong growth, accelerating in capital-light

Delivering for our customers and shareholders

Aviva colleagues at the heart of our progress

Continued strong performance in first half

Growing
right across
the Group

+15%
GI premiums¹

+16%
Wealth net flows

+12%
IWR sales

Driving profit
& cash growth

+14%
Operating profit

+10%
Solvency II OFG

+16%
Cash remittances

Delivering
for our
customers

19.5m
Aviva customers
globally

+0.3m
Net new
customers YTD

+46.3
Net Promoter
Score²

Interim
dividend

11.9p
Per share

+7%
DPS growth

Executing on consistent strategy, with big ambitions

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

Growth

Aviva's unique strengths

Complementary portfolio with growth opportunities in all markets

Customer

Unrivalled insurance franchise and #1 brand

Efficiency

Simplification, automation, and cost control

Sustainability

Leadership on sustainability

Momentum for the future

Accelerating growth in capital-light businesses

Digitally-led customer experience and serving more needs

Top-quartile efficiency with synergies from our model, and technology at the core

Committed to climate and social action



Confidence in our targets:

£2bn

Operating profit
by 2026

£1.8bn

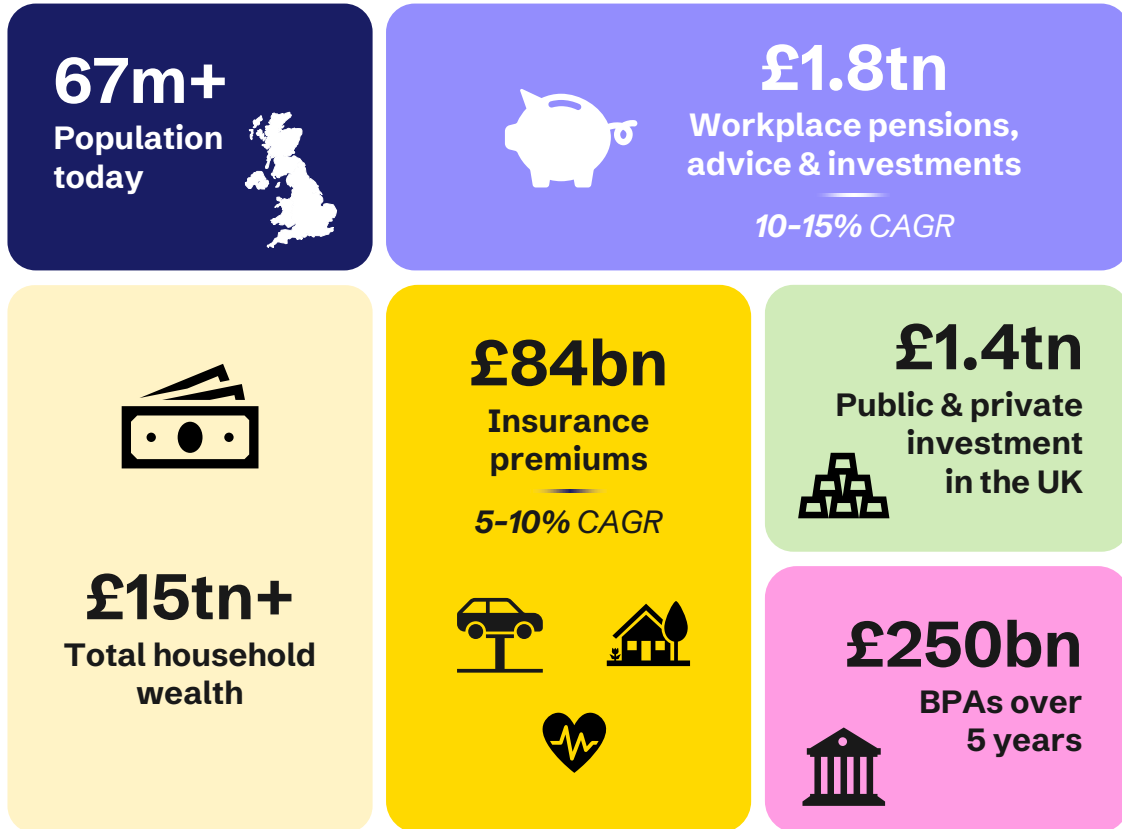
SII OFG
by 2026

>£5.8bn

Cash remittances
2024-2026

Confident in the UK and Aviva's future

Structural growth opportunities in the UK for Aviva



Accelerated by UK growth agenda

Increasing UK investment
National Wealth Fund & Net Zero transition

Boosting infrastructure
Planning reforms & housebuilding targets

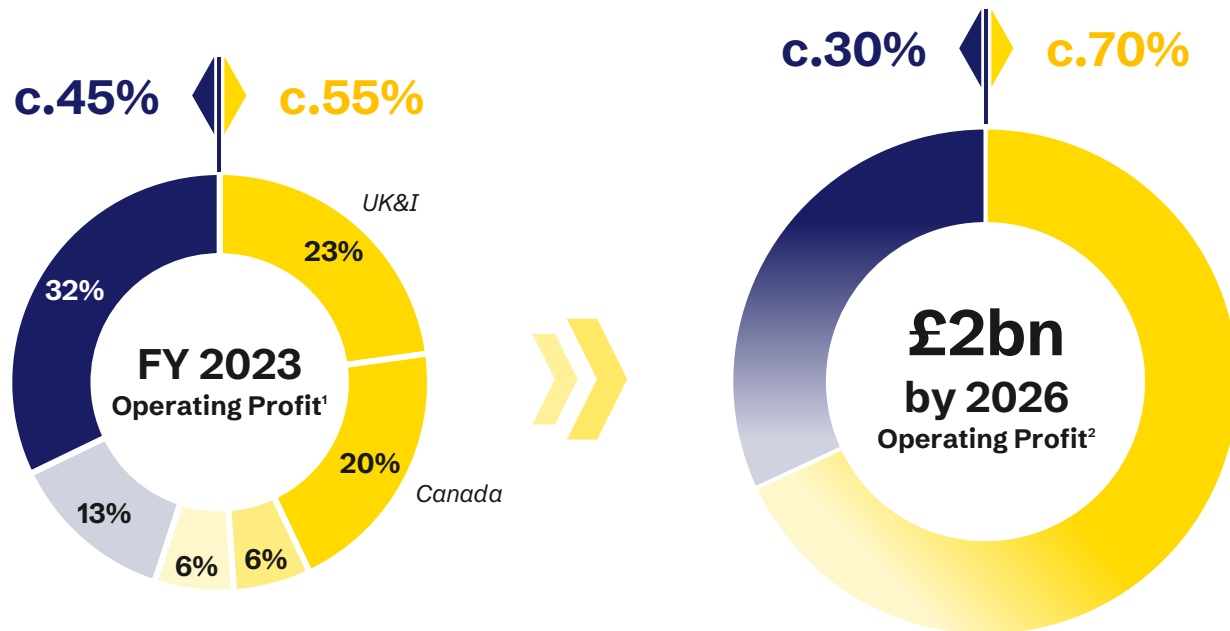
Supporting pension savers
“Landmark” review, Mansion House & LTAFs

