It takes Aviva

Aviva plc
Annual Report and Accounts 2024

Making it click for our customers

Make the most out of life, plan for the future. Have the confidence that if things go wrong, we'll be there to help put them right.

It takes Aviva.

How to navigate this report

Throughout the Strategic report we use the following icons for our four strategic pillars: Growth, Customer, Efficiency and Sustainability:

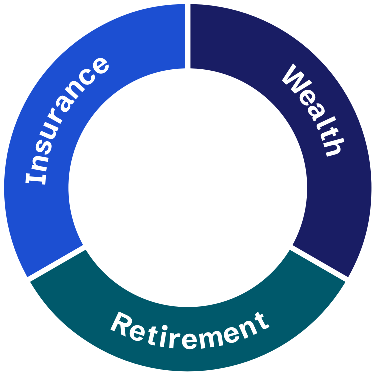
Growth
Accelerating growth in capital-light Wealth and Insurance - disciplined in Retirement

Customer
Growing our customer base, serving more needs and transforming experience

Efficiency
Driving operating leverage with technology and artificial intelligence at the core

Sustainability
Committed to climate and social action, and being a sustainable business

Throughout the Strategic report we use a colour coding system for the three areas of our business: Insurance, Wealth and Retirement:



Insurance Wealth Retirement

Conserve paper

Help us reduce our environmental impact by viewing shareholder documents, including the Annual Report and Accounts, on the Aviva website.

You may change your election at any time by notifying Aviva's Registrar, Computershare.

https://www.aviva.com/investors/investor-relations-contacts/

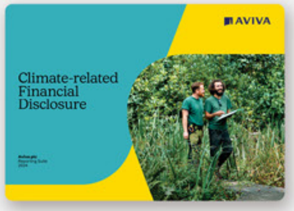
This report forms part of our 2024 reporting suite.

Results Presentation 2024

Presentation of our full year results.

Results Announcement 2024

Includes our news release and analysis of the financial results.



Climate-related Financial Disclosure 2024

Our report in compliance with the Taskforce on Climate-related Financial Disclosure (TCFD).

Reporting Criteria 2024

Sets out the principles and definitions used to report the Group's key sustainability performance indicators and selected data points.

Sustainability Datasheet 2024

All sustainability metrics are included in our Datasheet.

Our Transition Plan

Aviva's ambition is to be a Net Zero company by 2040. The second iteration of our Transition Plan details the strategy and approach to achieving this ambition across our business and the progress we have made to date.

Transition Plan

Contents

Foreword

The Strategic report, Governance report, IFRS Financial Statements and Other information altogether comprise the Aviva plc Annual Report and Accounts 2024.

The Strategic report contains information about Aviva, how we run our business and how we create value. It includes our strategy, our business model, key performance indicators, overview of our businesses, our approach to risk and our responsibility to our people, our communities and the planet. The Annual Report and Accounts 2024, were approved by the Board on 26 February 2025 and signed on its behalf by Amanda Blanc, Group Chief Executive Officer. The Directors' report required under the Companies Act 2006 comprises the Governance report in the Annual Report and Accounts 2024.

The Strategic report should be read in conjunction with the Cautionary statement, included within the Other information section.

As a reminder

Reporting currency: We use £ sterling. Unless otherwise stated, all figures in this report relate to Group.

In the UK the final Prudential Regulation Authority (PRA) rules for Solvency UK became effective from 31 December 2024. Solvency UK has been referred to in this document except for where referring to our Alternative Performance Measures, where we refer to Solvency II in line with the current PRA guidance and consistent with the name of the prudential regime in PRA policy manual.

On 17 February 2025, AIG Life UK Limited rebranded to Aviva Protection UK Limited, following Aviva's acquisition of the business in 2024. This report refers to the business as 'AIG's UK Protection business'.

Alternative Performance Measures:

Throughout the Annual Report and Accounts we use a range of financial metrics to measure our performance and financial strength. These metrics include Alternative Performance Measures (APMs), which are non-Generally Accepted Accounting Principles (GAAP) measures that are not bound by the requirements of IFRS or Solvency II. A complete list of the APMs used by the Group, and further guidance in respect of their use, can be found in the Other information section of the Annual Report and Accounts.

This guidance includes definitions and, where possible, reconciliations to relevant line items or sub-totals in the financial statements.

Explanations of key terms used in this report are available on:

www.aviva.com/glossary

The Company's registered office:

80 Fenchurch Street London, EC3M 4AE

More information about Aviva can be found at

www.aviva.com

Aviva on a page

Aviva is the UK's leading diversified insurer across Insurance, Wealth and Retirement, with 20.5 million customers in the UK, Ireland and Canada.

1

We're there to protect the things that matter most to our customers: their homes and belongings, their health and wealth, their future and their families.

We are driven by our purpose:
With you today, for a better tomorrow.

To achieve our ambition:
To be the leading UK provider and go-to customer brand for all Insurance, Wealth and Retirement solutions, with major businesses in Canada and Ireland.

2

We have a clear strategy and plan to achieve this vision:

Growth
Accelerating growth in capital-light Wealth and Insurance - disciplined in Retirement

Customer
Growing our customer base, serving more needs and transforming experience

Efficiency
Driving operating leverage with technology and artificial intelligence at the core

Sustainability
Committed to climate and social action, and being a sustainable business

Read more on
Our strategy: page 21

3

We are guided by our values:

Care
We care deeply about the positive difference we can make in our customers' lives

Commitment
We understand the impact we have on the world and take the responsibility that comes with it seriously

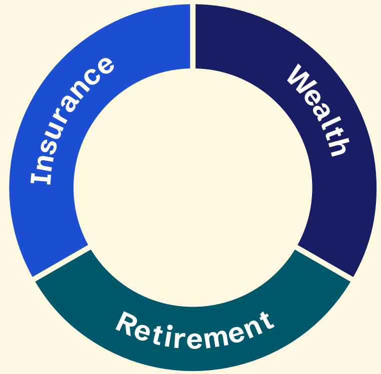
Community
We recognise the strength that comes from working as one team, built on trust and respect

Confidence
We believe the best is yet to come for our customers, our people, and society

Read more on
Our people and culture: page 53

4

Offering customers a range of products and services across:



Read more on
Our business review: page 29

Supported by good governance and effective risk management

Read more on
Our risks and risk management: page 74

Read more on
Our Board's activities: page 96

2024 highlights

Strategic pillars

Growth | Customer | Efficiency | Sustainability

Outstanding year of delivery for Aviva, with much more to come. Our position as the UK's leading diversified insurer, with major businesses in Canada and Ireland, continues to deliver at pace.

Gross written premiums (GWP)‡1
£12.2bn
(2023: £10.9bn)

Wealth net flows‡
£10.3bn
(2023: £8.3bn)

Retirement (PVNBP)‡1
£9,408m
(2023: £7,088m)

Group adjusted operating profit‡
£1,767m
(2023: £1,467m)

Solvency II operating own funds generation‡
£1,655m
(2023: £1,729m)

Cash remittances‡
£1,992m
(2023: £1,892m)

IFRS Profit for the year[2]
£705m
(2023: £1,106m)

IFRS RoE‡
15.6%
(2023: 12.7%)

Solvency II RoE‡
13.6%
(2023: 14.7%)

Multi-product holding customers
5.4m
(2023: 4.8m)

Transactional Net Promoter Score (TNPS)
47.8
(2023: 42.7)[3]

Employee engagement
91%
(2023: 88%)

Read more on

Our key performance indicators: page 26

Our sustainability ambition: page 56

‡ Denotes Alternative Performance Measures (APMs) and further information can be found in the 'Other information' section

1. Reference to sales represents Present Value of New Business Premiums (PVNBP) for Annuities and Equity Release and Gross Written Premiums (GWP) for General Insurance. PVNBP and GWP are APMs and further information can be found in 'Other Information' section.
2. IFRS Profit for the year represents IFRS profit for the year after tax
3. The 2023 TNPS comparative has been re-presented to reflect updates to product weightings used to calculate the metric to better align to Aviva's strategic priorities

Delivering for our customers

Customers are at the very heart of Aviva. We want to be there for our customers, wherever and however they need us.

More and more people are choosing Aviva. We're serving more customer needs, and we're transforming experience. But there is still so much to do. We're working hard to make sure we keep delivering for our customers and live up to their expectations, today and long into the future. That's the reason we exist after all, to be with you today, for a better tomorrow.

Read more on
Our customer strategy: page 23

The UK's leading diversified insurer

With over 17 million UK customers, we have the largest customer base of any UK insurer and it's growing.

From their first junior ISA, workplace pension and home insurance, right through to helping them prepare for, and transition into, retirement, our diverse range of products means we are there to meet customers' lifetime needs.

As a result, more people will continue to choose Aviva and stay with us for longer, enabling us to grow sustainably and profitably, whatever market challenges we face.

Making it click

At those moments that matter in life, we're uniquely placed with an extensive range of products and services our customers can rely on.

Read more on
Our business review: page 29

- **Insurance**
- **Wealth**
- **Retirement**

Passed first time, now she's going places
Car insurance

Congratulations, it's a girl
Junior ISA

Step on to that career ladder
Workplace pension

Ouch! Need some physio, fast
Employee private medical cover

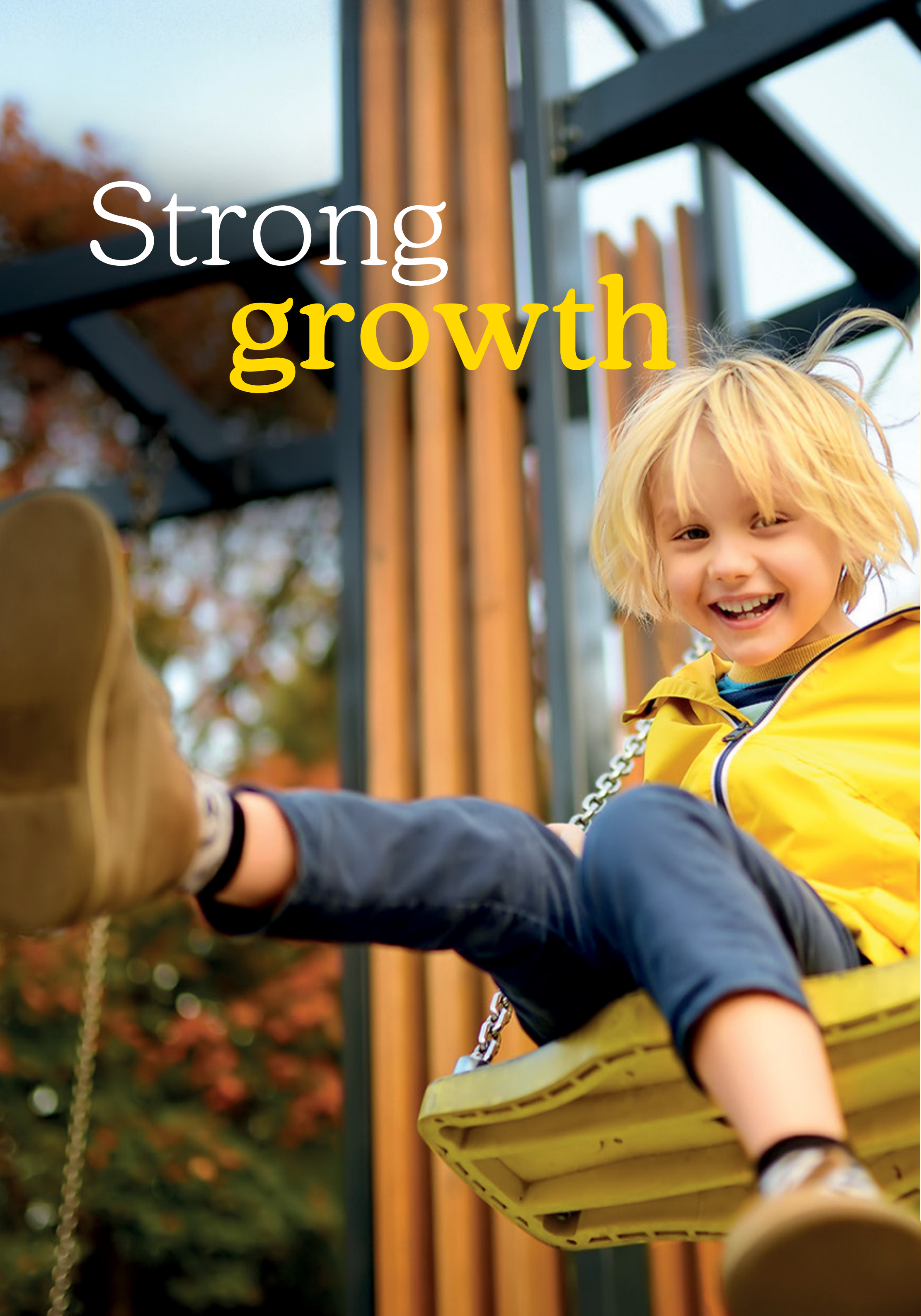
Set-up her own start-up
SME cyber cover

New home, new responsibilities
Life insurance
Home insurance

Put something away for a rainy day
Financial advice

Make the most of retirement
Annuities
Equity release

Strong growth



We’ve had another excellent year. We are growing right across Aviva. In General Insurance, premiums are up 14%[1]. In Wealth, we had over £10bn of net flows. And in Retirement, sales are up 33%.

Growing organically and accelerating through acquisitions

There's no shortage of growth opportunities in all our markets. For example, there's £1.8 trillion of assets in the UK Wealth market which is growing at double digits. And, in General Insurance, an increasingly complex risk landscape is fuelling growth in the £200 billion Global Corporate & Specialty market. We are seizing on these opportunities both organically, for example through our integrated Wealth business, and through selected M&A such as the acquisition of Probitas, which gives Aviva access to the Lloyd’s market and opens up new opportunities to accelerate growth in our capital-light General Insurance business.

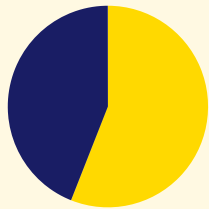
41%

of all new UK sales to existing customers

Enhanced returns

Our portfolio is already majority capital-light[2] today, and we will be approaching 70% through our current plans. This change to our earning mix brings stronger growth and customer acquisition, higher returns and cash generation, lower cost of equity, and enhanced capacity for shareholder distributions.

Capital-light business



Capital-light	56%
Capital-intensive	44%

Customer focus

Our customer franchise is also a huge part of our growth story. With 17 million UK customers, we already have the largest customer base of any UK insurer. The importance of this scale cannot be overstated, it’s a key source of growth which we’re already tapping into. Today, we have 5.4 million individual customers in the UK with two or more policies, and 41% of our new sales are to existing customers. These multi-policy holders have lower acquisition costs, stay with us longer and buy more from us. They are also better protected and more engaged, which we know leads to better outcomes. So, it’s a real win-win for Aviva and for our customers.

1. On a constant currency basis
2. Capital-light refers to Aviva’s General Insurance, Wealth, Protection and Health and Aviva Investors businesses. Percentage based on 2024 Group adjusted operating profit.

Investing for the future

Our consistent performance gives us the confidence to invest in our customers, our business and our communities.

Improving customer experience

When it comes to customer experience, we're never complacent. So, we're always focused on continuous improvement. For example, we've rolled out our next-generation MyAviva app, providing an even more personalised and engaging experience as our single front door to everything Aviva does. We've also introduced Find and Combine, an award-winning feature that helps customers locate and consolidate their old pensions. And in Canada, we're protecting customers from increasing car thefts with free installation of anti-theft recovery devices for high-risk vehicles, helping recover stolen cars and minimising impact to customers' lives.

Investing in the UK

We have a rich history of investing in the UK with over £40 billion of our annuity portfolio invested in UK assets. We are also one of the largest investors in UK infrastructure with £18 billion invested, helping to build schools and health centres, developing sustainable energy and preparing the UK for the opportunities and challenges it faces as a nation.

£407bn

Total Assets Under Management

Innovating solutions

Aviva Capital Partners, which develops and invests in UK real estate and infrastructure assets to generate returns for our retirement customers, partnered in April 2024 with the National Wealth Fund and Rock Rail to invest £100 million to fund up to 250 zero emission buses. Aviva Ventures, our corporate venture capital fund, invested in nature restoration company Nattergal, supporting their work to mitigate climate change, protect food security and tackle water scarcity through the restoration of nature in the UK.

Aviva is also investing in projects which provide long-term benefits for local communities. Aviva Investors provided financing towards the development of the new Velindre Cancer Centre in Cardiff, and also provided funding towards 100 new homes in Cambridge, the ninth investment made into UK single-family housing by Aviva Investors.

Read more on
Our sustainability ambition: page 56

Delivering for our **shareholders**

We have transformed the performance of Aviva over the last four and a half years. And that means we're delivering for our shareholders.

We've grown year-on-year and by operating more efficiently, we are turning that into improvements in profitability. And through dividend growth and regular capital returns, we are sustainably delivering superior returns to our investors, totalling £10 billion since 2020.

Our momentum and continued investment in the business, gives us real confidence in our ability to accelerate performance and enhance shareholder distributions.

Read more on
Aviva's compelling investment case: page 9

35.7p
2024 total dividend per share

£5.7bn
Cash remittances 2022-2024

£10bn
Total capital and dividend returned to shareholders since 2020

Aviva's compelling investment case

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

Read more on
Our business model: page 17

Consistent strategy
With investment for the future

Read more on
Our strategy: page 21

Strong organic growth
Accelerated through targeted M&A

Read more on
Our business review: page 29

Track record of delivery
With strong performance momentum

Read more on
Capital management: page 41

Superior returns for shareholders
With growing dividends and regular capital returns

Read more on
Our KPIs: page 26

Our Group targets
We have confidence in medium-term financial targets

£2.0bn
Group adjusted operating profit by 2026

£1.8bn
Solvency II OFG by 2026

>£5.8 bn
Cumulative cash remittances 2024-26

Chair's statement

"We want to be there for more people, for longer, looking after more of their needs, living up to our purpose to be with you today, for a better tomorrow."

George Culmer
Chair

2024 was an outstanding year for Aviva and there's much more still to come.

Accelerating momentum

It is one thing for a business to devise a new, compelling strategy and quickly deliver against it. It is quite another to maintain that pace, even build on that momentum in the years that follow. Amanda Blanc and her team have done just that.

From strategic acquisitions like AIG's UK Protection business and Probitas and the proposed acquisition of Direct Line Insurance Group plc (Direct Line), to new products and services like Aviva Zero or our pension-tracing Find & Combine service, this year saw continued forward movement right across the business. Whether it is tangible improvements internally in our culture and systems or big strides externally, like fresh investments made or new business won, our results demonstrate what a truly committed group of colleagues can achieve together in a common cause. I'd like to thank the whole Aviva team for their dedication and professionalism. Thanks to them, we're now really hitting our stride to unlock the enormous promise of the business.

35.7p
total dividend per share 2024

Start with our customers

Our customers are at the heart of that potential. We're already the go-to brand for over 20 million people worldwide who depend on us at those vital moments in their lives, yet our ambition is to go much further. We want to be there for more people, for longer, looking after more of their needs, living up to our purpose to be with you today, for a better tomorrow. And we have the capabilities to do just that, with a unique breadth of products from junior ISAs all the way through to retirement advice. By serving our customers, in multiple different ways, while transforming the experience we can offer them, the opportunities for growth abound.

Consistent, strong performance

Our recent performance shows how we are already seizing those opportunities. We continue to charge forward with an impressive track record and by meeting customer needs we've seen that growth in almost every line of business. We continue to grow our capital-light business, further improving the balance of the Group. And there are many significant growth opportunities for us to seize both in our home market and also in Ireland and Canada.

This doesn't mean everything is perfect. There will, inevitably, be times when we fail to hit the high standards we set for ourselves - moments for us to learn from and rectify. But we're constantly hungry for more and always ambitious for further improvement.

More still to come

In a world of political, social and economic uncertainty what we can offer customers matters. Our scale, our diversity and our financial strength means we can be resilient in the face of turbulence, and be a bastion for those customers come what may. This, in turn, means we can offer ongoing value to our shareholders too.

2024 has been a very good year for Aviva. And we've got the people, the products, the brand and the strategy to do even better. Our ambition is huge, our capabilities unique. I believe the best years are yet to come.

George Culmer
Chair
26 February 2025

Read more on

- Our strategy: page 21
- Our people and culture: page 53
- Our business review: page 29

Group Chief Executive Officer's report

"2024 was an excellent year, right across Aviva. We made clear strategic progress and delivered another set of very good numbers, with higher sales, higher operating profit and a higher dividend."

Amanda Blanc DBE
Group Chief Executive Officer

2024 was another year when we delivered what we said we would - strong growth, higher operating profit and an increased dividend. We are in an excellent position to take advantage of the significant opportunities in every part of our business and to deliver more growth and greater profitability in the years to come. Aviva still has so much untapped potential, and I have real confidence in our ability to unlock it and deliver the next phase of growth.

A year of growing momentum

Our 2024 results demonstrate strong and growing momentum at Aviva. Over the last four and a half years Aviva has been completely transformed, evidenced by our consistent year-on-year growth and strong and reliable earnings. We are delivering on our promises to our customers, our people and of course, to our shareholders, returning £10 billion of capital since 2020. This track record has established Aviva as the UK's leading 'go-to' diversified insurer across Insurance, Wealth and Retirement.

This consistent performance is only possible because our teams - across the UK, Canada and Ireland - believe in what we are doing, and they can see the impact we have on millions of customers. Their dedication to always doing the right thing for customers is the driving force behind our continued success, so I would like to extend a very big thank you to the whole Aviva team.

Continued strong growth, right across Aviva

There has been strong growth across our business in 2024 and clear progress toward all of our 2026 targets. Both operating profit and underlying OFG have improved by double-digits, and cash remittances remain strong.

The UK & Ireland General Insurance business has delivered 16% growth, with strong momentum in Personal Lines and several new large client wins in Global Corporate & Specialty (GCS) and Commercial Lines.

The proposed acquisition of Direct Line will accelerate our capital-light growth, bringing the best of Aviva to millions more customers. The financial strength and scale of the combined Group means customers will benefit from competitive pricing, an enhanced claims experience and even better service. The financial rationale is very attractive, with £125 million in cost synergies, over and above Direct Line's existing commitment, and material capital benefits. This will enable us to enhance shareholder distributions even further.

Our Canadian business also delivered double-digit growth driven by strong growth across both personal and commercial lines, including in GCS which grew 10%.

The Wealth business extended its number one market position with nearly £200 billion of assets, with our Adviser platform hitting £50 billion of assets.

In Health, the business is growing strongly and profitably, and in Protection we are progressing with the integration of AIG's UK Protection business at pace, with new business being written on Aviva's platform. The Retirement business also had a very strong year delivering record BPA volumes with continued support from Aviva Investors, fulfilling our ambition for £15-20 billion of sales over three years.

Clear strategic progress

There are five key reasons why we believe Aviva is a compelling investment case.

First, Aviva is the UK's only insurer with truly diversified product lines with material earnings through our businesses in Ireland and Canada. We remain focused on these markets where we have leading positions and excellent, profitable operations. And due to the breadth of our product offering, we are uniquely able to look after customers' needs throughout their lives.

Second, we are delivering on our customer centred strategy. Our customer base and their loyalty give Aviva a huge competitive advantage. We already have the largest customer franchise of any UK insurer with 17 million customers. We estimate this will grow to over 20 million customers - creating a leading franchise in UK financial services - with the proposed acquisition of Direct Line. The importance of this cannot be overstated - our customers are a key source of growth for us. Today, more than 40% of new sales are to existing customers.

Multi-policy holders have lower acquisition costs, stay with Aviva for longer, and buy more. They are also better protected and more engaged, leading to better outcomes. The story is just as powerful for larger corporates, where over one third of our customers have products across multiple Aviva business lines.

Excellent progress against our customer priorities continues. Our customer base has grown, as we welcomed 1.3 million net new customers in the last 12 months alone. We are serving more of their needs with a record 5.4 million individual UK customers holding two or more policies with Aviva. And there is an even more engaging mobile experience within MyAviva, which now has seven million registered users.

GenAI has the potential to deliver huge efficiency gains across financial services, and we want to make the most of this technology for the benefit of our customers. For example, in claims summarisation, instead of putting customers on hold, our agents can now immediately view relevant information and suggest appropriate next steps. This is already used by over 400 motor claims agents, reducing call-handling time and improving customer experience.

Third, we are driving strong organic growth, accelerated by targeted M&A. Our earnings mix is increasingly capital-light, allowing us to deliver higher profits with less capital, which is highly attractive to shareholders. There is excellent progress here and our portfolio is majority capital-light today and will be approaching 70% in 2026 with our current plans. With the acquisition of Direct Line, we will be able to go further than this.

There is no shortage of growth opportunities across our markets and Aviva is benefitting from structural drivers in major business segments including Wealth, Health and General Insurance. In UK GI, we have agreed a new partnership with Nationwide for home insurance. And in Canada we have launched new products and are targeting underweight sectors in Commercial Lines to capture a greater addressable market.

In GCS, the acquisition of Probitas gave us access to the Lloyd's market. Since acquisition, Probitas has launched seven new lines of business and secured several large client wins, while we are also better able to tap into the £200 billion Global GCS market. In our Wealth business we are connecting our propositions across Workplace, Platform and Advice. We are now capturing c.65% of Workplace flows into Aviva Investors, while over £1 billion of Heritage outflows are now being recaptured into IWR.

Fourth, we are extending our track record of delivery. Over the last four and a half years, Aviva has grown consistently, and by operating more efficiently, we have secured greater profitability.

Finally, and as a result, we have delivered superior returns to our shareholders through dividend growth and regular capital returns. Our momentum is accelerating by investing in the business, focusing on the customer, and unlocking opportunities with strategic acquisitions – including Direct Line. All of which gives me real confidence in our ability to accelerate performance further, enhance shareholder distributions, and be in a position to uplift our targets in due course.

Next phase of growth

Aviva is a very different business today to the one I inherited. We are now in the unique position as the UK's 'go-to' diversified insurer with fantastic businesses in Canada and Ireland.

We have achieved a significant amount, but are far from finished. There is so much more to accomplish and I remain completely focused on accelerating capital-light growth, unlocking our customer advantage, and delivering on our promises to shareholders.

Amanda Blanc DBE
Group Chief Executive Officer
26 February 2025

Proposed acquisition of Direct Line Insurance Group plc

Powering Aviva's strategy with complementary businesses

AVIVA + Direct Line Group

£3.7bn
Total consideration[1]

£125m
Annual incremental cost synergies

~10%
Run-rate EPS accretion[2]

Material capital benefits
over time

Compelling strategic and financial rationale

- **Creating a strong leader in UK Personal Lines**
- **Accelerating capital-light growth**
- **Material cost synergies and capital benefits**
- **Enhancing shareholder distributions**
- **Delivering better customer outcomes**
- **Consistent with capital management**

Indicative timeline - expect to complete in mid-2025[3]

- **23 December 2024** Recommended offer
- **10 February 2025** Scheme document published
- **27 February 2025** Aviva FY24 Results
- **4 March 2025** Direct Line FY24 Results
- **10 March 2025** Direct Line shareholder vote
- **Mid-2025** Expected completion

Find out more on Our 2.7 Announcement on aviva.com

Read more on the Direct Line acquisition in Our Board's activities: page 98

1. Based on Aviva plc closing share price of 489.3 pence as at 27 November 2024
2. Expected EPS accretion of ~10% once pre-tax cost synergies of £125 million are fully realised, with underlying EPS accretion expected from the first full year post-completion
3. Subject to Direct Line shareholder vote and regulatory approvals

Group Chief Financial Officer's report

"Excellent performance continued in 2024 as we extended our track record with another year of consistent delivery. Our strategic and operational momentum continues with Group adjusted operating profit up 20%.We have a confident outlook and are excited about what the future holds."

Charlotte Jones
Group Chief Financial Officer

Overview

In 2024 we delivered another year of excellent performance and growing momentum.

There is clear evidence from our results that we are delivering sustainable growth in operating profit and cash remittances. This growth, combined with our balance sheet strength, gives us the firepower to execute across the rest of our capital framework:

- Growing the regular dividend;
- Investing in the business, both organically and through M&A; and
- Returning capital to shareholders.

We have announced a total dividend per share for 2024 of 35.7p, an increase of 7%. This follows growth in cash cost of the dividend of 5% and the completion of a £300 million share buyback earlier in the year.

Our consistent performance and the strength of our balance sheet have allowed us to do compelling M&A at attractive returns. The integrations of AIG's UK Protection business and Probitas are progressing at pace, while the proposed acquisition of Direct Line is expected to close in the middle of 2025. It will deliver material capital synergies and c.£125 million of incremental run-rate cost savings. It allows us to further enhance shareholder distributions in the future.

With strong performances across the Group in 2024, I'm looking forward to continuing this momentum into 2025 and beyond as we continue to deliver for our customers, our people, and our shareholders.

Operating results

Cash remittances

Cash remittances were up 5% to £1,992 million (2023: £1,892 million).

Performance

Group adjusted operating profit[1] increased by 20% to £1,767 million (2023: £1,467 million) driven primarily by growth in UK and Ireland General Insurance, IWR, Aviva Investors and lower costs in Corporate centre & other, partly offset by the impact of elevated severe weather events in Canada. Operating EPS increased 19% to 48.0p (2023: 40.3p).

Adjusted operating profit[1] in UK and Ireland General Insurance increased by 57% to £708 million (2023: £452 million) reflecting strong underwriting performance and higher investment income. Canada General Insurance was 28% lower in constant currency, primarily reflecting elevated severe weather events in Q3.

IWR adjusted operating profit[1] was up 8% to £1,071 million (2023: £994 million).

Aviva Investors adjusted operating profit[1] of £40 million (2023: £21 million) reflects higher revenues from increased AUM.

Group centre and other operations benefitted from reduced spend on IFRS 17 and strategic initiatives.

IFRS profit for the year[2] was £705 million (2023: £1,106 million) with the reduction primarily driven by investment variances as a result of higher interest rates in the year. Basic EPS was 23.6p (2023: 37.7p).

Solvency II operating own funds generation (Solvency II OFG)

Solvency II OFG decreased by 4% to £1,655 million (2023: £1,729 million).

Underlying Solvency II OFG was up 18% to £1,503 million (2023: £1,278 million).

Solvency II operating capital generation (Solvency II OCG)

Solvency II OCG increased by 1% to £1,468 million (2023: £1,455 million).

Underlying Solvency II OCG was up 17% to £1,244 million (2023: £1,063 million).

Solvency II return on equity (Solvency II RoE)

Solvency II RoE decreased by 1.1pp to 13.6% (2023: 14.7%) primarily due to higher opening own funds and lower SII OFG.

Excluding the impact of Management actions and Other Solvency II return on equity has increased by 1.7% to 12.3% (2023: 10.6%).

Read more on:
Our key performance indicators: page 26

Group adjusted operating profit[‡1]

£1,767m

2024	**£1,767m**
2023	£1,467m

IFRS profit for the year[2]

£705m

2024	**£705m**
2023	£1,106m

Solvency II operating own funds generation[‡]

£1,655m

2024	**£1,655m**
2023	£1,729m

Solvency II operating capital generation[‡]

£1,468m

2024	**£1,468m**
2023	£1,455m

Cash remittances[‡]

£1,992m

2024	£1,992m
2023	£1,892m

Estimated Solvency II shareholder cover ratio[‡]

203%

2024	**203%**
2023	207%

‡ This is an Alternative Performance Measure (APM) which provides useful information to enhance the understanding of financial performance. Further information on APMs, including a reconciliation to the financial statements (where possible), can be found in the 'Other Information' section. Throughout this report we use a range of financial metrics to measure our performance and financial strength. These metrics include APMs, which are non-Generally Accepted Accounting Principles (GAAP) measures that are not bound by the requirements of IFRS or Solvency II. A complete list of the APMs used by the Group, and further guidance in respect of their use, can be found in the 'Other Information' section in the Annual Report and Accounts.

Business performance

Insurance, Wealth and Retirement (IWR)

Protection annual premium equivalent (APE) increased by 42% to £375 million (2023: £264 million), reflecting completion of AIG's UK Protection business acquisition on 8 April 2024. Health in-force premiums increased by double digits reflecting strong new business and pricing actions. Health APE was 8% lower at £138 million (2023: £151 million), as expected, as a result of a strong performance in the prior period following the exit of another provider in the market.

Wealth net flows continue to impress with £10.3 billion (2023: £8.3 billion) in the year, up 23%, driven by strong growth in Platform partly offset by Workplace, which saw a short-term increase in outflows in the lead up to the budget.

In Retirement, BPA volumes were £7.8 billion (2023: £5.5 billion), our highest year on record, and where the pipeline in 2025 remains strong. Total Retirement present value of new business premiums were £9.4 billion (2023: £7.1 billion).

IWR's cost asset ratio increased to 43.3bps (2023: 41.4bps) as we continue to maintain focus on operational efficiency and leverage to grow assets under management. The increase was driven by the addition of AIG's UK Protection business, which increased controllable costs with limited impact to assets. Excluding AIG's UK Protection business, IWR's cost asset ratio improved to 41.1bps.

IWR adjusted operating profit[1] was up 8% to £1,071 million (2023: £994 million). Wealth operating profit[1] of £129 million (2023: £100 million) was 29% higher as growing revenue in Workplace and Platform more than offset higher investment in our Direct Wealth proposition.

Retirement operating profit[1] improved 14% to £746 million (2023: £655 million), mainly reflecting higher releases from the Contractual Service Margin (CSM) as the portfolio grows, and an improved investment result.

Insurance adjusted operating profit[1] was 13% higher driven by higher releases from the stock of future profit as the portfolio grows the CSM and improved mortality experience. Heritage adjusted operating profit[1] was 7% lower at £238 million (2023: £254 million) reflecting the expected run-off of the portfolio.

Solvency II OFG of £1,029 million (2023: £1,297 million) was 21% lower as growth in underlying was more than offset by the non-recurrence of positive impacts from assumption changes, including longevity, and the extension of two key partnerships in the prior year. Underlying Solvency II OFG increased 3% primarily driven by new business growth.

Cash remittances were £1,272 million (2023: £1,369 million).

35.7p

2024 total dividend per share

UK & Ireland General Insurance

Gross written premiums (GWP) increased 16%, on a constant currency basis, to £7,699 million (2023: £6,640 million) with double-digit growth across all lines.

UK personal lines GWP grew 22% to £3,600 million (2023: £2,956 million) with growth in higher margin retail business supported by a 13% increase in policies-in-force and higher average premiums. We continue to achieve strong growth in UK commercial lines, up 12%, as GWP reached £3,604 million (2023: £3,231 million) supported by strong new business and pricing actions and the addition of Probitas.

UK & Ireland General Insurance adjusted operating profit[1] was 57% higher at £708 million (2023: £452 million) reflecting improved underwriting profits and improved investment returns.

UK & Ireland undiscounted combined operating ratio (COR) was 94.9% (2023: 96.8%), as we benefit from the earn through of the strong rate actions taken and continued growth in retail business. Discounted COR was 90.9% (2023: 93.6%).

Solvency II OFG was 82% higher at £572 million (2023: £315 million) reflecting a better underwriting result and improved investment returns. Cash remittances increased to £571 million (2023: £326 million).

Canada General Insurance

GWP of £4,505 million (2023: £4,248 million) were up 11% on a constant currency basis. Personal lines was up 13% in constant currency reflecting pricing increases and new business growth across motor and property. Commercial lines was up 7% in constant currency mostly driven by rate and indexation in Property, along with growth in the Large Corporate book.

Canada General Insurance adjusted operating profit[1] was 25% lower, on a constant currency basis, at £288 million (2023: £399 million) primarily driven by the elevated severe weather events experienced in the third quarter of 2024.

The undiscounted COR was 98.5% (2023: 95.3%) and the discounted COR was 94.4% (2023: 91.4%).

For similar reasons, Solvency II OFG was 32% lower, on a constant currency basis, at £223 million (2023: £339 million).

Cash remittances were lower at £135 million (2023: £158 million).

Aviva Investors

AUM increased by £11.2 billion driven by positive market movements of £9.1 billion and net flows into liquidity funds of £4.4 billion which helped offset the impact from net outflows of £2.3 billion (2023 net outflows: £5.4 billion). Average AUM was £8 billion or 3% higher year-on-year at £233 billion (2023: £225 billion).

The cost income ratio improved by 5pp to 89% (2023: 94%) driven by increased revenues.

Aviva Investors adjusted operating profit[1] improved to £40 million (2023: £21 million) reflecting higher revenues, up 8% to £374 million (2023: £346 million).

Solvency II OFG was £29 million (2023: £19 million).

International investments (India, China and Singapore)

Present value of new business premiums were 26% lower at £1,507 million (2023: £2,048 million) as the prior year included a full year of contribution from Singapore, which was disposed of on 18 March 2024.

Adjusted operating profit[1] was 24% lower at £48 million (2023: £63 million) and Solvency II OFG was £117 million (2023: £156 million).

Read more on
Our business review: page 29

Capital and cash

Solvency II capital

At 31 December 2024, Group Solvency II shareholder surplus was £7.9 billion and estimated Solvency II shareholder cover ratio was 203% (2023: £8.8 billion and 207% respectively).

The reduction in surplus since 31 December 2023 is mainly due to the Tier 2 notes redemption, final dividend and £300 million share buyback and non-operating generation, partly offset by operating capital generated.

The solvency capital requirement of £7.7 billion includes a £2.5 billion benefit from Group diversification.

Centre liquidity

At end January 2025, centre liquidity was £1.7 billion (end February 2024: £1.9 billion) reflecting dividends, interest, share buyback programme, debt redemption and capital paid to subsidiaries ahead of corporate acquisitions. This is partly offset by cash remittances received from the business units and net M&A proceeds.

Solvency II debt leverage

Solvency II debt leverage ratio is 28.9% (2023: 30.7%). The decrease is due to the €700 million subordinated debt redemption in July 2024, partly offset by dividends, the 2024 share buyback and M&A activity.

Read more on
Capital management: page 41

Dividend

We have announced a final dividend of 23.8 pence per share (2023: 22.3 pence), an increase of 7%. Together with an interim dividend of 11.9 pence (2023: 11.1 pence) this brings total dividends for the year to 35.7 pence (2023: 33.4 pence). Our dividend guidance remains that we expect mid-single digit[3] growth in the cash cost of the dividend.

As outlined in December 2024 when the proposed acquisition of Direct Line was announced, there is expected to be an additional mid-single digit[3] percentage uplift in the dividend per share following completion.

Shareholder asset portfolio

Aviva's high quality shareholder asset portfolio of £83.1 billion as 31 December 2024 (2023: £81.3 billion) continues to perform well and is defensively positioned.

Corporate bonds represent £22.5 billion of the portfolio. Of this, 80% is externally rated investment grade and 20% internally rated. Aviva has a long history in private debt, with a robust internal rating model, and these internally rated assets have an average rating of 'single A' quality.

The corporate bond portfolio continued to perform well, with less than c.£15 million of net downgrades to a lower letter during 2024. This included c.£390 million upgraded to a higher rating letter offset by c.£405 million of downgrades to a lower rating letter in the portfolio.

Our commercial mortgage portfolio of £5.4 billion comprises largely long-duration fixed rate contracts with low average loan-to-value (LTV) ratios of 48.1% using the nominal value of the loan.

Our securitised mortgage loans and equity release portfolio of £9.1 billion is mostly internally securitised with a low average LTV of 26.9%.

Charlotte Jones
Chief Financial Officer
26 February 2025

1. Group adjusted operating profit is an APM which is used by the Group to supplement the required disclosures under IFRS. See the 'Other Information' section for further information.
2. IFRS profit for the year represents IFRS profit after tax
3. Estimated dividends are for guidance and are subject to change. The Board has not approved or made any decision to pay any dividend in respect of any future period.

Our business model

The UK's leading diversified insurer, with unique strengths

Customer advantage

20.5m

Customers in UK, Ireland and Canada
(2023: 19.2m)

Serving lifetime customer needs with a leading UK customer franchise, and strong businesses in Canada and Ireland.

Scale efficiency

£407bn

Group assets under management
(2023: £376bn)

Driving operating leverage from scale economies, synergies with our in-house asset manager, and shared services.

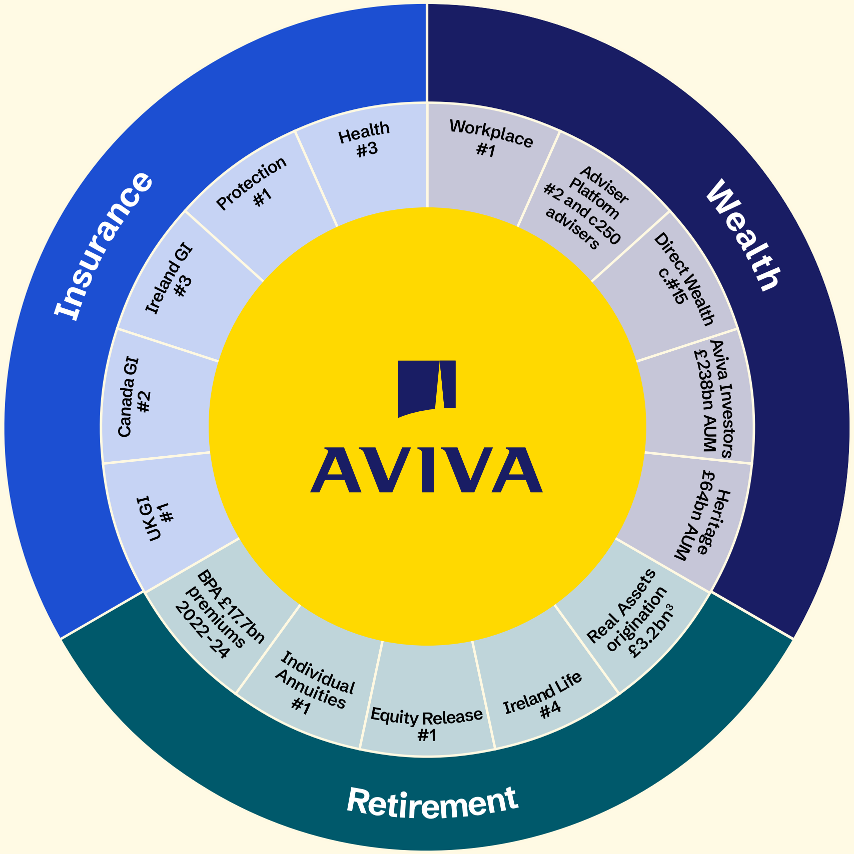
Diversification benefit

£2.5bn

Capital diversification benefit[1]
(2023: £2.2bn)

Benefitting from the diversified nature of our model - driving resilient performance in different market conditions.

Leading market positions[2] across Insurance, Wealth and Retirement



1. The Group diversification between markets is the diversified Solvency Capital Requirement (SCR) arising from the sum of the SCR for each business unit (e.g. IWR, UK & Ireland GI, Canada GI, Aviva Investors, International investments (India and China)) being higher than the SCR at Group
2. Aviva's analysis using latest information available including company reporting, ABI, Boring Money, Corporate Adviser, Fundscape, Insurance Ireland, Millman, MSA, UK Finance
3. Originated in support of our annuities businesses

Our business areas Insurance Wealth Retirement

Meeting all our customers' Insurance, Wealth and Retirement needs

Protecting our customers against risks

How we create revenue
Customers pay us a premium to insure against a specific risk. Our scale enables us to pool risks so that we can pay customers' claims, which could far exceed the premium.

How we serve customers
We meet the full breadth of customer needs with our products. For example, Aviva Zero car insurance for customers who want the opportunity to purchase offsets for their car's emissions, or our Essentials range for those who want only essential coverage, at the right price.

Helping our customers to save for the future

How we create revenue
We manage and administer investments for a fee, offering guidance and financial advice for customers who require support or have more complex needs.

How we serve customers
Customers save with us to generate a return on their investments. We cater to their lifetime wealth needs with a complete proposition across our four component businesses - Workplace, Adviser Platform, Advice with Succession Wealth, and Direct Wealth.

Helping our customers to manage their retirement

How we create revenue
Customers pay us a lump-sum, which we invest to provide them with life-long income throughout their retirement, providing both security and flexibility.

How we serve customers
We are developing a full suite of options to support customers and their personal needs in retirement. This ranges from advised and non-advised pathways with flexible drawdown products, to annuities for regular payments and equity release.

Delivering for all our stakeholders

Our customers
Providing a trusted financial services offering that is easy to engage with and delivers great customer outcomes across all their needs

£29.3bn

paid out in benefits and claims to our customers in 2024

Our people
Enabling our people to thrive as individuals while delivering great outcomes for our customers

91%

employee engagement score in 2024

Our shareholders
Delivering consistent performance, an attractive and growing dividend and regular capital returns

~£952m

2024 interim and final dividend cash cost

Our communities
Committed to social action, climate action and being a sustainable business

107,810

hours volunteered by our colleagues to support local communities in 2024

Our suppliers
Supporting our small business partners[1] in our operations and by committing to the Prompt Payment Code

96%

of small business invoices are paid within 30 days

1. < 50 employees

Read more on
Our stakeholders: page 48

Our external environment

Our business areas Insurance Wealth Retirement

Growth opportunities in all our markets across Insurance, Wealth and Retirement

Insurance

Protecting against new and more complex risks

c.£315bn GWP

UK, Canada & Ireland GI, and GCS markets p.a.

In the UK, general insurance remains a highly competitive yet attractive market, characterised by a fragmented landscape and increasing scale of price comparison websites. Brand, customer experience, technical underwriting and pricing capabilities, and scale are all important factors for success.

In Canada, sheer geographic scale means that insurance - and what it takes to succeed - differs across provinces. Variables include severe weather events, the regulatory landscape, demographics and more.

In Global Corporate & Specialty (GCS), the emergence of new risks and evolving existing risks are expanding the scope of insurance. For example, the transition towards renewable energy is creating needs such as coverage for offshore wind farms.

To support customers, insurers will need to enhance capabilities and broaden products and services.

Source: Aviva estimate

Our response

Expanding our insurance offerings
Enhancing capabilities and expanding products across GI and GCS, now with access to the Lloyd's market.

Wealth

Navigating pension reforms, and addressing the advice gap

£1.8tn assets

UK Wealth market, growing at 10-15% p.a.

The global wealth market continues to grow at pace. In the UK, pension reforms have been a unique structural growth driver.

From the introduction of auto-enrolment in 2012 and subsequent shift from defined benefit to defined contribution, to the potential creation of "megafunds" and boost for investment in the UK.

The growing "advice gap" is a particular concern, with fewer than 10% of people paying for financial advice. Today, with almost 4 in 10 under-saving for retirement, there is clear indication that the spectrum of advice and guidance needs to be widened. With a supportive regulator, the creation of scalable guidance solutions can play a critical role here.

As customer needs and behaviours change, wealth providers will need to evolve their offerings, leveraging the use of digital and artificial intelligence technologies.

Source: Aviva estimate, The Lang Cat, DWP

Our response

Connecting our wealth propositions
Bringing together our Workplace, Advice and Direct Wealth offerings to cater to lifetime wealth needs.

Retirement

De-risking DB pension schemes, and broadening retirement solutions

c.£250bn volumes

UK BPA market over the next five years

With the rise of global interest rates since 2022, the landscape for defined benefit (DB) pensions is very different. In 2023, the number of UK DB schemes in surplus grew by over 40%, and the total deficit more than halved. This prompted companies to de-risk, and that same year saw £49bn of annual BPA volumes, compared to less than £30bn in each of the previous two years. Demand is set to remain elevated over the coming decade.

The nature of retirement for individuals is also changing, with people living longer. Flexible retirement products and services with the ability to guide customers through their options will become increasingly important.

As a result, providers need to find ways to build these kinds of solutions into their corporate propositions, with employers increasingly aiming to provide employees with broader benefits offerings.

Source: LCP, The Pensions Regulator

Our response

Providing broader retirement solutions
Supporting customers with guidance and support, flexible drawdown, annuities and equity release.

Responding to external trends

Trend: Investment in UK economy

£1.4tn

Public and private investment in the UK, 2023

There are many reasons to be confident in the future of the UK. Significant wealth, population growth, leading financial services hub, greater political certainty and economic stability.

All this translates into clear structural growth opportunities. However, investment in the UK economy will be critical to realise these opportunities.

The new government is clearly focused on this. At the Autumn Budget, £100bn of capital spend was announced over the next five years – from housing and cladding, to clean energy and transport. The recent Mansion House speech also re-iterated their commitment to unlock investment in UK companies and infrastructure.

Source: Investment Association, HM Treasury

Our response

Boosting investment in the UK
Supporting growth by investing in UK assets across IWR and Aviva Investors.

Trend: Customer preference for mobile-first

73%

UK bank account holders are using mobile banking

With digital adoption near-universal, customer preferences are increasingly shifting towards mobile-first experience. This is true not only for online searches, but also more broadly such as online purchases and checking bank account balances.

Smartphone usage is particularly prevalent with younger generations, spending up to nine hours per day on their screens. As a result, expectations are rising, and frictionless experiences are now becoming the standard.

With the development in technology, there is also an opportunity to re-imagine how digital engagement feels for customers. Deep personalisation, relevant benefits, and GenAI are some notable trends in focus across the financial services industry.

Source: Statista, Common Sense Media

Our response

Delivering for our customers
Creating a more personalised and engaging mobile experience with our next-generation MyAviva app.

Trend: Advancing AI and Generative AI (GenAI)

>$600bn

Projected annual global spend on AI and GenAI by 2028

Since the launch of ChatGPT in late 2022, timelines and predictions on the potential of GenAI have been rising. Adoption is on the rise, too – in the UK, more than one in three adults aged 16-75 have used the technology.

We have already witnessed huge leaps forward in the quality of underlying training models. Their ability to understand more complex language has improved, along with clear advances in text-to-image and text-to-video capabilities.

Companies are also recognising the potential. Almost 70% of large corporates in the UK are already leveraging AI technology to better meet customer needs, drive efficiency in their business and productivity of their employees.

Source: IDC, Deloitte, Forbes

Our response

Putting technology at our core
Investing behind AI and GenAI capabilities and use cases to deliver benefits for our customers and Aviva.

Trend: Impacts of climate change

$2tn

Economic cost from extreme weather events, 2014-23

The impacts of climate change are resulting in extreme weather events across the globe. In fact, 2024 was confirmed as the warmest year on record, breaking the previous high set just one year earlier.

In the UK, the 2023-24 storm season saw the greatest number of named storms since 2015. In Canada, record-high industry losses in 2024 of over CAD$8bn were driven by four natural disasters over the summer.

The World Meteorological Organisation (WMO) highlighted at COP29 that we are not on track to meet the Paris Agreement goals. Urgent, transformative action is required to cut greenhouse gas emissions to reduce the likelihood of extreme weather becoming more frequent and severe.

Source: Oxera, WMO, The Met Office, CatIQ

Our response

Committing to climate action
Continuing to advocate on key topics to deliver a more secure and stable future for customers and shareholders.

Our strategy

Growth

Accelerating growth in capital-light Wealth and Insurance - disciplined in Retirement

Highlights

+14%
General Insurance gross written premiums[1]

+23%
Wealth net flows

1. Change in constant currency

Read more on
Our business review: page 29

Efficiency

Driving operating leverage with technology and artificial intelligence at the core

Highlights

~50%
Reduction in UK IT applications since 2018[1]

65%
UK IT applications are cloud-based

1. Includes impact of baseline adjustments made in 2020 and 2023 to better reflect our UK IT estate

Read more on
Our efficiency strategy: page 24

Customer

Growing our customer base, serving more needs and transforming experience

Highlights

20.5m
Customers globally (2023: 19.2m)

5.4m
UK multi-product holding customers (2023: 4.8m)

Read more on
Our business review: page 29

Sustainability

Committed to climate and social action, and being a sustainable business

Highlights

51%
Aviva's operational Scope 1 and Scope 2 emissions reduction[1]

64%
Reduction in carbon intensity of our investments[2]

1. From a 2019 baseline
2. Scope 1 and Scope 2 weighted average carbon intensity by revenue for listed equities and corporate bonds held in shareholder and with-profit funds from a 2019 baseline

Read more on
Our sustainability ambition: page 56

Growth

Accelerating growth in capital-light Wealth and Insurance and disciplined in Retirement.

2024 progress

Our complementary portfolio is a real advantage, providing resilience and the ability to grow in different market conditions. Today, 56% of operating profit is from capital-light businesses, and we are investing to accelerate growth here.

In December, we announced the potential acquisition of Direct Line.

Insurance

In UK&I General Insurance, we have driven strong double-digit growth. We continue to accelerate in UK Personal Lines Retail, growing by 31%, driven by performance on price comparison websites. We also completed the acquisition of Probitas, giving us access to the Lloyd's market.

In Canada, we grew premiums by 11% on a constant currency basis, while navigating elevated severe weather with discipline. We're also seeing benefits in distribution from our acquisition of Optiom.

In Protection, we completed the acquisition of AIG's UK Protection business in April 2024. In Health, in-force premiums grew by 10%, supported by our wellbeing-led proposition and guided pathways.

Wealth

Scaling and connecting our Wealth offering remains a key priority as the leading UK wealth player, now with £198 billion AUM.

In Workplace, we delivered £6.7 billion net flows, winning over 470 new corporate pension schemes. In Adviser Platform, net flows are up an impressive 69%, and AUM grew to £54 billion.

We generated over seven thousand referrals from Aviva into Succession Wealth, creating £2.5 billion in opportunity for our planners. In Direct Wealth, net flows were up over 280%, albeit on a smaller base, having re-launched a new digital wealth experience.

Retirement

Our BPA business delivered record volumes of £7.8 billion in 2024, while remaining disciplined on margins. That means we've written almost £18 billion BPAs over the last three years, delivering on our ambition for £15-20 billion, which we set out at our In Focus session in June 2022.

In Individual Annuities, we have seen continued demand with another year of double-digit growth in sales, and we continue to support our customers in retirement through Equity Release.

Focus for 2025

We remain focused on accelerating growth in our capital-light Wealth and Insurance businesses, while delivering disciplined growth in our Retirement and Heritage businesses, which will continue to play a key role in future cash generation.

Growing in UK Personal Lines with Aviva Zero

Aviva Zero is our carbon-conscious car insurance product, available on price comparison websites. This gives customers the opportunity to purchase offsets for their car's emissions.

Built in-house on a leading technology stack and underpinned by strong pricing sophistication and agility, this next-generation proposition was launched to customers three years ago.

Since then, we've already sold over one million policies, including more than 300,000 policies bought by existing Aviva customers. It's a key driver of growth for UK Personal Lines Retail.

It's also a key driver of our General Insurance customer base, along with our Aviva Online brand. Since 2022, our Motor customers on price comparison websites have increased by 50%.

Customer

Growing our customer base, serving more needs and transforming experience.

2024 progress

Customers are at the heart of Aviva's strategy. We want more of them to stay with us for longer, so that we can look after more of their needs through key life moments.

We're always here to support our customers, wherever and however they need us, helping them to navigate the challenges of today's world.

Growing our customer base

With over 20 million customers globally, we have a franchise that sets us apart with a real competitive advantage.

In the UK, we have the largest customer base of any insurer with 17.1 million customers, right up there with the major UK banks. In 2024 alone, this number increased by 1.2 million. Underpinning this is strong growth in UK General Insurance and our Workplace pensions business, and we also welcomed c.760,000 new-to-Aviva customers from our acquisition of AIG's UK Protection business.

Serving more customer needs

Customers with multiple products stay with us longer and buy more from us. They're also better protected and more engaged, which we know leads to better outcomes.

We have 5.4 million UK customers with more than one Aviva policy, which is an increase of more than 500,000 in 2024, including the impact of AIG's UK Protection business.

We're continuing to deepen customer relationships, both for individuals and corporates. Today, 41% of new sales are to existing individual customers, and more than a third of UK large corporate clients have two or more Aviva business lines.

Transforming customer experience and engagement

This year, our Transactional Net Promoter Score (TNPS) is up 5 points[1], testament to-our resolute focus on continuous improvement. In UK General Insurance, for example, we've enhanced our Virtual Assistant to cover more queries more effectively, and transformed our claims journey through in-house repair capabilities with Solus.

We're also evolving how customers interact with us. We re-launched our MyAviva app to deliver more engaging mobile experience. We're also finding new ways to engage, such as promoting safer driving with telematics on MyDrive or supporting "Money" and "Health" needs with our Aviva Score tool.

1. The 2023 TNPS comparative has been re-presented to reflect updates to product weightings used to calculate the metric to better align to Aviva's strategic priorities

Focus for 2025

We will continue to deliver for our customers, focused on the three priorities we set out at Customer In Focus in October 2024: growing our customer base, serving more customer needs, transforming experience and engagement.

Re-launching our next-generation MyAviva app

We've been investing in our digital experience for over a decade now. But customer needs are changing more rapidly than ever, with an increasing preference for mobile-first. So, in June 2024, we rolled out our next-generation MyAviva app.

Built on native app technology, it will enable us to deliver an even more personalised experience as our single front-door to everything Aviva.

Now using a more popular codebase, our technology teams have a broader pool of engineering talent for further app development. It will also be far quicker and easier for us to integrate third-party tools and services.

With over 10 million log-ins already, we're receiving very positive feedback, with Online Experience Score at over 70%, up 15 percentage points when compared to the old app.

Efficiency

Driving operating leverage with technology and artificial intelligence at the core.

2024 progress

We remain focused on improving efficiency across the Group to drive economies of scale as we grow. This is a key underpin not only for profitability, but also delivering value for our customers.

Putting technology at the core of our model and leveraging our capabilities across artificial intelligence plays a big role here.

Driving operating leverage

We continue to simplify our IT estate, delivering more than a 10% reduction in UK IT applications in 2024 alone. Since 2018, the total reduction we've delivered is c.50%. We're also focused on moving these applications to the cloud, delivering greater scalability, flexibility and security.

We're digitising journeys to enable more customers to self-serve. Today, we have 91% self-serve availability across our most popular journeys[1]. This drives better customer outcomes, who can get what they need from Aviva, when they need it. It also drives efficiency gains for Aviva. So, it's a real win-win for customers and for Aviva.

In January 2024, we announced a 15-year extension to our strategic partnerships with Diligenta and FNZ. This has been enabling us to simplify our IT estate even further, to enhance customer journeys and to improve customer experience across our businesses in IWR.

Building enterprise capabilities

We're developing enterprise IT capabilities with key strategic partners. For example, Salesforce for customer relationship management, Snowflake for cloud-based data analytics, or Amazon Web Services for faster development on the cloud.

We're also modernising data management to create a single view of UK customers, so that we can better understand their needs.

Leveraging benefits of GenAI

While GenAI is relatively new, AI is not new for Aviva, which we have been deploying for almost a decade. Our aim is to leverage GenAI to deliver benefits for customers. We will, however, proceed in a controlled way, protecting our customers and data.

We have already identified over 150 GenAI use cases. These are focused on process enhancements and workforce productivity. For example, all Aviva colleagues have Microsoft 365 Copilot Chat, and we're rolling out GitHub Copilot to all developers.

1. Based on 15 key journeys across the UK: IWR, GI and Shared (core platforms)

Focus for 2025

We will continue to transform operations and drive scale efficiencies, leveraging the power of Aviva's diversified model. Putting technology at the core and leveraging the benefits of GenAI will remain priorities.

Leveraging GenAI for claims summarisation tool

We know GenAI presents a huge opportunity, and we're already driving benefits at scale from early use cases.

One great example is our award-winning claims summarisation tool. Instead of putting customers on hold and going through their records, our agents can now immediately view relevant information and suggest appropriate next steps.

This tool is already being used by 40% of our claims handlers in our UK motor business. We've seen early signs that it can reduce call-handling time and improve customer experience.

Using GenAI is a key part of our transformation in claims, which has already delivered an increase in Claims TNPS of over 40 points since 2022.

Sustainability

Committed to climate and social action, and being a sustainable business.

2024 progress

We continue to aim to make a difference through Aviva's sustainability practices. This includes enabling positive change in our society by investing in local communities, supporting a transition to a low-carbon, climate-resilient, nature-positive future, and more.

Social action

We are taking a place-based approach to social action, striving to support financial resilience, housing and infrastructure, and employability prospects. In 2024, we contributed £32.9 million to communities, and one million people in the UK, Canada and Ireland are estimated to have benefitted.

For example, we've supported over 100,000 people this year through our Citizens Advice partnership, and in December 2024, Aviva pledged a further £4 million of funding. We also helped to fund the new Velindre Cancer Centre in Cardiff, replacing the current facility, which serves over 1.7 million people. Beyond this, we've invested in student housing, zero-emission buses and more.

Climate action

We're making progress on decarbonising our business. This includes reducing Aviva's own operational carbon emissions, influencing our supply chain, and reducing the carbon intensity of our investments.

We published the second iteration of our Transition Plan. This details our strategy and approach to achieve our 2030 interim ambitions, and decarbonisation levers to support the transition.

As a major insurer, we know that we have an important role in insuring and investing in the energy transition. Since 2019, we've invested £8.7 billion in sustainable assets, from low-carbon homes to windfarms.

We're also supporting climate adaptation and protecting nature. For example, our £25 million partnership with the Wildfowl and Wetlands Trust aims to restore the UK's shrinking saltmarshes.

Read more on The scope of our ambitions: page 60

Sustainable business

We remain focused on advancing our sustainable business practices across our propositions, workplace, human rights activity, governance and advocacy.

For example, we have been recognised again for gender equality practices, and we are one of the signatories for the Race at Work Charter.

Focus for 2025

As part of our Transition Plan, we will progress towards our interim 2030 ambitions to decarbonise Aviva's own operations. We will invest in communities to drive social action and prioritise sustainable business practices.

Setting a path to Net Zero with our Transition Plan

This year's plan builds on our first iteration in 2022 by translating our ambitions into tangible actions. In addition, we have integrated other elements such as nature, adaptation and social considerations.

Our ambition is to be a Net Zero company by 2040, by mitigating investment exposure to climate-related risks, insuring the transition, and decarbonising our operations.

Achieving Net Zero requires a collaborative and adaptive strategy that considers the unique circumstances of each segment of our footprint.

Based on what we understand today, and the low degrees of influence we have over emissions footprints of our investments and underwriting, we do not currently see a route to Net Zero for these emissions. Nevertheless, we remain committed to using our best endeavours to address them.

We have also set out interim 2030 ambitions, including a 90% reduction in Scope 1 and 2 emissions from Aviva's own operations and a 60% reduction in economic carbon intensity of our investments, versus 2019 baselines.

Download the Aviva Transition Plan

Our key performance indicators

Strategic pillars	Growth	Customer	Efficiency	Sustainability
Linked to: REM Remuneration	APM Alternative performance measure	AR Data subject to independent reasonable assurance by EY[1]	AL Data subject to independent limited assurance by EY[1]	RC Definition in Aviva plc Reporting Criteria 2024

We use certain metrics to assess how we generate value for our shareholders, how we serve our customers, the engagement of our employees and how we are performing against our sustainability ambition.

These financial and non-financial metrics enable us to measure our performance against our strategic priorities and our purpose.

The financial KPIs include Alternative Performance Measures (APMs). APMs are non-GAAP measures, which are not bound by the requirements of IFRS or Solvency II.

A complete list of the APMs used by the Group, and further guidance in respect of their use, can be found in the Other Information section. This guidance includes definitions and, where possible, reconciliations to relevant line items or sub-totals in the financial statements.

Financial KPIs

These KPIs show our medium-term financial targets alongside IFRS profit for the year.

Medium-term Group financial targets

REM APM

Group adjusted operating profit

Measures the Group's operating performance over time by excluding non-operating items.

£1,767m

(2023: £1,467m)

Up 20% driven by strong performance from our IWR and UK&I GI businesses.

REM APM

Solvency II operating own funds generation

Measures the amount of Solvency II own funds the Group generates from operating activities, a key indicator of cash generation.

£1,655m

(2023: £1,729m)

Profitable growth in UK&I GI and lower Corporate Centre spend offset by a one-time benefit from partnership extensions and assumption changes in the prior year, net 4% down.

REM APM

Cash remittances

Measures cash remitted in dividends and loan interest from our operating businesses to the Group.

£1,992m

(2023: £1,892m)

Up 5%, reflecting strong growth in remittances across the Group.

IFRS profit for the year

Measures the Group's profit after tax, attributable to shareholders in accordance with IFRS.

£705m

(2023: £1,106m)

Down 36% due to unfavourable investment variances from rising interest rates, partially offset by profit on disposal of our investment in Singapore.

Strategic pillars Growth | Customer | Efficiency | Sustainability

Linked to REM Remuneration | APM Alternative performance measure | AR Data subject to independent reasonable assurance by EY[1] | AL Data subject to independent limited assurance by EY[1] | RC Definition in Aviva plc Reporting Criteria 2024

Financial KPIs continued

APM

Combined operating ratio

A measure of general insurance profitability. A COR below 100% indicates profitable underwriting. COR shown below is on an undiscounted basis to align to the way in which the business is managed.

96.3%

(2023: 96.2%)

In-line with 2023, despite extreme weather events in Canada, reflecting strong underlying performance.

APM

Value of new business on an adjusted Solvency II basis

Measures growth and is a key source of future cash flows in our IWR business.

£890m

(2023: £874m)

Up 2% due to volume growth in bulk purchase annuities offset by lower new business from international investments.

REM APM

Solvency II return on equity (RoE)

Shows how efficiently we are using our financial resources to generate a return for shareholders on a Solvency II basis. Solvency II RoE excludes any adjustment for excess capital.

13.6%

(2023: 14.7%)

A decrease of 1.1pp due to 2023 benefitting from Solvency UK reforms to the risk margin and a lower level of management actions in IWR in 2024.

APM

Solvency II debt leverage ratio

A measure of financial strength. Our preference is to be below 30% over time.

28.9%

(2023: 30.7%)

Decreased by 1.8pp, due to debt redemptions and decrease in value of debt being partially offset by dividends, share buy-back and acquisitions.

APM

IFRS return on equity (RoE)

Shows how efficiently we are using our financial resources to generate a return for shareholders on an IFRS basis.

15.6%

(2023: 12.7%)

Up 2.9pp reflecting strong underlying performance, particularly in our General Insurance business.

REM APM

Estimated Solvency II Shareholder cover ratio

Provides an indicator of the Group's balance sheet strength.

203%

(2023: 207%)

A 4pp decrease, due to dividend payments, the £300 million share buy-back, loan redemptions, and acquisitions.

Strategic pillars Growth | Customer | Efficiency | Sustainability

Linked to REM Remuneration | APM Alternative performance measure | AR Data subject to independent reasonable assurance by EY[1] | AL Data subject to independent limited assurance by EY[1] | RC Definition in Aviva plc Reporting Criteria 2024

Non-financial KPIs

AL RC

Number of customers

Measures total number of policy-holding Aviva customers in the Group's businesses in the UK, Ireland and Canada with at least one active product.

20.5m

(2023: 19.2m)

A strong year of growth towards our ambition of >21m customers by 2026, achieved through strong sales in our online products and the acquisition of AIG's UK Protection business.

AL RC

Multi product holding customers

Measures number of UK customers who hold more than one policy with Aviva or a single policy meeting multiple separate needs.

5.4m

(2023: 4.8m)

Deeper customer relationships have driven an increase in MPH, including the impact of the AIG's UK Protection business acquisition.

AL RC

Operational carbon emissions reduction

Measures the percentage reduction in Aviva's absolute Scope 1 and 2 (market-based) emissions from 2019 baseline.

51%

(2023: 50%)

Continued focus on reducing operational emissions, including improved energy efficiency following our move to our new London Headquarters.

AL RC

Employee engagement

Measures how engaged our employees feel and their perceptions of Aviva.

91%

(2023: 88%)

Our annual Voice of Aviva survey showed exceptional levels of engagement increasing by 3pp. Driven by high scores in strategy, inclusion and leadership.

REM AR RC

Women in senior leadership roles

Measures the percentage of women in senior leadership roles in UK, Ireland and Canada.

40.9%

(2023: 40.6%)

Gender balance is supported through our policies including equal parental leave and accessible hiring processes.

REM AR RC

Ethnic diversity in senior leadership roles

Measures the percentage of ethnically diverse employees in senior leadership roles in the UK, Ireland and Canada.

13.0%

(2023: 12.8%)

Aviva is actively involved in supporting increased diversity in our business including being a founder member of the Change the Race Ratio.

AR RC

Cumulative amount invested in UK infrastructure and real estate

Measures the cumulative amount invested in UK infrastructure and real estate since 2020.

£11.4bn

(2023: 9.5bn)

Aviva continues to deliver substantial investment in the UK supporting a wide variety of projects including financing for electric buses and hospitals.

1. For non-financial measures only. This indicates that the data was subject to external independent limited/ reasonable assurance by Ernst & Young LLP ('EY'). For the results of that assurance, see Aviva plc Climate-related Financial Disclosure 2024 Independent Assurance section and Aviva plc 2024 Reporting Criteria Independent Assurance section.

Our business review

We operate through businesses in the UK, Ireland and Canada:

- **Insurance, Wealth & Retirement (IWR):** offering Insurance (Protection and Health), Wealth and Retirement (Annuities & Equity Release) products, in the UK and Ireland.
- **UK & Ireland General Insurance:** protecting homes, cars, holidays and businesses, across personal and commercial lines.
- **Canada General Insurance:** protecting homes, cars, lifestyles and businesses, across personal and commercial lines.
- **Aviva Investors:** global asset manager with expertise in real assets, multi-assets, equities and credit.

We also have international investments in India and China, and until 18 March 2024 we had an investment in Singapore.

Insurance, Wealth & Retirement

Our business areas

Insurance Wealth Retirement

"2024 was another year of robust performance for the Insurance, Wealth & Retirement business. We maintained discipline and demonstrated the value of our portfolio model. We continue to transform our business to deliver good customer outcomes and be the go-to financial partner for our customers."

Doug Brown
CEO of Insurance,
Wealth & Retirement

Overview

Business strategy overview

Aviva is the largest life insurer in the UK[1], holding a 24% share[2] of the UK market and leading the market in Workplace Pension, Wealth and Protection. Our unique position in the market enables us to deliver on our vision to become the UK & Ireland's go-to life-time partner for financial wellbeing by supporting over 12 million customers with products spanning Insurance, Wealth and Retirement (IWR).

Our strategy remains focused on delivering consistently strong trading performance whilst continuously evolving to address the changing needs of our customers, partners, brokers, and business clients.

We have delivered a breadth of efficiencies through our significant transformation agenda and have a clear roadmap to connect and scale our businesses to continue to help our customers protect themselves and invest in their future. We have made good progress, during 2024, c.44%[3] of IWR sales were made to existing customers.

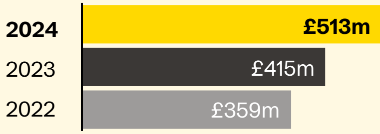
We are well capitalised and the diversified nature of the IWR business and wider Aviva Group gives us a significant advantage.

1. Aviva analysis of half year 2024 company reporting
2. Association of British Insurers (ABI) - 9 months to 30 September 2024
3. Calculated by dividing the number of policies sold to existing customers by the total number of policies sold. The measure includes sales in Direct, Corporate Partner and Intermediary sales channels.

Highlights

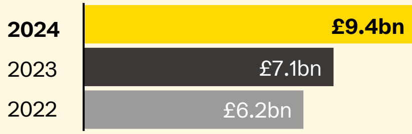
Insurance (Protection and Health) APE

£513m



Retirement (Annuities & Equity Release) PVNBP

£9.4bn



Wealth net flows

£10.3bn

Value of new business (VNB)

£839m

Other key financial indicators	2024	2023
Adjusted operating profit	**£1,071m**	£994m
Solvency II operating own funds generation	**£1,029m**	£1,297m
Cash remittances to the Group	**£1,272m**	£1,369m
Cost asset ratio	**43.3 bps**	41.4 bps

Operational highlights

Throughout 2024, we have successfully delivered numerous initiatives to improve the experience for our customers and optimise the efficiency of our operations:

- At the beginning of 2024, IWR announced a 15-year extension to our key strategic partnerships with Diligenta and FNZ to simplify our operations and support our growth ambitions, with further changes improving how we serve our customers. Strong progress on this agenda was made throughout 2024 with Capita outsourced services transitioned to Diligenta on time.
- As part of the Group-wide re-launch of our MyAviva app, we have delivered key enhancements, such as a single view of wealth for our pensions, savings, and investment customers, and the award-winning Find & Combine feature to help customers locate and consolidate their pensions.
- In line with our strong commercial performance combined with increased product usage, 2024 saw operational demands increase 10% compared to 2023. We were able to service this demand with a corresponding 8% increase in operational resources - highlighting improved efficiency rates on the back of continued investment into digitising and automating key processes.
- Despite the increased operational demand, our key customer experience indicators also improved throughout the year. Our Transactional Net Promoter Score (TNPS) was up 4.3 points on 2023[1], at +49.9 points following strong focus on key customer journeys to reduce pain points.
- Our Online Experience Score (OES) was above target at 68.8% in response to upgrades and improvements across key IWR customer journeys.

Sustainability is one of our four key strategic priorities. We are making progress in this area, contributing to the Aviva Sustainability Ambition:

- As an asset holder, IWR invests across the economy and our investment decision-making prioritises investment outcomes for customers and shareholders. Where possible, we aim simultaneously to decarbonise our portfolios and increase portfolio alignment to the goals of the Paris agreement.
- Where UK IWR has investment decision-making control for our shareholder assets and policyholder assets, we are embedding our stewardship and climate ambitions into the investment strategy and day-to-day investment management.
- We also exceeded our ambition for 2024 by achieving 30,079 volunteering hours.

£10.8bn

Investment in sustainable assets[2]

Products and customers

Insurance

We are the largest combined provider of Individual and Group Protection in the UK, insuring over 9 million lives.

The acquisition of AIG's UK Protection business strengthened our position in the market and has complimented the breadth of offerings we can offer our corporate and individual customers. The integration has progressed on plan. We moved to an integrated product offering from August 2024 and recently announced a new 5-year partnership with NatWest Group, building on the current partnership between NatWest and AIG's UK Protection business.

In April, we won the 'Keeping People Protected' category at the LifeSearch Protection Awards followed by the 'Best Diversity & Inclusion Strategy' award at the Health and Protection awards in October, demonstrating our commitment to our customers and colleagues.

In Individual Protection, we led the market and continued to deliver for our customers in the moments that matter, as evidenced by our customers giving us a TNPS of +82 across our claims journeys.

With the acquisition of AIG's UK Protection business, our Group Protection portfolio is now over £875 million which represents an increase of 47%[3] versus 2023, making Aviva the largest provider of Group Protection in the UK.

Through collaboration with our corporate clients and partners, we accelerated the ways in which our customers can access our suite of key wellbeing services, seeing registrations for our Digicare+ and Aviva Digital GP services across our Protection and Health customers increase from 269,000 to 305,000, with usage increasing by 60% versus 2023.

In our Health business, we set out our ambition for £100 million operating profit by 2026 through focused growth across key customer segments and delivery of a market leading combined operating ratio (COR).

During 2024 we saw double-digit growth in Health in-force premiums in a structurally attractive market. In line with our continued investment in digital channels and strong broker engagement, new business annual premium income in our SME and Consumer business increased 14%.

Strong cost discipline and excellent agility in our pricing has allowed us to continue delivering profitable growth, with a full year COR and expense ratio achieving low 90s and early teens respectively.

We have also continued to optimise the way we work with our supply chain partners, successfully renewing our major Hip and Knee agreement and exiting our Healthcare purchasing Joint Venture with Vitality, giving us greater control over our supply chain and improved flexibility in developing services for our customers.

Wealth

We're no.1 in Wealth[4], with Intermediated & Retail net flows up 85% year-on-year and record gross inflows to our Adviser Platform. We saw strong growth in Direct Wealth, with net flows up 287% year-on-year, and in Workplace we won over 470 new schemes in 2024.

1. The 2023 TNPS comparative has been re-presented to reflect updates to product weightings used to calculate the metric to better align to Aviva's strategic priorities
2. Cumulative investment
3. As measured by in-force annual premium
4. Aviva analysis of HY 2024 company reporting

Aviva is the largest workplace provider in the market[1]. We won 477 new corporate pension schemes in 2024, continuing our strong performance in our workplace offering. This has led to numerous awards such as 'Best Buy Pension' (Boring Money), 'Best Group Pensions Provider' (Corporate Adviser) and 'Best Decumulation Proposition' (Corporate Adviser).

Benefits Guru awarded us six Gold awards in the 2024 Workplace Pensions and Auto-Enrolment ratings, demonstrating our impressive performance in workplace pension solutions.

We work closely with Aviva Investors, with over 60% of workplace net flows going into Aviva Investors solutions.

Our Adviser Platform attracted the second highest net flows in the market[2], driving assets under administration growth of more than 20% versus last year, whilst our Pension Portfolio offering was the most advisor recommended SIPP in 2024, according to Defaqto research. We won 'Best Default ESG Strategy' at the Corporate Advisers 2024 Awards.

Succession Wealth, our advice business, continued to drive value from the wider Aviva ecosystem, increasing the value of assets secured via referrals from Aviva customers by over 84% compared to 2023. Succession Wealth was also awarded the 'Wealth Management Firm of the Year' in the Wealth & Asset Management Awards 2024.

We launched our first Junior ISA, encouraging our customers to adopt positive saving and investment habits from the first stages of life, as well as Asset Transition functionality on our Platform.

While Direct Wealth is still at an early-stage, the business is continuing to grow customers fund flows positively, and we are delivering rapidly against our proposition road map and digital transformation plans. In 2024 flagship launches included the new 'Find and Combine' pension consolidation service, a first national advertising campaign for our Aviva Wealth brand, and the redesign of our most critical customer journeys for ISA and Pension customers.

Retirement

Our Retirement business consists of bulk purchase annuities (BPA), individual annuities and equity release.

The BPA business saw a record trading year in 2024, with £7.8 billion transacted across 61 deals, including National Grid (£1.7 billion, our largest to date), Michelin (£1.5 billion) and RAC (£1.3 billion).

We have achieved our three-year ambition of £15-£20 billion BPA volumes across 2022-2024, with volumes of £17.7 billion.

Our small scheme proposition, Aviva Clarity, has been exceptionally well received and positions Aviva well in supporting smaller schemes with their de-risking ambitions.

We are the largest provider of UK individual annuities based on portfolio size. In 2024, we saw sustained customer demand for individual annuities, with our external sales up 27% year-on-year, with our focus on optimising our operational processes and investing in recruitment and training helping to service the demand from customers and advisers.

In our Equity Release business, we have evolved our market leading proposition and won 'Best Equity Release Lender' and 'Best Equity Release Lender Customer Service' at the 2024 What Mortgage Awards.

Ireland

In Ireland, we are number four[3] in the market. We offer a wide range of products across protection, savings, pensions and annuities and are committed to making it easier for intermediaries to do business with Aviva.

PVNBP grew by 35% due to strong growth in our wealth business and we have gained 2pp[4] market share.

Group IQ, a first to market initiative, was released to the broker market in June, transforming the new business quotation process for a key segment of the Group Protection and Workplace Pensions market.

2024 saw Aviva re-enter the Health insurance market in Ireland through a joint venture called Level Health. This saw our General Insurance (GI) and Life businesses join up to develop a proposition that leveraged the strength of both for the benefit of our customers. Eligible Level Health customers get discounted home insurance via our GI business, free accidental death coverage and discounted Mortgage Protection from our Life business.

In November, Aviva picked up both the Marketing Campaign of the Year and Property Fund Manager of the Year at the Irish Pensions Awards.

1. Corporate Adviser (Master Trust & GPP Defaults report, April 2024)
2. Fundscape Q3 2024 press release
3. Aviva calculation derived from the Milliman Life and Pensions New Business 2024 HY Report
4. Milliman report Oct 2024

Key priorities for 2025

We are committed to being the UK & Ireland's go-to life-time partner for financial wellbeing. As we continue our progress towards a capital-light business through our well-balanced portfolio, our key priorities give clear direction for how we will deliver for our customers and colleagues, and are as follows:

- Complete the integration of AIG's UK Protection business, including Part VII transfer.
- Within Health, accelerate in Direct Consumer & Intermediated SME whilst maintaining strong position across Large Corporates.
- Deliver efficiency improvements through automation and digitisation and progress towards our vision of the 'Workforce of the future'.
- Leverage our 'One Aviva' advantage to drive growth in multi-product holdings across our customer franchise.
- Deliver Connected Wealth - our seamless Wealth and Advice proposition set.
- Continue modernisation of our IT estate, particularly across Health and Annuities.
- Continued strong focus on risk management and resilience across our business.
- Continue to support Aviva's sustainability ambitions.

UK & Ireland General Insurance

"In 2024 we continued to deliver strong financial performance across our General Insurance business. We executed on key strategic initiatives, including entering the Lloyd's market and improved our TNPS scores through targeted improvements in customer service. Looking ahead, we have significant transformation planned to develop our business further in order to become the clear UK market leader."

Jason Storah
CEO of UK & Ireland
General Insurance

Overview

Business strategy overview

Aviva is a leading insurer in both the UK and Ireland market, providing insurance solutions to over seven million customers, having maintained its position as number one in the UK[1] and number three in Ireland[2].

