

News Release

09 November 2022

Aviva plc Q3 2022 Trading Update

Continued positive momentum in Q3 across our diversified business model

Strong capital and liquidity positions despite market volatility

Dividend guidance and outlook for capital returns unchanged

Wealth £7.0bn Net flows, 6% ¹ of opening AuM 9M21: £7.3bn	UK&I Life £466m VNB +46% 9M21: £319m	General Insurance £7.2bn GWP +10% 9M21: £6.5bn	General Insurance 94.3% COR +1.9pp 9M21: 92.4%	Solvency II 223% Shareholder cover ratio HY22: 234%
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Amanda Blanc, Group Chief Executive Officer, said:

“Trading is positive and our performance is consistently strong. We have had a good nine months due to our market leading positions, our customer focus and the clear benefits of Aviva’s diversified business across insurance, wealth and retirement.

“Our customers have continued to save for their future and protect what is valuable to them. Flows in our Wealth business were encouraging and general insurance volumes continue to grow, especially in commercial lines. Profitability also remains robust across both life and general insurance.

“Aviva’s capital and liquidity position is strong and our high quality asset portfolio has performed well during the recent period of extreme market volatility.

“We remain confident in the outlook for Aviva. We are on track to deliver our financial targets and trading momentum is building. Our dividend guidance remains unchanged and, as previously announced, we anticipate commencing additional returns of capital to shareholders with our 2022 full year results.”

Continued strong trading momentum driven by our diversified business model

- UK&I Life value of new business (VNB) £466m, up 46%, and VNB margin of 1.9% (9M21: 1.3%), driven by higher VNB in Annuities & Equity Release of £143m (9M21: £16m).
- Continued good sales² growth of 3% in Wealth and 4% in Protection & Health were offset by lower Bulk Purchase Annuity (BPA) volumes as we remain selective and disciplined on price. Overall UK&I Life sales² of £24.9bn were down 1%.
- Strong net flows in Workplace of £4.1bn, up 11%. Overall Wealth net flows were a resilient 6%¹ of opening AuM at £7.0bn, but down 4% versus 9M21 due to the challenging environment for investment activity on our Platform business.
- Acquisition of Succession Wealth completed in August. Succession Wealth advisers can now access Aviva's platform and are already benefiting from its competitive offering and outstanding service. As a result, they can also access Aviva's multi-asset funds.
- General Insurance gross written premiums (GWP) up 10% (7% at constant currency) to £7.2bn. UK GWP up 7% to £3.9bn and Canada GWP up 8% at constant currency to £3.0bn.
- GI combined operating ratio (COR) remains strong at 94.3% (9M21: 92.4%) and reflects more normal claims frequency versus the same period last year. We continue to maintain a disciplined response to claims inflation.

Continued focus on cost efficiency

- Baseline controllable costs³ down 2% year-on-year to £2bn, reflecting continued focus on efficiency as we continue to make further operational savings through cost initiatives and ongoing simplification of the business.
- On track to deliver savings target of £750m (gross of inflation) by end of 2024 relative to our 2018 baseline.