Broadening access to advice
Advice Guidance Boundary Review

Promoting innovation
Support for FinTechs & “smarter” regulation

Accelerating in capital-light

Majority capital-light today, approaching 70% by 2026



Capital-intensive

Retirement

Heritage

Capital-light

Wealth & AI

Health & Protection

General Insurance

Complementary portfolio

GI, Protection & Health, Wealth

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

Retirement & Heritage

Underpinning cash generation; Heritage customer franchise, supporting Wealth

Aviva Investors


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


All footnotes on pages 60-61


Winning across our markets - strong organic growth and M&A


Accelerating capital-light growth¹


 **£186bn**
Wealth AUM
#1 UK Wealth player


 **Advice**
>3.5k SW referrals from Aviva, £315k avg. investment pot size

 Direct Wealth with hybrid advice launched

 **+10%**
Health premiums²
#3 with 14% share

 **+49%**
Protection sales
#1 with AIG acquisition

 Integration on track - becoming clear #1 in Protection

 **+18%**
UK&I GI premiums³
#1 with 12% share


 **+10%**
Canada premiums⁴
#2 with 9% share

 Expanding distribution with Lloyd's & growth opportunity in GCS

Disciplined growth in retirement

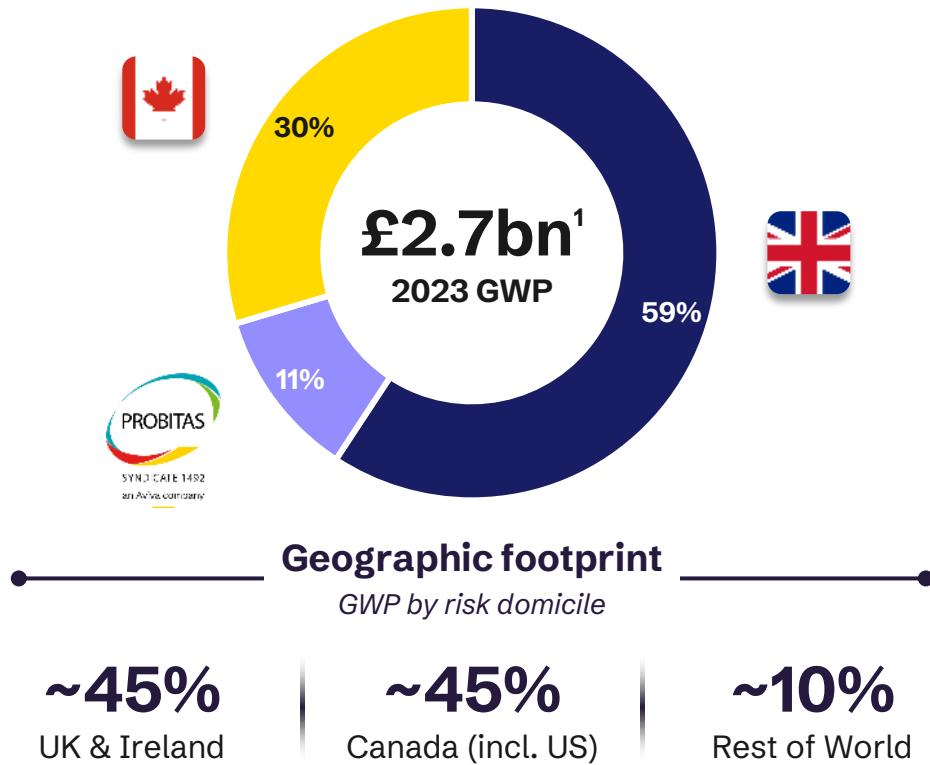
 **£2.3bn**
BPA sales
#5 with 11% share

 **£1.4bn**
AI Real Assets origination
#1 non-bank infra. debt in Europe

 **+10%**
Individual Annuity sales
#1 in-force with 21% NB share

Accelerating in Global Corporate & Specialty

Stronger GCS footprint with Probitas acquisition



Real competitive advantages across Aviva GCS business



Aviva brand & broker relationships



Broad & diverse customer base

Supporting 130+ multi-national clients



Top “dual platform” player in London Market

Now with access to £35bn Lloyd’s market²



Deep specialty underwriting expertise

UK GCS Financial Lines; Canada GCS Surety; Probitas Casualty

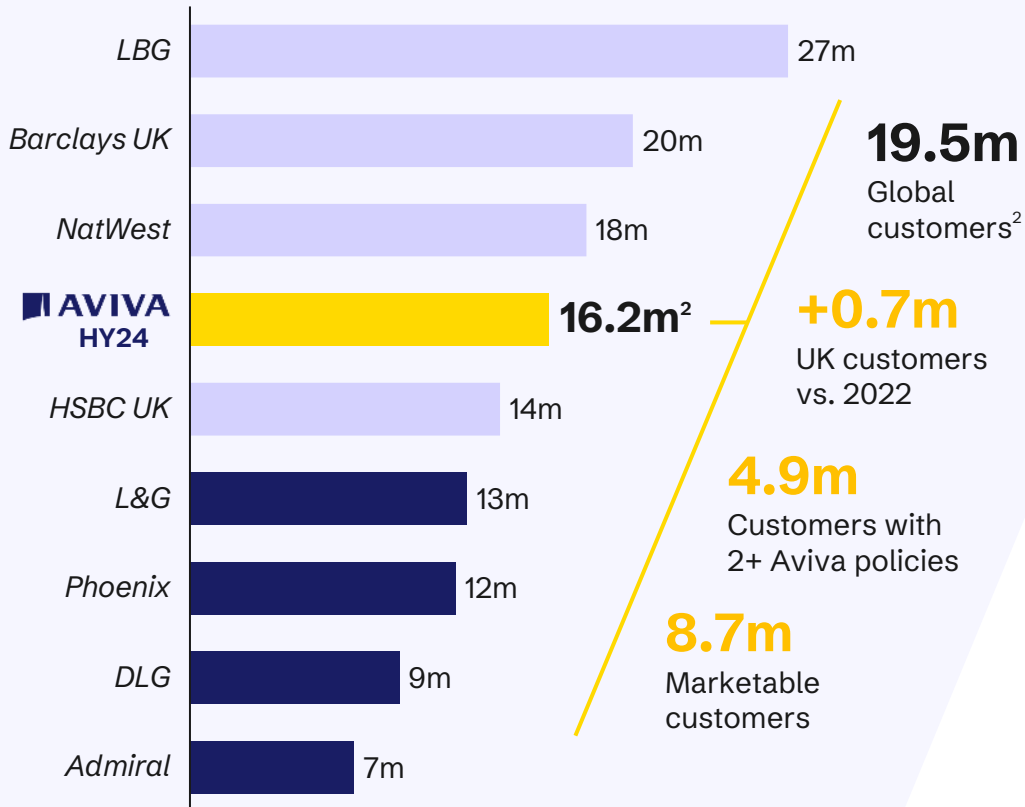
Material & growing £200bn Global Corporate & Specialty market³

All footnotes on pages 60-61

Unlocking opportunity within our customer base

Unrivalled insurance customer franchise

Number of UK customers¹



Deepening customer relationships

Individual 

30%
UK customers have 2+ Aviva policies

41%
New sales to existing customers

Corporate 

36%
UK Large Corporates have 2+ Aviva business lines³

60%+
IWR new sales to Aviva Large Corporate clients³

Leading Aviva brand

#1
UK insurance brand



£4.4bn
Aviva Brand value
2024 **Brand Finance**[®] report

All footnotes on pages 60-61

Delivering for our customers



Building engaging, digitally-led experience

63.7% Online Experience Score, +6.8pp improvement YoY



Providing affordable insurance solutions

£100m+ QMH Essentials premiums in 2023 alone



Offsetting emissions with Aviva Zero

800k+ policies sold since launch



Continuing to deliver value for money

c.700 assessments across products in the last 12 months



New, refreshed MyAviva app

6.7m

MyAviva registered users

>50%

MyAviva logins on App instead of Web

+16pp

Higher OES (72.4%) for new MyAviva app vs. old¹

Supporting pension savers through innovation

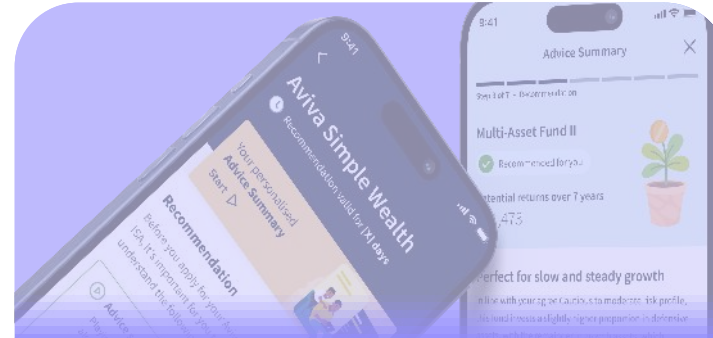


Pension consolidation

Find & Combine service -
AI-driven pension tracing,
powered by 

£25bn+

“Lost” pension
pots in the UK



Access to advice

New “Simple Wealth”
hybrid advice proposition
on Direct Wealth

91%

People have not paid for
advice in the last 2 years



Access to private markets

Planning to launch new venture &
growth capital strategy, opening
up new investment opportunities
for our pension customers

Up to **£50bn**

Or 5% of DC assets in unlisted
equities by 2030 - Mansion House

People and culture behind Aviva's momentum

Strong leadership alignment

Collaboration & transparency across ExCo and Board

Truly engaged workforce³

90% engagement, +9pp vs. FS benchmark & +17pp vs. 2019

Pulling in the same direction

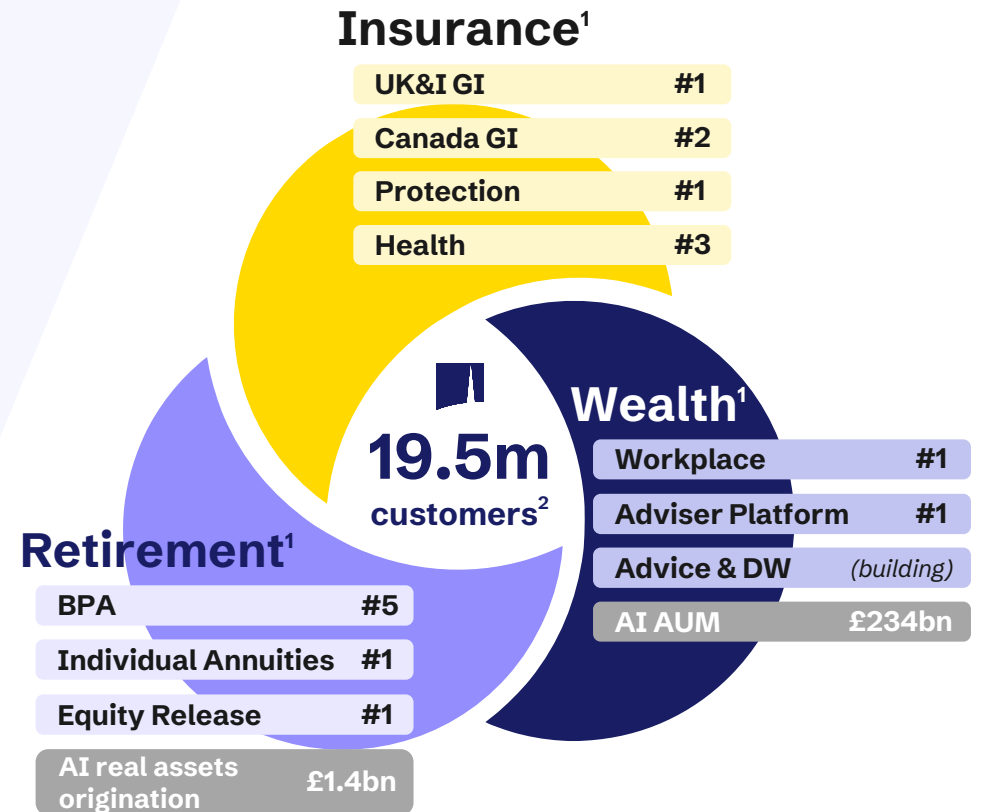
80% motivated by strategy, with 90% willing to put in "extra effort"

High-performance culture

87% leadership effectiveness, dedicated training for 1.5k+ leaders

Strong grip on performance

Flexible resource allocation & performance management discipline



All footnotes on pages 60-61

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Half year 2024 - continuing to deliver across the board

Outperformance on Group metrics

Operating profit

£875m

+14%

Own funds generation¹

£758m

+10%

Underlying OFG +27%

Return on equity²

12.4%

+0.9pp

Business units delivering

GI premiums

£6.0bn

+15%

Undiscounted COR

95.4%

+0.6pp

Discounted COR: 91.5%

Operating capital generation³

£722m

+17%

Underlying OCG +42%

Cash remittances

£959m

+16%

Solvency cover ratio⁴

205%

FY23: 207%

IWR sales

£19.7bn

+12%

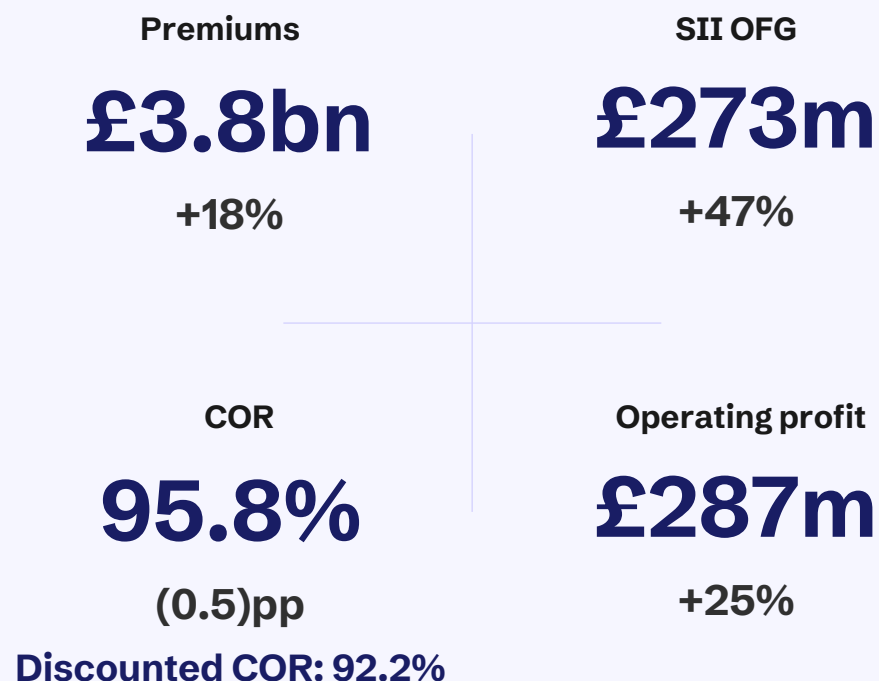
Wealth net flows

£5.0bn

+16%

6% of opening AuM

UK & Ireland General Insurance



UK personal lines

- **Premiums up 30%** driven by price increases to combat inflation and continued growth in new business including Aviva Zero and price comparison websites.
- **COR of 96.5%** (HY23: 97.9%) improved as the impact of strong pricing actions earn through and continued growth in higher margin retail business.