We grew both top and bottom line in 2024 through a disciplined trading across our portfolio management.

We have expanded our UK distribution footprint through the acquisition of Probitas, a Lloyd's syndicate operating in the London Market, and entered new markets with the launch of Level Health, a healthcare business in Ireland.

The market for general insurance (GI) in 2024 continued to see first-hand the impact of severe weather with 13 named storms throughout the year. These events placed constraints on supply chain, with further impacts remaining in the global macro-economic environment. Despite this, we continue to invest in our customer propositions and we've seen a 9.5 point improvement in our UK transactional net promoter scores (TNPS) throughout 2024.

Our strategy remains investing for profitable, diversified growth, and to deliver on our ambition to be the clear market leader, outperforming over the cycle. We are pursuing this by delivering across four priorities:

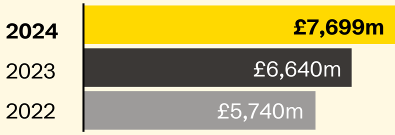
- Becoming a diversified growth engine;
- Being a trusted customer champion;
- Forging first class operational foundations to drive efficiency; and
- Progressing on climate and social action.

1. Source: ABI General Insurance Company Rankings 2023, by GWP
2. Source: Insurance Ireland Non-life Members ranking 2023, by GWP

Highlights

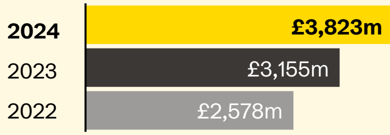
Total GWP

£7,699m



Personal lines GWP

£3,823m



Commercial lines GWP

£3,876m

Undiscounted COR

94.9%

(2023: 96.8%)

Other key financial indicators	2024	2023
Adjusted operating profit	**£708m**	£452m
Solvency II operating own funds generation	**£572m**	£315m
Cash remittances to the Group	**£571m**	£326m
Distribution ratio	**31.2%**	32.6%

Operational highlights

- Completed acquisition of Probitas, a fully integrated Lloyd's platform that includes Syndicate 1492, a top performer in growth and profitability. Entering Lloyd's will increase the territories in which we can underwrite business and provide the opportunity to further scale our already strong distribution relationships.
- Launched our travel insurance partnership with Nationwide Building Society, providing cover for over 800,000 customers.
- Quotemehappy (QMH) Motor Essentials, launched in 2022, has helped over 175,000 customers access insurance through the cost-of-living crisis by providing quality cover that gives customers choice and our QMH Connect proposition enables customers to save money by driving more safely.

£708m (+57%)

Adjusted operating profit

- We continue to grow our renewables insurance book, having expanded our proposition to include offshore wind capability and rounded out our green tech appetite to include hydrogen, hydroelectricity, geothermal, and biomass.
- Our Aviva Risk Management Solutions (ARMS) team provided prevention advice and risk management assistance to our commercial lines customers virtually and on-site, with over 53,000 client engagements in 2024. This advice is critical in helping our customers prevent potential loss events in the future.
- Refined our global service proposition, including establishing dedicated hubs for Multinational and Delegated Underwriting business, ensuring capability is in place to achieve in these growth priority segments.
- UK GI has achieved +167,000 net new multi-product holding (MPH) customers. This has been driven across Motor, Home and Intermediated Travel, underpinned by investment in the MyAviva app which improved customers' ability to access additional insurance from Aviva in a convenient manner.
- We have continued to strengthen capability and capacity in our Commercial Lines business with over 600 underwriting licence upgrades, by scaling intelligent underwriting automation and launching the market-first Broker Tracker, enhancing broker visibility of live quote status.
- Strengthened our regional branch network in Commercial Lines by opening two new branches in Chelmsford and Southampton and extending our existing presence in Glasgow, Newcastle and Belfast.
- Our Aviva Zero motor proposition, offering customers the opportunity to offset car emissions, uses next generation pricing models and has sold over one million policies since its launch in 2022.
- We expanded our wholly owned subsidiary garage network, Solus, with three new sites in 2024, including the first completely electric site in Dunstable. This expanded footprint increases our proximity to more customers across the UK to speed up the repair process and shorten duration of motor claims.
- Positive sentiment recognised in the insurance market with Aviva winning 'General Insurer of the decade' and 'General Insurer of the year' at the British Insurance Awards and Insurance Times Awards. Aviva also secured 5* rating in the Insurance Times E-Trade survey.
- Claims notes summarisation tool is now live, where we use GenAI to summarise notes on Guidewire for our handlers. This product has won two industry awards for 2024 and has now benefitted.
- We continue to invest heavily in technology to support our Irish business, with our Direct Digitisation initiative off to a great start on personal lines; resulting in increased new business, quote conversion and end to end online journey fulfilment, reflecting the enhanced customer experience.
- Level Health, the start-up health insurance joint venture launched in November. Entering the Healthcare market completes our composite retail offering in the region, now offering general insurance, life and health products to the Irish retail market, and through close work with our IWR business, customers are offered incentives to increase their policy holdings with us.

Products and customers

Personal lines

In personal lines we offer motor, home, travel and gadget insurance. Our multi-channel distribution includes selling directly to customers through MyAviva and price comparison websites, as well as reaching our customers through intermediary relationships with brokers, affinity partners, 'fintechs' and several of the UK's leading banks.

Our strategy is to focus on growing our Retail business and attractive, profitable segments within our market leading business-to-business (B2B) distribution.

>1 million

Aviva Zero policies sold since launch in 2022

We have a clear brand and proposition portfolio that provides a broad range of products and services most relevant to customers' needs. Our UK Personal Lines business grew 22% in 2024 as we continued to balance growth with the maintenance of pricing and underwriting discipline.

We continue to be the largest provider in the UK home insurance market and are a leading high net worth (HNW) insurer. We are a leading provider of travel insurance, launching our new partnership with Nationwide Building Society in 2024 and providing cover for more than 800,000 customers. In 2025, we will grow this partnership further becoming the sole underwriter of home insurance in the UK for Nationwide Building Society members, adding over 600,000 new home insurance customers.

In 2024, we have made over 300 distinct improvements to our products and services in our Retail business alone, resulting in strong retention rates and a 9.5 point TNPS improvement year-on-year. These customer focused changes include augmented digital journeys, additional customer-facing colleagues supporting our telephony based services, as well as improving our agility and ability to compete in a highly price-competitive.

As a result of our claims re-engineering programme, motor claims TNPS has continued to improve, reaching +55 in 2024.

Commercial lines

We offer commercial lines insurance to a wide array of businesses, from the micro segment up to large UK and global corporates.

Our strategy is to use our broad distribution network and leading broker sentiment to accelerate profitable growth and we continually review our underwriting appetite to create new growth opportunities.

We have invested in enhancing our broker responsiveness and customer outcomes through increasing the technical capability and authority limits of our underwriters, allowing more decisions to be taken by our broker facing staff. We've also invested in automation and artificial intelligence to turn around quotes to our brokers in less time.

98% of mid-market renewals are now supported by artificial intelligence and we have decommissioned legacy IT platforms to improve efficiency for our people, freeing up time to underwrite and tailor service to customer needs. We continue to build our analytical and catastrophe modelling capabilities to allow us to better support our customers where there is exposure to natural perils or catastrophes.

In 2024, we have grown our SME business by 11%, enabled by process efficiencies and improvements across our Mid-Market business, disciplined trading and acceleration of underwriting, digital, automation and data capability with a focus on delivering excellent customer and broker outcomes.

Our Global Corporate and Specialty business (GCS) has grown 12%, largely driven by corporate property, the favourable property market conditions, and growth in specialty following the expansion of our proposition.

Our organic growth in GCS was bolstered by the acquisition of Probitas. Probitas is a top performer for growth and profitability in the Lloyd's market. This acquisition gives Aviva access to dual stamp capability, new international licences, and opportunity to further scale our distribution relationships.

In 2024, we introduced seven new lines within GCS, with five new lines of business from the Aviva product suite to the Probitas Lloyd's syndicate platform. We also launched new lines of business through our existing GCS business, introducing Offshore Wind and Political Violence & Terrorism, as well as expanding our appetite for Ports & Terminals.

We have invested in our Commercial Lines Underwriting and Pricing capability with a newly expanded Chief Underwriting Officer leading the delivery of new pricing models to support the launch of new product lines in GCS and Lloyd's, incorporating new technologies to accelerate underwriting deployments to respond to market conditions and maintained disciplined portfolio management sooner.

Key priorities for 2025

- Support the Group's capital-light strategy by continuing to grow in Retail personal lines and launching new partnership deals. We will solidify our strong commercial lines position by leveraging our intermediated distribution relationships and capitalising our expanded GCS capability following the acquisition of Probitas.
- Complete the proposed acquisition of Direct Line, creating a market leading personal lines business.
- Continuing our ambition of being a trusted customer champion, by delivering great customer outcomes and tangible improvements to customer experience.
- Remained focused on simplifying our business and improving customer experience by scaling the use of artificial intelligence to improve and simplify our processes.
- Maintain focus on ensuring our insurance products support the transition to a lower-carbon economy.

Canada General Insurance

"Aviva Canada delivered strong underlying results in 2024 despite a challenging year marked by record-setting adverse weather events, challenging regulatory environment, and heightened commercial lines trading competition. Looking ahead, our focus remains on maintaining pricing and underwriting discipline, whilst executing on our strategy to drive profitable growth."

Tracy Garrad
CEO of Canada General Insurance

Overview

Business strategy overview

Canada ranks among the top ten largest insurance markets globally[1] where Aviva Canada is the second largest property & casualty insurer with a c.8% market share[2].

In 2024, we continued to make significant strides towards becoming the leading insurer in Canada and solidifying our position as the preferred choice for customers, brokers and our people. We are doing this by focusing our key strategic priorities as follows:

- Growing profitably through strengthening our partnerships, geographic diversification in personal lines and further broadening our commercial lines offerings.
- Delivering industry leading customer experience, including focused investment on system modernisation for better customer interactions.
- Investing in capabilities and technology programs to boost efficiency, accelerate performance, and deliver superior customer outcomes.
- Embedding sustainability practices across our business through programs to support our suppliers on their road to net-zero, creating sustainability-focused products, and partnering with organisations and communities to address climate change.

1. Canadian insurance market position source: swissre.com
2. Canadian market share source: FY2023 MSA Research Results. Includes: Lloyds, excludes: ICBC, SAF, SGI and Genworth.

Highlights

Total GWP

£4,505m

Personal lines GWP

£2,788m

Commercial lines GWP

£1,717m

Undiscounted COR

98.5%

(2023: 95.3%)

Other key financial indicators	2024	2023
Adjusted operating profit	**£288m**	£399m
Solvency II operating own funds generation	**£223m**	£339m
Cash remittances to the Group	**£135m**	£158m
Distribution ratio	**31.8%**	31.5%

Operational highlights

- Strong growth in personal lines, driven by Personal Auto in Ontario and Quebec. Focus remains on rate adequacy and improved segmentation using industry leading analytics & pricing models.
- Our continued growth in key commercial lines, driven by strong results in Commercial Property and Mid-Market opportunities in Aviva Business (ABI), and large corporate and non-traditional opportunities in Global Corporate & Specialty (GCS). Our focus remains on strict underwriting discipline to remain profitable as price competition continues to increase.
- We accelerated supply chain in sourcing by partnering with four more auto body shops, creating better customer outcomes, indemnity savings and cycle times. We now have a total of nine body shops in operation with fully-dedicated capacity secured.
- Continued investment in system modernisation to drive operational efficiency and enhance ease of doing business with our end customers and broker partners.

Our response

The series of catastrophic weather events experienced this summer made for the most destructive year in Canadian history, with over $8 billion in industry insured losses[1]. Aviva Canada focused on delivering for customers, mobilising all parts of the business to support the claims functions.

With the increasing frequency and severity of these events, prioritising resilience and implementing mitigation measures is essential. Throughout the year, weather awareness campaigns were launched to provide customers and brokers with educational materials on weather-related risk mitigation.

Theft and regulatory pressures in Alberta continue to be a challenge for all insurers. Though theft counts have begun to slow in Ontario, they are still higher than historical average. We remain committed in the battle against theft and fraud through diligent monitoring, proactive investigation, and persistent efforts in calling for stronger preventative measures. In Alberta Auto, we have implemented a series of underwriting and pricing actions as a start to navigating the challenging regulatory environment, though there is more action required to return to profitability. This includes lobbying for a much-needed auto insurance reform that focuses on rate adequacy and discourages unnecessary litigation.

As the industry increasingly prioritises ease of doing business, we remain committed to enhancing our interactions with customers and brokers to ensure a seamless experience as well as optimising our operations.

Products and customers

Personal lines

Our Personal Lines portfolio, which constitutes 62% of our book, is primarily composed of mass-market propositions. Our book is concentrated in the highly populated province of Ontario, with a significant proportion in Personal Auto insurance.

With high growth experienced in 2024, the focus remains on preserving profitability. This will be accomplished through disciplined rate management, particularly in the highly regulated Personal Auto markets, and diligent exposure management in property, to ensure we are not over-exposed in high-peril regions or provinces with unfavourable regulatory environments.

We expect market conditions to continue given the lack of profitability in the industry, driven by unfavourable claims experience in Auto and heightened catastrophic events in Property.

Our specialty portfolio (Group, High Net Worth, and Lifestyle) remains a key driver of profitable growth and we are committed to further leveraging our product range, expertise, and best-in-class claims service to expand market presence.

In 2024, we successfully implemented a modernised pricing platform, enabling live rating capabilities and an enhanced analytical environment. This has enhanced our speed to market and enabled implementation of above-market rates in Personal Auto. Building on this success, we will accelerate the deployment and rollout of these capabilities across our entire product suite and across all regions.

c.19,000

Severe weather claims processed when our customers needed us the most

1. CatIQ insured damage estimate in 2024: www.catiq.com

Commercial lines

We consistently deliver profitable growth in our Commercial lines segments, split between ABI (18% of the book) and GCS (20% of the book). As price competition continues to increase in the Commercial market, product diversification, deepening underwriting expertise, and strengthening technical capabilities will be key to maintaining profitable growth.

In ABI, growth focus is placed on the profitable medium and mid-market segments, particularly in Commercial Auto segment. We continue to make progress in optimising our operations, implementing pricing sophistication and automating tools to streamline our underwriting processes.

For GCS, product diversification is key to accelerating growth. This year, we broadened our GCS offerings by launching new Directors & Officers and vehicle replacement warranty insurance products. We are actively looking to grow in attractive segments of the GCS market, diversifying through the expansion of our Casualty Specialty products and other niches, and launching new offerings in high growth energy transition sectors.

Following the successful acquisition of Optiom, we have seamlessly integrated their operations, enhancing our capabilities and offerings. We will continue to maximise opportunities through Optiom to diversify earnings by expanding distribution through Aviva's existing broker network and growing its product suites.

Customers

Aviva Canada continues to deliver exceptional service to our customers, especially through this year's unprecedented claims volume due to record-setting catastrophic weather events. As the frequency of these events increase, helping our customers build resilience is of utmost importance. Our partnership with Wildfire Defense Systems helps safeguard our customers' properties in Alberta and British Columbia from potential wildfire damage.

We remain committed to offering our customers sustainable options through our product range. By launching an improved solar product into our standard product offerings, we make the adoption of renewable energy solutions more accessible and cost effective for all customers.

Claims vertical integration remains a focus across our portfolio. In 2024, we added four more partnered body shops with a total of nine shops in operation with fully dedicated capacity. Extending a similar approach to the Home Restoration space, we are focused on establishing a network of partnered vendors.

We are committed to innovating and enhancing the customer experience as their needs evolve, especially as demand for digital services and capabilities remain strong. Building on our existing partnerships, we have expanded our Buy Online proposition for our Royal Bank of Canada (RBC) customers. As we look to expand our strategic partnerships, we have also launched a platform that offers chat capabilities with Online Quote, Buy Online & Self-serve options, to further complement our broad distribution channels. This platform will enhance our readiness for future customer needs within the partnership channel and provide our customers with flexibility in how they meet their insurance needs.

Distribution channels

In Canada, we have a strong, long-standing relationship with our network of over 640 independent brokers and a partnership with RBC, the largest bank and most valuable brand in Canada[1].

Our commercial lines business remains intermediated by our broker network and via Managing General Agents, whose expertise enables us to create specialised products for targeted customer segments.

In 2025, we will continue to invest in platform modernisation and enhancing our digital capabilities to ensure continued ease of doing business with our partners, brokers, and customers.

1. PC insurance survey of Canadian consumers. RBC market position based on brand rank source: Kantar

Key priorities for 2025

- Maintain focus on pricing and underwriting fundamentals and diligent exposure management to ensure profitability across all lines of business.
- Grow sustainably through our RBC brand with focus on profitability.
- Broaden our product offerings in Commercial Lines and use Aviva's broker network to grow Optiom.
- Continue our business transformation through strategic investments in technology and capability.
- Improve efficiency and customer outcomes through continued expansion of our Claims value chain insourcing in Auto and Property.
- Continue delivery on our sustainability, diversity, equity and inclusion goals to ensure a future-ready workforce.

Aviva Investors

Wealth

"Aviva Investors had a solid year with assets under management, revenue and operating profit growing. Our multi-year outsourcing projects continue to progress and a strategic review gave us clarity and focus to deliver further growth in the future."

Mark Versey
CEO of Aviva Investors

Overview

Business strategy overview

Aviva Investors is a global asset manager with expertise in connecting the right investment capabilities with individual client needs combining the breadth of our multi-asset, private and public market capabilities to deliver for clients evolving needs. Aviva Investors manages £238 billion (2023: £227 billion) of assets, with £199 billion (2023: £189 billion) managed on behalf of Aviva Group. Through our skills and expertise in asset allocation, portfolio construction and risk management, we provide a range of asset management solutions to Aviva and our institutional, insurance and wealth clients. Our focus on sustainability continues to be demonstrated by our investment strategy and actions in 2024.

Operational highlights

Our goal is to be the best asset manager for Aviva while also leveraging our investment expertise for the benefit of external clients.

The key drivers of our strategy are:

- **Growth:** Continue to support Aviva IWR growth in annuities, workplace pensions and wealth, and our external business, through our multi-asset solutions, active specialisms and sustainable product offering.
- **Customer:** deliver an exceptional client experience through strong investment returns, rigorous risk and control culture, underpinned by sustainability considerations.
- **Efficiency:** Reduce the number of suppliers and enhance the use of data and technology whilst maintaining strong cost controls to drive operational efficiency and better customer outcomes.

Highlights

Assets under Management

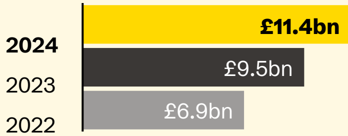
£238bn

External net flows

£0.2bn

Cumulative amount invested in UK infrastructure and real estate since 2020

£11.4bn



Internal Wealth flows

£4.2bn

Other key financial indicators	2024	2023
Aviva Investors revenue	**£374m**	£346m
Adjusted operating profit	**£40m**	£21m
Cost income ratio[1]	**89 %**	94 %
Cost asset ratio	**14.4 bps**	14.5 bps

1. The 2023 comparative amounts for the cost income ratio have been re-presented to calculate the ratio using total Controllable costs. See the 'Other Information' section for further details.

- **Sustainability:** underpin the execution of our business strategy by understanding and delivering on investors' unique sustainability preferences.

We have a highly diversified range of capabilities, with active specialisms across private and public markets including real estate, infrastructure, private credit, listed equities and a range of fixed income offerings.

Key operational highlights in 2024 are:

- Transformed our external distribution function under new leadership, with a higher proportion of staff client facing, a laser focus on delivering the sales strategy, and targeting key markets and product lines.
- Strategic review of our global footprint resulting in a more focused investment business. This includes repatriation of US fund management to central head office in London.
- Launch of several new funds expanding our customer propositions.
- Launched our second and third Long Term Asset Funds (LTAFs) in 2024, with AUM of £2.2 billion as at FY24 making us one of the largest providers of LTAFs in the UK.
- Our liquidity business went from strength to strength in 2024, with strong investment performance underpinning above-market asset growth.

£4.4bn

Net flows into liquidity funds and cash

Market overview

2024 was a good year for equity investors as global growth remained resilient despite higher than anticipated inflation. Although overall returns were strong in the MSCI All Country World Index, only eight stocks contributed to half of the returns, presenting a challenging environment for active investors.

In fixed income, High Yield bonds were the top performing sector, while global government bond returns were negative over the year. Central banks cut interest rates in the second half of the year, however they are increasingly cautious on the pace of further rate cuts in 2025. The year ahead is likely to see a continued de-coupling of central bank paths as disinflation progress stays uneven. The higher-for-longer sentiment helped drive £4 billion of new flows into our liquidity strategies, which included flows from over 70 new clients.

Private markets saw equity-based assets continue to reprice in early 2024, followed by stabilisation. Real estate performance diverged, with living and logistics outperforming while the office sector remained under pressure. Infrastructure also showed signs of stabilisation, with elevated discount rates now a feature and continued investor interest driven by energy transition and technology sectors. European infrastructure debt deals hit a decade-high of £131 billion whilst real estate debt activity also increased with more availability and favourable terms, despite high borrowing costs. Overall positive external market growth was a significant contributor to growth in Assets Under Management in 2024.

Investment Performance

Consistent delivery of investment performance is key to meeting our clients' investment needs and remains a key priority. Our investment performance relative to benchmark in 2024 improved over both one and three year time horizons.

We have realigned our investment team resource to focus areas and powered up our fixed income capability, hiring in a new head of fixed income and head of fixed income research and by expanding our credit portfolio manager and credit analyst teams.

Distribution

Our Aviva client distribution channels mainly comprise:

- Wealth, where we develop multi asset propositions to meet the long term savings needs of Aviva's investment, wealth and retirement customers; and
- Aviva shareholder, where we develop investment solutions to support Aviva's growth ambitions, primarily in the UK annuity market.

Our external client distribution channels include:

- Institutional: Large asset owners, such as pension funds, endowments, foundations and their investment consultants; and
- Wealth: Financial institutions (Such as large private banks), independent financial advisors and wealth mangers; and
- Insurance companies: where we externalise our deep expertise and heritage in servicing insurance clients

Overall net outflows reduced in 2024 to £(2.3) billion from £(5.4) billion in 2023. This reduction mainly resulted from a reduction in transfers out from entities previously part of the Aviva Group.

External net inflows of £0.2 billion (2023: £0.7 billion) were net positive for the sixth straight year in a row, as an increase in private market redemptions was offset by strong inflows into our public market funds.

Internal net outflows reduced to £(1.1) billion (2023: £(1.6) billion) driven by higher inflows from annuities offsetting an higher heritage outflows as asset values increased.

Key priorities for 2025

- Continued improvement in investment performance.
- Capitalising on growth opportunities through our strengths in multi-assets solutions, our active specialisms and sustainable investing.
- Innovate in private markets including the launch of our Venture Capital fund and expanding our market leading workplace pension proposition.
- Ongoing focus on simplifying our business to deliver efficiency benefits.
- Understand and deliver on investors' sustainability preferences in partnership with our clients, including through the sustainability characteristics of our core products as well as through the sustainability products and solutions.

Capital management

Optimal deployment of capital is a key driver in our strategic decision making, including product mix, pricing, hedging, reinsurance, investments, transformation programmes, acquisitions and disposals. Capital and liquidity management is embedded in our businesses and supported by Group-wide policies.

Capital management framework

At the core of our Group capital management framework is financial strength and efficient deployment of capital. Key elements of our framework are as follows:

- Solvency II shareholder cover ratio working range of 160%-180%, with opportunities for the deployment of any excess capital considered as part of the framework (see below).
- Centre liquid assets of at least £1 billion.
- Solvency II debt leverage ratio below 30% (other than for temporary periods).
- To maintain our AA credit rating metrics.

The Group seeks to retain financial flexibility by maintaining strong liquidity, access to a range of capital markets and significant unutilised committed credit lines.

The Group operates within solvency and liquidity risk appetites which are reviewed annually by the Board. Our businesses are capitalised based on buffers above their regulatory minimum levels, which are specific to each entity. Subsidiary capital and liquidity risk appetites are reviewed regularly by subsidiary boards.

The Group and subsidiaries regularly stress-test their capital and liquidity positions to ensure they remain resilient to a wide range of possible risk events.

Dividend policy

Our policy is to deliver a sustainable dividend at a level that is resilient in times of stress and is covered by capital and cash generated from our businesses. We expect to grow the cash cost of the dividend by a mid-single digit percentage each year. We also expect to make regular and sustainable returns of capital which will further uplift the dividend per share above the mid-single digit cash cost growth.

Subject to the successful completion of the acquisition of Direct Line, we currently expect to declare an additional mid-single digit percentage uplift in the dividend per share. Therefore, combined with our existing dividend policy, two mid-single digit uplifts in our dividend per share can be expected in the 12 months following completion[1].

Excess capital

In addition to regular capital returns any excess capital is available for deploying in:

- Additional investment in the business to support our customer, efficiency and sustainability objectives.
- M&A where this delivers attractive risk adjusted returns and the opportunity is in line with our strategy.
- Thereafter, additional distributions to shareholders will be considered.

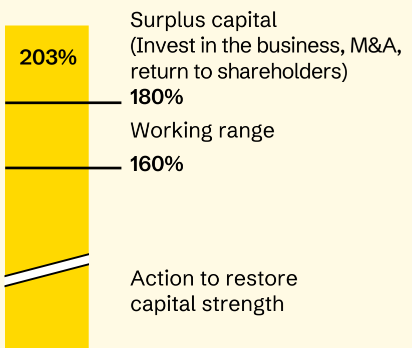
Impact of proposed acquisition of Direct Line

The proposed acquisition of Direct Line (see page 13) will enable us to raise dividends per share and increase future buybacks, supported by increased cash and capital generation as well as material capital synergies to be realised over time.

We currently expect to declare a mid-single digit percentage uplift in the dividend per Aviva Share following completion. This uplift will apply to the enlarged share capital of Aviva post-completion. We intend to maintain the current guidance of mid-single digit growth in the cash cost of the dividend from this rebased level. We also intend to maintain our guidance of regular and sustainable share buybacks from 2026 onwards, and the initial expectation is that the size of future buybacks will increase to reflect the increase in share capital, subject to PRA approval.

Our Solvency II debt leverage ratio is expected to increase at completion and is expected to return to below 30% over time. The acquisition is not expected to impact our credit ratings. We expect centre liquidity to remain above £1 billion post-completion.

Solvency II capital



Our Solvency II alternative performance measures

Solvency II performance

- Solvency II OFG and Solvency II return on capital / equity is used by the Group to assess performance and growth.
- Solvency II OFG growth is a key driver of increased Solvency II OCG in future periods.

Read more on Solvency II performance: page 43

Solvency II capital generation

- Solvency II OCG provides a foundation for sustainable cash remittances from our businesses.
- Solvency II future surplus emergence: provides an indication of our Solvency II OCG from expected life business in future periods.

Read more on Solvency II capital generation: page 44

Cash remittance and centre liquidity

- Driven by our capital and liquidity risk appetite.

Read more on Cash and liquidity: page 42

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

Cash and liquidity

Cash remittances

Cash remittances increased by 5% to £1,992 million (2023: £1,892 million). We are on track to achieve our cash remittance target of >£5.8 billion cumulative 2024-26 and have exceeded our previous target of >£5.4 billion cumulative 2022-24.

Cash remittances

£1,992m

Cumulative cash remittances were £5.7bn for 2022-2024

Centre liquidity

Centre liquidity comprises cash and liquid assets. Excess centre cash flow represents cash remitted by our businesses to the Group centre less central operating expenses and debt financing costs. It is an important measure of the cash that is available to pay dividends, reduce debt or invest into our businesses. The table shows the movement in centre liquidity over the period.

Excess centre cash inflow was £1,210 million, which after payment of ordinary dividends, the share buyback, net debt repayments, non-operating cash flows over the year and receipt of proceeds from the disposal of Singapore, resulted in central liquidity of £1,695 million as at the end of January 2025 (February 2024: £1,891 million).

Centre liquidity

£1,695m

Cash remittances from business units	2024 £m	2023 £m
Insurance, Wealth & Retirement (IWR)[1]	1,272	1,369
UK & Ireland General Insurance[1]	571	326
Canada General Insurance[1]	135	158
Aviva Investors	14	25
International investments (India, China and Singapore)[2]	—	14
Total cash remittances	**1,992**	1,892

1. We use a wholly-owned, UK domiciled reinsurance subsidiary for internal capital and cash management purposes. Some remittances attributable to the operating businesses arise from this internal reinsurance vehicle.
2. In February 2025, £11 million of dividends were received from China in respect of 2024

Centre liquidity	2024[1] £m	2023[1] £m
Cash remittances	1,992	1,892
External interest paid	(312)	(304)
Internal interest paid	(49)	(48)
Central spend	(417)	(433)
Other operating cash flows[2]	(4)	136
Excess centre cash inflow	**1,210**	1,243
Ordinary dividends	(921)	(878)
Net reduction in external borrowings	(599)	(122)
Share buyback	(300)	(300)
External disposal proceeds[3]	937	—
Other non-operating cash flows[4]	(522)	(272)
Movement in centre liquidity	**(195)**	(329)
Centre liquidity as at end of January 2025 and February 2024 respectively	**1,695**	1,891

1. Centre liquidity is presented as at the end of the month immediately preceding results publication. Accordingly cashflows in 2024 reflect those in the 11 month period from March to January of the subsequent year. Cashflows in 2023 reflect those in the 12 month period from March to February of the subsequent year.
2. Other operating cash flows include group tax relief net receipts in 2023, and group tax relief net payments in 2024
3. External disposal proceeds relate to total proceeds on disposal of Singapore Life Holdings Pte Ltd
4. In 2024 other non-operating cash flows includes capital paid to subsidiaries of £730 million (2023: £194 million) primarily to fund the acquisitions of AIG's UK Protection business and Probitas, net of an additional remittance of £200 million from our wholly-owned UK domiciled reinsurance subsidiary. 2023 includes a £92 million fee to the noteholders of the Group's £600 million Tier 2 Fixed to Floating Rate Notes due 2058 (paid in July 2023).

Solvency II performance

Solvency II operating own funds generation

Group Solvency II OFG has decreased by £74 million to £1,655 million (2023: £1,729 million) due to a lower benefit from IWR management actions. Underlying Solvency II OFG has increased by £225 million to £1,503 million (2023: £1,278 million)

IWR Solvency II OFG has decreased by £268 million to £1,029 million (2023: £1,297 million). Underlying Solvency II OFG has increased by £22 million due to higher BPA volumes and AIG's UK Protection business following our acquisition in April. IWR management actions and other OFG has decreased by £290 million to £158 million (2023: £448 million) primarily as 2023 included a £208 million one-time benefit from the extension of two key strategic partnerships and benefits from assumption changes.

UK & Ireland General Insurance Solvency II OFG has increased by £257 million to £572 million (2023: £315 million) driven by strong trading, continued focus on underwriting discipline resulting in profitable growth and improvements in efficiency.

Canada General Insurance Solvency II OFG has decreased by £116 million to £223 million (2023: £339 million) due to elevated weather-related catastrophe losses in the third quarter.

Group Solvency II OFG has benefitted from a reduction in corporate centre costs and other to £(136) million (2023: £(219) million) primarily as a result of lower project spend.

Solvency II return on equity

Solvency II RoE measures return generated on shareholder capital and is used by the Group to assess performance and growth, as we look to deliver long-term value for our shareholders. Solvency II RoE is calculated as:

- Operating own funds generation less preference dividends, equity RT1 note coupons, adjusted to replace the run-off of transitional measures on technical provisions (TMTP) with the economic cost of holding TMTP (calculated as Group Weighted Average Cost of Capital plus 1-yr swap rate, multiplied by the opening TMTP on a shareholder basis), divided by:
- Opening unrestricted tier 1 shareholder Solvency II own funds.

Solvency II return on equity has decreased by 1.1pp to 13.6% (2023: 14.7%) reflecting the decrease in Solvency II operating own funds generation over the year and higher 2024 opening own funds.

Solvency II operating own funds generation 2024:

£1,655 m

Solvency II operating own funds generation	**2024 £m**	**2023 £m**
Insurance, Wealth & Retirement (IWR)	**1,029**	1,297
UK & Ireland General Insurance	**572**	315
Canada General Insurance	**223**	339
Aviva Investors	**29**	19
International investments (India, China and Singapore)	**117**	156
Business unit Solvency II OFG	**1,970**	2,126
Corporate centre costs and Other	**(136)**	(219)
Group external debt costs	**(179)**	(178)
Group Solvency II OFG	**1,655**	1,729
of which:		
Underlying	**1,503**	1,278
Management actions and Other	**152**	451

Solvency II return on equity 2024:

13.6%

Solvency II return on capital/equity	**2024 %**	2023[1] %
Insurance, Wealth & Retirement (IWR)	**9.4%**	11.7%
UK & Ireland General Insurance	**24.0%**	13.0%
Canada General Insurance	**13.6%**	21.3%
Aviva Investors	**7.4%**	4.9%
International investments (India, China and Singapore)	**10.8%**	13.1%
Group Solvency II return on equity	**13.6%**	14.7%

1. The 2023 comparatives for opening shareholder own funds and Solvency II return on capital have been re-presented for IWR, Canada General Insurance and Ireland General Insurance as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting IWR, Canada General Insurance and Ireland General Insurance performance. There is no impact on Group opening own funds or Group return on equity.

Solvency II capital generation

Solvency II operating capital generation (Solvency II OCG)

Solvency II OCG measures the amount of Solvency II capital the Group generates from operating activities. Capital generated enhances Solvency II surplus which can be used to support sustainable cash remittances from our businesses, which in turn supports the Group's dividend as well as funding investment to generate sustainable growth. Solvency II OCG by business is summarised in the table below.

Group Solvency II OCG has increased by £13 million to £1,468 million (2023: £1,455 million) despite a lower level of IWR management actions. Underlying Solvency II OCG has increased by £181 million to £1,244 million (2023: £1,063 million).

Solvency II operating capital generation 2024:

£1,468 m

IWR underlying Solvency II OCG increased by £49 million to £768 million (2023: £719 million) primarily due to higher existing business SCR run-off.

UK & Ireland General Insurance Solvency II OCG has increased by £46 million, where growth in Solvency II OFG is partially offset by the higher capital requirement due to strong business growth. This capital requirement is before the benefits of Group diversification included within Corporate centre costs and Other.

Solvency II OCG from Corporate centre costs and Other has increased by £166 million to £72 million (2023: £(94) million) due to lower centre costs and higher Group diversification benefits.

Solvency II future surplus emergence

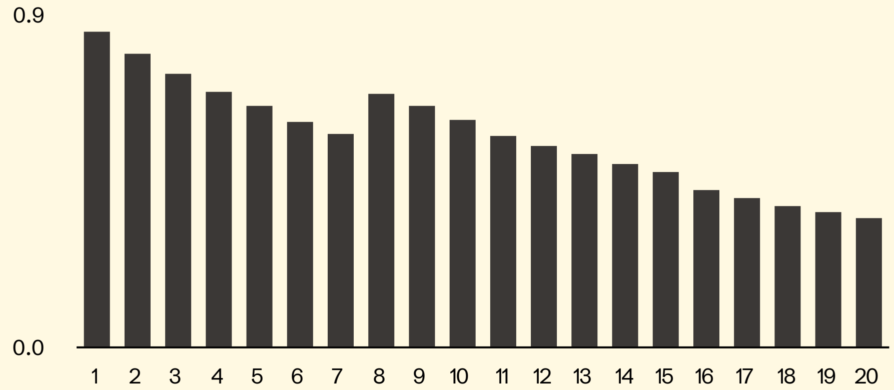
The chart shows the expected future emergence of Solvency II surplus from our existing long-term in-force IWR business (excluding Health). The projection does not include future new business or the potential impact of active management of the business (for example hedging, risk transfer and expense management).

Years 1 - 7 include the run-off of Transitional Measures on Technical Provisions (TMTP) hence there is an uplift from year eight onwards.

Solvency II future surplus emergence on our in-force IWR business together with capital generation on our future life new business, Health, Aviva Investors, International investments and General Insurance business will provide Solvency II OCG in future periods.

Solvency II operating capital generation	**2024 £m**	2023 %
Insurance, Wealth & Retirement (IWR)	**1,001**	1,102
UK & Ireland General Insurance	**337**	291
Canada General Insurance	**228**	311
Aviva Investors	**68**	—
International investments (India, China and Singapore)	**(59)**	23
Business unit Solvency II OCG	**1,575**	1,727
Corporate centre costs and Other	**72**	(94)
Group external debt costs	**(179)**	(178)
Group Solvency II OCG	**1,468**	1,455
of which:		
Underlying	**1,244**	1,063
Management actions and Other	**224**	392

Solvency II Future surplus emergence - Insurance, Wealth & Retirement (IWR) (undiscounted) (£bn)



Strategic Report
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IFRS Financial Statements
Other Information

Solvency II capital position

The Group is required to measure and monitor its capital resources on a regulatory basis and to comply with capital requirements of regulators in each territory in which we operate. At a Group level, we have to comply with the Solvency II requirements regulated by the PRA. The Group Solvency II capital requirements are calculated using a Partial Internal Model (PIM) approved by the PRA.

Group capital is represented by Solvency II own funds. Solvency II own funds are comprised of a combination of shareholders' funds, preference share capital, subordinated debt, and deferred tax assets measured on a Solvency II basis.

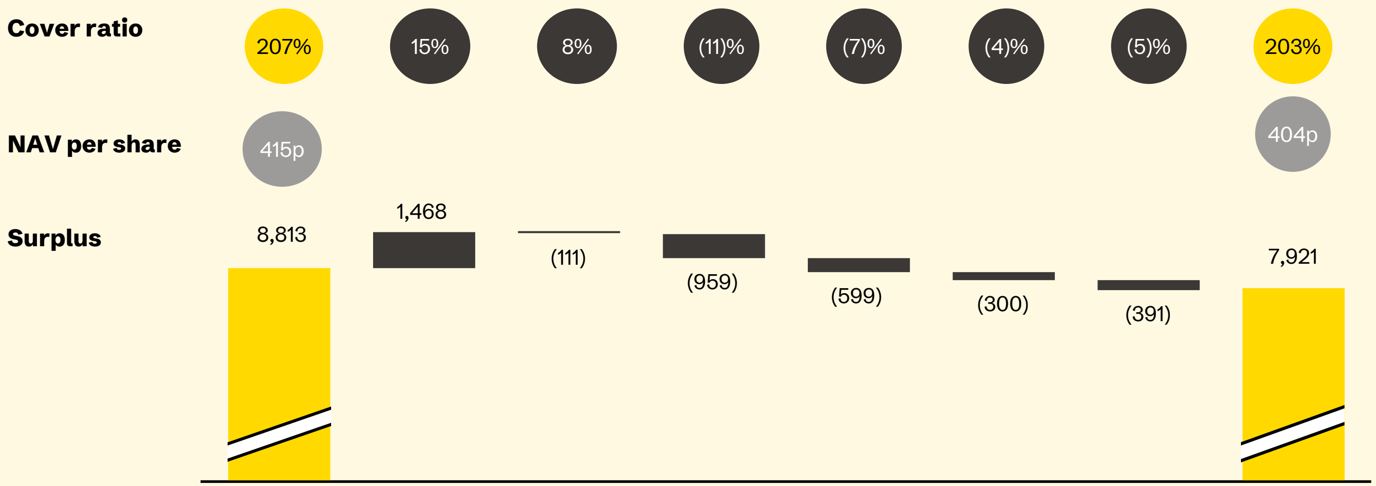
Solvency II surplus at the Group level represents the excess of eligible Solvency II own funds over the Group's solvency capital requirements calculated in accordance with Solvency II requirements.

The final PRA rules for Solvency UK reform became effective from 31 December 2024 completing the review of Solvency II and replacing assimilated law inherited from the European Union. As part of this review changes to risk margin were enacted at 31 December 2023 and Aviva reflected changes to the matching adjustment requirements at 30 June 2024. As a result, the matching adjustment cap on sub-investment grade assets has been removed; the fundamental spread is now applied by notched credit rating (rather than whole-letter ratings); and Aviva has chosen to increase the fundamental spread on a small number of assets in the matching adjustment portfolio to reflect risks that we deem are not fully reflected in the credit rating. Overall, these changes have increased the Group Solvency II shareholder ratio by c.4 percentage points in addition to the 6 percentage point benefit of Solvency UK reform recognised at 31 December 2023.

Solvency UK reform also simplifies the TMTP calculation and whilst this has no impact on solvency at 31 December 2024 the change will impact how TMTP runs-off from 2025 to 2031, making it more linear (i.e. faster run-off). Under the previous Solvency II rules, the run-off was slower in the earlier years resulting in a large residual TMTP to run-off in 2031.

The Group Solvency II position disclosed is based on a 'shareholder view'. The shareholder view is considered by management to be more representative of the shareholders' risk exposure and the Group's ability to cover the SCR with eligible own funds. It also aligns with management's approach to dynamically manage its capital position. In arriving at the shareholder position, adjustments are made to the regulatory Solvency II position, including removal of own funds and SCR in respect of with-profit funds and staff pension schemes in surplus.

Financial strength is key to the Group's strategy and the Group's estimated Solvency II shareholder cover ratio is 203% at 31 December 2024 (2023: 207%) and surplus is £7.9 billion (2023: £8.8 billion). The decrease in surplus is mainly due to redemption of subordinated debt and net impact from the acquisitions of Probitas and AIG's UK Protection business and sale of Singapore. Total capital generation exceeded dividend payments and share buyback over the period. The key drivers of the non-operating capital generation over the period are an increase in interest rates and Solvency UK reform changes to matching adjustment (see above).



£m	31 December 2023	Operating capital generation	Non-operating generation	Dividends[1]	Net debt redemption	Share buyback	Acquisitions and disposals	31 December 2024
Own funds	17,019	1,655	(785)	(959)	(599)	(300)	(392)	15,639
SCR	(8,206)	(187)	674	—	—	—	1	(7,718)
Surplus	8,813	1,468	(111)	(959)	(599)	(300)	(391)	7,921

1. Dividends includes £17 million (2023: £17 million) of Aviva plc preference dividends and £21 million (2023: £21 million) of General Accident plc preference dividends

Sensitivity analysis

As part of the Group's internal capital management process, we regularly monitor the Group's sensitivity to economic and non-economic scenarios.

The table shows the absolute change in Solvency II shareholder surplus and cover ratio under each sensitivity, e.g. a 2pp positive impact would result in the Solvency II shareholder cover ratio increasing from 203% to 205%.

Limitations of sensitivity analysis

The table demonstrates the effect of an instantaneous change in a key assumption while other assumptions remain unchanged. In reality, changes may occur over a period of time and there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the Solvency II position of the Group may vary at the time that any actual market movement occurs. For example, the Group's financial risk management strategy aims to manage the exposure to market fluctuations.

As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocations and taking other protective action.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risks that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty and the assumption that all parameters move in an identical fashion.

Specific examples:

- The sensitivity analysis assumes a parallel shift in interest rates at all terms. These results should not be used to calculate the impact of non-parallel yield movements.
- The sensitivity analysis assumes equivalent assumption changes across all markets i.e. UK and non-UK yield curves move by the same amounts, equity markets across the world rise or fall identically.

Additionally, the movements observed by assets held by Aviva will not be identical to market indices so caution is required when applying the sensitivities to observed index movements.

Stress and scenario testing

In addition to our sensitivity analysis, stress and scenario testing (including reverse stress testing) is used to test the resilience of business plans and to inform decision-making.

The results of this testing demonstrates that through the use of key management actions (e.g. expense and volume management, hedging, de-risking and debt raising) the Group can maintain sufficient liquidity and surplus of Solvency II own funds over SCR to withstand a variety of severe scenarios and stresses.

Sensitivities 31 December 2024[1]	**Impact on surplus**	**Impact on shareholder cover ratio**
Group Solvency II cover ratio	7.9	203 %
	£bn	**pp**
Changes in economic assumptions		
50 bps increase in interest rate	0.1	5 pp
50 bps decrease in interest rate	(0.1)	(6)pp
100 bps increase in interest rate	0.2	9 pp
100 bps decrease in interest rate	(0.3)	(12)pp
50 bps increase in corporate bond spread[2]	0.1	4 pp
50 bps decrease in corporate bond spread[2]	(0.2)	(6)pp
100 bps increase in corporate bond spread[2]	0.2	7 pp
Credit downgrade on annuity portfolio[3]	(0.3)	(6)pp
10% increase in market value of equity	0.1	— pp
10% decrease in market value of equity	(0.1)	— pp
25% increase in market value of equity	0.2	(2)pp
25% decrease in market value of equity	(0.3)	(2)pp
20% increase in value of commercial property	0.2	4 pp
20% decrease in value of commercial property	(0.3)	(6)pp
20% increase in value of residential property	0.2	4 pp
20% decrease in value of residential property	(0.4)	(6)pp
Changes in non-economic assumptions		
10% increase in maintenance and investment expenses	(0.7)	(10)pp
10% increase in lapse rates	(0.3)	(4)pp
2% increase in mortality/morbidity rates – life assurance	(0.1)	(1)pp
2% decrease in mortality rates – annuity business	(0.2)	(3)pp
5% increase in gross loss ratios	(0.3)	(4)pp

1. The TMTP movements included within these sensitivities reflect prospective changes to TMTP following simplifications as a result of Solvency UK Reform effective from 31 December 2024
2. The corporate bond spread sensitivity is applied such that even though movements vary by rating and duration consistent with the approach in the solvency capital requirement, the weighted average spread movement equals the headline sensitivity. Fundamental spreads remain unchanged.
3. An immediate full letter downgrade (e.g. from AAA to AA, from AA to A) on 20% of the annuity portfolio credit assets, excluding commercial and lifetime mortgages, which are included in property sensitivities

Diversified Solvency Capital Requirement (SCR) analysis

The SCR has decreased by £0.5 billion to £7.7 billion since 31 December 2023.

The Group diversification between businesses is the SCR diversification arising from the sum of the SCR for each market being higher than the SCR at Group and arises primarily because of the composite nature of our business.

The benefit from Group diversification is £2.5 billion at 31 December 2024 (2023: £2.2 billion), partly reflecting the growth in general insurance business over the period.

Capital required is closely linked to the Group's risk exposures. Analysis of the SCR by risk type is a key measure used in managing risk exposures. The split of SCR by risks is summarised in the chart below.

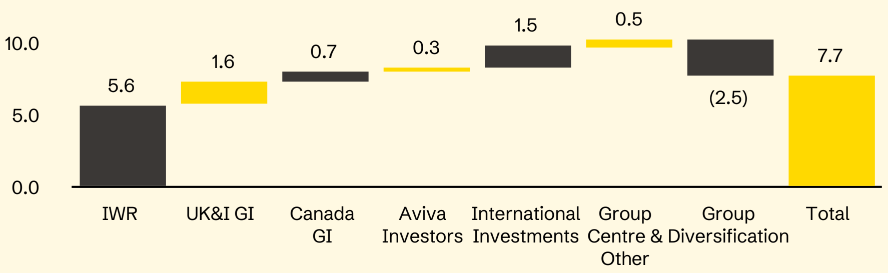
Solvency II regulatory own funds by Tier and Solvency II debt leverage ratio

One of the objectives of capital management is to maintain an efficient capital structure using a combination of equity shareholders' funds, preference share capital, subordinated debt and borrowings, in a manner consistent with our risk profile and the regulatory and market requirements of our business.

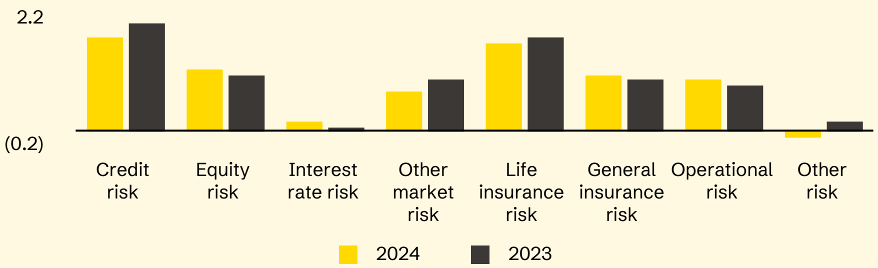
Solvency II debt leverage ratio is 28.9% (2023: 30.7%). During 2024 debt has reduced due to repayment of €700 million subordinated debt.

The table provides a summary of the Group's regulatory Solvency II own funds by Tier and Solvency II debt leverage ratio.

SCR by Business (£bn)



SCR by Risk (£bn)



Regulatory view	**2024 £m**	**% of own funds 2024**	2023 £m	% of own funds 2023
Solvency II regulatory debt[1]	**4,697**		5,472	
Senior notes	**383**		401	
Commercial paper	**50**		51	
Total debt	**5,130**		5,924	
Unrestricted Tier 1	**12,492**	**72%**	13,179	70%
Restricted Tier 1	**946**	**5%**	946	5%
Tier 2	**3,751**	**22%**	4,526	24%
Tier 3[2]	**134**	**1%**	173	1%
Total regulatory own funds	**17,323**		18,824	
Solvency II debt leverage ratio[3]	**28.9%**		30.7%	

1. Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds
2. Tier 3 regulatory own funds at 31 December 2024 consist of £134 million net deferred tax assets (2023: £173 million). There is no subordinated debt included in Tier 3 regulatory own funds (2023: £nil).
3. Solvency II debt leverage is calculated as the total debt as a proportion of total regulatory own funds plus commercial paper and senior notes

Our stakeholders

This section provides insight into how the Board engages with our stakeholders. The Board recognises that stakeholders have diverse interests and that these interests need to be heard.

Engaging with our stakeholders is essential to understand what matters most to them and the likely impact of any key decisions.

The Board receives updates from the Executive Directors which detail any substantial engagement with our stakeholders. There are also regular agenda items to ensure that the Board receives relevant updates on all of our key stakeholders, such as reports from investor relations, our people function, customer service, and our businesses.

The Board held a strategy offsite in June 2024 to consider the long-term strategic direction of the Group. As part of these strategic discussions, the Board considered the industry and market and the potential impact to stakeholders.

Details of how we engaged with our different groups of stakeholders during 2024 can be found on the following pages. The Board regularly reviews its engagement mechanisms with stakeholders to ensure they remain effective.

Our Section 172(1) Statement sets out our approach on how our directors have performed their statutory duty.

Our Board's activities section provides further information on key decisions taken in 2024, including how stakeholder views and inputs have been factored into the Board's decision making.

Read more on
Our section 172 (1) statement: page 52

Read more on
Our key decisions and how they impact our stakeholders: page 96

Our people

Our people's wellbeing and commitment to serving our customers are the foundations of our performance.

How we have engaged

- Our Board attended site visits in York and Dublin, and our Executive Directors visited Perth and Bristol, meeting with a diverse range of colleagues to hear about what matters most to our people and to ensure this is considered when discussing our strategic priorities. Whilst in Dublin, the Board held a town hall meeting.
- The Board were invited to join members of the Aviva Investors team for an update on activity and to meet senior leaders from the business.
- Our employee-shareholders were given the opportunity to meet the Board and submit questions at our Annual General Meeting (AGM) in York.
- The Group CEO hosted interactive sessions with colleagues throughout the year to give updates on our strategic priorities, answer questions, and receive feedback.
- The Board engaged with representatives of the Aviva community at the Values in Action award ceremony.
- The Board, together with the Audit Committee, reviewed reports on the whistleblowing service (Speak Up).
- The Chair of the Remuneration Committee attended a meeting of the employee representative group 'Your Forum'.
- The Evolution Council provides a forum for employee engagement and feedback to the Chair and Board, who chairs the Council. Several Non-Executive Directors and members of the Group Executive Committee (ExCo), including the Group CEO and Group CFO, attended during the year and discussed their career journeys.
- The Board, and in particular the Nomination and Governance Committee, focused on succession planning, culture, and the talent pipeline to ensure they were attracting and retaining the best leaders.
- The Board monitored culture and engagement through reviewing the outcome of the Voice of Aviva survey and the culture diagnostic.
- The Group CEO and ExCo hosted our 'Leading to One' event bringing together top senior leaders from across the organisation.

Outcomes and actions during the year

- The Board agreed that two members of the early careers programme join the Chair's Evolution Council in January 2024 to provide Gen Z representation and a voice to the Board on topical issues.
- The Board updated the Board Diversity, Equity and Inclusion Statement to reflect our commitment to diversity and inclusion initiatives.
- The Voice of Aviva 2024 survey engagement was the highest it has ever been at 91.0% (+3 vs 2023).

Our customers

Understanding what's important to our 20.5 million customers is key to our long-term success.

How we have engaged

- The Board and the Customer and Sustainability Committee received regular reporting on customer experience, customer journeys, customer service levels, and customer related strategic initiatives, through improved reporting of our customer dashboard.
- The Board supported the delivery of our customer strategy and reviewed its progress as part of the strategic delivery updates at the May and November 2024 Board meetings.
- The Board, together with the Customer and Sustainability Committee, focused on the implementation of the FCA's Consumer Duty and how this impacted customer experience.
- The Board engaged with customer-shareholders and answered questions at our AGM.
- The Board attended showcases in IWR and visited the customer operations teams which included call listening with claims teams during the Board site visits.
- The Board focused on digital customer journeys, making it easier and more convenient for customers to interact with us through the launch of the new MyAviva app.
- The Board reviewed reputation updates with a focus on measuring Aviva's reputation with stakeholders for future reporting.

Outcomes and actions during the year

- The Risk and Customer and Sustainability Committee Terms of Reference were strengthened in their oversight of Consumer Duty and it was agreed that a Consumer Duty dashboard be reviewed on a regular basis.
- There was an increased focus on improving the digital roadmap and experience for customers which resulted in the new MyAviva app, leading to increased Overall Experience Scores. Focus will remain on further consolidation to improve the customer journey.
- Launch of the UK's first 'Find and Combine' pension tracing, checking, and consolidation service.
- As a result of discussions at the Customer and Sustainability Committee around 'Connected Wellbeing', Aviva added a range of wellbeing services and benefits to every Group Personal Accident or Business Travel product.

Our shareholders

Our retail and institutional shareholders are the owners of the Company.

How we have engaged

- The 2024 AGM took place in York, a place where Aviva has had a presence since the 1820s, which gave the Board an opportunity to meet local retail shareholders.
- Throughout the year, the Chair, Group CEO, and Group CFO met with institutional investors as part of our regular cycle of investor meetings and the external investor presentation on the potential acquisition of Direct Line.
- The Board received regular updates on our interaction with institutional shareholders.
- A shareholder newsletter was published on aviva.com every quarter which provided information on recent Board changes, financial or strategic updates, and information about our Aviva Foundation projects.
- The Board have continued to focus on meeting all our customers' Insurance, Wealth and Retirement needs, to support long-term delivery of future shareholder returns through value appreciation and dividends.

Outcomes and actions during the year

- As a result of positive feedback from shareholders regarding hosting the AGM outside of London, the Board decided to hold the 2025 AGM in Bristol, providing another opportunity to meet local retail shareholders.
- In March 2024, the Company announced a further buyback of its ordinary shares for a maximum aggregate consideration of £300 million as part of our programme of regular and sustainable capital returns, taking the total amount of capital returns and dividends paid to shareholders to more than £10 billion since 2020 and the updated dividend guidance to grow the cash cost of the dividend by mid-single digits. The buyback which commenced on 8 March 2024 was completed on 28 June 2024 with 62,815,617 shares cancelled under the programme. For further details see note 31 of the financial statements.

Our communities

We recognise the importance of contributing to our communities through volunteering, community investment, and long term partnerships.

How we have engaged

- The Board received updates on the Aviva Foundation and Aviva partnerships with third sector organisations including Citizens Advice, the WWF, and our community programmes including the Aviva Community Fund where we support community investment projects aligned to our values.
- The Customer and Sustainability Committee received regular updates on the progress of Aviva's Sustainability Ambition throughout 2024 with the Committee Chair providing an update on matters discussed at each Board meeting.
- The Board approved the Transition Plan and Climate-related Financial Disclosure.
- The Board continued to focus and monitor progress on initiatives that it believes will have a positive impact on the communities in which Aviva operates. This included various initiatives with our partnership with the WWF and our Aviva vulnerable customer referral line and further digital work with Citizens Advice.
- Climate and sustainability training was provided for the Group and subsidiary Boards and an online sustainability training site, the 'Sustainability Academy' was rolled out to support employees with sustainability learning.

Outcomes and actions during the year

- Employees across the Group were offered the opportunity to volunteer their time to support charities and organisations, with over 107,810 volunteering hours recorded.
- The latest round of the Aviva Community Fund focused on projects which help improve financial resilience, promoting the vital work that Citizens Advice and Money Advice Trust offer in supporting communities.
- Aviva has contributed £9 million over the last two years, £7 million to Citizens Advice and £2 million to the Money Advice Trust, to help build their capacity to tackle the cost of living crisis. During 2024, Aviva additionally pledged over £4 million to Citizens Advice to continue our partnership and introduce new and collaborative initiatives.
- The Aviva Foundation pledged just under £2.4 million funding to organisations delivering public benefit focused on financial resilience.

Our suppliers

We operate in conjunction with a wide range of suppliers to deliver services to our customers. It is important that we build strong working relationships with our intermediaries.

How we have engaged

- The Board delegates engagement with suppliers and oversight to senior management.
- All supplier related activity is managed in line with the Group procurement and outsourcing business standards. This ensures that supplier risk is managed appropriately in relation to customer outcomes, data security, corporate responsibility, and financial, operational and contractual issues.
- The Board, via reporting from the Risk Committee, was kept updated on the development of any key supplier risk.
- The annual Club 110 Broker Conference was held and our Key Partner Conference was attended by senior management.
- The Risk Committee and senior management on behalf of the Board considered key suppliers regarding Aviva's Sustainability Ambition.
- The Customer and Sustainability Committee reviewed the Business Ethics Code, which includes all trading entities such as Solus and receives a report on any breaches of the Code.
- The Risk Committee on behalf of the Board reviewed the Group's cyber risk and control environment including the threat posed by the risk of ransomware attacks on both the Group and our material third party suppliers.
- The Board reviewed the Company's engagement with its broader supply chain as part of its annual approval of the Modern Slavery Act Statement.

Outcomes and actions during the year

- Improved reporting on supplier risk was presented to the Board, as part of the Board's continuing programme of supplier oversight.
- To ensure continued efforts to strengthen controls, the procurement and outsourcing (P&O) business standard was refreshed for 2024.
- Aviva continued to hold its Net Zero supplier summit.
- Aviva remains a signatory to the Prompt Payment Code.

Regulators

As an insurance company, we are subject to financial services regulation and approvals in all the markets we operate in.

How we have engaged

- We have maintained a constructive and open relationship with our regulators and the Board has regular meetings with our UK regulators.
- Regulators engaged with us to discuss their objectives, priorities and concerns, and how they affect our business.
- The Prudential Regulation Authority (PRA) attended a Board meeting during the year and both the PRA and Financial Conduct Authority (FCA) discuss regulatory issues with board members.
- The Group CEO led the Group annual strategy meeting with the PRA and the FCA, supported by the Group CFO and Group Chief Risk Officer.
- Continued focus on Consumer Duty with training was provided to the Group and subsidiary Boards in 2024.

Outcomes and actions during the year

- Regulatory priorities were regularly discussed at Board and Audit and Risk Committee meetings.
- The Board, together with the Customer and Sustainability and Risk Committees, monitored and received regular updates on the implementation of the FCA's Consumer Duty and requested a quarterly dashboard in order to ensure appropriate oversight.

Our section 172(1) statement

We report here on how our directors have performed their duty under section 172(1) of the Companies Act 2006 (s.172).

s.172 sets out a series of matters which the directors must have regard to when performing their duty to promote the success of the Company for the benefit of its shareholders, including having regard to other stakeholders.

Our Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for establishing, monitoring and upholding the culture, values, standards, ethics, and reputation of the Company to ensure that our obligations to our stakeholders are met. The Board monitors adherence to our policies and compliance with local corporate governance requirements across the Group and is committed to acting where our businesses fall short of the standards we expect.

The Board requires stakeholder implications to be considered within all proposals submitted to it from across the organisation. Stakeholder interests are identified in proposals, both within papers to the Board and as part of accompanying presentations.

Our Board is also focused on the wider social context in which our businesses operate. Examples of how stakeholder engagement and s.172 matters have influenced Board discussion and decision making during the year can be found in Our Board's activities.

This section sets out where key disclosures in respect of each of the s.172 matters can be found.

A The likely consequences of any decision in the long term

- Delivering for Customers and Shareholders: page 4
- Our strategy: page 21
- Our sustainability ambition: page 56
- Our Board's activities: page 96

B The interest of the Company's employees

- Our people and culture: page 53
- Our sustainability ambition: page 56
- Our stakeholders: page 48
- Our Board's activities: page 96
- Governance Report: page 85
- Remuneration report: page 112
- Non-financial and sustainability information statement: page 69

C The need to foster the Company's business relationships with suppliers, customers and others

- Our strategy: page 21
- Our stakeholders: page 48
- Our sustainability ambition: page 56
- Non-financial and sustainability information statement: page 69
- Customer and Sustainability Committee report: page 110

D The impact of our operations on communities and the environment

- Our strategy: page 21
- Our stakeholders: page 48
- Our sustainability ambition: page 56
- Customer and Sustainability Committee report: page 110
- Non-financial and sustainability information statement: page 69

E The desirability in maintaining a reputation for high standards of business conduct

- Non-financial and sustainability information statement: page 69
- Our risks and risk management: page 74

F The need to act fairly as between members of the Company

- Our stakeholders: page 48
- Directors' report: page 145
- Governance report: page 85

Our people and culture

“It’s our 25,000 brilliant people working together, for our customers, across the UK, Ireland and Canada, that make Aviva a great business and a fantastic place to work.”

Danny Harmer
Chief People Officer

Aviva’s success is down to our people. Which is why we are relentless in supporting our colleagues to be at their very best and equipping them to deliver for our customers and the business.

Brilliant leaders, learning and careers

In 2024 we identified six future skills to prioritise; data, digital, change, leadership, collaboration, and commercial acumen. We delivered skills booster sessions across these areas throughout 2024.

The Foundry, our digital and data reskilling hub, which launched in January 2023, has gone from strength to strength and we hit our initial goal of equipping more than 200 colleagues with digital and data skills for the future.

In 2024 we also launched our Wealth Academy to develop people for careers in our Wealth business.

On average our people completed 3 days of learning in 2024. 88% of our colleagues tell us that they feel they have opportunities to learn new skills at Aviva.

In Early Careers we had an increase of 86% in applications for graduate roles with over 200 graduates and apprentices joining in September. Our apprenticeship levy commitment has continued to increase and we now have 531 colleagues studying for apprenticeships across Aviva. We continue to gift some of our unspent apprenticeship levy to support local businesses.

Developing Our Workforce to be Gen AI Ready in 2024

This year, we established a programme to help all of our people safely embrace Gen AI focusing on four key areas: Culture, Leadership, Adoption, and Data Skills.

In September, we launched our internally designed 'World of Gen AI' digital learning module on Aviva University. This training featured Aviva Gen AI experts alongside interactive content explaining the fundamentals of Gen AI and common risks to look out for. Over 20,500 colleagues have completed this module.

In October, we introduced our Executive Gen AI Development programme for our top 300 leaders, covering AI Horizons, Art of Prompt Engineering, AI in Business, Ethical AI, and AI Ready Organisation.

And we’re excited that our first Gen AI tool, CoPilot Chat, is now available to all our people. This is helping people to work more efficiently, so they can focus on the work that makes the biggest difference to our customers.

Engaging our people

In 2024, our annual Voice of Aviva survey showed exceptional levels of engagement, with 91% of colleagues saying they would recommend Aviva as an employer.

The credit for our positive culture and high engagement belongs to every one of our colleagues. We use insights from our engagement surveys and data to understand the key drivers of engagement and performance and to build robust plans around those areas.

For example, we have been relentless about helping our colleagues understand our strategy and how what they do contributes to our pillars of customer, growth, efficiency and sustainability. Regular Aviva wide leadership and employee communications and broadcasts keep our people engaged and informed.

We also know that inclusion and a sense of belonging along with perceptions of agility and adaptability are key drivers of engagement.

Leadership effectiveness is also high and continues to increase. Our Customer Focus Index increased over the last year, with 95% of colleagues understanding how their work impacts customer outcomes.

Diagnosing culture

Our annual culture diagnostic focuses on six dimensions of culture and tracks colleague perception data from the Voice of Aviva survey, as well as customer and people metrics. This is presented to and used by the Board to monitor culture.

In 2024, we again saw improvements across all dimensions of the culture diagnostic, particularly around encouraging a culture of innovation and colleagues seeing how our values guide decision making and behaviour.

The Culture Diagnostic

The six dimensions used to assess Aviva's culture reflect regulatory expectations and frame discussion with the Group Executive Committee and Board on how we measure and monitor our culture.

Data sources

The data used to inform the analysis against the six dimensions is based on three key sources:

- **Colleague perspectives** on, and experiences of, our culture captured in Voice of Aviva.
- **Colleague behaviours** across the employee lifecycle captured via HR data (such as senior leadership diversity, absence rates etc.).
- **Colleague and customer metrics and feedback** on their experiences of Aviva's service.

Leadership & direction
Leadership and tone from the top has the greatest influence on the culture of an organisation.

Values
Values are drivers of habitual behaviours and mindsets that characterise an organisation, and impact customer and colleague experience.

Accountability
Accountability is a critical driver of colleague performance metrics – higher accountability tends to drive better productivity and lower absence.

Diversity of thinking
Where a culture of diverse thinking exists, customers feel we are better able to meet their needs and there are higher levels of innovation and organisational agility.

Safe to speak up
A culture where it is safe to speak up enables colleagues to feel they can ask questions and raise issues without worrying about the consequences.

Customer focus
A culture where the customer is front of mind and colleagues feel able to challenge decisions and quickly resolve customer issues.

Putting strategic insights into action

In response to Voice of Aviva and our Culture Diagnostic we have three company-wide priorities for 2025:

1. Continue to focus on our ability to adapt to new ways of working
2. Maintain high levels of inclusion and belonging; and
3. Invest in leadership development

+6%

Leadership effectiveness increase since 2022

While improving in the moments that matter

We want Aviva colleagues to have an exceptional experience throughout their career. We introduced Lifecycle surveys to gather feedback at key moments such as recruitment, promotion, parental leave, working pattern changes and leaving Aviva.

The surveys provide powerful insights and we have used them, for example, to improve the experience of joiners with our New Starter Hub and better leader guidance for onboarding new joiners. In addition, the support we provide colleagues taking parental leave is improved as a result of feedback from the surveys.

With our people at every stage

We are a Great Place to Work

In 2024, we were accredited as a Great Place to Work™ in the UK, Ireland and Canada. This accreditation recognises the very best employers and supports our ambition to retain and attract the best talent.

We ranked in the Best Place to Work™ in Ireland (ranking 2nd), UK (ranking 15th) and Canada (ranking 19th).

All of our people have the opportunity to share in Aviva's success as shareholders through membership of our global share plans.

Certified in three countries

Great Place To Work Certified Nov 2023 - Nov 2024 CANADA

Great Place To Work Certified Nov 2023 - Nov 2024 IRELAND

Great Place To Work Certified Nov 2023 - Nov 2024 UK

Aviva is for everyone

We want all our colleagues to feel they belong and for our people to reflect the customers and communities we serve. It is a key driver of engagement and performance and is good for our business and for society.

We have six broad and thriving colleague-led inclusion communities that work together across Aviva.

Our Executive Long-Term Incentive Plans are linked to performance against our diversity, equity, and inclusion targets, reinforcing our commitment to action and driving sustainable change. Gender and Ethnicity are areas where we need better senior leader representation.

How our people feel

86%
believe Aviva values their health and wellbeing

85%
'feel like they belong' at Aviva

89%
feel that they 'can be themselves' at work

We have increased female senior leadership to 40.9%, up 3.6 percentage points since the start of 2022. Our policies, including equal parental leave and job sharing, support gender balance, and we've made hiring processes more accessible for all candidates by reducing the number of criteria, using more inclusive language, and publishing salary bands.

For senior leader ethnicity, we have achieved 13%. We are founder members of Change the Race Ratio, chaired by Sir Trevor Philips.

At the 31 December 2024 we had the following gender split

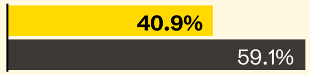
Board Membership

46.2%

● Female (6) ● Male (7)

Senior Leaders

40.9%



● Female (444) ● Male (641)

Aviva Group Employees

52.3%

● Female (13,441) ● Male (12,275)

We have sharpened our focus on both socio- economic mobility and neurodiversity by being founder members of Progress Together and GAIN (Group for Autism in Insurance and Neurodiversity) respectively.

We progressed from 25th to 15th on the Social Mobility Index, and were the top FTSE financial services firm. Carers UK, recognized Aviva as an Ambassador, one of only six in the UK.

As a Disability Confident Employer, we interview every disabled applicant who meets the minimum criteria for the job and as part of our Smart Working approach, offer workplace adjustment passports for colleagues. Our training, development and career paths are accessible to all.

Looking ahead to 2025

- Invest in the development of leaders.
- Grow our Academies and the Aviva University curriculum to offer learning for all that is relevant to our customers and strategy, with a focus on future skills development.
- Maintain momentum on building a workforce that reflects our customers and communities.
- Leverage our colleague value proposition and use our accreditation with Great Place to Work to attract and retain the best talent.

Our sustainability ambition

Our sustainability pillars

Social action · Climate action · Sustainable business

"Taking action on climate change and building stronger, more resilient communities is core to our sustainability ambition, as well as to achieving our business priorities. Creating sustainable value for our customers, shareholders, colleagues, and communities is integral to everything we do at Aviva."

Stephen Doherty
Group Chief Brand and Corporate Affairs Officer

Aviva aims to be a sustainability leader. Sustainability is integral to how we do business at Aviva. The three elements of our strategic sustainability framework are closely interconnected.

- **Find our regularly updated sustainability news at:** www.aviva.com/sustainability/sustainability-news
- **Find out more on climate reporting within the** Climate-related Financial Disclosure **and more about our long-term climate ambitions and how we aim towards a 'Just Transition' to Net Zero within the** Transition Plan **and a summary of this on:** page 25
- **Find all our latest sustainability metrics in the** 2024 Sustainability Datasheet

Social action

Aviva aims to help in building stronger, inclusive communities at the local level. We focus on enhancing financial resilience, housing and infrastructure, and employability prospects.

Increasingly, we are taking a place-based approach, working with cross-sector leaders on priority local challenges and opportunities to help regenerate the places where we live and work.

In 2024, the amount we contributed to communities was £32.9 million, which represented 2% of our Group adjusted operating profit.

Over one million people are estimated to have benefitted from our community investment programmes across the UK, Ireland, and Canada compared to over 800,000 in 2023.

Find out more about our sustainability action stories within Norwich, York and Sheffield at:
www.aviva.com/sustainability/our-ambition/#places

Strengthening financial resilience

Aviva's principal partners helping families and businesses

Citizens Advice and Money Advice Trust

During 2024, our partnership with Citizens Advice has:

- Delivered support to 25 local offices, funded 35 telephone-based advisors and digital services
- Identified £14.5 million of additional income for individuals - such as through new benefit claims
- Supported over 102,000 people with advice

In addition to the impact of funding, we have established a volunteering and skill-sharing programme, including participation from Aviva marketing and data experts using their time to work on Citizens Advice projects.

2024 was the busiest year on record for local Citizens Advice since 2018.
In December 2024, Aviva pledged over £4 million additional support to:

- Support the transformation of Citizens Advice online advice service, including AI and new online chat functionality - helping to meet more client needs, more quickly
- Develop a dedicated customer referral line for Aviva customers showing signs of vulnerability- a first for an insurer and Citizen's Advice tie-up
- Continue to fund 35 advisors across the UK
- Train Aviva colleagues who will volunteer one day per week for 12 months to serve as frontline advisers at Citizens Advice.

During 2024, our partnership with Money Advice Trust helped an additional 18,500 small businesses via their Business Debtline. We also supported their Building Up Business project, which will provide vital insight and recommendations on how to close the business finance skills and confidence gap and improve support for small business owners.

Business in the Community (BITC)

(King's Responsible Business Network)

Aviva is BITC's first National Place Partner, helping bring together key stakeholders of community groups, businesses, and local councils to create a strategic vision for long-term change. We are supporting BITC's ambition to be working with 50 communities across every region and nation in the UK by 2032.

Aviva Foundation[1] driving financial resilience initiatives

In 2024, the Foundation granted over £2 million and supported 17 new projects. Many of the new initiatives supported focused upon financial well-being.

Read more about Aviva Foundation supported initiatives at:

https://www.aviva.com/sustainability/aviva-foundation/case-studies/

https://www.aviva.com/sustainability/aviva-foundation/#our-impact

Aviva Community Fund helping inspirational projects

The Aviva Community Fund has formed a key part of our community investment approach since it was launched in the UK in 2015.

In 2024, the Fund helped 442 community projects across the UK raise £5.4 million. This was made up of match-funding donations of £2.2 million from Aviva in addition to partner donations and crowdfunding.

Volunteering

In 2024, our people volunteered for 107,810 hours vs 87,599 in 2023 across the UK, Ireland, and Canada.

Discover thousands of the amazing causes we've supported here:
www.aviva.com/sustainability/taking-social-action/aviva-community-fund-map/

1. The Aviva Foundation is administered by Charities Trust under charity registration number 327489

Investing in housing and infrastructure

Aviva invests to generate income for customers, while also contributing to the development of more inclusive communities[1].

This is not only on behalf of the 14% of the UK adult population who save or retire with Aviva, or the 12% of the UK that insure with Aviva, but for the wider community we have a responsibility to serve.

Real estate and infrastructure

Aviva Investors, has invested £11.4 billion in UK real estate and infrastructure since 2020, including debt refinancing. These investments, on behalf of savers and investors, have helped support job creation across the UK.

Across 2024, we've increased investment in some innovative areas.

Zero energy bill homes

In October 2024, we announced the partnering with Octopus Energy, to offer the 'Zero Bills' energy tariff at two of our UK build-to-rent developments with Packaged Living. This follows Aviva helping to fund the creation of almost 1,400 single-family homes across 10 developments in the UK, which have either exchanged or are under construction, as part of Aviva Investors' UK single-family housing platform.

Student accommodation

Aviva Investors are investing in the UK's universities, supporting cities that build the UK's future skills base.

In October 2024, we acquired purpose-built student accommodation in Glasgow.

In July 2024, we supported the funding of a new student village in Staffordshire, that aims to provide modern, sustainable living spaces for almost 1,000 students.

Retirement homes

In November 2024, we partnered with Broadwood Later Living Sustainable Construction Finance Fund by providing a £100 million credit fund for the development of later-living properties, which meet selected sustainability criteria.

Sustainable transport

In April 2024, we launched 'Rock Road', a zero-emission bus financing platform, through Aviva Capital Partners. Partnering with UK Infrastructure Bank (National Wealth Fund) and HSBC UK, collectively committing an initial £100 million to accelerate fleet decarbonisation of up to 250 buses and associated infrastructure. In May 2024, we announced additional funding for Zenobē, which operates over a quarter of the UK's electric bus fleet.

Health and schools

In April 2024, we announced the completion of an investment to finance the development of the new Velindre Cancer Centre in Cardiff, Wales. This centre will replace the current facility, which serves over 1.7 million people. The project is part of the Welsh Government's Mutual Investment Model (MIM), focusing on improving public services and community benefits.

1. While we integrate environmental, social, and governance (ESG) factors into our investment processes, not all investments in our portfolio are focused on ESG

Improving employability prospects

Aviva is taking a place-based approach to improving employability skills in the UK and has been involved in many initiatives across 2024.

Bringing the world of work to young people in Sheffield

Aviva is involved in the See It Be It Sheffield programme and intends to help scale it nationally. This programme provides school age children with meaningful encounters with employers.

Raising career aspirations through education and engagement in York

'The Place' in York helps children and young people prepare for employment. Aviva, York University, and other donors support it by creating skills and employability programs.

Early Careers pilot - live in York and Norwich

Aviva offers a range of student and graduate opportunities, including apprenticeships, placements, and work experience, designed to develop the knowledge and skills needed to succeed in the future of work. In 2024, we have given young people with Special Educational Needs or Disabilities (SEND) supported internships as a pilot in York and Norwich.

Digital skills development in Norwich

The Aviva Foundry in Norwich develops digital skills for tech roles. Partnering with Norwich City College, it helps Norfolk T-Level students gain new skills and provides work placements, potentially leading to digital careers at Aviva.

Find out more on
www.aviva.com/sustainability/sustainability-news

Climate action

As an insurer, and long-term investor, we have an important role in helping our customers manage the risks associated with climate change so they can approach the future with confidence. In 2024, we continued to decarbonise our business, supported the energy transition, and helped protect and restore nature.

Find out more in
Our Climate-related Financial Disclosure

Decarbonising our business

Our Net Zero ambition

We set out our ambition in March 2021. At the time, and indeed today, the pathways to Net Zero were not well understood. Furthermore, government action on policy, and development of new technologies were, and remain, of fundamental importance to create the conditions for success.

Without progress on these issues, achieving our climate ambitions is, and will continue to be, challenging. We acknowledge that while we have control over Aviva's operations and influence on its supply chain, decarbonising the broader economy in which we operate and invest is a collective effort. Aviva is just one part of a much larger global ecosystem.

We have learnt a lot, and the complexities and challenges are coming into sharper focus. One example relates to Scope 3 of our Category 15: investments and underwriting activities - our 'Scope 3 of 3'. While Greenhouse Gas (GHG) data availability is improving, it is still of low quality and methodologies are developing. Additionally, when these emissions are aggregated at a portfolio level, it introduces significant double counting. Based on what we understand today, and the low degree of control we have over these emissions, we do not currently see a route to Net Zero for these emissions. Nevertheless, we remain committed to using our best endeavours to address them. For these emissions, like much of our Scope 3 across all categories, our focus is on engagement and advocacy as a key lever to reduce these emissions over time.

Reducing Aviva's operational emissions

We have a medium term ambition to reduce Aviva's Scope 1 and Scope 2 operational emissions by 90% from a 2019 baseline by end of 2030.

We have achieved a 51% reduction in Aviva's operational carbon emissions Scope 1 and 2 against our 2019 baseline.

Influencing our supply chain

We are working with our suppliers to engage them with our Net Zero ambitions. We hosted our third supplier summit in November 2024 which was attended by over 100 of our supply chain partners to provide opportunities for education and collaboration.

To support the achievement of our ambition our short-term goal is for 70% of Aviva's suppliers (by spend) to have validated science-based targets by year-end 2025. By the end of 2024 51% of suppliers by spend had validated science-based targets.

Reducing the carbon intensity of our investments

To date, we have reduced the Scope 1 and 2 carbon intensity of our corporate bond and equity portfolio in shareholder and with-profit funds by 64% compared to 2019. Looking ahead, we have included additional asset classes and funds within our 2030 portfolio decarbonisation ambition, against which we are making good progress.

"Since the release of our first transition plan in 2022 I had the privilege of co-chairing the UK's Transition Plan Taskforce (TPT) which has issued a gold standard disclosure framework and implementation guidance for private companies. We have leveraged this guidance to outline how we are translating our ambitions into tangible actions in our latest Transition Plan."

Amanda Blanc DBE
Group Chief Executive Officer

Find out more in our
Transition Plan

The scope of our ambitions

Summarised below are the scope boundaries of the 2030 and 2040 ambitions included in our Transition Plan. Additional details on these ambitions can be found in the relevant section of this report.