Capital position remains well above top-end of our target range

- Estimated Solvency II shareholder cover ratio of 223% (HY22: 234%) was down 11pp during Q3, mainly driven by operating capital generation and net positive market movements more than offset by the interim dividend, £500m redemption of Restricted Tier 1 debt, and the completion of the Succession Wealth acquisition.
- Estimated Solvency II cover ratio pro forma of 215% (HY22: 213%) after planned £500m further debt reduction and pension scheme payment, is 35 points above the top-end of our target range.
- Surplus capital above a 180% cover ratio increased during Q3 from £2.3bn to £2.5bn on a pro forma basis.
- Following the 'mini-budget' at the end of Q3, the UK experienced very high levels of market volatility. The Group's capital and liquidity demonstrated very strong resilience during this period.
- The Group's Solvency II position remains very strong, and we estimate only a minimal impact to the cover ratio from the yield falls in October.
- The impact of the extreme market volatility in Q3 on our Solvency II cover ratio was not as positive as implied by our published sensitivities. This is because the sensitivities are one dimensional in nature (e.g. they assume parallel yield curve shifts, and they apply equally across all geographies) and could not fully capture the complex factors and exceptionally rapid movements in this period.
- Solvency II debt leverage ratio of 31% at Q322 (HY22: 30%), 29% pro forma for planned further debt reduction and pension scheme payment.
- In line with our Interim Results announcement in August, we anticipate commencing a new share buyback programme with our 2022 full year results, subject to market conditions and regulatory approval.
- Assuming a new buyback is agreed, its size will be determined by the Board at year end and will take account of the financial position at that time, as well as both the drivers of the capital surplus (including the impact of market movements) and our preference to return surplus capital regularly and sustainably.

Strong centre liquidity

- Centre liquidity (Oct 22) remains strong at £1.9bn (Jul 22: £2.7bn), with the reduction since July driven mainly by the interim dividend payment, £500m redemption of Restricted Tier 1 debt and completion of the Succession Wealth acquisition, partly offset by cash remittances to the centre during the period.
- In keeping with similar businesses in the sector, the Group uses a variety of derivative financial instruments. Objectives include managing exposure to market, foreign exchange, and/or interest rate risk, and also the matching of cashflows in its annuity business.
- Following the sharp and rapid rise in interest rates at the end of Q3 the value of these instruments moved significantly. This required sizeable collateral flows which we were able to routinely meet through our standard daily liquidity management procedures. Aviva has the ability to meet collateral calls through a variety of different types of assets.
- We regularly monitor and stress our capital and liquidity requirements to a 1 in 200 stress level and hold considerable buffers over these prudent requirements.
- The Group does not have an offering in the Liability Driven Investment (LDI) market, other than for the Aviva staff pension schemes, and therefore has no external exposures in this regard.

Shareholder asset portfolio remains well positioned

- Aviva's high quality shareholder asset portfolio of £75bn at Q322 continues to perform well and is defensively positioned.
- Shareholder asset exposure to equities, emerging market sovereigns, and European peripherals is low.
- Corporate bonds represent £19.5bn or 26% of the portfolio. Of this 86% is externally rated investment grade and 14% internally rated. Aviva has a long history in private debt, with a robust internal rating model, and these internally rated assets are secured loans with an average rating of 'single A' quality.
- The corporate bond portfolio continues to perform well with <£150m downgraded to a lower letter during the first nine months of 2022, and no corporate bond downgrades below investment grade.
- Our commercial mortgage portfolio of £5.9bn comprises largely long-duration fixed rate contracts with low average loan-to-value (LTV) ratios of approximately 45%.
- Our securitised mortgage loans and equity release portfolio of £9.0bn is mostly internally securitised with low average LTVs of approximately 25%.

Outlook

- Given the challenging economic backdrop and market volatility, our strong performance over the first nine months together with our diversified product set further reinforces our confidence in the prospects, financial targets and outlook for the Group.
- Our capital and liquidity positions have been tested by recent market conditions and have been shown to be robust and resilient. We continue to monitor exposures carefully but we believe our capital strength will remain a competitive advantage.
- Our dividend guidance⁴ of c.£870m (c.31.0p) for 2022 and c.£915m (c.32.5p) for 2023, together with our intention to return further capital to shareholders in 2023 are unchanged.
- Across our Workplace, Health and Group Protection businesses we expect a continuation of the strong Q3 YTD trends into the fourth quarter.
- We will maintain a disciplined approach in a competitive market for Bulk Purchase Annuities. The longer term outlook for BPAs remains very positive, and higher interest rates mean that we now expect more schemes to de-risk over the coming years, albeit with reduced transfer values of scheme liabilities. We remain committed to our target of £15-20bn of BPA volumes over 2022-24.
- In General Insurance we expect the rating environment to remain favourable in commercial lines, while in personal lines we will continue to price appropriately for claims inflation. We expect a full year COR that is broadly consistent with Q3 YTD performance, subject to normal weather conditions in Q4.