UK commercial lines

- **Premiums up 10%** driven by strong retention in mid-market and new business in GCS and continued pricing actions across all business lines.
- **COR of 96.1%** (HY23: 94.9 %) due to a more usual large-loss experience when compared with the prior year which was favourable

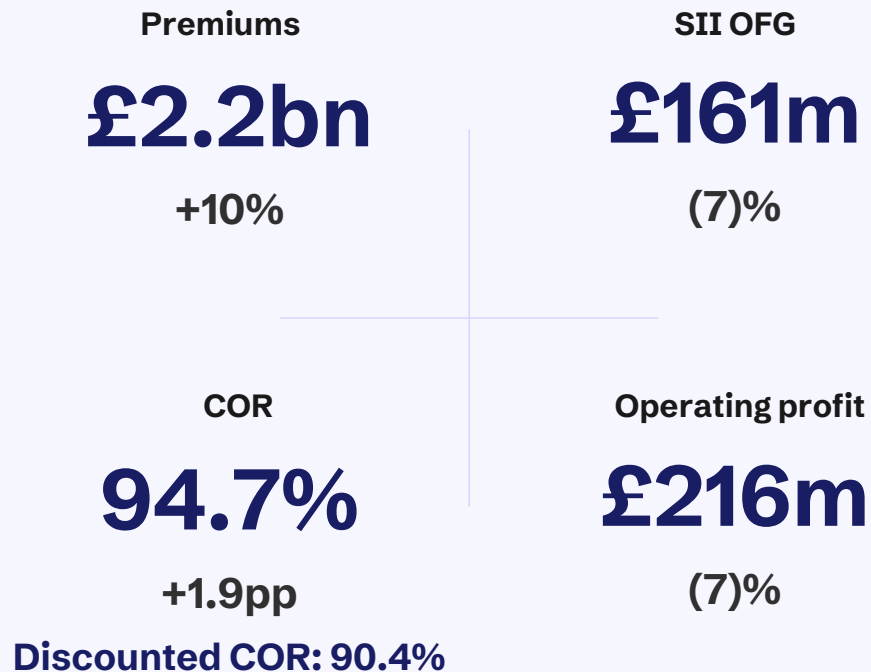
Ireland

- **Premiums up 9%**¹ driven by growth in both personal and commercial lines.
- **COR of 88.5%** benefiting from 10.7pts of reserve release following personal injury reform legal confirmation in Ireland.

Overall

- **Operating profit up 25%** to £287m reflecting a strong underwriting result and personal injury reform impact in Ireland.

Canada General Insurance¹



Personal lines

- **Premiums up 14%** driven by strong new business volumes in auto and pricing actions taken across the portfolio
- **COR of 94.6%** (HY23: 98.0%) primarily reflecting an improved personal property result, and a lower impact from auto theft, though remains above long-term averages

Commercial lines

- **Premiums up 6%** driven by new business in GCS and strong inflationary pricing actions
- **COR of 95.0%** (HY23: 83.5%) includes the impact of a small number of large losses

Overall

- **Operating profit 7% lower** at £216m primarily as the prior period experienced benign large losses in commercial lines

Insurance, Wealth & Retirement

IWR performance

Sales

£19.7bn +12% from growth in Insurance and Wealth

Operating profit

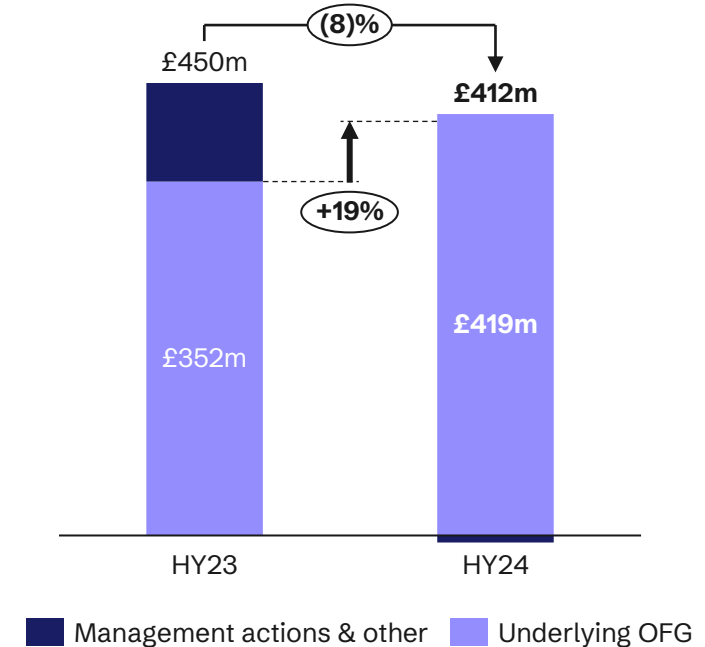
£532m +9% driven by Wealth and Retirement

IWR CSM

£7.3bn +10% YoY
+1% YTD

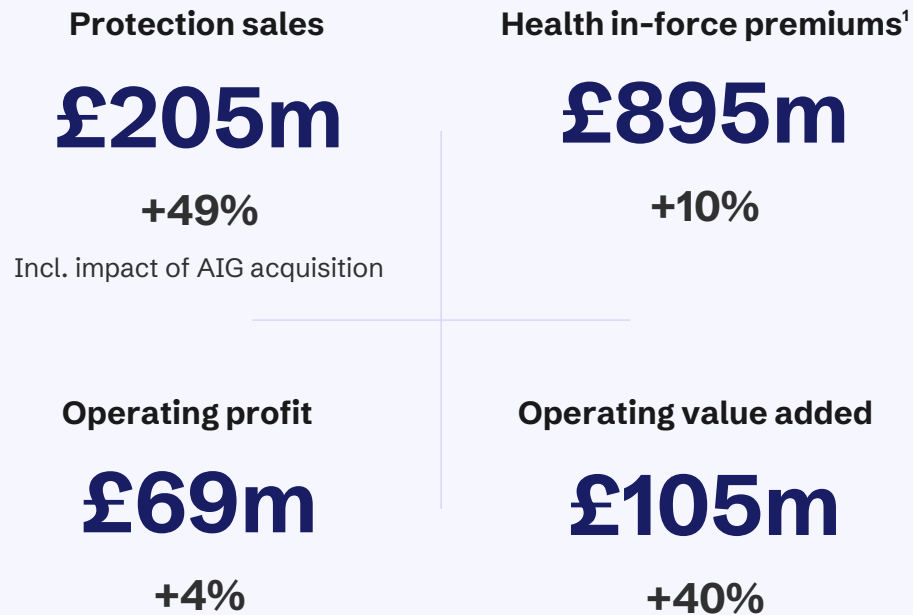
Operating value added £515m
(HY23: £690m)

IWR SII OFG



Management actions typically arise in H2, however in 2023 there was a material benefit in H1. In 2024 there were minimal management actions in H1, as per our normal expectations. This impacts the comparative performance for Solvency II OFG and Operating Value Added.

IWR – Insurance



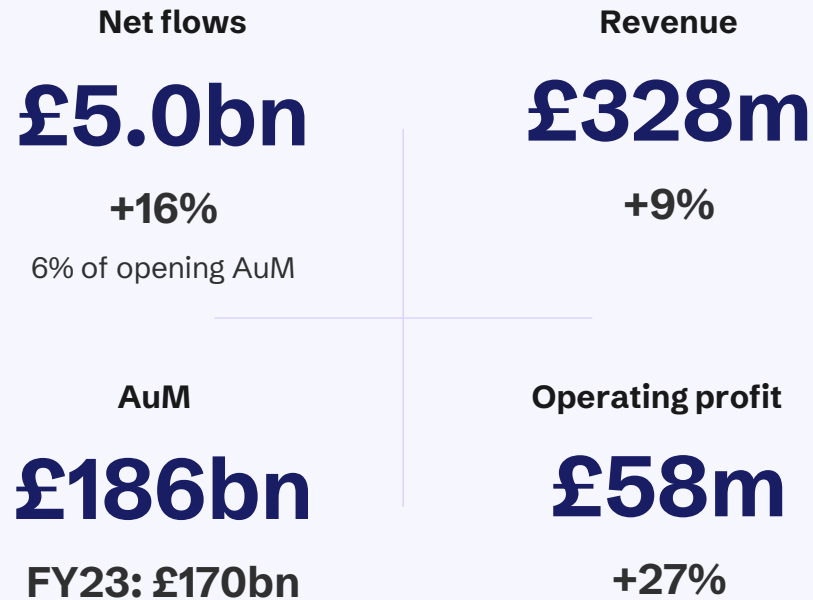
Health

- **In force premiums¹ up 10%** reflecting strong new business and pricing actions
- **Normalisation of claims post-pandemic** and adverse claims experience more than offset portfolio growth, with operating profit of £23m

Protection

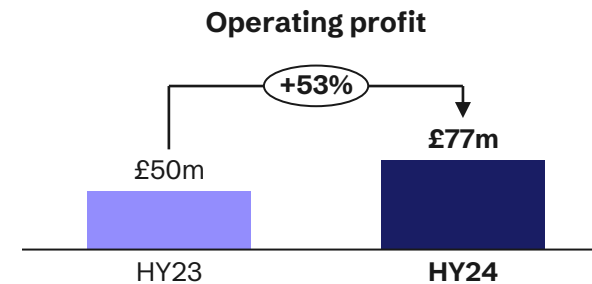
- **Sales up 49%** to £205m driven by the acquisition of AIG in April 2024
 - Excluding AIG, sales were consistent with the prior period as growth in group protection was offset by lower individual protection sales
- **Operating profit up 31%** to £46m, driven by higher releases from stock of future profit due to growth in the CSM