	GHG Scope	Categories applicable to Aviva	Data availability	Materiality of emissions	Aviva's level of influence	Year-end 2024: achieved – Scope or basis	Year-end 2024: achieved – Ambition	2030 – Scope or basis	2030 – Ambition	2040 – Ambition
	Aviva Operations									
Direct action	Scope 1 and 2	Own operations	Yes	Low	High	Scope 1 and 2	100% electricity from renewable sources	Scope 1 and 2	90% reduction of emissions against 2019 baseline[1]	Net Zero Group[8]
Direct action + Influence and advocacy	Scope 3	Cat 1: Purchased goods & services	Yes	Medium	Medium			Engagement	70% of suppliers by spend setting validated science-based targets[2]	
		Cat 2: Capital goods	Yes	Medium	Medium					
		Cat 3: Fuel & energy-related activities	Partial[3]	Low	Low				Zero waste to landfill by 2030 with additional ambitions to be set in 2026 for categories 5 and 6	
		Cat 5: Waste generated in operations	Partial[3]	Low	Medium					
		Cat 6: Business travel	Partial[3]	Low	Medium/high					
		Cat 7: Employee commuting	Partial[3]	Low	Low					
	Investments									
	Scope 3	Cat 15: Investments	Yes	High	Low/medium	Scope 3 Cat 15 (Scope 1 and 2 of investments only)	25% reduction in Scope 1 and 2 carbon intensity by revenue of listed equities and corporate bonds held in shareholder and with-profits funds on 2019 baseline	Scope 3 Cat 15 (Scope 1 and 2 of investments only)	60% reduction in the Scope 1 and Scope 2 economic carbon intensity of equity, corporate bonds and loans, infrastructure and real estate assets[4] held in shareholder, with-profits and policyholder funds (where we have decision making control[5] and data) by year-end 2029 from a 2019 baseline	
			Yes	High	Low/medium	Sustainable assets	£6 billion investment in sustainable assets[6]			
		Cat 15: Investments (sovereign bonds and other asset classes)	Partial[3]	High	Low/medium					
	Insurance									
	Scope 3	Cat 11: Claims emissions (Use of sold products)[7]	Partial[3]	Medium	Medium			Engagement	70% of suppliers by spend setting validated science-based targets[2]	
		Cat 15: Underwriting	Partial[3]	High	Low					

1. Aviva will offset the residual emissions for our Scope 1 and 2 up to a maximum of 10% from 2030
2. Group level ambition covering general insurance claims supply chain and operational supply chain with a target year-end of 2025
3. Data quality and methodology availability are a challenge for commercial decision making and reporting
4. Covers whole building operational emissions of direct real estate investments, commercial real estate mortgages and equity release mortgages
5. Aviva is deemed to have investment decision-making control when they are responsible for defining the investment mandate - setting the investment objective, guidelines and risk appetites; choice of benchmark to meet customer and shareholder outcomes; and manager selection. This does not include external fund links made available on platforms, consultant instructed scheme blends or external client mandates.
6. Defined as green and sustainability assets, sustainability-linked debt, social bonds and investment of £1.5bn of policyholder money to AI climate transition funds (available at the time)
7. During the period, the emissions associated with the supply chain have been reclassified to Scope 3 Category 11 to better align to the location of these emissions within the value chain
8. Our ambition covers all parts of Aviva's business including investments (Scope 3 Category 15), insurance underwriting (Scope 3 Category 15), insurance claims supply chain (Scope 3 Category 11), Aviva's operations and supply chain (Scope 1 and 2 and Scope 3 Categories 1-14)

Insuring and investing in the energy transition

As a major investor and underwriter, we can help to enable the transition to a low-carbon future.

Providing finance for sustainable assets

Since the end of 2019 (our baseline year) we have invested £8.7 billion in sustainable assets, exceeding our target of £6 billion by 2025. From street lighting to charging networks for electric vehicles, ultra-low carbon homes and windfarms, we are helping economies get ready for the future.

Providing insurance to support the energy transition

Aviva currently provides commercial insurance for onshore and offshore wind, solar, and battery storage. This remains a relatively small portion of our portfolio that we see is growing rapidly.

Providing insurance to support the adoption of electric vehicles

Aviva is already a leading provider of Electric Vehicle (EV) insurance, as at Q3 2024 covering around one in nine privately registered EVs on UK roads.

We've launched a range of specific cover features to meet the unique needs of EV drivers. This includes boost roadside charging and cover for home charging equipment.

Providing insurance to support a solar power subscription service

In February 2024, we teamed up with Howden to provide bespoke insurance to an innovative UK start-up, which offers homeowners solar panels on a subscription service.

Supporting climate adaptation

We see supporting climate adaptation and efforts to build resilience as critical to supporting our customers and communities.

Improving climate resilience

In 2021 Aviva formed a three year partnership with WWF, funding nature-based solution projects to restore ecosystems and tackle the impacts of climate change on communities, such as helping to reduce flood risk using natural flood management.

Find out more within the WWF Aviva report - Celebrating three years of strategic partnership 2021-2024 at:

www.aviva.com/sustainability/resources-and-reporting-hub

Restoring shrinking saltmarshes

It is estimated that 85% of English saltmarsh has been lost in the last 200 years. Our £25 million partnership with WWT, the charity for wetland and wildlife, aims to help reverse this loss.

Restoring woodlands, peatlands and nature

Our £10 million Woodland Trust partnership is contributing to the understanding of climate change impacts. We're researching how tree planting reduces flood risks at Snaizeholme in Yorkshire, one of England's biggest new native woodlands.

Supporting brokers in building a more resilient business

In 2023, we launched the Sustainable Business Coach. It offers SMEs guidance on starting their sustainability journey, including climate action and adaptation. By end of 2024 about 70% of our UK Club 110 brokers completed the tool, using it to embed sustainability strategies and increasing their understanding by 30%. This support has also been extended to other distribution relationships and SME customers.

Helping economies become more climate ready

We want to help the countries where our major businesses operate – the UK, Ireland and Canada – become climate ready. So, in 2024 we launched our third Climate-Ready Index.

Our Index provides insights for policymakers by highlighting areas where countries are succeeding vs. lagging in their climate adaptation efforts. It serves as a benchmarking tool, encouraging governments to enhance their climate policies and strategies.

Find out more at

www.aviva.com/sustainability/climateready

Climate action

Protecting and restoring nature

We recognise that our society, economies, and financial systems are embedded in nature, and the prosperity of our business, customers, and wider society relies on the health and resilience of nature and its biodiversity.

Investing to enhance Nature

During 2024 Aviva Ventures contributed to one of the largest early stage funding rounds in the nature restoration sector, raising £40 million of equity for Nattergal. Claudine Blamey, Aviva's Group Sustainability Director, has joined Nattergal's Board as a Board Advisor.

Collaborating to advance action on Nature

Across October and November, the UN Convention for Biological Diversity (CBD) hosted its 16th Conference of the Parties (COP16) in Cali, Colombia.

COP16 presented a key opportunity for Parties to focus on the full and timely implementation of the Kunming-Montreal Global Biodiversity Framework (GBF).

We had a delegation on the ground to share our work and progress on nature, and promote our policy positions. Collectively our delegation actively participated in more than 20 events, including delivering a first Aviva event at a UN CBD COP, "Nature with Aviva", which included the formal launch of Aviva Investors' "Navigating Nature – Opportunities for the Investor of Tomorrow".

Bringing back the British Isles lost rainforests with The Wildlife Trusts

Our £38 million Temperate Rainforest Programme, launched in partnership with The Wildlife Trusts in 2023, has made significant progress.

Temperate rainforest restoration sites include two new locations recently added. In July 2024, The Wildlife Trust of South and West Wales announced that it will be restoring a rainforest in Pembrokeshire. In September 2024, England's highest nature reserve was established at Skiddaw in the Lake District.

Read more: within The Wildlife Trusts and Aviva Impact Report 2023-2024 at:

https://www.aviva.com/sustainability/taking-action-with-partners

Restoring oyster populations and seagrass beds in Scotland

As part of our partnership with WWF-UK, we have been one of the main funders of Restoration Forth – a marine restoration project led by WWF-Scotland which is working with local communities to restore lost seagrass and oyster habitats to the Firth of Forth.

Canadian grasslands, forests, and tidal marshes restoration

In April 2024, Aviva pledged CAD$6 million to support Nature Conservancy of Canada in protecting and restoring up to 900 hectares of grasslands, forests, and tidal marshes. This initiative contributes positively to addressing the biodiversity crisis, while also supporting flood protection and the resilience of local communities.

Safeguarding natural landscapes in Ireland

In October 2024, we announced our partnership with Leave No Trace Ireland to protect and preserve Ireland's natural landscapes. This will be done through delivering educational programmes, service projects, and conservation efforts.

Connecting people to Nature with WWF

The Aviva Access to Nature fund, established as part of our partnership with WWF and Norfolk Rivers Trust aims to remove barriers such as transport issues, costs and isolation that prevent people from benefitting from time spent in the Norfolk countryside.

During 2024, our fund provided grants to community groups, schools, and charities.

Read more about impact and case studies at:

https://www.accesstonature.co.uk

Sustainable business

Aviva aims to act as a trusted sustainability leader. Our actions focus on providing purposeful proposition choice[1], being the employer of choice, and protecting human rights while maintaining good governance.

In 2024, we launched a Sustainability Resources and Reporting hub online to share our commitment to being a responsible and transparent organisation.

Find out more at www.aviva.com/sustainability/resources-and-reporting-hub

If you have any suggestions or queries about Aviva's sustainability programme or policies, please e-mail us at:

crteam@aviva.com

Purposeful propositions

Providing customers with sustainability-related investment options

We assist our customers in saving for retirement by offering products through their employers in the workplace.

My Future Focus is a core default investment solution for Aviva. ESG continues to be a core pillar of the investment process for the active elements of the solution. Creating carbon optimised fund propositions and increasing the assets managed under them demonstrates our approach to aligning our portfolio to our ambition while delivering customer investment outcomes.

Tools for customers to interrogate their investment portfolio

Our adviser platform provides an ESG profiler tool supporting financial advisers reviewing customers' investments from an ESG perspective. It improves the transparency of funds, enabling customers to understand if a fund meets their investment appetite and ESG objectives. This supports advisers in their conversations with clients on ESG, allowing them to show the scale and quantifiable impact of investments - in terms they understand.

Providing customers with sustainability related insurance

In 2022 we launched our Aviva Zero motor product, offering customers the opportunity to purchase offsets for car emissions. By October 2024, we'd sold over 1 million policies.

In June 2024, we launched our Trees for Rentals Program across Canada. This program offers eligible customers the option to have Aviva Canada donate to Tree Canada to plant a tree instead of taking a rental vehicle during the repair process.

In October 2024, Aviva Canada launched a new Parametric Insurance platform that allows customers to insure against unexpected seasonal events, leveraging historical weather data and live access to satellite/weather stations. Currently, Aviva is the only insurer in Canada to offer this parametric add-on solution nationwide, servicing key weather-impacted industries.

Employer of choice

Diversity Equity and Inclusion

Aviva has continued to make improvements in supporting diversity, equity, and inclusion (DE&I) throughout 2024.

We continue to be recognized in the Times Top 50 Employers for Gender Equality for the eighth year running. We are signatories of the Race at Work Charter and have introduced initiatives to support its focus areas. We publish our UK Pay Gap Report annually to highlight current performance and steps being taken to improve the recruitment, retention, and progression of female and ethnically diverse employees.

Read more about diversity aims on page 28

Living Wage, Pensions and Hours

In addition to paying the Living Wage and Living Pension in the UK we also support the Living Hours campaign to ensure that workers have sufficient, predictable hours.

Speak Up

Our malpractice helpline, Speak Up, makes it easy to report any concerns in confidence, with all reports referred to an independent investigation team. In 2024, 208 cases were reported through Speak Up (2023: 150), with none related to modern slavery.

1. While we integrate environmental, social, and governance (ESG) factors into our product development processes, not all propositions are focused on ESG

Protecting human rights

> "At Aviva, we are committed to upholding human rights as outlined by the United Nations Guiding Principles (UNGPs). We view forced labour as an ongoing risk and are dedicated to raising awareness among our suppliers, conducting due diligence to identify and prevent instances of forced labour, sharing our learning and using our influence to provide remedies."
>
> **Firza Sofya Safira**
> Sustainable Business Lead

Ongoing assessments across our businesses and supply chain

In 2023, we refreshed our risk-based approach to prioritise the assessment and engagement of suppliers who may directly or indirectly employ workers at higher risk of exploitation. Guided by the International Labour Office's 11 indicators of forced labour, we engaged our suppliers to understand their employment practices and the systems they have in place to prevent human rights abuses throughout the employment lifecycle, including during recruitment.

Through the course of our assessments we found an issue within our Aviva India supply chain. We discovered that a third party had not paid security and housekeeping staff for hours spent during training. As a result of our robust governance we were able to identify and rectify the issue with full retrospective payment made to staff hired by our supplier during 2024.

Adopting a realistic, transparent and risk based approach allows us to uncover the true challenges within a value chain. We find this requires focused collaboration among diverse stakeholders, including regulators and value chain businesses, to improve systems and protect those at risk of exploitation.

We view forced labour as an ongoing risk and are dedicated to raising awareness among our suppliers, conducting due diligence to identify and prevent instances of forced labour, sharing our learning, and using our influence to provide remedies. We continue to work across sectors to encourage business action and disclosure on Human Rights and Modern Slavery. Furthermore, we have completed our human rights saliency assessment in 2024. We will be embedding the result into our action plan to enhance our approach to respecting human rights across our value chain.

Independent recognition of our improvements in respecting human rights

During 2024 we enhanced our score in the Churches, Charities and Local Authorities (CCLA) FTSE 100 Modern Slavery Statement Benchmark. The benchmark evaluates companies based on their public disclosures, compliance with the Modern Slavery Act, and conformance with Home Office guidance. The benchmark is updated annually, and in 2024 we were one of twelve companies identified as 'leaders in human rights' moving up two tiers in the benchmark (2024 rating 1; 2023 rating 3).

Our modern slavery statement, as well as our Human Rights Policy and the Aviva Business Ethics Code 2024, can all be found on **www.aviva.com**.

Good governance

Our governance frameworks help to improve transparency and accountability in all our dealings.

The high standards of ethical behaviour we expect are outlined in the Aviva Business Ethics Code. We require all our people, at every level, to read and sign-up to our Code every year. 99.5% of our employees did so in 2024.

We conduct due diligence when recruiting and engaging external partners. At the end of 2024, 99.9% of our UK, Canada, Ireland and India registered suppliers have agreed to abide by our Third-Party Business Code of Behaviour (or provided a satisfactory reason why they didn't do so, for example, because they have their own existing code of behaviour). Our Third-Party Business Code of Behaviour outlines the way in which we commit to behave and includes guidance on financial crime laws and regulations.

Aviva plc is subject to the 2018 UK Corporate Governance Code (the Code), which we comply with. Where appropriate, specific teams and committees exist to drive action on particular material issues, including data protection, climate change and diversity, equity and inclusion, among others. Governance information required in accordance with recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) can be found in the Climate-related Financial Disclosure.

Sustainability governance

We have a clear and robust governance structure in place. Aviva's Sustainability Ambition Steering Committee drives and monitors the delivery of our plan - with delegated authority from the Group Executive Committee. Our Sustainability function reports to Stephen Doherty, Chief Brand and Corporate Affairs Officer who chairs the steering committee and is the Aviva senior executive responsible for sustainability. The team provides expertise to enable delivery and coordination of local activity across Aviva's businesses.

Crucially, there is clear individual executive accountability for all sustainability KPIs. Sustainability factors are included in senior executive long term incentive plans.

Our progress and key performance metrics are reviewed regularly and overseen by the Customer & Sustainability Committee.

Our overarching Sustainability Business Standard includes how we manage our material operational and core business environmental and climate impacts, and our community impacts.

Data privacy and security

At Aviva, our customers, colleagues and other stakeholders trust us to process their personal data responsibly and keep it secure. In order to do this we comply with laws and regulations and key regulators' requirements in the countries and markets in which we operate.

We have a dedicated section on this in our Business Ethics Code as well as a standalone Data Privacy Statement which details our specific commitments and practices.

Bribery, corruption and our Financial Crime Standard

Preventing and tackling bribery and corruption is anchored in Aviva's values, with a clear message from senior management around a zero-tolerance approach to financial crime. We cover this in our Business Ethics Code as well as a standalone Prevention of Bribery and Corruption Statement which details our commitments and practices.

The Financial Crime Business Standard, and supporting Minimum Compliance Standards, guide our risk-based financial crime programmes. These seek to prevent, detect and report financial crime, including any instances of bribery and corruption, while complying fully with relevant legislation and regulation.

At a Group level, the Chief Risk Officer provides the Risk Committee with regular reporting on financial crime matters. These include Aviva's anti-bribery and anti-corruption programme.

Additional information

The Company's compliance with the Code, as well as the activities of the Customer and Sustainability Committee can be found in the Governance Report section of this document. Our climate risks and impacts can be found in our Climate-related Financial Disclosure.

Read more about how our directors have performed their statutory duty within our Section 172(1) Statement on page 52

Engagement

As an active owner and active asset manager with scale and global reach, we use engagement, voting and investment decisions to help drive a transition to a sustainable future.

Holistic stewardship

We use our influence to help drive change among our investment and lending partners. While corporate engagement is vital for enhancing company value, it is equally important to engage with institutions, agencies, and governments that set market rules and incentives. Our 'Holistic Stewardship' approach, coordinated across six levels of influence aims to deliver positive investment outcomes and support our clients' sustainability goals. This approach is a key part of our responsibility to help accelerate the energy transition and assist economy-wide climate action.

Using our vote

In 2024 as part of our stewardship approach, Aviva:

- Exercised our voting rights on 6,354 resolutions at AGMs and EGMs
- Voted against 22.4% of company management recommendations that did not align with our sustainable investment strategy
- Conducted 962 substantive sustainability engagement meetings through Aviva Investors
- Achieved 190 sustainability engagement objectives through Aviva Investors, resulting in changes in investee companies' strategies, actions or behaviours.

National Wealth Fund

Our CEO Amanda Blanc was invited to be a part of the National Wealth Fund Taskforce, an independent group convened by Green Finance Institute that includes the CEOs of some of the UK's leading financial institutions, tasked with supporting the design of a first of a kind public-private partnership that deploys catalytic capital to crowd private investment into priority net zero sectors. The Taskforce submitted final recommendations to Labour just ahead of the 2024 election and in the week following the election met with Rachel Reeves and Ed Milliband to discuss next steps, which have now been taken forward.

Transition Finance Market Review

Aviva Investors was represented on the Expert Group for the Transition Finance Market Review, an independent Review commissioned by HMT and DESNZ and led by Vanessa Havard-Williams which focused on how the UK can become the best place in the world to raise transition capital, invest and obtain financial and professional services to support a net zero future.

Find out more about our engagement actions in
Our Transition Plan

Sustainability ratings and indices

Benchmarking companies[1] rate Aviva based on independently gathered ESG insight and data.

Indices	MSCI
Rating	AAA

MSCI provides ESG Ratings on companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry specific ESG risks and the ability to manage those risks relative to peers. As of August 2024, Aviva received an MSCI ESG Rating of AAA.

Indices	Carbon Disclosure Project
Rating	A-

CDP runs the global environmental disclosure system. Each year, CDP takes the information supplied in its annual reporting process and awards companies a score, which represents a snapshot of a company's performance on environmental action. Scores for companies range from D/D- to A/A-. For 2023, Aviva received an A- score.

Indices	S&P Global
Rating	94th percentile

S&P Global ESG Scores provide a depth and breadth of ESG insight, built upon multiple layers of ESG data, and underpinned by a rich bedrock of underlying data intelligence captured by the S&P Global Corporate Sustainability Assessment (CSA). As of December 2024, Aviva scores within the 94th percentile for the insurance industry, achieving inclusion in the Dow Jones Sustainability Indices.

Indices	Sustainalytics
Rating	14.2 low risk

Sustainalytics' ESG Risk Ratings measure a company's exposure to industry specific material ESG risks and how well a company is managing those risks. They provide a quantitative measure of unmanaged ESG risk and distinguish between five levels: negligible, low, medium, high and severe. As of August 2023, Aviva received an ESG Risk Rating of 14.2 and was assessed to be at low risk of experiencing material financial impacts from ESG factors.

1. Aviva discloses performance against the most material ESG ratings

Our tax contribution

As one of the UK's largest companies, the tax we pay helps support a sustainable economy.

£3.7 billion of taxes contributed globally in 2024

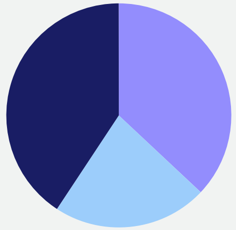
In 2023/2024 we were the 12th largest tax contributor in the UK[1], contributing £2.9 billion in 2024, made up of £0.6 billion of tax paid and £2.3 billion of tax collected.

Furthermore, we pay additional amounts of tax to governments around the world.

We consider our total tax contribution in two ways. Firstly, the tax paid by Aviva Group, which is a cost to our shareholders. Secondly, we collect and pay amounts to tax authorities on behalf of customers, suppliers and employees.

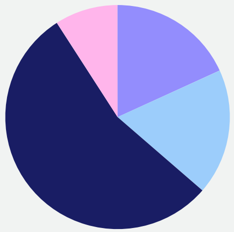
1. Based on PwC analysis of the 100 Group Total Tax Contribution Survey, published December 2024

£2.6 billion of tax collected globally on behalf of customers, suppliers and employees



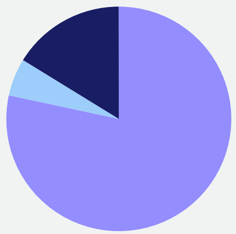
VAT, sales and premium taxes	£0.9bn
Payroll taxes	£0.6bn
Taxes on customer pensions, income and investments	£1.1bn

£1.1 billion of tax paid globally by the Aviva Group



Corporate Income Taxes	£0.2bn
Payroll taxes	£0.2bn
VAT, sales and premium taxes	£0.6bn
Business rates, environmental and other taxes	£0.1bn

Our global total tax contribution of £3.7 billion is focused in our core businesses



UK	£2.9bn
Ireland	£0.2bn
Canada	£0.6bn

Our Tax Strategy[1]

Our tax strategy is to pay the right amount of tax at the right time in each of the countries in which we operate.

We act with honesty and integrity, engaging with HMRC and other relevant tax authorities on a transparent and cooperative basis. We conduct our business dealings in accordance with both the letter and spirit of all tax law, with our core values underpinning our approach to taxation.

This approach is consistent with the Group's appetite to manage its operational risk to as low a level as is commercially sensible, taking account of the financial impact and the value placed by the Group on maintaining a reputation for upholding the highest standard of corporate ethics.

With a low appetite for litigation, we prefer to seek clarity through timely discussion and prompt disclosure of all relevant information, to enable tax authorities to form an accurate assessment of the tax implications of our activities, and assess the current, future, and past tax risks.

We engage proactively in external developments on tax policy and engage with national governments, the European Union, The Organisation for Economic Co-operation and Development, and others where appropriate.

Ensuring that we pay the right amount of tax in each country

We pay tax on the profits earned in each country and require all our businesses to comply with the tax laws in their markets and not enter into schemes or structures which result in an abusive tax result. When we undertake tax planning, we only do so in the context of wider business activity with a real and commercial basis.

Annual reviews are carried out to ensure that appropriate prices have been used for services provided cross border. These prices are subject to regular benchmarking to external markets to ensure the prices charged are consistent with arm's length transfer pricing principles and that profits arising in each company reflect the activity undertaken by that business.

Cross border reinsurance

Our UK resident reinsurance company has quota share reinsurance arrangements with Aviva subsidiaries from the UK, Ireland and Canada. The terms of our reinsurance treaties are consistent with arm's length principles.

Aviva also has a captive reinsurance company in Barbados, which supports the Canadian business. This was put in place to provide capital efficient pooling of risk in a traditional reinsurance location with a supportive regulatory regime and significant local experience. The company is now in run-off.

Offshore Investment Funds

As is common practice in the investment management industry, investment funds are structured to facilitate pooling of capital from different investors.

Aviva Investors manages various investment fund vehicles which are resident in low tax jurisdictions, including Luxembourg, Guernsey and Jersey.

These market standard offshore investment fund vehicles are cost efficient and mitigate tax arising within the fund, ensuring that income and gains are predominantly taxed in the hands of the investor. This allows investors with different tax profiles (e.g. tax exempt UK pension funds) to pool capital without increasing the amount of tax they would otherwise pay.

Managing our tax risks

All tax returns and correspondence are prepared and reviewed by qualified and trained colleagues, acting under appropriate delegated authorities. Where the Group outsources activities, the outsourcing partner must be able to meet all relevant tax compliance responsibilities.

External advice will be sought where the risk, complexity and size of the decision requires an opinion from a third party.

The tax strategy is supported by the Tax Business Standard and our Operational Risk & Control Management (ORCM) framework. All our businesses are required to manage the tax risks in their jurisdiction, considering both proximate and long-term risks. Regular updates detailing the Group's tax position are provided to the Group Audit Committee.

The management of tax risks is overseen by the risk and audit functions.

The tax strategy is aligned with the Aviva Business Ethics code. It is owned by the Group Chief Financial Officer and is approved and overseen by the Board.

1. This document has been prepared and published on 27th February 2025 in accordance with paragraph 16(2), Schedule 19, Finance Act 2016, on behalf of Aviva plc and all the UK tax resident companies in the Aviva plc Group for the year ended 31 December 2024

Non-financial and sustainability information statement

The information presented here, including the sections referred to, represents our non-financial and sustainability information statement as required by sections 414CA and 414CB of the Companies Act 2006.

We aim to be the leading UK provider and go-to customer brand for all insurance, wealth and retirement solutions. In Canada and Ireland we continue to build strong businesses.

For further information, see **Our business model** and **Our strategy**.

The table below outlines Aviva's policies across certain key, non-financial areas with links to where further information on these topics can be found in this Strategic report.

Our policies can be read in full at **www.aviva.com/sustainability/reporting/#policies-and-response**.

On the next page is a summary of how we go about managing these aspects of our business and measuring our performance.

Climate and nature	Employees	Social matters	Human rights	Anti-corruption
We announced our ambition to become a Net Zero carbon emissions company in 2021. The first iteration of our Transition Plan was published in March 2022. Since then, we have gained further insight and understanding of the challenges we face. The second iteration, published in February 2025, represents an evolution of our strategy to deliver our ambitions whilst addressing new risks and capturing new opportunities. We are delivering our climate ambition through an implementation strategy based on actions across our investment, insurance, and operational activities. Our approach is underpinned by engagement with key stakeholders we need to support and influence in our Net Zero journey and enabled by our governance, risk management, and reporting frameworks.	Our focus is on unleashing the power of our people to deliver our strategy. We believe in a high-performance culture and expect the highest standards of behaviour and integrity of our people consistent with our values. Our Conduct and Performance Policy sets out the standards for all colleagues at work. Our mandatory learning covers all the important things employees need to know about working at Aviva so we can protect our business, customers and colleagues. We also want our people to feel comfortable sharing their insights and experiences so we can work together to understand the needs of all customers and find solutions to problems together. Our Fairness and Equality at Work policy and its supporting procedures help colleagues understand what it means to work in a way that's fair, equal and within the law – and also how to raise concerns.	We are aiming to build stronger communities by allocating an average of 2% of our Group adjusted operating profit a year to community investment; helping people with financial, climate and health challenges. Through our fund management operations, we seek to invest in assets that can be put to positive social use, where we can. We finance many social infrastructure developments, including healthcare, education, transport, housing, water and renewable energy. Through our life insurance companies we have a goal to help at least 13% of adults in the UK to save or retire with Aviva. Across Aviva we work with our customers, communities and partners to help more people get the insurance protection and income in retirement they need for a better tomorrow.	Our approach is to be committed to respecting the human rights of others. This includes preventing, addressing and remediating any potential adverse human rights impacts in our operations, our business activities and relationships, and our investments. We continue to pursue our anti-modern slavery agenda within our operations and supply chain, and through our partnerships. We continue to regularly review and refresh our wider human rights approach following our last biennial, Group-wide human rights due diligence assessment. In addition we widened the scope of our supplier assessments and selected a new Sustainability partner – Business for Social Responsibility (BSR). BSR will specifically support the ongoing development of our Human Rights and Anti-modern slavery agendas, aiming to identify the most salient issues across our operations and value chain.	We will always seek to protect our customers, shareholders, employees and communities from financial crime. We have a zero-tolerance approach to acts of bribery and corruption. All Group offices must comply with our Financial Crime Business Standard and associated Minimum Compliance Standards, which include robust anti-bribery and corruption requirements based on the UK Bribery Act. Our Business Ethics Code strictly prohibits any person associated with the Group from doing anything that supports, encourages or facilitates bribery and corruption.
Read more on Our sustainability ambition: page 56 and our Climate-related Financial Disclosure: page 71	**Read more on** Our people and culture: page 53	**Read more on** Our sustainability ambition: page 56	**Find out more in this report under our** support for human rights**. Also see our** modern slavery statement **on www.aviva.com**	**Find out more about** Our Business Ethics Code **on www.aviva.com**

	Climate and environment	Employees	Social matters	Human rights	Anti-corruption
Due diligence processes	• Climate governance structure in place involving the Board and its Committees. • Sustainability Ambition Steering Committee monitors the climate-related risks and opportunities and evaluates progress against ambitions set. • Sustainability Business Standard includes how we manage material operational, climate, environmental and community impacts.	• Annual all colleague Voice of Aviva engagement survey and pulse surveys. • People Risk dashboard and regular tracking of HR metrics and trends. • Global People Business Standard and Remuneration Standard. • Inclusion Council and executive-sponsored diversity, equity and inclusion communities.	• Customer and Sustainability Committee – oversees the execution of the Aviva Sustainability Ambition. • We have a place-based approach, collaborating with cross-sector leaders on priority local challenges and opportunities.	• In 2023 we conducted our most recent biennial Group-wide human rights due diligence assessment across all our businesses, guided by the UN Guiding Principles on Business and Human Rights (UNGPs). • Updated our Human Rights policy in 2023. • The assessment and policy is regularly reviewed and refreshed, the next review will be conducted in 2025.	• Financial Crime Business Standard oversight and governance structure. • Ongoing Group-wide bribery and corruption risk assessment. • Risk-based training for those acting on Aviva's behalf. • Due diligence and risk rating of all third-party relationships. • Gifts and Entertainment and Conflicts of Interest procedures. • Speak Up malpractice helpline.
Policy outcomes	• Taking climate action and making progress towards our ambitions.	• A great place to work, where colleagues can build fantastic careers, feel included and be fairly rewarded.	• Use of Aviva's community investment and asset investments as a force for good.	• We have conducted modern slavery threat assessments on a range of key suppliers using a risk based approach.	• Maintaining a culture of the highest ethics and compliance with our Business Ethics Code. • Seeking to prevent, detect and report financial crime, including any instances of bribery and corruption.
Principal risks	• Reduction in returns from investments not compatible with transition to low-carbon economy. • Disruption to Life or General Insurance businesses e.g. extreme weather, see our Risk Framework.	• Talent recruitment, retention and reskilling. • Creating a diverse and inclusive workplace.	• Reduction in returns from investments in real estate and social infrastructure. • Macroeconomic conditions impacting customers' capacity to invest in our insurance, wealth or retirement products.	• Talent recruitment, retention and reskilling.	• Failure to prevent, detect and report financial crime, including instances of bribery and corruption. • Cyber criminals: attempting to access our IT systems to steal or utilise company and customer data.
Non-financial KPIs	• Aviva operational Scope 1 and Scope 2 (market based) emissions reduction from 2019 baseline. • Carbon intensity reduction for Scope 1 and Scope 2 emissions from investments. • Number of suppliers with validated science-based targets.	• Employee engagement. • Women in senior leadership. • Ethnic diversity in senior leadership roles.	• Investment in communities. • People saving or retiring with Aviva.	• % of registered suppliers that have agreed to Supplier Codes of Behaviour. • % of businesses which have completed a human rights due diligence review. • Specialist colleagues trained on business human rights and modern slavery issues.	• Number of cases reported through Speak Up. • % of registered suppliers that have agreed to Supplier Codes of Behaviour. • Employees who have read, understood and accepted the Business Ethics Code.
	Read more on Climate action: page 59	Read more on Our people and culture: page 53	Read more on Social action: page 57	Read more on Protecting human rights: page 64	Read more on Good governance: page 65

This section includes our Climate-related Financial Disclosure.

We have £407 billion assets under management and can leverage stewardship opportunities where possible to affect climate action, alongside the innovations and customers we support via our insurance.

Governance

Our governance framework and a clear division of responsibilities enables the Board to operate effectively, fulfil its responsibilities and provide valuable oversight. It allows the Board to integrate climate-related risks and opportunities into our strategy, decision making and business processes. The Board's Customer and Sustainability Committee is responsible for assisting the Board in its oversight of Aviva's Sustainability Ambition. The impact of climate change is considered by the Risk Committee and climate disclosures by the Group Audit Committee. The Remuneration Committee assists the Board with oversight of remuneration including consideration of climate metrics when reviewing the Director's Remuneration Policy.

See the **Governance Report** for further information including the consideration of climate-related matters by our Board and Committees during 2024.

Read more in
Governance Report: page 84

Strategy

We have an ambition to be a Net Zero company by 2040. We recognise that to enable and embed a global transition to a low-carbon economy, we cannot singularly focus on decarbonisation. Our Transition Plan takes an integrated approach, incorporating nature, adaptation and social considerations. We are now much clearer on the dependencies on which our ambition relies, many of which are outside of our direct control. We are therefore using our voice to push for enabling policy, regulation and capital market norms to deliver a more secure and stable future for our customers and our people; and to provide long term value to our shareholders.
Our ambitions are contingent on global momentum on climate action.

Read more in
Our sustainability ambition: page 56

Risk management

Aviva's risk management framework sets out how we identify, measure, monitor, manage and report on the risks to which our business, customers' and wider society are, or could be, exposed to (including climate and sustainability related risks).

We use our risk identification process to identify potential exposure to climate-related risks via the associated physical risk (for example flood, wildfires, windstorms and tropical cyclones and heavy precipitation), transition risk (for example new climate policies) and litigation risk (including greenwashing).

We have identified climate-related risks covering investment returns and disruption to the life and general insurance markets. Weather events are already demonstrating the impact of physical risk on our customers lives. Additionally, transition risks are emerging as we move towards a lower-carbon economy. There are also climate-related opportunities, such as potential enhanced return on investments aligning to a lower-carbon economy, or developing lower-carbon insurance products.

We use the following time horizons to classify climate-related opportunities and risks, aligned to our strategy and business plans:

- **Short term** - 0 to 3 years: risks and opportunities deemed material to our three year business and financial planning cycle.
- **Medium term** - 3 to 10 years: risks and opportunities deemed material to our 2030 ambitions.
- **Long term >** 10 years: risks and opportunities deemed material to our 2040 ambition.

We then conduct exposure analysis to understand how these risks will impact our most material exposures. The principal risks impacted by climate change are credit risk, market risk and general insurance risk.

Read more in
Our risks and risk management: page 74

Metrics and targets

We use scenario analysis as a tool to assist to identify the potential impact of climate change on our organisation. Despite the impacts from climate change, Aviva's strategy remains resilient to climate-related risks and opportunities in all scenarios examined, taking into account the possibility and availability of future management actions. To maintain this resilience, we need to influence others and support a co-ordinated global response to the low-carbon transition to limit both ours, and humanity's, exposure to climate breakdown. As expected, the proportion of transition risk generally reduces as we move to higher temperature pathways. There remains a benefit to Aviva in terms of keeping temperature rises below 2°C. We continue to work towards limiting global warming to under 1.5°C in line with the Paris Agreement.

Financed emissions

Financed emissions represent the carbon emissions of our investment portfolio (i.e. Aviva's emissions for Scope 3 category 15 from the GHG Protocol). We monitor the emissions of our investment portfolio for shareholder and policyholder funds and our progress towards our climate ambitions. Our metrics include investee Scope 1 and Scope 2 emissions. We do not yet report Scope 3 of our investees (Scope 3 of 3).

The below table sets out the assets included in our climate metrics compared to the AUM on the IFRS consolidated statement of financial position excluding external assets:

	2024	2023
Total AUM for climate metrics (£bn)	225	213
AUM on the IFRS consolidated statement of financial position (£bn)	313	292
Coverage (%)	72%	73%

The coverage of 72% reflects that there are asset classes for which climate metrics are not yet calculated due to lack of methodology and available, robust data. The reduction in coverage is due to the changes in our asset portfolio, with a higher proportion of other investments and cash and cash equivalents, not included in AUM for climate metrics. AUM for climate metrics by asset class and more information on our climate metrics is included in the Metrics and Targets section of the Aviva plc Climate-related Financial Disclosure 2024.

Operational emissions

We have set out below our GHG emissions on an absolute CO_2e basis in accordance with the Streamlined Energy and Carbon Reporting (SECR).

Operational emissions	UK	Overseas	2024 (AR) Total	UK	Overseas	2023 (AR) Total
Emissions (market-based)[1]						
Scope 1 (tCO_2e)[2]	6,090	1,347	7,437	6,082	1,421	7,503
Scope 2 (tCO_2e)[3]	—	413	413	—	429	429
Scope 3 (tCO_2e)[4]	6,711	3,980	10,691	6,045	3,409	9,454
Total market-based emissions (tCO_2e)	12,801	5,740	18,541	12,127	5,259	17,386
Carbon offsets for which credits have been purchased and retired during the year (tCO_2e)[5]	(12,801)	(5,740)	(18,541)	(12,127)	(5,259)	(17,386)
Total net market-based emissions (tCO_2e)	—	—	—	—	—	—
Intensity ratios (market-based)[1]						
Scope 1 and 2 - market-based emissions (tCO_2e) / £ million Total income[2,3]	0.36	0.33	0.35	0.41	0.37	0.40
Total market-based emissions (tCO_2e) / £ million Total income	0.76	1.09	0.84	0.82	1.06	0.88
Total market-based emissions (tCO_2e) / employee	0.61	0.69	0.64	0.62	0.62	0.62
Emissions (location-based)[6]						
Scope 1 (tCO_2e)[2]	6,090	1,347	7,437	6,082	1,421	7,503
Scope 2 (tCO_2e)[3]	4,839	2,521	7,360	5,204	2,669	7,873
Scope 3 (tCO_2e)[4]	6,711	3,980	10,691	6,045	3,409	9,454
Total location-based (tCO_2e)	17,640	7,848	25,488	17,331	7,499	24,830
Intensity ratios (location-based)[6]						
Scope 1 and 2 - location-based emissions (tCO_2e) / £ million Total income[2,3]	0.65	0.74	0.67	0.76	0.83	0.78
Total location-based emissions (tCO_2e) / £ million Total income	1.04	1.49	1.15	1.17	1.52	1.25
Total location-based emissions (tCO_2e) / employee	0.85	0.95	0.88	0.89	0.89	0.89
Energy consumption						
Energy consumption (MWh)[7]	53,583	12,712	66,295	55,146	13,199	68,345

Footnotes:
1. Market-based: A market-based method reflects emissions from electricity that companies have purposefully chosen
2. Scope 1: Natural gas, fugitive emissions (leakage of gases from air conditioning and refrigeration systems), oil, and company-owned cars
3. Scope 2: Electricity (location-based), district heating (location-based, market-based) and district cooling (location-based, market-based)
4. Scope 3: Includes certain Scope 3 categories for fuel and energy-related activities (category 3), business travel (category 6) and grey fleet (private cars used for business) (category 6), waste (category 5). Scope 3 emissions have increased compared to 2023 principally as a result of business travel increasing.
5. All residual emissions have been offset. Since 2022 we have offset our residual carbon emissions from our Scope 2 market-based total as this takes account of the reduced emissions from our use of electricity from renewable sources. As at 10 February 2025, the 18,541 credits purchased in relation to the 2024 market-based emissions footprint were retired.
6. Location-based: A location-based method reflects the average emissions intensity of grids on which energy consumption occurs
7. Includes Scopes 1 and 2 energy MWh used within our occupied buildings
8. Partial reporting under employee commuting reflects homeworking emissions. These are reported separately from our Streamlined Energy and Carbon Reporting.

(AR) This metric was subject to external independent reasonable assurance by EY in 2024 and PwC in 2023, where indicated. For the results of that assurance in 2024, see Aviva plc Climate-related Financial Disclosure 2024 Independent Assurance section and Aviva plc 2024 Reporting Criteria Independent Assurance section.

Operational and financed emissions

Scope 1 emissions relate to Aviva's operations excluding electricity usage. Scope 2 emissions relate to electricity usage of Aviva's operations. Scope 3 emissions in the table on the left include emissions related to categories 3, 5 and 6, as outlined below. For these categories the emissions do not include the counterparties' Scope 3 emissions. For category 15 financed emissions, Scope 1 and Scope 2 emissions are included and do not include investee Scope 3 emissions (Scope 3 of Scope 3).

Status	Scope 3 category name:
Included in operational carbon emissions	Category 3 - Fuel and energy-related activities
	Category 5 - Waste generated in operations
	Category 6 - Business travel
	Category 7 - Employee commuting[8]
Aviva does not engage in activities linked to these categories	Category 4 - Upstream transportation and distribution
	Category 8 - Upstream leased assets
	Category 9 - Downstream transportation and distribution
	Category 10 - Processing of sold goods
	Category 12 - End-of-life treatment of sold products
	Category 13 - Downstream leased assets
	Category 14 - Franchises
Included in Financed emissions	Category 15 - Investments Financed emission metrics include investee Scope 1 and Scope 2.
Not yet reported	Category 1 - Purchased goods and services
	Category 2 - Capital goods
	Category 11 - Use of sold products

Task Force on Climate-related Financial Disclosures (TCFD) Compliance Summary

The TCFD outlines 11 recommendations for organisations to include in their climate-related reporting. Consistent with the requirements of section 414CB of the Companies Act, climate-related financial disclosures are embedded within the Strategic report. The Group's general purpose financial reports include a Climate-related Financial Disclosure report, which provides more detailed information. The table below outlines how the 11 recommendations have been addressed both within the Strategic report, and with greater granularity within the Climate-related Financial Disclosure.

TCFD pillars	TCFD recommended disclosures	Section of the Strategic report, that disclosures are included in, in compliance with the Companies Act	Section of the Climate-related Financial Disclosure with further details, in compliance with the Listing Rules
Governance Disclose the organisation's governance around climate-related issues and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	• Sustainability governance (see page 65) • Non-financial and sustainability information statement (see page 69)	• Governance - Our management's climate roles and responsibilities (see page 32)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	• Our risks and risk management (see page 74-page 82)	• Governance - Our management's climate roles and responsibilities (see page 32)
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	• Non-financial and sustainability information statement (see page 69) • Our principal risks (see page 76)	• Our climate strategy, risks and opportunities (see page 11)
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	• Climate action (see page 59)	• Our climate strategy (see page 14) • Our Engagement Strategy (see page 15) • Our Implementation Strategy (see page 18 to page 24)
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• Climate-related Financial Disclosure (see page 71)	• Our climate strategy (see page 14) • Scenario analysis - Our Climate VaR measure (see page 53)
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	• Our risks and risk management (see page 74-page 82)	• Risk management - Our process for identifying and assessing climate-related risks (see page 27)
	b. Describe the organisation's processes for managing climate-related risks.	• Our risks and risk management (see page 74-page 82)	• Risk management - Our process for monitoring and managing climate-related risks (see page 27)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	• Our risks and risk management (see page 74-page 82)	• Risk management - Our process for integrating climate-related risks into risk management (see page 26)
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	• Our Non-financial KPIs (see page 28) • Non-financial and sustainability information statement (see page 69)	• Metrics and targets - Overview of our metrics (see page 34)
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions (GHG), and the related risks.	• Climate-related Financial Disclosure - Operational emissions (see page 72)	• Metrics and targets - Operational emissions/Financed emissions/Monitoring sovereign holdings (see page 39 to page 48)
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• Climate action (see page 59) • Decarbonising our business (see page 59)	• Strategy - Our climate strategy (see page 14) • Metrics and targets - Overview of our metrics (from page 34) • Metrics and targets - Our science based targets (see page 56)

Our risks and risk management

"We enable informed, risk-based decision making through the identification, acceptance and proactive management of risks. Our diverse range of products, service and sales channels, combined with our scale helps mitigate the inherent risks across our business, support our customers and achieve our strategic ambitions."

James Hillman
Group Chief Risk Officer

Our risk strategy

Effective risk management, leadership, capability and culture are fundamental to the sustained success of Aviva.

We receive premiums which we invest to maximise risk-adjusted returns, so that we can fulfil our promises to our customers while providing a return to our shareholders. We prefer and retain risks that we can measure and manage, are consistent with our strategy and generate appropriate returns. Details of our inherent risk exposures are set out in Note 52 of the Financial Statements.

Our risk strategy is delivered through our Risk Leadership, consisting of Chief Risk Officers and Risk Directors, and teams specialising in financial and non-financial risks (including IT, cyber, climate and conduct).

Operational highlights

2024 presented a challenging risk environment, characterised by continuing global conflicts, political and regulatory change and extreme weather events. Aviva's Risk Function has continued to grow, move forward and adapt to these challenges, providing support to the business units and our partners to ensure good outcomes for our customers and our shareholders.

Through the year we gave input and support to the cross-business working group preparing for the implementation of Provision 29 of the revised 2024 Corporate Governance Code, relating to the effectiveness of internal controls, which becomes effective for financial years beginning 1 January 2026.

Our risk culture

Our people and culture underpin all aspects of risk management at Aviva. In 2024 we have continued to maintain a risk-aware culture throughout the Group and continued to grow the maturity of our three lines of defence model.

We encourage diversity of thought and a culture of curiosity to ensure a broad range of risks are identified and considered. We continuously develop the skills and capabilities of our people to drive better business decisions that appropriately balance risk and reward. Throughout Aviva our mandatory training includes modules on financial crime, conduct and information security, ensuring that risk is a key consideration when colleagues are making business decisions.

All colleagues have an annual risk-based goal focused on personal responsibility, supporting our commitment to embed our risk culture at all levels of the business.

During 2024, Aviva's Risk Function has been independently reviewed, with the outcome confirming the effectiveness of the function and Aviva's risk culture.

Our risk governance

Our governance approach includes the maintenance of risk policies and business standards, through risk oversight committees (both Board and management) and clearly defined roles and responsibilities.

Our suite of risk policies sets out the Board's expectations for the Group-wide management of risk. The Group's suite of business standards sets out Aviva's required control objectives and minimum requirements for effective internal control.

Line management in the business is accountable for risk management which, together with the Risk Function and Internal Audit, form our 'three lines of defence' risk governance model.

The roles and responsibilities of the Risk and Audit Committees in relation to the oversight of risk management and internal control are set out in the Governance Report. The Risk Committee engages with the Customer and Sustainability Committee on the Climate and wider sustainability agenda.

The Risk Function is committed to enabling Aviva to grow profitably, responsibly and sustainably through oversight and challenge, and has been proactive on key business initiatives, for example, supporting organic and inorganic growth; and the continued embedding of compliance with Consumer Duty requirements in the year.

Our risk management framework

Our Risk Management Framework (RMF), as illustrated on the next page, sets out our Group-wide approach to risk management. The RMF is owned by the Aviva plc Board, and adopted by subsidiary boards.

Our RMF is made up of several key components, including sub-frameworks for risk appetite and key risk categories, as well as our risk policy, governance, processes, procedures, systems and desired behaviours and attitudes for risk management.

The processes and systems we use to identify, measure, manage, monitor and report risks are designed to enable dynamic risk-based decision making and effective day-to-day risk management.

Our risk management framework

Governance

Three lines of defence

1st line (line management)
Accountable for the implementation and practice of risk management, and has primary responsibility for risk identification, measurement, management, monitoring and reporting.

2nd line (risk function)
Sets frameworks and standards to manage risk, and provides oversight, challenge and advisory support to the business on risk matters.

3rd line (internal audit)
Assesses and reports on the effectiveness of the design and operation of the internal control framework, which enables risks to be assessed and managed.

Read more in
The Risk Committee Report: page 108

Risk appetite framework

Risk strategy:
Defines how Aviva thinks about risk. Set by the Board as part of approving the Risk Appetite Framework.

Risk appetite:
Clearly defined quantitative or qualitative overarching statements, with associated metrics and thresholds, that express the level of risk the business is willing to accept. The Group has risk appetites for solvency, liquidity, climate, operational, conduct and reputational risk. Reviewed and approved by Boards or sub-committees.

Risk preferences:
Qualitative statements that express where the business prefers to take risks, or else accept or avoid them, and why. Expressed as absolute terms and set by the Board or Board Risk Committee.

Risk tolerances & risk triggers:
Risk tolerances are defined as qualitative or quantitative boundaries that may constrain specific risk-taking activities and are set by the Board or Board Risk Committee. Risk tolerances are in place for material, volatile or unrewarded risk types impacting solvency and liquidity.

Risk triggers are thresholds to monitor capital exposure, and are approved by relevant management committees.

Risk taxonomy

A comprehensive catalogue of risks that the organisation is exposed to. Provides a consistent basis for assessing risk and to support the summarisation, aggregation and reporting of risk, capital and control information. Also considers cross-cutting risks (e.g. Climate) and outcomes and impacts (e.g. Conduct, Reputation). Changes require approval from the Group Chief Risk Officer.

Level 1:
The broad categories covering the six main risks which affect Aviva: Market & Credit Risk, Liquidity Risk, General Insurance Risk, Life Insurance Risk, Operational Risk and Strategic Risk.

Read more in Note 52 of the Financial Statements on page 269.

Level 2:
Shows more specific manifestations of level 1 risks, for example GI Reserve, GI CAT and GI Premium/Underwriting under General Insurance Risk.

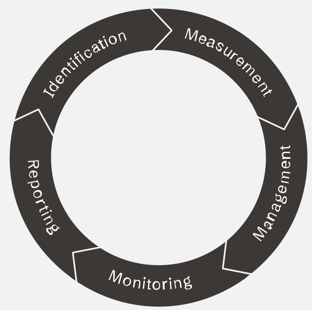
Level 3:
Represents the most granular risk types, for example Policy Volumes and Premium Rates under GI Premium/Underwriting.

Risk management framework policy

Establishes the principles and fundamental statements by which Aviva manages risk in line with its agreed risk strategy, comprising the systems of governance, risk management processes and risk appetite framework.

Risk management process

Aviva uses the IMMMR model (below) to help the business identify, predict, understand and manage our risks, maintaining a safe risk environment and enabling dynamic risk-based decision making. Key components include the top-down risk assessment, Operational Risk & Control Management (ORCM), Own Risk & Solvency Assessment (ORSA) and Stress & Scenario Testing (SST).



We have Group manuals for IFRS Accounting Standards, Solvency UK, Non-Financial, and Climate Reporting. Financial and Non-Financial Reporting Control Frameworks are in place to support the preparation of our disclosures, including in respect of non-financial metrics and disclosures.

Top-down

Bottom-up

Risk Identification

Framework enablers

Skillset and tools	Organisational structure and reporting lines	Risk solutions, tools and data	Capabilities, knowledge and expertise	Resourcing
Mindset	Culture and behaviours	Performance management	Leadership	

Our principal risks

Our principal risks, with their potential impact and key mitigating or management actions, are set out in the following pages. They are not intended to be exhaustive but have been identified as those most likely to seriously affect Aviva's strategic objectives, future performance, solvency, liquidity, or reputation over the next twelve months.

Our selection of principal risks has remained stable throughout the year and are aligned with those regularly reported to the Group Executive Risk Committee and Board Risk Committee for review and discussion.

The risks are assessed by their likelihood to impact the business and have been selected on the basis of the potential significance of the impact (post-current mitigation).

The Group continues to operate in an environment of elevated macroeconomic uncertainty with global growth forecasts slowing, global trade restrictions and geopolitical tensions. Regulatory change is expected to continue throughout the coming year, and there remains an increased level of cyber attacks across the world.

The radar (right) has been updated to show our current assessment of the principal risks to our business.

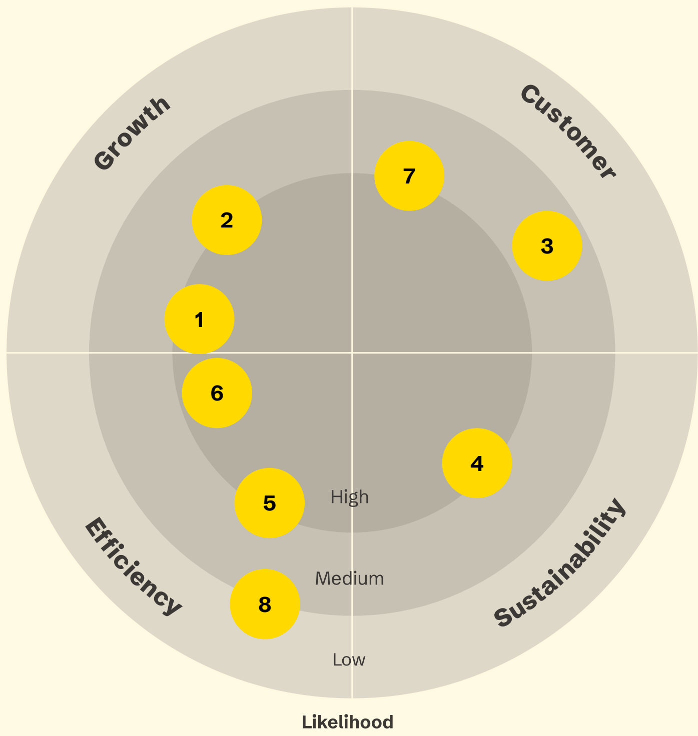
The view is dynamic and reflects the continued prioritisation of risk management activity across the business.

We regularly use stress and scenario testing (including reverse stress testing) of our principal risks to test the operational and financial resilience of our business plans and to inform our risk appetites and decision-making. We also test the availability and the impact of key management actions (e.g. expense and volume management, hedging, de-risking and debt raising), which we would use to mitigate the impact of severe financial or non-financial stresses.

Such actions would significantly improve the Group's liquidity and Solvency II Own Funds if used. The testing that we perform demonstrates that the Group maintains sufficient liquidity and surplus of Solvency II own funds over SCR to withstand a variety of severe scenarios and stresses.

Current view

Risk	
1 Geopolitical instability	5 Strategic change
2 Economic and credit	6 People risk
3 Regulatory change	7 Third parties
4 Climate change	8 IT Control environment



Strategic pillars				
	Growth	Customer	Efficiency	Sustainability

Risk taxonomy key			
	A Market and credit risk	B Liquidity risk	C General insurance risk
	D Life insurance risk	E Operational risk	F Strategic risk

1 Geopolitical instability

Description

Ongoing global instability could have a significant impact on financial markets and our supply chains (including claims inflation) and therefore the service we provide to our customers.

There is a risk of direct contagion of the conflicts in Ukraine and the Middle East to surrounding countries. Second and third order impacts may affect global energy prices, financial markets, global trade and inflation.

The uncertain global political landscape has the potential to lead to a higher volume of covert cyber security and critical infrastructure threats.

Proposed measures to boost domestic production in the US risk triggering a global response of retaliatory tariffs. A potential increase in isolationist regional policies, impacting market volatility, capacity, pricing could also lead to inflationary pressures on our supply chain.

Key mitigation actions

We actively monitor the economic environment through our Financial Event Response Plan, as well as the cybersecurity threat environment.

We manage our direct underwriting exposure to conflict zones via our policy wordings and underwriting boundaries.

A key focus is to identify how geopolitical environmental changes might impact Aviva's customers and balance sheet, allowing us to anticipate and proactively plan to prevent harmful outcomes.

We perform exercises of plausible scenarios, including identification of triggers, early warning signs and developing prevention actions and contingency plans to minimise impact to our customers.

We undertake stress testing and scenario analysis to understand potential impacts to our balance sheet, customers, and business suppliers.

We develop contingency plans in case of major supply chain disruption, incorporating lessons learned from the 2022 outbreak of the Ukraine conflict and the Covid-19 pandemic.

Strategic pillar Customer, Efficiency

Risk Taxonomy E F

Focus level: Increasing

2 Economic and credit

Description

The year ahead is likely to be marked by significant policy uncertainty, leading to a wide range of possible outcomes for the global economy.

A change in the US government is expected to bring with it a host of substantial changes across the policy spectrum: from trade to tax and spending, regulation, immigration, and foreign policy.

While high inflation has eased, interest rates remain high and currency weakness may impact our customers' saving behaviour, the returns we can offer to customers, and our ability to profitably meet our promises.

In the UK, the rise in employer national insurance contributions, reduction in the level at which they are paid and increases to minimum wages, risks adversely impacting our business partners' financial stability and ability to deliver positive customer outcomes.

Key mitigation actions

We limit the sensitivity of our balance sheet to investment risks.

While interest rate exposures are complex, we aim to closely duration-match assets and liabilities and take additional measures to limit interest rate risk.

We hold substantial capital for market risks and protect our capital with a variety of hedging strategies to reduce our sensitivity to market shocks.

We regularly monitor our exposures and employ both structured and ad hoc processes to evaluate changing market conditions.

We are transparent with our customers, ensuring Consumer Duty is embedded at the heart of our business.

Strategic pillar Customer, Efficiency

Risk Taxonomy A B

Focus level: Maintaining

Strategic pillars	Growth	Customer	Efficiency	Sustainability

Risk taxonomy key

- A Market and credit risk
- B Liquidity risk
- C General insurance risk
- D Life insurance risk
- E Operational risk
- F Strategic risk

3 Regulatory change

Description

The Group is subject to extensive regulatory oversight and disclosure requirements, with multiple bodies operating across different markets and jurisdictions.

Changes in government policy, legislation or regulatory expectations applying to companies in the financial services and insurance industries, in any of the markets in which the Group operates, may risk adversely affecting the range of products offered, the terms and conditions applicable to these products, distribution channels and capital requirements. This has the potential to impact financial results, dividends payable by subsidiaries and financing requirements.

Insurance regulation in the UK and Ireland is currently largely based on the requirements of EU directives, though incoming Solvency UK introduces adjustments to better suit the UK's regulatory objectives post-Brexit. Ambiguity or inconsistency in regulation across different jurisdictions risks placing the Group at a competitive disadvantage to other European financial services groups.

Key mitigation actions

We closely monitor local compliance and reporting against regulatory change requirements.

We proactively engage with regulators across Group and markets, ensuring Aviva is compliant and well prepared for future changes.

We provide clear, transparent pricing, expert underwriting and great customer service to ensure Aviva continues to provide high quality products and meet regulatory expectations in facilitating good customer outcomes.

Strategic pillar: Customer, Growth, Efficiency

Risk Taxonomy: C D E

Focus level: Maintaining

4 Climate change

Description

Aviva considers climate change to represent a significant risk to our customers, strategy, business model and wider society. Its effects are already being felt and we are proactively addressing these through our business plan and Sustainability Ambition.

We seek to minimise our exposure to the downside from climate transition risk, which may result from the expected extensive policy, technology and market changes, while supporting solutions that will drive a transition to a low-carbon climate resilient economy.

We recognise that there will be acute and chronic physical effects of climate change. We seek to limit our exposure to these risks, whilst actively supporting adaptation and building resilience. Additionally, we aim to minimise climate litigation risks, including those related to greenwashing.

Climate-related risks are ‘cross-cutting’ rather than standalone risks within our risk taxonomy, recognising that these risks impact many other risks.

Key mitigation actions

Our risk policies and business standards explicitly cover the climate-related risks and integrate them in our risk and control management activities supporting our day-to-day decisions. We take into consideration the fact that these risks do not always easily align with existing risk management processes.

Aviva’s climate risk appetite framework expresses the level of risk our business is willing to accept or avoid. It enables confident risk-based decision-making.

We monitor our exposure using a variety of metrics and consider the rapidly evolving regulatory requirements along with changes to, and dependencies with, the macroeconomic environment.

We engage with companies to encourage them to transition to a lower-carbon economy and we invest in/underwrite companies that are working towards robust and credible transition plans.

We have built the possibility of extreme weather events into our general insurance pricing, reinsurance programme design and monitor actual weather losses versus expected weather losses by business.

Strategic pillar: Customer, Sustainability

Risk Taxonomy: A C

Focus level: Increasing

Strategic pillars	Growth	Customer	Efficiency	Sustainability

Risk taxonomy key

A Market and credit risk	B Liquidity risk	C General insurance risk
D Life insurance risk	E Operational risk	F Strategic risk

5 Strategic Change

Description

The delivery of Aviva's Strategic Change activity is essential to our ambition to be market leading, and to continue delivering great customer outcomes.

Numerous multi-year Transformation programmes are underway or planned across all markets. To support our growth aspirations, plans are in place and continue to be developed to increase the capability and capacity of our change delivery expertise.

The scale of our change programmes requires a significant resourcing commitment. The ability to recruit, develop and retain highly skilled change delivery experts to ensure we successfully deliver the required programmes remains a risk to our strategic ambitions.

Reliance on third party business partners to deliver change, in a competitive market, presents a risk to our change capacity.

The integration of change programmes into business units presents a risk of disruption to business activity.

Acquisitions of new businesses into the Aviva Group present integration risks and legacy business risks.

Key mitigation actions

We continue to develop the Aviva Change Framework, performance metrics and underlying data quality, with second-line support, review, and challenge throughout.

A key design element of our change programmes is how implementation is achieved to minimise the impact to our daily business and maximise the benefits of the change. This aims to enable our customers to enjoy the benefits of the program without affecting the great service they receive.

Our change programmes are subject to regular review and assurance. This oversight ensures that our projects are meeting projected markers and continue to add value through their implementation.

We aim to develop our staff to meet the needs of the change team, aligning skills and ambitions to develop and grow both the capacity of our teams and the individual members.

Post implementation, we review change programmes in detail, to ensure lessons are learnt from both the programme and process, ensuring the change process continues to evolve and refine.

Strategic pillar Customer, Growth, Efficiency

Risk Taxonomy E F

Focus level: Increasing

6 People risk

Description

Our people are critical to the delivery of our strategy and business plan.

A failure to recruit a talented, engaged workforce risks our ability to service the needs of our customers and achieving our strategic goals.

Through recruitment, development and merger and acquisition activity, Aviva have highly skilled colleagues. Not retaining our talented people risks a loss of skills and knowledge, which could have an adverse impact on our customers and on the profitability of Aviva.

A diverse, inclusive workforce is at the heart of Aviva. Failure to attract staff with a diverse range of backgrounds, experiences and views would risk negatively impacting Aviva's culture.

Leadership is key to the continued success of Aviva; loss of key leadership roles is a risk to the structure and underlying skills of our teams.

Key mitigation actions

We have a range of development and talent programmes, graduate and apprentice schemes supported by a various diversity, equity and inclusion initiatives to ensure we attract and retain the best talent.

Our Aviva University and learning academies enable colleagues to develop their skills in key capabilities such as Wealth, Underwriting, Claims and Change.

The Aviva Foundry is our flagship reskilling programme enabling us to build a future-ready workforce, in particular strengthening the digital and data skills we require both now and in the future.

To ensure we retain our talent we have implemented innovative people policies such as flexible working and equal parental leave, as well as supporting career progression for all colleagues.

Strategic pillar Growth, Efficiency

Risk Taxonomy E

Focus level: Increasing

Strategic pillars Growth Customer Efficiency Sustainability

Risk taxonomy key
A Market and credit risk
B Liquidity risk
C General insurance risk
D Life insurance risk
E Operational risk
F Strategic risk

7 Third parties

Description	Key mitigation actions
Aviva has reliance on third-parties for numerous essential services and for the successful delivery of strategic change projects. Third party control failure could pose a risk to their business performance and operational resilience, with impact to our customers' outcomes and our reputation. Aviva is reliant on third-party business partners to provide essential IT services to enable our customers to receive the great service they expect. Loss of a critical IT service is a risk to the operational capability and reputation of Aviva. Government policy changes and business environment pressures on third-parties creates risk to their business models and viability. Aviva's priority is to provide excellent service to our customers which may be impacted by failing third-party business partners.	We work closely with third-and fourth-party suppliers to ensure greater visibility and alignment of their risk management, particularly in relation to IT, cyber security, customer and employee data protection and retention. We continue to implement measures to improve and embed the Group's operational resilience including ensuring the resilience of outsourcers and third and fourth parties that support our important business services. This includes risk management, scenario testing and crisis response planning to ensure customer harm is minimised and that Aviva continues to be a trusted, financially safe business. We provide support to our business partners, sharing our skills and experience to aide them through challenging business environments to ensure our customers experience great outcomes.
Strategic pillar Customer, Growth, Efficiency	**Focus level: Maintaining**
Risk Taxonomy E F	

8 IT Control environment

Description	Key mitigation actions
New and rapidly advancing technologies such as generative Artificial Intelligence and quantum computing threaten to out-pace regulations, governance and control frameworks. Failure to understand and react to their impacts on customer behaviours, pricing, and distribution models could pose a risk to delivering on our strategy, competitive advantage and reputation. Heightened geopolitical tensions have also caused an increase in the frequency and aggressiveness of cyber-attacks on large institutions. Systems outages that could affect our ability to service customers, either due to the direct effect on Aviva's systems, or on the systems of third-party business partners.	Our operational risk and control management framework provides us with the tools and techniques to reduce future losses, protect good customer outcomes, and protect against adverse reputational and regulatory impact. We carefully design, assess and regularly test our controls to ensure they are effectively mitigating the key causes and consequences of risks inherent to the business. We have specific controls in place to manage the increasingly volatile IT, cyber and data threat landscape. We invest heavily in our IT infrastructure, ensuring our business is at the forefront of technology and suitably equipped to defend against cyber-attacks. We actively monitor and respond to attacks on our IT infrastructure, continually evolving our protection mechanism to ensure the integrity of our systems. Through our internal communications system, we educate all our colleagues on the moving trends of cyber criminals. Through our mandatory training, we ensure all our staff are aware of how to identify cyber-attacks.
Strategic pillar Growth, Efficiency	**Focus level: Maintaining**
Risk Taxonomy E	

Emerging risks

Framework, processes, and management

We maintain a comprehensive library of emerging risks, which are distinguished from current risks by the high degree of uncertainty as to how and when the risk will crystallise and its impact on Aviva.

In order to prioritise emerging risks for management action and reporting, we articulate scenarios as to how these emerging risks could crystallise and assess these scenarios according to their impact, post mitigation, on the Group's strategy, capital and liquidity, operational resilience and reputation or franchise.

The UK general election and the resulting Labour majority has reduced some policy uncertainty, but we continue to monitor developments carefully and engage with the new government.

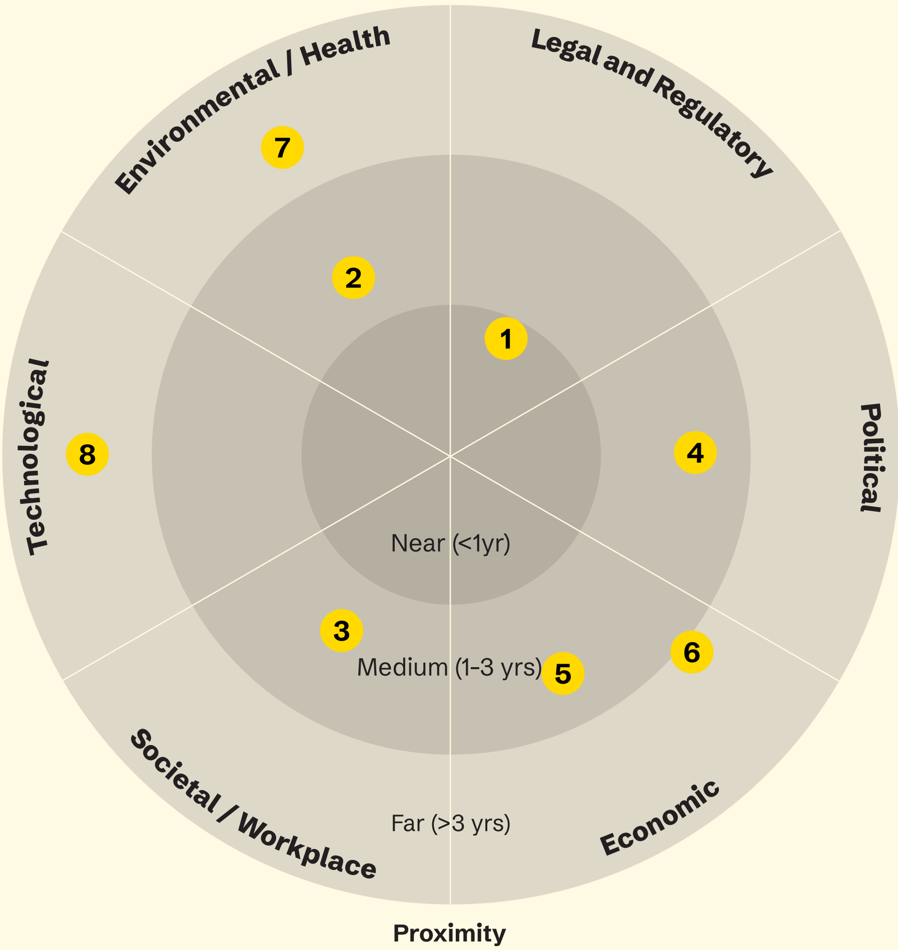
We have increased focus on societal inequality as an emerging risk, and in particular concerns around increasing protection gaps and affordability of cover in some segments.

Climate change and its associated risks remain a key area of focus across many dimensions, including asset risk, legal risk and physical risk.

The following page provides more detail on the scenarios set out in the radar (right), the potential impact to Aviva and the mitigating actions in place.

Current view

Risk	
Climate: Litigation	
1	Increasing sustainability regulation
Medical advances	
2	New generation of treatments
Societal inequality	
3	Increasing protection gaps
Escalating geopolitical tensions	
4	China – Taiwan conflict
	Trade wars
	Russia – Ukraine conflict
	Middle East conflict
Climate: Transition	
5	Rapid policy implementation
Global debt crisis	
6	Next financial crisis
Climate: Physical risk	
7	Increase in physical hazards
Artificial intelligence	
8	Artificial general intelligence (AGI)



Emerging risks

1 Climate: Litigation

Scenario: Changes in regulatory requirements and increased demand for climate disclosure from customers and investors leads to inappropriate disclosures.

Impact: Damage to our reputation or franchise if we fail to deliver on our ambitions or not do enough to protect our customers. Increasing cost of compliance with regulatory requirements. Financial loss from litigation against Aviva or companies we insure, or from regulatory fines.

Mitigation: Implementation of robust governance, controls, development and delivery of tangible pathways to achieve our ambitions. Compliance with regulatory requirements. Disclosure in accordance with TCFD (including transparency of the data sources and methodologies).

2 Medical advances

Scenario: New generation of medical treatments (e.g. Advanced Therapy Medical Products, GLP-1 receptor agonists) bring unexpected mortality and morbidity experience.

Impact: Movements in mortality, morbidity and medical expense inflation result in deviations from expected claim patterns and annuity payments, leading to a requirement to strengthen reserves.

Mitigation: Detailed analysis of experience and factors that influence mortality informs our pricing and reserving policies. We buy longevity and mortality reinsurance to protect against adverse trends.

3 Societal inequality

Scenario: Increasing unaffordable cover for low-income groups resulting in protection gaps.

Impact: Increasing protection gaps (i.e. cover is unaffordable), risk of adverse public policy action to address insurance “poverty premium” and increasing fraudulent claims. This also creates opportunities for private insurance solutions where public healthcare and long-term social care is failing.

Mitigation: Addressed via Aviva’s Social Action strategy. Financial Inclusion working group created to co-ordinate group wide approach to creating accessible propositions, including poverty premium response. UK business’s vulnerable customer plans and activity.

4 Escalating geopolitical tensions

Scenario: Escalation of the Israel-Gaza-Lebanon conflict to the wider Middle East, a China-Taiwan blockade or conflict and spread of the Ukraine conflict to NATO neighbours. Trade wars through imposition of punitive tariffs triggering retaliatory tariffs and trade restrictions.

Impact: Major supply chain disruption and claims supply chain inflation. Increased cyber risk to operations. Global macroeconomic shock impacting solvency or new business.

Mitigation: Policy wording, underwriting boundaries, investment in cyber security controls, supply chain diversification, Financial Event Response Plan and Operational Resilience Framework.

5 Climate: Transition

Scenario: Quicker or broader than expected climate policy implementation, stricter carbon pricing and market shifts.

Impact: Reduction in returns from investments in high carbon-intensive sectors/companies. Increased green spending creating opportunity for boosting economic growth. Disruption to the supply chain and to the insurance market affecting customers preferences, profitability and pricing.

Mitigation: Monitor and manage exposure to high carbon-intensive sectors. Invest in or underwrite companies that are working towards a robust/credible Transition Plan. Invest in sustainable assets. Respond to customers’ needs and reward responsible actions. Engage with suppliers to promote sustainable business.

6 Global debt crisis

Scenario: Next financial crisis with multiple potential triggers. Exacerbated by high-levels of corporate debt issued at low interest rates requiring refinancing between 2025 to 2030 and sustainability of ever increasing sovereign indebtedness.

Impact: Credit defaults or downgrades impacting Aviva’s solvency, Macroeconomic recessionary shock impacting new business.

Mitigation: Credit limit framework and credit hedging. Financial Event Response Plan. Ongoing stress and scenario testing. Deep downside scenarios in quarterly financial forecasting.

7 Climate: Physical risk

Scenario: Greater than expected increase in acute or chronic physical hazards.

Impact: Reduction in returns from investments and insurance products that are exposed to losses from business interruption. Supply chains may be vulnerable, affecting companies' profitability. Some real assets become uninsurable.

Mitigation: Ensure the transition (renewables, EVs, etc.). Monitor and manage exposure and enhance products’ design and reinsurance. Engage with suppliers to ensure they are signed-up to SBTi and have Transition Plans. Build resilience through schemes such as ‘Build Back Better’. Engage with customers in higher-risk zones to mitigate weather impacts.

8 Artificial Intelligence

Scenario: The emergence and adoption of artificial general intelligence (AGI).

Impact: Rapid changes to finance and insurance sectors, with impacts on and opportunity for the workforce. Current value propositions may be diminished with the availability of tools that 'level the playing field', impacting profitability and competitive advantage. Use of AGI may polarise sentiment and impact existing and future customer base.

Mitigation: Action in hand to strengthen the control framework for the current risks Gen AI presents as well as exploit the opportunities for process efficiency, better pricing and/or underwriting, product personalisation and improved customer service.

Going concern and longer-term viability statement

Going concern and longer-term viability

A detailed going concern and longer-term viability review has been undertaken as part of the 2024 reporting process. The Group's business activities, together with the factors likely to affect its future development, performance and capital and liquidity positions are set out in the Strategic report, along with the Group's approach to risk and risk management. In addition, the Financial statements sections include notes on the Group's borrowings (note 45); its contingent liabilities and other risk factors (note 48); its capital management (note 50); management of its risks including market, climate, credit and liquidity risk (note 52); and derivative financial instruments (note 53).

The going concern and longer-term viability review includes consideration of the Group's current and forecast solvency and liquidity positions over a three-year period and evaluates the results of stress and scenario testing. A three-year time horizon has been deemed an appropriate period for the assessment as it aligns to management's 2025-2027 business plan and to the period for which the Group establishes its internal and external targets. Stress and scenario testing (including reverse stress testing) is used to test the resilience of business plans and to inform decision-making.

These tests are driven by the Group's risk profile at a range of severities, as well as a range of other scenarios as part of the Group solvency and liquidity management processes.

The Group continues to maintain strong solvency and liquidity positions through a range of scenarios and stress testing. Particular areas of uncertainty include credit downgrades where a specific focus has been our commercial mortgage portfolio, which we continue to monitor closely and have taken several actions including debt restructuring. The Group's balance sheet exposure has been reviewed and actions taken to reduce the sensitivity to economic shocks.

Even in severe downside scenarios, no material uncertainty in relation to going concern and longer-term viability has been identified, due to the Group's strong solvency and liquidity positions providing considerable resilience to external shocks, underpinned by the Group's approach to risk management (see note 52).

It is fundamental to the Group's longer-term strategy that the directors manage and monitor risk, considering all key risks the Group faces, including longer-term insurance risks, so that it can continue to meet its obligations to policyholders. The Group is also subject to extensive regulation and supervision under the Solvency II regulatory framework.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements (at least to 26 February 2026). For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

Longer-term viability statement

The directors have assessed the prospects of the Group in accordance with Provision 31 of the 2018 UK Corporate Governance Code, with reference to the Group's current position and prospects, its strategy, risk appetite, and the potential impact of the principal risks and how these are managed. Based on this assessment, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period to 31 December 2027.

Strategic Report

By order of the Board on 26 February 2025.

Amanda Blanc DBE
Group Chief Executive Officer

Governance Report

Chair's introduction to governance

"Good governance is central to achieving our ambition through the delivery of our strategy."

George Culmer
Chair

Governance at Aviva

This report outlines our approach to governance and how the Board and its Committees operated during 2024.

The Board is responsible for ensuring that strong corporate governance practices are in place to support the success of the Company and generate value for shareholders while fulfilling responsibilities to all our stakeholders. Our robust governance framework enables the Board to provide leadership, set the Group's strategic aims and risk appetite, and uphold the purpose, culture, values and ethics of the Company.

You will find more information about our governance practices in 'Our approach to governance'.

Our Board

It is important to me that our businesses are formally represented on the Board. In 2024, we made three new Non-Executive Director appointments to support this goal. Ian Clark joined the Board and was appointed chair of Aviva Insurance Limited in March, Cheryl Agius joined the Board and was appointed chair of Aviva Investors Holdings Limited in May, and Neil Morrison joined the Board in June, just before his appointment as chair designate of Aviva Canada Inc. While our Insurance, Wealth & Retirement, UK & Ireland General Insurance, and Aviva Investors businesses have been represented on the Board for several years, Neil's appointment ensures that Canada General Insurance now has the same Board-level representation as our other businesses. I would also like to express my gratitude to Martin Strobel and Mike Craston, who both retired in 2024, for their exceptional contributions to the Board.

I am confident that the Board has the right balance of skills, knowledge, and experience and I am proud that the Board continues to meet the sex and ethnic background targets set by the Financial Conduct Authority and The Parker Review.

You will find the Board's biographies in 'Our Board of Directors', and more information on Board composition in the 'Nomination and Governance Committee report'.

Board effectiveness

The Board is committed to the highest performance standards and every year we take the opportunity to reflect on our effectiveness and create an action plan for the coming year. This year we conducted an internal Board and Committee evaluation and the results were highly positive. Following the evaluation, the Board agreed actions focused on enhancing the Board's understanding of our communities and suppliers. You can read more about the Board and Committee evaluation in the 'Nomination and Governance Committee report'.

Our Board's activities

This has been an exceptionally busy year for the Board, with additional time being spent on the proposed acquisition of Direct Line. Other highlights during the year for me included our annual strategy session in June and inspiring site visits to York in May, Ireland in September, and with Aviva Investors in December. You can read more about this in 'Our Board's activities'.

Stakeholder engagement

The Board considers the views and interests of the Group's stakeholders in all decision making. You can read about how the Board has engaged with each of our stakeholder groups in the Strategic report.

Evolution Council

One of the most enjoyable aspects of my role is chairing the Evolution Council, which comprises of 12 high potential colleagues from across the Group. The Evolution Council meets prior to each Board meeting and ensures that the employee voice is heard at Board-level. The Council acts as the Board's chosen employee engagement mechanism. We have recently decided to appoint two graduates from our early careers programme, providing the Board with a Gen Z perspective. You can read more about the Evolution Council in the 'Culture' section of 'Our approach to governance'.

Annual General Meeting

In May, we held our AGM in York, a key location for our Insurance Wealth & Retirement business. This year's AGM will be in Bristol, which has been an important location for us since the acquisition of Friends Life in 2015. We look forward to meeting shareholders, hearing your views and answering your questions. You will find more detail about the meeting in **'Shareholder Services'**.

George Culmer
Chair
26 February 2025

Read more on:

- Our approach to governance: page 87
- Our Board of Directors: page 91
- Nomination and Governance Committee report: page 99
- Board and Committee evaluation: page 102
- Our Board's activities: page 96
- Stakeholder engagement: page 48
- Annual General Meeting: page 327

Our compliance with the Code

Aviva is committed to the principles of the 2018 UK Corporate Governance Code (the Code), which is publicly available at **www.frc.org.uk.**

The Board can confirm that the Company was compliant with the Code throughout the financial year ended 31 December 2024.

The table below sets out where relevant information is disclosed about how the Company has applied the principles of the Code during the year.

Meeting the revised 2024 Code

During 2025, the Board and its Committees will oversee the application of the revised 2024 Code which will apply to the financial year beginning on 1 January 2025, with the exception of the changes to Provision 29, which relate to the effectiveness of the risk management and internal control framework. The changes to Provision 29 will apply to the financial year beginning on 1 January 2026.

Board leadership and company purpose	Pages
The Company is led by an effective Board whose role is to promote the long-term success of the Company and generate value for shareholders	91 to 95, 102
The Board is responsible for establishing the Company's purpose, values, and strategy and ensures our culture is aligned to these	2, 21, 53 to 55, 90
The Board ensures that necessary resources are in place for the Company to meet its objectives	21, 41 to 42, 96
The Board ensures effective engagement with shareholders and stakeholders	48 to 52, 90
The Board ensures that workforce policies and practices are consistent with the Company's values and support its long-term success and the workforce can raise any matters of concern	49, 85, 96, 107

Division of responsibilities	Pages
The Chair leads the Board and is responsible for its overall effectiveness	87, 102
The Board includes an appropriate combination of executive and non-executive directors and there is a clear division of responsibilities between the Board and the executive	87, 91 to 95, 100
Non-Executive Directors have sufficient time to meet their responsibilities. They provide challenge, guidance, and hold management to account	87, 100
The Group Company Secretary supports the Board in ensuring that it has the policies, processes, information, time, and resources it needs	88, 90

Composition, succession and evaluation	Pages
Appointments to the Board are subject to a formal procedure and effective succession plans are maintained for Board and senior management. Both appointments and succession plans promote diversity	99 to 101
The Board and its Committees have a combination of skills, experience, and knowledge. Consideration is given to the length of service of the Board as a whole and membership is regularly refreshed	91 to 95, 100
Annual Board and Committee evaluation considers composition, diversity, and effectiveness. Individual evaluation demonstrates that each director continues to contribute effectively	102

Audit, risk and internal control	Pages
The Board has established procedures to ensure the independence and effectiveness of internal and external auditors and integrity of financial and narrative statements	103 to 107
The Board presents a fair, balanced, and understandable assessment of the Company's position and prospects	104, 149
The Board has established procedures to manage risk and internal controls and determine principal risks	74 to 83, 90, 108

Remuneration	Pages
Remuneration policies and practices are supportive of strategy and promote long-term sustainable success	112
There is a procedure for developing executive remuneration policy and determining director and senior management remuneration	119
Directors exercise independent judgement and consider performance when authorising remuneration outcomes	122

Our approach to governance

Governance framework

A strong system of governance throughout the Group is essential to achieving our purpose and delivering our strategy. Our governance framework and a clear division of responsibilities enables the Board to operate effectively, fulfil its responsibilities and provide valuable oversight.