Pages 4-6 of the release cover 9M22 trading performance in more detail

¹ Net flows annualised as a percentage of opening assets under management

² References to sales represent present value of new business premiums (PVNBP) which is an Alternative Performance Measure (APM). Further information can be found in the 'Other information' section of our Half Year 2022 Report

³ Baseline controllable costs exclude strategic investment, cost reduction implementation, IFRS 17 and other costs not included in the 2018 baseline

⁴ The Board has not approved or made any decision to pay any dividend in respect of any future period

Life sales¹ and Value of New Business (VNB)

	PVNBP			VNB		
	9M22 £m	9M21 £m	Sterling % change	9M22 £m	9M21 £m	Sterling % change
Insurance (Protection & Health)	1,913	1,845	4 %	142	146	(3)%
Wealth & Other	17,527	16,970	3 %	157	141	11 %
Retirement (Annuities & Equity Release)	4,276	5,294	(19)%	143	16	794 %
Ireland Life	1,224	1,210	1 %	24	16	50 %
UK & Ireland Life total	24,940	25,319	(1)%	466	319	46 %
International investments	837	909	(8)%	64	67	(4)%
Total	25,777	26,228	(2)%	530	386	37 %

Total life sales of £25,777m, 2% lower. Total VNB up strongly to £530m, 37% higher.

Insurance (Protection & Health)

- Protection & Health sales up 4% to £1,913m reflecting good performance in Group Protection and Health partly offset by Individual Protection.
- Protection sales up 3% with strong performance in Group Protection (new scheme wins and strong retention) more than offsetting Individual Protection where volumes were flat but PVNBP was down due to higher interest rates.
- Health sales up 5% as SME business continues to perform strongly with consumer demand for private medical insurance remaining positive.

Wealth

- Wealth & Other sales up 3% to £17,527m reflecting strong performance in Workplace. During Q3 we won 89 new Workplace schemes, reflecting excellent activity levels and improving conversion rates.
- The strength in Workplace was partly offset by reduced sales in our Platform business, reflecting the impact of the challenging macro environment on investment activity and a strong prior year which saw the benefit of pent-up demand from savings accumulated in 2020.
- VNB up 11% partly reflecting the higher Workplace volumes.

Retirement (Annuities & Equity Release)

- Annuities & Equity Release sales 19% lower, with strong growth in Equity Release more than offset by lower volumes of Individual Annuity and BPA business, where we remain focused on maintaining pricing discipline.
- In Equity Release, we have seen continued excellent momentum during Q3 and our pipeline of applications remains strong. As interest rates increased, our pricing discipline has meant we were quick to react, repricing on a weekly basis allowing us to stay in the market and to continue to offer customers a way to release value from their homes while managing our risk appetite.
- BPA volumes of £2,883m YTD (9M21: £3,996m) reflect our focus on selection and pricing discipline. Including schemes where we are preferred provider, October YTD volumes were £4bn. We expect to maintain discipline during Q4 and will continue to only write deals that we consider attractive. Higher interest rates are positive for the longer term market outlook, albeit with lower transfer values of scheme liabilities.
- VNB is up significantly to £143m (9M21: £16m) primarily reflecting higher BPA margins (Q3 2021 was low due to timing of reinsurance and asset allocation).

Ireland Life

- Sales were 1% higher, with VNB up 50% reflecting improved margins as our integrated product offering is embedded, as well as improved reinsurance terms.

International investments

- Sales and VNB were 8% and 4% lower respectively, reflecting a strong prior period comparator as well as the impacts of lockdown in China.