IWR - Wealth



#1 UK Wealth player by AUM

Workplace, Advisor platform, IPP & Advice

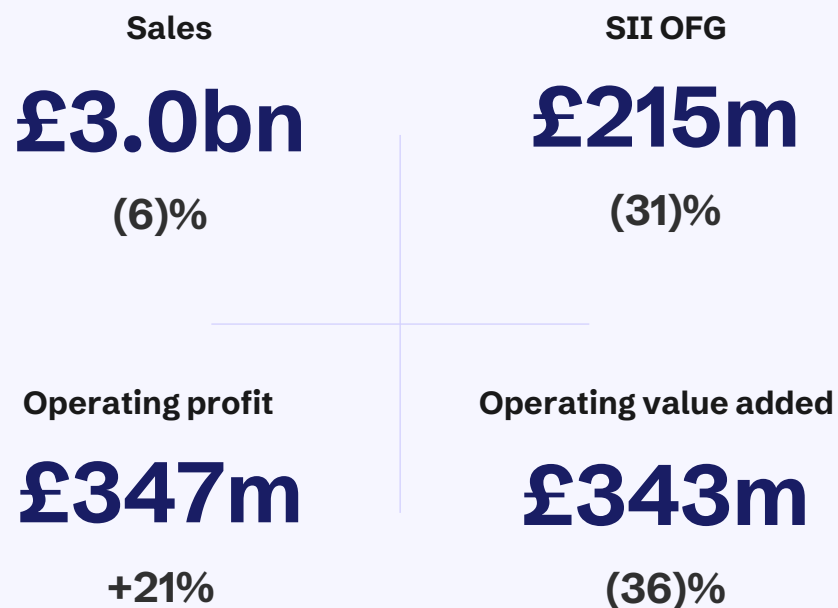


- Workplace **net flows up 4%** with **AuM up 11% YTD** to £121bn
- Advisor platform **net flows up 45%** with **AUM up 13% YTD** to £50bn
- Generating significant growth and key driver of ambitions for £280m operating profit in 2027

Direct Wealth

- Ongoing investment for **long-term growth opportunity**
- Direct proposition '*Simple Wealth*' relaunched with net flows more than doubling to £0.2bn supported by marketing and brand expenditure

IWR – Retirement



BPA

- **Sales of £2.3bn** (HY23: £2.4bn) across 39 transactions
- Strong outlook with **YTD completed volumes £4.1bn** and a **full year outlook of £7-8bn**.

Individual annuities

- **Sales up 10%** driven by increased demand in a higher rate environment
- **Margins remain strong** due to strategic pricing actions

Equity release

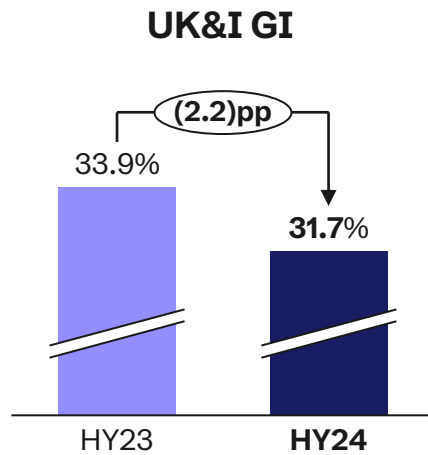
- **Significant reduction in the market size in** the higher interest rate environment resulted in sales lower by 54%

Overall

- **Operating profit up 21%** from portfolio growth & higher investment returns
- **New business margin of 3.4%** from strong trading performance
- Management actions typically arise in H2, however in 2023 there was a material benefit in H1. In 2024 there were minimal management actions in H1, as per our normal expectations. This impacts the comparative performance for Solvency II OFG and Operating Value Added.

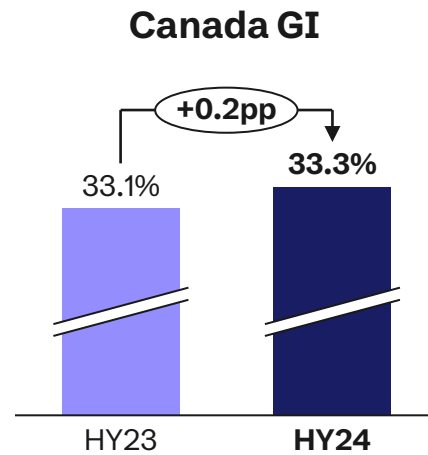
Driving improved operating leverage

Cost efficiency ratios



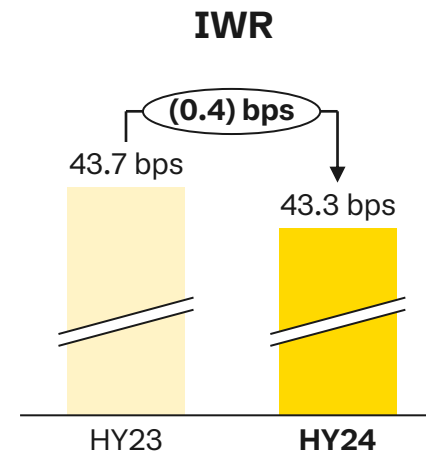
Distribution ratio

- Improvement driven by growth in Retail business in personal lines
- Expect further improvement over time as the mix of business continues to shift



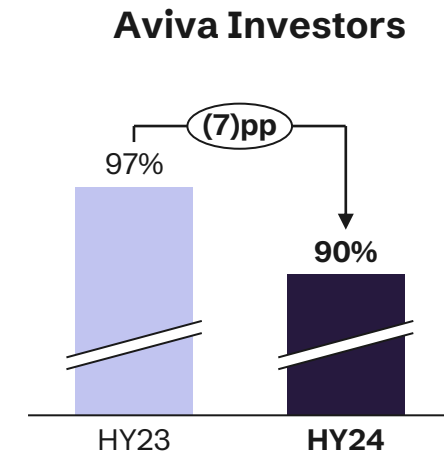
Distribution ratio

- Broadly consistent as we are already very efficient vs peers
- Anticipate future improvement as we make efficiency gains in our cost base



Cost asset ratio

- Best aggregate measure of the diverse mix of businesses
- Partnership extensions previously announced with Diligenta and FNZ will help drive improvement in IWR

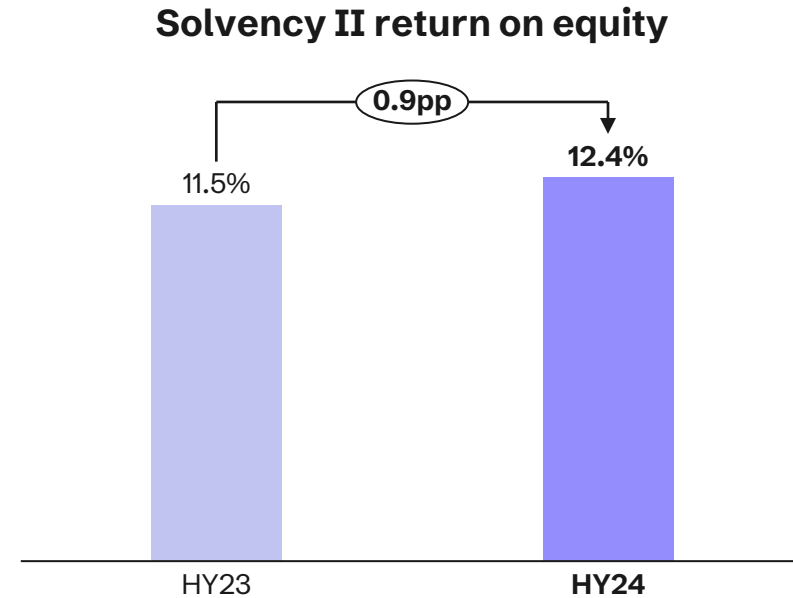
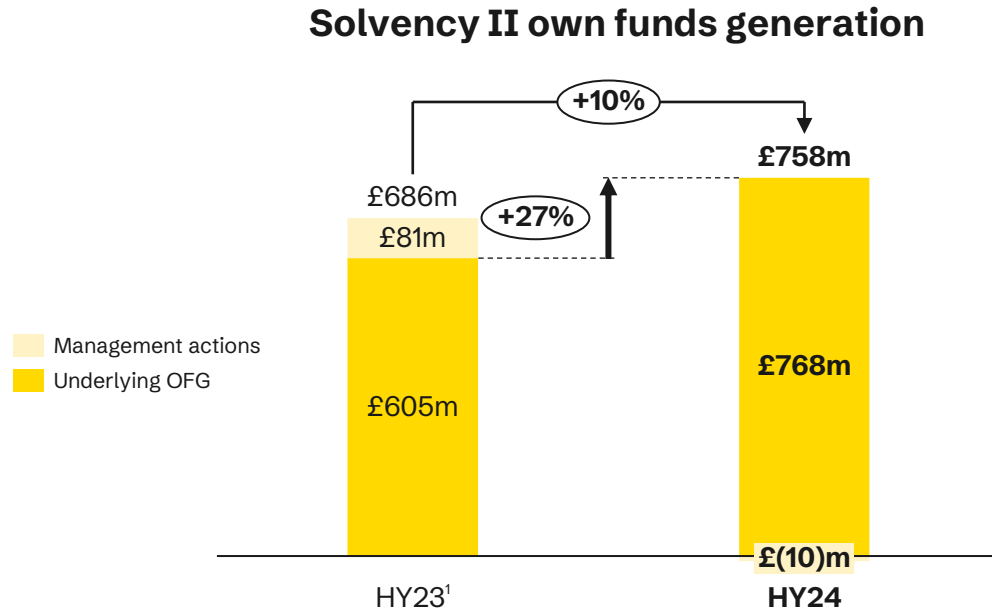


Cost income ratio

- We have implemented a number of cost reduction initiatives
- Remain focused on driving this down further as the business grows.