Whilst the Board reserves certain responsibilities, day-to-day management of the Group has been delegated to the Group Chief Executive Officer, who is supported by the Group Executive Committee.

The Board has established five Board Committees which operate under Terms of Reference, available online at **www.aviva.com/committees**.

In January 2025, the Committee Terms of Reference were reviewed and refreshed to align to current legislation and regulation, whilst being clear and concise.

The Board Committees work closely together in particular areas. For example, the Audit and Risk Committees work together on internal control matters and both Committee Chairs are members of the other Committee to ensure a co-ordinated approach.

Board

Senior Independent Director | Chair | Non-Executive Directors

Board committees

Nomination and Governance Committee | Audit Committee | Risk Committee | Customer and Sustainability Committee | Remuneration Committee

Executive team

Group Chief Executive Officer | Group Chief Financial Officer | Group Executive Committee

Group Company Secretary

Roles and responsibilities

Board

Collectively responsible for promoting the long-term, sustainable success of the Company through seeking to generate value for shareholders while fulfilling responsibilities to all our stakeholders. This includes setting the Group's strategic priorities and monitoring management's performance against those priorities, setting the Group's risk appetite and ensuring effective controls are in place, monitoring compliance with corporate governance principles and upholding the purpose, culture, values, and ethics of the Company.

Chair

The Chair is tasked with the leadership of the Board, setting its agenda, ensuring its effectiveness, and enabling the constructive challenge of the performance and strategic plans of the Executive Directors by the Non-Executive Directors. The Chair meets with the Non-Executive Directors regularly without the Executive Directors present. The Chair also plays a key role in the effective communication with shareholders and working with the Board to establish our culture, purpose, and values.

Senior Independent Director

The Senior Independent Director's principal duties are to provide a sounding board for the Chair and serve as an intermediary to other directors and shareholders where necessary. The Senior Independent Director also leads on reviewing the performance of the Chair and meets with the Non-Executive Directors at least annually without the Chair present.

Non-Executive Directors

Non-Executive Directors are expected to exercise independent judgement through constructive challenge and scrutiny of management's performance. They assist in the development of strategy and must satisfy themselves that financial controls and systems of risk management are robust. Non-Executive Directors are central in the appointment, removal, succession planning, and determination of appropriate levels of remuneration for Executive Directors.

Roles and responsibilities continued

Board Committees

Nomination and Governance Committee

Oversees Board composition, Board and senior executive succession, and Group corporate governance.

Read more in the Nomination and Governance Committee report: page 99

Audit Committee

Assesses the integrity of financial and non-financial and climate-related reporting and monitors the effectiveness of internal controls, internal and external auditors, and whistleblowing.

Read more in the Audit Committee report: page 103

Risk Committee

Provides oversight and advice to the Board in relation to the current and future risk exposures of the Group by reference to strategic developments and including determination of risk appetite, tolerance, and desired risk culture.

Read more in the Risk Committee report: page 108

Customer and Sustainability Committee

Oversees the Group's ambition to be a leading customer centric company and Aviva's Sustainability Ambition.

Read more in the Customer and Sustainability Committee report: page 110

Remuneration Committee

Reviews the Group Remuneration Policy, compliance with the Policy, and the remuneration approach for relevant staff under any of the applicable regulatory regimes.

Read more in the Remuneration Committee report: page 112

Executive team

Group Chief Executive Officer

The Group CEO has overall accountability for the development and execution of the Group's strategy in line with the policies and objectives agreed by the Board, as well as the operational effectiveness and profitability of the Group. The Group CEO leads the Group Executive Committee.

Group Chief Financial Officer

The Group CFO is responsible for the financial affairs of the Group whilst supporting the Group CEO in the development and execution of the Group's strategy.

The Group Executive Committee

The Group Executive Committee is made up of senior executives who have accountability for their own business area or function, as delegated by the CEO.

Group Company Secretary

The Group Company Secretary is responsible for advising the Board on governance matters and ensuring compliance with applicable rules and regulations. They ensure good information flows within the Board and its committees and between senior management and Non-Executive Directors. They support the Board in ensuring that it has the policies, processes, information, time and resources it needs. All directors have access to the advice of the Group Company Secretary.

Induction, training and development

A commitment to support the continuing development of all employees is a central part of Aviva's culture. Our directors are highly supportive of this and are committed to their own ongoing professional development. During 2024, the directors participated in internal training sessions on subjects including Lloyd's of London, Consumer Duty, Speak Up, climate and sustainability, and crisis management.

A number of training sessions have been incorporated into the Board and Committee plans for 2025.

The Board also receives regular briefings on a range of strategically important matters to ensure they are informed of developments in these areas.

All newly appointed directors are provided with a structured and tailored induction programme, taking into account their experience and capabilities and knowledge of Aviva. This covers, amongst other matters, the current financial and operational plan, meeting packs and minutes from recent Board and Committee meetings, stakeholder engagement, organisation structure charts, a history of the Group, role profiles, and all relevant policies, procedures and other governance materials. The induction also includes meeting key members of senior management and the external and internal auditors.

Any knowledge or skill enhancements identified during the directors' regulatory application process are also addressed through the induction programme.

As described earlier in this report, the Board appointed three new Non-Executive Directors during 2024. Cheryl Agius and Ian Clark were already serving as Directors of Group companies, whereas Neil Morrison was an external appointment. You can read about the difference between an induction programme tailored for an internal appointment compared to an external appointed in the case studies of Cheryl and Neil's induction programmes.

Cheryl Agius

Cheryl Agius was appointed as a Non-Executive Director of the Aviva plc Board and a member of the Nomination and Governance, Risk, and Customer and Sustainability Committees on 21 May 2024. At the same time, Cheryl was appointed chair of Aviva Investors Holdings Limited, being the legal entity that controls our Aviva Investors business. Before this point, Cheryl had served as a Non-Executive Director of Aviva Life Holdings UK Limited, being the legal entity that controls our IWR business, and several of its subsidiaries.

Noting Cheryl's knowledge of the Aviva Group, her induction programme was tailored to focus on being a non-executive director of a UK-listed company (Aviva plc) and an asset management business (Aviva Investors). Cheryl met with key Board members and executives from each company and was provided with their financial and strategic plans. Following her appointment to the Audit Committee in February 2025, Cheryl had in-depth sessions with management and the external auditors.

Neil Morrison

Neil Morrison was appointed as a Non-Executive Director of the Aviva plc Board and a member of the Nomination and Governance and Risk Committees on 17 June 2024. Shortly afterwards, Neil was appointed chair designate of Aviva Canada Inc., being the legal entity that controls our Canada GI business.

Whilst being a specialist in the Canadian insurance market with international experience, Neil had no previous experience within Aviva and his induction programme was designed to focus on Group history, finance, risk, governance, and the UK regulatory landscape as the majority of his executive and non-executive experience was gained in Canada. Neil also attended the Board's strategy session in June which allowed him to get an in-depth view of Aviva's strategy and progress against our strategic priorities.

Culture

The Board is responsible for establishing the Company's cultural direction, ensuring the culture is aligned to our purpose, strategy, and values, and monitoring behavioural patterns and standards across the Group.

In December 2024, the Board had its annual culture and engagement update. They discussed the findings from the Voice of Aviva (VoA) engagement survey and cultural diagnostic in great detail. Colleague engagement levels in 2024 were at an all-time high of 91% and the culture diagnostic highlighted progress too, with positive improvements across all dimensions. Even with these strong improvements, management, supported by the Board, has identified three company-wide priorities for 2025:

1. continue to focus on our ability to adapt to new ways of working;
2. maintain high levels of inclusion and belonging; and
3. investing in leadership development.

You can read more about this, as well as the Company's approach to investing in and rewarding our people, in the Our People section of the Strategic report.

The Board also monitors culture through regular site visits, Your Forum, and the Evolution Council, which was established in 2018 and acts as our principal employee engagement mechanism as required by the Code. The Council meets seven times a year, ahead of each scheduled Board meeting and is chaired by the Board Chair and attended by Non-Executive Directors on rotation. The outcomes from the meeting are reported to the Board by the Board Chair.

Communication with shareholders

The Board places considerable importance on communication with shareholders. The Executive Directors have an ongoing dialogue and a programme of meetings with institutional investors, fund managers, and analysts which are managed by the Company's investor relations function.

The Chair also meets with the Group's major shareholders. At those meetings a range of issues is discussed to understand shareholders' perspectives, within the constraints of rules around confidential information. Shareholders' views are regularly communicated to the Board through reports from the Group CEO and Group CFO and regular briefings from the investor relations team.

The Senior Independent Director is also available to meet with major shareholders to discuss any concerns that cannot be resolved through normal channels.

Read more in
Our stakeholders: page 48

Shareholders are also given the opportunity to communicate with the Board at the Annual General Meeting.

Read more in
Shareholder Services: page 327

Conflicts of interest

In accordance with the Companies Act 2006, the Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as are deemed necessary. The Board continues to monitor and note any actual or potential conflicts of interest that each director may have and decides whether these should be authorised.

Directors are required to disclose potential conflicts of interest as and when they arise and to confirm the information held by the Company is correct on a bi-annual basis.

Independent advice

All directors have access to the advice of the Group Company Secretary in relation to the discharge of their duties on the Board and any Committees they serve on. Furthermore, any directors may take independent professional advice at the Company's expense. During the year, no directors sought to do so.

Risk management and internal control

The Board is responsible for setting the Group's risk appetite and ensuring that there is an appropriate system of risk governance in place.

To carry out this responsibility, the Board has established frameworks for risk management and internal control using a 'three lines of defence' risk governance model, which help the Group comply with the Financial Reporting Council guidance on risk management, internal control and related financial and business reporting.

In-depth monitoring of the establishment and operation of prudent and effective key controls for assessing and managing the key risks associated with the Group's operations is delegated mostly to the Risk Committee, with the Audit Committee responsible for internal controls over Financial Reporting and Non-Financial and Climate-related Reporting.

The Risk Committee, on behalf of the Board, continually assesses the Group's principal and emerging risks and these are regularly reported to the Board.

Assessment of effectiveness of risk management

Each business unit CEO is required to make a declaration that the Group's governance and system of internal controls are effective and are fit for purpose for their business and that they are kept under review throughout the year.

The effectiveness assessment draws on the regular cycle of assurance activity carried out during the year and is supported by the application of the Group's operational risk and control management framework whereby the details of any key failings or weaknesses are reported to the Audit and Risk Committees and to the Board on a regular basis. Any material risks not previously identified, key control weaknesses or non-compliance with the Group's risk policies or local delegations of authority must be highlighted as part of this process. This assessment is subject to Chief Risk Officer review and challenge both at local business unit and Group-level.

The Risk Committee monitors the operation of the Group's risk management and internal controls and the Audit Committee monitors internal controls over financial reporting through regular reports. In February 2025, the Risk Committee carried out a full review of the effectiveness of the systems of risk management and internal control for the financial year ended 31 December 2024. This review covered all key controls including financial, operational, and compliance controls and the risk management framework. The Audit Committee also reviewed internal controls over Financial Reporting and Non-Financial and Climate-related Reporting.

Read more on
Our risks and risk management: page 74

Our Board of Directors

Committee membership key

- Nomination and Governance Committee
- Customer and Sustainability Committee
- Audit Committee
- Remuneration Committee
- Risk Committee
- C Chair

George Culmer
Chair

Appointed
Non-Executive Director – Sep 2019
Senior Independent Director – Jan 2020
Chair – May 2020

C

Experience and competencies
George brings significant board-level exposure with over 20 years experience as a FTSE 100 Director, including CFO of Lloyds Banking Group plc and, prior to that, CFO of RSA Insurance Group plc. George has also worked at Zurich Financial Services and Prudential plc.

George has a deep understanding of insurance and wider financial services and insight into the challenges that affect Aviva's businesses and the implications for shareholders, which make him well placed to lead the Board in driving the strategy, culture, and values of the Group.

External appointments
- Senior Independent Director of Rolls-Royce Holdings plc
- Trustee of the Army Benevolent Fund

Dame Amanda Blanc
Group Chief Executive Officer (CEO)

Appointed
Non-Executive Director – Jan 2020
Group CEO – Jul 2020

Experience and competencies
Amanda started her career as a graduate at one of Aviva's legacy companies, Commercial Union plc. Since then, she has held senior executive roles across the insurance industry as Group CEO at AXA UK PPP & Ireland, and CEO, EMEA & Global Banking at Zurich Insurance Group. Amanda held executive leadership positions at Towergate Insurance Brokers, Groupama Insurance Company and Commercial Union. She served as Chair of the Insurance Fraud Bureau, President of the Chartered Insurance Institute, a member of the Prime Minister's Business Council, and Co-Chair of the UK Transition Taskforce.

Amanda's broad executive experience in the insurance industry makes her well qualified to lead Aviva. Amanda has greatly simplified Aviva and overseen a significant strengthening of Aviva's financial position. Amanda is a director of Aviva Group Holdings Limited.

External appointments
- Senior Independent Director of BP plc
- Board member of the Association of British Insurers
- Women in Finance Charter Champion for HM Treasury

Charlotte Jones
Group Chief Financial Officer (CFO)

Appointed
Group CFO – Sep 2022

Experience and competencies
Charlotte has held a number of executive positions during her career, including CFO of RSA Insurance plc, Interim CEO of the RSA UK & International business, and CFO of Jupiter Fund Management plc. Before that, Charlotte was Head of Group Finance at Credit Suisse Group, Deputy Group CFO at Deutsche Bank Group and an audit partner at EY. Charlotte is a Chartered Accountant.

Charlotte is a highly experienced CFO with an impressive track record across the insurance, banking, and asset management industries. Charlotte's financial expertise and strategic decision-making skills play a fundamental role in driving Aviva towards its strategic goals.

Charlotte is a director of Aviva Insurance Limited and Aviva Group Holdings Limited.

External appointments
- Member of the Sheffield University Management School Advisory Board

Cheryl Agius
Independent Non-Executive Director

Appointed
Non-Executive Director – May 2024

Experience and competencies
Cheryl is a qualified actuary with over 30 years' experience in the financial services industry. Cheryl was CEO of Saga plc's general insurance business and, prior to that, CEO of Legal & General Group plc's general insurance business. Cheryl held senior leadership roles in Legal & General's retirement division and was responsible for setting up the US retirement business.

Cheryl is currently Chair of Aviva Investors Holdings Limited and previously served as a Non-Executive Director of Aviva Life Holdings UK Limited, Aviva Life & Pensions Limited and Chair of Aviva Equity Release UK Limited, all subsidiaries in the Aviva Group. Cheryl was also Chair of the Aviva Life Holdings UK Limited Conduct and Investment Committees.

Cheryl's extensive experience of both listed and regulated financial services companies and her knowledge of the Aviva Group make her a strong addition to the Board.

External appointments
- Chair and Trustee of British Coal Staff Superannuation Scheme

Our Board of Directors

Committee membership key

- Nomination and Governance Committee
- Audit Committee
- Risk Committee
- Customer and Sustainability Committee
- Remuneration Committee
- C Chair

Andrea Blance
Independent Non-Executive Director

Appointed
Non-Executive Director – Feb 2022

C

Experience and competencies
Andrea is an experienced financial services leader and board member who has deep understanding of governance, the regulatory environment and risk management, making her a strong Chair of the Risk Committee.

Andrea spent her executive career at Legal & General Group plc where she held a range of senior leadership roles including Group Chief Risk Officer and Strategy & Marketing Director. More recently, Andrea has been Senior Independent Director and Remuneration Committee Chair of Vanquis Banking Group plc, Senior Independent Director and Audit Committee Chair of ReAssure plc, and Risk Committee Chair of Scottish Widows plc and Lloyds Banking Group Insurance.

External appointments
- Non-Executive Director and Risk Committee Chair of Hargreaves Lansdown plc

Ian Clark
Independent Non-Executive Director

Appointed
Non-Executive Director – Mar 2024

Experience and competencies
Ian is a chartered accountant with over 40 years' experience of working in the financial services industry. He has extensive executive experience, most notably as an equity partner at Deloitte where he led the strategy and corporate finance practice for the insurance sector. Prior to that, he was a partner at Bacon & Woodrow. Ian also has significant experience as a Non-Executive Director of regulated companies.

Ian has a strong knowledge of Aviva and excellent understanding of the General Insurance business and market. He has a very good understanding of the risks faced by the general insurance sector and of the regulatory regime in which it operates, as well as the wider UK regulatory environment. This makes Ian a valuable addition to the Board and Chair of Aviva Insurance Limited.

External appointments
- Non-Executive Director of EGV (Holdings) Limited
- Treasurer and member of the Court of the Worshipful Company of Insurers
- Trustee of African Revival

Patrick Flynn
Senior Independent Director

Appointed
Non-Executive Director – Jul 2019
Senior Independent Director – Sep 2020

C

Experience and competencies
Patrick is an experienced finance executive and has significant experience in retail, financial and insurance services.

Patrick was previously CFO of ING, a European banking group. Prior to that, Patrick was CFO of HSBC Insurance. He also served as a Non-Executive Director of two listed former ING insurance companies. His experience thoroughly equips Patrick to chair the Audit Committee and to support the Chair as Senior Independent Director.

External appointments
- Non-Executive Director and Audit Committee Chair of NatWest Group plc

Shonaid Jemmett-Page
Independent Non-Executive Director

Appointed
Non-Executive Director – Dec 2021

C

Experience and competencies
Shonaid is an experienced director and her business leadership and broad experience including in the financial services, sustainability and digital sectors make her a valuable addition to the Board and Chair of the Customer and Sustainability Committee.

Shonaid was previously Chair of MS Amlin and has held a number of senior roles during her executive career including as Chief Operating Officer of CDC Group, Global SVP Finance and Information at Unilever and a partner at KPMG. More recently, Shonaid chaired Greencoat UK Wind PLC.

External appointments
- Chair of ClearBank Ltd
- Chair of Cordiant Digital Infrastructure Limited
- Non-Executive Director of QinetiQ Group plc

Our Board of Directors

Committee membership key

- Nomination and Governance Committee
- Customer and Sustainability Committee
- Audit Committee
- Remuneration Committee
- Risk Committee
- C Chair

Mohit Joshi
Independent Non-Executive Director

Appointed
Non-Executive Director – Dec 2020

Experience and competencies
Mohit is CEO and Managing Director of Tech Mahindra Limited, a leading provider of digital transformation, consulting and business re-engineering services and solutions. Prior to that he was President of Infosys Limited, where he led the financial services, healthcare and life sciences business verticals for the company and was Chair of EdgeVerve, its software subsidiary. Mohit joined Infosys in 2000 after an initial career in banking and has over 24 years of professional experience working across the US, India, Mexico, and Europe.

Mohit is an established business leader in technology and transformation, adding significantly to the skills and expertise of the Board.

External appointments
- Chief Executive Officer and Managing Director of Tech Mahindra Limited

Pippa Lambert
Independent Non-Executive Director

Appointed
Non-Executive Director – Jan 2021

C

Experience and competencies
Pippa was previously Global Head of Human Resources at Deutsche Bank where she was responsible for leading the development of a successful and progressive HR transformation programme, focused on improving the Group's culture, diversity and inclusion and digital agendas.

Prior to that, Pippa was Group Head of Reward at the Royal Bank of Scotland plc (now NatWest Group plc) where she worked closely with the Board on the redevelopment and restructure of the bank's compensation and benefits programme. Pippa's experience makes her a valuable Chair of the Remuneration Committee and contributes significantly to the Board discussions in areas relating to people and reward matters.

External appointments
- Board Member and Remuneration Committee Chair of Zopa Bank Limited
- Trustee of Future Dreams Trust Limited

Jim McConville
Independent Non-Executive Director

Appointed
Non-Executive Director – Dec 2020

Experience and competencies
Jim was previously Group Finance Director of The Phoenix Group, where he was responsible for all aspects of the Group's financial strategy and management and led the transition programme bringing Phoenix and Standard Life Assurance together. Prior to that he was CFO of Northern Rock from 2010 to 2012, and for many years worked for Lloyds TSB Group (now Lloyds Banking Group plc) in a number of senior finance and strategy related roles.

Jim's expertise makes him a strong Chair of the Aviva Life Holdings UK Board and its subsidiary Aviva Life & Pensions UK Limited. Jim's experience also significantly adds to the knowledge and expertise of the Board and its Committees.

External appointments
- Director of The Royal Bank of Scotland International (Holdings) Limited and The Royal Bank of Scotland International Limited
- Trustee of the National Galleries of Scotland

Michael Mire
Non-Executive Director

Appointed
Non-Executive Director – Sep 2013

Experience and competencies
Michael was most recently senior partner at McKinsey & Company where he worked for more than 30 years, and through his governmental experience, he brings a unique perspective and insight to the Board. His experience with the Department of Health and Social Care and the Care Quality Commission gives Michael insight into the Health and Protection market.

Michael also has a detailed understanding of the financial services sector, and a wealth of experience in business transformation and developing strategies for retail and financial services companies. This makes Michael a valuable member of the Customer and Sustainability Committee and Nomination and Governance Committee.

External appointments
- Chair of Luther Systems Ltd
- Senior Adviser to Lazard

Our Board of Directors

Committee membership key

- Nomination and Governance Committee
- Audit Committee
- Risk Committee
- Customer and Sustainability Committee
- Remuneration Committee
- C Chair

T.Neil Morrison
Independent Non-Executive Director

Appointed
Non-Executive Director – Jun 2024

Experience and competencies
Neil has over 38 years of experience in the insurance industry, most recently as a Managing Partner and Chair of Platform Insurance Management Inc., one of Canada's fastest growing insurance brokers.

Neil's experience includes executive roles with Hub International Limited (US, Canada, Brazil & Caribbean). Prior to this, Neil was President & CEO of Hub International HKMB Ontario where Neil led a diverse executive team focused on delivering great customer service, organic revenue growth and retention, M&A, and strong margin contribution. Neil is a past Chair of the Insurance Institute of Canada and a past Chair of Worldwide Broker Network.

Neil's knowledge of Aviva's products and operations, the London market as a past Lloyd's coverholder, and the competitive and regulatory landscape Aviva operates within makes him a valuable addition to both the Aviva plc and Aviva Canada Inc. Boards.

External appointments
- Chair of BOXX Insurance Inc.
- Board Observer of InsurePay Inc.

Susan Adams
Group Company Secretary

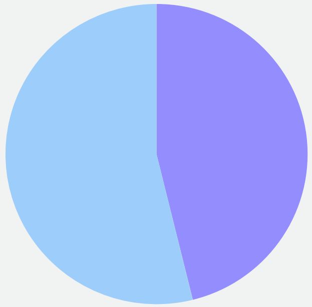
Appointed
Group Company Secretary – Jan 2024

Experience and competencies
Before joining Aviva, Susan was the Corporate Governance Director for Lloyds Banking Group plc, having previously been the Group Company Secretary and a member of the executive committee for challenger bank Monzo. Susan qualified as a lawyer in 1994. After working for several years in the financial services practice at international law firm Hogan Lovells, Susan moved to Standard Chartered Bank where she held a number of senior executive roles including responsibility for Legal, Western Hemisphere.

External appointments
- Chair of Climate Outreach

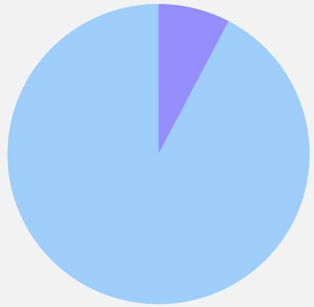
Biographies for our Board and Group Executive Committee can be found at www.aviva.com

Board composition as at 26 February 2025



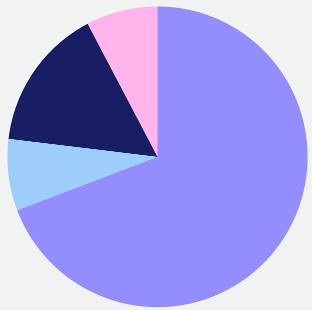
Gender

Female	6
Male	7



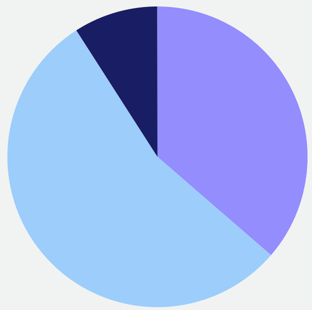
Ethnicity

Asian	1
White	12



Nationality

British	9
Canadian	1
Irish	2
Indian	1



Non-Executive Director tenure

0-3 years	4
3-6 years	6
6-9+ years	1

Read more in the Nomination and Governance Committee report: page 99

Read more in the Directors' report: page 145

Board skills and experience as at 26 February 2025

The Code recommends that the Board and its Committees should have a combination of skills, experience and knowledge. The Nomination and Governance Committee, on behalf of the Board, evaluates Board composition with these factors in mind.

To assist the Board and Nomination and Governance Committee, a skills and experience matrix for our Board is maintained and is assessed at least annually.

Skills and experience

Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Strategy and business planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial and actuarial	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
People and reward	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Risk management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Legal and regulatory	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Technology, digital and operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Customer service and experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Sustainability and climate	✓	✓	✓	✓	✓	✓	✓						

Key

✓ Directors with more than three years experience as a director

Board and Committee meeting attendance in 2024

During 2024, ten Board meetings were held, of which seven were scheduled meetings and three were additional meetings called to approve certain strategic matters.

If any directors are unable to attend a meeting, they can communicate their opinions and comments on the matters to be considered via the Chair of the Board or the relevant Committee Chair.

The Non-Executive Directors met without the Executive Directors or members of the Group Executive Committee present before every scheduled meeting of the Board.

Board and Committee meetings attendance

	Board	Nomination and Governance Committee	Audit Committee	Risk Committee	Customer and Sustainability Committee	Remuneration Committee
Meetings held	7 scheduled (3 additional)	3 scheduled (2 additional)	6 scheduled	5 scheduled	5 scheduled	5 scheduled
George Culmer	7/7 (3/3)	3/3 (2/2)				
Amanda Blanc	7/7 (3/3)					
Charlotte Jones	7/7 (3/3)					
Cheryl Agius[1]	4/4 (3/3)	2/2 (1/1)		2/2	2/2	
Andrea Blance	7/7 (3/3)	3/3 (2/2)	6/6	5/5		5/5
Ian Clark[2]	4/5 (3/3)	2/2 (1/2)	3/4	2/3		
Patrick Flynn	7/7 (3/3)	3/3 (2/2)	6/6	5/5		5/5
Shonaid Jemmett-Page[3]	7/7 (3/3)	3/3 (2/2)	6/6	4/5	5/5	
Mohit Joshi[4]	6/7 (2/3)	2/3 (1/2)		4/5		
Pippa Lambert	7/7 (3/3)	3/3 (2/2)			5/5	5/5
Jim McConville	7/7 (3/3)	3/3 (2/2)	6/6	5/5	5/5	5/5
Michael Mire	7/7 (3/3)	3/3 (2/2)			5/5	
Neil Morrison[5]	3/3 (2/2)	2/2		2/2		

1. Cheryl was appointed to the Board on 21 May 2024
2. Ian was appointed to the Board on 11 March 2024 and was unable to attend one scheduled Board meeting, one additional Nomination and Governance Committee meeting, one scheduled Audit Committee meeting, and one scheduled Risk Committee meeting due to prior commitments as the meetings were scheduled prior to this appointment
3. Shonaid was unable to attend a scheduled Risk Committee meeting due to prior commitments
4. Mohit was unable to attend one scheduled and one additional Board meeting, one scheduled and one additional Nomination and Governance Committee meeting, and one scheduled Risk Committee meeting due to international travel
5. Neil was appointed to the Board on 17 June 2024

Our Board's activities

Strategic Pillars
Growth · Customer · Efficiency · Sustainability

January

Board and Committee Meetings which included outcomes of the Board Effectiveness Review and setting 2024 Board Objectives.

February

The Board held joint meetings with the Board of Aviva Insurance Limited for each entity to approve the acquisition of Probitas' fully integrated Lloyd's platform.

March

Board and Committee meetings, including the approval of the 2023 Full Year Results, 2023 final dividend, and a £300 million share buyback.

The Board appointed Ian Clark as an Independent Non-Executive Director and member of the Audit, Risk, and Nomination and Governance Committees.

May

The Board and Group Executive Committee members visited our York office for two days.

The Board held its 2024 AGM at the York Racecourse.

Board and Committee meetings including the approval of the Q1 2024 Trading Update and the redemption of €700 million Dated Tier 2 Reset Notes.

The Board appointed Cheryl Agius as an Independent Non-Executive Director and member of the Customer and Sustainability, Risk, and Nomination and Governance Committees.

Deloitte carried out a training session for the Board and material subsidiary boards on the Lloyd's of London market.

June

The Board held its annual two-day strategy offsite to review progress against the delivery of our strategic priorities and to outline forward looking priorities.

The Board approved the appointment of Neil Morrison as an Independent Non-Executive Director and member of the Risk and Nomination and Governance Committees.

July

Board training session covering Consumer Duty and Speak Up.

August

Board and Committee Meetings, which included the approval of the 2024 Interim Results, 2024 interim dividend, and the issuance of £500 million Tier 2 Notes under the £7 billion Euro Note Programme, with a concurrent tender of £500 million legacy Tier 2 Notes.

Board training session covering Climate and Sustainability.

September

The Board visited our Ireland offices over two days to gain a deeper understanding of our General Insurance and Insurance, Wealth & Retirement businesses in Ireland.

November

Board and Committee meetings, including the approval of the Q3 2024 Trading Update.

The Board approved the terms of the approach to acquire Direct Line.

December

Board and Committee meetings, which included the Strategic Delivery update, 2025-27 Group Financial Plan, Culture and engagement deep dive, and Transition Plan.

Board training session covering a crisis management exercise followed by an Aviva Investors site visit.

The Board approved the full terms of the potential acquisition of Direct Line, as set out in the 2.7 Announcement.

2025 priorities

- Review and support the delivery of the change agenda, including M&A integration.
- Review and support the delivery of the customer agenda.
- Play an active role in Aviva's sustainability and diversity agendas.
- Site visits to engage with colleagues, customers, and other stakeholders.

Our stakeholders

- Our people
- Our customers
- Our shareholders
- Our communities
- Our suppliers
- Regulators

During the year the Board undertook the following activities. The key indicates which of our stakeholder groups were affected.

Read more on

- Our stakeholders: page 48
- Our Section 172 (1) statement: page 52

York AGM and site visit

The Board held the Annual General Meeting in York, where Aviva has a long standing history since the 1960s when General Accident acquired the Yorkshire Insurance Company and York became home to Aviva's life insurance business. The AGM gave local shareholders and employees the opportunity to attend in person to hear from the Board on the Company's performance and ask questions on the topics that matter to them. The AGM was held at the York Racecourse.

Whilst in York, the Board and Group Executive Committee visited the York office over a two-day period and attended showcases about the IWR business, primarily focusing on platform developments, customer operations which included call listening with the Protection claims team, and a sustainability workstream with the University of York. The Board also held a recognition event for finance colleagues that delivered 2023 reporting under the new IFRS 17 accounting standard and Aviva community leads.

Strategy Offsite

In June 2024, the Board held its annual two-day strategy meeting at an offsite location to review progress against the delivery of our strategic priorities and to outline forward-looking priorities to deliver on our commitments to our shareholders and our wider stakeholders.
This provided opportunities to hear from our IWR, UK & Ireland General Insurance, Canada General Insurance, and Aviva Investors leadership on growing our businesses. The Board also conducted deep dives into horizon scanning, customer experience and engagement, and digital and Generative AI opportunities and roadmaps. This was followed by another strategy deep dive in November, where the strategy was further reviewed and refined within the context of the Group three-year business plan which was tabled to the Board in December.

Our stakeholders

- Our people
- Our customers
- Our shareholders
- Our communities
- Our suppliers
- Regulators

Aviva Ireland Board Offsite

The Board visited the Aviva offices in Ireland for a two-day visit to meet colleagues and to gain a deeper understanding of our Insurance. Wealth & Retirement and General Insurance business operations in Ireland. The directors attended sessions covering a number of customer segments, such as customer experience, transformation and specialty, and financial lines and distribution channels.

The Board joined discussions on culture and engagement, Voice of Aviva results, and diversity, equity and inclusion. They discussed plans to build an ethnically diverse talent pipeline and the learning and development programmes in place to provide colleagues with future skills. There were a number of opportunities for directors to meet our people, including a Town Hall meeting where the Chair and Group CEO answered colleagues' questions, and recognised individuals within the business in living our values and delivering for our customers. The Board also met with Irish subsidiary board directors.

Proposed acquisition of Direct Line

At its scheduled meeting in November, the Board considered the acquisition of Direct Line. Given the Board's collective responsibility for the acquisition under the UK Takeover Code, the Board held an additional meeting in November to focus solely on the background and rationale of the acquisition, seeking input from both the executive team and external advisers.

At that meeting, the Board established a committee comprising both Non-Executive Directors and Executive Directors with the full power of the Board to oversee the acquisition. The Board also scheduled weekly update calls.

Following the November Board meeting, the Chair of the Board briefed the Boards of Aviva Insurance Limited, being the entity that controls our UK & Ireland General Insurance business, and Aviva International Insurance Limited, the onshore reinsurance vehicle for the Group. These Boards also received regular updates as the acquisition progressed.

The Board received an acquisition update at its scheduled meeting in December and then held an additional meeting later in December to review the final terms of the acquisition.

The Board Committee approved the final terms and release of the 2.7 Announcement on 23 December 2024.

The Board discussed the acquisition at its January meeting and reviewed the Scheme Document, which was later approved by the Board Committee.

Throughout the process, the Board has carefully considered the potential impact of the acquisition on our customers, people, and shareholders and requirements of the regulators.

Read more on

Our proposed acquisition of Direct Line: page 13

Nomination and Governance Committee report

“The Committee focused on the appointment and induction of our new Non-Executive Directors, succession planning, and on our diversity, equity and inclusion initiatives.”

George Culmer
Chair of the Nomination and Governance Committee

Committee at a glance

Membership
George Culmer (Chair)
Cheryl Agius (from 21 May 2024)
Andrea Blance
Ian Clark (from 11 March 2024)
Mike Craston (until 16 April 2024)
Patrick Flynn
Shonaid Jemmett-Page
Mohit Joshi
Pippa Lambert
Jim McConville
Michael Mire
Neil Morrison (from 17 June 2024)
Martin Strobel (until 11 March 2024)

Read more on
Our Board of Directors: page 91

Purpose

The purpose of the Nomination and Governance Committee (the Committee) is to:

1. keep the Company’s (and its subsidiaries’ and associates’ from time to time) (the Group) governance arrangements under review and to make appropriate recommendations to the Board to ensure that such arrangements are consistent with best corporate governance standards and practices;
2. consider and make recommendations to the Board in respect of appointments to that Board and ensure that effective plans are maintained to result in a diverse pipeline of succession to the Board and senior management positions, based on merit and objective criteria and which promote diversity, inclusion and equal opportunity; and
3. consider and make recommendations in respect of membership and chairing of the Board’s Committees, and of appointments to the boards of directors of the Company’s Material Subsidiaries.

The Committee's detailed responsibilities are set out in the Terms of Reference, available online at www.aviva.com/about-us/nomination-and-governance-committee/.

2024 highlights

- Led the appointment process for three new Non-Executive Directors.
- Reviewed the succession plans and the talent development framework for senior executives and continued to oversee the governance and effectiveness of the Group’s subsidiary boards.
- Focused on strengthening the Board, Group Executive Committee (ExCo) and business CEO succession plans.
- Continued to focus on the initiatives to increase diversity throughout the organisation.
- Reviewed the Board Diversity, Equity and Inclusion Statement and continued to strengthen initiatives throughout the Group.

2025 priorities

- Continue to focus on succession planning at Board and senior executive level to ensure there is a strong and diverse pipeline.
- Continue to oversee and strengthen subsidiary governance.

I am pleased to present the Nomination and Governance Committee report for the year ended 31 December 2024.

Board appointments

Following the retirement of Martin Strobel as a Non-Executive Director and chair of Aviva Insurance Limited in March 2024, MWM Consulting were engaged to conduct a process to identify potential candidates with the required skills, knowledge, and experience to replace Martin. From a diverse longlist, a number of candidates were put forward for consideration and, following meetings with potential candidates, the Committee recommended that Ian Clark be appointed as a Non-Executive Director and chair of Aviva Insurance Limited in March 2024.

Following the retirement of Mike Craston as a Non-Executive Director and chair of Aviva Investors Holdings Limited in March 2024, Russell Reynolds Associates were engaged to undertake an extensive external search based on the role specifications agreed by the Committee. The Committee considered the skills, knowledge, and experience of the candidates and how they would compliment the existing mix of skills on the Board. Members of the Committee met with potential candidates and recommended the appointment of Cheryl Agius as a Non-Executive Director and chair of Aviva Investors Holdings Limited in May 2024.

The Committee also engaged Russell Reynolds Associates to support a search for a candidate with expertise in the Canadian insurance industry. The preferred candidate met with members of the Committee and the Committee recommended the appointment of Neil Morrison as a Non-Executive Director in June 2024. Neil also joined the board of Aviva Canada Inc. as chair designate in July 2024.

MWM Consulting and Russell Reynolds Associates do not have any other connection to the Company or individual directors.

Board composition

The Committee, on behalf of the Board, evaluates the structure, size, and composition of the Board, taking into account the required balance of skills, knowledge, experience, and diversity and the Company's risk appetite and strategy. Consideration is also given to the length of service of the directors. In December 2024, the Committee confirmed that the structure, size, and composition of the Board was appropriate.

These factors were strongly considered as part of the appointments of Ian and Cheryl and the search for a candidate with expertise in the Canadian insurance industry and Neil's subsequent appointment to the Board was made following the identification of a desired set of skills and experience. Board composition is also considered as part of the annual Board and Committee evaluation, which you can read more about later in this report.

Board independence

The independence of the Board is fundamental in ensuring that Non-Executive Directors can properly fulfil their responsibility to provide constructive challenge and scrutiny of management's performance.

The Committee assess the independence of each Non-Executive Director upon appointment and on an annual basis, against the criteria set out in the Code, and makes recommendations to the Board.

The Committee determined that Ian, Cheryl, and Neil were all independent on appointment and in January 2025, the Committee recommended to the Board that all Non-Executive Directors, other than Michael Mire due to his tenure on the Board, met the independence criteria set out in the Code and were free from any relationship or circumstance that could affect, or appear to affect, their independent judgement. The Committee determined that Michael continued to contribute strongly to the discussions at the Board and continued to bring significant experience of strategy and transformation, and recommended that Michael should remain on the Board.

In line with the Code, over half of the Board members, excluding the Chair, are independent non-executive directors.

Directors' time commitment

Another factor that is vital to the effective operation of the Board is our directors having sufficient time to meet their responsibilities.

When appointing new directors to the Board, the Committee considers prospective directors' external appointments to ensure that they have sufficient time to dedicate to Aviva. The existing demands on Ian, Cheryl, and Neil's time were carefully considered and significant appointments were disclosed with an indication of time involved.

The Committee also considers existing directors' time commitments if they wish to take on additional external appointments and, recognising the importance of keeping directors' time commitments under review, the Committee assesses each director's external appointments and demand on their time annually and makes recommendations to the Board. In January 2025, the Committee recommended to the Board that all directors continued to demonstrate that they have sufficient time to devote to their role with Aviva.

Directors' external appointments

During the year, the Committee considered all additional external appointments, taking into consideration time commitment and conflicts of interest, before making recommendations to the Board. As required by the Code, significant appointments are outlined below.

In April 2024, Amanda Blanc was appointed Senior Independent Director of BP plc, having been a Non-Executive Director since September 2022. The Committee reviewed and approved the potential appointment in January 2024.

In March 2024, Jim McConville was appointed as Chair of The Royal Bank of Scotland International (Holdings) Limited and The Royal Bank of Scotland International Limited, subsidiaries of the Royal Bank of Scotland plc. The Committee reviewed and approved the potential appointment in March 2024.

The Committee considered conflicts of interest and time commitment in relation to both external appointments and was satisfied that no conflicts of interest existed and that each director continued to have sufficient time to allocate to the Company to discharge their responsibilities effectively. Executive Directors are not permitted to take on more than one non-executive directorships in a FTSE 100 company or other significant appointment.

Succession planning

The Code places an emphasis on succession planning and the Committee continues to build on its existing processes to strengthen its focus in this area.

The Committee reviewed the succession plans for the Group CEO and Group CFO to ensure that the internal and external talent pipeline was robust and diverse.

The development of the Group Executive Committee (ExCo) is also monitored to ensure that there is an appropriate pipeline of senior executives and potential future Executive Directors with the required skills and experience.

During 2024, the Committee received updates from the Group CEO on composition of the Group ExCo and considered the development plans and talent profiles of these individuals in line with the Group's succession plans.

The development plans designed to prepare successors for ExCo roles were also considered. Internal talent development and developing a pipeline of potential future leaders remained an area of focus for the Committee during the year.

The Committee also considered Non-Executive Director succession planning, recognising the current and future business needs.

The Committee also considered initiatives to enhance, strengthen and diversify the talent pipeline across the wider Group and members of the Committee remain involved in various initiatives, including the Ethnically Diverse Leadership programme and cross-company mentoring programmes with senior leaders.

Diversity, equity and inclusion

The Board is committed to having a diverse and inclusive leadership team which provides a range of perspectives and insights and the challenge needed to support good decision making. Diversity at Aviva includes, but is not limited to, gender, ethnicity, skills and experience, geographic and socio-economic and educational backgrounds, disability, and sexual orientation.

The ways in which we seek to put into practice these values are set out in our Board Diversity, Equity and Inclusion Statement (the Statement), which supports the Committee's approach to succession planning. This includes our achievement of our commitment of 40% female representation among our senior leadership cadre (the most senior 5% of Aviva employees). The Committee reviews the Statement annually, before recommending it to the Board, to ensure it reflects developments in the diversity, equity and inclusion regulatory landscape and progress against targets. The Statement, which aligns to the overall Group diversity, equity and inclusion strategy, is available on the Company's website at **www.aviva.com/corporate-governance.**

In accordance with Listing Rule 6.6.6R(9), the representation of women on the Board as at 31 December 2024 was 46.2%, with both the Group CEO and Group CFO positions being held by women, as are the roles of Chair of the Risk, Customer and Sustainability and Remuneration Committees. The Board is pleased to have met the Parker Review Committee's target for all FTSE 100 boards to have at least one director from an ethnic minority background.

Numerical data on the sex and ethnic background of the Board and Group Executive Committee required by Listing Rule 6.6.6(10) can be found in the 'Directors' report'.

Read more on
Director and senior management diversity in the Directors' report: page 145

In accordance with the Code, I can report that the gender balance of the Group Executive Committee and their direct reports as at 31 December 2024 was 34.5% female and 65.5% male.

Further details on diversity in the workforce and wider senior leadership population can be found in the Strategic report.

We actively support women advancing into senior roles, with the Group CEO the Champion for HM Treasury's Women in Finance Charter, aimed at boosting gender diversity across UK financial services.

Corporate governance

The Committee monitors the Group's compliance with the Code and other areas of regulation and guidance. The Group Company Secretary provides updates to the Committee on governance matters which have the potential to impact the reputation of the Group.

During 2024, the Committee continued to focus on the embedding of the Group Governance Framework for the oversight of the Group's subsidiaries, as reported in the Subsidiary Governance dashboard. Updates were provided relating to enhancements to the Subsidiary Governance Principles, the effectiveness of the Company's subsidiary boards and the Group conflicts of interest policy and related safeguards.

Succession planning for material subsidiaries around the Group is considered and, where appropriate, changes to the composition of the material subsidiary boards are approved by the Committee. The Committee also reviews the outcomes of the evaluations completed by subsidiary boards and monitors and actions plans developed by those boards in response to those outcomes.

Board effectiveness

The effectiveness of the Board is vital to the success of the Group. The Board undertakes a rigorous evaluation process each year to assess how it, its Committees, and individual directors are performing. In line with the Code, the Board instructed Lintstock Limited to conduct an externally facilitated evaluation in November and December 2022. Lintstock Limited has no other connection with Aviva or its directors.

In 2023 and 2024, the Board conducted internal evaluation processes, building on the process facilitated by Lintstock in 2022. The 2024 evaluation was conducted through a questionnaire completed by all directors and the results of the evaluation were presented and discussed at the Board in January 2025.

The results of the evaluation were very positive on the whole and the Board continues to have a high level of confidence in its composition and dynamics, as well as its oversight of strategy and risk, which provides a strong foundation for governance. After discussing the results, the Board agreed the key areas of focus, and an action plan to address these specific areas as shown in the table. All actions from the 2023 Board evaluation were addressed during 2024 and the progress made on the recommendations from the 2023 Board evaluation was highly rated overall.

The Chair reviews the performance of individual directors regularly and the Non-Executive Directors, led by the Senior Independent Director, review the performance of the Chair annually. These reviews confirmed that each director makes an effective and valuable contribution and continues to demonstrate commitment to their role.

George Culmer
Chair of the Nomination and Governance Committee

Our Board and Committee evaluation cycle

Progress against 2023 evaluation outcomes

Focus area	Theme	Progress
Delivery of strategy	Delivering the growth agenda, maintaining a capital-light business.	The Board identified opportunities for capital-light growth such as the acquisitions of Probitas, AIG's UK protection business, and the proposed acquisition of Direct Line.
Customer strategy	Focus on the customer through innovation and embedding Consumer Duty.	The Board focused on driving the customer agenda through digital innovations such as the launch of the new MyAviva app. The Board also maintained effective oversight of Consumer Duty throughout the year.
Sustainability	Focus on embedding sustainability into the way we run our business.	The Board maintained focus on the priorities and objectives of Aviva's Sustainability Ambition through regular reports, climate and sustainability training, and oversight of the second iteration of the Transition Plan.

Outcomes from the 2024 evaluation

Focus area	Theme	Actions
Suppliers and Communities	Enhancing the Board's oversight of key stakeholders.	Focus on Aviva's relationship and engagement mechanisms with its suppliers and communities, through enhanced reporting to the Board and its Committees.

Audit Committee report

"The Committee focused on the integrity of reporting, robustness of internal controls, and the transition to the new external auditor."

Patrick Flynn
Chair of the Audit Committee

Committee at a glance

Membership
Patrick Flynn (Chair)
Cheryl Agius (from 28 January 2025)
Andrea Blance
Ian Clark (from 11 March 2024)
Shonaid Jemmett-Page
Jim McConville
Martin Strobel (until 11 March 2024)

Read more on
Our Board of Directors: page 91

The Committee's detailed responsibilities are set out in the Terms of Reference, available online at www.aviva.com/about-us/audit-committee.

Purpose

The purpose of the Audit Committee (the Committee) is to monitor and review:

1. the integrity of the financial disclosures within the Annual Report and Accounts, Q1 Results, Half Year Report, Q3 Results, Solvency and Financial Condition Report, and related announcements and other documents for publication (together, Financial Reporting) of the Company and its subsidiaries (the Group);
2. the integrity of the non-financial and climate-related disclosures within the Annual Report and Accounts, Climate-related Financial Disclosure, and Reporting Criteria (together, Non-Financial and Climate-related Reporting);
3. the adequacy and effectiveness of the system of internal controls over Financial Reporting of the Group;
4. the independence and effectiveness of the internal and external auditors; and
5. the integrity, independence, and effectiveness of the Group's whistleblowing procedures.

2024 highlights

- Reviewed and recommended for approval the Annual Report and Accounts, Half Year Report, Results Announcements, and Q1 and Q3 Trading Updates.
- Reviewed and recommended for approval the Climate-related Financial Disclosure and related reports.
- Reviewed the disclosures and judgements for material acquisitions and disposals, and reports from the auditor and/or reporting accountants related to the acquisitions.
- Monitored the transition of the external auditor from PwC to EY.
- Assessed the Group's whistleblowing procedures, including 'Speak Up'.
- Assessed the effectiveness of the work of the external auditors and the internal audit function including the outcomes of associated external reviews.
- Monitored the effectiveness of the system of internal controls over financial reporting that support the integrity of Aviva's financial disclosures. including the embedding of the IFRS 17 controls and processes.
- Monitored corporate reporting and regulatory developments, including the impact of Provision 29 of the revised 2024 UK Corporate Governance Code (Code).
- Reviewed the Transition Plan.

2025 priorities

- Review the effectiveness of the external auditor, following completion of the first year-end audit.
- Continue to assess the judgement and disclosures related to material acquisitions and disposals.
- Continue to monitor the implementation of Provision 29 of the revised 2024 Code.
- Oversee the external disclosure for the PRA Life Insurance Stress Tests Results.

I am pleased to present the Audit Committee report for the year ended 31 December 2024. This report covers the significant issues that the Committee considered and how these issues were addressed.

Financial Reporting

The Committee reviewed the integrity of the financial disclosures within the Annual Report and Accounts, Half Year Report, Q1 and Q3 Trading Updates, and Solvency and Financial Condition Report and related documents and recommended them to the Board for approval. In addition, the Committee considered the following areas supporting financial reporting.

Insurance liabilities

The Committee reviewed and challenged the assumptions used in the calculation of the Best Estimate Liability component of the insurance liabilities required under IFRS and Technical provision under SII across our IWR and General Insurance businesses.

The Committee reviewed and challenged the longevity, persistency, expense, mortality, morbidity and residential and commercial property growth assumptions used for the quarterly operating updates, and 2024 Half Year and Full Year financial statements. An area of focus for the Committee was the with-profits reserving, given the complexity introduced by IFRS 17 accounting.

The process around the setting of longevity assumptions was a particularly significant area for review as those judgements could have a material impact on Aviva's IFRS and SII results. During 2024, the Committee continued to work closely with the Audit Committee of the Group's IWR subsidiary, Aviva Life Holdings UK Limited, to review the detailed analysis and to validate changes observed in recent mortality experience and the resulting impact on the existing longevity assumptions. The Committee also reviewed the process for setting assumptions in General Insurance including the update to the Ogden rate.

The Committee reviewed the controls associated with the IFRS and SII reserving process, including the sign off procedures and control framework for movements in IFRS reporting and SII results.

Solvency UK

The Committee reviewed the impacts of the Solvency UK reform including progress made towards the enhanced matching adjustment attestation and the framework for deriving fundamental spread add-ons.

Key accounting judgements and disclosures

The Committee reviewed the impact of the AIG, Probitas and Optiom acquisitions and the Singapore disposal on the Group's balance sheet, and the required accounting disclosures, as well as the outcome of goodwill and intangible asset impairment reviews.

The Committee reviewed the Group's exposure to contingent liabilities and other risk factors, including amounts allowed for and disclosures. The Committee reviewed the accounting for Integration and Restructuring costs and the disclosure with the Group's APMs.

Embedding of IFRS 17

The Committee reviewed the integrity and accuracy of first time IFRS 17 financial statements in the Annual Report and Accounts 2023. The Committee has reviewed the impact on the measurement and presentation of insurance contracts, and the disclosure impacts in the financial statements. During 2024, the Committee's review has also included the embedding of the IFRS 17 controls and processes into the financial accounting in the second year of reporting. The Committee has received regular updates on the embedding and automation of the IFRS 17 toolkit.

Corporate reporting and regulatory developments

The Committee monitors reporting and regulatory developments, and the implementation of new requirements. In 2024, this has focused on embedding of IFRS 17, and the impacts from Solvency UK reforms. In addition, the Committee has reviewed the plans to address the PRA's requirements for Life Insurers Stress Testing, including approach, assurance and internal controls.

Going concern and longer-term viability

The Code requires the Board to state whether it considers it appropriate to adopt the going concern basis for accounting in preparing the Half Year Report and Annual Report and Accounts and explain how it has assessed the prospects of the Company and whether it has a reasonable expectation the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

The Committee supports the Board in making that assessment and in February 2025, the Committee reviewed the going concern and longer-term viability review and recommended it to the Board for approval.

Non-Financial and Climate-related Reporting

The Committee reviewed the principal climate-related disclosures within the Annual Report and Accounts, Climate-related Financial Disclosure, and the Reporting Criteria and Sustainability Datasheet and recommended them to the Board for approval.

The Committee noted the developing nature of climate metrics measurement standards, particularly in relation to the estimation of Scope 3 financed emissions in context of continued challenges towards measurement of Scope 3 emissions and associated complexity, due to limited and unsophisticated data and methodologies.

The Committee reviewed and challenged the application of critical climate-related policies, practices, methods and judgements to calculate the metrics. The Committee focused on the continued development of the climate reporting control environment which supports non-financial disclosures.

The Committee reviewed the second iteration of the Transition Plan, with a focus on the metrics and baselines used to measure our progress, the disclosure considerations and internal controls. As part of this review, the Committee discussed and provided feedback on Net Zero ambition and climate disclosures in the Transition Plan, and reviewed the consistency of the Aviva plc 2024 Annual Report and Accounts and Climate-related Financial Disclosure report with the Transition Plan. A significant area of discussion on our Net Zero ambition related to understanding the elements of the ambition which are in Aviva's direct control and the elements for which Aviva has dependency on external factors and whether they continued to support achievement of the ambition.

The Committee noted the developing nature of climate measurement standards, particularly in relation to the estimation of Scope 3 financed emissions, which has an inherent potential for double counting across entities in the same value chain.

The Committee noted that emissions estimates and other climate metrics should be read acknowledging these are in initial stages of development and subject to change as standards emerge and underlying data sources become more complete and developed. The Committee recognised that climate measurement standards are not at the same level of maturity as financial accounting standards. In addition, enhancements to availability of data and control frameworks will be required to align with IFRS financial statements. Currently, industry wide, the attestation provided by an auditor is to a weaker level than applies to IFRS financial statements.

The Committee also addressed in the context of the emerging nature of climate measurement, the differing degrees of control Aviva, or any company, has over scope 3 of 3. The Committee also considered the challenges to achieve Net Zero and the difficulty in charting a path to that end. The Committee considered the disclosures related to climate ambition against this backdrop.

Fair, balanced and understandable

The Code requires the Board to present a fair, balanced, and understandable assessment of the Company's position and prospects. The Committee reviewed the Annual Report and Accounts, Half Year Report, and Q1 and Q3 Trading Updates to support the Board's conclusion that taken as a whole, these reports were fair, balanced, and understandable and provided the information necessary for shareholders to assess the Group’s position, performance, business model, and strategy. The Committee's recommendation of the directors’ statement in the Annual Report and Accounts is supported by the process set out below.

Production
There is a robust process to ensure each section of the report is signed off by an appropriate member of management and the overall production of the report is overseen by the Group Financial Controller to ensure consistency across the document.

Verification
An extensive verification process to ensure factual accuracy of statements and numerical data is undertaken and a style guide is applied to the report.

Internal review
The report is reviewed by management, the Group Executive Committee, the Disclosure Committee, and each of the Board Committees review sections relevant to their area of focus.

External review
The external auditor reviews the report to ensure consistency and compliance with relevant legal and regulatory requirements and presents the results of their audit to the Committee.

Recommendation
The Committee recommended that the fair, balanced, and understandable statement could be made in the Statement of Directors' Responsibilities, which was approved by the Board in February 2025.

Internal controls over Financial Reporting and Non-Financial and Climate-related Reporting

The Committee reviewed reports from management, aligned to the quarterly reporting cycle, to gain assurance that these remained in tolerance with no control weaknesses which could have a material impact on the financial results and to allow the evaluation of the effectiveness of the system of internal controls over Financial Reporting and Non-Financial and Climate-related Reporting.

As referenced in 'Our approach to governance' section, the Committee received reports on the assessment of financial reporting controls deficiencies and the detailed findings of the testing undertaken for their remediation. The Committee continued to challenge and support developments to the risk aware culture of our people and strong internal control framework.

Internal Audit

The Committee received quarterly reports from the Internal Audit function covering internal audit core metrics, key findings, and functional key performance indicators. The reports included the status of internal audit opinions that were rated as unsatisfactory or where major improvement was needed; emerging trends and their impacts on the organisation's risk profile; and the status of management actions to resolve issues identified.

The Committee pays particular attention to the evolution of the control environment and noted the trend of a decreased number of lower-rated internal audit reports. The Committee also discussed the culture of control awareness and responsiveness.

In November 2024, the Committee reviewed and approved the Internal Audit plan and functional budget. The report to the Committee covered the planning approach and coverage, as well as the required skills, resources, and budget. The Committee also approved minor changes to the Internal Audit Charter which ensured alignment to updated Global Internal Audit Standards and Internal Audit Code of Practice. Finally, the Committee conducted a deep dive into the Internal Audit function, which covered an introduction to the team, the evolution of the function, and how the function was moving to be led by data and technology.

The Committee also conducts an annual review of the internal audit function to assess its independence, effectiveness and to satisfy itself that the quality, experience and expertise of the internal audit function is appropriate for the business.

This is carried out by reviewing the regular reporting from the function and the output of an annual stakeholder effectiveness survey. In November 2024, the Committee concluded that the function had performed well in 2024 and remained effective.

In January 2025, the Committee approved the appointment of PwC as the provider of the 2025 external quality assurance exercise, which was planned to start in May 2025 with results reported to the Committee in November 2025. The Internal Audit function also conducted their annual assessment of the effectiveness of the governance, risk, and control framework and reported to the Committee that it was operating effectively and that the risk appetite framework was being adhered to.

In August 2024 and February 2025, the Committee met with the Group Chief Audit Officer without management present.

External Audit

At the end of March 2024, PwC presented their report on the audit of the Group's Solvency and Financial Condition Report (SFCR) and issued an unmodified audit opinion.

In 2021, the Committee conducted a competitive audit tender process and recommended the appointment of EY to the Board, which was approved. At the 2024 Annual General Meeting, shareholders approved the appointment of EY as the Group's external auditor and PwC resigned after 12 years in position. The Committee reviewed and approved EY's terms of engagement, including the engagement letter and audit fee, and 2024 audit plan.

The Committee received reports from EY in relation to their review of the Half Year financial results and audit of the Full Year financial results and assurance of the non-financial and climate-related reporting, as well as the agreed upon procedures for the Q1 and Q3 Trading Updates.

The Committee reviews the contents of these reports and the level of professional scepticism and challenge of management assumptions demonstrated by the external auditor, and where appropriate, requests that management respond to that challenge and tracks management response to ensure a satisfactory outcome to the challenges raised.

The Committee reviewed the Management Representation Letters relating to the Half Year and Full Year financial results, SFCR, and non-financial metric assurance and recommended them to the Board for approval.

The Committee and management have a regular and open dialogue with EY and the audit partner attends every Committee meeting. In August 2024 and February 2025, the Committee met with EY without management present.

The Committee has monitored the transition of auditor from PwC to EY and undertaken a review of the effectiveness of EY to assist the Committee in assessing the quality of external auditor services provided to the Group, since transition, through completion of an abridged questionnaire by the Committee, subsidiary company audit committees, senior management, and members of the Group's finance teams.

As this is an auditor transition year, the abridged review focused on the period since transition, covering the review procedures over the Half Year Report, the audit planning and year-end preparation including interim walkthroughs and testing, and covered the effectiveness of the external auditor team, expertise and resources and interaction with Audit Committee meetings. Overall feedback was positive and where opportunities for improvement were identified, EY was asked to take account of that feedback in audit activity. A full review of the effectiveness of EY, following completion of the first year-end audit will be performed in 2025.

The Committee monitors the External Auditor Business Standard to ensure no firm, other than PwC (until completion of the final subsidiary audit) and EY (from 1 January 2023 to ensure independence from 1 January 2024), undertakes audit and audit-related services other than in exceptional circumstances. The Committee also monitors non-audit services (including audit-related and other assurance services) provided by the auditor. The Committee has put in place a structure to review and approve the provision of audit and audit-related services by the auditor and receives annual reports on these services provided and the fees charged for those services.

The Committee also gains assurance that the fees remain well below the 70% non-audit services fee cap. There were no material non-audit services provided by PwC before their resignation or EY during 2024, therefore the Committee can confirm that the external auditor remains independent.

In 2024 the Group paid EY £25 million (2023: £27 million paid to PwC) for audit and audit-related assurance services. EY were paid £2 million (2023: £1 million paid to PwC) for other assurance services, giving a total fee to EY of £27 million (2023: £28 million paid to PwC). Further information on auditors' remuneration is set out in note 12.

In February 2025, the Committee recommended to the Board that EY be reappointed as external auditor for the financial year ended 31 December 2025, and the Board endorsed that recommendation and will propose the reappointment of EY at the Annual General Meeting to be held on 30 April 2025.

When making the recommendation to the Board, the Committee confirmed that the recommendation was free from influence by a third party and that no contractual term of the kind mentioned under Article 16(6) of the Audit Regulation had been imposed on Aviva.

Whistleblowing

In my role as Committee Chair, I am the whistleblowers' champion for the Group and, as a Committee, we are responsible for overseeing the integrity, independence and effectiveness of the Group's policies in relation to whistleblowing.

The Committee receives reports on the number of cases reported to the Speak Up service, the proportion of reports that are designated as instances of whistleblowing, the number of substantiated cases and summaries of the action taken.

The Committee continues to support the Speak Up team and review opportunities to further enhance the Speak Up service.

The Committee takes into consideration the Voice of Aviva scores in relation to confidence our staff have in using and relying on the function. The Committee also noted the positive development in the elevation provided by an external charity which focuses on whistleblowing.

Other matters

The Committee reviewed quarterly reports on the Group's current and emerging legal and regulatory matters and any potential impact on Aviva's financial statements.

The Committee also reviewed regular reports relating to the implementation of Provision 29 of the revised 2024 Code, which will require the Board to make a disclosure relating to the effectiveness of internal controls including a declaration in relation to material internal controls as at year-end. The Provision becomes effective for financial years beginning 1 January 2026. A cross-business working group was created to focus on the implementation of Provision 29. The priorities for the Group were the creation of an implementation plan, agreeing the definition of 'material controls', and drafting the proposed directors' declaration. The Committee provided input and guidance.

Committee compliance

In December 2024, the Nomination and Governance Committee assessed the composition of the Committee against the experience, competence, and independence criteria set out in the UK Corporate Governance Code (Code) and the FCA Disclosure Guidance and Transparency Rules (DTRs). All Committee members fulfilled both the Code and the DTR requirements for financial experience, competence, and independence.

The Company is compliant with the Audit Committees and the External Audit: Minimum Standard (the Minimum Standard). Activities undertaken to meet the requirements of the Minimum Standard are described throughout this report.

The Company is compliant with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

No Audit Committee member had a connection with either PwC or EY as the Company's external auditors during the year.

Patrick Flynn
Chair of the Audit Committee
26 February 2025

Risk Committee report

"Strong risk management remains vital in the continuing challenging macroeconomic and political environment. The Committee has focused on key areas of financial and non-financial risk and on overseeing the continued evolution of the Risk function."

Andrea Blance
Chair of the Risk Committee

Committee at a glance

Membership
Andrea Blance (Chair)
Cheryl Agius (from 21 May 2024)
Ian Clark (from 11 March 2024)
Patrick Flynn
Shonaid Jemmett-Page
Mohit Joshi
Jim McConville
Neil Morrison (from 17 June 2024)
Martin Strobel (until 11 March 2024)

Read more on
Our Board of Directors: page 91

Purpose

The purpose of the Risk Committee (the Committee) is to provide oversight and advice to the Board in relation to the current and future risk exposures of the Company and its subsidiaries (the Group), by reference to strategic developments and including determination of risk appetite, tolerance, and desired risk culture.

The Committee's detailed responsibilities are set out in the Terms of Reference, available online at https://www.aviva.com/about-us/risk-committee/.

2024 highlights

- Reviewed and recommended the revised Risk Appetite Framework, Risk Strategy, Group Risk Appetites, and Preferences to the Board for approval.
- Monitored external risk factors and assessed the most significant emerging risk scenarios with the potential to affect the implementation of the Group's strategy.
- Reviewed and approved the outcome of the Group Risk Identification Process, confirming the appropriateness of the risk categories currently included in the Internal Model.
- Monitored reporting on the Group's capital and liquidity requirements, particularly in light of changing macroeconomic conditions, and related risks to the financial plan.
- In conjunction with the Customer and Sustainability Committee, oversaw the continued implementation of the FCA's Consumer Duty throughout the Group, including Phase 2 for closed products and services.
- Reviewed operational risks to the financial plan, including people, cyber, AI, operational resilience, sustainability, conduct and reputation risks.
- Reviewed the management of change delivery and transformation risk across the Group.
- Approved the scenarios for Group-wide stress testing to support the financial plan and the Group recovery plan.

2025 priorities

- Monitor the impacts and associated risks arising from changes to the macroeconomic and geopolitical environment, regulatory landscape, and from global climate change.
- Oversee the current and projected future risk exposures of the Group, including determination of risk appetites and tolerances.
- Provide effective oversight of the management of key areas of financial and non-financial risk, including cyber, data, AI, reputation, third party suppliers and people risks.
- Review the results and analysis of the PRA Life Insurance Stress Tests exercise.
- Continue to support the Group Chief Risk Officer (CRO) in the evolution of an effective target operating model for the Group Risk function.

I am pleased to present the Risk Committee report for the year ended 31 December 2024.

Oversight of risk management

The Committee plays a vital role in supporting the Board in the oversight and management of risk throughout the Group. The main purpose of the Committee in assisting the Board in its oversight of risk within the Group is to review the Group's risk appetite and risk profile in relation to solvency, liquidity, climate, operational, conduct, and reputational risks. It also reviews the effectiveness of the Group's risk management framework (RMF), making recommendations to the Board as required.

The Committee reviews the methodology and oversees the governance of the internal model used in determining the Group's capital requirements and associated stress testing, including the key assumptions, methodologies and areas of expert judgement, activities undertaken to validate the outputs of the model and the development required to ensure that it continues to reflect the risk profile of the Group.

The Group Own Risk and Solvency Assessment (ORSA) is an ongoing assessment of the risks the Group is exposed to, and of the capital resources available to ensure that the Group is able to sustain its business over the plan horizon. The Committee's review of the Group's ORSA process includes proposed stress tests and scenarios to be used in the evaluation of capital adequacy, the profile of risks within the Group's strategic plan and how they may change over the planning period and the Group's overall capacity for the risks identified.

Group CRO Report

The Committee receives and reviews a report from the Group CRO at each meeting which highlights key information impacting the Group-wide risk profile, as well as providing an assessment of the current and forward-looking Group risk exposures. The report includes analysis of risks arising from the macroeconomic outlook and from conditions and developments in financial markets, together with geopolitical, legislative and regulatory change risks that may impact the Group's business, and the Groupwide top risk themes. It includes updates on key activities undertaken by the Risk function to deliver on its vision and purpose in supporting the Group's strategic objectives, the outputs of regular risk monitoring activities and, details of any current and specific financial, non-financial or regulatory and compliance risk matters.

As part of the Group CRO report, the Committee is provided with information on risk appetites and tolerances, assessing actual positions relative to the Group's risk appetite statements, and quantitative analysis of the Group's exposures to financial and operational risks, including risk-based capital requirements in relation to the core risks within the Group's businesses.

Macroeconomic and political environment

During the year, the Committee monitored the impacts and potential impacts of macroeconomic challenges and global geopolitical instabilities, including potential cross-cutting impacts in a number areas including in relation to the management of interest rate risk, credit risk and reinsurance market capacity reduction risk. The impact of changes in the UK political and regulatory environment following the election of a Labour Government in July 2024 were assessed and continue to be closely monitored.

Other matters considered

During 2024, the Committee considered a wide range of risks facing the Group, both current and forward-looking, across all key areas of risk management, in addition to risk culture and risk appetite.

A number of strategic reviews and deep dives aligned to key financial and non-financial risk themes were carried out throughout the year. These included interest rate and credit risk, operational resilience and third party supplier management risk, people risk and reputation risk. The Committee continued to monitor the climate risk appetite framework, including in relation to the Group's external commitments in this area.

Employee wellbeing remained an area of focus and the Committee considered a number of operational people risks, including resource stretch, and the further embedding of strategic workforce planning.

The Committee also carried out a deep dive review of the Group's data risk environment, including our data ethics framework. It continued to review reporting on the ongoing deployment of Generative AI technologies across the Group and considered and approved a number of new AI Risk preferences in relation to this. The Committee also reviewed the Group transformation risk profile and the associated change execution and delivery risks, including the material Groupwide thematic drivers to our change delivery risk.

In conjunction with the Customer and Sustainability Committee, the Committee reviewed the progress of measures taken within the UK subsidiaries to comply with Consumer Duty, including the Phase 2 implementation deadline for closed products and services. This was supported by regular updates on customer outcomes in relation to Conduct Risk policy.

The Committee reviewed the approach to stress testing for the 2025-2027 Plan, including the Downside and Deep Downside calibrations, and the Group Recovery Plan.

The Committee monitored progress of the Second Line Assurance Plan which was based on targeted in-depth reviews of agreed market plans overlaid with Group second and third line assurance activity.

Andrea Blance
Chair of the Risk Committee
26 February 2025

Customer and Sustainability Committee report

"The Committee focuses on our ambition to be a leading customer centric company and Aviva's Sustainability Ambition, both of which are vital to Aviva's Strategy and form two of our strategic priorities"

Shonaid Jemmett-Page
Chair of the Customer and Sustainability Committee

Committee at a glance

Membership
Shonaid Jemmett-Page (Chair)
Cheryl Agius (from 21 May 2024)
Pippa Lambert
Jim McConville
Michael Mire

Read more on
Our Board of Directors: page 91

Purpose

The purpose of the Customer and Sustainability Committee (the Committee) is to assist the Board in its oversight of customer and sustainability issues, and the Committee is responsible for:

1. Overseeing the Company's and its subsidiaries ambition to be a leading customer centric company; and
2. Overseeing Aviva's Sustainability Ambition, within the overarching context of One Aviva.

The Committee's detailed responsibilities are set out in the Terms of Reference, available online at www.aviva.com/about-us/customer-and-sustainability-committee.

2024 highlights

- Continued to review the impact of the FCA's Consumer Duty from a customer experience perspective.
- Undertook deep dives in relation to various aspects of customer journeys including Aviva's digital roadmap.
- Monitored the progress in building an enhanced customer experience through improved reporting by way of a Customer Dashboard as a standing agenda item at each committee meeting.
- Monitored the progress of Aviva's Sustainability Ambition, including tracking performance against key metrics and targets.
- Reviewed our Sustainability reporting within the Annual Report and Accounts, and Climate-related Financial Disclosure report and non-financial metrics.
- Reviewed our second iteration of the Transition Plan, with a particular focus on progress since the first iteration, and review of the Strategy and actions in the next three year period to make further progress against out ambitions. The Committee recommended the Plan to the Board for approval.
- Reviewed the Group's Modern Slavery Statement and approved Aviva's Human Right's Policy and Business Ethics Code.

2025 priorities

- Continue to focus on the customer agenda and the progress of the customer strategy, including further developments to enable us to gain a deeper understanding of our customers and improve customer experience and journeys through the development of the new MyAviva app.
- Continue to monitor the impact the implementation of the FCA's Consumer Duty from a customer perspective.
- Continue to oversee progress against our sustainability ambition, including our work on social action and communities.
- Oversee progress against our updated Transition Plan.

I am pleased to present the Customer and Sustainability Committee report for the year ended 31 December 2024.

Customer

During 2024, the Committee provided oversight of our customer strategy. This included reviewing the customer dashboard at each meeting as a standing agenda item. The dashboard provided insight into key customer metrics, material customer trends, customer growth, experience, and engagement. There had been strong performance against all customer metrics in 2024, as a result of a more focused approach to customers, operational improvements, and the implementation of digital improvements.

The Committee oversaw the progress made to step change the customer data capabilities required to support Aviva's customer centric transformation, particularly the implementation of a Strategic Customer Master as a unified and single version of truth for all Aviva's UK customers. This ensured that deep customer insights were developed and utilised to enable Aviva to serve more customer needs as well as to continue to optimise the digital and marketing customer experience.

The Committee monitored progress in building an enhanced customer experience, through improvements to customer journeys, our digital capability through better transactional functionality and digital support through the development of the new MyAviva app, and conducted a deep dive on our digital roadmap, outlining further enhancements and opportunities for consolidation.

The impact of the FCA's Consumer Duty on customer experience was closely monitored by the Committee during the year and reports from management relating to the customer considered the impact of Consumer Duty. The Committee received quarterly updates on Consumer Duty through the Consumer Duty Dashboard, and also received an update on an internal audit review of Consumer Duty and Aviva's approach to actively engage and support customers.

The Committee conducted deep dives on customer delivery and actions in Canada and Ireland and on customer retention and Aviva's digital roadmap.

The Committee also reviewed updates on customer marketing to support a customer centric approach and our further plans to transform our marketing capability.

Sustainability

The Committee tracked progress against Aviva's Sustainability Ambition (ASA) and the work undertaken on the three pillars: Climate Action, Social Action and Sustainable Business. The Committee monitored progress on the ASA, which included Key Performance Indicators and the Sustainability Ambition scorecard.

The Committee monitored the development of our second iteration of the Transition Plan, particularly progress since the first iteration of the Plan and a review of the Strategy, and actions in the next three year period to make progress against our ambitions. The Committee focused on how Aviva will meet our ambition to reduce Scope 1 and Scope 2 emissions by 90% by 2030 through internal actions, while noting the external key dependencies we are relying on.

The Committee discussed the pathways to Aviva's ambition to reach Net Zero by 2040, whilst being clear that Aviva can not achieve this without significant third-party action. The Committee noted that control over Scope 3 emissions is limited, and we are part of a wider system and therefore have dependencies and externalities that impact our ability to meet targets, such as Government actions on policy, other businesses and wider society. Our ambition is supported by strong governance, risk and opportunity management and robust data and measurement. Following review, the Committee recommended the Transition Plan to the Board for approval.

The Committee reviewed Group sustainability and climate reporting, including the Climate-related Financial Disclosure report in preparation for the climate disclosures summary being voted on (on an advisory basis) at the 2025 Annual General Meeting. In addition the Committee reviewed the Sustainability section of the Annual Report.

The Committee reviewed Aviva's social action strategy, which focuses on the difference we make to society. The Committee also received updates on the Sustainability Campaigns work, including the 'Get Ready' campaign which was an evolution of the 'Climate Ready' work and wrapped together both the climate and social agendas and Aviva's positive impact on society. The Committee reviewed the work of the Aviva Foundation and received an impact report on the work Aviva was doing to help people from some of the most vulnerable parts of the UK. The Committee also monitored progress on the social action taken through the roll out of a new volunteering platform for colleagues and our partnership with Citizen's Advice, supporting vulnerable customers through a dedicated customer referral line and help on online channel development.

The Committee also received updates on the progress of Aviva's sustainability governance activity, including reviewing the refreshed Aviva Human Rights Policy, our Business Ethics Code, Sustainability Business Standard and our performance in external sustainability benchmarks and indices. The Committee also focused on meeting the FCA's Anti-Greenwashing Guidance.

Further information on our integrated responsibility and sustainable business approach can be found on the Company's website at: **www.aviva.com/sustainability**.

Aviva Canada and Aviva Ireland

During the year, Aviva Canada and Aviva Ireland presented to the Committee updates on their customer strategies including customer journeys and experience, and on the sustainability scorecards for their markets. The presentations provided the Committee with information on how Aviva Canada and Ireland contributed to the overall Group performance in both respect.

Shonaid Jemmett-Page
Chair of the Customer and Sustainability Committee
26 February 2025

Remuneration Committee report

“Our remuneration outcomes reflect Aviva’s strong momentum and the excellent performance delivered in 2024”

Pippa Lambert
Chair of the Remuneration Committee

Committee at a glance

Membership
Pippa Lambert (Chair)
Andrea Blance
Patrick Flynn
Jim McConville

Read more on
Our Board of Directors: page 91

The Committee's detailed responsibilities are set out in the Terms of Reference, available online at www.aviva.com/about-us/remuneration-committee.

Purpose

The purpose of the Remuneration Committee (the Committee) is to:

1. Review and make recommendations to the Board on the Group’s overall remuneration policy and practice (the Group Remuneration Policy) and the remuneration policy for the Company’s Directors (the Directors’ Remuneration Policy);
2. Oversee the implementation of and review compliance with the Group Remuneration Policy and the Directors’ Remuneration Policy (the Policy), and to review performance and approve relevant remuneration arrangements; and
3. Review the remuneration approach for individuals identified as relevant staff under any of the regulatory regimes applicable to the Company or its subsidiaries (together, the Group) including the Solvency II Directive as implemented in the UK, applicable Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) remuneration requirements and associated guidance (Remuneration Regulated Employees).

2024 highlights

- Implementation of the Policy approved by shareholders at the 2024 Annual General Meeting (AGM).
- Senior management objectives, pay decisions, bonus and Long Term Incentive Plan (LTIP) target setting.
- Ensuring the broader colleague reward proposition remains competitive.
- Progressing our ambitious diversity, equity and inclusion (DE&I) agenda.
- Share plan operations and performance testing.
- Governance and regulatory matters.

More details are provided in the Annual report on remuneration.

The Committee’s decisions are taken in the context of the Reward Governance Framework, which sets out the key policies, guidelines and internal controls and is summarised in the Annual report on remuneration.

Read more in
Annual report on remuneration: page 118

Find out more in our
Remuneration Policy on www.aviva.com

2025 priorities

- Ensuring the broader colleague reward proposition remains fair and competitive.
- Oversight of relevant arrangements in connection with Merger and Acquisition (M&A) activity to support our broader strategy.
- Review executive remuneration arrangements in the context of evolving market practice and Aviva's priorities.

The Directors Remuneration Report (DRR) is presented in three parts in addition to this letter:

Remuneration at a glance - key aspects of interest to shareholders.

Read more in
Remuneration at a glance: page 116

Annual report on remuneration - further detail on how the Policy has been applied and remuneration outcomes in respect of 2024, and how the Policy will be implemented in 2025.

Read more in
Annual report on remuneration: page 118

The Policy, outlines the remuneration framework that applies to our Executive Directors (EDs) and Non-Executive Directors (NEDs) following approval at our AGM in May 2024.

Read more in
Directors' Remuneration Policy: page 136

On behalf of the Committee, I am pleased to present the DRR, for the year ended 31 December 2024.

Over the next few pages, we set out our key considerations and the remuneration decisions taken in 2024, both for the EDs of Aviva and for the wider workforce.

I would like to thank you, our shareholders, for the support you showed at our 2024 AGM, approving our current Directors' Remuneration Policy to apply for three years from the date of that meeting – supported by 97.66% of shareholder votes.

2024 Company performance

2024 was another year of strong performance and continued growth, reflecting our consistent strategy, which is delivering for our customers and for our shareholders. We are growing organically and through M&A, continuing to accelerate towards a majority capital-light portfolio. We are resolutely focused on our customers and realising the full potential of our unrivalled franchise.

Performance against the annual bonus financial measures was very strong, exceeding the targets set for the majority of measures including:

- Increased gross cash remittances exceeding target levels.
- Growth and expense discipline delivered increased Group adjusted operating profit.
- The efficiency measures introduced for 2024 to replace the already achieved cost reduction measure, exceeded target overall.
- Solvency II shareholder cover ratio remains strong at 203%, underpinned by robust capital generation.

Performance against our non-financial measures was also very strong.

- Performance against our customer measures reflects above target performances for both Transactional Net Promoter Score (TNPS) and Online Experience Scores (OES) reflecting our investments and focus in these areas.
- Employee engagement levels increased by 3pp to 91%, a figure well ahead of market norms. This reflects the focus on strong leadership alignment and our high-performance culture.
- The risk and control environment has continued to improve, reflected in an above target assessment against the qualitative and quantitative risk scorecard measures.

Supporting our people

Oversight of remuneration across the wider colleague population remains a focus area for the Committee.

- We are proud to pay all of our UK colleagues at least the Real Living Wage, plus an additional 8% to enable colleagues to benefit from our 14% matching pension contribution and save for their retirement.
- In addition, we continue to review our broad reward packages across markets, balancing global alignment with local market competitiveness.

For 2025, the UK salary budget was 4.2%.

Remuneration outcomes for 2024

Our remuneration outcomes reflect Aviva's strong momentum and the excellent performance delivered in 2024, as set out below.

No person was present during any discussion relating to their own remuneration.

2024 annual bonus

The formulaic outcome from the annual bonus scorecard was 80.5% of maximum (at 160.9%). The Committee carefully considered this outcome in the context of broader performance and a quality of earnings assessment, noting input from the Audit and Risk Committees, to ensure the scorecard outcome was reflective of overall performance and aligned with the experience of shareholders. The Committee determined that no adjustments were required to the formulaic bonus scorecard outcome.