¹ References to sales represent present value of new business premiums (PVNBP) which is an Alternative Performance Measure (APM). Further information can be found in the 'Other information' section of our Half Year Report 2022

Wealth and Aviva Investors net flows¹ and assets under management (AUM)

	Net flows			Assets under management		
	9M22 £m	9M21 £m	change	30 Sep 22 £bn	30 Jun 22 £bn	change
Wealth	7,024	7,295	(4)%	143	140	2 %
Of which: platform	3,394	4,224	(20)%			
Of which: workplace	4,055	3,637	11 %			
Of which: individual pensions and other	(425)	(566)	25 %			
Aviva Investors	(3,335)	893	(473)%	218	232	(6)%
Of which: external assets	709	1,601	(56)%			
Of which: internal assets	(299)	(708)	58 %			
Of which: strategic actions	(3,745)	—	(100)%			

Wealth

- Net flows continue to show resilience, 4% lower at £7,024m (9M21: £7,295m). This represents 6% (annualised) of opening AUM, a robust performance in current market conditions, as the Workplace business performed strongly amid more challenging market conditions in platform.
- Workplace net flows up 11% following a strong third quarter, benefiting from strong retention and the impact of wage inflation on employee contributions.
- Platform net flows were 20% lower reflecting market volatility and lower consumer demand amid the uncertain economic environment.
- The acquisition of Succession Wealth closed in Q3 with adviser access to the Aviva platform now operational.

Aviva Investors

- External net flows were positive at £709m (9M21: £1,601m) and included £507m in Q3 alone, a resilient performance in a very tough market environment.
- Our flows in Q3 have been helped by our strength in real assets and our recently enhanced capabilities such as Emerging Market debt.
- Total net outflows of £3,335m primarily reflects anticipated strategic actions of £3,745m from clients previously part of the Group, mainly in France.
- Assets under management reduced by 6% during the quarter to £218bn primarily driven by the impact on valuations of fixed income securities from rising bond yields.

General Insurance GWP and COR

	Personal lines			Commercial lines			GWP			COR		
	9M22 £m	9M21 £m	Sterling % change	9M22 £m	9M21 £m	Sterling % change	9M22 £m	9M21 £m	Sterling % change	9M22 %	9M21 %	Change
UK	1,789	1,785	— %	2,147	1,895	13 %	3,936	3,680	7 %	95.0 %	94.2 %	0.8 pp
Ireland	146	158	(8)%	175	155	13 %	321	313	3 %	94.4 %	90.2 %	4.2 pp
Canada	1,867	1,653	13 %	1,101	893	23 %	2,968	2,546	17 %	93.3 %	90.2 %	3.1 pp
Total	3,802	3,596	6 %	3,423	2,943	16 %	7,225	6,539	10 %	94.3 %	92.4 %	1.9pp

Overall

- GWP up 10% (7% at constant currency) to £7.2bn, reflecting strong growth across commercial lines and in Canada personal lines. Canada delivered growth of 8% at constant currency, and the UK delivered growth of 7%.
- COR of 94.3% (9M21: 92.4%) reflects a return to more normal claims frequency partly offset by lower levels of adverse PYD and improved weather versus long-term average.
- We remain vigilant and are continuing to price appropriately for the high inflation environment.

UK & Ireland

- UK commercial lines growth of 13% was driven by the continued favourable rate environment (7pp) as well as strong new business and retention (6pp), including +13% growth in SME and +14% in GCS lines.

¹ Aviva Investors net flows excludes liquidity funds and cash

- UK personal lines premiums were flat in the period, where our principal focus is on maintaining pricing discipline in the current environment. In UK motor we have increased new business rates on average by c.15% YTD and in Home by c.8% YTD to mitigate claims inflation.
- UK COR of 95.0% (9M21: 94.2%) reflects increased claims frequency, partly offset by improved performance in commercial lines and lower weather costs.
- Ireland growth of 4% at constant currency reflects strong rate and retention in commercial lines. COR of 94.4% includes a return to more normal Motor claims frequency post COVID-19.