The Group is focused on cost efficiency across all businesses - further progress made in HY24

Strong growth in own funds generation



Solvency II OFG up 10% to £758m with underlying OFG up 27%

Strong growth driven by **UK general insurance**, partly offset by **lower management actions** in IWR for HY24 versus HY23

Underlying improvement supportive of longer-term **cash generation and dividends**, and driving an **SII RoE of 12.4%**

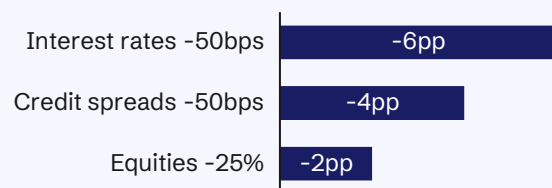
Robust balance sheet and asset portfolio

Solvency II cover ratio

205%

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

Economic sensitivities:



Shareholder asset portfolio

£85bn

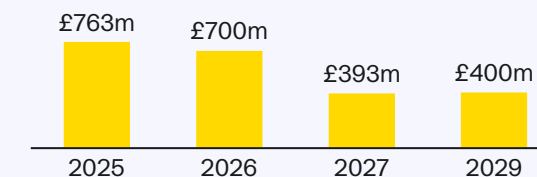
- ✓ Defensively positioned
- ✓ Resilient portfolio **continues to perform well**
 - Net upgrades in corporate bonds
 - <1% corporate bonds rated below BBB
 - Low average LTVs in loan portfolio
 - CRE portfolio performance very robust

Solvency II debt leverage

29%¹

- ✓ Comfortable leverage position
- ✓ Preference to be **below 30%**

Upcoming instruments for call/redeem/re-fi



Centre liquidity: £1.5bn | Managing to at least £1bn over time reflecting current size of Group

Strong grip on capital allocation & performance in H1

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



Sustainable growth
in earnings & cash

+14%

Operating profit

+27%

Underlying OFG



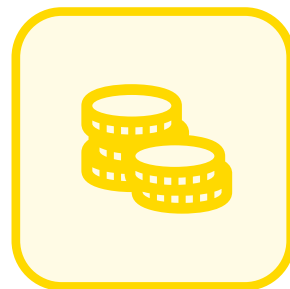
Maintain balance
sheet strength

205%

SII cover ratio

29%¹

SII debt leverage



Growing
regular dividend

+7%

Interim DPS growth

+5%

Dividend cash cost



Investing in
the business

Double-digit

organic growth
across the Group



Accelerating through M&A



Returning capital
to shareholders

£300m

Share buyback
completed June 2024

Confident outlook for 2024 and beyond

Group targets

Confident that we will deliver our Group targets

£2bn

Operating profit
by 2026

£1.8bn

SII OFG
by 2026

>£5.8bn

Cash remittances
2024-2026

Business units

- In General Insurance we remain **focused on pricing appropriately**.
- Expect the **underlying Group COR to continue to benefit** from pricing actions taken in 2023 and so far in 2024.
- Anticipate **further growth momentum** in our Wealth and Health businesses in H2, while Protection growth expected to moderate
- Expect to complete our three-year ambition of £15-20bn of BPA volumes by writing **£7-8bn this year**

Dividends & capital returns

- Guidance for **mid-single digit growth in the cash cost** of the dividend is unchanged¹
- Anticipate further **regular & sustainable** capital returns

Agenda

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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 M&A

Track record of delivery

with strong performance momentum

Superior returns for shareholders

with growing dividends and regular capital returns



Q&A

Amanda Blanc

Group CEO

Charlotte Jones

Group CFO



Appendices

Growth opportunities in all our markets

Wealth

£1.8tn assets¹, growing at 10-15% p.a.

Self-provision for retirement; generational wealth transfer

Protection & Health

£15bn GWP¹, growing at up to 10% p.a.²

NHS pressures; corporate focus on wellbeing; property market

UK&I GI

£69bn GWP¹, growing at 5-10% p.a.

Economic growth; new risks (e.g. mobility, sectoral growth)

Canada GI

£48bn GWP¹, growing at 5-10% p.a.

Economic & population growth; new risks (e.g. green transition)

GCS

£200bn GWP¹, growing at 5-15% p.a.

Increasing complexity of risks; new risks (e.g. cyber threats)

Retirement

£50bn BPAs¹, with c.£250bn over next 5 years

Ageing population; improved DB pension scheme funding; SII reform

Supportive policy & regulatory agenda

Increasing UK investment

+

Supporting pension savers & access to advice

+

Promoting innovation

+

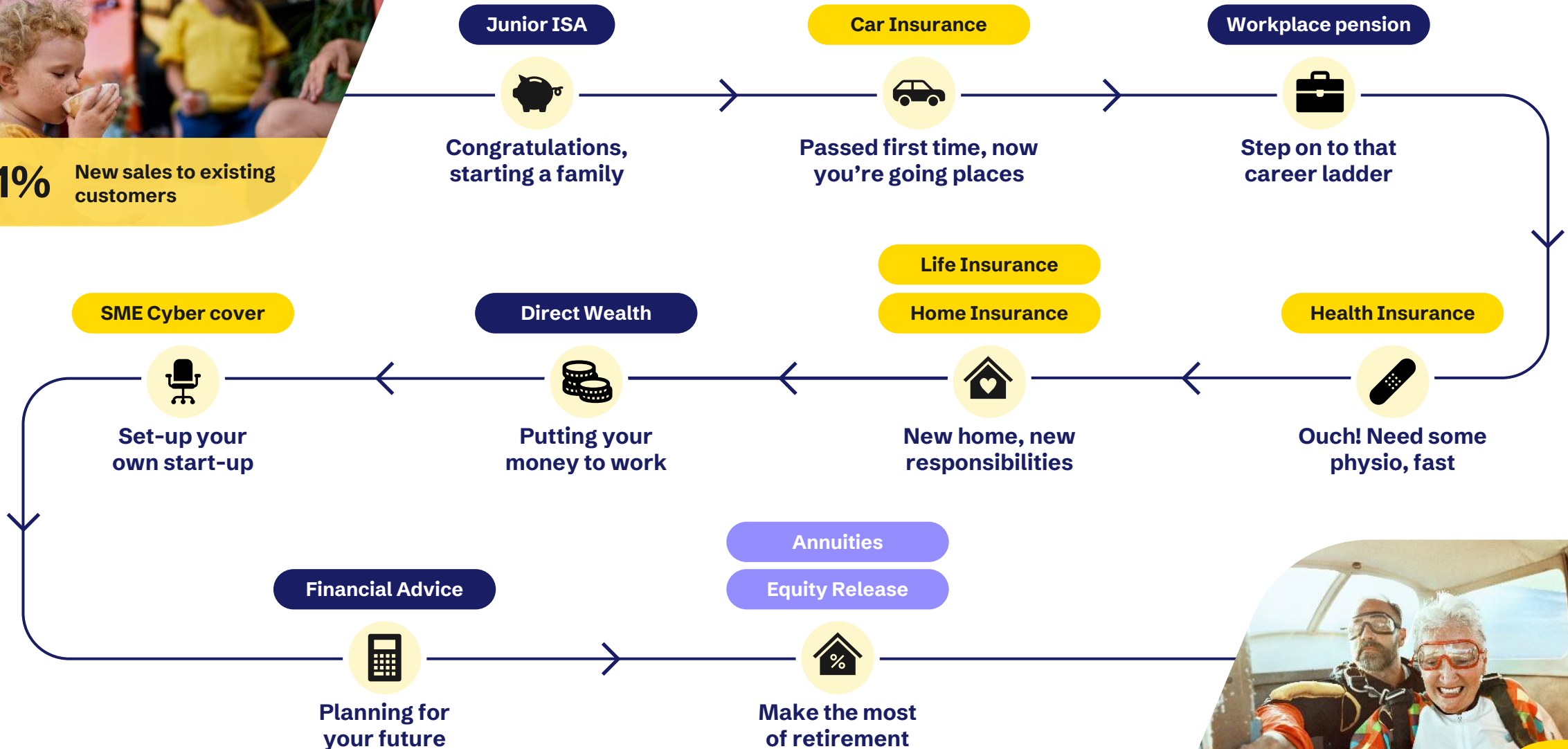
Consumer Duty

All footnotes on pages 60-61

Go-to brand through our customers' life moments



41% New sales to existing customers



Operating profit and operating value added

	Operating profit		Operating change in CSM		Operating value added	
	HY 2024 (£m)	HY 2023 (£m) ¹	HY 2024 (£m)	HY 2023 (£m)	HY 2024 (£m)	HY 2023 (£m)
UK&I General Insurance	287	230				
Canada General Insurance	216	240				
IWR	532	486	(17)	204	515	690
- o/w Wealth	58	46				
- o/w Protection & Health	69	67	36	8	105	75
- o/w Retirement	347	287	(4)	248	343	535
- o/w Heritage	111	95	(57)	(54)	54	41
Aviva Investors	18	5				
International Investments	26	46				
Total business units	1,079	1,007				
Centre & debt and other	(204)	(242)				
Group	875	765				

Reminder

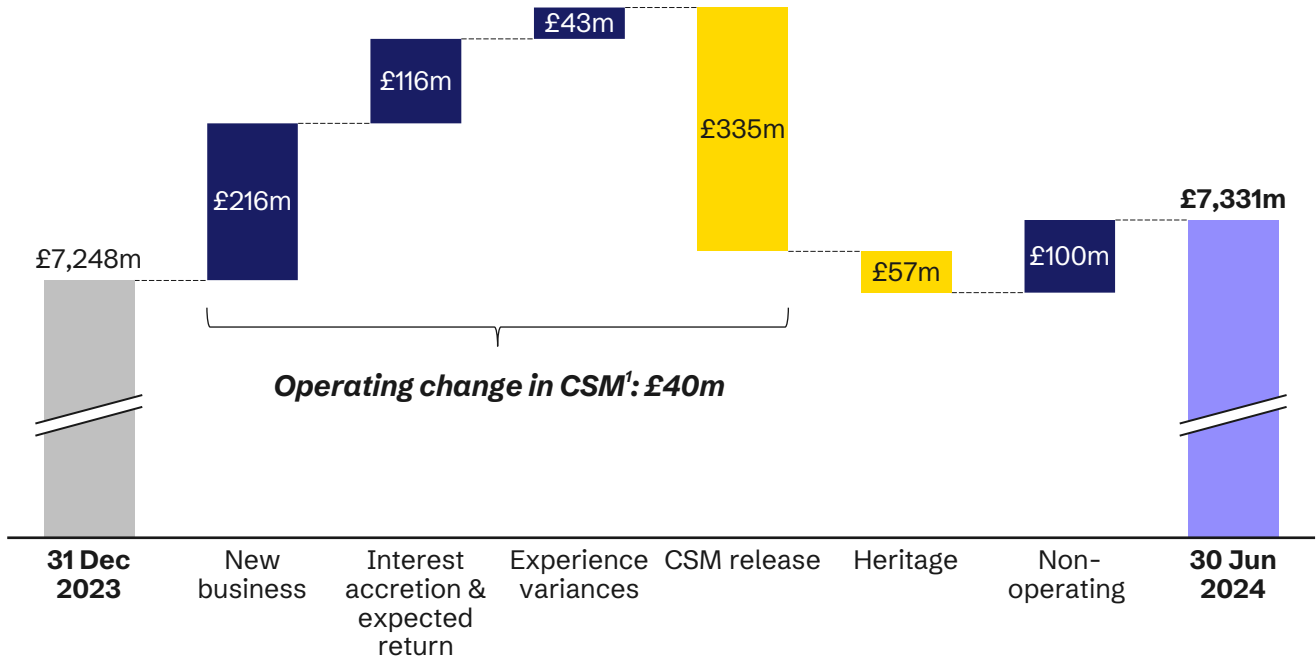
- For Retirement, Heritage and Protection, **the CSM spreads profits over time**, with unearned profit recorded as a liability that unwinds to the P&L over the life of the policy
- Future value of other **capital-light businesses are not included in operating value added**

All footnotes on pages 60-61

Contractual service margin development

Contractual service margin (CSM)

Analysis of change



CSM up +1% YTD and +10% YoY

Operating change in the CSM¹ of £40m

For Protection and 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 10.3% of the pre-release closing CSM¹