In line with the Policy, the Committee also considered the individual performance of the Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO) to determine whether individual adjustments to the scorecard outcome were required.

Amanda Blanc's exceptional leadership has been pivotal in driving another year of excellent performance at Aviva. Her significant achievements include strong financial results, continuing to progress the strategy of pivoting to majority capital-light and continued focus on customer experience.

Financially, Aviva has seen another year of strong results, with growth in Group adjusted operating profit and substantial cash remittances. There has been significant progress in prioritising the shift to majority capital-light business with a number of acquisitions completed and the announcement of the proposed acquisition of Direct Line Group (Direct Line).

Amanda has also driven continuous enhancement of customer experience, achieving strong TNPS and OES. Under Amanda's leadership, Aviva has also achieved number one brand recognition across several key metrics.

Amanda has continued to build a consistently high performing Executive Committee (ExCo). Employee engagement has reached an all-time high of 91%, with Amanda's strong and visible leadership further strengthening trust in leadership.

Externally, Amanda has worked with the UK government and industry regulators to shape numerous pieces of legislation for the benefit of our customers. She continues to represent Aviva in multiple industry and public forums, including being a founding member of the Government's National Wealth Fund Taskforce.

This exceptional performance is reflected in Amanda's annual bonus for 2024 of 98.0% of maximum (at 195.9% of salary).

Charlotte Jones has had a very strong year, contributing significantly to the company's strong performance in 2024.

Charlotte supported the delivery of strong financial results, maintained balance sheet strength and drove effective capital management, enabling investment for growth and efficiency in the business. Charlotte also drove robust and effective performance management processes across the Group, ensuring strong progress on Group targets related to Group adjusted operating profit, Solvency II Own Funds Generated (Solvency II OFG), and cash remittances.

Charlotte's increased focus on investor engagement has led to a significant increase in meetings, including in new investor geographies. She successfully executed acquisitions of Probitas, AIG's UK protection business, and Optiom in Canada, and played a pivotal role in the proposed acquisition of Direct Line. Charlotte also strengthened and developed the Finance function and delivered high-quality financial and non-financial reporting.

Beyond Aviva, Charlotte is a member of the PRA Practitioner Panel & Chair of the Insurance Practitioner Panel, and plays an important role in working with the government on Solvency II reform.

Charlotte's annual bonus for 2024 was 92.0% of maximum (at 138.0% of salary).

2022-24 LTIP

The formulaic vesting outcome was 76.6%, reflecting very strong performance against Total Shareholder Return (TSR), Solvency II Return on Equity (Solvency II RoE) and cumulative cash remittances. The Committee determined that no adjustments were required to the formulaic vesting outcome.

Shareholder consultation

We have consulted with institutional shareholders and proxy voting agencies during the year, including on our new Policy.

I look forward to the continued constructive engagement with shareholders this year.

Remuneration in 2025

Salary

In reviewing the CEO's salary for 2025, the Committee recognised that since her appointment in 2020, Amanda's performance has been exceptional. She has refocused Aviva around leading positions in attractive markets and built a balanced and diversified business. Internally, her leadership, and that of the executive team that she has put together, has driven colleague engagement to exceptional levels. Aviva's TSR of over 155% during her tenure – upper quartile performance against the FTSE 350 Financial Services sector – is a reflection of the change that she has led.

Within this context, the Committee determined that Amanda will receive a salary increase of 10% for 2025. The Committee recognises that this is above the overall percentage increase of 4.2% for UK colleagues, but we are very mindful of the need to ensure Amanda's salary remains competitive, from a UK and European perspective, recognising both are competitors for our top talent. The Committee also considered that Amanda's percentage salary increases since appointment have been consistently below that of our wider workforce.

Charlotte will receive a salary increase of 2%.

The Committee continues to monitor the evolving executive remuneration landscape in the UK and intends to review our executive remuneration arrangements during the course of 2025 to ensure that they support our business needs and are sufficiently competitive to retain and motivate our highly talented senior leadership team. The Committee will engage with institutional shareholders and proxy voting agencies as appropriate.

2025 Annual Bonus and 2025-27 LTIP

For Amanda and Charlotte, the opportunities are unchanged from the awards made for the prior year.

	Annual bonus		LTIP
	Target opportunity	Maximum opportunity	Maximum opportunity
Group CEO	100%	200%	350%
Group CFO	100%	150%	225%

Opportunities are in line with the Policy.

2025 focus areas

In addition to reviewing executive remuneration arrangements, the Committee will continue to focus on ensuring that remuneration fairly rewards, and is aligned with business performance and strategy, particularly in the context of oversight of relevant arrangements in connection with planned M&A activity.

Conclusion

We have continued to deliver very strong year-on-year results demonstrating the benefits of our capital-light and diversified businesses. As a Committee, we have sought to make decisions which effectively drive and reward results, while continuing to align with UK best practice remuneration and governance expectations.

I hope that this report is clear and informative and I look forward to seeing shareholders at the forthcoming AGM.

Pippa Lambert
Chair of the Remuneration Committee
26 February 2025

Remuneration at a glance

Remuneration elements
Fixed pay | Annual bonus | LTIP

Strategic Pillars
Growth | Customer | Efficiency | Sustainability

1. What are the elements of our EDs' remuneration?

Short Term | Long Term

Salary + Pension and other benefits + Bonus: Cash + Bonus: Deferred into shares released annually over three years + LTIP = Total remuneration

Fixed | Variable

2. How did we determine performance-based pay in 2024 and how does it align to strategy?

Component: 2024 Annual bonus

Measure	Strategic pillars	Outcome	Maximum
Cash remittances	Growth, Efficiency		50.0%
Solvency II OFG	Growth, Efficiency	19.1%	40.0%
Group adjusted operating profit	Growth, Efficiency	22.4%	30.0%
Efficiency measures	Efficiency	14.4%	20.0%
Risk scorecard	Sustainability	25.0%	30.0%
Employee engagement	Sustainability		10.0%
OES	Customer		10.0%
TNPS	Customer		10.0%
Total		160.9%	**200%**

Component: 2022-24 LTIP

Measure	Strategic pillars	Outcome	Maximum
Relative TSR	Growth	28.6%	40.0%
Cumulative cash remittances	Growth, Efficiency	22.2%	25.0%
Solvency II RoE	Growth, Efficiency		15.0%
Reduction in CO_2 intensity of shareholder assets and with profit funds	Sustainability		7.5%
Relational Net Promoter Score (RNPS)	Customer	0.0%	7.5%
Ethnically diverse employees in senior leadership roles	Sustainability	0.8%	2.5%
Females in senior leadership roles	Sustainability		2.5%
2022 LTIP vesting outcome		**76.6%**	**100%**

Remuneration elements
Fixed pay · Annual bonus · LTIP

3. Remuneration policy and implementation for 2025

Fixed pay

Group CEO: £1,232,000 (10.0% increase)

Group CFO: £750,000 (2.0% increase)

Pension contribution rate aligned to wider workforce (14% of basic salary)
Benefits are in line with the Policy

Annual Bonus	**LTIP**
Group CEO - maximum of 200% of salary Group CFO - maximum of 150% of salary	Group CEO - maximum of 350% of salary Group CFO - maximum of 225% of salary
Operation:	**Operation:**
1/2 paid in cash; 1/2 deferred into shares	3 year performance period followed by 2 year holding period
Shares released in equal tranches after years 1, 2 and 3: Year 1, Year 2, Year 3	2025 - 2027: 3 Year Performance Period; 2028 - 2029: 2 Year Holding Period; 2030: Released

Annual Bonus		LTIP	
Measures		**Measures**	
Financial measures (70% of total):		**Financial measures (80% of total):**	
25%	Cash remittances	**40%**	Relative TSR
20%	Solvency II OFG	**25%**	Cumulative cash remittances
15%	Group adjusted operating profit	**15%**	Solvency II RoE
10%	Efficiency measures		
Strategic measures (30% of total) Including: Risk scorecard, Employee engagement, OES and TNPS		**Strategic measures (20% of total):**	
		7.5%	Reduction in Economic Carbon Intensity of shareholder and with-profits funds including credit, equity and private assets
		7.5%	Customer scorecard
		2.5%	Females in senior leadership roles
		2.5%	Ethnically diverse employees in senior leadership roles

Shareholding requirements

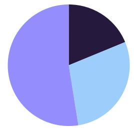
Group CEO - 300% of salary

Group CFO - 225% of salary

Post-cessation shareholding requirements apply for two years

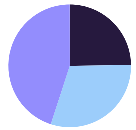
Read more on Directors' Remuneration Policy: page 136

4. How much did we pay our EDs in 2024?



Chief Executive Officer
Amanda Blanc

	£000
Salary, pension and other benefits	1,317
Bonus	2,194
LTIP	3,682
Total	**7,193**

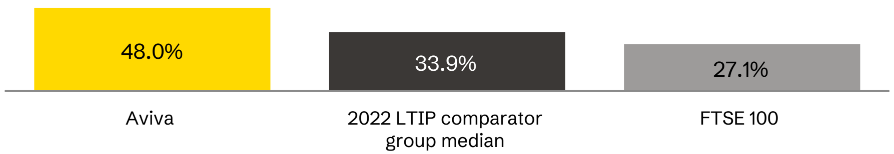


Chief Financial Officer
Charlotte Jones

	£000
Salary, pension and other benefits	832
Bonus	1,014
LTIP	1,508
Total	**3,355**

5. Performance against our peer group and the FTSE 100 - rTSR

3 year rTSR Performance



6. Wider workforce remuneration

Salary
4.2% UK salary increase budget for 2025

We remain committed to ensuring competitive and fair reward for our wider workforce

Pension
Aviva pays all UK colleagues at least the Real Living Wage, plus 8% enabling colleagues to benefit from our 14% matching pension contribution and save for their retirement

Living pension accreditation
Achieved in March 2023

Health and wellbeing
Competitive provision for all UK colleagues includes Digital GP services, and either full Private Medical Benefit, or access to physio support and critical illness cover (all company funded)

More detail can be found in table 19

Annual report on remuneration

Remuneration elements

Fixed pay | Annual bonus | LTIP

This section of the report sets out how Aviva has implemented its Policy during 2024.

This is in accordance with the requirements of the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Single total figures of remuneration for 2024

The table below sets out the total remuneration for 2024 and 2023 for each of our EDs.

Table 1 Total 2024 remuneration – Executive Directors (audited information)

	Executive Directors				Total emoluments of Executive Directors	
	Amanda Blanc		Charlotte Jones[6]			
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Basic salary[1]	**1,110**	1,068	**728**	699	**1,838**	1,767
Benefits[2]	**71**	48	**15**	18	**85**	66
Pension[3]	**137**	131	**90**	86	**226**	217
Total fixed pay	**1,317**	1,247	**832**	804	**2,150**	2,051
Annual bonus[4]	**2,194**	1,902	**1,014**	906	**3,208**	2,808
LTIP[5]	**3,682**	4,161	**1,508**	—	**5,190**	4,161
Total variable pay	**5,876**	6,063	**2,522**	906	**8,398**	6,968
Total[7]	**7,193**	7,309	**3,355**	1,710	**10,548**	9,019

1. Basic salary received during the relevant year
2. The benefits disclosure includes the cost, where relevant, of private medical insurance, life insurance, accommodation, travel and car benefits. All numbers disclosed include the tax charged on the benefits, where applicable.
3. Pension contributions consist of employer defined contribution benefits, excluding salary exchange contributions made by the employees, plus cash payments in lieu of pension. Amanda and Charlotte received cash payments equivalent to a pension contribution of 14%, reduced for the effect of employers' National Insurance contributions when paid as cash. No ED has a prospective entitlement to benefit in a defined benefit scheme.
4. Bonus payable in respect of the financial year including any deferred element at the face value at the date of award. EDs are required to defer two-thirds of any bonus awarded in 2023 and half of any bonus awarded in 2024 into Aviva shares. The deferred share element is granted under the Annual Bonus Plan (ABP) and will vest in equal tranches on the first, second and third anniversary of the award date, subject to continued employment.
5. The value of the LTIP awards for 2024 relate to the 2022 award, which had a three-year performance period ended 31 December 2024. 76.6% of the award will vest in March 2025. An assumed share price of 472.98 pence has been used to determine the value of the award based on the average share price over the final quarter of the 2024 financial year. The amount of the value of the LTIP that is attributable to share price appreciation (the appreciation being the difference between the face value at the date of award and the vested value of the award) is £381,246 for Amanda and £156,207 for Charlotte. The LTIP amounts shown in last year's report in respect of the LTIPs awarded in 2021 were calculated with an assumed vesting share price of 413.49 pence. The actual share price at vesting was 494.50 pence, and the table has been updated to reflect this change. The estimated value of the award was £3.5 million; the actual value was £4.2 million (increase of £681,603).
6. Charlotte Jones was appointed as Group CFO on 5 September 2022. The value of LTIP awards for 2024 relate to the 2022 award, which is the first LTIP award Charlotte received.
7. The EDs have not received any items in the nature of remuneration other than those disclosed in table 1. Due to rounding, the totals above may be higher than the sum of individual elements.

Alignment with the UK Corporate Governance Code

The Committee is mindful of the UK Corporate Governance Code's six principles when it determines remuneration policy. The Committee's view is that the Remuneration Framework at Aviva is well-aligned with these areas.

1. Clarity
- Our remuneration framework is structured to support the financial and strategic objectives of the Company, aligning the interests of our EDs with those of shareholders and wider stakeholders.
- We are committed to transparent communication with all our stakeholders, including shareholders – further details of our engagement process for the Policy are set out under the consideration of wider colleague pay and shareholder views section.

2. Risk

Our reward structure ensures risk events are reflected in remuneration outcomes through:
- Opinion from Risk on appropriate performance measures and targets; risk, performance management and consequence management inputs are considered before awards are made.
- Overarching discretion is retained to adjust formulaic outcomes to properly reflect any risk events.
- Deferral of annual bonus (over three years) and LTIP (five years, including an additional two-year holding period for EDs), subject to malus and clawback provisions which mitigates against future risk.
- Our within- and post-employment shareholding guidelines align to the successful delivery of the company's long-term strategy.

3. Simplicity
- We operate a simple remuneration framework, comprising fixed pay elements, along with short- and long-term variable elements.
- This structure provides clear line of sight for both executives and shareholders.
- The annual bonus and LTIP are focused on our strategic priorities, rewarding performance against key measures of success for the business.

4. Proportionality
- There is clear alignment between the performance of the Company and the rewards available to EDs.
- Incentive elements are closely aligned to our strategic goals, transparent and robustly assessed, with the Committee having full discretion to adjust outcomes to ensure they align with overall Aviva performance.

5. Predictability

The Policy sets out the possible future value of remuneration which EDs could receive, including the impact of share price appreciation of 50 % – see under the illustration of the Policy for further details.

6. Alignment to culture
- We are committed to effective stakeholder and colleague engagement.
- As part of this, the Committee regularly reviews data and insights relating to pay and broader employment conditions in the workforce, and takes these into account when considering executive remuneration.

Key

- ✓ Element of the Reward Governance Framework managed as part of the business of the Committee
- Delegated: Element of the Reward Governance Framework managed mainly under delegated authority from the Committee

Reward Governance Framework

Terms of reference, policies and guidelines

Terms of reference	✓ **Remuneration Committee terms of reference** Sets out the Committee's scope and responsibilities, including authorities which may be delegated but which still retain Committee oversight		
	Delegated: **Subsidiary board remuneration committee terms of reference** Sets out the subsidiary remuneration committees' scopes and responsibilities		
✓ **Overarching policy**	**Aviva Remuneration Policy** Approved by the Committee, applies to all employees in entities within Aviva Group	**Directors' Remuneration Policy** Approved by shareholders, applies to directors of Aviva Group plc	
✓ **Supporting policies**	Identification of remuneration regulated employees	Variable pay and risk adjustment (includes bonus, LTIPs, buyout, retention, recognition awards and funding)	Malus and clawback
Delegated: **Internal guidelines and non-Remuneration Committee approved policies (examples)**	Benchmarking	Bonus deferral	Buyouts and guarantees
	Global mobility	Retention awards	Secondments

Control and assurance

✓	✓
Remuneration business standard Assurance framework to attest reward operations are conducted within the Aviva Remuneration Policy, Directors' Remuneration Policy and supporting policies	**Reward approvals framework** Approval requirements to ensure Reward operations are conducted within the Aviva Remuneration Policy, Directors' Remuneration Policy and supporting policies

Views

Shareholders

In its ongoing dialogue with shareholders and proxy advisory bodies, the Committee actively seeks their views, ensuring that feedback received is discussed at Committee meetings and ultimately feeds into the development of new proposals. The Committee is grateful for Shareholder feedback in response to the new Policy proposed at the 2024 AGM, as it provided useful context implementing the policy in the latter part of the year.

Our colleagues

The Committee has sight of colleague views through the colleague engagement survey (Voice of Aviva), input from the People function during Committee meetings, colleague forums and the Evolution Council, chaired by the Board Chair. Specifically for the last two channels:

- The Committee Chair met with Your Forum (a fully elected employee forum representing UK colleagues) and members of Unite the Union. Discussions included matters of interest to colleagues and members covering areas such as the Committee's role and areas of focus for the Committee over the past 12-months including:
  - Monitoring business performance
  - The new Policy
  - Market practices
  - Regulatory updates
  - The Committee's work in relation to recruitment and retention
  - Monitoring new government initiatives

The Evolution Council consists of a diverse group of high calibre colleagues from across the business who discuss a range of topics related to the Group strategy, values, culture and performance.

When determining the Policy and arrangements for EDs, the Committee also reviews pay and employment conditions elsewhere in the Group to ensure reward structures are suitably aligned and that levels of remuneration remain appropriate. Other considerations include:

- Changes in remuneration (salary, benefits and bonus) of UK colleagues compared with that of directors (see table 8).
- The ratio of CEO pay to that of colleagues (see tables 11 and 12).
- Gender and ethnicity pay gaps. We release our UK Pay Gap Report 2024 in March 2025. This will be the eighth year that we publish our gender pay gap and the third time we publish our ethnicity pay gap. The report also includes details of actions we are taking to drive change and close the gap. The report will be available at **www.aviva.com/about-us/uk-pay-gap-report**.
- Any material changes to benefit and pension provision for colleagues more widely.

Remuneration consultants

During the year, the Committee received advice on executive remuneration matters from Deloitte LLP. Deloitte LLP were approved by the Committee and appointed as their advisers in 2012 following a competitive tender process. The Committee regularly reviews and satisfies itself that the advice received from Deloitte LLP is independent and objective.

The Committee notes Deloitte LLP is a member of the Remuneration Consultants Group and adheres to its Code of Conduct. During the year, Deloitte LLP also provided advice to the Group on various taxation, risk, compliance and other consulting advisory services.

Tapestry Compliance Limited, appointed by the Company, provided legal and regulatory advice on share incentive plan related matters, including on senior executive remuneration matters and views on shareholder perspectives.

During the year, Deloitte LLP were paid fees totalling £152,800 and Tapestry Compliance Limited were paid fees totalling £26,181 for their advice to the Committee on these matters. Fees were charged on a time plus expenses basis.

The Committee reflects on the quality of the advice provided and whether it properly addresses the issues under consideration as part of its normal deliberations. Deloitte LLP and Tapestry Compliance Limited have no other connections with Aviva or individual directors and therefore the Committee is satisfied that the advice received during the year was objective and independent.

2024 Annual bonus outcomes

Remuneration elements

Fixed pay Annual bonus LTIP

The chart below summarises how our annual bonus[1] operated for 2024.

Step I - Bonus scorecard

Financial measures

- **25%** Cash remittances
- **20%** Solvency II OFG
- **15%** Group adjusted operating profit
- **10%** Efficiency measures

Performance against financial measures subject to a quality of earnings assessment.

Strategic measures

- **15%** Risk scorecard
- **5%** Employee engagement
- **5%** OES
- **5%** TNPS

Performance against defined minimum, target and maximum targets

Step II - Individual performance

The bonus scorecard outcome from step I may then be modified based on:

- Individual contribution and achievements;
- Individual contribution in driving progress against Group strategic objectives;
- The leadership they have exhibited; and
- How the individual has demonstrated Aviva's values.

Individual adjustments are not determined in a formulaic manner. The Committee reviews overall performance against each individual's objectives and applies judgement as to whether any adjustment is warranted. In recent years adjustments have ranged from -17.5% to +35%.

1. This approach also used as the basis for determining bonuses for colleagues across the Group. For Aviva Investors, bonus funding is primarily based on profitability.

Step I - Bonus scorecard

The table below sets out performance against financial and strategic measures under the bonus scorecard. The overall scorecard outcome percentage applies to all EDs.

Table 2 2024 performance against bonus scorecard for Executive Directors' bonuses (audited information)

Measure	Weighting	Minimum (50%)	Target (100%)	Maximum (200%)	Actual	Outcome
Financial measures (70% of total)						
Cash remittances	**25.0%**	**£1,865m**	**£1,925m**	**£1,985m**	**£1,992m**	**50.0%**
Solvency II OFG[1]	**20.0%**	**£1,546m**	**£1,666m**	**£1,786m**	**£1,655m**	**19.1%**
Group adjusted operating profit[1]	**15.0%**	**£1,580m**	**£1,705m**	**£1,830m**	**£1,767m**	**22.4%**
Efficiency measures[2]	**10.0%**		**Scorecard Outcome**			**14.4%**
Total financial measures	**70.0%**					**105.9%**
Strategic measures (30% of total)						
Risk scorecard[3]	**15.0%**	**7.5%**	**15.0%**	**30.0%**	**25.0%**	**25.0%**
Employee engagement	**5.0%**	**80.0%**	**83.0%**	**86.0%**	**91.0%**	**10.0%**
OES	**5.0%**	**54.3%**	**57.3%**	**60.3%**	**67.4%**	**10.0%**
TNPS	**5.0%**	**38.7**	**42.7**	**46.7**	**47.8**	**10.0%**
Total strategic measures	**30.0%**					**55.0%**
Scorecard outcome	**100.0%**					**160.9%**

1. Targets reflect the actual in year contribution from businesses acquired in the year. To the extent these contributions exceeded original expectations, award outcomes have not been increased.
2. Aggregate measure reflecting efficiency objectives for our major business areas. Outcome reflects target or better performance across the majority of businesses.
3. The risk scorecard objectively assesses and reports on how effectively first line Aviva employees and senior management manage risk and controls. The risk scorecard considered risk behaviours, outcomes and a second line check and challenge. The Group out-turn rating reflects ongoing progress with strengthening the risk and control environment and desired risk culture throughout Aviva.

Step II - Individual performance

The Committee assessed Amanda and Charlotte on their individual performance in the year which is set out below.

Amanda Blanc

Amanda's exceptional leadership has underpinned another year of excellent performance at Aviva. Her significant achievements include:

- Another year of very strong financial results with 20% growth in Group adjusted operating profit and £2 billion of Cash remittances.
- Continuing to progress the strategy of pivoting to majority capital-light, completing the acquisitions of Probitas, AIG's UK Protection business, and Optiom, and driving a +1pp increase in percentage of our operating profit from capital-light businesses as well as announcing the proposed acquisition of Direct Line on 23rd December.
- Returning £10 billion to shareholders since 2020, including a £300 million share buyback in 2024 and upgraded dividend guidance to the market.
- Continuing to build an ExCo which delivers consistently high performance.
- Very strong risk performance, particularly in the most material businesses, together with strong support for the Chief Risk Officer and risk function leading to excellent progress against broader regulatory objectives and actions.
- Continuous enhancement of customer experience and achieving strong TNPS scores, including delivery of the new MyAviva app with +18% improvement in our OES.
- Achieving number one brand recognition across key metrics including Spontaneous Awareness, Consideration and Net Brand Affinity.
- Unlocking the inherent value in our customer base, growing total customers to 20.5 million and UK multi-product holders to 5.4 million.
- Employee engagement at an all-time high at 91% (vs FS norm of 81%), with Amanda's strong and visible leadership further strengthening trust in senior leadership. Continued accreditation by Great Place to Work.
- Driving progress on efficiency ratios across the business, including thoughtfully piloting GenAI, for example in claims where we have reduced customer wait times by up to 50%, resulting in the Insurance Post "Claims Innovation Award" recognising the service uplift.
- Working with the UK government and regulators to play a key role in shaping numerous pieces of legislation, for example enabling more effective use of capital including Solvency II reforms and the Mansion House Compact.
- Continuing to represent Aviva in multiple industry and public forums. Amanda is a founding member of the Government's National Wealth Fund Taskforce, Co-Chair of the UK Government's Transition Plan Taskforce and Co-chair of the Glasgow Financial Alliance for Net Zero (GFANZ) Nature in Net Zero Transition Plan workstream.

Charlotte Jones

Charlotte provided very strong leadership through the Finance function, contributing significantly to the company's strong performance throughout 2024. Key achievements are as follows:

- Continuing to support the delivery of very strong financial results while maintaining resilient balance sheet strength and effective capital management to enable investment for growth and efficiency in the business and deliver regular and sustainable capital returns.
- Continuing to drive robust and effective performance management processes across the Group, ensuring strong progress across Group targets announced in March, relating to Group adjusted operating profit, Solvency II OFG and cash remittances.
- Increased focus on investor engagement through the development of Aviva's equity story and focus on capital-light with extensive investor outreach across more than 350 meetings (vs. 200 in 2023), ten conferences, exploring new investor geographies, including Asia, and improving external awareness of propositions via Health and Customer 'In Focus' sessions.
- Successfully executed inorganic activity including acquisitions of Probitas, AIG's UK Protection business and Optiom in Canada, and the disposal of Singapore. She has also played a pivotal role in pursuing and executing more sizeable growth ambitions, such as the proposed acquisition of Direct Line.
- Continuing to focus on strengthening and developing the Finance function, including changes to key leadership positions succession with excellent engagement at 91%.
- Delivering high quality non-financial reporting and partnering with Group Sustainability Team to ensure critical external reporting expertise and input to the Transition Plan.
- Delivering IFRS 17 reporting with good external recognition of our approach.
- Successfully supporting the transition to our new external auditors.
- Ensured execution and delivery of £300 million share buyback, upgraded external dividend guidance, redemption of €700 million Tier 2 debt and successfully completed tender and new issuance of £500 million Tier 2 debt at equivalent rates.
- Contributing beyond Aviva as a member of the PRA Practitioner Panel and Chair of the Insurance Practitioner Panel, and she played an important contribution in the development of Solvency UK.

Remuneration elements

Fixed pay Annual bonus LTIP

The Committee considered that in light of Amanda and Charlotte's performance during the year, it was appropriate to apply an individual adjustment of 35.0% to Amanda's bonus outcome and 15.0% to Charlotte's bonus outcome.

Table 3 2024 bonus outcomes for Executive Directors (audited information)[1]

	Amanda Blanc	Charlotte Jones
Bonus scorecard (0% – 200%)	160.9%	160.9%
Individual adjustment	35.0%	15.0%
Final outcome	**195.9%**	**175.9%**
Target opportunity (% of salary)	100.0%	100.0%
Maximum opportunity for 2024 (% of salary)[1]	200.0%	150.0%
Final bonus outcomes		
% of salary[2]	195.9%	138.0%
% of maximum	98.0%	92.0%
£ amount	**£2,194,080**	**£1,013,933**

1. The CEO has a maximum bonus opportunity, inclusive of any individual adjustment, of two times target (i.e. 200% of salary) while the CFO has a maximum opportunity, inclusive of any individual adjustment, of one and a half times target (150% of salary)
2. The bonus scorecard for EDs can range from 0% to 200%. When the final outcome is above 100%, the resulting final bonus outcome, as a percentage of salary, is on a '1% for 1%' basis for the CEO and on a '2% for 1%' basis for other EDs; e.g. a final outcome of 140% would result in a bonus of 140% of salary for the CEO and 120% of salary for other EDs. When below 100%, scaling is '1% for 1%', such that a final outcome of 80% would result in a bonus of 80% of salary for all EDs, including the CEO.

Discretion

The Committee is conscious of the expectations for them to review incentive outcomes (ABP and LTIP) against individual and company performance, together with any wider circumstances, and to exercise independent judgement and discretion in relation to remuneration outcomes. Taking into account the impact of the outcome of the quality of earnings assessment, the Committee is of the view that these outcomes appropriately reflect the overall performance of Aviva during the year and align with the experience of shareholders and no discretion was exercised.

2022 LTIP vesting in respect of performance period 2022-2024

On a formulaic basis, the 2022 LTIP award vested at 76.6% of maximum which has been reviewed and approved by the Committee. The outcome reflects very strong performance.

Table 4 2022 LTIP award – performance conditions (audited information)

			Threshold (20% vest)[1]	Maximum (100% vest)
Measure			**Outcome**	**Vesting**
rTSR[2]	40%	Target:	Median	Upper Quintile
		Aviva performance:	**4.7 out of 13**	**28.6%**
Cumulative cash remittances[3]	25%	Target:	£5.3bn	£5.8bn
		Aviva performance:	**5.7bn**	**22.2%**
Solvency II RoE[3]	15%	Target:	11%	13%
		Aviva performance:	**16.7%**	**15.0%**
Reduction in CO_2 intensity[4]	7.5%	Target:	25%	27.5%
		Aviva performance:	**64%**	**7.5%**
RNPS	7.5%	Target:	11	14
		Aviva performance:	**1.1**	**—%**
Ethnically diverse employees in senior leadership roles[5]	2.5%	Target:	10%	13%
		Aviva performance:	**10.4%**	**0.8 %**
Females in senior leadership roles[6]	2.5%	Target:	37%	40%
		Aviva performance:	**40.9%**	**2.5%**
Total	**100.0%**		**Final outcome**	**76.6%**

1. Threshold vesting is 20% for each performance measure independently
2. Aviva's rTSR performance was assessed against that of the following companies: Admiral Group, Allianz, AXA, Direct Line Group, Hargreaves Lansdown, Hiscox, Intact Financial, Legal & General, Lloyds Banking Group, M&G, Phoenix Group, Quilter and Zurich Insurance. The performance period for the rTSR performance condition was the three years beginning 1 January 2022. For the purposes of measuring the rTSR performance condition, the Company's TSR and that of the comparator group is based on the 90-day average TSR for the period immediately preceding the start and end of the performance period.
3. Any vesting of the Solvency II RoE and Cumulative cash remittances elements of the LTIP are subject to a Solvency II shareholder cover ratio that meets or exceeds the minimum of the stated working range (range: 160% to 180%)
4. Reduction in CO_2 intensity of shareholder and with-profits fund assets (measured on a weighted average revenue basis) over the three-year performance period is aligned to Aviva Group's target of being Net Zero by 2040. A 64% reduction in the CO_2 intensity of shareholder and with-profits fund credit and equities has been achieved in 2024 from our 2019 baseline with delivery underpinned by the embedding of carbon intensity into our investment strategy, including the implementation of our coal exclusions policy and divestments, stewardship actions and ongoing emission reduction activities.
5. Percentage of colleagues in senior leadership roles in the UK who identify their ethnicity as anything other than 'white'.
6. Percentage of colleagues in senior leadership roles in the UK, Ireland, Canada who are female.

Quality of earnings assessment - 2024 remuneration decisions

The Committee discussed those items that impacted the overall results in 2024 e.g. foreign exchange, acquisitions and disposals, life assumption and modelling changes, prior year reserve development, and other items that are non-recurring in nature. This process provides the Committee with an understanding of the core profitability of the business taking these factors into account.

Malus and clawback

As part of the annual pay review process, the Committee has considered whether any recovery or withholding under the malus and clawback provisions of Aviva's incentive plans is required by any current circumstances.

No incidents concerning the EDs are currently subject to action under Aviva's Malus and Clawback policy (2023: No incidents).

Share awards granted to EDs during the year are set out below.

Table 5 Awards granted during the year (audited information)

	Date of award	Award type[1]	Face value (% of basic salary)[2]	Face value (£)[2]	Threshold performance (% of face value)[3]	Maximum performance (% of face value)	End of performance period	End of vesting/ holding period
Amanda Blanc	25 Mar 2024	LTIP	350%	3,779,999	20%	100%	31 Dec 2026	25 Mar 2029
	25 Mar 2024	ABP	117%	1,267,918	N/A	N/A	N/A	25 Mar 2027
Charlotte Jones	25 Mar 2024	LTIP	225%	1,591,998	20%	100%	31 Dec 2026	25 Mar 2029
	25 Mar 2024	ABP	85%	603,969	N/A	N/A	N/A	25 Mar 2027

1. ABP and LTIP awards have been granted as conditional share awards. The LTIP is a conditional right to receive shares, which vest at the end of a three-year performance period, with an additional two-year holding period. ABP represents half of the 2024 bonus, which is deferred into shares and vests in three equal annual tranches. Shares issued in lieu of dividends accrue on ABP and LTIP awards during the ABP deferral period and the LTIP performance period.
2. Face values for the awards granted on 25 Mar 2024 have been calculated using the average of the middle-market closing price of an Aviva ordinary share on the three consecutive business days immediately preceding the date of the main grant for employees, 25 Mar 2024, of 489.00 pence
3. Threshold vesting is 20% for each performance measure independently. This means less than 20% may vest overall.

Targets for LTIP awards made in 2024

Three-year targets are set annually within the context of the Company's strategic plan. The 2024 targets were reviewed and approved by the Committee and are provided below.

Table 6 2024 LTIP performance targets (audited information)

	Vesting	Below threshold	Threshold		Maximum	Above maximum
Measure	**Weighting**	**0%**	**20%**	**20-100%**	**100%**	**100%**
rTSR[1]	40%		Median		Upper quartile	
Cumulative cash remittances[1]	25%		£5.6bn		£6.1bn	
Solvency II RoE[2]	15%		13.0%		15.0%	
Reduction in weighted average carbon intensity of shareholder and with-profit credit and equity assets[3]	7.5%		17.5%		22.5%	
Customer Scorecard: Customer Numbers (millions)[4]	3.75%		20.1		20.5	
Customer Scorecard: Multi Product Holding (MPH) (millions)[4]	3.75%		5.25		5.50	
Ethnically diverse employees in senior leadership roles[5]	2.5%		13.0%		15.0%	
Females in senior leadership roles[6]	2.5%		41.0%		43.0%	

1. Aviva's rTSR performance will be assessed against that of the following companies: Admiral, Direct Line Group, Hargreaves Lansdown, Hiscox, Intact Financial, Legal & General, Lloyds Banking Group, M&G, Phoenix Group and Quilter. The performance period for the TSR performance condition is the three years beginning 1 January 2024. For the purposes of measuring the TSR performance condition, the Company's TSR and that of the comparator group will be based on the 90-day average TSR for the period immediately preceding the start and end of the performance period. For all in flight schemes, if companies within the comparator group are subject to acquisition, the Committee will evaluate options including, but not limited to, their removal.
2. Any vesting of the Solvency II RoE and Cumulative cash remittances elements of the LTIP are subject to a Solvency II shareholder cover ratio that meets or exceeds the minimum of the stated working range (Range: 160% to 180%)
3. Reduction in weighted average carbon intensity (measured on a revenue basis) of shareholder and with-profit credit and equity assets from a year end 2023 baseline
4. Customer measures re-based to reflect acquisitions during the year
5. Percentage of colleagues in senior leadership roles in the UK, Ireland and Canada who identify their ethnicity as anything other than 'white'
6. Percentage of colleagues in senior leadership roles in the UK, Ireland and Canada who are female

Payments to past directors (audited information)

There were no payments made to past directors during the year.

Payments for loss of office (audited information)

There were no payments for loss of office made during the year.

The table below sets out the total remuneration earned by each NED who served during 2024 for Group-related activities.

Table 7 Total 2024 remuneration for Non-Executive Directors (audited information)

	Aviva plc						**Subsidiaries[6]**						**Group**	
	Fees		**Benefits[1]**		**Total**		**Fees**		**Benefits[1]**		**Total**		**Total**	
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Chair														
George Culmer	**550**	550	**26**	15	**576**	565	**—**	—	**—**	—	**—**	—	**576**	565
NEDs														
Cheryl Agius[2]	**76**	—	**5**	—	**82**	—	**125**	—	**3**	—	**129**	—	**210**	—
Andrea Blance	**179**	175	**8**	9	**187**	184	**—**	—	**—**	—	**—**	—	**187**	184
Ian Clark[2]	**101**	—	**3**	—	**104**	—	**122**	—	**2**	—	**125**	—	**229**	—
Mike Craston[3]	**30**	104	**5**	11	**35**	115	**61**	205	**—**	—	**61**	205	**96**	320
Patrick Flynn[4]	**214**	210	**7**	8	**221**	218	**—**	—	**—**	—	**—**	—	**221**	218
Shonaid Jemmett-Page	**178**	170	**9**	10	**187**	180	**—**	—	**—**	—	**—**	—	**187**	180
Mohit Joshi	**105**	105	**1**	4	**106**	109	**—**	—	**—**	—	**—**	—	**106**	109
Pippa Lambert	**156**	145	**7**	4	**164**	149	**—**	—	**—**	—	**—**	—	**164**	149
Neil Morrison[2,5]	**57**	—	**30**	—	**87**	—	**41**	—	**—**	—	**41**	—	**128**	—
Jim McConville	**163**	154	**28**	16	**191**	170	**150**	150	**14**	10	**164**	160	**355**	330
Michael Mire	**104**	100	**3**	6	**106**	106	**—**	—	**—**	—	**—**	—	**106**	106
Martin Strobel[4]	**25**	125	**4**	15	**28**	140	**29**	150	**1**	4	**31**	154	**59**	294
Total emoluments of NEDs[7]	**1,936**	1,838	**138**	98	**2,074**	1,935	**529**	505	**21**	14	**550**	519	**2,624**	2,454

1. Benefits include the gross taxable value of expenses relating to accommodation, travel and other expenses incurred through Company business in accordance with our expense policy and may vary year-on-year dependent on the time required to be spent in the UK
2. Cheryl Agius was appointed to the Board on 21 May 2024, Ian Clark on 11 March 2024 and Neil Morrison on 17 June 2024
3. Mike Craston retired from the Board 16 April 2024 and Martin Strobel on 11 March 2024
4. Patrick Flynn was appointed as Senior Independent Director of Aviva plc on 7 September 2020
5. Canadian subsidiary fees have been calculated using a CAD to GBP exchange rate of 0.5713
6. Only the fees payable during time served as a director of Aviva plc are disclosed
7. Due to rounding, the totals above may be higher than the sum of individual elements

The Aviva plc total fees paid to NEDs in 2024 was £1,935,576, which is within the limits set in the Company's Articles of Association, as previously approved by shareholders.

Subsidiary company board memberships

During 2024, the following NEDs were appointed to subsidiary companies and received emoluments in respect of those appointments:

- Cheryl Agius: Chair of Aviva Investors Holdings Limited (appointed 21 May 2024)
- Ian Clark: Chair of Aviva Insurance Limited (Chair 11 March 2024, NED for whole period)
- Mike Craston: Chair of Aviva Investors Holdings Limited (retired 16 April 2024)
- Jim McConville: Chair of both Aviva Life Holdings UK Limited and Aviva Life & Pensions UK Limited
- Martin Strobel: Chair of Aviva Insurance Limited (retired 11 March 2024)
- Neil Morrison: Chair Designate of Aviva Canada Inc (appointed 25 July 2024)

Remuneration elements

Fixed pay Annual bonus LTIP

Percentage change in remuneration of the directors

Table 8 sets out the change in the basic salary, bonus and benefits of each of the directors and that of the wider workforce.

The regulations require a comparison between the remuneration of each director and that of all employees of the parent company on a full-time equivalent basis.

As Aviva plc has no direct employees, and in line with our approach in prior years, we have voluntarily disclosed for the UK employee workforce.

The Group CEO and CFO are based in the UK (albeit with global responsibilities) and pay changes across the Group vary widely depending on local market conditions.

Table 8 Percentage change in remuneration of the directors

	2023-24			2022-23			2021-22			2020-21		
	Salary/Fees	Bonus	Benefits[7]	Salary/Fees	Bonus	Benefits[7,8]	Salary/Fees	Bonus	Benefits[7,8]	Salary/Fees	Bonus	Benefits
Group CEO[1]												
Amanda Blanc	4.0%	15.4 %	47.0%	4.4%	(5.0)%	(18.3)%	2.3%	13.3%	(51.4)%	0.0%	47.2%	(23.9)%
Group CFO[1]												
Charlotte Jones	4.1%	11.9%	(19.6)%	3.6%	3.5%	141.1%	—	—	—	—	—	—
Chair[1]												
George Culmer	0.0%	—	73.4%	0.0%	—	6.0%	0.0%	—	74.8%	0.0%	—	57.7%
NEDs												
Cheryl Agius[2]	—	—	—	—	—	—	—	—	—	—	—	—
Andrea Blance	2.1%	—	(8.9)%	0.0%	—	86.3%	—	—	—	—	—	—
Ian Clark[2]	—	—	—	—	—	—	—	—	—	—	—	—
Mike Craston[3]	(70.8)%	—	(51.2)%	4.5%	—	(26.4)%	—	—	—	—	—	—
Patrick Flynn[1,4]	1.8%	—	(17.7)%	0.0%	—	(9.6)%	0.0%	—	1433.4%	5.0%	—	(75.0)%
Shonaid Jemmett-Page[1,5]	4.4%	—	(3.9)%	9.2%	—	141.8%	83.0%	—	—	—	—	—
Mohit Joshi	0.0%	—	(58.2)%	0.0%	—	130.4%	0.0%	—	69.8%	—	—	—
Pippa Lambert[1]	7.8%	—	107.5%	0.0%	—	90.8%	17.0%	—	350.7%	—	—	—
Jim McConville[6]	2.9%	—	64.1%	15.0%	—	(16.5)%	55.3%	—	4997.8%	—	—	—
Michael Mire[3]	3.8%	—	(53.9)%	(19.7)%	—	57.8%	(7.8)%	—	484.0%	4.9%	—	10.5%
Neil Morrison[2]	—	—	—	—	—	—	—	—	—	—	—	—
Martin Strobel[1,3]	(80.4)%	—	(72.6)%	31.6%	—	(51.6)%	67.2%	—	—	—	—	—
All UK-based employees	7.9%	22.1%	28.4%	9.5%	9.5%	2.4%	6.5%	2.1%	(14.2)%	3.8%	47.4%	34.8%

1. Salary/fees, annual bonus and benefit amounts for the EDs, the Chair and the NEDs have been annualised where applicable to reflect what they would have been over a full 12-month period to aid comparison
2. Cheryl Agius was appointed to the Board on 21 May 2024, Ian Clark on 11 March 2024 and Neil Morrison on 17 June 2024
3. Michael Mire stood down from the Risk Committee and Remuneration Committee on 14 September 2022. Mike Craston retired from the Board 16 April 2024 and Martin Strobel 11 March 2024.
4. Patrick Flynn was appointed as Senior Independent Director of Aviva plc and a Remuneration Committee member on 15 June and 7 September 2020 respectively
5. Shonaid Jemmett-Page joined the Audit Committee and the Risk Committee on 14 February 2022; she became chair of the Customer and Sustainability Committee on 17 May 2022
6. Jim McConville stood down as Chair of the Customer and Sustainability Committee, remaining a member, on 17 May 2022. He joined the Remuneration Committee on 1 February 2023.
7. The primary reason for the increase in UK taxable benefits in 2024 is due to the increased usage of our online recognition platform. The increase in taxable benefits for UK based employees in 2021, and subsequent decrease in 2022 has been mainly driven by the one-off recognition in 2021 of colleagues for their hard work during the pandemic. The taxable benefits also increased in 2021 due to the increase in the cost of private medical insurance. Without these items, benefits would have increased by 8.4% in 2021 reflecting greater use of our online recognition platform.
8. The increase in benefits for NEDs in 2022 compared to 2021 is largely reflective of the return of taxable travel and subsistence costs after the pandemic. The reduction in benefits in 2021 compared to 2020 is largely reflective of reduced taxable travel and subsistence costs due to the pandemic.

2024 Annual bonus outcomes

Remuneration elements

Fixed pay · Annual bonus · LTIP

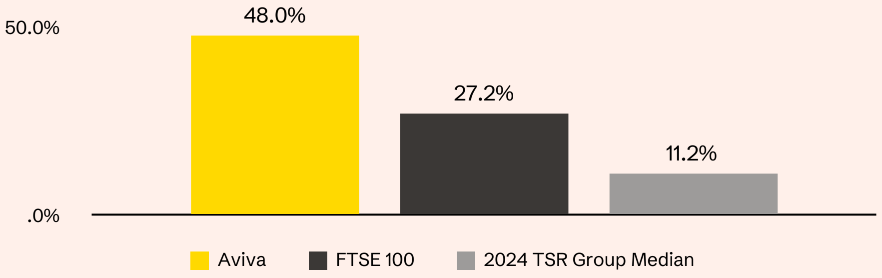
Historical TSR performance and Group CEO remuneration outcomes

The table below compares the TSR performance of the Company over the past ten years against the TSR of the FTSE 100. This index has been chosen because it is a recognised equity market index of which Aviva plc is a member.

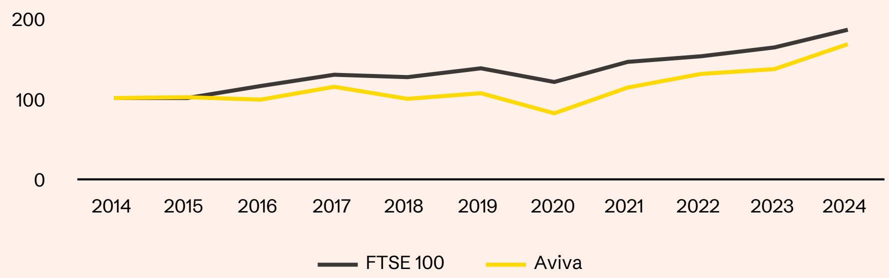
For additional context, the chart below also shows on a three-year basis the performance against the FTSE 100 and median TSR performance for the LTIP comparator group. The companies that comprise the 2024 LTIP group for TSR purposes are listed as part of table 6.

Table 9

Three-year TSR performance against the FTSE 100 and the median of the 2024 LTIP comparator group



Aviva plc ten-year TSR performance against the FTSE 100



The table below summarises the historical Group CEO single figure for total remuneration, and annual bonus and LTIP outcomes as a percentage of maximum over this period.

Table 10 Historical Group CEO remuneration outcomes

	Group CEO	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual bonus payout (as a % of maximum opportunity)	Amanda Blanc[1]	—	—	—	—	—	60.0%	88.3%	97.2%	88.1%	98.0%
	Maurice Tulloch[2]	—	—	—	—	48.1%	—	—	—	—	—
	Mark Wilson[3]	91.0%	91.0%	94.0%	42.0%	—	—	—	—	—	—
LTIP vesting (as a % of maximum opportunity)	Amanda Blanc	—	—	—	—	—	—	—	72.2%	91.8%	76.6%
	Maurice Tulloch	—	—	—	—	50.0%	—	—	—	—	—
	Mark Wilson	53.0%	41.3%	36.9%	—	—	—	—	—	—	—
Group CEO single figure of remuneration (£000)	Amanda Blanc	—	—	—	—	—	1,205	3,010	5,449	7,309	7,193
	Maurice Tulloch	—	—	—	—	2,352	1,030	—	—	—	—
	Mark Wilson	5,438	4,523	4,318	1,836	—	—	—	—	—	—

1. Amanda Blanc was appointed Group CEO on 6 July 2020
2. Maurice Tulloch was appointed Group CEO on 4 March 2019. Maurice stepped down as Group CEO and retired from the Board on 6 July 2020.
3. Mark Wilson joined the Board as an ED with effect from 1 December 2012 and became Group CEO on 1 January 2013. Mark stepped down as Group CEO and left the Board on 9 October 2018.

CEO Pay ratio reporting

The table below sets out the ratio at median, 25th and 75th percentile of the total remuneration received by the Group CEO compared to the total remuneration received by our UK employees. Total remuneration reflects all remuneration received by an individual in respect of the relevant years, and includes salary, benefits, bonus, pension, and value received from incentive plans.

Table 11 CEO Pay ratio table

Year	Method	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2024	**Option A**	**210:1**	**149:1**	**91:1**
2023	Option A	203:1	145:1	88:1
2022	Option A	181:1	127:1	76:1
2021	Option A	102:1	70:1	42:1
2020	Option A	80:1	56:1	34:1
2019	Option A	90:1	63:1	37:1

We would highlight the following in terms of the approach taken.

- In calculating the ratio for 2020, the single figure for both Amanda Blanc and Maurice Tulloch in respect of their services as Group CEO were aggregated.
- In 2019, the single figure for Maurice Tulloch was aggregated with the pro rata fees for Sir Adrian Montague as Executive Chairman.
- The P25, P50 and P75 employees were calculated based on full-time equivalent data as at 31 December of the relevant years.
- Out of the three alternatives available for calculating the ratio, we chose to use Option A as it is considered to be the most accurate way of identifying employees at P25, P50 and P75, and is aligned with shareholder expectations. Under this approach we calculate total remuneration on a full-time equivalent basis for all of our UK employees and rank them accordingly.

The 2024 CEO pay ratio has remained relatively stable with a slight increase since the calculation of the 2023 ratio. In previous years, various considerations affected the CEO pay ratio:

- The difference between the 2023 and 2022 ratios reflected a pro-rata LTIP vesting for the CEO, as well as 10% reduction for windfall gains.
- The 2021 ratio reflected no LTIP vesting for the CEO.

EDs receive a greater proportion of their remuneration in elements tied to performance, including participation in the LTIP. This means that the pay ratio will vary in large part due to incentive outcomes each year.

The total remuneration for each quartile employee has increased slightly since 2023.

Table 12 provides further information on the total remuneration figure for each quartile employee, and the salary component within this.

Table 12 Salary and total remuneration used in the CEO pay ratio calculations

Year	Pay element	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2024	Salary	£26,850	£38,781	£65,000
	Total remuneration	£34,269	£48,229	£79,257

In reviewing the employee pay data, the Committee is comfortable that the P25, P50 and P75 individuals identified appropriately reflect the employee pay profile at those quartiles, and that the overall picture presented by the ratios is consistent with our pay, reward and progression policies for UK employees.

At Aviva, we are equally focused on our colleagues as we are on our customers. We recognise the individual needs of colleagues and we are proud of the reward, benefits and overall career packages that we offer our colleagues:

- In the UK, we have been an accredited Real Living Wage employer since April 2014 and a Real Living Hours employer since October 2020. Our salaries are at least 8% above Real Living Wage to allow colleagues to save for their retirement and benefit from an employer pension contribution up to 14% whilst still earning the Real Living Wage.
- In addition, in March 2023, Aviva was one of the first UK employers to be awarded the Living Pension accreditation. This signifies that we provide a Living Pension savings level which equates to 12% of a full-time real Living Wage salary, of which at least 7% comes from Aviva as an employer. We have been at the forefront of campaigning to drive proposals to abolish auto-enrolment contribution thresholds to enable more people to save into a pension for their retirement.
- We have a structured salary progression scheme for our frontline colleagues, providing salary increases to recognise colleagues as they develop and gain experience.
- We conduct regular market reviews of our salary ranges in order to maintain competitiveness to market rates, and we move everyone who is below a band to at least the minimum of that range each year.
- Our comprehensive, flexible benefits offering provides colleagues with the opportunity to select the benefits that matter most to them, and our range of inclusive colleague policies support life's big moments, including equal parental leave.
- UK colleagues are eligible to participate in the Savings Related Share Option Scheme 2017 (SAYE) and All Employee Share Ownership Plan (AESOP) offerings with similar plans operating for many of our overseas colleagues. We are proud of the participation rates in these plans, with over 60% participating in the SAYE and over 70% in the AESOP, meaning colleagues both share in Aviva's success and benefit from tax-efficient savings.

Relative importance of spend on pay

Table 13 outlines Group adjusted operating profit, dividends paid to shareholders and share buybacks, compared to overall spend on pay in total. This measure of profit has been chosen as it is used for decision-making and the internal performance management of the Group's operating segments.

Table 13 Relative importance of spend on pay

	2024 £m	2023 £m	% change between 2024 – 2023
Group adjusted operating profit	1,767	1,467	20%
Ordinary dividends paid to shareholders	921	878	5%
Share buybacks[1]	300	300	—%
Total staff costs[2]	2,045	1,754	17%

1. On 1 July 2024, Aviva completed the share buyback programme originally announced on 7 March 2024 for up to a maximum aggregate consideration of £300 million. During the period £300 million (2023: £300 million) of shares were purchased and shares with a nominal value of £20 million (2023: £24 million) were cancelled, giving rise to an additional capital redemption reserve of an equivalent amount. See note 31 for further details.
2. Total staff costs includes wages and salaries, social security costs, post-retirement obligations, profit sharing and incentive plans, equity compensation plans and termination benefits. The average number of employees was 27,873 (2023: 25,529).

Statement of Directors' shareholdings and share interests

Under our Shareholding Policy, the Company requires the Group CEO to build a shareholding in the Company equivalent to 300% of basic salary and each ED to build a shareholding in the Company equivalent to 225% of basic salary.

- The EDs are required to retain 50% of the net shares released from ABP and LTIP awards until the shareholding requirement is met.
- The shareholding requirement needs to be built up over a period not exceeding five years.
- Unvested share awards, including shares held in connection with bonus deferrals, are not taken into account in applying this test.
- A post-cessation holding period of two years applies. This is at the same level as the current (within employment) guideline. The Committee retains the discretion to waive part or all of the guideline where considered appropriate, for example in exceptional or compassionate circumstances.
- EDs are required to retain shares vesting from incentive plans within the Company-sponsored nominee account, and are not permitted to transfer them, e.g. into their own brokerage accounts, unless otherwise agreed by the Committee. In this manner, the Committee is able to retain oversight of the shares and is comfortable that this provides the ability to enforce the post-cessation guidelines in practice and helps with the enforcement of malus and clawback.

Table 14 Executive Directors – share ownership requirement (audited information)

	Shares held			**Options held**				
Executive Directors	**Owned outright[1]**	**Unvested and subject to performance conditions[2]**	**Unvested and subject to continued employment[3]**	**Unvested and subject to continued employment**	**Vested but not exercised**	**Shareholding requirement (% of salary)**	**Current shareholding[4] (% of salary)**	**Requirement met**
Amanda Blanc	1,410,276	2,479,895	569,318	—	—	300%	590%	Yes
Charlotte Jones	22,019	1,055,150	154,255	—	—	225%	14%	No

1. Directors' beneficial holdings in the ordinary shares of the Company. This information includes holdings of any connected persons.
2. Awards granted under the Aviva LTIPs, which vest only if the performance conditions are achieved
3. Awards arising through the ABP. Under this plan, some of the earned bonuses are paid in the form of conditional shares which are deferred for three years and released in three equal annual tranches. The transfer of the shares to the director at the end of the period is not subject to the attainment of performance conditions but the shares can be forfeited if the ED leaves service before the end of the period.
4. Based on the closing middle-market price of an ordinary share of the Company on 31 December 2024 of 468.8 pence. The closing middle-market price of an ordinary share of the Company during the year ranged from 416.9 pence to 506.6 pence.

There were no changes to the EDs interests in Aviva shares during the period 1 January 2025 to 26 February 2025.

Table 15 Non-Executive Directors' shareholdings[1] (audited information)

	1 January 2024 Number of shares	**31 December 2024 Number of shares**
George Culmer	210,175	210,175
Cheryl Aguis	—	15,000
Andrea Blance	15,000	30,000
Ian Clark	—	—
Patrick Flynn	7,600	7,600
Shonaid Jemmett-Page	10,490	10,490
Mohit Joshi	65,089	65,089
Pippa Lambert	12,739	17,886
Jim McConville	14,186	14,186
Michael Mire	38,000	38,000
Neil Morrison	—	100,000

1. This information includes holdings of any connected persons

There were no changes to the NEDs interests in Aviva shares during the period 1 January 2025 to 26 February 2025.

Remuneration elements

Fixed pay Annual bonus LTIP

Share awards and share options

Details of the EDs who were in office for any part of the 2024 financial year and hold or held outstanding share awards or options over ordinary shares of the Company pursuant to the Company's share based incentive plans are set out in the table below.

EDs are eligible to participate in the Company's broad-based employee share plans on the same basis as other eligible employees.

Details of awards granted to EDs under these plans are also included in tables 1, 5 and 14.

More information around HMRC tax-advantaged plans can also be found in note 32. EDs are restricted from entering into any form of hedging arrangement or remuneration and liability-related insurance policies which might undermine the risk alignment features of share awards (such as delivery in shares, performance conditions, malus and clawback provisions).

Table 16 LTIP, ABP and options over Aviva shares (audited information)

	At 1 January 2024 (number)	Options/awards granted during year[1] (number)	Options/awards exercised/vesting during year[2] number)	Options/awards lapsing during year (number)	At 31 December 2024 (number)	Market price at date awards granted[3] (pence)	SAYE exercise price (options) (pence)	Market price at date awards vested/option exercised (pence)	Vesting date(s)/ exercise period(s)[4]
Amanda Blanc									
LTIP[5,6]									
2021	759,493	—	841,381	(62,279)	—	412.50	—	494.50	Mar-24
2022	825,471	—	—	—	825,471	426.30	—	—	Mar-25
2023	881,418	—	—	—	881,418	411.60	—	—	Mar-26
2024	—	773,006	—	—	773,006	495.00	—	—	Mar-27
ABP									
2021	33,022	—	39,850	—	—	412.50	—	494.50	Mar-24
2022	185,115	—	106,077	—	92,558	426.30	—	494.50	Mar-25
2023	326,208	—	117,669	—	217,472	411.60	—	494.50	1/2: Mar-25 1/2: Mar-26
2024	—	259,288	—	—	259,288	495.00	—	—	1/3: Mar-25 1/3: Mar-26 1/3: Mar-27
Charlotte Jones									
LTIP[5,6]									
2022	358,195	—	—	—	358,195	426.30	—	—	Mar-25
2023	371,393	—	—	—	371,393	411.60	—	—	Mar-26
2024	—	325,562	—	—	325,562	495.00	—	—	Mar-27
ABP									
2023	46,115	—	16,634	—	30,744	411.60	—	494.50	1/2: Mar-25 1/2: Mar-26
2024	—	123,511	—	—	123,511	495.00	—	—	1/3: Mar-25 1/3: Mar-26 1/3: Mar-27

1. The aggregate net value of share awards granted to the EDs in the period was £7.3 million (2023: £6.7 million). The net value has been calculated by reference to the closing middle-market price of an ordinary share of the Company at the date of grant.
2. The shares comprised in these vested awards include shares issued in lieu of dividends accrued during the deferral period
3. The actual price used to calculate the ABP and LTIP awards is based on a three-day average closing middle-market price of an ordinary share of the Company, prior to the date of main grant to employees. These were in 2021: 395 pence, 2022: 424 pence, 2023: 409 pence and 2024: 489 pence.
4. Vesting date(s)/exercise period(s) for awards outstanding at 31 December 2024. ABP awards are deferred and released in three equal annual tranches.
5. For the 2021 LTIP, the rTSR comparator group is: Aegon, Allianz, AXA, Direct Line Group, Generali, Intact, Legal & General, Lloyds Banking Group, M&G, Phoenix and Zurich Insurance Group. For the 2022 and 2023 LTIP, the rTSR comparator group is: Admiral, Allianz, AXA, Direct Line Group, Hargreaves Lansdown, Hiscox, Intact, Legal & General, Lloyds Banking Group, M&G, Phoenix, Quilter and Zurich Insurance Group. For the 2024 LTIP, the rTSR comparator group is: Admiral, Direct Line Group, Hargreaves Lansdown, Hiscox, Intact Financial, Legal & General, Lloyds Banking Group, M&G, Phoenix and Quilter.
6. The performance periods for these awards begin at the commencement of the financial year in which the award is granted and run for a three-year period

Dilution

Awards granted under Aviva employee share plans, are satisfied primarily through shares purchased in the market. Shares are held in employee trusts, details of which are set out in note 33.

The Company monitors the number of shares issued under the Aviva employee share plans and their impact on dilution limits. The Company's usage of shares compared to the relevant dilution limits set by the Investment Association in respect of all share plans (10% in any rolling ten-year period) and executive share plans (5% in any rolling ten-year period) were 2.02% and 1.04% respectively on 31 December 2024.

Governance Regulatory Remuneration Code

Aviva Investors Global Services Limited (AIGSL) and a number of small 'firms' (as defined by the FCA) within the Insurance, Wealth & Retirement business are subject to the Investment Firms Prudential Regime (IFPR) and the Markets in Financial Instruments Directive II (MiFID II).

Aviva Investors UK Funds Services Ltd and Aviva Investors Luxembourg are subject to the Alternative Investment Fund Management Directive (AIFMD) and the Undertakings for Collective Investments in Transferable Securities (UCITS V) directive.

Remuneration Code requirements include an annual disclosure. For AIFMD and UCITS V the disclosure is part of the Financial Statements and/or Annual accounts of the Alternative Investment Funds or UCITS.

For IFPR the 2024 AIGSL disclosure will be found, when published, at **www.aviva.com/investors/regulatory-returns/** along with the disclosure for the UK Insurance firms.

Solvency II remuneration

Remuneration Requirements (PRA PS22/16 & SS10/16) apply to the Aviva Group. Our remuneration structures have been designed in a way that is compliant with these requirements for all senior managers across the Group, not just those identified as being specifically covered by the requirements of the regulation. Such employees at Aviva are termed 'Covered Employees'. We are required to complete a Remuneration Policy Statement, which outlines how we have complied with each of the requirements. This document is approved annually by the Group Remuneration Committee.

The Solvency II reporting requirements for the year ended 31 December 2024 necessitate firms to produce the Solvency and Financial Condition Report (SFCR) which contains remuneration information and is publicly available. Aviva's reward principles and arrangements are designed to incentivise and reward employees for achieving stated business goals in a manner that is consistent with the Company's approach to sound and effective risk management.

The Committee review and approve the list of remuneration code staff and Solvency II covered employees on an annual basis.

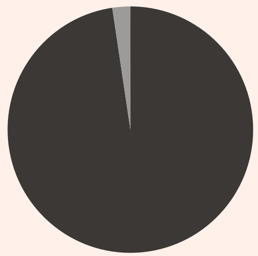
Table 17 Results of votes at AGM

Statement of voting at AGM

The results of the shareholder votes at the Company's 2024 AGM in respect of the Policy and DRR are set out in the below table. The Committee was pleased with the level of support received from shareholders for the resolutions.

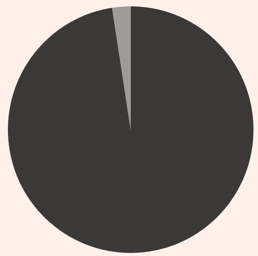
		Percentage of votes cast		Number of votes cast		
	Year of AGM	For	Against	For	Against	Votes withheld
Policy	2024	97.66%	2.34%	1,559,031,728	37,360,745	1,236,255
DRR	2024	97.59%	2.41%	1,558,072,480	38,505,788	1,052,339

Directors' Remuneration Policy



For	97.66%
Against	2.34%

Directors' Remuneration Report



For	97.59%
Against	2.41%

Approach to NED fees for 2024

NED fees are reviewed annually with a limited number of the fee arrangements increased by the Board on 5 March 2024, effective from 1 April 2024 as previously disclosed.

No further changes were made during the year.

Table 18 Non-Executive Directors' fees

Role	Fee from 1 April 2024	Fee from 1 January 2024
Board Chair[1]	**£550,000**	£550,000
Board membership	**£75,000**	£75,000
Additional fees are paid as follows:		
Senior Independent Director	**£35,000**	£35,000
Committee Chair (inclusive of committee membership fee):		
Audit	**£55,000**	£55,000
Risk	**£55,000**	£55,000
Customer and Sustainability	**£55,000**	£45,000
Remuneration	**£55,000**	£45,000
Committee membership:		
Nomination and Governance	**£10,000**	£10,000
Audit	**£20,000**	£20,000
Risk	**£20,000**	£20,000
Customer and Sustainability	**£20,000**	£15,000
Remuneration	**£20,000**	£15,000

1. Inclusive of Board membership fee and any committee membership fees, and committee Chair of the Nomination and Governance Committee

2024 Annual bonus outcomes

Remuneration elements

Fixed pay Annual bonus LTIP

Table 19 Operation of the Remuneration policy throughout the wider workforce

Element	Executive Directors	Executive Committee	Senior management	Wider workforce
Salary	Our principle is of pay equity for performing the same, or broadly similar, work, accounting for local market benchmarks and union/collective agreements, where applicable.			
	Salaries are reviewed annually and consider factors including increases awarded to the wider colleague population.			Salaries are reviewed annually subject to engagement with employee representatives/unions where applicable. It is important that all colleagues enjoy a reasonable standard of living and we are proud to be both a Real Living Wage and a Living Hours employer in the UK.
Benefits	Eligible for a range of voluntary benefits and wellbeing provisions available to all colleagues in respective markets. Colleagues can participate in a share matching plan (Aviva matches two shares for every one bought up to £50 per month) and, in the UK, the SAYE. UK benefits include 8 times' salary death-in-service. In addition, flexible benefits allow colleagues to add to and/or supplement where Company provisions differ, e.g. private health benefit			
Pension	Eligible to participate in Aviva's UK defined contribution pension scheme with a 14% contribution (or where applicable receive cash in lieu). Rates in Ireland are 14%, different rates apply in Canada in line with market.			
Bonus Basis	Annual performance-related bonus based on Group, business unit (where applicable) and individual performance against goals.			
Bonus Deferral	½ into shares	½ into shares	⅓ into shares	All paid in cash
Long-Term Incentive	LTIP share awards are subject to strategic performance measures over three years. Additional two-year holding period post-vesting applies to EDs.	Additional holding period post-vesting not applicable to ExCo.	Eligible for Restricted Share Awards aligned with shareholder interests, long-term Aviva performance and retention of key talent.	Not eligible

2024 Annual bonus outcomes

Remuneration elements

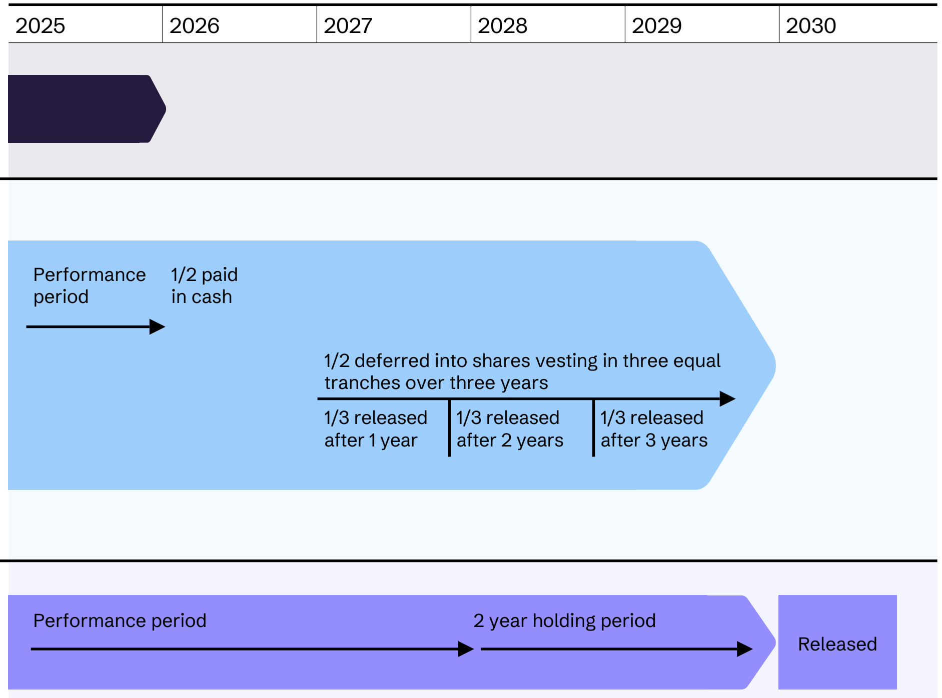
Fixed pay | Annual bonus | LTIP

The implementation of the Policy will be consistent with that outlined in table 21.

Table 20 How will our Policy be implemented in 2025?

Key element	Implementation in 2025 – Group CEO	Implementation in 2025 – Group CFO
Fixed Pay	**Group CEO** • Salary[1]: £1,232,000 per annum	**Group CFO** • Salary[1]: £750,000 per annum
	• Pension: 14% of salary in line with wider workforce • Benefits: As outlined in the Policy	
Annual Bonus[2,3]	• Group CEO – 200% of salary	• Group CFO – 150% of salary
	• One-year performance assessed against financial and strategic performance measures	
	Financial measures (70% of total) • 25% – Cash remittances • 20% – Solvency II OFG • 15% – Group adjusted operating profit • 10% – Efficiency measures	**Strategic measures (30% of total)** • Including: Risk scorecard, employee engagement, OES and TNPS
	• A quality of earnings assessment will be undertaken by the Committee to provide assurance that bonus payouts appropriately reflect underlying performance and the shareholder experience • Individual performance during the year will be taken into account	
LTIP[3,4]	• Group CEO – 350% of salary	• Group CFO – 225% of salary
	• Performance assessed over three years against financial (80%) and non-financial (20%) performance measures • Performance measures (see LTIP measures and weightings for 2025 on next page)	
Share ownership guidelines	• Group CEO – 300% of salary	• Group CFO – 225% of salary
	• To be built up over a period not exceeding five years • Post-cessation shareholding requirements also apply to EDs, equal to the guideline or the holding on termination of employment, for two years post-cessation	

Phasing



1. Salaries will be effective from 1 April 2025
2. The target ranges are considered by the Board to be commercially sensitive and disclosure of these would put the Company at a disadvantage compared to its competitors. Target ranges will be disclosed in the 2025 DRR.
3. The Committee will continue to consider the impacts of any future acquisitions and disposals on targets
4. The 2025 LTIP grant will be based on 1 April 2025 salary

LTIP measures and weightings for 2025

		Vesting	Below threshold	Threshold		Maximum	Above maximum
Measure	Weighting		0%	20%	20-100%	100%	100%
rTSR[1]	40.00%			Median		Upper Quartile	
Cumulative cash remittances[2]	25.00%			£5.85bn		£6.35bn	
Solvency II RoE[2,3]	15.00%			15%		17%	
CO_2 Intensity reduction vs 2019 baseline[4]	7.50%			56%		66%	
Customer Scorecard: Customer Numbers (millions)	3.75%			21.1		21.5	
Customer Scorecard: MPH (millions)	3.75%			5.70		5.90	
Ethnically diverse employees in senior leadership roles[5]	2.50%			13.5%		15.0%	
Females in senior leadership roles[6]	2.50%			42%		44%	

The Committee will continue to consider the impacts of any future acquisitions and disposals on targets.

1. Aviva's rTSR performance will be assessed against that of the following companies: Admiral, Direct Line Group, Hiscox, Intact Financial, Legal & General, Lloyds Banking Group, M&G, Phoenix and Quilter. The performance period for the rTSR performance condition is the three years beginning 1 January 2025. For the purposes of measuring the rTSR performance condition, the Company's TSR and that of the comparator group will be based on the 90-day average TSR for the period immediately preceding the start and end of the performance period. If companies within the comparator group are subject to acquisition, the Committee will evaluate options including, but not limited to, their removal.
2. For 2025 awards, the Solvency II shareholder cover ratio is to meet or exceed the minimum of the stated working range (Range: 160% to 180%)
3. The Committee is mindful of the volatile economic environment and the impact of significant changes in key external variables such as interest rates on RoE outcomes. The Committee therefore will keep the economic assumptions and environment under review.
4. Reduction in CO_2 intensity of shareholder and with-profits assets over the three-year performance period measured on an Economic Carbon Intensity basis (previous schemes measured on Weighted Average Carbon Intensity – Revenue basis) and is aligned to Aviva Group's wider ambition of delivering a 60% reduction in carbon intensity by 2030
5. Percentage of colleagues in senior leadership in the UK, Ireland and Canada who identify their ethnicity as anything other than 'white', excluding colleagues who have not disclosed their ethnicity
6. Percentage of colleagues in senior leadership roles in the UK, Ireland and Canada who are female

Approval by the Board

This Directors Remuneration Report was reviewed and approved by the Board on 26 February 2025.

Pippa Lambert
Chair of the Remuneration Committee

Directors' Remuneration Policy

Remuneration elements

Fixed pay | Annual bonus | LTIP

The full and definitive Policy is set out in our 2023 Annual Report and Accounts, which can be found on our website at **www.aviva.com/reports/**

Although reproduced here for convenience, the 2024 Policy is our formally approved Policy. Please note the updates to the scenario charts to reflect 2025 remuneration arrangements for our EDs, as well as appointment end dates for NEDs.

Alignment of Group strategy with executive remuneration

The Committee considers that alignment between Group strategy and ED remuneration is critical. The Policy provides market competitive remuneration, and incentivises EDs to achieve the annual business plan and the longer-term strategic objectives of the Group. Significant levels of deferral, and within and post-employment shareholding requirements, align EDs' interests with those of shareholders and aid retention of key personnel. As well as rewarding the achievement of objectives, variable remuneration can be zero if performance thresholds are not met. Remuneration payments to Directors can only be made if they are consistent with the approved Policy.

Table 21 provides an overview of the Policy for EDs. The Policy for NEDs is in table 23.

Table 21 Key aspects of the Policy for Executive Directors

Element		
Basic salary	**Purpose** To provide core market related pay to attract and retain the required level of talent. **Operation** Annual review, with changes normally taking effect from 1 April each year. The review is informed by: • Individual and business performance. • Levels of increase for the broader employee population. • Relevant pay data including market practice among relevant FTSE listed companies of comparable size to Aviva in terms of market capitalisation, large European and global insurers, and UK financial services companies.	**Maximum opportunity** There is no maximum increase within the Policy. However, basic salary increases take account of the average basic salary increase awarded to the broader employee population. Different levels of increase may be agreed in certain circumstances at the Committee's discretion, such as: • An increase in job scope and responsibility. • Development of the individual in the role. • A significant increase in the size, value or complexity of the Group. **Assessment of performance** Any movement in basic salary takes account of the performance of the individual and the Group.

Remuneration elements

Fixed pay · Annual bonus · LTIP

Element		
Annual bonus	**Purpose** To reward EDs for achievement against the Company's strategic objectives and for demonstrating the Aviva values and behaviours. Deferral provides alignment with shareholder interests and aids retention of key personnel. **Operation** Awards are based on performance in the year. Targets are normally set annually and pay-out levels are determined by the Committee based on performance against those targets and a quality of earnings assessment and risk review. **Form and timing of payment** • 50% of any bonus is payable in cash at the end of the year. • 50% of any bonus awarded is deferred into shares which vest in three equal annual tranches. Additional shares are awarded at vesting in lieu of dividends paid on the deferred shares. **Malus and clawback** Cash and deferred awards are subject to malus and clawback. Details of when these may be applied are set out in the notes below.	**Maximum opportunity** 200% of basic salary for Group CEO 150% of basic salary for other EDs **Outcome at threshold and on target** Performance is assessed against multiple measures. Threshold performance against a single measure would result in a bonus payment of no more than 25% of basic salary. 100% of basic salary is payable for on target performance. **Assessment of performance** Performance is assessed against a range of relevant financial, employee, customer and risk targets designed to incentivise the achievement of our strategy, as well as individual strategic objectives as set by the Committee. Although financial performance is the major factor in considering overall expenditure on bonuses, performance against non-financial measures including progress towards our strategic priorities and behaviours in line with our values will also be taken into consideration. **Discretion** See notes to this table.

Element		

Long-term incentive plan	**Purpose**
	To reward EDs for achievement against the Company's longer-term objectives; to align EDs' interests with those of shareholders and to aid the retention of key personnel and to encourage focus on long-term growth in enterprise value.
	
	Operation
	Shares are awarded annually which vest dependent on the achievement of performance conditions. Vesting is subject to an assessment of quality of earnings, the stewardship of capital and risk review.
	
	Performance period
	Three years. Additional shares are awarded at vesting in lieu of dividends on any shares which vest.
	
	Additional holding period
	Two years.
	
	Malus and clawback
	Awards are subject to malus and clawback. Details of when these may be applied are set out in the notes below.
		Maximum opportunity
		350% of basic salary.
		
		Performance measures
		Awards will vest based on a combination of financial, rTSR and strategic performance measures.
		
		The Policy provides for a minimum aggregate weighting of 80% for financial measures and rTSR and for up to 20% to be based on strategic performance measures. We would engage with shareholders before changing measures or weighting in future years.
		
		For the 2025 awards the measures and weightings will be:
		• 40% rTSR
		• 25% Cumulative cash remittances
		• 15% Solvency II RoE
		• 20% Strategic measures:
		  • 7.5% CO_2 intensity reduction
		  • 7.5% Customer scorecard
		  • 2.5% Ethnicity
		  • 2.5% Gender
		
		Vesting at threshold
		Threshold vesting for all measures is 20%.
		
		Discretion
		See notes to this table.

Remuneration elements

Fixed pay Annual bonus LTIP

Element		
Pension	**Purpose** To give a market competitive level of provision for post-retirement income. **Operation** EDs are eligible to participate in a defined contribution plan up to the annual limit. Any amounts above annual or lifetime limits are paid in cash.	**Maximum opportunity** If suitable employee contributions are made, the Company contributes 14% of basic salary for all EDs, aligned to the rate available to the majority of the UK workforce.
Benefits	**Purpose** To provide EDs with a suitable but reasonable package of benefits as part of a competitive remuneration package. This involves both core executive benefits, and the opportunity to participate in flexible benefits programmes offered by the Company (via salary sacrifice). This enables us to attract and retain the right level of talent necessary to deliver the Company's strategy. **Operation** Benefits are provided on a market related basis. The Company reserves the right to deliver benefits to EDs depending on their individual circumstances, which may include a cash car allowance, life insurance, private medical insurance and access to a company car and driver for business use. In the case of non-UK executives, the Committee may consider additional allowances in line with standard relevant market practice. EDs are eligible to participate in the Company's broad based employee share plans on the same basis as other eligible employees.	**Maximum opportunity** Set at a level which the Committee considers appropriate against comparable roles in companies of a similar size and complexity to provide a reasonable level of benefit. Costs would normally be limited to providing a cash car allowance, private medical insurance, life insurance, and reasonable travel benefits (including the tax cost where applicable). In addition, there may be one-off or exceptional items on a case by case basis, which would be disclosed in the DRR.

Element		
Relocation and mobility	**Purpose** To assist with mobility across the Group to ensure the appropriate talent is available to execute strategy locally. **Operation** EDs who are relocated or reassigned from one location to another receive relevant benefits to assist them and their dependants in moving home and settling into the new location.	**Maximum opportunity** Dependent on location and family size, benefits are market related and time bound. They are not compensated for performing the role but to defray costs of a relocation or residence outside the home country. The Committee would reward no more than it judged reasonably necessary, in the light of all applicable circumstances.
Shareholding requirements	**Purpose** To align EDs' interests with those of shareholders. **Operation** A requirement to build a shareholding in the Company equivalent to 300% of basic salary for the Group CEO and 225% for other EDs. This shareholding is normally to be built up over a period not exceeding five years (subject to the Committee's discretion where personal circumstances dictate).	Post-cessation shareholding requirements also apply to EDs being the lower of 300% of basic salary for the Group CEO and 225% for other EDs, or the holding on termination of employment, for two years post-cessation.

Notes to the table:

Performance measures

For the annual bonus, performance measures are chosen to align to the Group's key performance indicators and include financial, strategic, risk, employee and customer measures. Achievement against individual strategic objectives is also taken into account.

LTIP performance measures are chosen to provide an indication of both absolute and relative return generated for shareholders. In terms of target setting, a number of reference points are taken into account each year including, but not limited to, the Group's business plan and external market expectations of the Company. Maximum payouts require performance that significantly exceeds expected performance under both the annual bonus and the LTIP.

Quality of earnings assessments

Throughout the year, the Committee engages in a regular quality of earnings assessment. A quality of earnings assessment sign-off is the final step in determining annual bonus scorecard outcomes, and is performed before vesting is determined against financial measures under the LTIP.

As a minimum, at any Committee meeting where LTIP vesting or annual bonus scorecard decisions are considered, the Financial Controller or equivalent prepares a report to the Committee on the quality of earnings reflected in the results being assessed, against performance targets. Extensive information from the audited accounts is used to explain the vesting and scorecard outcomes – ranging from movements in reserves, capital management decisions, consistency of accounting treatment and period to period comparability. The Financial Controller or equivalent attends the Committee meeting to answer any questions that any member of the Committee may choose to ask. Any vesting decision or confirmation of awards is made after this process has been undertaken.