Canada

- Commercial lines premiums were up 15% at constant currency, with new business benefiting from both favourable rate environment and new business activity and retention in both SME and GCS.
- Personal lines premiums were up 5% at constant currency, reflecting increased rate in personal property and further growth in Ontario auto.
- COR of 93.3% (9M21: 90.2%), an increase of 3.1 pp reflecting a return to more normal levels of claims frequency, partly offset by favourable PYD and lower commissions.

Capital & centre liquidity

Solvency II shareholder cover ratio

- Estimated Solvency II shareholder cover ratio of 223% (HY22: 234%) was down 11pp during Q3, mainly driven by operating capital generation and net positive market movements more than offset by the interim dividend, £500m redemption of Restricted Tier 1 debt, and the completion of the Succession Wealth acquisition.
- Estimated Solvency II cover ratio pro forma of 215% (HY22: 213%) after a planned £500m further debt reduction and pension scheme payment, is 35 points above the top-end of our target range.
- Surplus capital above a 180% cover ratio increased during Q3 from £2.3bn to £2.5bn on a pro forma basis.
- Following the 'mini-budget' at the end of Q3, the UK experienced very high levels of market volatility. The Group's capital and liquidity demonstrated very strong resilience during this period.
- The Group's Solvency II position remains very strong, and we estimate only a minimal impact to the cover ratio from the yield falls in October.
- The impact of this volatility in Q3 on our Solvency II cover ratio was not as positive as implied by our published sensitivities. This is because the sensitivities are one dimensional in nature (e.g. they assume parallel yield curve shifts, and they apply equally across all geographies) and could not fully capture the complex factors and exceptionally rapid movements in this period.

£bn	HY 2022	Movements recognised in Q3 2022 ¹					Q3 2022	Further debt reduction & pension scheme payment	Pro forma estimated at Q3 2022	Pro forma estimated at HY 2022
		£500m redemption of subordinated debt	Acquisitions and disposals	2022 interim dividend	Total capital generation incl. market movements					
Own funds	18.0						15.9	(0.6)	15.4	16.4
SCR	(7.7)						(7.1)	—	(7.1)	(7.7)
Surplus	10.3						8.8	(0.6)	8.2	8.7
Solvency II Shareholder cover ratio (%)	234 %	(7)pp	(5)pp	(4)pp	5 pp		223 %	(8)pp	215 %	213 %

Solvency II debt leverage ratio

- Solvency II debt leverage ratio of 31% at Q3. Pro forma debt leverage of 29% after allowing for planned further debt reduction and pension scheme payment.

Centre liquidity

- Centre liquidity (Oct 22) remains strong at £1.9bn (Jul 22: £2.7bn), with the reduction since July driven mainly by the interim dividend payment, £500m debt redemption and completion of the Succession Wealth acquisition, partly offset by cash remittances to the centre during the period.
- Cash remittances at Q3 2022 were £1.1bn (9M21: £1.1bn), and we expect full year cash remittances to be ahead of the £1.66bn remitted (from continuing operations) in 2021.

¹ Rounding differences apply

Appendix

Q3 discrete quarter information

Life sales¹ and Value of New Business (VNB)

	PVNBP			VNB		
	Q322 £m	Q321 £m	Sterling % change	Q322 £m	Q321 £m	Sterling % change
Insurance (Protection & Health)	586	590	(1)%	42	51	(18)%
Wealth & Other	5,631	5,271	7 %	48	31	55 %
Retirement (Annuities & Equity Release)	1,514	2,828	(46)%	68	(34)	300 %
Ireland Life	366	390	(6)%	8	6	33 %
UK & Ireland Life total	8,097	9,079	(11)%	166	54	207 %
International investments	268	292	(8)%	18	8	125 %
Total	8,365	9,371	(11)%	184	62	197 %