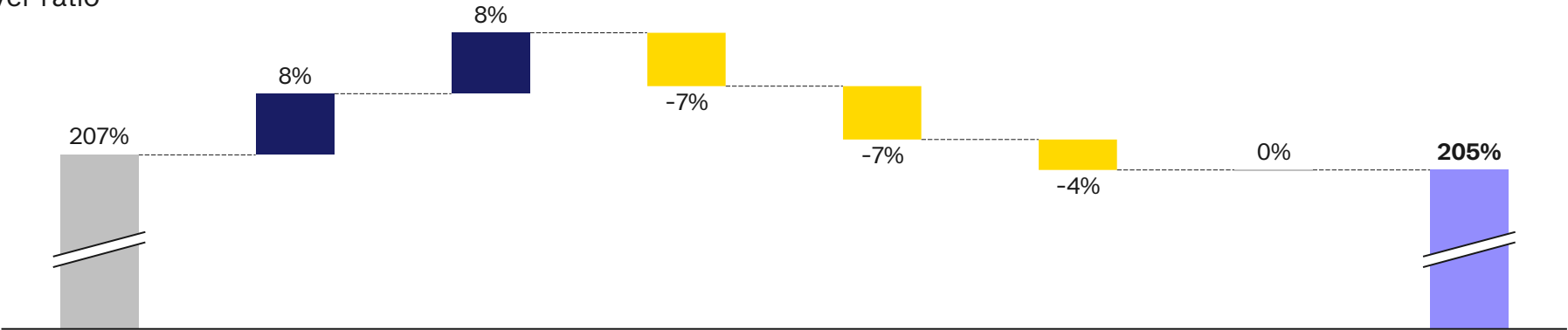
CSM: £7.3bn + Risk adjustment: £1.1bn = Stock of future profit: £8.5bn²

All footnotes on pages 60-61

Capital position

Solvency II shareholder position

Solvency II cover ratio



£bn	31 Dec 2023	OCG	Non-OCG	Dividends	Debt	Share buyback	M&A	30 Jun 2024
Own funds	17,019	758	(231)	(622)	(593)	(300)	(84)	15,947
SCR	(8,206)	(36)	447				16	(7,779)
Surplus	8,813	722	216	(622)	(593)	(300)	(68)	8,168

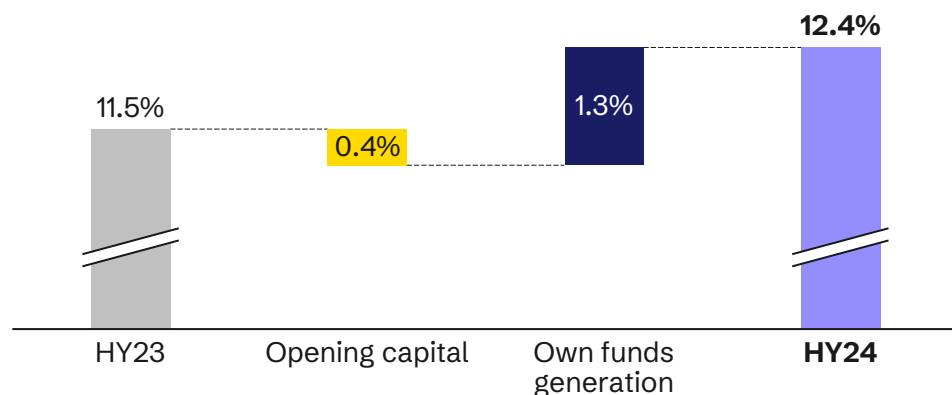
Reinsurance cover levels

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

Solvency II

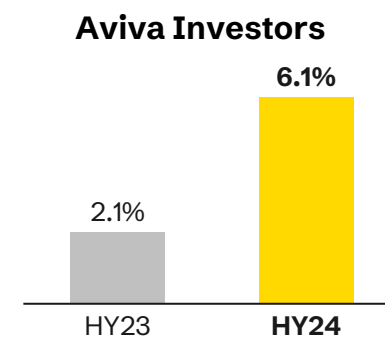
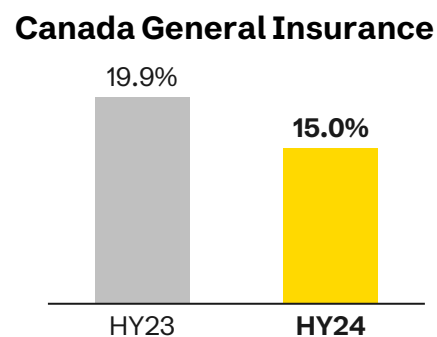
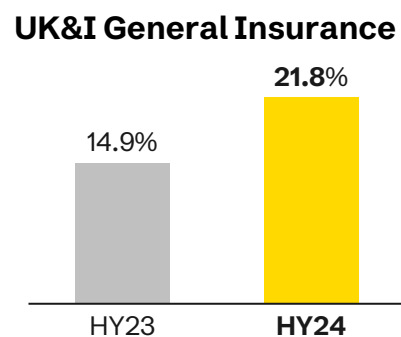
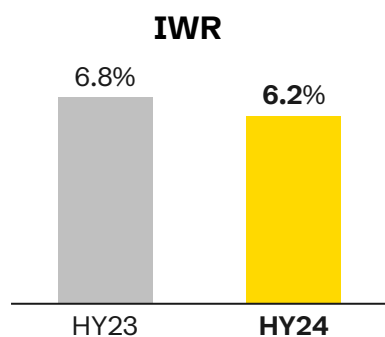
Solvency II return on capital/equity

SII RoE



	30 Jun 2024 £m	30 Jun 2023 £m'	Change %
Life new business	189	120	58%
Existing business	281	304	(8)%
Non-life capital generation	446	369	21%
Debt & centre costs (incl. pref/DCI costs)	(200)	(245)	18%
Management actions & other	(10)	81	(112)%
SII OFG (UT1) post TMTP adjustment	706	629	12%
Opening own funds (UT1)	11,374	10,962	4%
SII RoE (%)	12.4%	11.5%	0.9pp

Business unit SII RoC



All footnotes on pages 60-61

Solvency II return on capital/equity (HY24)

Solvency II operating own funds generation

	Impact of new business (life) £m	Earnings from existing business (life) £m	Management actions & other £m	Non-life capital generation £m	Total £m	Solvency II OFG (post TMTTP adjustment) £m	Opening own funds ² £m	Solvency II Return on capital/equity %
IWR	163	256	(7)	—	412	396	12,855	6.2%
UK & Ireland General Insurance	—	—	—	273	273	273	2,504	21.8%
Canada General Insurance	—	—	—	161	161	161	2,140	15.0%
Aviva Investors	—	—	—	12	12	12	392	6.1%
International investments	26	41	(3)	—	64	64	1,082	11.8%
Business unit Solvency II return on capital	189	297	(10)	446	922	906	18,973	9.6%
Corporate centre costs and other operations	—	—	—	(70)	(70)	(70)		
Group external debt costs and other interest	—	—	—	(94)	(94)	(94)		
Solvency II operating own funds generation	189	297	(10)	282	758	742		
Less preference shares and RT1 notes ¹						(36)		
Solvency II return on equity						706	11,374	12.4%

Solvency II return on capital/equity (HY23)

	Solvency II operating own funds generation ³					Total £m	Solvency II OFG (post TMTP adjustment) £m	Opening own funds ² £m	Solvency II Return on capital/equity %
	Impact of new business (life)	Earnings from existing business (life)	Management actions & other	Non-life capital generation					
	£m	£m	£m	£m					
IWR	85	267	98	—	450	429	12,564	6.8%	
UK & Ireland General Insurance	—	—	—	186	186	186	2,491	14.9%	
Canada General Insurance	—	—	—	179	179	179	1,800	19.9%	
Aviva Investors	—	—	—	4	4	4	387	2.1%	
International investments	35	58	(17)	—	76	76	1,187	12.8%	
Business unit Solvency II return on capital	120	325	81	369	895	874	18,429	9.5%	
Corporate centre costs and other operations	—	—	—	(118)	(118)	(118)			
Group external debt costs and other interest	—	—	—	(91)	(91)	(91)			
Solvency II operating own funds generation	120	325	81	160	686	665			
Less preference shares and RT1 notes ¹						(36)			
Solvency II return on equity						629	10,962	11.5%	

Solvency II return on capital/equity (FY23)

Solvency II operating own funds generation

	Impact of new business (life) £m	Earnings from existing business (life) £m	Management actions & other £m	Non-life capital generation £m	Total £m	Solvency II OFG (post TMTTP adjustment) £m	Opening own funds ² £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 ¹						(72)		
Solvency II return on equity						1,616	10,962	14.7%

Solvency II sensitivities (Group shareholder view)