Malus and clawback

The circumstances when malus (the forfeiture or reduction of unvested shares awarded under the ABP and LTIP) and clawback (the recovery of cash and share awards after release) may apply include (but are not limited to) where the Committee considers that the employee concerned has been involved in or partially/wholly responsible for:

- A materially adverse misstatement (as defined by the Board) of the Company's financial statements, or a misleading representation of performance;
- A significant failure of risk management and/or controls;
- A scenario or event which causes material reputational damage to the Company;
- A scenario or event which causes material corporate failure;
- Any regulatory investigation or breach of laws, rules or codes of conduct;
- Misconduct which, in the opinion of the Committee, ought to result in the complete or partial lapse of an award;
- Conduct which resulted in significant loss(es) or summary termination of employment;
- Failure to meet appropriate standards of fitness and propriety;
- A material error (as defined by the Board) in the calculation of a financial or strategic measure used to determine the outcome of variable pay, or any other error or material misstatement that results in overpayment to employees;
- Any circumstances determined by the Board that mean the underlying financial health of the Group or member of the Group has significantly deteriorated, resulting in severe financial constraints which preclude or limit the ability to fund variable pay; and
- Any other circumstance required by local regulatory obligations or that, in the Board's opinion, justifies the reduction or repayment of variable pay.

The clawback period runs for two years from the date of payment in the case of the cash element of any annual bonus award.

For deferred bonus elements and LTIP awards, the overall malus and clawback period is five years from the date of grant.

Discretions

The discretions the Committee has in relation to the operation of the ABP and LTIP are set out in the plan rules. In relation to the outcomes under these plans, the Committee has unfettered discretion to adjust upward or downward (including to nil) the mechanical outcome where it considers that:

- The outcome does not reflect the underlying financial or strategic performance of the participant or the Group over the relevant period;
- The outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the award date;
- There exists any other reason why an adjustment is appropriate; and/or
- It is appropriate to do so, taking into account a range of factors, including the management of risk and good governance and, in all cases, the experience of shareholders.

Other discretions include, but are not limited to, the ability to set additional conditions and the discretion to change or waive those conditions. Such discretions would only be applied in exceptional circumstances, to ensure that awards properly reflect underlying business performance. Any use of the discretions and how they were exercised will be disclosed, where relevant, in the DRR and, where appropriate, be subject to consultation with Aviva's shareholders.

Change in control

In the event of a change in control, unless a new award is granted in exchange for an existing award, or if there is a significant corporate event like a demerger, awards under the LTIP would normally vest to the extent that the performance conditions have been satisfied as at the date of the change in control, and unless the Committee decides otherwise, would be pro-rated to reflect the time between the date of grant and the change in control event. Awards under the ABP would normally vest on the date of the change in control and may vest if there is a significant corporate event.

Consistency of executive Policy across the Group

The Policy for our EDs is designed as part of the remuneration philosophy and principles that underpin remuneration for the wider Group. Remuneration arrangements for colleagues below the EDs take account of the seniority and nature of the role, individual performance and local market practice. The components and levels of remuneration for different colleagues may therefore differ from the Policy for EDs.

Any such elements are reviewed against market practice and approved in line with internal guidelines and frameworks.

Differentiation in reward outcomes based on performance and behaviour that is consistent with the Aviva values is a feature of how Aviva operates its annual bonus plan for its senior leaders and managers globally.

A disciplined approach is taken to moderation across the Company in order to recognise and reward the key contributors. The allocation of LTIP awards also involves strong differentiation, with expected contribution and ability to collaborate effectively in implementation of the strategy driving award levels.

Legacy payments

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed (i) before May 2014 (the date the Company's first Policy came into effect),

(ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the Policy in force at the time they were agreed, or (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Approach to recruitment remuneration

On hiring a new ED, the Committee would align the proposed remuneration package with the Policy in place for EDs at the time of the appointment.

In determining the actual remuneration for a new ED, the Committee would consider the package in totality, taking into account elements such as the skills and experience of the individual, local market benchmarks, remuneration practice, and the existing remuneration of other senior executives.

The Committee would ensure any arrangements agreed would be in the best interests of Aviva and its shareholders. It would seek not to pay more than necessary to secure the right candidate.

Where considered appropriate the Committee may make awards on hiring an external candidate to 'buyout' remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee would take account of relevant factors including any performance conditions attached to these awards, the form in which it was paid (e.g. cash or shares) and the timeframe of awards.

Buyout awards would be awarded on a 'like for like' basis compared to remuneration being forfeited, and would be capped to reflect the value being forfeited. The Committee considers that a buyout award is a significant investment in human capital by Aviva, and any buyout decision will involve careful consideration of the contribution that is expected from the individual.

The maximum level of variable pay which could be awarded to a new ED, excluding any buyouts, would be in line with the Policy set out above and would therefore be no more than 550% of basic salary for the Group CEO (200% of basic salary annual bonus opportunity and 350% of basic salary as the face value of a LTIP grant) and 500% of basic salary for other EDs (150% of basic salary annual bonus opportunity and 350% of basic salary as the face value of a LTIP grant).

All other elements of remuneration will also be in line with the Policy set out above.

Should the Company have any prior commitments outside of this Policy in respect of an employee promoted internally to an ED position, the Committee may continue to honour these for a period of time. Where an ED is appointed from within the organisation, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions. Similarly, if an ED is appointed following Aviva's acquisition of, or merger with, another company, legacy terms and conditions may be honoured.

On appointing a new NED, the Committee would align the remuneration package with the Policy for NEDs, outlined in table 23, including fees and travel benefits.

Illustration of the Policy

The charts below illustrate how much EDs could earn under different performance scenarios in one financial year:

- Minimum – basic salary, pension or cash in lieu of pension and benefits, no bonus and no vesting of the LTIP.

- Target – basic salary, pension or cash in lieu of pension, benefits, and:
  - A bonus of 100% and a LTIP of 350% of basic salary (with notional LTIP vesting at 50% of maximum) for the Group CEO.
  - A bonus of 100% and a LTIP of 225% of basic salary (with notional LTIP vesting at 50% of maximum) for the Group CFO.

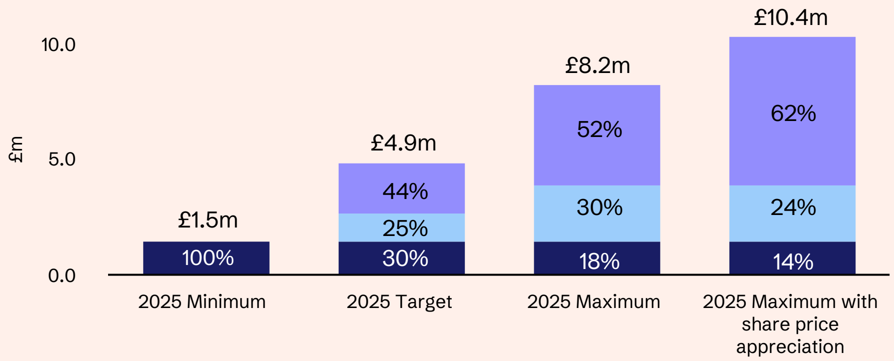
- Maximum – basic salary, pension or cash in lieu of pension, benefits, and:
  - A bonus of 200% and a LTIP of 350% of basic salary (with notional LTIP vesting at maximum) for the Group CEO.
  - A bonus of 150% and a LTIP of 225% of basic salary (with notional LTIP vesting at maximum) for the Group CFO.

- Maximum with share price appreciation – indicative maximum remuneration, assuming a notional LTIP vesting at maximum and share price appreciation of 50% on the LTIP.

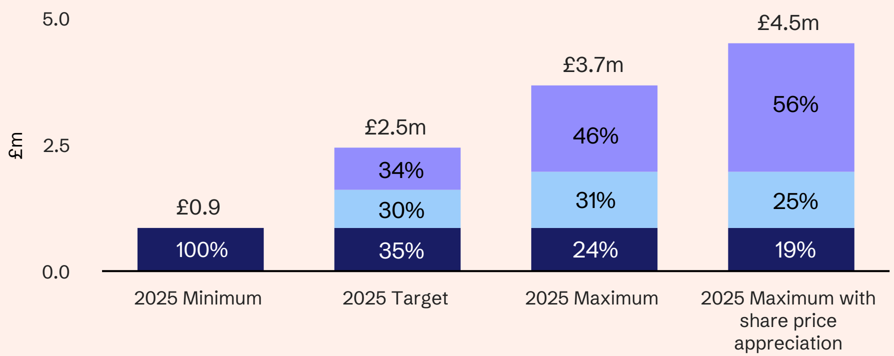
Remuneration elements

Fixed pay · Annual bonus · LTIP

Potential earnings by pay element - Amanda Blanc



Potential earnings by pay element - Charlotte Jones



Notes to the charts

1. The charts are illustrative only and the actual value EDs could earn is subject to business performance and share price movement to the date of vesting of the LTIP and of the deferred share element of the annual bonus
2. Fixed pay consists of basic salary, pension as described in table 1, and estimated value of benefits provided under the Policy, excluding any one-offs. Actual figures may vary in future years.
3. The value of the deferred element of the annual bonus assumes a constant share price and does not include additional shares awarded in lieu of dividends that may accrue during the vesting period
4. The value of the LTIP assumes a constant share price (with the exception of the maximum with share price increase scenario) and does not include additional shares awarded in lieu of dividends that may accrue during the vesting period
5. The LTIP is as proposed to be awarded in 2025, which would vest in 2028, subject to the satisfaction of performance conditions. The shares would then be subject to a further two-year holding period.

Employment contracts and letters of appointment

ED employment contracts and NED letters of appointment are available for inspection at the Company's registered office during normal hours of business, and at the place of the Company's 2025 AGM on 30 April 2025 from 09.00am until the close of the meeting.

The key employment terms and conditions of the current EDs, and those who served during the year, as stipulated in their employment contracts, are set out in the table below.

Table 22 Executive Directors' key conditions of employment

Provision	Policy	
Notice period		
By the ED	6 months.	
By the Company	12 months, rolling. No notice or payment in lieu of notice to be paid where the Company terminates for cause.	
Termination payment	Pay in lieu of notice up to a maximum of 12 months' basic salary. Any payment is subject to phasing and mitigation requirements. An ED would be expected to mitigate the loss of office by seeking alternative employment. Any payments in lieu of notice would be reduced, potentially to zero, by any salary received from such employment.	
Remuneration and benefits	The operation of the annual bonus and LTIP is at the Company's discretion.	
Expenses	Reimbursement of expenses reasonably incurred in accordance with their duties.	
Holiday entitlement	30 working days plus public holidays.	
Private medical insurance	Private medical insurance is provided for the ED and their family. The ED can choose to opt out of this benefit or take a lower level of cover. However, no payments are made in lieu of reduced or no cover.	
Other benefits	Other benefits include participation in the Company's staff pension scheme, life insurance and, where applicable, access to a Company car and driver for business related use.	
Sickness	100% of salary for the first 52 weeks and up to £150,000 per annum for a further 5 years.	
Non-compete	During employment and for nine months after leaving (less any period of garden leave) without the prior written consent of the Company.	
Contract dates	**Director**	**Date current contract commenced**
	Amanda Blanc Charlotte Jones	6 July 2020 5 September 2022

Policy on payment for loss of office

There are no pre-determined ED special provisions for compensation for loss of office. The Committee has the ability to exercise its discretion on the final amount actually paid. Any compensation would be based on basic salary, pension entitlement and other contractual benefits during the notice period, or a payment made in lieu of notice, depending on whether the notice is worked.

Where notice of termination of a contract is given, payments to the ED would continue for the period worked during the notice period. Alternatively, the contract may be terminated, and phased monthly payments made in lieu of notice for, or for the balance of, the 12 months' notice period. During this period, EDs would be expected to mitigate their loss by seeking alternative employment. Payments in lieu of notice would be reduced by the salary received from any alternative employment, potentially to zero. The Company would typically make a reasonable contribution towards an ED's legal fees in connection with advice on the terms of their departure.

There is no automatic entitlement to an annual bonus for the year in which loss of office occurs. The Committee may determine that an ED may receive a pro rata bonus in respect of the period of employment during the year loss of office occurs based on an assessment of performance. Where an ED leaves the Company by reason of death, disability or ill health, or any other reason determined by the Committee, there may be a payment of a pro rata bonus for the relevant year at the discretion of the Committee.

The treatment of leavers under the ABP and LTIP is determined by the rules of the relevant plans. Good leaver status under these plans would be granted in the event of, for example, the death of an ED. Good leaver status for other leaving reasons is at the discretion of the Committee, taking into account the circumstances of the individual's departure, but would typically include planned retirement, or their departure on ill health grounds.

In circumstances where good leaver status has been granted, awards may still be subject to malus and clawback in the event that inappropriate conduct of the ED is subsequently discovered post departure, and retirees are subject to post-activity restrictions which allow the Committee to reduce or recover awards if certain employment is taken elsewhere. If good leaver status is not granted, all outstanding awards will lapse.

In the case of LTIP awards, where the Committee determines an ED to be a good leaver, vesting is normally based on the extent to which performance conditions have been met at the end of the relevant performance period, and the proportion of the award that vests is pro-rated for the time from the date of grant to final date of service (unless the Committee decides otherwise). Any decision not to apply this would only be made in exceptional circumstances and would be fully disclosed. It is not the practice to allow such treatment.

Consideration of wider employee pay and shareholder views

When determining the Policy and arrangements for our EDs, the Committee considers:

- Pay and employment conditions elsewhere in the Group to ensure that pay structures are suitably aligned and that levels of remuneration remain appropriate. The Committee reviews levels of basic salary increases for other employees and executives based on their respective locations. It reviews changes in overall bonus pool funding and long-term incentive grants. The Committee considers feedback on pay matters from sources including the employee opinion survey and employee forums. The Committee also takes into account information provided by the people function and external advisers and the Committee Chair has in place a programme of consultation and meetings with employee forums including trade unions, Your Forum and the Evolution Council to discuss remuneration.
- In its ongoing dialogue with shareholders, the Committee seeks shareholder views and takes them into account when any significant changes are being proposed to remuneration arrangements and when formulating and implementing the Policy. For example, there was detailed engagement with our largest shareholders regarding the proposed Policy during 2023.

Non-Executive Directors

The table below sets out details of our Policy for NEDs.

Table 23 Key aspects of the Policy for Non-Executive Directors

Element		
Chair and NEDs' fees	**Purpose** To attract individuals with the required range of skills and experience to serve as a Chair or as a NED. **Operation** NEDs receive a basic annual fee in respect of their Board duties. Further fees are paid for membership and, where appropriate, chairing Board committees. The Chair receives a fixed annual fee. Fees are reviewed annually taking into account market data and trends and the scope of specific Board duties. NEDs are able to use up to 100% of their post-tax base fees to acquire shares in Aviva plc. The Chair and NEDs do not participate in any incentive or performance plans or pension arrangements and do not receive an expense allowance. NEDs are reimbursed for reasonable expenses, and any tax arising on those expenses is settled directly by Aviva. To the extent that these are deemed taxable benefits, they will be included in the DRR, as required. NEDs may be provided with benefits, if deemed appropriate including health and wellbeing benefits.	**Maximum opportunity** The Company's Articles of Association provide that the total aggregate remuneration paid to the Chair of the Company and NEDs will be determined by the Board within the limits set by shareholders and detailed in the Company's Articles of Association.
Chair's travel benefits	**Purpose** To provide the Chair with suitable travel arrangements for them to discharge their duties effectively.	The Chair has access to a company car and driver for business use. Where these are deemed a taxable benefit, the tax is paid by the Company.
NED travel and accommodation	**Purpose** To reimburse NEDs for appropriate business travel and accommodation, including attending Board and committee meetings.	**Operation** Reasonable costs of travel and accommodation for business purposes are reimbursed to NEDs. On the limited occasions when it is appropriate for a NED's spouse or partner to attend, such as a business event, the Company will meet these costs. The Company will meet any tax liabilities that may arise on such expenses.

The NEDs, including the Chair of the Company, have letters of appointment which set out their duties and responsibilities. The key terms of the appointments are set out in the table below.

Table 24 Non-Executive Directors' key terms of appointment

Provision	Policy
Period	In line with the requirement of the Code, all NEDs, including the Chair, are subject to annual re-election by shareholders at each AGM.
Termination	By the director or the Company at their discretion without compensation upon giving one month's written notice for NEDs and three months written notice for the Chair of the Company.
Fees	As set out in table 18.
Expenses	Reimbursement of travel and other expenses reasonably incurred in the performance of their duties.
Time commitment	Each director must be able to devote sufficient time to the role in order to discharge responsibilities effectively.

Director	Appointment date[1]	Appointment end date[2]	Committee
George Culmer	25 September 2019	AGM 2025	Nomination and Governance (C)
Cheryl Agius	21 May 2024	AGM 2025	Nomination and Governance, Audit, Risk, Customer and Sustainability
Andrea Blance	21 February 2022	AGM 2025	Nomination and Governance, Audit, Risk (C), Remuneration
Ian Clark	11 March 2024	AGM 2025	Nomination and Governance, Audit, Risk
Patrick Flynn	16 July 2019	AGM 2025	Nomination and Governance, Audit (C), Risk, Remuneration
Shonaid Jemmett-Page	20 December 2021	AGM 2025	Nomination and Governance, Audit, Risk, Customer and Sustainability (C)
Mohit Joshi	1 December 2020	AGM 2025	Nomination and Governance, Risk
Pippa Lambert	1 January 2021	AGM 2025	Nomination and Governance, Customer and Sustainability, Remuneration (C)
Jim McConville	1 December 2020	AGM 2025	Nomination and Governance, Audit, Risk, Customer and Sustainability, Remuneration
Michael Mire	12 September 2013	AGM 2025	Nomination and Governance, Customer and Sustainability
Neil Morrison	17 June 2024	AGM 2025	Nomination and Governance, Risk

1. The dates shown reflect the date the individual was appointed to the Aviva plc Board
2. All appointment end dates are the 2025 AGM, in accordance with the NEDs' letters of appointment

Committee membership key

- Nomination and Governance Committee
- Audit Committee
- Risk Committee
- Customer and Sustainability Committee
- Remuneration Committee
- C Chair

Directors' report

In accordance with Section 415 of the Companies Act 2006 (the Act), the directors present their report for the year ended 31 December 2024. Other sections of the Annual Report and Accounts have been deemed to be incorporated into the Directors' Report by reference and the table to the left details where required disclosures can be found. In accordance with section 414C(11), some disclosures have been included in the Strategic report.

Directors

The Company's directors who served during the financial year ended 31 December 2024 were George Culmer, Amanda Blanc, Charlotte Jones, Cheryl Agius, Andrea Blance, Ian Clark, Mike Craston, Patrick Flynn, Shonaid Jemmett-Page, Mohit Joshi, Pippa Lambert, Jim McConville, Michael Mire, Neil Morrison and Martin Strobel.

Appointment and removal of directors

The rules regarding the appointment and removal of directors are contained in the Company's Articles of Association (the Articles) and all appointments are made in accordance with the UK Corporate Governance Code 2018 (the Code). All directors must submit themselves for re-election each year at the AGM. Under the Articles, the Board can appoint additional directors or appoint a director to fill a casual vacancy.

Powers of directors

The powers of directors are described in the Aviva plc Matters Reserved for the Board and the Articles, both of which can be found on our website. The powers of the Company's directors are subject to relevant legislation and, in certain circumstances (including in relation to the issue or buying back by the Company of its shares), are subject to authority being given to the directors by shareholders at a general meeting. At the 2025 Annual General Meeting (AGM), shareholders will be asked to renew the directors' authority to allot new securities and buy back Company shares. Details will be contained in the Notice of 2025 AGM (the Notice) due to be published at the end of March 2025.

Directors' indemnities and insurance

In accordance with the Articles, the Company has granted qualifying third-party indemnity provisions for the benefit of each person who was a director of the Company during the year, in respect of liabilities that may attach to them in their capacity as directors of the Company or of associated companies. These indemnities were in force during the financial year and remain in force. Throughout the year, the Company has also purchased and maintained directors' and officers' liability insurance in respect of itself, its directors, and others. The Company has also granted qualifying third-party indemnities to the directors of the Group's subsidiary companies. These indemnities were in force during the financial year and remain in force.

Director and senior management diversity

In accordance with Listing Rule 6.6.6R(10), the following tables set out numerical data on the sex and ethnic background of the Company's directors and 'executive management', being members of the Group Executive Committee and the Group Company Secretary, as at 31 December 2024.

Data concerning sex and ethnic background is collected directly from individuals. The Company's directors and members of Group Executive Committee are required to complete a diversity declaration upon joining the Company and are required to complete a form on an annual basis.

(a) Table for reporting on sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Male	7	54 %	2	7	54 %
Female	6	46 %	2	6	46 %
Not specified/ prefer not to say	—	— %	—	—	— %

(b) Table for reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	12	92 %	4	13	100 %
Mixed/Multiple Ethnic Groups	—	— %	—	—	— %
Asian/Asian British	1	8 %	—	—	— %
Black/African/ Caribbean/ Black British	—	— %	—	—	— %
Other ethnic group	—	— %	—	—	— %
Not specified/ prefer not to say	—	— %	—	—	— %

Share capital

At 31 December 2024, the Company's issued share capital comprised:

Number of shares	% of total capital	Type	Nominal value
2,677,649,489	82.00%	Ordinary Shares	$32^{17/19}$ pence each
200,000,000	18.00%	Preference Shares	£1 each

The Ordinary Shares are listed on the London Stock Exchange (LSE) under the 'Equity shares (commercial companies)' category and the Preference Shares are listed on the LSE under the 'Non-equity shares and non-voting equity shares' category. All the Company's shares in issue are fully paid up, the Company held no treasury shares during the year or up to the date of this report, and the free float percentage of voting rights is 100. Further details of the Company's issued share capital, together with information on movements in the Company's issued share capital during the year, can be found in note 31 and note 34 of the financial statements. The categories of ordinary shareholders and the range and size of shareholdings can be found at **www.aviva.com/investors/shareholder-profile.**

Share class rights

Rights and obligations attaching to the Company's shares are set out in the Articles. No person holds securities in the Company carrying special rights with regard to control of the Company.

Restrictions on transfer of securities or voting rights

With the exception of restrictions under the Company's employee share incentive plans, where the shares are subject to the plan rules, there are no restrictions on the voting rights attaching to the Company's ordinary shares or the transfer of securities in the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or voting rights.

Rights attaching to shares under employee share schemes

Where, under an employee share incentive plan operated by the Company, participants are the beneficial owners of shares but not the registered owners, the voting rights are normally exercised at the discretion of the participants.

Authority to purchase own shares

At the 2024 AGM, shareholders renewed the Company's authorities to make market purchases of up to 273 million ordinary shares, up to 100 million preference shares of 8¾% each and up to 100 million preference shares of 8⅜% each. No shares have been purchased under this authority.

At the 2025 AGM, shareholders will be asked to renew the authorities to buy the Company's shares for another year and the resolution in relation to the ordinary shares will once again propose a maximum aggregate number of ordinary shares which the Company can purchase of less than 10% of the issued ordinary share capital. Details will be contained in the Notice due to be published at the end of March 2025.

Acquisition of own shares

On 1 July 2024, Aviva completed the share buyback programme of ordinary shares originally announced on 7 March 2024 for an aggregate purchase price of up to £300 million. In total, 62,815,617 ordinary shares of $32^{17/19}$ pence each were repurchased for an aggregate consideration of £300 million and a nominal value of c.£21 million.

Overall, the number of shares in issue is reduced by 62,815,617 in respect of shares acquired and cancelled under the buyback programme. Net of new shares issued, in respect of the Company's employee share plans, during the period from 7 March 2024 to 1 July 2024, the number of shares in issue reduced by 62,815,617.

Details of shares purchased, held, or disposed by employee share plan trusts on the recommendation of the Company in 2024 for use in conjunction with the Company's employees' share plans are set out in note 32 to the financial statements.

Major shareholders

The table below shows the holdings of major shareholders in the Company's issued ordinary share capital in accordance with section 5.1.2 of the Disclosure Guidance and Transparency Rules (DTRs) notified to the Company as at 31 December 2024 and 26 February 2025. Information provided to the Company under the DTRs is publicly available via the regulatory information services and on the Company's website.

	As at 31 December 2024		As at 26 February 2025	
Shareholder	Date of change in interest	% of issued ordinary share capital	Date of change in interest	% of issued ordinary share capital
BlackRock, Inc.	26 November 2015	5.01%	26 November 2015	5.01%
Dodge & Cox	23 August 2024	4.99%	23 August 2024	4.99%
Norges Bank	3 August 2024	2.99%	3 August 2024	2.99%

Dividends

Dividends for ordinary shareholders of Aviva plc are as follows:

- Paid interim dividend of 11.9 pence per $32^{17/19}$ pence ordinary share (2023: 11.1 pence per $32^{17/19}$ pence ordinary share).
- Proposed final dividend of 23.8 pence per $32^{17/19}$ pence ordinary share (2023: 22.3 pence per $32^{17/19}$ pence ordinary share). Total ordinary dividend of 35.70 pence per $32^{17/19}$ pence ordinary share (2023: 33.4 pence per $32^{17/19}$ pence ordinary share).
- Total cost of ordinary dividends paid in 2024 was £921 million (2023: £878 million).

Information about our dividend policy and historical dividend payments can be found at **www.aviva.com/investors/dividends.**

Articles of association

Unless expressly stated to the contrary in the Articles, the Company's Articles may only be amended by special resolution of the shareholders. The Company's current Articles were adopted on 2 May 2024.

Change of control

There are a number of agreements that take effect, alter, or terminate upon a change of control of the Company following a takeover bid, such as commercial contracts and joint venture agreements. None are considered to be significant in terms of their potential impact on the business of the Group as a whole. There are no agreements with employees or directors for compensation for loss of office or employment that occurs because of a takeover bid. However, all of the Company's employee share incentive plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions and pro rata reduction as may be applicable under the rules of the employee share incentive plans.

Significant contracts

During the year, there were no significant contracts of the Company or a subsidiary in which a director was materially interested.

Political donations

Aviva did not make any political donations during 2024.

Information required by UK Listing Rule (LR) 6.6.1

Disclosure	More information
Shareholder waiver of dividend	Note 33 to the financial statements
Shareholder waiver of future dividends	Note 33 to the financial statements

Management report

The Strategic report, Governance Report, and Directors' Report together are the management report for the purposes of DTR 4.1.5(2).

Corporate governance statement

The Governance Report, including the Directors' Remuneration Report, fulfils the requirement of a corporate governance statement under DTR 7.2.1.

By order of the Board on 26 February 2025.

Susan Adams
Group Company Secretary

Statement of directors' responsibilities

Directors' responsibilities

The directors are responsible for preparing the Annual Report and Accounts including the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

UK company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and parent financial statements in accordance with UK-adopted international accounting standards.

Under UK company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and accounting estimates;
- state where applicable the directors have prepared the Group and Company's financial statements in accordance with UK-adopted international accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for making, and continuing to make, the Company's Annual Report and Accounts available on the Company's website. The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

Each of the current directors whose names and functions are detailed in the Our Board of Directors section confirm that, to the best of their knowledge:

- the Group and Company's financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic report, Governance Report, and the Directors' Report in this Annual Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' report is approved:

- so far as they are aware, there is no relevant audit information of which the Company's external auditor, EY, is unaware; and
- each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that EY is aware of that information.

By order of the Board on 26 February 2025.

Amanda Blanc DBE
Group Chief Executive Officer

IFRS Financial statements

To view the Financial Report rotate 90 degrees

IFRS Financial Statements

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Financial statements of the Company

Independent auditors' report to the members of Aviva plc

Opinion

In our opinion:

- Aviva plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's and the Parent Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aviva plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent Company
Consolidated statement of financial position as at 31 December 2024	Statement of financial position as at 31 December 2024
Consolidated income statement for the year then ended	Income statement for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of comprehensive income for the year then ended
Reconciliation of Group adjusted operating profit to profit/(loss) for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of cash flows for the year then ended	Accounting Policies and related notes A to P to the financial statements
Accounting Policies and related notes 1 to 58 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's going concern assessment process;
- We evaluated management's going concern assessment which included assessing their evaluation of long-term business and strategic plans, capital adequacy, liquidity and funding positions. Management also assessed these positions considering internal stress tests which included consideration of principal and emerging risks. The Group's risk profile and risk management practices were considered including business model, capital commitments and contingent liabilities, the funding position of the pension schemes, acquisitions, disposals and distributable reserves;
- We evaluated management's assessment by considering the Group's ability to continue in operation and meets its liabilities under different scenarios including the impact of the Group's strategic plans, and the current uncertain geopolitical and economic outlook;
- We assessed management's consideration of how solvency and liquidity has been managed in response to the current economic environment and evaluated the liquidity and solvency position of the Group by reviewing management's liquidity and solvency projections, and their associated stress and scenario testing (including reverse stress testing); and
- We reviewed the Group's going concern disclosures included in the annual report for conformity with the accounting standards.

Independent auditors' report to the members of Aviva plc

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 26 February 2026, being twelve months from the date when the financial statements are authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and parent Company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of six components and audit procedures on specific balances for a further 18 components and central procedures on tax balances.
Key audit matters	• Valuation of Life Insurance Contract Liabilities. • Valuation of General Insurance Liabilities and Reinsurance Assets. • Valuation of certain hard-to-value assets. • Revenue Recognition - Contractual Service Margin ('CSM'). • Valuation of investment in subsidiaries (Company only).
Materiality	• Overall Group materiality of £135 million which represents 1% of IFRS adjusted shareholders' equity.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

In the current year our audit scoping reflects the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that the following components are subject to the centralised audit procedures.

Key audit area on which procedures were performed centrally	Component subject to central procedures
Tax accounts	All components

We then identified 6 components as individually relevant to the Group due to a significant risk or an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected 68 components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 74 components selected, we designed and performed audit procedures on the entire financial information of 6 components ("full scope components"). For 18 components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining 50 components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Independent auditors' report to the members of Aviva plc

The table below shows the components which were assigned full scope:

Full scope component	Auditor
Aviva Plc	EY UK
Aviva Life & Pensions UK Limited ('UKLAP')	EY UK
Aviva Equity Release UK Limited	EY UK
Equity Release Special Purpose Vehicles	EY UK
Aviva Insurance Limited ('AIL')	EY UK
Aviva Canada Inc ('Canada GI')	EY Canada

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team followed a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits each of the full scope components. During the current year's audit cycle, visits were undertaken by the primary audit team to the component teams in the United Kingdom, Canada and Republic of Ireland. These visits involved attending planning meetings and reviewing relevant audit working papers on key areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from climate transition, physical and litigation risks. These are explained in the required Task Force on Climate-related Financial Disclosures Compliance Summary in the Non-financial and sustainability information statement, and in the Climate Change section within the Our Principal Risks section. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 52 how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. The Group has considered the impact of climate risk on the carrying value of assets and liabilities and considers that there is no significant risk of a material adjustment within the next financial year resulting from climate risk. The impact of climate risk on the valuation of financial instruments and investment property is described in note 23(g).

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed and the significant judgements and estimates disclosed in note 23(g) and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures following the requirements of IFRS. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, we have not identified the impact of climate change on the financial statements to be a key audit matter, or to impact a key audit matter.

Independent auditors' report to the members of Aviva plc

First year audit considerations

In the preparation for our first-year audit of the 31 December 2024 financial statements, we performed a number of transitional procedures. Following our selection as the Group's statutory auditor, we undertook procedures to establish our independence of the Group, including ensuring that all staff who work on the audit worldwide are independent of the Group. We used time prior to commencing any audit work to gain an understanding of the business issues and meet with key management. We were appointed by the Audit Committee in May 2024. Our transition activities included shadowing the former auditor PricewaterhouseCoopers LLP ('PwC') at key meetings with management, such as meetings of the Audit and Risk Committees. We reviewed PwC's 2023 audit work papers and gained an understanding of their risk assessment and key judgements.

We held a number of meetings with management to understand the key judgements being made for the 31 December 2023 year end. In May 2024, we held our global team planning event attended by the audit partners and senior staff responsible for auditing the full and specific scope components of the Group. This provided the opportunity for the entire team to prepare themselves for the audit including the alignment of our audit approach. Our global audit team has deep knowledge of the insurance industry and has been involved in the audits of large international financial services companies. We used the understanding the audit team had formed to establish our audit base and assist in the formalisation of our audit strategy for the 2024 Group audit. This involved gaining an understanding of the Group's key processes and controls over financial reporting through walkthroughs of the processes.

Given this is a first-year audit, we gave a particular focus on validating the robustness of the actuarial models used by management to calculate the insurance contract liabilities.

For general insurance liabilities we used our own actuarial models to perform independent re-projections of material classes of business and compared these to the results from management's own models. Our audit approach to life insurance actuarial models was based on considering the inherent risk in the model, the relative materiality of the associated insurance liabilities, the controls around the model, including management's model risk independent validation process, and the extent of internal testing and governance performed by management. Based on this risk assessment, we selected a sample of models where we independently recalculated the liabilities and then selected a further sample where we reviewed the pre-existing model baselining performed by management.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditors' report to the members of Aviva plc

Risk	Our response to the risk
Valuation of Life Insurance Contract Liabilities (2024: £109 billion, 2023: £108 billion) **Refer to Accounting policy (M) 'Insurance, participating investment and reinsurance contracts' and Note 39 – Insurance and Reinsurance Contracts** A key focus of our audit relates to management's selection of assumptions to determine the insurance contract liabilities given the scope that exists for the exercise of judgement and therefore potential manipulation. The assumptions that we have determined to have the most significant impact are: • Longevity assumptions used to value the best estimate liabilities for annuity business; • Expenses, reflect the expected future expenses that will be required to maintain the in-force policies at the balance sheet date; • Discount Rate used, including an allowance for illiquidity (in particular, top-down discount rates applied to annuity liabilities); • Risk Adjustment, representing the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk	To obtain sufficient audit evidence to conclude on the appropriateness of actuarial assumptions, using EY actuaries as part of our audit team, we performed the following procedures: • Obtained an understanding and tested the design and operating effectiveness of key controls over management's process for setting and updating key actuarial assumptions; • Determined whether the methodology and assumptions applied are appropriate by comparing it to our knowledge of 'industry standards and the Groups' regulatory and financial reporting requirements; • Corroborated the results of management's experience analysis, including the base longevity, to agree whether these justified the adopted assumptions; • Evaluated and corroborated the methodology used in determining the discount rate applied; • Discussed management's decisions on the inclusion or exclusion of data from the period impacted by COVID-19 when setting individual assumptions; • Evaluated the results of management's analysis with respect to longevity improvements using the results from the industry standard Continuous Mortality Investigation ('CMI') on longevity trends, and benchmarked the output against other industry participants; • Benchmarked the significant assumptions against those of other comparable industry participants; • Performed procedures to test that the assumptions used in the year end valuation are consistent with the approved basis; • Corroborated the expense assumptions adopted by management considering an impact of the recent economic volatility (including inflation), the impact of the increase in volumes of new insurance business written and the inclusion of benefits arising from planned future management actions; • Corroborated the credit default assumptions used by considering the relevant rules and actuarial guidance, such as the adoption of an appropriate risk allowance, and by applying our industry knowledge and experience; and • Testing management's approach to derive the risk adjustment, including comparison to the wider market, particularly where adjustments are applied to the calibration to reflect external events.

Key observations communicated to the Audit Committee
We determined that the actuarial assumptions, including the risk adjustment used by management, are reasonable based on the analysis of experience to date, industry practice and the financial reporting and regulatory requirements.

How we scoped our audit to respond to the risk and involvement with component teams
We performed full scope, specific scope and specified audit procedures over this risk which covered 100% of the risk amount.

Independent auditors' report to the members of Aviva plc

Risk	Our response to the risk
Valuation of General Insurance Liabilities and Reinsurance Assets (£15 billion & £2 billion, 2023: £14 billion & £2 billion) **Refer to Accounting policy (M) 'Insurance, participating investment and reinsurance contracts' and Note 39 – Insurance and Reinsurance Contracts** The valuation of general insurance contract liabilities and the related reinsurance assets is highly judgmental and susceptible to management override. The key judgements and focus of our procedures were: • The risk of inappropriate methodologies and assumptions being used to estimate the incurred but not yet reported claims ('IBNR'), which forms part of the liability for incurred claims ('LIC'), and the associated reinsurers share of incurred but not yet reported claims cash flows, which form part of the assets for incurred claims ('AIC'); • The determination of the bottom up discount rates (including choice of illiquidity premium in the discount rates used to determine latent claim and structured settlements liabilities) and payment patterns used to derive the cash flows for incurred claims; • The appropriateness of methodologies and assumptions adopted to value reinsurance assets associated with Adverse Development Covers ('ADC') measured under the General Measurement Model ('GMM'); and • The appropriateness of methodologies and assumptions adopted to calculate the amount of the risk adjustment to reflect the entity's view of the compensation that it requires for bearing risk.	To obtain sufficient audit evidence to conclude on the appropriateness of the actuarial methodology and assumptions used in the calculation of the general insurance liabilities and reinsurance assets, with support from our EY actuaries, as part of the audit team, we performed the following procedures: • Assessed the reserving methodology applied by management on a gross and net of reinsurance basis. This also involved comparing the Group's reserving methodology with industry practice; • Performed independent re-projections of material classes of business by applying our own assumptions, across attritional classes of business and comparing these to management's results; • Assessed whether the assumptions, such as inflation and selected expected loss ratios, applied to key areas of uncertainty are appropriate based on our knowledge of the Group, industry practice and regulatory and financial reporting requirements. As part of our re-projections we formed an independent view of the additional claims cost arising from the current economic inflationary environment and emerging areas such as cladding and concussion; • Performed benchmarking related to material industry issues such as catastrophe and large losses, assumptions used in inherently uncertain classes and new growing classes. We have also assessed Aviva's approach to dealing with regulatory and legal changes (such as the Ogden discount rate) against both the requirements of IFRS 17 and the approach of other comparable industry participants; • Compared the approach to calculating the discount rate, including illiquidity premium, for consistency across periods, whilst comparing against industry benchmarks. In addition, we compared the changes in yield curves against our expectations which consist of comparison to the movement in the Bank of England risk free rates; • Assessed the appropriateness of the methodology and assumptions involved in the recognition of reinsurance assets associated with ADC contracts by reviewing the inputs to, and outputs from management's model including assessing any manual adjustments made to the output of the model; and • Testing management's approach to derive the risk adjustment, including comparison to the wider market, particularly where adjustments are applied to the calibration to reflect external events.

Key observations communicated to the Audit Committee
Based on our procedures performed we are satisfied that the methodology and assumptions used in the valuations of the insurance and reinsurance contract assets and liabilities are reasonable.

How we scoped our audit to respond to the risk and involvement with component teams
We performed full scope and specified audit procedures over this risk which covered 97% of the risk amount.

Independent auditors' report to the members of Aviva plc

<table>
<tr><th>Risk</th><th>Our response to the risk</th></tr>
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Valuation of certain hard-to-value assets (£26 billion, 2023: £26 billion)

Refer to Accounting policy (Y) Loans and Note 24 – Loans

The Group holds a number of complex and illiquid financial investments that are hard-to-value, and whose valuation is subject to judgment. We considered that those with subjective or uncertain inputs are a significant risk, specifically the following modelled debt securities:

- Healthcare, infrastructure and Private Finance Initiative ('PFI') other loans;
- UK securitised mortgage loans; and
- Non-securitised mortgage loans.

The mortgage loans consist of residential equity release mortgages ('ERM'), commercial mortgages and mortgages to UK primary healthcare and PFI businesses.

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Modelled debt securities
Our work over the valuation of modelled debt securities included the following:

- We obtained an understanding and tested the design and operating effectiveness of key controls over management's valuation process;
- Stratified the population of assets based on risk for sample selection, considering the concentration of assets with specific investment managers, asset type and those from higher risk industries;
- Engaged EY valuation specialists to calculate a range of reasonable values for a sample of securities, using an independent valuation model, and considered reasonable alternative and independent model inputs in deriving the assumptions, with a particular focus on:
  - Loans - credit spreads, being the bond index and ratings adjustments; and
  - Mortgages - discount rate assumptions; and
- Validated that management's valuation models, including the portfolio credit risk model ('PCRM') accurately reflect the complete and updated contract terms for a sample of assets.

Equity release mortgages
Our work over the valuation of equity release mortgages included the following:

- We obtained an understanding and tested the design and operating effectiveness of key controls over management's valuation process;
- Tested the accuracy of mortgage data used in the valuation model by agreeing a sample of new loans to supporting evidence and validating a sample of movements on static data over the period;
- Evaluated methodology, inputs and assumptions used in valuing the ERM financial investments, including voluntary early redemption, base mortality, mortality improvements, entry into long term care and longevity improvements as well as economic assumptions such as discount rate;
- Performed benchmarking of key demographic and economic assumption against peers to confirm the relative strength of management's assumptions versus other industry participants;
- Assessed the reasonableness of the current property price by comparing management's property indexation to the published market indices;
- Assessed the reasonableness of the valuation approach adopted for the no negative equity guarantee ('NNEG') by comparing this to the approach adopted by other market participants; and
- Tested the integrity and appropriateness of the model, by developing our own independent model, using our actuarial team to value the ERM financial investments and compared the output to the results produced by the Group.

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Key observations communicated to the Audit Committee
Based on our procedures performed on the modelled debt securities and ERM financial investments, we are satisfied that the valuation of these hard-to-value assets is reasonable.

How we scoped our audit to respond to the risk and involvement with component teams
We performed full audit procedures over this risk which covered 98% of the risk amount.

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Independent auditors' report to the members of Aviva plc

Risk	Our response to the risk
Revenue Recognition - Contractual Service Margin ('CSM') **(2024: £10 billion, 2023: £8 billion)** **Refer to Accounting policy (M) 'Insurance, participating investment and reinsurance contracts' and Note 39 - Insurance and Reinsurance Contracts - (e) Contractual Service Margin** The contractual service margin ('CSM') represents the future profits within the in-force book that will be recognised as revenue in future periods. The approach to calculate CSM differs based on the measurement model. As the new CSM generated during the period is subject to a number of sensitive assumptions, in particular around the locked-in discount rates assumed for illiquid asset classes, it is highly judgmental. For the CSM relating to new and existing business, the assessment of onerous groups of contracts is a key judgment. As such, we consider it to present a higher risk of material misstatement and a fraud risk	To obtain sufficient audit evidence to conclude on the valuation of the CSM, we engaged our actuaries as part of our audit team and performed the following procedures: • Performed walkthroughs of the process implemented by management to determine the CSM (including both the derivation of the source data, input of the data into the CSM model and output from the model) and tested the design and operating effectiveness of key controls; • Compared the appropriateness of the methodology proposed by management for the used to determine coverage units and tested the appropriateness of the release of the CSM to the consolidated income statement and tested the appropriateness of the coverage units; • Performed analytical procedures to identify unusual release patterns and discussed these with management to understand and validate the appropriateness of their selection, confirming that amounts released to the consolidated income statement were reasonable and in line with requirements of the standard; • Validated the actual and projected cashflows which are input into the model on a sample basis by vouching back to source information; • Corroborated the locked-in discount rates used by considering the requirements of IFRS 17 and actuarial guidance, and by applying our industry knowledge and experience; and • Challenged management's assessment of onerous contracts to confirm the completeness of those contracts designated as onerous and ensure they have been calculated accurately.

Key observations communicated to the Audit Committee
Based on our procedures performed we are satisfied that revenue has been recognised in-line with the requirements of IFRS17.

How we scoped our audit to respond to the risk and involvement with component teams
We performed full and specific scope audit procedures over this risk which covered 100% of the risk amount.

Risk	Our response to the risk
Valuation of investment in subsidiaries (Company only) (£32 billion, 2023: £32 billion) **Refer to Accounting policy (F) The Company's investments and Note E - Investments in subsidiaries and joint venture** In the Company's statement of financial position, investments in subsidiaries are reported at cost less impairment. The investments in subsidiaries are the largest assets on the Company's statement of financial position. There is a risk that the carrying value of the investments in subsidiaries exceeds the recoverable amount and therefore an impairment loss should be recognised. The estimated recoverable amount of the investment in subsidiaries has a high degree of estimation uncertainty.	We obtained management's assessment of the recoverability of the carrying value of the investment in group undertakings and reviewed for indicators of impairment including whether the current net asset value ('NAV') supports the carrying value. Where there were indicators of impairment, we: • Tested the reasonableness and appropriateness of the assumptions used in the cash flows based on our knowledge of the Group and the business units in which the subsidiaries operate; • Evaluated and corroborated the methodology used in determining the discount rate applied, including engaging our EY valuation experts to assess the appropriateness of the inputs into the discount rate; • Obtained management's assessment of the terminal value and validated the assumptions applied by management by comparing key assumptions and judgments with experience of the wider market and that of Aviva; and • Evaluated the adequacy of the Company's disclosures.

Key observations communicated to the Audit Committee
Based on the work performed and the evidence obtained, we consider the carrying amount of the Company's investment in subsidiaries to be appropriate.

How we scoped our audit to respond to the risk and involvement with component teams
We performed full scope audit procedures over this risk, which covered 100% of the risk amount.

All audit work performed to address this risk was undertaken by the Group audit team.

Independent auditors' report to the members of Aviva plc

In the prior year, PwC identified 'Adoption of IFRS 17 and restatement of comparatives' as a key audit matter. This reflects the adoption of IFRS 17 for the first time for the year ending 31 December 2023 and consequently we do not consider it to be a key audit matter for 2024.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £135 million (2023 PwC: £142 million), which is 1% (2023 PwC: 1%) of IFRS adjusted shareholders' equity. IFRS adjusted shareholders' equity represents the equity attributable to shareholders of Aviva plc plus the CSM, net of the associated tax. This measure represents the current equity attributable to Aviva shareholders and an estimate of locked-in future net profits to be generated from current in-force business which will ultimately increase the total shareholders' equity available for distribution as dividends. Since this metric provides an expectation of the future total equity of Aviva, we consider it to be an appropriate benchmark to determine materiality.

We determined materiality for the Parent Company to be £142 million (2023 PwC: £75 million), which is 1% of Equity attributable to shareholders. For Group audit purposes, we performed our audit procedures on the Company to the lower of the Parent Company and the Group allocated performance materiality.

Starting basis
- Starting point – £7.6 billion (IFRS Equity attributable to shareholders)
- Based on 31 December 2024

Adjustments
- Addition of CSM, net of tax – £5.9 billion

Materiality
- Totals £13.5 billion (IFRS adjusted shareholders' equity)
- Materiality of £135 million (1% of IFRS adjusted shareholders' equity)

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be 50% of our planning materiality, namely £67 million (2023 PwC: £106 million).

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £13.5 million to £67.5 million.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Group Audit Committee that we would report to them all uncorrected audit differences in excess of £7 million (2023 PwC: £7 million) that impact IFRS shareholders' equity, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, including the Strategic Report, Governance and Other Information, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of Aviva plc

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities;
- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and;
- The section describing the work of the Audit Committee.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Independent auditors' report to the members of Aviva plc

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the Prudential Regulation Authority ('PRA'), the Financial Conduct Authority ('FCA'), relevant tax authorities and the Office of the Superintendent of Financial Institutions ('OSFI').
- We understood how Aviva plc is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and insurance regulatory bodies in respective jurisdictions; reviewed minutes of the Board and Risk Committees; and gained an understanding of the Group's governance, demonstrated by the board's approval of the Group's governance framework.
- Conducted a review of correspondence with and reports from the insurance regulators, in relevant jurisdictions, including the PRA and the FCA.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the Group, or that otherwise seek to prevent, deter or detect fraud. We also assessed the risks of fraud in our key audit matters. Our procedures over our key audit matters and other significant accounting estimates included challenging management on the assumptions and judgements made in determining these estimates.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance, internal audit and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the Group and Company's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with the PRA, FCA, relevant tax authorities and the Office of the Superintendent of Financial Instututions ('OSFI').
- We identified and tested journal entries, including those posted with certain descriptions or unusual characteristics, backdated journals or posted by infrequent and unexpected users.
- The Group operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the Company on 20th May 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods.
- The period of total uninterrupted engagement is one year, covering the year ending 31 December 2024.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, London

26 February 2025

Accounting policies

Aviva plc (the ‘Company’), a public limited company incorporated and domiciled in the United Kingdom (UK), together with its subsidiaries (collectively, the ‘Group’ or ‘Aviva’) transacts life assurance and long-term savings business, fund management and most classes of general insurance and health business through its subsidiaries, joint ventures, associates and branches in the UK, Ireland, Canada, India and China.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(A) Basis of preparation

The consolidated financial statements and those of the Company have been prepared and approved by the directors in accordance with UK-adopted international accounting standards and the legal requirements of the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention, as modified by:

- The revaluation of land and buildings, investment property and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss;
- Insurance and reinsurance contracts at fulfilment cash flows plus the Contractual Service Margin (CSM); and
- Net pension surplus at fair value for plan assets less the present value of the defined benefit obligations.

Items included in the financial statements of each of the Group’s entities are measured in the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are stated in pounds sterling, which is the Company’s functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in millions of pounds sterling (£m).

New standards, interpretations and amendments to published standards that have been issued and endorsed by the UK and adopted by the Group or the Company

The Group and the Company has adopted the following amendments to standards which became effective for the annual reporting period beginning on 1 January 2024. The amendments do not have a significant impact on the Group’s consolidated financial statements or the Company’s financial statements.

(i) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

(ii) Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

(iii) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements

Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Group or the Company

The following standards and amendments to existing standards have been issued, are not yet effective for the Group and the Company, and have not been adopted early by the Group and the Company.

(i) IFRS 18: Presentation and Disclosure in Financial Statements
In April 2024, the International Accounting Standards Board (IASB) published IFRS 18, which aims to improve how companies communicate in their financial statements by:

- Requiring additional defined subtotals in the statement of profit or loss;
- Requiring disclosures about management-defined performance measures; and
- Adding new principles for grouping of information.

IFRS 18 is effective for annual reporting beginning on or after 1 January 2027 and has yet to be endorsed by the UK. The standard is expected to result in presentational changes to the Group's consolidated income statement and the Company's income statement, and new disclosures of management-defined performance measures will be required in the notes to the financial statements. The Group is in the early stages of implementation, however, no financial impacts are expected as a result of adoption.

The following new standards and amendments to existing standards have been issued, are not yet effective and have not been adopted early by the Group and the Company, and are not expected to have a significant impact on the Group’s consolidated financial statements or the Company’s financial statements.

(i) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
Published by the IASB in August 2023. The amendments are effective for annual reporting beginning on or after 1 January 2025 and have been endorsed by the UK.

(ii) Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments
Published by the IASB in May 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have yet to be endorsed by the UK.

(iii) Annual improvements to IFRS Accounting Standards - Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7
Published by the IASB in July 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

(iv) Contracts Referencing Nature-dependent Electricity: Amendments to IFRS 9 and IFRS 7
Published by the IASB in December 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have yet to be endorsed by the UK.

(v) IFRS 19: Subsidiaries without Public Accountability: Disclosures
Published by the IASB in May 2024. This standard cannot be applied by the Group or the Company because it is only applicable to subsidiaries that have no public accountability. IFRS 19 is effective for annual reporting beginning on or after 1 January 2027 and has yet to be endorsed by the UK.

Accounting policies

(B) Group adjusted operating profit

The long-term nature of much of the Group's operations means that, for management's decision-making and internal performance management of our operating segments, the Group focuses on Group adjusted operating profit, a non-GAAP alternative performance measure (APM) which is not bound by IFRS. The APM incorporates the expected return on investments which supports its long-term and non-long-term businesses.

Group adjusted operating profit for life and non-life business is based on expected investment returns on financial investments backing shareholder and policyholder funds over the reporting period, with allowance for the corresponding expected movements in liabilities. This includes movements in the liabilities to with-profit policyholders that offset the operating result of non-profit contracts written in the with-profit funds. Group adjusted operating profit also includes the effect of the mismatch between movements in expected future insurance contract cash flows measured at current discount rates and the corresponding adjustment to the CSM measured at locked-in rates (see policy M).

Variances between actual and expected investment returns, and the impact of changes in economic assumptions on liabilities, are disclosed separately outside Group adjusted operating profit.

The exclusion of economic variances from the Group adjusted operating profit APM reflects the long-term nature of much of our business and presents separately the operating profit APM, which is used in managing the performance of our operating segments from the impact of economic factors. Further details of this analysis and the assumptions used are given in note 9.

Group adjusted operating profit excludes impairment of goodwill, associates and joint ventures; amortisation and impairment of intangibles acquired in business combinations; amortisation and impairment of acquired value of in-force business; and the profit or loss on disposal and remeasurement of subsidiaries, joint ventures and associates. These items principally relate to mergers and acquisition activity, which we view as strategic in nature, hence they are excluded from the Group adjusted operating profit APM, as this is principally used to manage the performance of our operating segments when reporting to the Group's chief operating decision maker.

Group adjusted operating profit excludes integration and restructuring (I&R) costs that relate to a well-defined programme that materially changes the scope of our business or the manner in which it is conducted, with the exception of I&R costs directly attributable to insurance contracts. Directly attributable I&R costs are reflected in the CSM, and the impact recognised in Group adjusted operating profit as the CSM is amortised.

Group adjusted operating profit also excludes other items, which are those items that, in the Directors' view, are required to be separately disclosed by virtue of their nature or incidence to enable a full understanding of the Group's financial performance. Details of these items, including an explanation of the rationale for their exclusion, are provided in the Alternative Performance Measures section within 'Other information'.

The Group adjusted operating profit APM should be viewed as complementary to IFRS GAAP measures. It is important to consider Group adjusted operating profit and profit before tax together to understand the performance of the business in the period.

(C) Critical accounting policies and the use of estimates

The preparation of financial statements requires the Group to select accounting policies and make estimates and assumptions that affect items reported in the consolidated income statement, consolidated statement of financial position, other primary statements and notes to the consolidated financial statements.

The Audit Committee reviews the reasonableness of judgements and assumptions applied and the appropriateness of material accounting policies. The material judgements considered by the Committee in the year are included within the Audit Committee Report.

The accounting policies in the table below are those that have the most material impact on the amounts recognised in the financial statements, with those judgements involving estimation summarised thereafter.

Critical accounting judgement
Consolidation (accounting policy - D)
Assessment of whether the Group controls the underlying entities including consideration of its decision-making authority and rights to the variable returns from the entity.
Classification of insurance and investment contract (accounting policy - G)
Assessment of the significance of insurance risk transferred to the Group and discretionary participation features in determining whether a contract should be accounted for as an insurance or investment contract. Insurance contracts are defined as those containing significant insurance risk. Contracts that transfer financial risks, but not significant insurance risk are classified as investment contracts. Judgement is required to assess whether insurance risk is significant at inception of the contract. Some insurance and investment contracts contain a discretionary participation feature which is a supplement to guaranteed benefits. Judgement is required to determine whether discretionary additional benefits are likely to be a significant portion of the total contractual payments.
Level of aggregation and measurement model for insurance, participating investment and reinsurance contracts (accounting policies - M(b) and M(c))
For measurement purposes, insurance contracts are aggregated into groups based on an assessment of risks and dividing each portfolio into annual cohorts by year of issue. Judgement is required in assessing if the contracts have similar risks that are managed together. Each annual cohort is further subdivided into three groups, and judgement is applied to determine the profitability of contracts at initial recognition. Judgement is then applied to determine if the group of contracts is eligible for either the variable fee approach (VFA) or premium allocation approach (PAA) to measurement.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions. Actual results may differ from those estimates, possibly significantly.

The table sets out those items considered particularly susceptible to changes in estimates and assumptions, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the relevant accounting policy and note disclosures.

Accounting policies

Material accounting estimates
Measurement of insurance, participating investment and reinsurance contracts (accounting policy - M, assumptions - note 39(g), carrying values - note 39(a), sensitivities - note 52(h)) The principal subjective or complex assumptions used in the calculation of life insurance and participating investment contract fulfilment cash flows include non-financial assumptions (in particular, annuitant and assurance mortality and future expenses) and the allowance for illiquidity in discount rates (in particular, top-down discount rates applied to annuity liabilities). The immediate impact of changes in these assumptions on the carrying amounts of insurance, participating investment and reinsurance contracts is reduced when there is a corresponding adjustment to the CSM, i.e. for all changes in non-financial assumptions (calculated at locked-in discount rates for General Measurement Model (GMM) contracts) and for financial changes to Variable Fee Approach (VFA) contracts, unless the contracts are onerous. The principal subjective or complex assumptions used in the calculation of non-life liabilities include the allowance for illiquidity in the discount rates used to determine our latent claim and structured settlements liabilities and the assumption that past claims experience can be used as a basis to project future claims (estimated using a range of standard actuarial claims projection techniques).
Fair value of financial instruments and investment property (accounting policies - F, R, W, assumptions - note 23(g), carrying values - note 23(g), sensitivities - note 23(g)) Where quoted market prices are not available, valuation techniques are used to value financial instruments and investment property. These include broker quotes and models using both observable and unobservable market inputs. The valuation techniques involve judgement with regard to the valuation models used and the inputs to these models can lead to a range of plausible valuations for financial investments.
Deferred tax assets (accounting policy - AE, assumptions - note 42(b), carrying values - note 42(b)) The deferred tax asset relates to UK tax losses which carry forward indefinitely and the reduction in net assets on adoption of IFRS 17, including the CSM recognition. This element of the deferred tax asset will reverse as the CSM unwinds and profits are recognised in future. The losses are recognised based on probable future taxable investment income and gains and taxable profits within five years. Assumed investment returns and profits are consistent with assumptions used in actuarial reserving and the Group Board approved Plan. Alternative assumptions modelled by the Group also show full recovery of the deferred tax asset over this period.

The Group has considered the impact of climate risk on the carrying value of assets and liabilities and considers that there is no significant risk of a material adjustment within the next financial year resulting from climate risk. The impact of climate risk on the valuation of financial instruments and investment property is described in note 23(g).

(D) Consolidation principles

(a) Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an investee if and only if the Group has all of the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the purpose and design of an investee, relevant activities, substantive and protective rights, and voting and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

(b) Investment vehicles

The Group has invested in a number of specialised investment vehicles such as Open-Ended Investment Companies (OEICs) and unit trusts. These invest mainly in equities, bonds, cash and cash equivalents, and properties, and distribute most of their income. In determining whether the Group controls such vehicles, primary considerations include whether the Group is acting as a principal or an agent (including an assessment of the substantive removal rights of third parties) and the variability in the returns associated with the Group's aggregate economic interest in the fund (direct interest and expected management fees) relative to the total variability of returns.

Additionally, the Group's percentage ownership in these vehicles can fluctuate on a daily basis according to the level of participation of the Group and third parties. To avoid transitory or minor changes in fund holdings (which do not reflect the wider facts and circumstances of the Group's involvement) resulting in binary changes in the consolidation conclusions, the Group takes into account the trend of ownership over a period of time.

The assessment is performed in line with the following principles:

- Where the entity is managed by a Group asset manager, and the Group's ownership holding in the entity exceeds 40%, the Group is judged to have control over the entity;
- Where the entity is managed by a Group asset manager, and the Group's ownership holding in the entity is between 30% and 40%, the facts and circumstances of the Group's involvement in the entity are considered in forming a judgement as to whether the Group has control over the entity. Considerations include the rights held by other parties, the Group's rights to fees from the entity, the variability in the returns associated with the Group's aggregate economic interest in the fund and the nature of the Group's exposure to variability compared with that of other investors; and
- Where the entity is managed by a Group asset manager, and the Group's ownership holding in the entity is less than 30%, the Group is judged to not have control over the entity.

Where the Group is deemed to control such vehicles, they are consolidated, with the interests of parties other than Aviva being classified as liabilities. These appear as 'Net asset value attributable to unitholders' in the consolidated statement of financial position.

The interest of parties other than Aviva in the investment return on these funds appear as 'Investment expense/(income) attributable to unitholders' in the income statement.

Where the Group does not control such vehicles (e.g. the Group is not the asset manager and has no substantive removal rights), and these investments are held by its insurance or investment funds, they are carried at fair value through profit or loss within financial investments in the consolidated statement of financial position, in accordance with IFRS 9 Financial Instruments.

As part of their investment strategy, long-term business policyholder funds have invested in a number of property limited partnerships (PLPs), either directly or via property unit trusts (PUTs), through a mix of capital and loans. The PLPs are managed by general partners (GPs), in which the long-term business shareholder companies hold equity stakes and which themselves hold nominal stakes in the PLPs. The PUTs are managed by a Group subsidiary.

Accounting policies

Accounting for the PUTs and PLPs as subsidiaries, joint ventures, associates or other financial investments depends on whether the Group is deemed to have control or joint control over the PUTs and PLPs' shareholdings in the GPs and the terms of each partnership agreement are considered along with other factors that determine control, as outlined above. Where the Group exerts control over a PUT or a PLP, it has been treated as a subsidiary and its results, assets and liabilities have been consolidated.

Where the partnership is managed by an agreement such that there is joint control between the parties, notwithstanding that the Group's partnership share in the PLP (including its indirect stake via the relevant PUT and GP) may be lower or higher than 50%, such PUTs and PLPs have been classified as joint ventures.

Where the Group has significant influence over the PUT or PLP, as defined in the following section, the PUT or PLP is classified as an associate. Where the Group holds non-controlling interests in PLPs, with no significant influence or control over their associated GPs, the relevant investments are carried at fair value through profit or loss within financial investments.

(c) Consolidation procedure

Subsidiaries are consolidated from the date the Group obtains control and are excluded from consolidation from the date the Group loses control. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Accounting policies of subsidiaries are aligned on acquisition to ensure consistency with Group policies.

The Group is required to use the acquisition method of accounting for business combinations. Under this method, the Group recognises identifiable assets, liabilities and contingent liabilities at fair value, and any non-controlling interest in the acquiree. For each business combination, the Group has the option to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The excess of the consideration transferred over the fair value of the net assets of the subsidiary acquired is recorded as goodwill (see accounting policy O below). Acquisition-related costs are expensed as incurred.

Transactions with non-controlling interests that lead to changes in the ownership interests in a subsidiary, but do not result in a loss of control, are treated as equity transactions.

(d) Merger accounting and the merger reserve

Prior to 1 January 2004, the date of first-time adoption of IFRS, certain significant business combinations were accounted for using the 'pooling of interests method' (or merger accounting), which treats the merged groups as if they had been combined throughout the current and comparative accounting periods. Merger accounting principles for these combinations gave rise to a merger reserve in the consolidated statement of financial position, being the difference between the nominal value of new shares issued by the Parent Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital and share premium account. These transactions have not been restated, as permitted by the IFRS 1 transitional arrangements.

The merger reserve is also used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 1985 and, from 1 October 2009, the Companies Act 2006.

(e) Associates and joint ventures

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control. Generally, it is presumed that the Group has significant influence if it has between 20% and 50% of voting rights. Joint ventures are joint arrangements whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. In a number of these, the Group's share of the underlying assets and liabilities may be greater or less than 50% but the terms of the relevant agreements make it clear that control is not exercised. Such jointly controlled entities are referred to as joint ventures in these financial statements.

Gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred between entities.

Investments in associates and joint ventures are accounted for using the equity method of accounting, except for investments in investment vehicles which are carried at fair value through profit or loss. Under this method, the cost of the investment in a given associate or joint venture, together with the Group's share of that entity's post-acquisition changes to shareholders' funds, is included as an asset in the consolidated statement of financial position. As explained in accounting policy O, the cost includes goodwill recognised on acquisition. The Group's share of their post-acquisition profit or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. Equity accounting is discontinued when the Group no longer has significant influence or joint control over the investment.

If the Group's share of losses in an associate or joint venture equals or exceeds its interest in the undertaking, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the entity.

(f) The Company's investments

In the Company's statement of financial position, subsidiaries, associates and joint ventures are stated at cost less impairment. Investments are reviewed annually to test whether any indicators of impairment exist.

Where there is objective evidence of such an asset being impaired, the investment is impaired to its recoverable value and any unrealised loss is recorded in the income statement.

(E) Foreign currency translation

Income statements and cash flows of foreign entities are translated into the Group's presentation currency at average exchange rates for the year, while their statements of financial position are translated at the year-end exchange rates.

Exchange differences arising from the translation of the net investment in foreign subsidiaries, associates and joint ventures, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and taken to the currency translation reserve within equity.

On disposal of a foreign entity, such exchange differences are transferred out of this reserve and are recognised in the income statement as part of the gain or loss on sale.
The cumulative translation differences were deemed to be zero at the transition date to IFRS.

Accounting policies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Translation differences on fixed maturity securities and other monetary financial assets measured at fair value through profit or loss (FVTPL) (see accounting policy W) are included in foreign exchange gains and losses in the income statement. Translation differences on non-monetary items, such as equities which are designated as FVTPL, are reported as part of the fair value gain or loss.

(F) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. This presumes that the transaction takes place in the principal (or most advantageous) market under current market conditions. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

The fair value of a non-financial asset is determined based on its highest and best use from a market participant's perspective. When using this approach, the Group takes into account the asset's use that is physically possible, legally permissible and financially feasible.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price.

If the fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging), or is based on a valuation technique whose variables include only data from observable markets, then the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the income statement.

When unobservable market data has a significant impact on the valuation of financial instruments, the difference between the fair value at initial recognition and the transaction price is not recognised immediately in the income statement, but deferred and recognised in the income statement on an appropriate basis over the life of the instrument, but no later than when the valuation is supported wholly by observable market data or the transaction is closed out or otherwise matured.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances is used to measure fair value.

(G) Product classification

Insurance contracts are defined as those containing significant insurance risk if, and only if, an insured event could cause an insurer to make significant additional payments (determined on a present value basis) in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire. Contracts can be reclassified as insurance contracts after inception if insurance risk becomes significant. Contracts that transfer financial risks, but not significant insurance risk, are classified as investment contracts.

Some insurance and investment contracts contain a discretionary participation feature, which is a contractual right to receive additional benefits as a supplement to guaranteed benefits (i) that are likely to be a significant portion of the total contractual payments; (ii) whose amount or timing is at the discretion of the issuer; and (iii) that are based on the performance of a specified pool of assets, company, or other entity that issues the contracts. Investment contracts with discretionary participation features, referred to as participating investment contracts, are accounted for under IFRS 17 as set out in policy (M). This includes hybrid participating investment contracts, which are a combination of unit-linked and with-profits investments for which the discretionary participation feature is a significant portion of the combined contract. Investment contracts without discretionary participation features, referred to as non-participating investment contracts, and the related reinsurance assets are accounted for as financial instruments under IFRS 9.

The classification of the Group's main contracts is summarised below:

Type of contract	Classification
Annuities	Insurance contract
Unit-linked with significant insurance risk or with a significant discretionary participation feature	Insurance contract/ Participating investment contract
Unit-linked without significant insurance risk and without significant discretionary participation features	Non-participating investment contract
Protection	Insurance contract
General insurance (motor, property, liability)	Insurance contract
Health	Insurance contract
With-profits	Insurance contract/ Participating investment contract

(H) Insurance service result

The insurance service result represents the Group's profit or loss recognised on insurance contracts, participating investment contracts and reinsurance contracts (measured in accordance with policy M) in the period, excluding the impact of the time value of money and financial risks related to such contracts. The insurance service result contains three components:

(a) Insurance revenue

For insurance contracts and participating investment contracts applying GMM and VFA, insurance revenue is comprised of:

- The amortisation of Contractual Service Margin (CSM);
- The release of the risk adjustment included within the liability for remaining coverage;
- Claims and expenses expected to be incurred in the period, as released from the liability for remaining coverage and adjusted for the allocation of loss;
- Other, including revenue recognised for policyholder tax and other incurred expenses that have been charged to policyholder funds; and
- The recovery of insurance acquisition cash flows, which offsets the amortisation included in insurance service expenses.

For insurance contracts applying the Premium Allocation Approach (PAA), insurance revenue is based upon the amount of expected premium receipts allocated to insurance contracts in the period. Premium receipts are allocated to

Accounting policies

insurance contracts based upon the passage of time or, where there is evidence that the release of risk differs from the passage of time, on the basis of the expected timing of insurance service expenses.

(b) Insurance service expenses

For insurance contracts and participating investment contracts, insurance service expenses are comprised of:

- Actual claims (excluding investment components) and non-acquisition fulfilment expenses incurred, adjusted for the allocation of loss components;
- The recognition and reversal of losses on onerous contracts;
- Non-financial assumption changes which do not adjust the CSM;
- Non-financial assumption changes which affect the valuation of the liability for incurred claims;
- Any impairment of acquisition cash flows, net of reversals; and
- The amortisation of insurance acquisition cash flows.

For contracts measured under the GMM and VFA, recovery of insurance acquisition cash flows is included in insurance revenue, as described above, and an equal and opposite amount for the amortisation of insurance acquisition cash flows is included in insurance service expenses.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time or, where there is evidence that the release of risk differs from the passage of time, on the basis of the expected timing of insurance service expenses.

(c) Net income and expenses from reinsurance contracts

Net income (expenses) from reinsurance contracts held represents the insurance service result for groups of reinsurance contracts held and is comprised of:

- The allocation of reinsurance premiums paid, which is calculated using the same principles as used to calculate revenue on insurance contracts;
- Amounts recoverable from reinsurers, which is calculated using the same principles as used to calculate insurance service expenses on insurance contracts;
- The recognition of, and subsequent movements in, reinsurance loss recovery components; and
- The effect of changes in the risk of reinsurers' non-performance.

(I) Insurance finance result

Insurance finance income/expenses are calculated on insurance contracts, participating investment contracts and reinsurance contracts, comprising:

- Changes in the fair value of underlying items;
- The accretion of interest on the CSM;
- The unwind of discounting on fulfilment cash flows; and
- The impact of financial assumption changes upon fulfilment cash flows.

The latter two components apply to contracts measured under the GMM and PAA, in addition to VFA contracts where the risk mitigation option is applied.

Where changes in expected future cash flows and risk adjustment on GMM contracts arise from non-financial assumption changes and experience variances, the difference between measuring the change in fulfilment cash flows using current financial assumptions and the impact which adjusts the CSM using locked in financial assumptions is recognised in the income statement in net finance expenses.

The accounting policies used to calculate amounts within the insurance finance result are discussed in greater detail in policy M.

(J) Investment contract fee revenue

Non-participating investment contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services.

The fees may be for fixed amounts or vary with the amounts being managed, and will generally be charged as an adjustment to the policyholder's balance. Fees related to investment management services are recognised as revenue over time, as performance obligations are satisfied. In most cases this revenue is recognised in the same period in which the fees are charged to the policyholder. Fees that are related to services to be provided in future periods are deferred and recognised when the performance obligation is fulfilled. Variable consideration, such as performance fees and commission subject to clawback arrangements, is not recognised as revenue until it is reasonably certain that no significant reversal of amounts recognised would occur.

Initiation and other 'front-end' fees (fees that are assessed against the policyholder balance as consideration for origination of the contract) are charged on some non-participating investment and investment fund management contracts.

Where the investment contract is measured at fair value, the front-end fees that relate to the provision of investment management services are deferred and recognised as the services are provided. Origination fees are recognised immediately where the sale of fund interests represent a separate performance obligation.

(K) Other fee and commission income

Other fee and commission income consists primarily of fund management fees, distribution fees from mutual funds, asset origination fees, commission revenue from the sale of mutual fund shares and transfer agent fees for shareholder record keeping. Fee and commission income is recognised over time as the services are provided.

(L) Investment return

Investment return consists of dividends, interest and rents receivable for the year, movements in amortised cost on fixed maturity securities, realised gains and losses, and unrealised gains and losses on investments held at FVTPL (as defined in accounting policy W). Dividends on equity securities are recorded as revenue on the ex-dividend date. Interest income is recognised as it accrues, taking into account the effective yield on the investment. It includes the interest rate differential on forward foreign exchange contracts.

Rental income is recognised on an accruals basis using a straight-line method, unless there is compelling evidence that benefits do not accrue evenly over the period of the lease.

A gain or loss on a financial investment is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs, and its original cost or amortised cost, as appropriate.

Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

Realised gains or losses on investment property represent the difference between the net disposal proceeds and the carrying amount of the property.

Accounting policies

(M) Insurance, participating investment and reinsurance contracts

Insurance contracts, participating investment contracts and reinsurance contracts are accounted for in accordance with IFRS 17.

The key measurement principles are outlined below.

(a) IFRS 17 measurement models

The Group applies three measurement models to insurance contracts, participating investment contracts and reinsurance contracts as follows:

Model	Applicable business
GMM	• Bulk purchase annuities • Individual immediate and deferred annuities • Individual and group protection • With-profits contracts with guaranteed annuity terms • Reinsurance contracts held, including non-life reinsurance contracts that are not eligible for PAA
VFA	• Participating investment contracts • Unit linked or with-profits contracts with significant insurance risk
PAA	• Short duration non-life insurance contracts • Longer duration non-life insurance contracts which are eligible for PAA • Reinsurance contracts held which are eligible for PAA

The Group applies judgement when determining eligibility criteria for the VFA and PAA measurement models (see Accounting policy M section (b)).

Under each measurement model insurance contract liabilities are measured as the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LRC represents the obligation under the insurance contract for insured events that have not yet occurred, i.e. the obligation that relates to the unexpired portion of the coverage period, including the contractual service margin (CSM). The LIC reflects the obligation to investigate and pay valid claims for insured events that have already occurred, including events that have already occurred but for which claims have not been reported.

The key features of each measurement model are set out below.

(i) General measurement model (GMM)

The GMM is the default IFRS 17 measurement model. The fulfilment cash flows comprise the present value of future cash flows within the boundary of the contract, discounted at current rates, and an explicit risk adjustment for non-financial risk.

At inception, a CSM liability is recognised for each new group of contracts which represents the unearned profit to be recognised over the coverage period.

Initial measurement is based on the cash flows within the boundary of the contract discounted at the rate when the contract is written. Except for reinsurance contracts held, losses on groups of contracts that are onerous at inception are recognised immediately.

For subsequent measurement, fulfilment cash flows are discounted at current rates at each balance sheet date, while the CSM is remeasured applying the discount rate when the contract is written (the locked-in rate). Other financial assumptions including inflation and foreign exchange rates are also locked in at inception for the purposes of remeasuring the CSM. The CSM is remeasured for changes in the fulfilment cash flows relating to non-financial risk only, applying these locked in financial assumptions. Interest is accreted on the CSM using the locked-in discount rate and the CSM is amortised over the coverage period of the contract.

The coverage period is determined based on the service provided to customers including both insurance and investment services. Losses on groups of contracts that are profitable at inception but subsequently become onerous are recognised immediately.

In contrast to insurance contracts, the CSM for groups of reinsurance contracts held can be an asset or liability. If reinsurance is in place when underlying groups of insurance contracts become onerous, the reinsurance CSM recognised is adjusted to offset the gross losses arising.

Where the net cost of purchasing reinsurance contracts held relates to events that occurred prior to purchase (for example adverse development cover), no CSM is recognised, and the net cost is recognised immediately in the income statement.

(ii) Variable fee approach (VFA)

The VFA is a modified approach to the GMM that is applied to groups of insurance and investment contracts with direct participating features, which meet eligibility requirements that demonstrate they provide substantial investment related services to policyholders.

Fulfilment cash flows for VFA contracts comprise the obligation to pay policyholders an amount equal to the fair value of underlying items, less the variable fee for future service.

Changes in the obligation to pay policyholders the fair value of underlying items are recognised within net finance expenses from insurance contracts in the income statement.

The variable fee includes the present value of the Group's share of the fair value of underlying items, adjusted for cash flows that do not vary with those underlying items. The risk adjustment reflects the compensation for non-financial risk in relation to the variable fee only.

The CSM is subsequently remeasured for changes in the variable fee due to both financial and non-financial risks using current market discount rates.

Consistent with the GMM, the CSM is recognised in profit or loss over the coverage period in line with the insurance and investment services provided to customers.

(iii) Premium allocation approach (PAA)

The PAA is a simplified measurement model which can be applied to all short duration contracts and to longer duration contracts that meet PAA eligibility criteria. It is applied to all of the Group's non-life insurance and reinsurance contracts except for contracts that reinsure adverse development of incurred claims.

The LRC is measured as the amount of premium received net of acquisition cash flows, less the amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period.

Premium receipts and acquisition cash flows are recognised in profit or loss over the life of the contract, based on the passage of time.

Where policyholder premiums are yet to be remitted by intermediaries, these premiums are treated as received within

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the LRC with a separate financial asset recognised for the amounts due from intermediaries. Commissions due to intermediaries are treated as paid within the LRC with a separate financial liability recognised. Variable commissions which are not yet due and which are dependent upon underwriting performance are measured within the liability for remaining coverage, until the coverage period expires and the liability amount is known, at which point they are reclassified as financial liabilities.

If facts and circumstances indicate that a group of contracts may be onerous, the LRC is measured using GMM principles and losses for onerous contracts are recognised immediately in the income statement.

For most contracts applying PAA, the measurement of the LIC aligns to the GMM, with an explicit risk adjustment for non-financial risk, and discounting applied to expected cash flows. For Health contracts a PAA exemption is applied to measure the LIC on an undiscounted basis, allowable because claims are settled within 12 months of their incurred date.

(b) Choice of measurement model

(i) VFA eligibility

Life business is considered to have direct participating features, and is required to be measured under the VFA model where:

- Contractual terms evidence that policyholders participate in a pool of clearly identified underlying items, for example unit-linked or with-profits funds;
- The policyholders expect to receive a substantial share of the returns on underlying items (defined by the Group as greater than 50%); and
- A substantial proportion of changes in amounts payable to policyholders varies with returns on the underlying items (defined by the Group as a correlation coefficient of greater than 50%).

Reinsurance contracts held are not eligible to apply the VFA.

(ii) PAA eligibility

The vast majority of the Group's direct non-life business has a duration of one year or less and is automatically eligible for the PAA model. For the remainder, financial modelling is performed to compare the value of the LRC measured under GMM and PAA.

Where the LRC does not materially differ between the two measurement models (over the duration of the contract and in a range of reasonably foreseeable scenarios), the contract group is PAA eligible.

The Group has multiple non-life reinsurance contracts which are greater than one year in duration. These are assessed for PAA eligibility by applying the same financial modelling approach and are all PAA eligible, except for treaties reinsuring the adverse development of incurred claims.

(c) Level of aggregation

Generally, an insurance policy with the legal form of a single contract is accounted for as a single contract. Such policies will be separated into multiple insurance contracts if: more than one type of cover is included; risks covered by the different components are independent; each component can be measured without considering the other; components can lapse or terminate independently; and components can be priced and sold separately. This results in the separation of a small proportion of non-life insurance policies into multiple insurance contracts.

The unit of account is a group of contracts, so individual insurance contracts are aggregated into groups for measurement purposes. Discrete CSMs are determined for each group of insurance contracts applying GMM or VFA.

Groups of insurance contracts have been determined by identifying portfolios of insurance contracts, comprising contracts subject to similar risks that are managed together, and dividing each portfolio into annual cohorts by year of issue.

Each annual cohort is then further subdivided into three groups based on the profitability of contracts determined at initial recognition and comprising:

- Contracts that are onerous;
- Contracts that have no significant possibility of becoming onerous; (based on the probability that changes in assumptions would result in contracts becoming onerous); and
- All remaining contracts.

Reinsurance contracts held are also subdivided into three profitability groups, determined by reference to net gains/losses on initial recognition, and comprising:

- Contracts that have a net gain at initial recognition;
- Contracts that have no significant possibility of a net gain arising subsequently; and
- All remaining contracts.

The approach to profitability grouping makes use of sets. Where it can be demonstrated that all contracts within a set are sufficiently homogeneous, they are allocated to the same profitability group without performing an individual contract assessment. For life product lines, sets of contracts usually correspond to policyholder pricing groups. The likelihood of changes in insurance, financial and other exposures resulting in contracts becoming onerous is monitored at the level of these pricing groups.

For contracts measured under the PAA, IFRS 17 permits a simplification whereby contract groups are assumed not to be onerous, unless facts and circumstances indicate otherwise. The Group uses internal management information to identify facts and circumstances that may indicate that a group is onerous.

(d) Recognition and derecognition

An insurance contract issued by the Group is recognised from the earliest of:

- The beginning of its coverage period (i.e. the period during which the Group provides insurance contract services in respect of any premiums within the boundary of the contract);
- The date the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- The date when facts and circumstances indicate that the contract is onerous.

Reinsurance contracts are recognised on the following dates:

- Reinsurance contracts that provide proportionate coverage: the later of the date on which any underlying insurance contract is initially recognised and the date the reinsurance is entered into. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts: The beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the Group's excess of loss and catastrophe cover reinsurance contracts.

Accounting policies

An insurance or reinsurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Insurance contracts are derecognised when the contract is extinguished, i.e. when the specified obligations expire, are discharged, or are cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised.

(e) Estimate of future cash flows

The estimate of future cash flows is assessed at the level of groups of contracts and represents the best estimate of the Group's cost to fulfil a contract incorporating current estimates of non-financial assumptions. The estimate allows for all the cash inflows and outflows expected to occur within the contract boundary. Cash flows are modelled separately for gross and reinsurance contracts.

(i) Contract boundaries

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide insurance contract services.

A substantive obligation to provide services ends when the Group has the practical ability to reassess the risks (insurance and financial risks transferred from the policyholder, so excluding lapse and expense risks) and set a price or level of benefits that fully reflects those reassessed risks for either the particular policyholder or the portfolio that contains the contract.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, issued together with the main insurance contracts, form part of a single insurance contract with all of the cash flows within its boundary.