Wealth and Aviva Investors net flows²

	Net flows		
	Q322 £m	Q321 £m	Sterling % change
Wealth	2,062	2,122	(3)%
Aviva Investors	918	64	1,334%
Of which: Aviva Investors external assets	507	517	(2)%

General Insurance GWP and COR

	GWP						COR					
	Personal lines			Commercial lines			Total					
	Q322 £m	Q321 £m	Sterling % change	Q322 £m	Q321 £m	Sterling % change	Q322 £m	Q321 £m	Sterling % change	Q322 %	Q321 %	Change
UK	591	572	3 %	717	615	17 %	1,308	1,187	10 %	94.0 %	94.9 %	(0.9) pp
Ireland	53	53	— %	56	48	17 %	109	101	8 %	91.0 %	89.7 %	1.3 pp
Canada	729	606	20 %	385	279	38 %	1,114	885	26 %	96.1 %	93.0 %	3.1 pp
Total	1,372	1,231	11 %	1,158	942	23 %	2,531	2,173	16 %	94.8 %	93.9 %	0.9 pp

1. References to sales represent present value of new business premiums (PVNBP) which is an Alternative Performance Measure (APM). Further information can be found in the 'Other information' section of our Half Year 2022 Report

2. Aviva Investors net flows excludes liquidity funds and cash

Analyst call

An analyst call will take place at 0830hrs GMT on 9 November 2022 and will be live-streamed via our website. A replay will be available after the event. www.aviva.com

Click on, or paste the following link into your web browser, to view the Q322 update presentation: <https://www.aviva.com/content/dam/aviva-corporate/documents/investors/pdfs/presentations/2022/aviva-q3-update-2022-presentation.pdf>

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Notes to editors

- Throughout this trading update we use a range of financial metrics to measure our performance and financial strength. These metrics include Alternative Performance Measures (APMs), which are non-GAAP measures that are not bound by the requirements of IFRS and Solvency II. A complete list and further guidance in respect of the APMs used by the Group can be found in the 'Other information' section of the 2022 Interim Results Announcement.
- All figures have been translated at average exchange rates applying for the period, with the exception of the capital position which is translated at the closing rates on 30 September 2022. The average rates employed in this announcement are 1 euro = £0.85 (Q3 2021: 1 euro = £0.86) and CAD\$1 = £0.62 (Q3 2021: CAD\$1 = £0.58). Growth rates in this announcement have been provided in sterling terms unless stated otherwise. Where percentage movements are quoted on a constant currency basis, this is calculated by applying year to date average exchange rates to prior period.
- We are the UK's leading Insurance, Wealth & Retirement business and we operate in the UK, Ireland and Canada. We also have international investments in Singapore, China and India.
- We help our 18.5 million customers make the most out of life, plan for the future, and have the confidence that if things go wrong we'll be there to put it right.
- We have been taking care of people for 325 years, in line with our purpose of being 'with you today, for a better tomorrow'. In 2021, we paid £30.2 billion in claims and benefits to our customers.
- Aviva is a market leader in sustainability. In 2021, we announced our plan to become a Net Zero carbon emissions company by 2040, the first major insurance company in the world to do so. This plan means Net Zero carbon emissions from our investments by 2040; setting out a clear pathway to get there with a cut of 25% in the carbon intensity of our investments by 2025 and of 60% by 2030; and Net Zero carbon emissions from our own operations and supply chain by 2030. Find out more about our climate goals at www.aviva.com/climate-goals and our sustainability ambition and action at www.aviva.com/sustainability
- Aviva is a Living Wage and Living Hours employer and provides market-leading benefits for our people, including flexible working, paid carers leave and equal parental leave. Find out more at www.aviva.com/about-us/our-people
- As at 30 June 2022, total Group assets under management at Aviva Group were £353 billion and our Solvency II shareholder capital surplus as at 30 September 2022 was £8.8 billion. Our shares are listed on the London Stock Exchange and we are a member of the FTSE 100 index.
- For more details on what we do, our business and how we help our customers, visit www.aviva.com/about-us