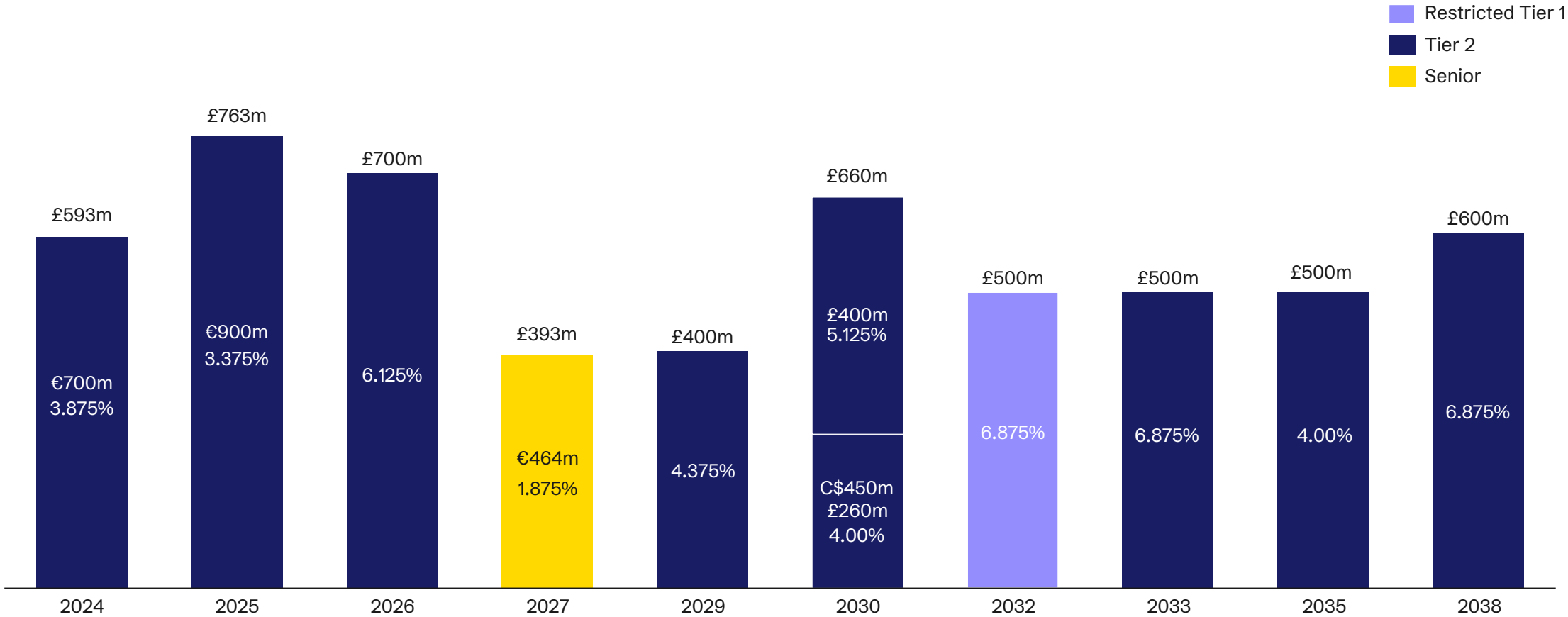
Sensitivity	30 Jun 2024		31 Dec 2023	
	Impact on surplus £bn	Impact on cover ratio pp	Impact on surplus £bn	Impact on cover ratio pp
Changes in economic assumptions				
50 bps increase in interest rate	0.1	5pp	0.1	4pp
100 bps increase in interest rate	0.2	9pp	0.1	8pp
50 bps decrease in interest rate	(0.1)	(6)pp	(0.1)	(6)pp
100 bps decrease in interest rate	(0.3)	(12)pp	(0.3)	(13)pp
50 bps increase in corporate bond spread ¹	-	3pp	0.1	4pp
100 bps increase in corporate bond spread ¹	-	5pp	0.1	7pp
50 bps decrease in corporate bond spread ¹	(0.1)	(4)pp	(0.2)	(6)pp
Credit downgrade on annuity portfolio ²	(0.3)	(6)pp	(0.4)	(7)pp
10% increase in market value of equity	0.1	(1)pp	-	(1)pp
25% increase in market value of equity	0.2	(2)pp	0.1	(2)pp
10% decrease in market value of equity	(0.1)	-pp	(0.1)	-pp
25% decrease in market value of equity	(0.4)	(2)pp	(0.3)	(1)pp
20% increase in value of commercial property	0.2	3pp	0.3	6pp
20% decrease in value of commercial property	(0.4)	(7)pp	(0.4)	(8)pp
20% increase in value of residential property	0.3	5pp	0.3	6pp
20% decrease in value of residential property	(0.5)	(8)pp	(0.6)	(9)pp
Changes in non-economic assumptions				
10% increase in maintenance and investment expenses	(0.6)	(10)pp	(0.7)	(9)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	(0.2)	(4)pp	(0.3)	(5)pp
5% increase in gross loss ratios	(0.3)	(4)pp	(0.3)	(3)pp

Solvency II regulatory own funds tiering and debt leverage

Regulatory view	30 Jun 2024			31 Dec 2023		
	£m	% of own funds	% of SCR	£m	% of own funds	% of SCR
Unrestricted Tier 1	12,681	72%	133%	13,179	70%	132%
Restricted Tier 1	946	5%	10%	946	5%	9%
Tier 2	3,813	22%	40%	4,526	24%	45%
Tier 3 ¹	178	1%	1%	173	1%	2%
Est. regulatory own funds	17,618	100%	184%	18,824	100%	188%

Regulatory view	30 Jun 2024 £m	31 Dec 2023 £m
Solvency II regulatory debt ²	4,759	5,472
Senior notes	985	401
Commercial paper	50	51
Total debt	5,794	5,924
Est. regulatory own funds, senior notes and commercial paper	18,653	19,276
Solvency II debt leverage ratio	31.1%	30.7%
Pro forma Solvency II debt leverage ratio	28.8%	28.5%

Debt call/redemption profile



All debt instruments have been presented at optional first call dates at nominal values converted to GBP using 30 June 2024 rates
 The €700m Tier 2 notes reaching first call in July 2024 were redeemed on 3 July 2024

IFRS

Protection & Health - operating value added drivers

£m	6 months 2024			6 months 2023			12 months 2023		
	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added
New business	-	79	79	-	73	73	-	128	128
Releases from stock of future profit	97	(92)	5	67	(64)	3	183	(172)	11
Operating assumption changes	-	-	-	-	-	-	5	9	14
Experience variances, expenses and other	(48)	35	(13)	(26)	(7)	(33)	(120)	125	5
Insurance result	49	22	71	41	2	43	68	90	158
Investment result	(3)	14	11	(6)	6	-	(15)	20	5
Health	23	-	23	32	-	32	65	-	65
Protection & Health	69	36	105	67	8	75	118	110	228

Retirement - operating value added drivers

£m	6 months 2024			6 months 2023			12 months 2023		
	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added
New business	-	130	130	-	104	104	38	294	332
Releases from stock of future profit	251	(230)	21	230	(186)	44	503	(453)	50
Operating assumption changes	-	-	-	(11)	110	99	(82)	648	566
Experience variances, expenses and other	(38)	(8)	(46)	(36)	136	100	(51)	324	273
Insurance result	213	(108)	105	183	164	347	408	813	1,221
Investment result	97	104	201	62	84	146	128	171	299
Equity Release	37	-	37	42	-	42	86	-	86
Retirement	347	(4)	343	287	248	535	622	984	1,606

Heritage - operating value added drivers

£m	6 months 2024			6 months 2023			12 months 2023		
	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added
Releases from stock of future profit	70	(66)	4	75	(73)	2	157	(152)	5
Operating assumption changes	-	-	-	-	-	-	(1)	(93)	(94)
Experience variances, expenses and other	20	(2)	18	18	(4)	14	62	(60)	2
Insurance result	90	(68)	22	93	(77)	16	218	(305)	(87)
Investment result	21	11	32	2	23	25	36	70	106
Heritage	111	(57)	54	95	(54)	41	254	(235)	19

Ireland - operating value added drivers

£m	6 months 2024			6 months 2023			12 months 2023		
	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added	Operating profit	Operating change in CSM	Operating value added
New business	-	7	7	-	6	6	-	15	15
Releases from stock of future profit	16	(15)	1	14	(12)	2	31	(28)	3
Operating assumption changes	-	-	-	(1)	-	(1)	-	2	2
Experience variances, expenses and other	(19)	14	(5)	(7)	7	-	(12)	4	(8)
Insurance result	(3)	6	3	6	1	7	19	(7)	12
Investment result	5	2	7	2	1	3	7	3	10
Other	(1)	-	(1)	-	-	-	(11)	-	(11)
Ireland	1	8	9	8	2	10	15	(4)	11

Contractual service margin - analysis of change

£m	6 months 2024							30 Jun 2024
	31 Dec 2023	New business	Interest accretion ²	Experience variance	Assumption changes	CSM release	Non-operating	
Protection	859	79	14	35	-	(92)	44	939
Retirement	5,109	130	104	(8)	-	(230)	(8)	5,097
Heritage	1,169	-	11	(2)	-	(66)	71	1,183
Ireland	267	7	2	14	-	(15)	(6)	269
Other ¹	(156)	-	(4)	2	-	2	(1)	(157)
Total	7,248	216	127	41	-	(401)	100	7,331
<i>Total (excl. Heritage)</i>	6,079	216	116	43	-	(335)	29	6,148

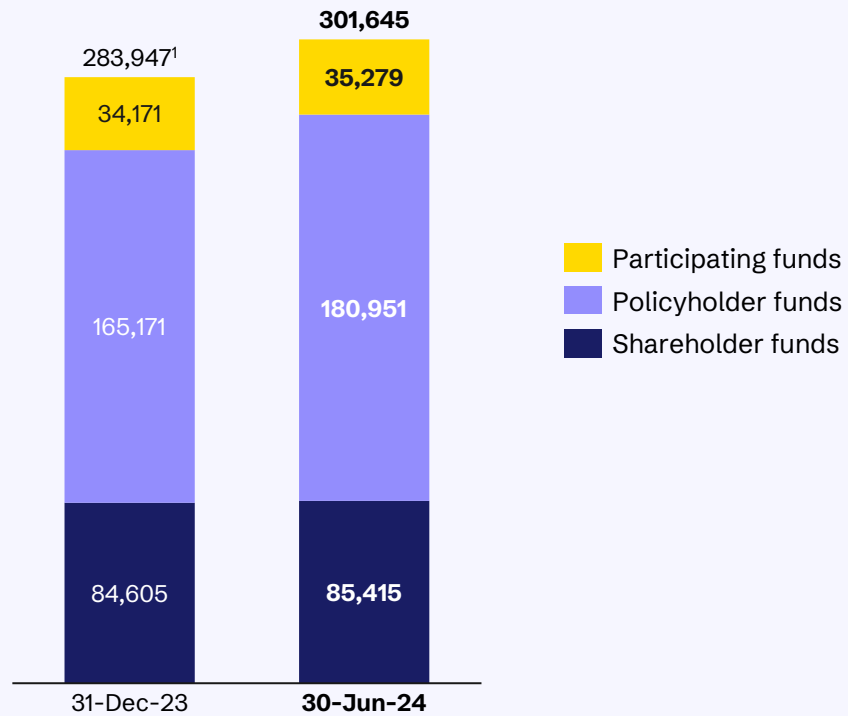
Operating earnings per share

	6 months 2024 £m	6 months 2023 £m ¹	Change %
Group adjusted operating profit	875	765	14%
Tax on Group adjusted operating profit	(208)	(138)	(51)%
Amounts attributable to non-controlling interests	(11)	(11)	-
Coupon payments in respect of tier 1 notes	(17)	(17)	-
Preference shares	(9)	(9)	-
Profit attributable to ordinary shareholders	630	590	7%
Weighted average number of shares	2,706	2,768	(2)%
Operating earnings per share	23.3p	21.3p	9%