Some insurance contracts issued by the Group provide policyholders with the option to buy additional insurance coverage. The Group assesses the practical ability to reprice such insurance contracts in their entirety to determine if the option cash flows are within or outside the insurance contract boundary. As a result of this assessment, options for which pricing is not guaranteed are not measured by the Group until they are exercised.

Cash flows are within the boundaries of participating investment contracts if they result from a substantive obligation of the Group to deliver cash at a present or future date.

Cash flows are within the contract boundary of a reinsurance contract held if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer, or has a substantive right to receive services from the reinsurer.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time. Cash flows outside the contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

(ii) Principal non-financial assumptions

Principal non-financial assumptions used in the calculation of life insurance and participating investment contract fulfilment cash flows include those in respect of annuitant and assurance mortality and future expenses. Expenses must be directly attributable to fulfilling insurance contracts, including an allocation of overheads to the extent that they can be allocated to groups of contracts in a systematic and rational way.

Principal non-financial assumptions used in the calculation of the non-life LIC use past claims experience to project future claims (estimated using a range of standard actuarial claims projection techniques).

(iii) Financial assumptions

Discount rates

Discounting is applied to the estimate of future cash flows. The Group uses a bottom-up discount rate for all life and non-life insurance contracts, except for annuities. A top-down discount rate is applied to annuities to reflect more appropriately the characteristics of the annuity liabilities.

For other contracts where liabilities are subject to lapse risk or where cash flows depend on underlying asset performance (such as unit-linked and with-profits), the characteristics of the liability can be reflected using the bottom-up method which requires the application of less judgement.

Top-down discount rates

The discount rate is determined from the yield implicit in the fair value of an appropriate reference portfolio of assets that reflects the characteristics of the liability. Adjustments are made for differences between the reference portfolio and liability cash flows, including an allowance for defaults, which reflects the compensation a market participant would require for credit risk.

The CSM for annuity contracts is measured using a locked-in discount rate based on assets expected to be originated for new business at initial recognition of the contracts. On subsequent measurement of the fulfilment cash flows the reference portfolio is based on the assets held to match the portfolio of liabilities. For recently written contracts, an adjustment is made to liabilities where appropriate assets are yet to be sourced.

Bottom-up discount rates

The discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium').

The illiquidity premium is determined as a percentage of the current spread over the risk-free yield on an index of covered bonds. The percentage applied reflects the liquidity characteristics of the liabilities including the propensity and ability of policyholders to lapse or surrender their contracts; for example, 100% for structured settlements where surrenders are not possible, and 0% for unit-linked contracts where policyholders can normally immediately surrender their contract for the unit value. An intermediate percentage is applied for other types of business.

Inflation assumptions

Future inflation assumptions are treated as a financial assumption when applied to policyholder benefits or outsourced maintenance expenses that are contractually linked to an inflation index.

Presentation of financial assumption changes

The Group recognises the impact of financial assumption changes in the income statement, except for those that relate to changes in the variable fee for VFA contracts, which adjust the CSM.

Accounting policies

(f) Risk Adjustment

The risk adjustment reflects the compensation required by the Group to accept the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

The calculation of the risk adjustment is calibrated to the Group's pricing and capital allocation framework, leveraging the Solvency II view of non-financial risk, considering a lifetime view, and including diversification between risks.

The risk adjustment calibration is set at least annually, based on the Group's current view of risk. The risk adjustment calculation is reassessed at each reporting date.

The change in risk adjustment relating to current or past service is recognised within insurance revenue in the income statement. The impact of discounting the risk adjustment for GMM and PAA contracts is disaggregated and recognised within net finance expenses from insurance contracts.

(g) CSM

The CSM represents a liability for unearned profit measured at inception and recognised in the income statement over the life of the contract, as insurance and investment related services are provided to the customer.

For profitable groups of insurance contracts, the CSM is established to ensure no profit is recognised at inception, hence it is equal and opposite to the net present value of the expected cash flows (including initial premiums and insurance acquisition cash flows) and the risk adjustment. For groups of gross insurance contracts issued that are onerous at initial recognition, the CSM is set to nil and losses are recognised in the income statement. For reinsurance contracts, the CSM is initially recognised at a value that ensures no gain or loss is recognised, but may be adjusted for loss offsetting as set out in (h).

Subsequently, the CSM is adjusted for:

- Accretion of interest at locked-in discount rates (groups of GMM contracts only), which is charged to net finance expenses in the income statement;
- New contracts added to the same group;
- Changes in fulfilment cash flows (including risk adjustment) that relate to future service;
- For reinsurance contracts held, income recognised in profit or loss on initial recognition of onerous underlying contracts and adjustments to the loss recovery component set out in (h); and
- Currency exchange differences.

Changes in fulfilment cash flows that relate to future service include:

- Experience variances in premiums received during the period that relate to services provided from the start of the current period;
- Changes in expected future cash flows and risk adjustment on GMM contracts arising from non-financial assumption changes and experience variances, measured using locked in financial assumptions;
- Changes in the variable fee and risk adjustment on VFA contracts arising from financial and non-financial assumption changes and experience variances, except where the risk mitigation option is applied; and
- Experience variances in non-distinct investment components, premium refunds and rights to withdraw payable in the period.

Changes in fulfilment cash flows that relate to past or current service do not adjust the CSM and are recognised immediately in the income statement, including the following:

- Experience variances in claims and expenses incurred, which are recognised as the difference between insurance revenue (expected claims and expenses incurred) and insurance service expenses (actual claims and expenses incurred); and
- Changes in expected future cash flows and risk adjustment on GMM contracts arising from financial assumption changes and experience variances, including changes in cash flows that are contractually linked to an inflation index, which are recognised in net finance expenses from insurance contracts.

The balance on the CSM at the end of the period is available for release to profit or loss.

The amount of CSM recognised in insurance revenue each period (the CSM amortisation) is determined by considering, for each group of contracts, coverage units that reflect the quantity of the benefits provided in each period and the expected coverage period.

Benefits provided include those arising from both insurance and investment services. Investment services are only included if the Group is managing underlying items (typically with-profits and unit-linked contracts) or where contracts have an investment component or policyholder's right to withdraw that is expected to include an investment return that is generated by investment activity performed by the Group. This includes contracts where the value of the investment return that the policyholder benefits from is not directly related to the value of the underlying investments.

Coverage units are discounted and are updated at each reporting date to reflect the current best estimate of service expected to be provided in future periods.

Coverage units for reinsurance contracts held are typically consistent with the underlying gross contracts, adjusted for differences in the services provided.

(h) Loss components and loss offsetting

Losses on onerous contracts are recognised immediately within insurance service expenses in the income statement, and a loss component is established. Subsequent losses, and reversals of losses, arising from changes in fulfilment cash flows that relate to future service adjust the loss component and are recognised immediately in insurance service expenses to the extent that a balance remains on the loss component, after which a CSM will be established.

A variable proportion approach is used to systematically allocate changes in fulfilment cash flows that relate to past or current service to the loss component, resulting in a deduction from the amount of these changes that is recognised within insurance revenue in the income statement with an offsetting adjustment to insurance service expenses. The variable proportion is determined each reporting date as the proportion of the balance on the loss component relative to the fulfilment cash flows for that group of contracts.

A reinsurance loss recovery component is established for a group of reinsurance contracts that covers a group of onerous underlying contracts. At initial recognition this is the amount that the reinsurance CSM has been adjusted as a result of recognising income to offset losses recognised at inception on underlying insurance contracts, based on the percentage of the claims that are recoverable through the reinsurance.

Subsequently the loss recovery component is adjusted for changes in the reinsurance fulfilment cash flows that correspond to change in fulfilment cash flows that relate to future service for the underlying onerous contracts.

Accounting policies

The balance on the loss recovery component is systematically allocated to the income statement, using a similar approach to loss components.

(i) Investment components and rights to withdraw
Investment components are amounts that are payable to the policyholder in all circumstances, regardless of whether an insured event occurs. This typically includes the account balance on unit-linked and with-profit contracts, surrender and maturity values on protection contracts and guaranteed payments on immediate annuities. Rights to withdraw, which may include items that are investment components, are amounts payable to policyholders that do not represent an additional benefit payable when an insured event occurs.

This includes, but is not restricted to, maturity values that are not determined by the occurrence of an insured event, a policyholder's rights to receive a surrender value or refund of premiums on cancellation of a policy, rights to transfer an amount to another insurance provider and guaranteed annuity payments on a deferred annuity in excess of the death benefit payable prior to retirement. Investment components and rights to withdraw are excluded from insurance revenue and insurance service expenses in the income statement.

(j) Insurance acquisition cash flows

Insurance acquisition cash flows are initially deferred on the balance sheet as an insurance acquisition cash flow asset and then allocated against groups of insurance contracts to which they are directly attributable.

This includes instances where insurance acquisition cash flows are directly attributable to the future renewal of existing contract groups for some products in the Group's non-life business. For contract groups applying PAA, the Group has chosen not to apply an exemption to recognise insurance acquisition cash flows as an expense at the point they are incurred.

Where insurance acquisition cash flows are allocated to contract groups applying GMM or VFA, they are included within the measurement of the CSM and recognised in the income statement over the period which services are provided to the customer. Insurance acquisition cash flows allocated to contract groups applying PAA are recognised in the income statement over the life of the contract based on the expected timing of incurred claims.

Insurance acquisition cash flow assets are assessed for impairment where facts and circumstances indicate that they may be impaired. The Group uses data on customer retention rates and the profitability of products to identify such facts and circumstances.

(N) Non-participating investment contract liabilities

(a) Claims

For non-participating investment contracts with an account balance, claims reflect the excess of amounts paid over the account balance released.

(b) Contract liabilities

Non-participating investment contract liabilities are designated at FVTPL. Under IFRS 9, the Group elects to recognise the movement in own credit risk through the income statement in order to eliminate an accounting mismatch. Deposits collected under non-participating investment contracts are not accounted for through the income statement, except for the investment return attributable to those contracts, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability.

The majority of the Group's contracts classified as non-participating investment contracts are unit-linked contracts and are measured at fair value.

The liability's fair value is determined using a valuation technique to provide a reliable estimate of the amount for which the liability could be transferred in an orderly transaction between market participants at the measurement date, subject to a minimum equal to the surrender value. For unit-linked contracts, the fair value liability is equal to the current unit fund value, including any unfunded units.

In addition, if required, non-unit reserves are held based on a discounted cash flow analysis. For non-linked contracts, the fair value liability is based on a discounted cash flow analysis, with allowance for risk calibrated to match the market price for risk.

(O) Reinsurance for non-participating investment contracts

Reinsurance assets for non-participating investment contracts includes balances in respect of investment contracts that are legally reinsurance contracts but do not meet the definition of a reinsurance contract under IFRS 17 as they principally transfer financial risk. Premiums payable on these contracts are accounted for directly through the statement of financial position.

A deposit asset is initially recognised, based on the consideration paid less any explicitly identified premiums or fees to be retained by the reinsured. The assets are subsequently measured at FVTPL.

(P) Goodwill, AVIF and intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill arising on the Group's investments in subsidiaries is shown as a separate asset, while that on associates and joint ventures is included within the carrying value of those investments.

Goodwill on acquisitions prior to 1 January 2004 (the date of transition to IFRS) is carried at its book value (original cost less cumulative amortisation) on that date, less any impairment subsequently incurred. Goodwill arising before 1 January 1998 was eliminated against reserves and has not been reinstated.

Where negative goodwill arises on an acquisition, this is recognised immediately in the consolidated income statement.

(b) Acquired value of in-force business (AVIF)

AVIF represents the present value of future profits on a portfolio of long-term non-participating investment contracts, acquired either directly or through the purchase of a subsidiary, is recognised as an asset.

If the AVIF results from the acquisition of an investment in a joint venture or an associate, it is held within the carrying amount of that investment. In all cases, the AVIF is amortised over the useful lifetime of the related contracts in the portfolio on a systematic basis. The rate of amortisation is chosen by considering the profile of the additional value of in-force business acquired and the expected depletion in its value.

AVIF is reviewed for evidence of impairment, consistent with reviews conducted for other finite life intangible assets and impairment tested at product portfolio level by reference to a projection of future profits arising from the portfolio.

Accounting policies

(c) Intangible assets

Intangible assets consist primarily of contractual relationships such as access to distribution networks, customer lists and software.

The economic lives of these are determined by considering relevant factors such as usage of the asset, typical product life cycles, potential obsolescence, maintenance costs, the stability of the industry, competitive position and the period of control over the assets. Finite life intangibles are amortised over their useful lives, which range from three to 30 years, using the straight-line method.

The amortisation charge for the year is included in the income statement under 'Other expenses'. For intangibles with finite lives, impairment charges will be recognised in the income statement where evidence of such impairment is observed.

Intangibles with indefinite lives are subject to regular impairment testing, as described below.

(d) Impairment testing

For impairment testing, goodwill and intangible assets with indefinite useful lives have been allocated to cash-generating units. The carrying amount of goodwill and intangible assets with indefinite useful lives is reviewed at least annually or when circumstances or events indicate there may be uncertainty over this value. Goodwill and indefinite life intangibles are written down for impairment where the recoverable amount is insufficient to support its carrying value. Further details on goodwill allocation and impairment testing are given in note 16. Any impairments are charged as expenses in the income statement.

(Q) Property and equipment

Owner-occupied properties are carried at their revalued amounts, and movements are recognised in other comprehensive income and taken to a separate reserve within equity. When such properties are sold, the accumulated revaluation surpluses are transferred from this reserve to retained earnings.

These properties are depreciated down to their estimated residual values over their useful lives.

This excludes owner-occupied properties held under lease arrangements, which are measured at amortised cost. See accounting policy AB for further information.

All other items classed as property and equipment within the statement of financial position are carried at historical cost less accumulated depreciation.

Investment properties under construction are included within property and equipment until completion, and are stated at cost less any provision for impairment in their values until construction is completed or fair value becomes reliably measurable.

Depreciation is calculated on a straight-line basis to write down the cost of other assets to their residual values over their estimated useful lives as follows:

• Properties under construction	No depreciation
• Owner-occupied properties, and related mechanical and electrical equipment	25 years
• Motor vehicles	Three years, or lease term (up to useful life) if longer
• Computer equipment	Three to five years
• Other assets	Three to five years

The assets' residual values, useful lives and method of depreciation are reviewed regularly, and at least at each financial year end, and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount.

Borrowing costs directly attributable to the acquisition and construction of property and equipment are capitalised. All repair and maintenance costs are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the Group and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset.

(R) Investment property

Investment property is held for long-term rental yields and is not occupied by the Group.

Completed investment property is stated at its fair value, as assessed by qualified external valuers or by qualified staff of the Group. Changes in fair values are recorded in the income statement in investment return.

As described in accounting policy Q above, investment properties under construction are included within property and equipment, and are stated at cost less any impairment in their values until construction is completed or fair value becomes reliably measurable.

(S) Impairment of non-financial assets

Property and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the income statement for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets, except goodwill which have suffered an impairment, are reviewed annually for possible reversal of the impairment.

(T) Recognition and classification of financial assets

Financial assets are measured initially at fair value plus eligible transaction costs for financial assets held at amortised cost. Financial assets are subsequently measured at amortised cost or FVTPL based on a business model assessment and the extent to which the contractual cash flows associated with the financial assets are solely payments of principal and interest (SPPI).

The Group measures financial assets at FVTPL if they do not meet the SPPI criteria or if they are held within a business model where they are managed and evaluated on a fair value basis resulting from the Group's management of capital on a regulatory basis.

A financial asset is classified at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are SPPI on the principal amount outstanding.

Accounting policies

On initial recognition, the Group may irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has designated certain cash balances at FVTPL to reduce an accounting mismatch when these balances form part of the risk mitigation for insurance contracts measured under the VFA and to which the risk mitigation option is applied under IFRS 17. These cash balances would otherwise be measured at amortised cost.

The Group measures equity instruments at FVTPL, with subsequent changes in fair value recognised in the income statement, as it did not make an irrevocable election on initial recognition to measure equity instruments at fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its objectives for managing those financial assets, in which case all affected financial assets are reclassified on the first day of the next reporting period.

(U) Impairment of financial assets

Financial assets held at amortised cost and lease receivables are in the scope of expected credit loss requirements under IFRS 9.

This includes financial assets held at amortised cost such as loans to banks, other loans, and receivables.

Expected credit loss is an unbiased, probability-weighted estimate of credit losses. It considers all reasonable and supportable information, including forward looking economic assumptions and a range of possible outcomes.

Expected credit losses are calculated on either a 12-month or lifetime basis depending on the extent to which credit risk has increased significantly since initial recognition, except where the Group uses the simplified approach to apply lifetime expected credit losses to trade receivables that do not contain a significant financing component.

The gross carrying amount of a financial asset is written off to the extent that there is no reasonable expectation of recovery. Subsequent recoveries in excess of the financial asset's written-down carrying value are credited to the income statement.

(V) Derecognition, contract modification and offset of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is extinguished (that is when the obligation is discharged, or cancelled or expires). The difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

If the terms of a financial asset or financial liability measured at amortised cost are substantially modified, then the contractual rights to cash flows from the original financial asset or financial liability are deemed to have expired or extinguished. The original financial asset or financial liability is derecognised, and a new financial asset or financial liability is recognised at fair value.

A financial asset measured at amortised cost is not derecognised if the contractual terms are not substantially modified and a modification gain or loss is recognised in profit or loss.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is the ability and intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(W) Financial investments

The Group classifies financial investments at FVTPL using the business model assessment as described in accounting policy T.

The FVTPL category has two subcategories – those that meet the definition as being held for trading and those that are held at FVTPL based on the business model assessment. Fixed maturity securities and equity securities, which the Group acquires with the intention to resell in the short term and derivatives are classified as trading. All other investments are classified as other than trading.

The fair value of investments is based on the quoted price within the bid-ask spread that is most representative of fair value or based on the cash flow models using market observable inputs or unobservable inputs. Changes in the fair value of investments are included in the income statement in the period in which they arise.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the assets, at their fair values.

(X) Derivative financial instruments and hedging

Derivative financial instruments include foreign exchange contracts, interest rate futures, currency and interest rate swaps, currency and interest rate options (both written and purchased) and other financial instruments that derive their value mainly from underlying interest rates, foreign exchange rates, credit or equity indices, commodity values or equity instruments.

All derivatives are initially recognised in the statement of financial position at their fair value, which usually represents their cost. They are classified as mandatorily held at FVTPL, with the method of recognising movements in this value depending on whether they are designated as hedging instruments and, if so, the nature of the item being hedged. Fair values are obtained from quoted market prices or, if these are not available, by using valuation techniques such as discounted cash flow models or option pricing models.

All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. Premiums paid for derivatives are recorded as an asset on the statement of financial position at the date of purchase, representing their fair value at that date.

Derivative contracts may be traded on an exchange or over-the-counter (OTC). Exchange-traded derivatives are standardised and include certain futures and option contracts. OTC derivative contracts are individually negotiated between contracting parties and include forwards, swaps, caps and floors.

Derivatives are subject to various risks including market, liquidity and credit risk, similar to those related to the underlying financial instruments. Many OTC transactions are contracted and documented under International Swaps and

Accounting policies

Derivatives Association master agreements or their equivalent, which are designed to provide legally enforceable set-off in the event of default, reducing the Group's exposure to credit risk.

The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the statement of financial position as they do not represent the fair value of these transactions. These amounts are disclosed in note 53(b).

The Group has collateral agreements in place between the individual Group entities and relevant counterparties. Accounting policy Z covers collateral, both received and pledged, in respect of these derivatives.

(a) Interest rate and currency swaps

Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest by means of periodic payments, calculated on a specified notional amount and defined interest rates. Most interest rate swap payments are netted against each other, with the difference between the fixed and floating rate interest payments paid by one party. Currency swaps, in their simplest form, are contractual agreements that involve the exchange of both periodic and final amounts in two different currencies.

Both types of swap contracts may include the net exchange of principal. Exposure to gain or loss on these contracts will increase or decrease over their respective lives as a function of maturity dates, interest and foreign exchange rates, and the timing of payments.

(b) Interest rate futures, forwards and options contracts

Interest rate futures are exchange-traded instruments and represent commitments to purchase or sell a designated security or money market instrument at a specified future date and price.

Interest rate forward agreements are OTC contracts in which two parties agree on an interest rate and other terms that will become a reference point in determining, in concert with an agreed notional principal amount, a net payment to be made by one party to the other, depending upon what rate prevails at a future point in time.

Interest rate options, which consist primarily of caps and floors, are interest rate protection instruments that involve the potential obligation of the seller to pay the buyer an interest rate differential in exchange for a premium paid by the buyer.

This differential represents the difference between current rate and an agreed rate applied to a notional amount. Exposure to gain or loss on all interest rate contracts will increase or decrease over their respective lives as interest rates fluctuate. Certain contracts, known as swaptions, contain features which can act as swaps or options.

(c) Foreign exchange contracts

Foreign exchange contracts, which include spot, forward and futures contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date.

Foreign exchange option contracts are similar to interest rate option contracts, except that they are based on currencies, rather than interest rates.

(d) Hedge accounting

The Group applies hedge accounting to certain transactions in accordance with IFRS 9, so that the financial statements represent the impact of the Group's hedging strategies for currency risk.

Hedge accounting can be applied only if all the following criteria are met:

- The hedge relationship consists only of eligible hedging instruments and hedged items;
- There is formal designation and documentation of the hedging relationship and the risk management objective and the risk management strategy; and
- The hedge relationship meets the hedge effectiveness requirements.

The Group uses net investment hedges to hedge the currency risk arising from our foreign operations (hedged item) against foreign currency borrowings (hedging instrument). Cash flow hedging was also used to hedge currency risk arising from the sale of Aviva Singapore. Changes in the fair value of the hedging instrument is recognised in other comprehensive income in a separate reserve within equity to the extent that it is effective. Gains and losses accumulated in this reserve are transferred to the income statement on disposal or part-disposal of the foreign operation.

For derivative transactions where hedge accounting is not applied, the fair value gains and losses on these derivatives are recognised immediately in other investment income.

(Y) Loans

Loans with fixed maturities, mortgage loans on investment property, securitised mortgages and collateral loans, are recognised when cash is advanced to borrowers. Certain loans are carried at their unpaid principal balances and adjusted for amortisation of premium or discount, non-refundable loan fees and related direct costs. These amounts are deferred and amortised over the life of the loan as an adjustment to loan yield using the effective interest rate method.

As described in accounting policy T, loans are classified and measured at either amortised cost or FVTPL based on the outcome of an assessment of the business model for managing financial assets and the extent to which the financial assets' contractual cash flows are solely payment of principal and interest.

The majority of mortgage loans are measured at fair value since they're managed and evaluated on a fair value basis. The fair values of these mortgages are estimated using discounted cash flow models, based on a risk-adjusted discount rate which reflects the risks associated with these products. They are revalued at each period end, with movements in their fair values being taken to the income statement.

The impairment policy is described in accounting policy U for loans measured at amortised cost.

(Z) Collateral

The Group receives and pledges collateral in the form of cash or non-cash assets in respect of stock lending transactions and certain derivative contracts and loans, in order to reduce the credit risk of these transactions. Collateral is also pledged as security for bank letters of credit. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Collateral received in the form of cash, which is not legally segregated from the Group, is recognised as an asset in the statement of financial position with a corresponding liability for the repayment in financial liabilities (see note 54). However, where the Group has a currently enforceable legal right of set-off and the ability and intent to settle net, the collateral liability and associated derivative balances are shown net. Non-cash collateral received is not recognised in the statement of financial position unless the transfer of the

Accounting policies

collateral meets the derecognition criteria from the perspective of the transferor.

Such collateral is typically recognised when the Group either (a) sells or repledges these assets in the absence of default, at which point the obligation to return this collateral is recognised as a liability; or (b) the counterparty to the arrangement defaults, at which point the collateral is seized and recognised as an asset.

Collateral pledged in the form of cash, which is legally segregated from the Group, is derecognised from the statement of financial position with a corresponding receivable recognised for its return. Non-cash collateral pledged is not derecognised from the statement of financial position unless the Group defaults on its obligations under the relevant agreement, and therefore continues to be recognised in the statement of financial position within the appropriate asset classification.

(AA) Deferred acquisition costs for non-participating investment contracts and other assets

For non-participating investment and investment fund management contracts, incremental acquisition costs and sales enhancements that are directly attributable to securing an investment management service are deferred.

These deferred acquisition costs are amortised over the period in which the service is provided.

Deferred acquisition costs are reviewed by category of business at the end of each reporting period and are written-off where they are no longer considered to be recoverable.

Other receivables and payables are initially recognised at cost, being fair value. Subsequent to initial measurement they are measured at amortised cost.

(AB) Leases

Where the Group is the lessee, a lease liability equal to the present value of outstanding lease payments and a corresponding right-of-use asset equal to cost are initially recognised.

The right-of-use asset is subsequently measured at amortised cost and depreciated on a straight-line basis over the length of the lease term. Depreciation on lease assets and interest on lease liabilities is recognised in the income statement.

The Group has made use of the election available under IFRS 16 to not recognise any amounts on the balance sheet associated with leases that are either deemed to be short term, or where the underlying asset is of low value. A short-term lease in this context is defined as any arrangement which has a lease term of 12 months or less. Lease payments associated with such arrangements are recognised in the income statement as an expense on a straight-line basis. The Group's total short-term and low value lease portfolio is not material.

Where the Group is the lessor, leases are classified as finance leases if the risks and rewards of ownership are substantially transferred to the lessee and operating leases if they are not substantially transferred. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term. When assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable.

(AC) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Group recognises provisions under a variety of circumstances including for product governance rectification, which may include customer redress, and for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

The amount recorded as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Discounting is applied to the provision where the effect of the time value of money is material. Provisions are not recognised for future operating losses.

Restructuring provisions are recognised when the Group has a detailed formal plan and has raised a valid expectation that the restructure will be carried out, for example by announcing its main features to those affected. Costs included in restructuring provisions comprise only the direct expenditures arising from the restructuring. Costs associated with the ongoing activities of the entity are excluded.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

(AD) Employee benefits

(a) Pension obligations

The Group operates a number of pension schemes, whose members receive benefits on either a defined benefit or defined contribution basis. Under a defined contribution plan, the Group's legal or constructive obligation is limited to the amount it agrees to contribute to a fund and there is no obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits.

A defined benefit pension plan is a pension plan that is not a defined contribution plan and typically defines the amount of pension benefit that an employee will receive on retirement.

The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The pension obligation is measured as the present value of the estimated future cash outflows, using a discount rate based on market yields for high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have durations approximating to the terms of the related pension liability.

The resultant net surplus or deficit recognised as an asset or liability on the statement of financial position is the fair value of plan assets less the present value of the defined benefit obligation at the end of the reporting period.

Plan assets exclude unpaid contributions due from Group entities to the schemes, and any non-transferrable financial instruments issued by a Group entity and held by the schemes. If the fair value of plan assets exceeds the present value of the defined benefit obligation, the resultant asset is limited to the asset ceiling defined as present value of economic benefits available in the form of future refunds from the plan or reductions in contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

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Remeasurements of defined benefit plans comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding net interest) and the effect of the asset ceiling (if any). The Group recognises remeasurements immediately in other comprehensive income and does not reclassify them to the income statement in subsequent periods.

Service costs comprising current service costs, past service costs, gains and losses on curtailments and net interest expense/income are charged or credited to the income statement.

Past service costs are recognised at the earlier of the date the plan amendment or curtailment occurs or when related restructuring costs are recognised.

The Group determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit liability/asset. Net interest expense is charged to finance costs, whereas net interest income is credited to other investment income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans. Once the contributions have been paid, the Group, as employer, has no further payment obligations. The Group's contributions are charged to the income statement in the year to which they relate and are included in staff costs.

(b) Equity compensation plans

The Group offers share award and option plans over the Company's ordinary shares for certain employees, including a Save As You Earn plan (SAYE plan), details of which are given in the Directors' Remuneration Report and in note 32.

The Group accounts for options and awards under equity compensation plans, which were granted after 7 November 2002, until such time as they are fully vested, using the fair value based method of accounting (the 'fair value method').

Under this method, the cost of providing equity compensation plans is based on the fair value of the share awards or option plans at date of grant, which is recognised in the income statement over the expected vesting period of the related employees and credited to the equity compensation reserve, part of shareholders' funds. In certain jurisdictions, awards must be settled in cash instead of shares, and the credit is taken to liabilities rather than reserves. The fair value of these cash-settled awards is recalculated each year, with the income statement charge and liability being adjusted accordingly.

Shares purchased by employee share trusts to fund these awards are shown as deduction from shareholders' equity at their weighted average cost.

When the options are exercised and new shares are issued, the proceeds received, net of any transaction costs, are credited to share capital (par value) and the balance to share premium.

Where the shares are already held by employee trusts, the net proceeds are credited against the cost of these shares, with the difference between cost and proceeds being taken to retained earnings. In both cases, the relevant amount in the equity compensation reserve is then credited to retained earnings.

(AE) Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity, as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

The rates enacted or substantively enacted at the statement of financial position date are used to value the deferred tax assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available.

Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not provided in respect of temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively.

Current and deferred tax includes amounts provided in respect of uncertain tax positions, where management expects it is more likely than not that an economic outflow will occur as a result of examination by a relevant tax authority. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. The final amounts of tax due may ultimately differ from management's best estimate at the balance sheet date. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

In addition to paying tax on shareholders' profits ('shareholder tax'), the Group's life businesses in the UK and Ireland pay tax on policyholders' investment returns ('policyholder tax') on certain products at policyholder tax rates. The incremental tax borne by the Group represents income tax on policyholder's investment return.

In jurisdictions where policyholder tax is applicable, the total tax charge in the income statement is allocated between shareholder tax and policyholder tax. The shareholder tax is calculated by applying the corporate tax rate to the shareholder profit. The difference between the total tax charge and shareholder tax is allocated to policyholder tax. This calculation methodology is consistent with the legislation relating to the calculation of tax on shareholder profits.

The Group has decided to show separately the amounts of policyholder tax to provide a meaningful measure of the tax the Group pays on its profit. In the pro forma reconciliations, the Group adjusted operating profit has been calculated after charging policyholder tax.

Accounting policies

(AF) Borrowings

Borrowings are classified as being for either core structural or operational purposes. They are recognised initially at their issue proceeds less transaction costs incurred. Subsequently, most borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. All borrowing costs are expensed as they are incurred except where they are directly attributable to the acquisition or construction of property and equipment as described in accounting policy Q.

Where loan notes have been issued in connection with certain securitised mortgage loans, the Group has taken advantage of the fair value option under IFRS 9 to present them at fair value to eliminate any accounting mismatch which would otherwise arise from using different measurement bases for these items and the associated mortgages and derivative financial instruments.

The Group elects to recognise the amount of change in the fair value of borrowings attributable to changes in credit risk in the income statement, as the alternative of recognising the impact in other comprehensive income would create an accounting mismatch.

(AG) Share capital and treasury shares

(a) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- There is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable from the perspective of the issuer; and
- The instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

(b) Share issue costs

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of the issue and disclosed where material.

(c) Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders. Dividends on preference shares are recognised in the period in which they are declared and appropriately approved.

(d) Treasury shares

Where the Company or its subsidiaries purchase the Company's share capital or obtain rights to purchase its share capital, the consideration paid (including any attributable transaction costs net of income taxes) is shown as a deduction from total shareholders' equity. Gains and losses on own shares are charged or credited to the treasury share account in equity.

(AH) Fiduciary activities

Assets and income arising from fiduciary activities, together with related undertakings to return such assets to customers, are excluded from these financial statements where the Group has no contractual rights in the assets and acts in a fiduciary capacity such as nominee, trustee or agent.

(AI) Earnings per share

Basic earnings per share is calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the weighted average number of treasury shares.

Earnings per share has also been calculated on Group adjusted operating profit attributable to ordinary shareholders, net of tax, non-controlling interests, preference dividends and coupon payments on the direct capital instrument (DCI) as the directors believe this figure provides a better indication of operating performance. Details are given in note 14.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, such as convertible debt and share options granted to employees.

Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share components.

Consolidated income statement

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Insurance revenue	4	**20,747**	18,497
Insurance service expense		**(18,240)**	(16,217)
Net expense from reinsurance contracts		**(689)**	(761)
Insurance service result		**1,818**	1,519
Investment return		**19,882**	22,380
Net finance expense from insurance contracts and participating investment contracts		**(1,121)**	(7,228)
Net finance (expense)/income from reinsurance contracts		**(168)**	641
Movement in non-participating investment contract liabilities		**(17,124)**	(13,558)
Investment expense attributable to unitholders		**(1,179)**	(861)
Net financial result	5	**290**	1,374
Fee and commission income	6	**1,410**	1,309
Share of profit/(loss) after tax of joint ventures and associates		**136**	(71)
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates		**195**	—
Other operating expenses		**(2,200)**	(2,108)
Other net foreign exchange gains		**109**	146
Other finance costs	8	**(491)**	(479)
Profit before tax		**1,267**	1,690
Tax attributable to policyholders' returns		**(270)**	(249)
Profit before tax attributable to shareholders' profits		**997**	1,441
Tax expense	13	**(562)**	(584)
Less: tax attributable to policyholders' returns		**270**	249
Tax attributable to shareholders' profits		**(292)**	(335)
Profit for the year		**705**	1,106
Attributable to:			
Equity holders of Aviva plc		**683**	1,085
Non-controlling interests		**22**	21
Profit for the year		**705**	1,106
Earnings per share	14		
Basic (pence per share)		**23.6**	37.7
Diluted (pence per share)		**23.3**	37.2

The above consolidated income statement should be read in conjunction with the accounting policies and accompanying notes to the financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit for the year		**705**	1,106
Other comprehensive income:			
Items that may be reclassified subsequently to income statement			
Foreign exchange rate movements		**(107)**	(86)
Aggregate tax effect – shareholder tax on items that may be reclassified subsequently to income statement	13(b)	**(10)**	(2)
Items that will not be reclassified to income statement			
Remeasurements of pension schemes	44(b)(i)	**(386)**	(495)
Aggregate tax effect – shareholder tax on items that will not be reclassified subsequently to income statement	13(b)	**141**	122
Total other comprehensive loss, net of tax		**(362)**	(461)
Total comprehensive income for the year		**343**	645
Attributable to:			
Equity holders of Aviva plc		**324**	627
Non-controlling interests		**19**	18
Total comprehensive income for the year		**343**	645

The above consolidated statement of comprehensive income should be read in conjunction with the accounting policies and accompanying notes to the financial statements.

Reconciliation of Group adjusted operating profit to profit for the year

For the year ended 31 December 2024

	Note	**2024 £m**	2023 £m
Group adjusted operating profit before tax attributable to shareholders' profits		**1,767**	1,467
Adjusted for the following:			
Investment variances and economic assumptions	9	**(666)**	322
Amortisation of intangibles acquired in business combinations	17	**(61)**	(52)
Amortisation of acquired value of in-force business	17	**(52)**	(59)
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates		**195**	—
Integration and restructuring costs		**(217)**	(61)
Other[1]		**31**	(176)
Adjusting items before tax		**(770)**	(26)
Profit before tax attributable to shareholders' profits		**997**	1,441
Tax on Group adjusted operating profit		**(407)**	(289)
Tax on other activities		**115**	(46)
Tax attributable to shareholders' profits	13	**(292)**	(335)
Profit for the year		**705**	1,106

1. Other in 2024 primarily includes a gain of £68 million relating to a revision to the 2023 restatement; a charge of £19 million (2023: £92 million) relating to fees paid to bondholders in respect of certain modifications to the terms and conditions of the Group's £500 million (2023: £600 million) Tier 2 Fixed rate notes; a gain of £18 million (2023: charge of £71 million) relating to provisions for indemnities entered into, and fair value adjustments on contingent consideration associated with acquisition and disposal activities; a charge of £24 million (2023: £2 million) relating to costs associated with acquisitions completed in the period; and charges totalling £13 million (2023: £11 million) relating to the cost of the employee free share award, fees and charges associated with the share buyback programme, and costs to equalise Guaranteed Minimum Pension benefits.

The above reconciliation of Group adjusted operating profit to profit/(loss) for the year should be read in conjunction with the accounting policies and accompanying notes to the financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Ordinary share capital Note 31 £m	Preference share capital Note 34 £m	Capital reserves Notes 36 £m	Treasury shares Note 33 £m	Other reserves Note 37 £m	Retained earnings Note 36 £m	Tier 1 notes Note 35 £m	Total equity excluding non-controlling interests £m	Non-controlling interests Note 38 £m	Total equity £m
Balance at 1 January	**901**	**200**	**5,265**	**(87)**	**279**	**2,228**	**496**	**9,282**	**318**	**9,600**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**683**	**—**	**683**	**22**	**705**
Other comprehensive loss	**—**	**—**	**—**	**—**	**(114)**	**(245)**	**—**	**(359)**	**(3)**	**(362)**
Total comprehensive (loss)/income for the year	**—**	**—**	**—**	**—**	**(114)**	**438**	**—**	**324**	**19**	**343**
Dividends and appropriations	**—**	**—**	**—**	**—**	**—**	**(972)**	**—**	**(972)**	**—**	**(972)**
Shares purchased in buyback	**(20)**	**—**	**20**	**—**	**—**	**(300)**	**—**	**(300)**	**—**	**(300)**
Capital reductions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Non-controlling interests share of dividends declared in the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(21)**	**(21)**
Reserves credit for equity compensation plans	**—**	**—**	**—**	**—**	**61**	**—**	**—**	**61**	**—**	**61**
Shares purchased under equity compensation plans	**—**	**—**	**—**	**6**	**(48)**	**(27)**	**—**	**(69)**	**—**	**(69)**
Movements attributable to disposals of subsidiaries, joint ventures and associates	**—**	**—**	**—**	**—**	**(21)**	**—**	**—**	**(21)**	**—**	**(21)**
Owner-occupied properties fair value gains transferred to retained earnings on disposals	**—**	**—**	**—**	**—**	**(21)**	**21**	**—**	**—**	**—**	**—**
Non-controlling interests in acquired subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Changes in non-controlling interests in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Balance at 31 December	**881**	**200**	**5,285**	**(81)**	**136**	**1,388**	**496**	**8,305**	**316**	**8,621**

For the year ended 31 December 2023

	Ordinary share capital Note 31 £m	Preference share capital Note 34 £m	Capital reserves Notes 36 £m	Treasury shares Note 33 £m	Other reserves Note 37 £m	Retained earnings Note 36 £m	Tier 1 notes Note 35 £m	Total equity excluding non-controlling interests £m	Non-controlling interests Note 38 £m	Total equity £m
Balance at 1 January	924	200	10,342	(85)	355	(2,328)	496	9,904	310	10,214
Profit for the year	—	—	—	—	—	1,085	—	1,085	21	1,106
Other comprehensive loss	—	—	—	—	(85)	(373)	—	(458)	(3)	(461)
Total comprehensive (loss)/income for the year	—	—	—	—	(85)	712	—	627	18	645
Dividends and appropriations	—	—	—	—	—	(929)	—	(929)	—	(929)
Shares purchased in buyback	(24)	—	24	—	—	(300)	—	(300)	—	(300)
Capital reductions	—	—	(5,108)	—	—	5,108	—	—	—	—
Non-controlling interests share of dividends declared in the year	—	—	—	—	—	—	—	—	(21)	(21)
Reserves credit for equity compensation plans	—	—	—	—	61	—	—	61	—	61
Shares purchased under equity compensation plans	1	—	7	(2)	(52)	(35)	—	(81)	—	(81)
Non-controlling interests in acquired subsidiaries	—	—	—	—	—	—	—	—	2	2
Changes in non-controlling interests in subsidiaries	—	—	—	—	—	—	—	—	9	9
Balance at 31 December	901	200	5,265	(87)	279	2,228	496	9,282	318	9,600

The above consolidated statement of changes in equity should be read in conjunction with the accounting policies and accompanying notes to the financial statements.

Consolidated statement of financial position

As at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Goodwill	16	**2,584**	2,100
Acquired value of in-force business and intangible assets	17	**1,131**	968
Interests in, and loans to, joint ventures	18	**1,257**	1,189
Interests in, and loans to, associates	19	**38**	160
Property and equipment	20	**355**	424
Investment property	21	**6,313**	6,232
Loans	24	**30,553**	31,685
Financial investments	27	**263,979**	245,831
Reinsurance contract assets	39	**9,700**	7,704
Reinsurance assets for non-participating investment contracts	40	**5,280**	4,713
Deferred tax assets	42	**614**	958
Current tax assets	42	**146**	95
Receivables	28	**3,813**	3,721
Deferred acquisition costs on non-participating investment contracts	29	**821**	788
Pension surpluses and other assets	30	**461**	862
Prepayments and accrued income	30	**3,357**	3,392
Cash and cash equivalents	51	**23,481**	17,273
Assets of operations classified as held for sale	2	**—**	748
Total assets		**353,883**	328,843
Equity			
Ordinary share capital	31	**881**	901
Preference share capital	34	**200**	200
Capital		**1,081**	1,101
Share premium	36	**17**	17
Capital redemption reserve	36	**44**	24
Merger reserve	36	**5,224**	5,224
Capital reserves		**5,285**	5,265
Treasury shares	33	**(81)**	(87)
Other reserves	37	**136**	279
Retained earnings	36	**1,388**	2,228
Equity attributable to shareholders of Aviva plc		**7,809**	8,786
Tier 1 notes	35	**496**	496
Equity excluding non-controlling interests		**8,305**	9,282
Non-controlling interests	38	**316**	318
Total equity		**8,621**	9,600
Liabilities			
Insurance contract and participating investment contract liabilities	39	**124,151**	121,875
Non-participating investment contract liabilities	40	**179,142**	158,588
Net asset value attributable to unitholders		**17,333**	14,184
Pension deficits and other provisions	43	**726**	795
Deferred tax liabilities	42	**345**	453
Current tax liabilities	42	**1**	15
Borrowings	45	**5,612**	6,374
Payables and other financial liabilities	46	**14,655**	13,670
Other liabilities	47	**3,297**	3,289
Total liabilities		**345,262**	319,243
Total equity and liabilities		**353,883**	328,843

Approved by the Board on 26 February 2025

Charlotte Jones
Chief Financial Officer

Company number: 02468686

The above consolidated statement of financial position should be read in conjunction with the accounting policies and accompanying notes to the financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

The cash flows presented in this statement cover all the Group's activities and include flows from both policyholder and shareholder activities. All cash and cash equivalents are available for use by the Group.

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from/(used in) operating activities[1]	51(a)	**8,688**	(2,664)
Tax paid		**(243)**	(68)
Total net cash generated from/(used in) operating activities		**8,445**	(2,732)
Cash flows from investing activities			
Acquisitions of, and additions to, subsidiaries, joint ventures and associates, net of cash acquired	51(c)	**(760)**	—
Disposals of subsidiaries, joint ventures and associates, net of cash transferred	51(d)	**1,095**	—
Purchases of property and equipment		**(50)**	(149)
Purchases of intangible assets		**(123)**	(201)
Total net cash generated from/(used in) investing activities		**162**	(350)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	31	**—**	8
Shares purchased in buyback	31	**(300)**	(300)
Treasury shares purchased for employee trusts		**(53)**	(76)
New borrowings drawn down, net of expenses		**640**	941
Repayment of borrowings[2]		**(1,400)**	(1,181)
Net repayment of borrowings		**(760)**	(240)
Interest paid on borrowings		**(328)**	(206)
Repayment of leases		**(60)**	(62)
Preference dividends paid	15	**(17)**	(17)
Ordinary dividends paid	15	**(921)**	(878)
Capital contributions from non-controlling interests of subsidiaries		**—**	6
Coupon payments on tier 1 notes	15	**(34)**	(34)
Dividends paid to non-controlling interests of subsidiaries		**(21)**	(21)
Total net cash used in financing activities		**(2,494)**	(1,820)
Total net drawn down/(decrease) in cash and cash equivalents		**6,113**	(4,902)
Cash and cash equivalents at 1 January		**16,652**	21,576
Effect of exchange rate changes on cash and cash equivalents		**(212)**	(22)
Cash and cash equivalents at 31 December	51(e)	**22,553**	16,652

1. Cash flows from operating activities include interest received of £5,420 million (2023: £5,560 million) and dividends received of £2,829 million (2023: £3,999 million).
2. Repayment of borrowings includes the redemption of £1,095 million (2023: £531 million) subordinated debt and senior notes.

The above consolidated statement of cash flows should be read in conjunction with the accounting policies and accompanying notes to the financial statements.

Notes to the consolidated financial statements

1 - Exchange rates

The Group's principal overseas operations during the year were located within the Eurozone and Canada. The results and cash flows of these operations have been translated into sterling at the average rates for the year, and the assets and liabilities have been translated at the year end rates as follows:

	2024 £	2023 £
Eurozone		
Average rate (€1 equals)	**0.85**	0.87
Year end rate (€1 equals)	**0.83**	0.87
Canada		
Average rate ($CAD1 equals)	**0.57**	0.60
Year end rate ($CAD1 equals)	**0.55**	0.59

2 - Strategic transactions

(a) Acquisitions

(i) AIG Life Limited (AIG Life UK)

On 8 April 2024 the Group acquired 100% of the ordinary share capital of AIG Life Limited, American International Group's UK protection business for a cash consideration of £453 million.

AIG Life Limited (now named Aviva Protection UK Limited) provides individual and group protection products which, when combined with Aviva's existing protection business, will create a more efficient platform from which to serve existing and new customers and will reach more customers through its relationships with regional and corporate Independent Financial Advisors (IFAs) as well as other key partners. The acquisition significantly enhances our position in the protection market.

The total cash consideration of £453 million represents the consideration paid to acquire £123 million of net assets of AIG Life Limited and £330 million of goodwill recognised on acquisition. The net assets acquired include the impact of aligning the valuation of insurance contract liabilities and reinsurance contract assets with Group accounting policies. The following table summarises the consideration for the acquisition, the fair value of the assets acquired, liabilities assumed and resulting allocation to goodwill.

	Fair value £m
Assets	
Intangible assets	35
Financial investments	79
Reinsurance assets	984
Tax assets	79
Other assets (including cash and cash equivalents)	22
Total identifiable assets	**1,199**
Liabilities	
Insurance contract liabilities	1,034
Other liabilities	42
Total identifiable liabilities	1,076
Net identifiable assets acquired	**123**
Goodwill arising on acquisition	330
Total consideration	**453**

An intangible asset of £35 million was recognised upon acquisition representing the value of future revenue streams from renewals of AIG Life Limited's existing group protection business. This will be amortised over its useful economic life in accordance with the Group's accounting policies (along with the corresponding release of the deferred tax liability).

The residual goodwill on acquisition of £330 million, none of which is expected to be deductible for tax purposes, represents future synergies expected to arise from combining the operations of AIG Life Limited with those of the Group as well as the value of the workforce in place and other future business value.

Acquisition costs of £16 million related to legal and professional fees incurred to support the transaction have been recognised within Other operating expenses in the income statement.

Notes to the consolidated financial statements

(ii) Probitas Holdings (Bermuda) Limited and its subsidiaries (Probitas)
On 9 July 2024 the Group acquired 100% of the ordinary share capital of Probitas Holdings (Bermuda) Limited and its subsidiaries (Probitas) for a total consideration of £249 million. The transaction includes the acquisition of Probitas' fully-integrated Lloyd's platform, encompassing its Corporate Member, Managing Agent, international distribution entities and tenancy rights to Syndicate 1492. The acquisition of Probitas provides entry into the Lloyd's market and opens up new opportunities to accelerate growth in our capital-light General Insurance business. The acquisition will diversify and expand Aviva's Global Corporate & Specialty (GCS) footprint, which is a key pillar of Aviva's UK General Insurance business.

The total consideration of £249 million represents the consideration paid to acquire £175 million of net assets of Probitas and £74 million of goodwill recognised on acquisition. The acquisition amounts are provisional and include an estimate of the impact of aligning the valuation of insurance contract liabilities and reinsurance contract assets with Group policies. The balance sheet values are subject to review during the remeasurement period of up to 12 months after the acquisition date as permitted by IFRS 3 Business Combinations. The following table summarises the consideration for the acquisition, the fair value of the assets acquired, liabilities assumed and resulting allocation to goodwill.

	Fair value £m
Assets	
Intangible assets	144
Financial investments	165
Reinsurance assets	153
Other assets	22
Cash and cash equivalents	77
Total identifiable assets	**561**
Liabilities	
Insurance contract liabilities	291
Other liabilities	95
Total identifiable liabilities	**386**
Net identifiable assets acquired	175
Goodwill arising on acquisition	74
Total consideration	**249**

An indefinite life intangible asset of £144 million was recognised upon acquisition representing the value of the underwriting capacity of Probitas. The residual goodwill on acquisition of £74 million, none of which is expected to be deductible for tax purposes, represents future synergies expected to arise from combining the operations of Probitas with those of the Group as well as the value of the workforce in place and other future business value.

(iii) Optiom O2 Holdings Inc (Optiom)
On 5 January 2024 the Group acquired 100% of the ordinary share capital of Optiom, a Canadian vehicle replacement insurance business, from Novacap and other minority shareholders for a consideration of $CAD 172 million (£100 million). The acquisition supports Aviva's capital-light growth in the Canadian market and strengthens Aviva Canada's specialty lines business and distribution capabilities. Intangible assets of £72 million and goodwill of £39 million were recognised in the Group statement of financial position on acquisition.

(iv) Succession Wealth Acquisitions
During the period Succession Wealth acquired 100% of the ordinary share capital of three businesses for a total consideration of £64 million. These acquisitions support Succession Wealth's strategy and reflect it's continued trend of acquisition pre-ownership by Aviva. Intangible assets of £15 million and goodwill of £50 million were recognised in the Group statement on financial position.

(v) Direct Line Insurance Group Plc
On 23rd December 2024, Aviva plc and Direct Line announced that they had reached agreement on the terms of a recommended cash and share offer for Direct Line. Based on the Closing Price of Aviva shares of 489.3 pence on 27 November 2024 (being the last closing share price before the commencement of the Offer Period), this values the entire diluted share capital of Direct Line at approximately £3.7 billion. Subject to Direct Line shareholder vote and regulatory approvals, the acquisition is expected to complete in mid-2025. On 10 February 2025, Direct Line published a Scheme Document which contained details relating to the acquisition and a notice convening the Court Meeting and the General Meeting on 10 March 2025 and actions to be taken by Direct Line Shareholders.

(b) Disposals

(i) Aviva SingLife Holdings Ptd Ltd
On 18 March 2024 the Group announced that it had completed the sale of its entire shareholding in Aviva SingLife Holdings Pte Ltd, along with an associated debt instrument, to Sumitomo Life Insurance Company. On this date vendor finance notes of $SGD 250 million issued to Aviva as part of the consideration for a sale of its majority shareholding in SingLife on 30 November 2020 were also redeemed. Total cash proceeds received were $SGD 1,596 million (£937 million). These transactions have resulted in a total gain on disposal of £195 million being recognised within Gain on disposal and remeasurement of subsidiaries, joint ventures and associates within the income statement. The shareholding, associated debt instrument and vendor finance notes were classified within Assets of operations classified as held for sale in the Group's consolidated statement of financial position at 31 December 2023.

Notes to the consolidated financial statements

3 - Segmental information

The Group's results can be segmented either by activity or by geography. Our primary reporting format is along business unit reporting lines, with supplementary information being given by business activity. This note provides segmental information on the consolidated income statement.

Financial performance of our key business units are presented as Insurance, Wealth & Retirement (IWR), General Insurance (which brings together our UK & Ireland General Insurance businesses and Canada General Insurance) and Aviva Investors. Our international businesses are presented as International investments (consisting of our interests in India, China and Singapore).

(a) Operating segments

Insurance, Wealth & Retirement (IWR)

The principal activities of our IWR operations are the provision of a range of products to individuals and businesses across Insurance (life insurance, long-term health and accident insurance), Wealth (savings and investments) & Retirement (pensions, annuities and lifetime mortgage business).

General Insurance

UK & Ireland

The principal activities of our UK & Ireland General Insurance operations are the provision of insurance cover to individuals and businesses, for risks associated mainly with motor vehicles, property and liability (such as employers' liability and professional indemnity liability).

Canada

The principal activity of our Canada General Insurance operation is the provision of personal and commercial lines insurance products, for risks associated mainly with motor, property and liability principally distributed through insurance brokers.

Aviva Investors

Aviva Investors manages policyholders' and shareholders' invested funds, provides investment management services for institutional pension fund mandates and manages a range of retail investment products. We offer clients solutions across a broad range of asset classes including fixed income, equities, multi-asset, real estate and infrastructure. Clients include Aviva Group businesses and third-party financial institutions, pension funds, public sector organisations, investment professionals and private investors

International investments

International investments comprise our long-term business operations in India and China, and until 18 March 2024 also included our investment in Singapore. In India, the Group has a 74% shareholding in Aviva India. In China, Aviva plc have a 50% shareholding in Aviva-COFCO Life Insurance Company Limited. On 18 March 2024 the Group announced that it had completed the sale of its entire shareholding in Aviva SingLife Holdings Pte Ltd (see note 2(b)). Aviva SingLife has been included within the results of the Group up to the date of completion.

Other Group activities

Other Group activities includes investment return on centrally held assets, head office (Corporate centre) expenses such as Group treasury and finance functions, financing costs arising on central borrowings, the elimination entries for certain inter-segment transactions and group consolidation adjustments.

Measurement basis

The accounting policies of the segments are the same as those for the Group as a whole. Any transactions between the business segments are subject to normal commercial terms and market conditions. The Group evaluates performance of operating segments on the basis of:

i. profit or loss from operations before tax attributable to shareholders; and
ii. profit or loss from operations before tax attributable to shareholders, adjusted for non-operating items, including investment market performance.

Notes to the consolidated financial statements

(i) Segmental income statement for the year ended 31 December 2024

	Insurance, Wealth & Retirement (IWR) £m	UK & Ireland General Insurance £m	Canada General Insurance £m	Aviva Investors £m	International investments (India, China and Singapore) £m	Other Group activities £m	Total £m
Insurance revenue[1]	8,973	7,388	4,326	—	78	(18)	20,747
Insurance service expense	(7,800)	(6,252)	(4,117)	—	(82)	11	(18,240)
Net (expense)/income from reinsurance contracts	(219)	(519)	43	—	—	6	(689)
Insurance service result	954	617	252	—	(4)	(1)	1,818
Investment return[1]	17,720	424	304	17	142	1,275	19,882
Net finance (expense)/income from insurance contracts and participating investment contracts	(630)	(144)	(209)	—	(130)	(8)	(1,121)
Net finance (expense)/income from reinsurance contracts	(212)	—	15	—	—	29	(168)
Movement in non-participating investment contract liabilities	(17,123)	—	—	—	—	(1)	(17,124)
Investment expense attributable to unitholders	—	—	—	—	—	(1,179)	(1,179)
Net financial result	(245)	280	110	17	12	116	290
Fee and commission income[1]	1,192	59	27	127	—	5	1,410
Inter-segment revenue	—	—	—	259	—	—	259
Share of profit/(loss) after tax of joint ventures and associates[1]	48	—	1	—	87	—	136
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	—	—	—	—	—	195	195
Other operating expenses	(1,245)	(104)	(65)	(384)	1	(403)	(2,200)
Other net foreign exchange gains	—	4	—	—	—	105	109
Other finance costs	(212)	(1)	(7)	—	—	(271)	(491)
Inter-segment expenses	(240)	(11)	(6)	—	—	(2)	(259)
Profit/(loss) before tax	252	844	312	19	96	(256)	1,267
Tax attributable to policyholders' returns	(270)	—	—	—	—	—	(270)
(Loss)/profit before tax attributable to shareholders' profits	(18)	844	312	19	96	(256)	997
Adjusting items:							
Reclassification of unallocated interest	(19)	1	17	—	—	1	—
Investment variances and economic assumption changes	898	(150)	(57)	—	(48)	23	666
Amortisation of intangibles acquired in business combinations	43	3	15	—	—	—	61
Amortisation of acquired value of in-force business	52	—	—	—	—	—	52
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	—	—	—	—	—	(195)	(195)
Integration and restructuring costs	173	—	—	21	—	23	217
Other	(58)	10	1	—	—	16	(31)
Group adjusted operating profit/(loss) before tax attributable to shareholders' profits	1,071	708	288	40	48	(388)	1,767

1. Total reported income, excluding inter-segment revenue, includes £35,119 million from the United Kingdom (Aviva plc's country of domicile). Income is attributed on the basis of geographical origin which does not differ materially from revenue by geographical destination, as most risks are located in the countries where the contracts were written.

Notes to the consolidated financial statements

(ii) Segmental income statement for year ended 31 December 2023

	Insurance, Wealth & Retirement (IWR) £m	UK & Ireland General Insurance £m	Canada General Insurance £m	Aviva Investors £m	International investments (India, China and Singapore) £m	Other Group activities £m	Total £m
Insurance revenue[1]	8,164	6,219	4,070	—	61	(17)	18,497
Insurance service expense	(7,055)	(5,443)	(3,639)	—	(81)	1	(16,217)
Net (expense)/income from reinsurance contracts	(278)	(409)	(78)	—	—	4	(761)
Insurance service result	831	367	353	—	(20)	(12)	1,519
Investment return[1]	20,604	442	303	13	98	920	22,380
Net finance (expense)/income from insurance contracts and participating investment contracts	(6,593)	(399)	(180)	—	(73)	17	(7,228)
Net finance income/(expense) from reinsurance contracts	531	133	10	—	—	(33)	641
Movement in non-participating investment contract liabilities	(13,559)	—	—	1	—	—	(13,558)
Investment expense attributable to unitholders	—	—	—	—	—	(861)	(861)
Net financial result	983	176	133	14	25	43	1,374
Fee and commission income[1]	1,110	54	11	126	—	8	1,309
Inter-segment revenue	—	—	—	238	—	—	238
Share of (loss)/profit after tax of joint ventures and associates[2]	(46)	—	1	—	(26)	—	(71)
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	—	—	—	—	—	—	—
Other operating expenses	(1,065)	(90)	(44)	(357)	(1)	(551)	(2,108)
Other net foreign exchange gains	—	48	—	—	—	98	146
Other finance costs	(200)	(1)	(5)	—	—	(273)	(479)
Inter-segment expenses	(219)	(10)	(6)	—	—	(3)	(238)
Profit/(loss) before tax	1,394	544	443	21	(22)	(690)	1,690
Tax attributable to policyholders' returns	(249)	—	—	—	—	—	(249)
Profit/(loss) before tax attributable to shareholders' profits	1,145	544	443	21	(22)	(690)	1,441
Adjusting items:							
Reclassification of unallocated interest	(9)	(27)	48	—	—	(12)	—
Investment variances and economic assumption changes	(302)	(67)	(104)	—	85	66	(322)
Amortisation of intangibles acquired in business combinations	40	2	10	—	—	—	52
Amortisation of acquired value of in-force business	59	—	—	—	—	—	59
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	—	—	—	—	—	—	—
Integration and restructuring costs	61	—	—	—	—	—	61
Other	—	—	2	—	—	174	176
Group adjusted operating profit/(loss) before tax attributable to shareholders' profits	994	452	399	21	63	(462)	1,467

1. Total reported income, excluding inter-segment revenue, includes £37,751 million from the United Kingdom (Aviva plc's country of domicile). Income is attributed on the basis of geographical origin which does not differ materially from revenue by geographical destination, as most risks are located in the countries where the contracts were written.

(b) Further analysis by products and services

The Group's results can be further analysed by products and services which comprise long-term business, general insurance and health, fund management and other activities.

Long-term business

Our long-term business comprises life insurance, long-term health and accident insurance, savings, pensions and annuity business written by our life insurance subsidiaries, including managed pension fund business. Long-term business also includes our share of the other life and related business written in our associates and joint ventures, as well as lifetime mortgage business written in the UK.

General insurance and health

Our general insurance and health business provides insurance cover to individuals and to businesses, for risks associated mainly with motor vehicles, property and liability, such as employers' liability and professional indemnity liability, and medical expenses.

Notes to the consolidated financial statements

Fund management

Aviva Investors manages policyholders' and shareholders' invested funds, provides investment management services for institutional pension fund mandates and manages a range of retail investment products. We offer clients solutions across a broad range of asset classes including fixed income, equities, multi-asset, real estate and infrastructure. Clients include Aviva Group businesses, third-party financial institutions, pension funds, public sector organisations, investment professionals and private investors.

Other

Other includes service companies, head office expenses such as Group treasury and finance functions, and certain financing costs and taxes not allocated to business segments and elimination entries for certain inter-segment transactions and group consolidation adjustments.

(i) Segmental income statement - product and services for the year ended 31 December 2024

	Long-term business £m	General insurance and health[1] £m	Fund management £m	Other £m	Total £m
Insurance revenue	8,339	12,426	—	(18)	20,747
Insurance service expense	(7,225)	(11,026)	—	11	(18,240)
Net (expense)/income from reinsurance contracts	(219)	(476)	—	6	(689)
Insurance service result	895	924	—	(1)	1,818
Investment return	17,862	728	17	1,275	19,882
Net finance expense from insurance contracts and participating investment contracts	(760)	(353)	—	(8)	(1,121)
Net finance (expense)/income from reinsurance contracts	(212)	15	—	29	(168)
Movement in non-participating investment contract liabilities	(17,123)	—	—	(1)	(17,124)
Investment expense attributable to unitholders	—	—	—	(1,179)	(1,179)
Net financial result	(233)	390	17	116	290
Fee and commission income	1,187	91	127	5	1,410
Inter-segment revenue	—	—	259	—	259
Share of profit after tax of joint ventures and associates	135	1	—	—	136
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	—	—	—	195	195
Other operating expenses	(1,253)	(160)	(384)	(403)	(2,200)
Other net foreign exchange gains	—	4	—	105	109
Other finance costs	(212)	(8)	—	(271)	(491)
Inter-segment expenses	(240)	(17)	—	(2)	(259)
Profit/(loss) before tax	279	1,225	19	(256)	1,267
Tax attributable to policyholders' returns	(270)	—	—	—	(270)
Profit/(loss) before tax attributable to shareholders' profits	9	1,225	19	(256)	997
Adjusting items	1,044	(163)	21	(132)	770
Group adjusted operating profit/(loss) before tax attributable to shareholders' profits	1,053	1,062	40	(388)	1,767

1. General insurance and health product segment includes insurance revenue of £712 million relating to health business. The remaining segment relates to property and liability insurance.

Notes to the consolidated financial statements

(ii) Segmental income statement - product and services for the year ended 31 December 2023

	Long-term business £m	General insurance and health[1] £m	Fund management £m	Other £m	Total £m
Insurance revenue	7,589	10,925	—	(17)	18,497
Insurance service expense	(6,554)	(9,664)	—	1	(16,217)
Net (expense)/income from reinsurance contracts	(278)	(487)	—	4	(761)
Insurance service result	757	774	—	(12)	1,519
Investment return	20,680	715	14	971	22,380
Net (expense)/income from insurance contracts and participating investment contracts	(6,667)	(578)	—	17	(7,228)
Net income/(expense) from reinsurance contracts	531	143	—	(33)	641
Movement in non-participating investment contract liabilities	(13,558)	—	—	—	(13,558)
Investment expense attributable to unitholders	—	—	—	(861)	(861)
Net financial result	986	280	14	94	1,374
Fee and commission income	1,105	70	126	8	1,309
Inter-segment revenue	—	—	238	—	238
Share of (loss)/profit after tax of joint ventures and associates	(72)	1	—	—	(71)
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	—	—	—	—	—
Other operating expenses	(1,070)	(101)	(357)	(580)	(2,108)
Other net foreign exchange gains	—	42	—	104	146
Other finance costs	(200)	(6)	—	(273)	(479)
Inter-segment expenses	(219)	(16)	—	(3)	(238)
Profit/(loss) before tax	1,287	1,044	21	(662)	1,690
Tax attributable to policyholders' returns	(249)	—	—	—	(249)
Profit/(loss) before tax attributable to shareholders' profits	1,038	1,044	21	(662)	1,441
Adjusting items	(47)	(128)	—	201	26
Group adjusted operating profit/(loss) before tax attributable to shareholders' profits	991	916	21	(461)	1,467

1. General insurance and health product segment includes insurance revenue of £637 million relating to health business. The remaining segment relates to property and liability insurance.

4 - Insurance revenue

This note analyses the insurance revenue recognised in relation to our insurance contracts and participating investment contracts (which are described in note 39).

Insurance revenue for the year ended 31 December comprised:

	Life Risk £m	**Participating £m**	**Non-Life £m**	**2024 Total £m**	Life Risk £m	Participating £m	Non-Life £m	2023 Total £m
Amounts relating to changes in liabilities for remaining coverage								
CSM recognised for services provided	**821**	**178**	**1**	**1,000**	729	151	—	880
Change in risk adjustment for non-financial risk for risk expired	**109**	**3**	**1**	**113**	96	3	—	99
Expected incurred claims and other insurance service expenses	**6,522**	**264**	**11**	**6,797**	5,788	462	—	6,250
Other[1]	**—**	**81**	**—**	**81**	—	36	—	36
Recovery of insurance acquisition cashflows	**336**	**7**	**—**	**343**	301	6	—	307
Contracts not measured under the PAA	**7,788**	**533**	**13**	**8,334**	6,914	658	—	7,572
Contracts measured under the PAA	**—**	**—**	**12,413**	**12,413**	—	—	10,925	10,925
Total insurance revenue	**7,788**	**533**	**12,426**	**20,747**	6,914	658	10,925	18,497

1. Other in 2024 includes a gain of £68 million relating to a revision to the 2023 restatement in respect of accounting processes for with-profit funds. Both 2024 and 2023 also include revenue recognised for incurred policyholder tax expenses on participating business.

For contracts measured under the Premium Allocation Approach, amounts recognised in insurance revenue are based on the expected premiums earned in the year.

Notes to the consolidated financial statements

5 - Net financial result

This note analyses the Group's net financial results in profit or loss. This analysis is provided by reportable product groups for insurance and participating investment contracts, which are explained in note 39(a).

	Note	Life Risk £m	Participating £m	General Insurance & Health £m	Non-Participating £m	Non Insurance £m	2024 Total Product £m
Interest and similar income from financial instruments at amortised cost		7	6	8	—	2	23
Interest and similar income from financial instruments at FVTPL		2,311	519	396	473	1,616	5,315
Other investment income	5(a)	(3,292)	1,242	300	16,342	(46)	14,546
Net impairment loss on financial assets		—	—	(2)	—	—	(2)
Total investment return		(974)	1,767	702	16,815	1,572	19,882
Changes in fair value of underlying items		62	(1,933)	—	—	—	(1,871)
Effects of risk mitigation option		—	37	—	—	—	37
Interest accreted on contractual service margin		(298)	(3)	—	—	—	(301)
Effect of, and changes in, interest rates and other financial assumptions		1,517	(48)	(353)	—	—	1,116
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition		(65)	(37)	—	—	—	(102)
Net finance expense from insurance contracts and participating investment contracts		1,216	(1,984)	(353)	—	—	(1,121)
Interest accreted		54	—	89	—	—	143
Other		(265)	—	(46)	—	—	(311)
Net finance income from reinsurance contracts		(211)	—	43	—	—	(168)
Investment expense allocated to non-participating investment contracts		—	—	—	(17,124)	—	(17,124)
Changes in non-participating investment contract provisions		—	—	—	1	—	1
Change in reinsurance asset for non-participating investment contract provisions		—	—	—	(1)	—	(1)
Movement in non-participating investment contract liabilities		—	—	—	(17,124)	—	(17,124)
Investment expense attributable to unitholders		—	—	—	—	(1,179)	(1,179)
Net financial result		**31**	**(217)**	**392**	**(309)**	**393**	**290**

Underlying items comprise financial instruments and other assets and liabilities held within unit-linked and with-profits funds whose value determines some of the amounts payable to policyholders. For policyholders invested in with-profits funds with a policyholder estate the underlying items may include non-profit insurance contracts written within the funds.

Notes to the consolidated financial statements

	Note	Life Risk £m	Participating £m	General Insurance & Health £m	Non-Participating £m	Non Insurance £m	Total Product £m 2023
Interest and similar income from financial instruments at amortised cost		9	5	6	27	48	95
Interest and similar income from financial instruments at FVTPL		648	392	359	1,902	2,753	6,054
Other investment income	5(a)	3,586	2,163	353	11,648	(1,516)	16,234
Net impairment loss on financial assets		—	—	(3)	—	—	(3)
Total investment return		4,243	2,560	715	13,577	1,285	22,380
Changes in fair value of underlying items		(204)	(2,383)	—	—	—	(2,587)
Effects of risk mitigation option		—	5	—	—	—	5
Interest accreted on contractual service margin		(207)	—	—	—	—	(207)
Effect of, and changes in, interest rates and other financial assumptions		(3,454)	(120)	(578)	—	—	(4,152)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition		(292)	5	—	—	—	(287)
Net finance income from insurance contracts and participating investment contracts		(4,157)	(2,493)	(578)	—	—	(7,228)
Interest accreted		18	—	81	—	—	99
Other		513	—	29	—	—	542
Net finance expense from reinsurance contracts		531	—	110	—	—	641
Investment expense allocated to non-participating investment contracts		—	—	—	(13,558)	—	(13,558)
Changes in non-participating investment contract provisions		—	—	—	(1)	—	(1)
Change in reinsurance asset for non-participating investment contract provisions		—	—	—	1	—	1
Movement in non-participating investment contract liabilities		—	—	—	(13,558)	—	(13,558)
Investment expense attributable to unitholders		—	—	—	—	(861)	(861)
Net financial result		617	67	247	19	424	1,374

(a) Other investment income

	2024 £m	2023 £m
Dividend income	**2,829**	3,999
Net gains/(losses)	**11,886**	12,317
From financial assets mandatorily held at FVTPL	**11,050**	15,206
From financial assets held at amortised cost	**(29)**	91
From borrowings designated as FVTPL	**(44)**	74
From financial liabilities mandatorily held at FVTPL[1]	**909**	(3,054)
Net gains/(losses) from investment properties	**206**	(14)
Rent	**250**	319
Expenses relating to these properties	**(27)**	(22)
Realised losses on disposal	**(4)**	(10)
Fair value losses on investment properties	**(13)**	(301)
Net foreign exchange losses on financial instruments not held at FVTPL	**(275)**	(91)
Other	**(100)**	23
Other investment income	**14,546**	16,234

1. Financial liabilities consist of derivative financial liabilities which meet the definition of held for trading under IFRS 9

6 - Fee and commission income

	2024 £m	2023 £m
Fee income from non-participating investment contract business	**753**	715
Fund management fee income	**136**	134
Other fee income	**431**	369
Other commission income	**88**	86
Net change in deferred revenue	**2**	5
Total	**1,410**	1,309

Notes to the consolidated financial statements

7 - Expenses

This note analyses the Group's expenses in profit or loss.

	Note	2024 £m	2023 £m
Claims and benefits incurred			
Claims and benefits on long-term business			
Insurance contracts and participating investment contracts		**6,362**	5,850
Claims and benefits on general insurance and health business		**7,537**	6,557
		13,899	12,407
Claim recoveries from reinsurers			
Insurance contracts and participating investment contracts		**(3,693)**	(3,040)
Claims and benefits incurred, net of recoveries from reinsurers		**10,206**	9,367
Losses on onerous insurance contracts and participating investment contracts		**150**	122
Fee and commission expense			
Acquisition costs			
Commission expenses		**2,799**	2,541
Other acquisition costs		**1,218**	1,055
Amount attributed to insurance acquisition cash flows incurred during the year		**(3,557)**	(3,179)
Acquisition costs for non-participating investment contracts		**460**	417
Amortisation of insurance acquisition cash flows		**3,104**	2,842
Change in deferred acquisition costs for non-participating investment contracts		**(40)**	70
Other fee and commission expense		**45**	36
Fee and commission expense		**3,569**	3,365
Other expenses			
Staff costs	10(b)	**1,270**	1,032
Central costs		**246**	354
Depreciation		**62**	66
Amortisation of acquired value of in-force business on non-participating investment contracts		**52**	59
Amortisation of intangible assets		**130**	119
Impairment of intangible assets		**16**	—
Other expenses (see below)		**1,091**	959
Other net foreign exchange gains		**(109)**	(146)
Other expenses		**2,757**	2,443
Total expenses		**16,682**	15,297
Represented by expenses included within the income statement:			
Insurance service expense		**18,240**	16,217
Expense recovery from reinsurance contracts[1]		**(3,648)**	(2,882)
Other operating expenses		**2,200**	2,108
Other net foreign exchange gains		**(109)**	(146)
Total expenses		**16,682**	15,297

1. Expense recovery from reinsurance contracts is presented in the consolidated income statement within net expense from reinsurance contracts, which comprises an allocation of premiums paid to reinsurers of £(4,337) million (2023: £(3,643) million) and amount recovered from reinsurers of £3,648 million (2023: £2,882 million)

Other expenses were £1,091 million (2023: £959 million) which mainly included costs relating to written and maintenance expenses, staff costs, software and data services, and outsourced services. In 2024, it also included £19 million (2023: £92 million) of fees paid to bondholders in respect of modification to the terms and conditions of the Group's Tier 2 Fixed to Floating notes and integration and restructuring costs of £217 million (2023: £61 million) as set out below. In 2023, it also included charges of £71 million relating to our historic divestments.

Other operating expenses presented on the consolidated income statement of £2,200 million (2023: £2,108 million) includes the Group's Aviva Investors segment, amortisation on AVIF and intangibles acquired in business combinations, expenses attributable to non-participating investment contracts, expenses attributable to non-insurance products such as wealth management services and Corporate Centre costs. Other operating expenses also includes integration and restructuring (I&R) costs of £217 million (2023: £61 million), which relate to a well-defined programme that materially changes the scope of our business or the manner in which it is conducted, and are not directly attributable to insurance contracts.

Notes to the consolidated financial statements

8 - Other finance costs

This note analyses the interest costs on our borrowings (which are described in note 45) and similar charges. Other finance costs comprise:

	Note	**2024 £m**	2023 £m
Subordinated debt		**229**	219
Long term senior debt		**8**	10
Commercial paper		**2**	4
Interest expense on core structural borrowings at amortised cost		**239**	233
Amounts owed to financial institutions at amortised cost		**25**	26
Securitised mortgage loan notes at fair value		**66**	70
Interest expense on operational borrowings		**91**	96
Interest on collateral received		**32**	39
Net finance charge on pension schemes	44(b)(i)	**23**	25
Interest on lease liabilities		**10**	8
Other similar charges		**96**	78
Total finance costs		**491**	479

9 - Investment variances and economic assumption changes

The investment variances and economic assumption changes impacting the Group consolidated income statement are as follows:

	2024 £m	2023 £m
Life business[1]	**(850)**	217
General insurance business	**207**	171
Other operations[2]	**(23)**	(66)
Total investment variances and economic assumption changes	**(666)**	322

1. Life business includes IWR and International Investments
2. Other operations represents short-term fluctuations on Group centre investments, including the centre hedging programme

(a) Definitions

Group adjusted operating profit is based on expected investment returns on financial investments over the year, with consistent allowance for the corresponding expected movements in liabilities.

Changes due to economic items, such as market value movements and interest rate changes, which give rise to variances between actual and expected investment returns, and the impact of changes in economic assumptions on liabilities, are disclosed separately outside Group adjusted operating profit, in investment variances and economic assumption changes.

(b) Methodology and assumptions

The expected investment returns and corresponding expected movements in liabilities are calculated separately for each principal business unit.

The expected return on investments for both policyholders' and shareholders' funds is based on opening economic assumptions applied to the expected funds under management over the reporting period:

- For fixed interest securities the expected investment returns are based on average prospective yields for the actual assets held less an adjustment for credit risk (assessed on a best estimate basis).
- The expected return on equities and properties is calculated using the appropriate risk-free rate in the relevant currency plus a risk premium. The risk-free rates are consistent with those used to determine bottom-up discount rates applied to measurement of insurance contracts as set out in note 39(g), and typically use the 1-year or 10-year duration. The use of risk premium reflects management's long-term expectations of asset return in excess of the risk-free yields from investing in these asset classes. The asset risk premiums are set out in the table below:

	2024	2023
Equity risk premium	**3.5 %**	3.5 %
Property risk premium	**2.0 %**	2.0 %

- The expected return on cash holdings is the 1-year risk-free rate in the relevant currency.
- Expected funds under management are equal to the opening value of funds under management, adjusted for sales and purchases during the year arising from expected operating experience.

The actual investment return is affected by differences between the actual and expected funds under management and changes in asset mix, as well as other market movements. To the extent that these differences arise from the operating experience, or management decisions to change asset mix, the effect is included in the Group adjusted operating profit. The residual difference between actual and expected investment return is included in investment variances, outside Group adjusted operating profit, but included in profit before tax attributable to shareholders' profits.

Similarly, the effect of differences between actual and expected economic experience on liabilities, and changes to economic assumptions used to value liabilities, are taken outside Group adjusted operating profit.

Notes to the consolidated financial statements

For many types of life business, including unit-linked and with-profits funds, movements in asset values are offset by corresponding changes in liabilities, limiting the net impact on profit. The profit impact of economic volatility on other business depends on the degree of matching of assets and liabilities, exposure to financial options and guarantees, and the application of relevant IFRS 17 risk-mitigation options.

(c) Analysis of investment variances and economic assumption changes

(i) Life business
The loss of £850 million (2023: gain of £217 million) in relation to investment variances and economic assumption changes on Life business was primarily due to UK 10-year term interest rates rising c.80 bps and losses from hedging gains on equity markets; partially offset by reduced credit risk allowances on equity release mortgages.

The negative impact of interest rate rises and adverse impact of equity market gains reflect the fact that we hedge on a Solvency II basis rather than an IFRS basis. For example, when equity markets increase we gain from the increase in the value of future annual management charges on unit-linked products on an economic basis which are not immediately recognised as IFRS profit, however, the loss from hedges in place is recognised on both Solvency II and IFRS bases.

The gain for 2023 was primarily due to UK 10-year term interest rates falling c.40 bps and favourable credit default experience, partly offset by a loss from hedging gains on equity markets.

(ii) General insurance business
The gain of £207 million (2023: gain of £171 million) in relation to investment variances and economic assumption changes for the general insurance and health business was primarily driven by interest rate movements, equity market gains and currency movements. The gain for 2023 was primarily driven by currency movements and equity, as well as smaller contributions from falling interest rates and narrower credit spreads.

10 - Employee information

This note shows where our staff are employed, excluding staff employed by our joint ventures and associates, and analyses the total staff costs.

(a) Employee numbers

The number of persons employed by the Group, including directors under a service contract, was:

	At 31 December		Average for the year[1]	
	2024 Number	2023 Number	**2024 Number**	2023 Number
Insurance, Wealth & Retirement (IWR)	**10,944**	9,963	**10,388**	9,562
UK & Ireland General Insurance	**10,000**	8,653	**9,443**	8,333
Canada General Insurance	**5,132**	4,657	**5,003**	4,643
Aviva Investors	**973**	963	**959**	967
International investments (India, China and Singapore)	**1,300**	1,490	**1,398**	1,447
Other operations	**742**	656	**682**	577
Total employee numbers	**29,091**	26,382	**27,873**	25,529

1. Average employee numbers have been calculated using a monthly average that takes into account recruitment, leavers, transfers, acquisitions and disposals of businesses during the year

(b) Employee costs

	Note	**2024 £m**	2023 £m
Wages and salaries		**1,381**	1,132
Social security costs		**142**	132
Post-retirement obligations			
Defined benefit schemes	44(d)	**29**	27
Defined contribution schemes	44(d)	**225**	190
Profit sharing and incentive plans		**190**	198
Equity compensation plans	32(d)	**61**	61
Termination benefits		**17**	14
Total staff costs		**2,045**	1,754

Staff costs are charged within:

	Note	**2024 £m**	2023 £m
Acquisition costs		**497**	465
Claims handling expenses		**219**	190
Central costs		**59**	67
Staff costs	7	**1,270**	1,032
Total staff costs		**2,045**	1,754

Notes to the consolidated financial statements

11 - Directors

Information concerning individual directors' emoluments, interests and transactions is given in the Directors' Remuneration report in the 'Corporate governance' section of this report. For the purposes of the disclosure required by Schedule 5 to the Companies Act 2006, the total aggregate emoluments of the directors in respect of 2024 was £8.0 million (2023: £7.3 million). Employer contributions to pensions for executive directors for qualifying periods were £nil in both 2024 and 2023. The aggregate net value of share awards granted to the directors in the year was £nil in both 2024 and 2023. No share options were exercised by directors during the year in either 2024 and 2023.

12 - Auditors' remuneration

This note shows the total remuneration payable by the Group, excluding VAT and any overseas equivalent thereof, to our auditors.

