

# Amanda Blanc's 2021 full year results video transcript

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## **Sarah Applegate**

Thank you for having me here today to talk about the results with you.

So, Amanda, are you pleased with the progress so far that Aviva's made under your leadership?

## **Amanda Blanc**

Sarah, good to be with you again.

Yeah, I'm really pleased with today's results. I think that we've made great progress in the three areas of the strategy that we said we would.

We've completed the disposal programme, which I think is terrific.

We've actually rebuilt our financial strength, which is something that we committed to do, less than 20 months ago.

But I think today I'm so pleased about the actual performance of the group.

If you look at the growth results, they're really strong, but also we've seen the cost reduction that we've committed to.

So I think overall, really good operating momentum, and I'm very, very pleased with that.

## **Sarah Applegate**

Can you give us an update on how much capital we're going to be returning to shareholders?

## **Amanda Blanc**

I can. If you remember, we said that we would be returning at least £4 billion to shareholders but I'm really pleased that today we can say that we will be returning £4.75 billion to shareholders, which I believe is a very, very good outcome.

And as well as that, I'm very pleased that due to the value that's being created by all of the people, all of our colleagues at Aviva, each of our colleagues will get £1,000 of free shares, which shows that we really value their commitment to the group.

So even after returning £4.75 billion, we have the capacity and the confidence to invest in the business and what we show today is that we will invest £300 million to accelerate some of the great growth opportunities that there are in the market. But we will also invest £200 million in the cost and efficiency of the business which will help us of course to grow the profitability.

## **Sarah Applegate**

So how did Aviva's core businesses perform in 2021?

## **Amanda Blanc**

Each of the core businesses made a really great contribution to 2021.

So let's look at each of them in turn.

If we look at the Life company and the Savings and Retirement business, £10 billion of net flows in 2021, that's a really terrific achievement.

We saw robust margins in the BPA business and volumes at over £6 billion, which I think is great.

In the General Insurance business, both in Canada and in the UK, the volume is now £8.8 billion of gross written premium, which I think we're all incredibly pleased with.

Aviva Investors made good progress on reducing their costs, which was a key challenge for them during 2021 and their fund performance improved.

And overall, we saw our costs come down because I think we were always conscious of the fact that we needed to be more efficient for the benefit of our customers and I think we've started to really see that come through.

Of course, cash is key to Aviva's results, Sarah, and the cash remittances are up 22%. So a very, very strong performance.

### **Sarah Applegate**

So given Aviva's performance and outlook, what does this mean for shareholder dividends?

### **Amanda Blanc**

Well, today we're announcing that the final dividend for 2021 is just over 22p, which is 5% up on 2020.

So I think that's very good news for our shareholders.

We're also today announcing an updated dividend policy. And I think it shows the real confidence that we have in the group going forward. It's very attractive but also sustainable.

### **Sarah Applegate**

What are the main priorities for 2022 and beyond for Aviva?

### **Amanda Blanc**

We see so many opportunities in the markets in which we operate, UK, Ireland and Canada, in the wealth space and in the general insurance space and the opportunity for the Life company to work together with Aviva Investors I think really plays to that.

So we're really confident that the macro growth opportunities and the Aviva capabilities sit side by side.

So we've announced today the acquisition of Succession Wealth.

One of the areas that we've long spoken about is our desire to really bolster our capabilities in the advice space and Succession Wealth does just that. So we're really pleased to welcome the Succession team to the group.

I'm very excited that this gives us a great enhancement to our current capabilities in this area.

So the second priority for Aviva is around our customers. We have over 18 million customers across the group. And what we want to do is make their experience of dealing with Aviva easier.

So whether that's in the way that we transact our business with them, whether that's digitally or over the phone, or in the simplicity of the products that we provide to them.

We know that financial services can be a complex space. We have a real opportunity to make a big difference to our customers in the way that we present those products to them.

In the way that we build those products sustainably, I think that that is what customers are looking for.

We have a very strong ESG proposition and we're making sure that we would build that into the products that we develop.

Our third priority area is around efficiency. Aviva is often being accused of being a complex organisation. It's not so complex today. We have the UK, Ireland, Canada and Aviva Investors.

So we've simplified the portfolio, now we need to simplify the businesses within the portfolio and you'll have seen we've made great progress on the cost reduction.

That means that we have less products. It means we have less systems. So we're simplifying the business, and that will have a good impact on our customers because our cost to serve those customers will be reduced.

And finally, our fourth priority is sustainability.

Aviva has a strong history in this area, and we don't want to become complacent. We want to continue to build on that. We're building sustainable products in the wealth business. We are having fantastic success in the funds that the Aviva Investors team are launching and we will continue to look for more opportunities, as we'll have seen in the last week with the launch of Aviva Zero, which is our net-zero proposition for motor insurance.

So we continue to build upon that and I think play a really important role in society by our infrastructure investment, which is, of course, all part of the levelling up agenda in the UK.

### **Sarah Applegate**

So you announced some upgraded targets today. Can you tell me a bit more about those?

### **Amanda Blanc**

Yes, so I think it shows the confidence we have in the outlook for the group that we've been able to do that.

The first is cumulative cash remittances, over the next three years of greater than £5.4 billion.

The second target is a growth target. It's a new target and it's on own funds generation and the target is to be at £1.5 billion by 2024.

The third target is on cost reduction, where we've upgraded our current target to £750 million gross of inflation.

### **Sarah Applegate**

So if you could possibly whittle it down to a few key takeaways for people listening to our 2021 results, what would they be?

### **Amanda Blanc**

So we've made really rapid progress and I think that's a good thing because that allows us to now move on.

And the next phase is about delivering Aviva's promise. And that's where the whole of Aviva, whatever part of the organisation you work in is going to come together to deliver for our customers.

So I guess the final thing I would say is just thank you to everybody for everything that they've contributed to get us this far.