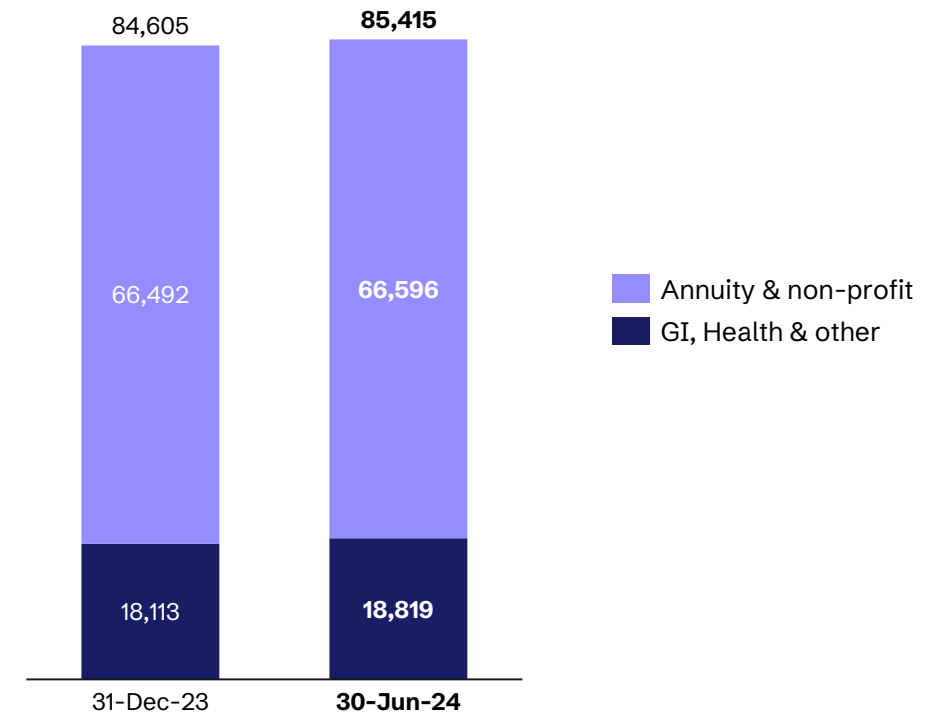
Assets

Total managed assets

Assets by type of liabilities covered (£m)



Shareholder assets by type (£m)



All footnotes on pages 60-61

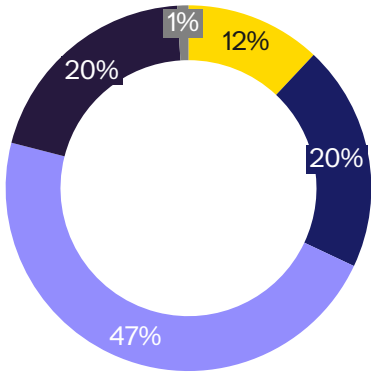
Corporate bonds and government debt

Shareholder assets (£bn)



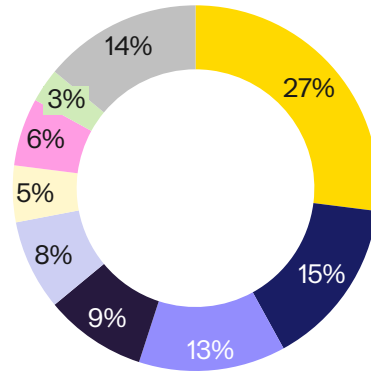
Government debt
 Corporate bonds

Corporate bonds by rating



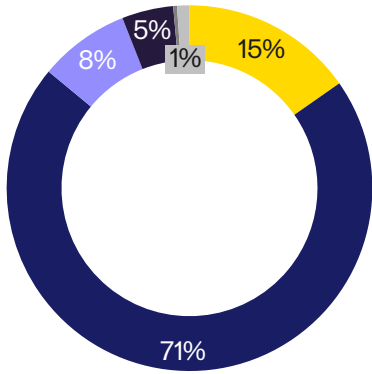
AAA
 AA
 A
 BBB
 <BBB

Corporate bonds by industry



Financials - banks
 Utilities
 Manufacturing & Construction
 Information & Communication
 Real estate
 Transportation & Storage
 Financials - other
 Public services
 Other

Government debt by rating



AAA
 AA
 A
 BBB
 <BBB
 Non-rated

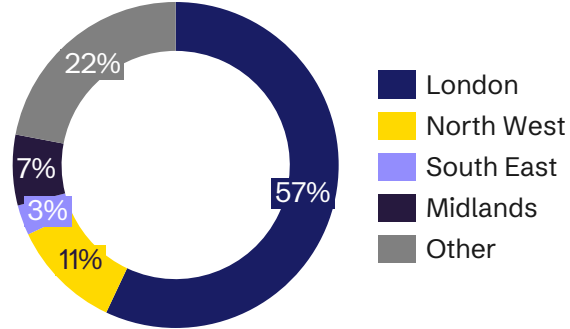
The corporate bond portfolio continued to perform well in the first half, with **~£120m of upgrades** and **~£75m of downgrades to a lower letter, and no corporate bonds downgraded below investment grade**

Commercial mortgages

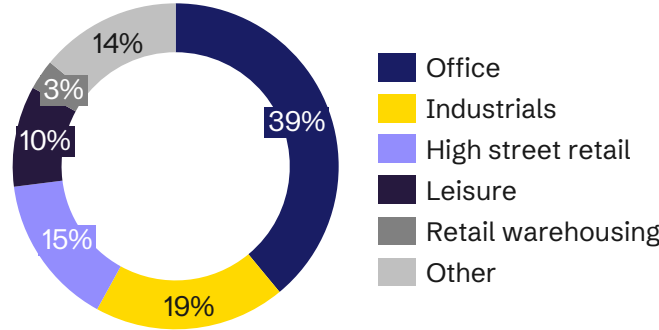
Shareholder assets (£bn)



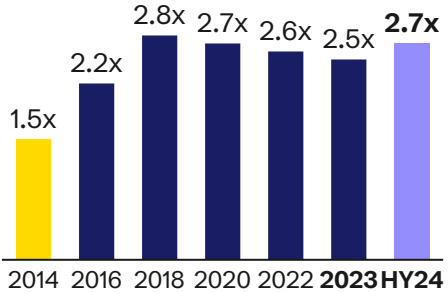
Commercial mortgages by geography



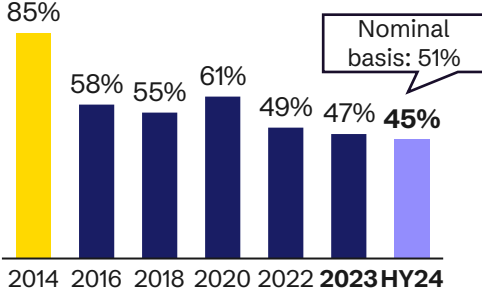
Commercial mortgages by industry



Loan interest cover



Loan-to-value ratio¹



- **Low average LTV** of 45% on a fair value basis and 51% 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 60-61

Equity release mortgages

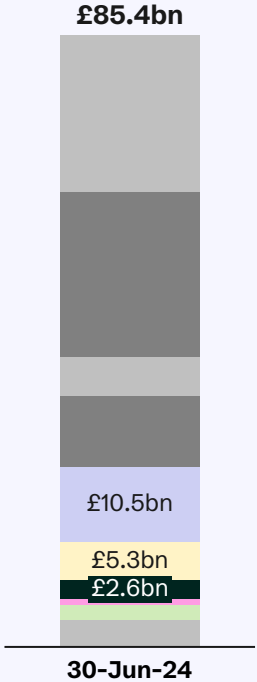
Shareholder assets (£bn)



- Securitised mortgage loan and equity release portfolio of £9.8bn is mostly internally securitised with **low average LTV of 28%**
- ~84% 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

Other shareholder assets

Shareholder assets (£bn)



- **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

- Healthcare, Infra & PFI
- Certificates of deposit
- Loans to banks
- Equity & Property
- Financial derivatives

Footnotes

Footnotes (1/2)

Slide	Reference	Footnote
5	1	Change in constant currency
	2	Transactional Net Promoter Score
8	1	Full year 2023 business unit operating profit excluding £(115)m of IWR other and £63m from International Investments
	2	Group operating profit target of £2bn by 2026. Chart presents business unit operating profit excluding IWR other and International Investments
9	1	Aviva analysis of market shares and positions based on latest available data, which varies by business - including company reporting, ABI, Hymans Robertson, MSA
	2	Health in-force premiums represents the total premiums attributable to Health policies in-force as at the reporting date, and is used to measure the growth of the Health business
	3	Position and share relates to UK GI only (ex. Ireland)
	4	Change in constant currency
10	1	Estimated GWP of £2.7bn represents a pro forma view of Aviva GCS GWP combined with Probitas reported premiums for FY23 which were produced on a UK GAAP basis. This number has been re-presented given the Probitas acquisition only completed in July 2024
	2	Excluding reinsurance lines
	3	Market size based on Aviva analysis of 2023 data excluding reinsurance lines
11	1	Using latest data publicly available
	2	Individual Aviva customers excl. AIG UK Protection
	3	For Large Corporate clients with 250+ employees
12	1	Online Experience Score as at end July 2024
14	1	Aviva analysis of market shares and positions based on latest available data, which varies by business - including company reporting, ABI, Corporate Adviser, Fundscape, Hymans Robertson, MSA, UK Finance
	2	Individual Aviva customers excl. AIG UK Protection
	3	Scores from pulse survey in May 2024
16	1	Solvency II operating own funds generation
	2	Solvency II return on equity
	3	Solvency II operating capital generation
	4	Estimated Solvency II shareholder cover ratio at 30 June 2024
17 - 18	1	All changes in constant currency

Footnotes (2/2)

Slide	Reference	Footnote
20	1	Health in-force premiums represents the total premiums attributable to Health policies in-force as at the reporting date, and is used to measure the growth of the Health business
24	1	Comparative amounts for the period ended 30 June 2023 have been restated for the historic with-profits accounting adjustment disclosed in the 2023 Annual Report and Accounts (see the Other Information section for further details)
25-26	1	Solvency II debt leverage ratio (pro forma) at 30 June 2024 after allowing for €700 million Tier 2 notes redemption in full at their optional first call date on 3 July 2024
27	1	The Board has not approved or made any decision to pay any dividend in respect of any future period
32	1	Market size figures based on Aviva analysis of 2023 data
	2	Covering a range of growth outlooks across Individual Protection, Group Protection and Health
34	1	Comparative amounts for the period ended 30 June 2023 have been restated for the historic with-profits accounting adjustment disclosed in the 2023 Annual Report and Accounts (see the Other Information section for further details)
35	1	Excluding Heritage
	2	Rounding differences apply
39	1	Comparative amounts for the period ended 30 June 2023 have been restated for the historic with-profits accounting adjustment disclosed in the 2023 Annual Report and Accounts (see the Other Information section for further details)
40-42	1	Preference shares includes £10 million (30 June 23: £10 million, 31 December 2023: £21 million) of dividends and £250 million of capital in respect of General Accident plc.
	2	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.
	3	Comparative amounts for the period ended 30 June 2023 have been restated for the historic with-profits accounting adjustment disclosed in the 2023 Annual Report and Accounts (see the Other Information section for further details)
43	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)
44	1	Tier 3 regulatory own funds at 30 June 2024 consist of £178 million net deferred tax assets (30 June 2023: £309 million, 31 December 2023: £173 million). There is no subordinated debt included in Tier 3 regulatory own funds (30 June 20203: £nil, 31 December 2023: £nil)
	2	Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds and Tier 3 subordinated debt
51	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
52	1	Comparative amounts for the period ended 30 June 2023 have been restated for the historic with-profits accounting adjustment disclosed in the 2023 Annual Report and Accounts (see the Other Information section for further details)
54	1	Includes £199m of assets classified as held for sale
56	1	Fair value LTV
57	1	Equity release and securitised mortgage loans
	2	As at 31 March 2024