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. Statements containing the words 'believes', 'intends', 'expects', 'projects', 'plans', 'will', 'seeks', 'aims', 'may', 'could', 'outlook', 'likely', 'target', 'goal', 'guidance', 'trends', 'future', 'estimates', 'potential' 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 Russia-Ukraine conflict); market developments and government actions (including those arising from the evolving relationship between the UK and the EU); the effect of credit spread volatility on the net unrealised value of the investment portfolio; the effect of losses due to defaults by counterparties, including potential sovereign debt defaults or restructurings, on the value of our investments; changes in interest rates that may reduce the value or yield of our investment portfolio and impact our asset and liability matching; the unpredictable consequences of reforms to reference rates, including LIBOR; the impact of changes in short or long-term inflation; the impact of changes in equity or property prices on our investment portfolio; fluctuations in currency exchange rates; the effect of market fluctuations on the value of options and guarantees embedded in some of our life insurance products and the value of the assets backing their reserves; the amount of allowances and impairments taken on our investments; the effect of adverse capital and credit market conditions on our ability to meet liquidity needs and our access to capital; changes in, or restrictions on, our ability to initiate capital management initiatives; changes in or inaccuracy of assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, lapse rates and policy renewal rates), longevity and endowments; a cyclical downturn of the insurance industry; the impact of natural and man-made catastrophic events (including the longer-term impact of COVID-19) on our business activities and results of operations; the transitional, litigation and physical risks associated with climate change; failure to understand and respond effectively to the risks associated with environmental, social or governance ("ESG") factors; our reliance on information and technology and third-party service providers for our operations and systems; the impact of the Group's risk mitigation strategies proving less effective than anticipated, including the inability of reinsurers to meet obligations or unavailability of reinsurance coverage; poor investment performance of the Group's asset management business; the withdrawal by customers at short notice of assets under the Group's management; failure to manage risks in operating securities lending of Group and third-party client assets; increased competition in the UK and in other countries where we have significant operations; regulatory approval of changes to the Group's internal model for calculation of regulatory capital under the UK's version of Solvency II rules; the impact of actual experience differing from estimates used in valuing and amortising deferred acquisition costs (DAC) and acquired value of in-force business (AVIF); the impact of recognising an impairment of our goodwill or intangibles with indefinite lives; changes in valuation methodologies, estimates and assumptions used in the valuation of investment securities; the effect of legal proceedings and regulatory investigations; the impact of operational risks, including inadequate or failed internal and external processes, systems and human error or from external events and malicious acts (including cyber attack and theft, loss or misuse of customer data); risks associated with arrangements with third parties, including joint ventures; our reliance on third-party distribution channels to deliver our products; funding risks associated with our participation in defined benefit staff pension schemes; the failure to attract or retain the necessary key personnel; the effect of systems errors or regulatory changes on the calculation of unit prices or deduction of charges for our unit-linked products that may require retrospective compensation to our customers; the effect of simplifying our operating structure and activities; the effect of a decline in any of our ratings by rating agencies on our standing among customers, broker-dealers, agents, wholesalers and other distributors of our products and services; changes to our brand and reputation; changes in tax laws and interpretation of existing tax laws in jurisdictions where we conduct business; changes to International Financial Reporting Standards relevant to insurance companies and their interpretation (for example, IFRS 17); the inability to protect our intellectual property; the effect of undisclosed liabilities, separation issues and other risks associated with our business disposals; and other uncertainties, such as diversion of management attention and other resources, relating to future acquisitions, combinations or disposals within relevant industries; the policies, decisions and actions of government or regulatory authorities in the UK, the EU, the US, Canada or elsewhere, including changes to and the implementation of key legislation and regulation (for example, FCA Consumer Duty and Solvency II). Please see Aviva's most recent Annual Report and Accounts for further details of risks, uncertainties and other factors relevant to the business and its securities.

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

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.