	2024 £m	2023 £m
Fees payable to the auditor and its associates for the statutory audit of the Aviva Group and Company financial statements	**3**	3
Fees payable to the auditor and its associates for other services		
Audit of Group subsidiaries	**17**	19
Additional fees related to the prior year audit of Group subsidiaries	**—**	—
Total audit fees	**20**	22
Audit related assurance	**5**	5
Total audit and audit-related assurance fees	**25**	27
Other assurance services	**2**	1
Total audit and assurance fees	**27**	28
Tax compliance services	**—**	—
Tax advisory services	**—**	—
Services relating to corporate finance transactions	**—**	—
Other non-audit services not covered above		—
Fees payable to the auditor and its associates for services to Group companies	**27**	28

Fees payable for the audit of the Group's subsidiaries include fees for the statutory audit of the subsidiaries, both inside and outside the UK, and for the work performed by the principal auditors in respect of the subsidiaries for the purpose of the consolidated financial statements of the Group.

Ernst & Young LLP (EY) became the Group's statutory auditor in 2024 replacing PricewaterhouseCoopers LLP (PwC) who were the statutory auditors during 2023. The 2024 fees shown above are wholly in respect of fees payable to EY whilst the 2023 fees were the fees paid to PwC.

Audit related assurance comprises services in relation to statutory and regulatory filings. These include fees for the audit of the Group's Solvency II regulatory returns, services for the audit of other regulatory returns of the Group's subsidiaries and review of interim financial information under the Listing Rules of the UK Listing Authority. Total audit fees (including additional fees related to the audit of Group subsidiaries) and audit-related assurance fees were £25 million (2023: £27 million).

Other assurance services in 2024 of £2 million (2023: £1 million) mainly include assurance fees over a selection of non-financial reporting metrics.

In addition to these fees, audit fees payable in respect of investment funds consolidated in the Group financial statements were £1 million (2023: £1 million). These fees are borne directly by the unitholders of the funds.

Details of the Group's process for safeguarding and supporting the independence and objectivity of the external auditors are given in the Audit Committee report.

Notes to the consolidated financial statements

13 - Tax

This note analyses the tax charge for the year and explains the factors that affect it.

(a) Tax charged to the income statement

(i) The total tax charged comprises:

	2024 £m	2023 £m
For the period	**201**	321
Adjustments in respect of prior years	**(19)**	(29)
Current tax	**182**	292
Origination and reversal of temporary differences	**380**	306
Write down/(back) of deferred tax assets	**—**	(14)
Deferred tax	**380**	292
Total tax charged to income statement	**562**	584

(ii) Policyholder tax

The Group, as a proxy for policyholders in the UK and Ireland, is required to record taxes on investment income and gains each year. Accordingly, the tax benefit or expense attributable to UK and Ireland life insurance policyholder returns is included in the tax charge. The tax charge attributable to policyholder returns included in the charge above is £270 million (2023: charge of £249 million).

(iii) Global minimum tax

The Group is subject to the reform of the international tax system proposed by The Organisation for Economic Co-operation and Development (OECD) which introduces a global minimum effective rate of corporation tax of 15% and took effect in the current period. No current tax charge is included in respect of these provisions. No amount is recorded in 2023 as the tax had not been introduced in this period.

(iv) The tax charged to the income statement, comprising current and deferred tax, can be analysed as follows:

	2024 £m	2023 £m
UK tax	**491**	517
Overseas tax	**71**	67
Total tax charged to income statement	**562**	584

(v) Unrecognised tax losses and temporary differences

Unrecognised tax losses and temporary differences of previous years were used to reduce the current tax expense and deferred tax charge by £nil million and £nil million (2023: £nil million and £14 million) respectively.

(vi) Deferred tax charged to the income statement

Deferred tax charged to the income statement represents movements on the following items:

	2024 £m	2023 £m
Insurance and investment contract liabilities	**185**	(195)
Deferred acquisition costs	**9**	(25)
Unrealised gains on investments	**79**	57
Pensions and other post-retirement obligations	**8**	14
Unused losses and tax credits	**(18)**	225
Intangibles and additional value of in-force long-term business	**(20)**	(27)
Provisions and other temporary differences	**137**	243
Total deferred tax charged to income statement	**380**	292

(b) Tax credited to other comprehensive income

(i) The total tax credited comprises:

	2024 £m	2023 £m
In respect of pensions and other post-retirement obligations	**(4)**	(3)
In respect of foreign exchange movements	**10**	2
Current tax	**6**	(1)
In respect of pensions and other post-retirement obligations	**(137)**	(119)
Deferred tax	**(137)**	(119)
Total tax credited to comprehensive income	**(131)**	(120)

(ii) Policyholder tax

There is no tax charge/(credit) attributable to policyholders' return included above in either 2024 or 2023.

Notes to the consolidated financial statements

(c) Tax credited/(charged) to equity

No tax was charged or credited directly to equity in either 2024 or 2023.

(d) Tax reconciliation

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Group as follows:

	Shareholder £m	**Policyholder £m**	**2024 Total £m**	Shareholder £m	Policyholder £m	2023 Total £m
Total profit before tax	**997**	**270**	**1,267**	1,441	249	1,690
Tax calculated at standard UK corporation tax rate of 25.00% (2023: 23.50%)	**249**	**68**	**317**	339	58	397
Reconciling items						
Different basis of tax - policyholders	**—**	**203**	**203**	—	192	192
Adjustment to tax charge in respect of prior periods	**108**	**—**	**108**	(9)	—	(9)
Non-assessable income and items not taxed at the full statutory rate	**(17)**	**—**	**(17)**	(13)	—	(13)
Non-taxable profit on sale of subsidiaries and associates	**(57)**	**—**	**(57)**	—	—	—
Disallowable expenses	**17**	**—**	**17**	32	—	32
Different local basis of tax on overseas profits	**3**	**(1)**	**2**	8	(1)	7
Movement in valuation of deferred tax	**7**	**—**	**7**	(30)	—	(30)
Tax effect of profit from joint ventures and associates	**(22)**	**—**	**(22)**	6	—	6
Other	**4**	**—**	**4**	2	—	2
Total tax charged to income statement	**292**	**270**	**562**	335	249	584

The tax charge/(credit) attributable to policyholder returns is removed from the Group's total profit before tax in arriving at the Group's profit before tax attributable to shareholders' profits. As the net of tax profits attributable to with-profits and unit-linked policyholders is zero, the Group's pre-tax profit attributable to policyholders is an amount equal and opposite to the tax charge/(credit) attributable to policyholders included in the total tax charge.

The UK government announced reduction in the authorised surplus payments charge, applicable to withdrawing amounts from pension schemes in surplus, from 35% to 25% took effect from 6 April 2024. This has reduced the deferred tax liabilities in the balance sheet by £40 million at 31 December 2024.

In accordance with the amendments to IAS 12, endorsed in the UK on 19 July 2023, the Group has applied the exemption and not provided for deferred tax in respect of the global minimum tax reforms.

(e) Tax paid reconciliation

The tax on the Group's profit before tax differs from the tax paid per the consolidated statement of cash flows as follows:

	2024 £m	2023 £m
Total tax charged to income statement	**562**	584
Deferred tax	**(380)**	(292)
Adjustments in respect of prior years	**19**	29
Current tax recorded in other comprehensive income	**6**	(1)
Accounts adjustments	**(355)**	(264)
Amounts paid for later/(in earlier) accounting periods	**36**	(180)
Amounts received relating to prior accounting periods	**—**	(72)
Payment timing differences	**36**	(252)
Total tax paid	**243**	68

Total tax paid has arisen in our main jurisdictions of the UK, Canada and Ireland of £165 million, £65 million and £12 million, respectively (2023: £46 million, £20 million and £2 million). Other jurisdictions accounted for £1 million (2023: £nil million).

Deferred tax represents the tax on profits or losses, which are required by legislation to be taxed in a different period to which they impact the Group's financial statements. Adjustments in respect of prior years arise where the final tax liability payable to tax authorities is different from the tax charge for the period reported in the Annual Report and Accounts.

14 - Earnings per share

This note shows how to calculate earnings per share on profit attributable to ordinary shareholders, based both on the present shares in issue (the basic earnings per share) and the potential future shares in issue, including conversion of share options granted to employees (the diluted earnings per share). We have also shown the same calculations based on our Group adjusted operating profit as we believe this gives an important indication of operating performance. Consideration of both these measures gives a full picture of the performance of the business during the year.

Notes to the consolidated financial statements

(a) Basic earnings per share

(i) Basic earnings per share is calculated as follows:

				2024			2023
	Note	**Group adjusted operating profit £m**	**Adjusting items £m**	**Total £m**	Group adjusted operating profit £m	Adjusting items £m	Total £m
Profit/(loss) before tax attributable to shareholders' profits		**1,767**	**(770)**	**997**	1,467	(26)	1,441
Tax attributable to shareholders' profits		**(407)**	**115**	**(292)**	(289)	(46)	(335)
Profit/(loss) for the period		**1,360**	**(655)**	**705**	1,178	(72)	1,106
Amount attributable to non-controlling interests		**(21)**	**—**	**(21)**	(21)	—	(21)
Coupon payments in respect of tier 1 notes		**(34)**	**—**	**(34)**	(34)	—	(34)
Cumulative preference dividends		**(17)**	**—**	**(17)**	(17)	—	(17)
Profit attributable to ordinary shareholders		**1,288**	**(655)**	**633**	1,106	(72)	1,034
Weighted average number of shares	14(a)(iii)	**2,685**	**2,685**	**2,685**	2,744	2,744	2,744
Operating earnings per share/Basic earnings per share		**48.0 p**	**(24.4)p**	**23.6 p**	40.3 p	(2.6)p	37.7 p

(ii) Basic earnings per share comprises:

		2024				2023
	Before tax £m	**Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m**	**Per share pence**	Before tax £m	Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m	Per share pence
Group adjusted operating profit attributable to ordinary shareholders	**1,767**	**1,288**	**48.0**	1,467	1,106	40.3
Adjusting items:						
Investment variances and economic assumption changes	**(666)**	**(526)**	**(19.6)**	322	207	7.5
Amortisation of intangibles acquired in business combinations	**(61)**	**(46)**	**(1.7)**	(52)	(40)	(1.5)
Amortisation of acquired value of in-force business	**(52)**	**(39)**	**(1.5)**	(59)	(43)	(1.6)
Loss on disposal and remeasurement of subsidiaries, joint ventures and associates	**195**	**218**	**8.1**	—	—	—
Integration and restructuring costs	**(217)**	**(164)**	**(6.1)**	(61)	(46)	(1.7)
Other	**31**	**(98)**	**(3.6)**	(176)	(150)	(5.5)
Profit attributable to ordinary shareholders	**997**	**633**	**23.6**	1,441	1,034	37.7

(iii) Weighted average number of shares

The calculation of basic earnings per share uses a weighted average of 2,685 million (2023: 2,744 million) ordinary shares in issue, after deducting treasury shares. The actual number of shares in issue at 31 December 2024 was 2,678 million (2023: 2,739 million) or 2,660 million (2023: 2,718 million) excluding 18 million (2023: 21 million) treasury shares. See note 31 for further information on the movements in share capital during the year.

(b) Diluted earnings per share

(i) Diluted earnings per share on Profit attributable to ordinary shareholders is calculated as follows:

		2024				2023
	Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m	**Weighted average number of shares £m**	**Per share pence**	Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m	Weighted average number of shares £m	Per share pence
Profit attributable to ordinary shareholders	**633**	**2,685**	**23.6**	1,034	2,744	37.7
Dilutive effect of share awards and options		**31**	**(0.3)**		33	(0.5)
Diluted earnings per share	**633**	**2,716**	**23.3**	1,034	2,777	37.2

Notes to the consolidated financial statements

(ii) Diluted earnings per share on Group adjusted operating profit attributable to ordinary shareholders is calculated as follows:

	2024			2023		
	Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m	Weighted average number of shares £m	Per share pence	Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m	Weighted average number of shares £m	Per share pence
Group adjusted operating profit attributable to ordinary shareholders	1,288	2,685	48.0	1,106	2,744	40.3
Dilutive effect of share awards and options		31	(0.6)		33	(0.5)
Diluted earnings per share	1,288	2,716	47.4	1,106	2,777	39.8

15 - Dividends and appropriations

This note analyses the total dividends and other appropriations paid during the year, as set out in the table below. Details are also provided of the proposed final dividend for 2024, which is not accrued in these financial statements and is therefore excluded from the table.

	2024 £m	2023 £m
Interim 2024 - 11.9 pence per share, paid on 17 October 2024	318	—
Final 2023 - 22.3 pence per share, paid on 23 May 2024	603	—
Interim 2023 - 11.1 pence per share, paid on 5 October 2023	—	302
Final 2022 - 22.3 pence per share, paid on 18 May 2023	—	576
Ordinary dividends declared and charged to equity in the year	921	878
Preference dividends declared and charged to equity in the year	17	17
Coupon payments on tier 1 notes charged to equity in the year	34	34
Total dividends and appropriations	972	929

Subsequent to 31 December 2024, the directors proposed a final dividend for 2024 of 23.8 pence pence per ordinary share, amounting to £634 million in total. The cash value of the dividend is calculated using 2,667,628,034 shares as at 24 February 2025 representing issued shares eligible for dividend payment. Subject to approval by shareholders at the AGM, the dividend will be paid on 22 May 2025 and will be accounted for as an appropriation of retained earnings in the year ending 31 December 2025. See shareholder services in the 'Other Information' section for further details. See note 31 for information on share buyback.

16 - Goodwill

This note analyses the changes to the carrying amount of goodwill during the year and details the results of our impairment testing on both goodwill and intangible assets with indefinite lives.

(a) Carrying amount

	2024			2023		
	Gross amount £m	Accumulated impairment £m	Carrying amount £m	Gross amount £m	Accumulated impairment £m	Carrying amount £m
At 1 January	2,182	(82)	2,100	2,185	(83)	2,102
Acquisitions and additions	493	—	493	2	—	2
Foreign exchange rate movements	(13)	4	(9)	(5)	1	(4)
At 31 December	2,662	(78)	2,584	2,182	(82)	2,100

Goodwill from acquisitions and additions arose on the acquisitions of AIG's UK Protection business, Probitas, Optiom and a number of acquisitions within Succession Wealth (see note 2).

Impairment tests on goodwill were conducted as described in section (b).

Notes to the consolidated financial statements

(b) Goodwill allocation and impairment testing

A summary of the goodwill and intangibles with indefinite useful lives allocated to groups of cash generating units (CGUs) is presented below.

	2024			2023		
	Carrying amount of goodwill £m	**Carrying amount of intangibles with indefinite useful lives note 17 £m**	**Total £m**	Carrying amount of goodwill £m	Carrying amount of intangibles with indefinite useful lives note 17 £m	Total £m
United Kingdom – long-term business	**993**	**—**	**993**	663	—	663
United Kingdom – fund management business	**406**	**—**	**406**	356	—	356
United Kingdom – general insurance	**998**	**145**	**1,143**	924	1	925
Ireland – general insurance	**92**	**—**	**92**	96	—	96
Canada	**95**	**—**	**95**	61	—	61
Total	**2,584**	**145**	**2,729**	2,100	1	2,101

Goodwill in all business units is tested for impairment by comparing the carrying value of the cash generating unit to which the goodwill relates, to the recoverable value of that CGU. The recoverable amount is the value in use of the CGU unless otherwise stated.

(i) Long-term business

Value in use has been calculated based on a shareholder value of the business calculated in accordance with Solvency II principles, adjusted where Solvency II does not represent a best estimate of shareholders' interests. The principal adjustments relate to the exclusion of the benefit of transitional measures on technical provisions and the volatility adjustment under Solvency II, and removal of restrictions on contract boundaries or business scope.

The present value of expected profits arising from future new business may be included within the shareholder value and is calculated on an adjusted Solvency II basis, using profit projections based on the most recent three-year business plans approved by management. These plans reflect management's best estimate of future profits based on both historical experience and expected growth rates for the relevant cash generating unit. The underlying assumptions of these projections include market share, customer numbers, mortality, morbidity and persistency.

Future new business profits beyond the initial three years are extrapolated using a steady growth rate. Growth rates and expected future profits are set with regards to management estimates, past experience and relevant available market statistics.

Expected profits from future new business are discounted using a risk adjusted discount rate. The discount rate is a combination of a risk-free rate and a risk margin to make prudent allowance for the risk that experience in future years for new business may differ from that assumed.

(ii) Long-term business key assumptions

The Solvency II non-economic assumptions in relation to mortality, morbidity, persistency and expenses and other items are, based on management's best estimate assumptions. Economic assumptions are based on market data as at the end of each reporting period. The basic risk-free rate curves used to value the technical provisions reflect the curves, credit risk adjustment and fundamental spread for the matching adjustment published by the Bank of England and the European Insurance and Occupational Pensions Authority (EIOPA) on their websites. For the purposes of calculating value in use, the UK Solvency II risk margin is used as it is considered to apply an economic view.

(iii) General insurance, health, fund management and other businesses

Value in use is calculated as the discounted value of expected future profits of each business. The calculation uses cash flow projections based on business plans approved by management covering at least a three-year period. These plans reflect management's best estimate of future profits based on both historical experience and expected growth rates for the relevant cash generating unit. The underlying assumptions of these projections include market share, customer numbers, premium rate and fee income changes, claims inflation and commission rates and consider future risks associated with climate change.

Cash flows beyond the plan period are extrapolated using a steady growth rate. Growth rates and expected future profits are set with regards to past experience and relevant available market statistics.

Future profits are discounted using a risk adjusted discount rate which is based on the Capital Asset Pricing Model (CAPM). The inputs include the risk-free rate of interest appropriate to the geographic location of the cash flows related to each CGU being tested, market risk premium and beta.

	2024		2023	
Key assumptions	**Extrapolated future profits growth rate %**	**Future pre-tax profits discount rate %**	Extrapolated future profits growth rate %	Future pre-tax profits discount rate %
United Kingdom general insurance	**1.0**	**10.9**	1.0	11.9
Ireland general insurance	**Nil**	**8.1**	Nil	9.3
Canada general insurance	**6.0**	**9.3**	5.0	10.8

Results of impairment testing

Management's impairment review of the Group's cash generating units did not identify any necessary impairments to goodwill. There were no impairments in 2023.

Notes to the consolidated financial statements

17 - Acquired value of in-force business (AVIF) and intangible assets

This note shows the movements in cost, amortisation and impairment of the acquired value of in-force business and intangible assets during the year.

	2024					2023				
	AVIF on investment contracts (a) £m	**Internally generated intangibles assets £m**	**Other intangible assets with finite useful lives (b) £m**	**Intangible assets with indefinite useful lives £m**	**Total £m**	AVIF on investment contracts (a) £m	Internally generated intangibles assets £m	Other intangible assets with finite useful lives (b)[1] £m	Intangible assets with indefinite useful lives £m	Total £m
Gross amount										
At 1 January	**1,431**	**870**	**841**	**1**	**3,143**	1,432	687	822	1	2,942
Additions	**—**	**115**	**121**	**144**	**380**	—	185	25	—	210
Disposals	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Foreign exchange rate movements	**(1)**	**(8)**	**(21)**	**—**	**(30)**	(1)	(2)	(6)	—	(9)
At 31 December	**1,430**	**977**	**941**	**145**	**3,493**	1,431	870	841	1	3,143
Accumulated amortisation										
At 1 January	**(945)**	**(582)**	**(576)**	**—**	**(2,103)**	(886)	(516)	(528)	—	(1,930)
Amortisation for the year	**(52)**	**(69)**	**(61)**	**—**	**(182)**	(59)	(67)	(52)	—	(178)
Disposals	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Foreign exchange rate movements	**—**	**2**	**9**	**—**	**11**	—	1	4	—	5
At 31 December	**(997)**	**(649)**	**(628)**	**—**	**(2,274)**	(945)	(582)	(576)	—	(2,103)
Accumulated Impairment										
At 1 January	**(25)**	**(47)**	**—**	**—**	**(72)**	(25)	(47)	—	—	(72)
Impairment charges	**—**	**(16)**	**—**	**—**	**(16)**	—	—	—	—	—
Foreign exchange rate movements	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
At 31 December	**(25)**	**(63)**	**—**	**—**	**(88)**	(25)	(47)	—	—	(72)
Carrying amount at 1 January	**461**	**241**	**265**	**1**	**968**	521	124	294	1	940
Carrying amount at 31 December	**408**	**265**	**313**	**145**	**1,131**	461	241	265	1	968

(a) Acquired value of in-force business

Of the total of £408 million, £356 million (2023: £409 million) is expected to be recoverable more than one year after the statement of financial position date.

AVIF is reviewed for evidence of impairment, consistent with reviews conducted for other finite life intangible assets. If evidence of impairment exists, AVIF is tested at product portfolio level by reference to the value of future profits in accordance with Solvency II principles, adjusted where Solvency II does not represent a best estimate of shareholders' interests, consistent with the impairment test for goodwill for long term business (see note 16(b)).

(b) Other intangible assets

Additions to Internally generated intangible assets in 2024 relate to capitalisation of software costs in relation to the Group's digital initiatives. Impairments totalling £16 million (2023: £nil) have been recognised in 2024.

Other intangible assets with finite useful lives primarily includes the value of bancassurance and other distribution agreements.

Additions to indefinite life intangible assets in 2024 consist of the syndicate underwriting capacity of Probitas acquired in the period (see note 2).

Notes to the consolidated financial statements

18 - Interests in, and loans to, joint ventures

In several businesses, Group companies and other parties jointly control certain entities. This note analyses these interests and describes the principal joint ventures in which we are involved.

(a) Carrying amount and details of joint ventures

(i) The movements in the carrying amount comprised:

			2024			2023
	Goodwill and intangibles £m	**Equity interests £m**	**Total £m**	Goodwill and intangibles £m	Equity interests £m	Total £m
At 1 January	**67**	**1,671**	**1,738**	70	1,802	1,872
Share of profit/(loss) after tax	**—**	**93**	**93**	—	(33)	(33)
Additions	**—**	**17**	**17**	—	8	8
Disposals	**(66)**	**(480)**	**(546)**	—	(19)	(19)
Dividends received from joint ventures	**—**	**(23)**	**(23)**	—	(51)	(51)
Foreign exchange rate movements	**(1)**	**(21)**	**(22)**	(3)	(36)	(39)
At 31 December	**—**	**1,257**	**1,257**	67	1,671	1,738
Less: Joint venture classified as held for sale	**—**	**—**	**—**	(67)	(482)	(549)
At 31 December	**—**	**1,257**	**1,257**	—	1,189	1,189

Additions of £17 million in 2024 relate to the Group's holdings in long-term business undertakings (2023: £8 million relating to property management undertakings).

Disposals of £546 million in 2024 include the sale of the Group's entire shareholding in its joint venture in Singapore, Aviva SingLife Holdings Pte Ltd, along with an associated debt instrument, to Sumitomo Life Insurance Company. The shareholding, associated debt instrument and vendor finance notes were classified within Assets of operations classified as held for sale in the Group's consolidated statement of financial position at 31 December 2023 (see note 2(b)).

The Group's share of total comprehensive income related to joint venture entities is £93 million (2023: £33 million loss).

(ii) The carrying amount at 31 December comprised:

			2024			2023
	Goodwill and intangibles £m	**Equity interests £m**	**Total £m**	Goodwill and intangibles £m	Equity interests £m	Total £m
Property management undertakings	—	898	898	—	927	927
Long-term business undertakings	—	359	359	67	744	811
At 31 December	—	1,257	1,257	67	1,671	1,738
Less: Joint venture classified as held for sale	—	—	—	(67)	(482)	(549)
At 31 December	—	1,257	1,257	—	1,189	1,189

The property management undertakings perform property ownership and management activities, and are incorporated and operate in the UK. All such investments are held by subsidiary entities.

The long-term business undertakings perform life insurance activities. All investments in such undertakings are unlisted and held by subsidiaries, except for the shares in the Chinese joint venture, Aviva-COFCO Life Insurance Company Limited, which are held by Aviva plc. The Group's share of net assets of that company is £337 million (2023: £252 million) and the investment has a cost of £123 million (2023: £123 million).

(iii) Principal joint ventures

No joint ventures are considered to be material to the Group in either 2024 or 2023. The Group's principal joint ventures are defined as those where the carrying amount is 10% or more of the total interests in, and loans to, joint ventures at the period end.

The Group's principal joint ventures are as follows:

	Nature of activities	Principal place of business	**2024 Proportion of ownership interest %**	2023 of ownership interest %
2-10 Mortimer Street Limited Partnership	Property management	UK	**50.00%**	50.00%
Aviva-COFCO Life Insurance Company Ltd.	Life insurance	China	**50.00%**	50.00%
Singapore Life Holdings Pte Limited (formerly known as Aviva Singlife Holdings Pte. Ltd)	Insurance holding company	Singapore	**-**	24.19%

(iv) Contingent liabilities and commitments

From time to time Group joint ventures may receive liability claims or become involved in actual or threatened related litigation. The joint ventures have no other contingent liabilities at 31 December 2024 (2023: none) to which the Group has significant exposure. The Group has no commitments to provide funding to property management joint ventures (2023: none).

In certain jurisdictions the ability of joint ventures to transfer funds in the form of cash dividends or to repay loans and advances made by the Group is subject to local corporate or insurance laws and regulations and solvency requirements.

Notes to the consolidated financial statements

(b) Impairment testing

Interests in joint ventures are tested for impairment of goodwill and intangibles when there is an indicator of impairment. They are tested for impairment by comparing the carrying value of the cash generating unit to which the goodwill or intangible relates to the recoverable value of that cash generating unit. Recoverable amount for long-term and general insurance businesses are calculated on a consistent basis with that used for impairment testing of goodwill, as set out in note 16(b). The recoverable amount of property management undertakings is the fair value less costs to sell of the joint venture, measured in accordance with the Group's accounting policy for investment property (see accounting policy R).

19 - Interests in, and loans to, associates

This note analyses our interests in entities which we do not control but where we have significant influence. No associates are considered to be material from a Group perspective in either 2024 or 2023.

(a) Carrying amount and details of associates

(i) The movements in the carrying amount comprised:

	2024 £m	2023 £m
At 1 January	**160**	41
Share of results before tax	**43**	(39)
Share of tax	**—**	—
Share of profit/(loss) after tax	**43**	(39)
Reclassification from financial investments[1]	**—**	195
Additions	**2**	1
Disposals	**(161)**	(8)
Dividends received from associates	**(6)**	(30)
At 31 December	**38**	160

1. The reclassification from financial investments of £195 million in 2023 includes the Group's shareholding in Balanced Commercial Property Trust Ltd, a property management undertaking

Disposals of £161 million in 2024 include the sale of the Group's entire shareholding in Balanced Commercial Property Trust Ltd to Starlight Bidco Ltd.

The Group's share of total comprehensive income related to associates is £43 million (2023: £39 million loss).

(ii) Contingent liabilities

The associates have no contingent liabilities to which the Group has significant exposure. The Group has no commitments to provide funding to property management associates (2023: none).

In certain jurisdictions the ability of associates to transfer funds in the form of cash dividends or to repay loans and advances made by the Group is subject to local corporate or insurance laws and regulations and solvency requirements.

(b) Impairment testing

The recoverable amount of property management undertakings is the fair value less costs to sell of the associate, measured in accordance with the Group's accounting policy for investment property (see accounting policy R).

There are no impairment charges in either 2024 or 2023.

Notes to the consolidated financial statements

20 – Property and equipment

This note analyses our property and equipment, the total of which primarily consists of properties occupied by Group companies.

	2024						2023					
	Owner occupied properties						Owner occupied properties					
	Freehold £m	**Leasehold £m**	**Motor vehicles £m**	**Computer equipment £m**	**Other assets £m**	**Total £m**	Freehold £m	Leasehold £m	Motor vehicles £m	Computer equipment £m	Other assets £m	Total £m
Cost or valuation												
At 1 January	**9**	**1,186**	**6**	**63**	**245**	**1,509**	9	1,125	6	64	181	1,385
Additions	**2**	**22**	**7**	**17**	**25**	**73**	—	69	—	9	71	149
Disposals	**—**	**(377)**	**(1)**	**—**	**(110)**	**(488)**	—	(2)	—	(7)	15	6
Transfers	**1**	**(73)**	**(1)**	**(5)**	**(4)**	**(82)**	—	(3)	—	—	(4)	(7)
Fair value losses	**(3)**	**—**	**—**	**—**	**(6)**	**(9)**	—	—	—	—	(16)	(16)
Foreign exchange rate movements	**—**	**(6)**	**—**	**(3)**	**(9)**	**(18)**	—	(3)	—	(3)	(2)	(8)
At 31 December	**9**	**752**	**11**	**72**	**141**	**985**	9	1,186	6	63	245	1,509
Depreciation and impairment												
At 1 January	**(1)**	**(937)**	**(3)**	**(43)**	**(101)**	**(1,085)**	(1)	(895)	(3)	(48)	(88)	(1,035)
Charge for the year	**—**	**(36)**	**(4)**	**(11)**	**(11)**	**(62)**	—	(47)	—	(5)	(14)	(66)
Disposals	**—**	**377**	**—**	**—**	**45**	**422**	—	1	—	7	(7)	1
Transfers	**—**	**75**	**1**	**5**	**5**	**86**	—	4	—	1	7	12
Foreign exchange rate movements	**1**	**3**	**—**	**2**	**3**	**9**	—	—	—	2	1	3
At 31 December	**—**	**(518)**	**(6)**	**(47)**	**(59)**	**(630)**	(1)	(937)	(3)	(43)	(101)	(1,085)
Carrying amount at 31 December	**9**	**234**	**5**	**25**	**82**	**355**	8	249	3	20	144	424

Owner-occupied properties, excluding £234 million (2023: £249 million) held under lease arrangements, are stated at their revalued amounts, as assessed by qualified external valuers. The valuation assessment adopts market-based evidence and is in line with guidance from the International Valuation Standards Committee and the requirements of IAS 16 Property, Plant and Equipment. If owner-occupied properties carried at their revalued amount were stated on a historical cost basis, the carrying amount would be £9 million (2023: £16 million).

Owner-occupied properties held under lease arrangements are stated at amortised cost and are amortised on a straight-line basis over the lease term, unless the carrying value of the leased asset exceeds the recoverable amount. Where this is the case, the asset is impaired to its recoverable amount and the impaired carrying value is amortised on a straight-line basis over the remainder of the lease term. For further information on the Group's lease arrangements see note 22.

21 – Investment property

This note gives details of the properties we hold for long-term rental yields or capital appreciation.

			2024			2023
	Freehold £m	**Leasehold £m**	**Total £m**	Freehold £m	Leasehold £m	Total £m
At 1 January	**5,107**	**1,125**	**6,232**	4,476	1,423	5,899
Additions	**124**	**226**	**350**	809	23	832
Capitalised expenditure on existing properties	**100**	**44**	**144**	132	52	184
Fair value gains/(losses)	**67**	**(80)**	**(13)**	(250)	(51)	(301)
Disposals	**(292)**	**(94)**	**(386)**	(63)	(318)	(381)
Foreign exchange rate movements	**(7)**	**(7)**	**(14)**	3	(4)	(1)
At 31 December	**5,099**	**1,214**	**6,313**	5,107	1,125	6,232

See note 23 for further information on the fair value measurement and valuation techniques of investment property.

The fair value of investment properties leased to third parties under operating leases at 31 December 2024 was £6,158 million (2023: £6,085 million). Future contractual aggregate minimum lease rentals receivable under the non-cancellable portion of these leases are given in note 22.

22 – Lease assets and liabilities

The Group's leased assets primarily consist of properties occupied by Group companies carried at amortised cost (see note 20), leasehold investment properties carried at fair value (see note 21) which are sublet to third parties and real estate long income finance leases (see note 28). Leasehold investment properties are measured in accordance with IAS 40 Investment Property (see accounting policy R).

Although the Group is exposed to changes in the residual value at the end of the current leases to third parties on investment property, the Group typically enters into new operating leases and therefore is not expected to immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Notes to the consolidated financial statements

(a) The following amounts in respect of leased assets have been recognised in the Group's consolidated income statement.

	2024 £m	2023 £m
Interest expense on lease liabilities	**10**	8
Total lease expenses recognised in the income statement	**10**	**8**

Total cash outflows recognised in the year in relation to leases were £60 million (2023: £62 million).

(b) Right-of-use assets

The following table analyses the right-of-use assets relating to leased properties occupied by Group companies.

	2024 £m	2023 £m
At 1 January	**249**	230
Additions	**22**	69
Disposals	**—**	(1)
Foreign exchange rate movements	**(2)**	(2)
Depreciation	**(37)**	(47)
Modification of right-of-use assets	**2**	—
At 31 December	**234**	249

There were no gains arising from sale and leaseback transactions during the year. Included within the income statement is £4 million (2023: £6 million) of income in respect of sublets of right-of-use assets. There were no impairments of right-of-use assets during the year (2023: £3 million).

(c) Future contractual aggregate minimum lease payments

Lease liabilities included within note 46 total £346 million (2023: £372 million). Future contractual aggregate minimum lease payments are as follows:

	2024 £m	2023 £m
Within one year	**74**	77
Later than one year and not later than five years	**209**	149
Later than five years	**111**	128
Total future contractual aggregate minimum lease payments	**394**	354

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessor.

(d) Future contractual aggregate minimum lease rentals receivable

Future contractual aggregate minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2024 £m	2023 £m
Within one year	**206**	192
Between one and two years	**193**	171
Between two and three years	**177**	154
Between three and four years	**161**	130
Between four and five years	**135**	113
Later than five years	**1,143**	998
Total future contractual aggregate minimum lease rentals receivable - operating leases	**2,015**	1,758

Future contractual aggregate minimum lease rentals receivable under non-cancellable finance leases are as follows:

	2024 £m	2023 £m
Within one year	**5**	4
Between one and two years	**9**	4
Between two and three years	**9**	4
Between three and four years	**9**	4
Between four and five years	**9**	4
Later than five years	**397**	133
Total future contractual aggregate minimum lease rentals receivable - finance leases	**438**	153

Finance income on the net investment in finance leases during the year was £4 million (2023: £3 million).

Notes to the consolidated financial statements

Unearned finance income in respect of finance leases at 31 December 2024, representing the difference between the gross and net investment in the leases, was £239 million (2023: £30 million). Unguaranteed residual value in respect of finance leases was £nil (2023: £nil).

23 – Fair value methodology

This note explains the methodology for valuing our assets and liabilities measured at fair value and for fair value disclosures. It also provides an analysis of these according to a fair value hierarchy, determined by the market observability of valuation inputs.

(a) Basis for determining fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1
Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date. Level 1 inputs implicitly reflect market view of climate risks to future cashflows.

Level 2
Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
- Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads); and
- Market corroborated inputs.

Where we use broker quotes and no information as to the observability of inputs is provided by the broker, the investments are classified as follows:

- Where the broker price is validated by using internal models with market observable inputs and the values are similar, we classify the investment as Level 2; and
- In circumstances where internal models are not used to validate broker prices, or the observability of inputs used by brokers is unavailable, the investment is classified as Level 3.

Level 3
Inputs to Level 3 fair values are unobservable inputs for the asset or liability. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Unobservable inputs reflect the assumptions the business unit considers that market participants would use in pricing the asset or liability. Examples are investment properties and commercial and equity release mortgage loans. Climate risks are factored into the inputs to Level 3 fair values as described in note 23(g).

The majority of the Group's assets and liabilities measured at fair value are based on quoted market information or observable market data. Of the total assets and liabilities measured at fair value 13.4% (2023: 14.3%) of assets and 0.6% (2023: 0.7%) of liabilities are based on estimates and recorded as Level 3. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. Third-party valuations using significant unobservable inputs validated against Level 2 internally modelled valuations are classified as Level 3, where there is a significant difference between the third-party price and the internally modelled value. Where the difference is insignificant, the instrument would be classified as Level 2.

Notes to the consolidated financial statements

(b) Changes to valuation techniques

There were no changes in the valuation techniques during the year compared to those described in the Group's 2023 Annual Report and Accounts.

(c) Carrying amount and fair values of financial instruments

The carrying amounts of financial assets and financial liabilities are set out in the following table:

					2024				2023
	Note	Mandatorily held at FVTPL £m	Designated at FVTPL on initial recognition £m	Amortised cost £m	Total carrying amount £m	Mandatorily held at FVTPL £m	Designated at FVTPL on initial recognition £m	Amortised cost £m	Total carrying amount £m
Financial assets									
Loans	24(a)	**26,181**	**—**	**4,372**	**30,553**	27,220	—	4,465	31,685
Cash and cash equivalents		**—**	**1,096**	**22,385**	**23,481**	—	959	16,314	17,273
Fixed maturity securities		**115,539**	**—**	**—**	**115,539**	113,889	—	—	113,889
Equity securities		**96,040**	**—**	**—**	**96,040**	92,572	—	—	92,572
Other investments (including derivatives)		**52,400**	**—**	**—**	**52,400**	39,370	—	—	39,370
Financial investments	27(a)	**263,979**	**—**	**—**	**263,979**	245,831	—	—	245,831
Reinsurance assets for non-participating investment contracts	40	**5,280**	**—**	**—**	**5,280**	4,713	—	—	4,713
Financial assets classified as held for sale		**—**	**—**	**—**	**—**	—	—	199	199
Financial liabilities									
Non-participating investment contracts	40	**—**	**179,142**	**—**	**179,142**	—	158,588	—	158,588
Net asset value attributable to unitholders		**—**	**17,333**	**—**	**17,333**	—	14,184	—	14,184
Borrowings	45(a)	**—**	**887**	**4,725**	**5,612**	—	941	5,433	6,374
Derivative liabilities[1]	53(b)	**8,271**	**—**	**—**	**8,271**	7,426	—	—	7,426

1. Derivative financial liabilities meet the definition of held for trading.

For financial liabilities designated at FVTPL where the change in the credit risk of the financial liability impacts the fair value, the amounts recognised in the income statement are set out below:

		2024		2023
	During the year £m	From initial recognition £m	During the year £m	From initial recognition £m
Borrowings	**(53)**	**(40)**	4	13

Fair values for borrowings held at amortised cost are presented in note 45(a). Fair values of the following financial assets and financial liabilities approximate to their carrying amounts:

- Receivables;
- Cash and cash equivalents;
- Loans at amortised cost; and
- Payables and other financial liabilities.

Notes to the consolidated financial statements

(d) Fair value hierarchy analysis

An analysis of assets and liabilities measured at amortised cost and fair value categorised by fair value hierarchy is given below.

		2024						2023					
		Fair value hierarchy						Fair value hierarchy					
	Note	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Fair value total £m**	**Amortised cost £m**	**Total carrying amount £m**	Level 1 £m	Level 2 £m	Level 3 £m	Fair value total £m	Amortised cost £m	Total carrying amount £m
Recurring fair value measurements													
Investment property	21	**—**	**—**	**6,313**	**6,313**	**—**	**6,313**	—	—	6,232	6,232	—	6,232
Loans	24(a)	**—**	**—**	**26,181**	**26,181**	**4,372**	**30,553**	—	—	27,220	27,220	4,465	31,685
Cash and cash equivalents		**1,096**	**—**	**—**	**1,096**	**22,385**	**23,481**	959	—	—	959	16,314	17,273
Fixed maturity securities		**57,434**	**51,033**	**7,072**	**115,539**	**—**	**115,539**	42,989	64,876	6,024	113,889	—	113,889
Equity securities		**95,703**	**—**	**337**	**96,040**	**—**	**96,040**	92,259	—	313	92,572	—	92,572
Other investments (including derivatives)		**47,854**	**3,777**	**769**	**52,400**	**—**	**52,400**	34,354	4,158	858	39,370	—	39,370
Financial investments measured at fair value	27(a)	**200,991**	**54,810**	**8,178**	**263,979**	**—**	**263,979**	169,602	69,034	7,195	245,831	—	245,831
Reinsurance assets for non-participating investment contracts	40(a)	**5,280**	**—**	**—**	**5,280**	**—**	**5,280**	4,713	—	—	4,713	—	4,713
Financial assets classified as held for sale		**—**	**—**	**—**	**—**	**—**	**—**	—	—	—	—	199	199
Total financial assets		**207,367**	**54,810**	**40,672**	**302,849**	**26,757**	**329,606**	175,274	69,034	40,647	284,955	20,978	305,933
Non-participating investment contracts	40(a)	**179,142**	**—**	**—**	**179,142**	**—**	**179,142**	158,588	—	—	158,588	—	158,588
Net asset value attributable to unitholders		**17,333**	**—**	**—**	**17,333**	**—**	**17,333**	14,184	—	—	14,184	—	14,184
Borrowings	45(a)	**—**	**—**	**887**	**887**	**4,725**	**5,612**	—	—	941	941	5,433	6,374
Derivative liabilities	53(b)	**201**	**7,825**	**245**	**8,271**	**—**	**8,271**	50	7,072	304	7,426	—	7,426
Total financial liabilities		**196,676**	**7,825**	**1,132**	**205,633**	**4,725**	**210,358**	172,822	7,072	1,245	181,139	5,433	186,572
Non-recurring fair value measurements													
Properties occupied by group companies		**—**	**—**	**8**	**8**	**—**	**8**	—	—	8	8	—	8
Total		**—**	**—**	**8**	**8**	**—**	**8**	—	—	8	8	—	8

IFRS 13 Fair Value Measurement permits assets and liabilities to be measured at fair value on either a recurring or non-recurring basis. Recurring fair value measurements are those that other IFRSs require or permit in the statement of financial position at the end of each reporting period, whereas non-recurring fair value measurements of assets or liabilities are those that other IFRSs require or permit in the statement of financial position in particular circumstances. The value of freehold owner-occupied properties measured on a non-recurring basis at 31 December 2024 was £8 million (2023: £8 million), stated at their revalued amounts in line with the requirements of IAS 16 Property, Plant and Equipment.

(e) Valuation approach for fair value assets and liabilities classified as Level 2

Please see section (a) for a description of typical Level 2 inputs.

Fixed maturity securities, in line with market practice, are generally valued using an independent pricing service. These valuations are determined using independent external quotations from multiple sources and are subject to a number of monitoring controls, such as monthly price variances, stale price reviews and variance analysis.

Pricing services, where available, are used to obtain the third-party broker quotes. Where pricing services providers are used, a single valuation is obtained and applied. When prices are not available from pricing services, quotes are sourced from brokers.

Over-the-counter derivatives are valued using broker quotes or models such as option pricing models, simulation models or a combination of models. The inputs for these models include a range of factors which are deemed to be observable, including current market and contractual prices for underlying instruments, period to maturity, correlations, yield curves and volatility of the underlying instruments.

Unit Trusts and other investment funds (included under the other investments category) are valued using net asset values which are not subject to a significant adjustment for restrictions on redemption or for limited trading activity.

(f) Transfers between levels of the fair value hierarchy

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels of the fair value hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

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Transfers between Level 1 and Level 2
There were no significant transfers between Level 1 and Level 2 (2023: no significant transfers).

Transfers to/from Level 3
£95 million (2023: £152 million) of assets transferred into Level 3 and £14 million (2023: £2,398 million) of assets transferred out of Level 3 relate principally to fixed maturity securities held by our business in the UK. These are transferred between Levels depending on the availability of observable inputs and whether the counterparty and broker quotes are corroborated using valuation models with observable inputs.

There were no liabilities transferred into Level 3 during 2024 (2023: £16 million). During 2023, transfers into Level 3 related to derivatives held by our business in the UK and were transferred following a change to using an internally-derived valuation model from the previous counterparty-supplied valuations to ensure consistency of approach with the associated assets and liabilities held at fair value. There were no liabilities transferred out of Level 3 during 2024 (2023: £54 million). During 2023, transfers out of Level 3 related to derivatives held by our business in the UK.

(g) Further information on Level 3 assets and liabilities

The table below shows movement in the Level 3 assets measured at fair value.

					2024					2023
	Investment Property £m	Loans £m	Fixed maturity securities £m	Equity securities £m	Other investments (including derivatives) £m	Investment Property £m	Loans £m	Fixed maturity securities £m	Equity securities £m	Other investments (including derivatives) £m
At 1 January	**6,232**	**27,220**	**6,024**	**313**	**858**	5,899	25,919	7,188	331	1,307
Total net (losses)/gains recognised in the income statement[1]	**(53)**	**(828)**	**(309)**	**—**	**(40)**	(258)	124	116	(50)	13
Purchases	**432**	**3,214**	**1,841**	**27**	**42**	971	2,777	1,531	23	170
Issuances	**—**	**172**	**—**	**—**	**—**	—	189	—	—	—
Disposals	**(283)**	**(3,592)**	**(557)**	**—**	**(81)**	(369)	(1,786)	(530)	(8)	(634)
Settlements	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Transfers into Level 3	**—**	**—**	**95**	**—**	**—**	—	—	67	23	62
Transfers out of Level 3	**—**	**—**	**(13)**	**—**	**(1)**	—	—	(2,343)	—	(55)
Foreign exchange rate movements	**(15)**	**(5)**	**(9)**	**(3)**	**(9)**	(11)	(3)	(5)	(6)	(5)
At 31 December	**6,313**	**26,181**	**7,072**	**337**	**769**	6,232	27,220	6,024	313	858

1. Total net (losses)/gains recognised in the income statement includes realised gains/(losses) on disposals

The table below shows movement in the Level 3 liabilities measured at fair value.

			2024			2023
	Net asset value attributable to unitholders £m	Derivative liabilities £m	Borrowings £m	Net asset value attributable to unitholders £m	Derivative liabilities £m	Borrowings £m
At 1 January	**—**	**(304)**	**(941)**	(10)	(355)	(1,091)
Total net gains/(losses) recognised in the income statement[1]	**—**	**19**	**(47)**	10	(53)	66
Purchases	**—**	**—**	**—**	—	(10)	—
Issuances	**—**	**—**	**—**	—	—	—
Disposals	**—**	**39**	**—**	—	64	—
Settlements	**—**	**1**	**101**	—	9	84
Transfers into Level 3	**—**	**—**	**—**	—	(16)	—
Transfers out of Level 3	**—**	**—**	**—**	—	54	—
Foreign exchange rate movements	**—**	**—**	**—**	—	3	—
At 31 December	**—**	**(245)**	**(887)**	—	(304)	(941)

1. Total net gains/(losses) recognised in the income statement includes realised gains/(losses) on disposals

Total net losses recognised in the income statement in the year ended 31 December 2024 in respect of Level 3 assets measured at fair value amounted to £1,230 million (2023: net losses of £55 million) with net losses in respect of liabilities of £28 million (2023: net gains of £23 million). Net losses of £1,006 million (2023: net losses of £27 million) attributable to assets and net losses of £28 million (2023: net gains of £32 million) attributable to liabilities relate to those still held at 31 December 2024.

The principal assets classified as Level 3, and the valuation techniques applied to them, are described below.

(i) Investment property

- Investment property is valued in the UK at least annually by external chartered surveyors in accordance with guidance issued by The Royal Institution of Chartered Surveyors, and using estimates during the intervening period. Outside the UK, valuations are produced by external qualified professional appraisers in the countries concerned. External valuers in the UK comply with the 'Sustainability and ESG in commercial property valuation and strategic advice' professional standard reissued by the Royal Institution of Chartered Surveyors in May 2023. In a valuation context, sustainability involves the consideration of matters that include environment and climate change, health and wellbeing, and personal and corporate responsibility that can or do impact the valuation of an asset. This includes the consideration of capital expenditure required to maintain the utility of the asset due to the longer-term obsolescence and risk.

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- Investment properties are valued on an income approach that is based on current rental income plus anticipated uplifts at the next rent review, lease expiry, or break option taking into consideration lease incentives and assuming no further growth in the estimated rental value of the property. The uplift and discount rates are derived from rates implied by recent market transactions on similar properties. These inputs are deemed unobservable. The yield used to value the portfolio ranges from 17bps to 3407bps (2023: 20bps to 2620bps) with higher yields predominately relating to properties in the retail and leisure sectors. Over 95% of the portfolio is valued using spreads within the range from 17bps to 792bps (2023: 20bps to 795bps).

(ii) Loans

- Commercial mortgage loans and Primary Healthcare loans held by our IWR business are valued using a Portfolio Credit Risk Model. This model calculates a Credit Risk Adjusted Value for each loan. The risk adjusted cash flows are discounted using a yield curve plus an allowance for illiquidity. Loans valued using the Portfolio Credit Risk Model have been classified as Level 3 as the liquidity premium is deemed to be non-market observable. At 31 December 2024 the liquidity premium used in the discount rate was 185bps (2023: 170bps). Future capital expenditure costs of 0.9% per annum (2023: 0.9%) are included in the modelling of the Credit Risk Adjusted Value of the loans to address climate change actions, including potential climate-related impacts. The impact is a reduction in the fair value of the properties securing the loans.
- Equity release mortgage loans held by our IWR business are valued using an internal model, with fair value initially being equal to the transaction price. The value of these loans is dependent on the expected term of the mortgage and the forecast property value at the end of the term, and is calculated by adjusting future cash flows for credit risk and discounting using a yield curve plus an allowance for illiquidity. At 31 December 2024 the illiquidity premium used in the discount rate was 185bps (2023: 205bps).
- The equity release mortgages include a no negative equity guarantee ('NNEG') such that the cost of any potential shortfall between the value of the loan and the realised value of the property at the end of the term is recognised by a deduction to the value of the loan. Property valuations at the reporting date are obtained by taking the most recent valuation for the property and indexing using an internal house price index based on published Land Registry data. NNEG is calculated using base property growth rates reduced for the cost of potential dilapidations, using a stochastic model. In addition, a cost of capital charge is applied to reflect the variability in these cash flows. The base property growth rate assumption is RPI +0.75% (2023: RPI +0.75%) which includes a reduction to the growth rate of 0.75% per annum (2023: 0.75%) for the potential impact of climate change actions. The modelled growth rates include an adjustment for the 5-year period 2025-2029 to reflect the market view of short-term growth being lower than long-term average growth.
- The combination of the adjusted rate over the first five years and the base property growth rate equates to a long-term average growth rate of 3.7% per annum at 31 December 2024 (2023: 3.0%) over a twenty five year projection. After applying the cost of capital charge, dilapidations and the stochastic distribution, the effective net long-term growth rate equates to 1.2% per annum (2023: 0.8%).
- Infrastructure and Private Finance Initiative (PFI) loans held by our IWR business are valued using a discounted cash flow model. This adds spreads for credit and illiquidity to a risk-free discount rate. Credit spreads used in the discount rate are calculated using an internally developed methodology which depends on the credit rating of each loan, credit spreads on publicly traded bonds and an estimated recovery rate in event of default and are deemed to be unobservable. At 31 December 2024, the illiquidity premium used in the discount rate was 150bps (2023: 140bps) for the PFI loans and ranged from 25bps to 594bps (2023: 25bps to 594bps) for the infrastructure loans.

(iii) Fixed maturity securities

- Structured bond-type, non-standard debt products and privately placed notes held by our business in the UK do not trade in an active market. These fixed maturity securities are valued using discounted cash flow model, designed to appropriately reflect the credit and illiquidity risk of the instrument. These bonds have been classified as Level 3 because the valuation approach includes significant unobservable inputs and an element of subjectivity in determining appropriate credit and illiquidity spreads.
- Other fixed maturity securities held by our Life business in the UK which are not traded in an active market have been valued using third-party or counter party valuations. These prices are considered to be unobservable due to infrequent market transaction.
- The unobservable credit and illiquidity spreads used in the discount rate range from 34bps to 567bps (2023: 33bps to 499bps) with 99% of the modelled assets valued using spreads within the range from 38bps to 566bps (2023: 33bps to 419bps). Fixed maturity securities held by our UK and Asian businesses which are not traded in an active market have been valued using third-party or counterparty valuations. These prices are considered to be unobservable due to infrequent market transaction.

(iv) Equity securities

- Equity securities which primarily comprise private equity holdings held in the UK are valued by a number of third-party specialists. These are valued using a range of techniques, including earnings multiples, forecast cash flows and price/earnings ratios which are deemed to be unobservable.

(v) Other investments (including derivatives)

- Other investments are held for index-linked, unit-linked and with-profit funds and are valued based on external valuation reports received from fund managers. The investments consist of:
  - Unit trusts;
  - Other investment funds including property funds; and
  - Derivatives.
- Where valuations are at a date other than the balance sheet date, as is the case for some private equity funds, adjustments are made for items such as subsequent draw-downs and distributions and the fund manager's carried interest.

Notes to the consolidated financial statements

(vi) Liabilities

- The principal liabilities classified as Level 3 are securitised mortgage loan notes, presented within Borrowings, which are valued using a similar technique to the related Level 3 securitised mortgage assets. These liabilities are included within the relevant liability category within the sensitivity table below.

Sensitivities

The valuation of Level 3 assets involves a high degree of judgement and estimation uncertainty due to the reliance of valuation models on unobservable inputs. Where possible, the Group tests the sensitivity of the fair values of Level 3 assets and liabilities to changes in unobservable inputs to reasonable alternatives. Level 3 valuations are sourced from independent third parties when available and, where appropriate, validated against internally-modelled valuations, third-party models or broker quotes. Where third-party pricing sources are unwilling to provide a sensitivity analysis for their valuations, the Group undertakes, where feasible, sensitivity analysis on the following basis:

- For third-party valuations validated against internally-modelled valuations using significant unobservable inputs, the sensitivity of the internally-modelled valuation to changes in unobservable inputs to a reasonable alternative is determined.
- For third-party valuations either not validated or validated against a third-party model or broker quote, the third-party valuation in its entirety is considered an unobservable input. Sensitivities are determined by flexing inputs of internal models to a reasonable alternative, including the yield, NAV multiple or other suitable valuation multiples of the financial instrument implied by the third-party valuation. For example, for a fixed income security the implied yield would be the rate of return which discounts the security's contractual cash flows to equal the third-party valuation.

The tables below show the sensitivity of the fair value of Level 3 assets and liabilities to changes in unobservable inputs to a reasonable alternative:

				2024 Sensitivities			2023 Sensitivities	
	Most significant unobservable input	Reasonable alternative £bn	Fair value £bn	Positive impact £bn	Negative impact £bn	Fair value £bn	Positive impact £bn	Negative impact £bn
Investment property	Equivalent rental yields	+/-5-10%	6.3	0.2	(0.2)	6.2	0.3	(0.3)
Loans								
Commercial mortgage loans and Primary Healthcare loans	Illiquidity premium	+/-20 bps	10.1	0.1	(0.1)	9.3	0.1	(0.1)
Equity release mortgage loans	Base property growth rate	+/-50 bps p.a.	9.1	0.1	(0.1)	9.8	0.2	(0.2)
	Current property market values	+/-10%		0.3	(0.3)		0.3	(0.3)
Infrastructure and Private Finance Initiative (PFI) loans	Illiquidity premium	+/-25 bps[1]	6.2	0.1	(0.1)	7.0	0.2	(0.2)
Other	Illiquidity premium	+/-25 bps[1]	0.8	—	—	1.1	—	—
Fixed maturity securities								
Structured bond-type and non-standard debt products	Market spread (credit, liquidity and other)	+/-25 bps	2.2	0.2	(0.2)	1.5	0.1	(0.1)
Privately placed notes	Credit spreads	+/-25 bps[1]	4.6	0.2	(0.2)	4.0	0.1	(0.1)
Other fixed maturity securities	Credit and liquidity spreads	+/-20-25 bps	0.3	—	—	0.5	—	—
Equity securities	Market multiples applied to net asset values	+/-30bps	0.3	0.1	(0.1)	0.3	0.1	(0.1)
Other investments								
Property Funds	Market multiples applied to net asset values	+/-5-20%	0.2	—	—	0.2	—	—
Other investments (including derivatives)	Market multiples applied to net asset values	+/-10-40%[2]	0.6	0.1	(0.1)	0.7	0.1	(0.1)
Liabilities								
Borrowings	Illiquidity premium	+/-50 bps	(0.9)	—	—	(0.9)	—	—
Other liabilities (including derivatives)	Independent valuation vs counterparty	N/A	(0.2)	—	—	(0.3)	—	—
Total Level 3 investments			**39.5**	**1.4**	**(1.4)**	39.4	1.5	(1.5)

1. On discount rate spreads
2. Dependent on investment category

The above tables demonstrate the effect of a change in one unobservable input while other assumptions remain unchanged. In reality, there may be a correlation between the unobservable inputs and other factors. It should also be noted that some of these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

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(h) Liabilities not carried at fair value for which fair value is disclosed

The table below shows the fair value and fair value hierarchy for those liabilities not carried at fair value.

		2024					2023				
		Fair value hierarchy					Fair value hierarchy				
	Note	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Fair value total £m**	**As recognised in the consolidated statement of financial position line item £m**	Level 1 £m	Level 2 £m	Level 3 £m	Fair value total £m	As recognised in the consolidated statement of financial position line item £m
Liabilities not carried at fair value											
Borrowings	45(a)	**4,427**	**49**	**180**	**4,656**	**4,725**	5,104	—	258	5,362	5,433

24 - Loans

This note analyses the loans our Group companies have made, the majority of which are mortgage loans.

(a) Carrying amounts

The carrying amounts of loans were as follows:

		2024			2023		
	Note	**Mandatorily held at FVTPL £m**	**At amortised cost £m**	**Total £m**	Mandatorily held at FVTPL £m	At amortised cost £m	Total £m
Loans to banks		**463**	**4,023**	**4,486**	1,050	3,815	4,865
Healthcare, infrastructure & PFI other loans		**9,478**	**—**	**9,478**	8,766	—	8,766
UK securitised mortgage loans	25	**1,524**	**—**	**1,524**	1,633	—	1,633
Non-securitised mortgage loans		**14,716**	**—**	**14,716**	15,771	—	15,771
Other loans		**—**	**349**	**349**	—	849	849
Total loans		**26,181**	**4,372**	**30,553**	27,220	4,664	31,884
Less: Loans classified as held for sale		**—**	**—**	**—**	—	(199)	(199)
At 31 December		**26,181**	**4,372**	**30,553**	27,220	4,465	31,685

Of the above total loans, £25,131 million (2023: £25,595 million) are due to be recovered in more than one year after the statement of financial position date.

Loans at fair value
Fair values have been calculated by using cash flow models appropriate for each portfolio of mortgages. Further details of the fair value methodology and models utilised are given in note 23(g).

Healthcare, infrastructure and PFI other loans of £9,478 million (2023: £8,766 million) are secured against the income from healthcare and educational premises.

Non-securitised mortgage loans include £7,534 million (2023: £8,184 million) of residential equity release mortgages, £5,407 million (2023: £5,646 million) of commercial mortgages and £1,775 million (2023: £1,940 million) relating to UK primary healthcare and PFI businesses. The healthcare and PFI mortgage loans are secured against General Practitioner premises, other primary health-related premises or other emergency services related premises. For all such loans, government support is provided through either direct funding or reimbursement of rental payments to the tenants to meet income service and provide for the debt to be reduced substantially over the term of the loan. Although the loan principal is not government-guaranteed, the nature of these businesses and premises provides considerable comfort of an ongoing business model and low risk of default.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Loans at amortised cost
The carrying amount of these loans at both 31 December 2024 and 31 December 2023 was a reasonable approximation for their fair value.

(b) Analysis of loans carried at amortised cost

	2024			2023		
	At amortised cost £m	**Impairment £m**	**Carrying Value £m**	At amortised cost £m	Impairment £m	Carrying Value £m
Loans to banks	**4,023**	**—**	**4,023**	3,815	—	3,815
Other loans	**349**	**—**	**349**	849	—	849
Total loans at amortised cost	**4,372**	**—**	**4,372**	4,664	—	4,664
Less: Loans classified as held for sale	**—**	**—**	**—**	(199)	—	(199)
Total loans at amortised cost	**4,372**	**—**	**4,372**	4,465	—	4,465

There are no material expected credit losses on these loans.

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(c) Collateral

Loans to banks include cash collateral received under stock lending arrangements (see note 54 for further discussion regarding these collateral positions). The obligation to repay this collateral is included in payables and other financial liabilities (see note 46). The Group holds collateral in respect of loans where it is considered appropriate in order to reduce the risk of non-recovery. This collateral generally takes the form of liens or charges over properties for the majority of the loan balances above. In all other situations, the collateral must be in a readily realisable form, such as listed securities, and is held in segregated accounts.

25 – Securitised mortgages and related assets

The Group, in its IWR business, has loans receivable, secured by mortgages, which have then been securitised through non-recourse borrowings. This note gives details of the relevant transactions.

(a) Description of current arrangements

In a UK long-term business subsidiary, Aviva Equity Release UK Limited (AER), the beneficial interest in certain portfolios of lifetime mortgages has been transferred to five special purpose securitisation companies (the ERF companies), in return for initial consideration and, at later dates, deferred consideration. The deferred consideration represents receipts accrued within the ERF companies after meeting all their obligations to the note holders, loan providers and other third parties in the priority of payments. The purchases of the mortgages were funded by the issue of fixed and floating rate notes by the ERF companies.

All the shares in the ERF companies are held by independent companies, whose shares are held on trust. Although AER does not own, directly or indirectly, any of the share capital of the ERF companies or their parent companies, it has control of the securitisation companies, and they have therefore been treated as subsidiaries in the consolidated financial statements. AER has no right to repurchase the benefit of any of the securitised mortgage loans, other than in certain circumstances where AER is in breach of warranty or loans are substituted in order to effect a further advance.

AER has purchased subordinated notes and granted subordinated loans to some of the ERF companies. In addition, Group companies have invested £172 million (2023: £180 million) in loan notes issued by the ERF companies. These have been eliminated on consolidation through offset against the borrowings of the ERF companies in the statement of financial position.

In all of the above transactions, the Company and its subsidiaries are not obliged to support any losses that may be suffered by the note holders and do not intend to provide such support. Additionally, the notes were issued on the basis that note holders are only entitled to obtain payment, of both principal and interest, to the extent that the available resources of the respective special purpose securitisation companies, including funds due from customers in respect of the securitised loans, are sufficient and that note holders have no recourse whatsoever to other companies in the Aviva Group.

(b) Carrying values

The following table summarises the securitisation arrangements:

		2024		2023	
	Note	**Securitised assets £m**	**Securitised liabilities £m**	Securitised assets £m	Securitised liabilities £m
Securitised mortgage loans and loan notes issued	24	**1,524**	**(1,059)**	1,633	(1,121)
Other securitisation assets/(liabilities)		**278**	**(743)**	280	(792)
Total securitisation arrangements		**1,802**	**(1,802)**	1,913	(1,913)

Loan notes held by third parties are as follows:

	Note	**2024 £m**	2023 £m
Total loan notes issued, as above		**1,059**	1,121
Less: Loan notes held by Group companies		**(172)**	(180)
Loan notes held by third parties	45(c)(i)	**887**	941

26 – Interests in structured entities

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Group has interests in both consolidated and unconsolidated structured entities as described below.

The Group holds redeemable shares or units in investment vehicles, which consist of:

- Debt securities comprising of securitisation vehicles that Aviva does not originate. These investments are comprised of a variety of debt instruments, including asset-backed securities and other structured securities.
- Investment funds which include: hedge funds, liquidity funds, private equity funds, unit trusts, mutual funds and Private Finance Initiatives (PFIs).
- Specialised investment vehicles include Open-Ended Investment Companies (OEICs), Property Limited Partnerships (PLPs), Sociétés d'Investissement a Capital Variable (SICAVs), Tax Transparent Funds (TTFs) and other investment vehicles.

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The Group's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles. The investment manager makes investment decisions after extensive due diligence of the underlying investment vehicle including consideration of its strategy and the overall quality of the underlying investment vehicle's manager.

All of the investment vehicles in the investment portfolio are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

(a) Interests in consolidated structured entities

The Group has determined that where it has control over investment vehicles, these investments are consolidated structured entities. As at 31 December 2024, the Group has granted loans to consolidated PLPs for a total of £166 million (2023: £72 million). The purpose of these loans is to assist the consolidated PLPs to purchase or construct properties. The Group has also provided support, without having a contractual obligation to do so, to certain consolidated PLPs via letters of support amounting to £1 million (2023: £28 million). The Group has commitments to provide funding to consolidated structured entities of £31 million (2023: £159 million), primarily relating to a commitment to provide funding to the Aviva Investors Climate Transition Real Assets Fund.

The Group has also given support to five special purpose securitisation companies (the ERF companies) that are consolidated structured entities. As set out in note 25, at the inception of the securitisation vehicles, the UK subsidiary, Aviva Equity Release UK Limited (AER), has granted subordinated loan facilities to some of the ERF companies. AER receives various fees in return for the services provided to the entities. AER receives cash management fees based on the outstanding loan balance at the start of each quarter for the administration of the loan note liabilities. AER receives portfolio administration fees as compensation for managing the mortgage assets. See note 25 for details of securitised mortgages and related assets as at 31 December 2024.

As at the reporting date, the Group has no intentions to provide financial or other support in relation to any other investment vehicles.

(b) Interests in unconsolidated structured entities

As part of its investment activities, the Group invests in unconsolidated structured entities. As at 31 December 2024, the Group's total interest in unconsolidated structured entities was £63,444 million (2023: £50,033 million) on the Group's statement of financial position. The Group's total interest in unconsolidated structured entities is classified as 'interests in, and loans to, joint ventures and associates' and 'financial investments held at fair value through profit or loss'. The Group does not sponsor any of the unconsolidated structured entities.

A summary of the Group's interest in unconsolidated structured entities is as follows:

					2024					2023
	Interest in, and loans to, joint ventures £m	**Interest in, and loans to, associates £m**	**Financial investments £m**	**Loans £m**	**Total assets £m**	Interest in, and loans to, joint ventures £m	Interest in, and loans to, associates £m	Financial investments £m	Loans £m	Total assets £m
Structured debt securities[1]	**—**	**—**	**4,014**	**—**	**4,014**	—	—	3,983	—	3,983
Unit trust and other investment vehicles	**—**	**—**	**47,632**	**—**	**47,632**	—	—	34,159	—	34,159
PLPs and property funds	**898**	**37**	**651**	**—**	**1,586**	927	159	702	—	1,788
Other	**—**	**—**	**433**	**—**	**433**	—	—	416	—	416
Other investments	**898**	**37**	**48,716**	**—**	**49,651**	927	159	35,277	—	36,363
Loans[2]	**—**	**—**	**—**	**9,779**	**9,779**	—	—	—	9,687	9,687
Total	**898**	**37**	**52,730**	**9,779**	**63,444**	927	159	39,260	9,687	50,033

1. Primarily reported within other debt securities in note 27(a)
2. Loans include Healthcare, Infrastructure & PFI other loans along with certain non-securitised mortgage loans

The Group's maximum exposure to loss related to the interests in unconsolidated structured entities is £63,444 million (2023: £50,033 million).

The majority of debt securities above are investment grade securities held by the UK business. In some cases, the Group may be required to absorb losses from an unconsolidated structured entity before other parties when and if Aviva's interest is more subordinated with respect to other owners of the same security.

For commitments to property management joint ventures and associates, please see notes 18 and 19, respectively. The Group has not provided any other financial or other support in addition to that described above as at the reporting date, and there are no intentions to provide support in relation to any other unconsolidated structured entities in the foreseeable future.

In relation to risk management, disclosures on debt securities and investment vehicles are given in note 52(b). In relation to other guarantees and commitments that the Group provides in the course of its business, please see note 48(f).

Aviva's interest in unconsolidated structured entities under management at 31 December 2024 amounts to £1,872 million (2023: £1,167 million) and the total funds under management relating to these investments at 31 December 2024 is £15,233 million (2023: £14,209 million).

Notes to the consolidated financial statements

(c) Other interests in unconsolidated structured entities

The Group receives management fees and other fees in respect of its asset management businesses. The Group does not sponsor any of the funds or investment vehicles from which it receives fees. Management fees received for investments that the Group manages, but does not have a holding in, also represent an interest in unconsolidated structured entities. As these investments are not held by the Group, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees.

The table below shows the assets under management of entities that the Group manages but does not have a holding in and the fees earned from those entities.

	2024 Assets under management £m	**2024** Investment management fees £m	2023 Assets under management £m	2023 Investment management fees £m
OEICs	**—**	**—**	387	1
PLPs	**2,608**	**17**	4,258	16
SICAVs	**606**	**3**	831	3
Specialised investment vehicles	**3,214**	**20**	5,476	20

27 - Financial investments

This note analyses our financial investments by type and shows their cost and fair value. These will change from one period to the next as a result of new business written, claims paid and market movements.

(a) Carrying amount

Financial investments comprise:

	Note	**2024 £m**	2023 £m
UK government		**25,759**	24,281
Non-UK government	27(d)	**25,418**	24,722
Corporate bonds - public utilities		**4,334**	5,563
Other corporate bonds		**49,764**	46,385
Other		**2,656**	2,313
Debt securities		**107,931**	103,264
Certificates of deposit		**7,608**	10,625
Fixed maturity securities		**115,539**	113,889
Public utilities		**1,793**	2,732
Banks, trusts and insurance companies		**13,412**	19,337
Industrial, miscellaneous and all other		**80,809**	70,410
Ordinary shares		**96,014**	92,479
Non-redeemable preference shares		**26**	93
Equity securities		**96,040**	92,572
Unit trusts and other investment vehicles		**47,632**	34,159
Derivative financial instruments	53	**3,335**	3,992
Deposits with credit institutions		**267**	77
Minority holdings in property management undertakings		**651**	702
Other investments – long-term		**185**	184
Other investments – short-term		**330**	256
Other investments		**52,400**	39,370
Total financial investments		**263,979**	245,831

Financial investments are held mandatorily at fair value through profit or loss (FVTPL) as the investments are managed and their performance evaluated on a fair value basis to support the Group in managing its capital on a regulatory basis (Solvency II).

Of the above total, excluding those financial investments with no fixed contractual maturity date, £98,103 million (2023: £93,033 million) is due to be recovered in more than one year after the statement of financial position date.

Other debt securities of £2,656 million (2023: £2,313 million) include residential and commercial mortgage-backed securities, as well as other structured credit securities.

Financial investments include £4,428 million (2023: £3,511 million) in respect of non-cash collateral pledged to third parties where the economic rights are retained by the Group.

Notes to the consolidated financial statements

(b) Cost, unrealised gains and fair value

The following is a summary of the cost/amortised cost, gross unrealised gains and losses and fair value of financial investments:

				2024				2023
	Cost/ amortised cost £m	Unrealised gains £m	Unrealised losses and impairments £m	Fair value £m	Cost/ amortised cost £m	Unrealised gains £m	Unrealised losses and impairments £m	Fair value £m
Fixed maturity securities	**124,443**	**1,316**	**(10,220)**	**115,539**	121,436	2,757	(10,304)	113,889
Equity securities	**78,080**	**22,742**	**(4,782)**	**96,040**	77,769	19,849	(5,046)	92,572
Unit trusts and other investment vehicles	**39,457**	**8,825**	**(650)**	**47,632**	36,601	14,231	(16,673)	34,159
Derivative financial instruments	**(82)**	**4,396**	**(979)**	**3,335**	(90)	5,156	(1,074)	3,992
Deposits with credit institutions	**267**	**—**	**—**	**267**	77	—	—	77
Minority holdings in property management undertakings	**661**	**56**	**(66)**	**651**	705	57	(60)	702
Other investments – long-term	**216**	**14**	**(45)**	**185**	194	21	(31)	184
Other investments – short-term	**330**	**—**	**—**	**330**	256	—	—	256
Other investments	**40,849**	**13,291**	**(1,740)**	**52,400**	37,743	19,465	(17,838)	39,370
Total financial investments	**243,372**	**37,349**	**(16,742)**	**263,979**	236,948	42,071	(33,188)	245,831

All unrealised gains and losses and impairments on financial investments classified as fair value through profit or loss have been recognised in the income statement.

Unrealised gains and losses on financial investments classified as fair value through profit or loss, recognised in the income statement in the year, were a net gain of £10,142 million (2023: £8,779 million net gain). Of this net gain, £11,845 million net gain (2023: £6,606 million net gain) related to investments designated as other than trading and £(1,703) million net loss (2023: £2,173 million net gain) related to financial investments designated as trading.

The movement in the unrealised gain/loss position reported in the statement of financial position during the year, shown in the table above, includes foreign exchange movements on the translation of unrealised gains and losses on financial investments held by foreign subsidiaries, which are recognised in other comprehensive income, as well as transfers due to the realisation of gains and losses on disposal and the recognition of impairment losses.

(c) Financial investment arrangements

(i) Stock lending arrangements

The Group has entered into stock lending arrangements in the UK and overseas in accordance with established market conventions. The majority of the Group's stock lending transactions occur in the UK, where investments are lent to EEA-regulated, locally domiciled counterparties and governed by agreements written under English law.

The Group receives collateral in order to reduce the credit risk of these arrangements, either in the form of securities or cash. See note 54 for further discussion regarding collateral positions held by the Group.

(ii) Other arrangements

In carrying on its bulk purchase annuity business, the Group's IWR operation is required to place certain investments in trust on behalf of the policyholders. Amounts become payable from the trust funds to the trustees if the Group were to be in breach of its payment obligations in respect of policyholder benefits. At 31 December 2024, £1,419 million (2023: £1,570 million) of financial investments were restricted in this way.

Certain financial investments are also required to be deposited under local laws in various overseas countries as security for the holders of policies issued in those countries. Other investments are pledged as security collateral for bank letters of credit.

Notes to the consolidated financial statements

(d) Non-UK government fixed maturity securities (gross of non-controlling interests)

The following is a summary of non-UK government debt.

	2024 Total £m	2023 Total £m
Belgium	**849**	715
Czech Republic	**294**	361
France	**935**	619
Germany	**375**	481
Italy	**428**	465
Luxembourg	**354**	310
Poland	**653**	458
European supranational debt	**1,132**	1,957
Other European countries	**2,076**	1,597
Europe	**7,096**	6,963
Canada	**2,776**	2,949
United States	**6,296**	5,273
North America	**9,072**	8,222
Chile	**432**	528
China	**707**	564
India	**921**	802
Indonesia	**560**	434
Japan	**2,439**	1,995
Mexico	**240**	399
South Africa	**85**	308
South Korea	**598**	566
United Arab Emirates	**382**	372
Other supranational debt	**605**	825
Other	**2,281**	2,744
Asia Pacific and other	**9,250**	9,537
Total Non-UK government fixed maturity securities	**25,418**	24,722

28 - Receivables

This note analyses our total receivables.

	2024 £m	2023 £m
Amounts owed by contract holders for non-participating investment contracts	**148**	122
Amounts owed by intermediaries	**1,239**	1,115
Amounts due from reinsurers for non-participating investment contracts	**126**	96
Amounts due from brokers for investment sales	**107**	601
Amounts receivable for collateral pledged	**153**	165
Amounts due from government, social security and taxes	**797**	675
Finance lease receivables	**197**	153
Other receivables	**1,046**	794
Total receivables	**3,813**	3,721
Expected to be recovered in less than one year	**3,775**	3,552
Expected to be recovered in more than one year	**38**	169
Total receivables	**3,813**	3,721

Exposure to significant concentrations of credit risk is limited due to the regulations applicable in most markets and the Group credit policy and limits framework, which limits investments in individual assets and asset classes.

Notes to the consolidated financial statements

29 - Deferred acquisition costs on non-participating investment contracts

(a) Carrying amount and movements in the year

	2024 Total £m	2023 Total £m
Carrying amount at 1 January	**788**	851
Acquisition costs deferred during the year	**96**	78
Amortisation	**(45)**	(116)
Impact of assumption changes	**(10)**	(32)
Foreign exchange rate movements	**(8)**	(3)
Other movements[1]	**—**	10
Carrying amount at 31 December	**821**	788

1. Other movements in 2023 related to an allocation of £10 million to deferred acquisition costs from deferred income liability

Deferred acquisition costs (DAC) on non-participating investment contracts are generally recoverable in more than one year. Of the above total, £712 million (2023: £767 million) is expected to be recovered in more than one year after the statement of financial position date. Where amortisation of the DAC balance depends on projected profits, the amount expected to be recovered is estimated and actual experience will differ.

DAC for non-participating business increased overall over 2024 as increases from new business sales more than offset amortisation.

Where amortisation of the DAC balance depends on projected profits, changes to economic conditions may lead to a movement in the DAC balance and a corresponding impact on profit.

At both 31 December 2024 and 31 December 2023 the DAC balance has been restricted by the value of projected future profits.

30 - Pension surpluses, other assets, prepayments and accrued income

(a) Pension surpluses and other assets - carrying amount

The carrying amount comprises:

	Note	2024 £m	2023 £m
Surpluses in the staff pension schemes	44(a)	**451**	817
Other assets		**10**	45
Total pension surpluses and other assets		**461**	862

Surpluses in the staff pension schemes and £nil (2023: £nil) of other assets are recoverable more than one year after the statement of financial position date.

(b) Prepayments and accrued income

Prepayments and accrued income of £3,344 million (2023: £3,392 million) are expected to be recovered within one year.

31 - Ordinary share capital

This note gives details of Aviva plc's ordinary share capital and shows the movements during the year.

(a) Carrying amount

Details of the Company's ordinary share capital are as follows:

	2024 £m	2023 £m
The allotted, called up and fully paid share capital of the Company was: 2,677,649,489 (2023: 2,739,487,140) ordinary shares of $32^{17/19}$ pence each	**881**	901

At the Annual General Meeting that took place on 4 May 2024, the Company was authorised to allot up to a further maximum nominal amount of:

- £598 million of which £299 million can be in connection with an offer by way of a rights issue
- £150 million in relation to any issue of UK Solvency II compliant capital instruments

(b) Movement in issued share capital

	Note	2024 $32^{17/19}$p each	2024 Share capital £m	2023 $32^{17/19}$p each	2023 Share capital £m
At 1 January		**2,739,487,140**	**901**	2,807,964,676	924
Shares issued under the Group's Employee and Executive Share Option Schemes		**977,966**	**—**	4,319,655	1
Shares cancelled through buyback	31(b)(i)	**(62,815,617)**	**(20)**	(72,797,191)	(24)
31 December		**2,677,649,489**	**881**	2,739,487,140	901

Notes to the consolidated financial statements

Ordinary shares in issue in the Company rank pari passu with any new ordinary shares issued in the Company. All the ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company.

(i) Share buyback
On 7 March 2024, Aviva announced a share buyback programme for up to a maximum aggregate consideration of £300 million to commence immediately (the "Programme"). On 1 July 2024, Aviva announced that it had successfully completed the Programme. In total, 62,815,617 shares were purchased with a nominal value of £20 million and were subsequently cancelled, giving rise to an additional capital redemption reserve of an equivalent amount. The 62,815,617 shares were acquired at an average price of 478 pence per share.

On 9 March 2023, Aviva announced a share buyback programme for up to a maximum aggregate consideration of £300 million to commence on 10 March 2023 (the "Programme"). On 2 June 2023, Aviva announced that it had successfully completed the Programme. In total, 72,797,191 shares were purchased with a nominal value of £24 million and were subsequently cancelled, giving rise to an additional capital redemption reserve of an equivalent amount. The 72,797,191 shares were acquired at an average price of 412 pence per share.

32 – Group's share plans

This note describes various equity compensation plans operated by the Group, and shows how the Group values the options and awards of shares in the Company.

(a) Description of the plans

The Group maintains a number of active share option and award plans and schemes across all markets (the Group's share plans). All employees are eligible for share plans and the plans offered are as follows:

Plan	Description
(i) Savings-related options	These are options granted under the tax-advantaged Save As You Earn (SAYE) share option scheme in the UK and Irish revenue-approved SAYE share option scheme in Ireland. The SAYE allows eligible employees to acquire options over the Company's shares at a discount of up to 20% of their market value at the date of grant. Options are normally exercisable during the six month period following either the third or fifth anniversary of the start of the relevant savings contract. Seven year contracts were offered prior to 2012. Savings contracts are subject to the statutory savings limits of £500 per month in the UK and €500 per month in Ireland. A limit of £250 per month was applied to contracts in the UK prior to 2016.
(ii) Aviva long-term incentive plan awards	These awards have been made under the Aviva Long-Term Incentive Plan 2011 (LTIP), and are described in section (b) below and in the directors' remuneration report.
(iii) Aviva annual bonus plan awards	These awards have been made under the Aviva Annual Bonus Plan 2011 (ABP), and are described in section (b) below and in the directors' remuneration report.
(iv) Aviva recruitment and retention share plan awards	These are conditional awards granted under the Aviva Recruitment and Retention Share Award Plan (RRSAP) in relation to the recruitment or retention of senior managers excluding executive directors. The awards vest in tranches on various dates and vesting is conditional upon the participant being employed by the Group on the vesting date and not having served notice of resignation. Some awards can be subject to performance conditions. If a participant's employment is terminated due to resignation or dismissal, any tranche of the award which has vested within the 12 months prior to the termination date will be subject to clawback and any unvested tranches of the award will lapse in full.
(v) Aviva Investors deferred share award plan awards	These awards have been made under the Aviva Investors Deferred Share Award Plan (AI DSAP), where employees can choose to have the deferred element of their bonus deferred into awards over Aviva shares. The awards vest in three equal tranches on the second, third and fourth year following the year of grant.
(vi) Various all employee share plans	The Company maintains a number of active stock option and share award voluntary schemes: a) The global matching share plan b) Aviva Group employee share ownership scheme

No new Aviva plc ordinary shares will be issued to satisfy awards made under plans (iv), (v), (vi b).

Notes to the consolidated financial statements

(b) Outstanding options

The following table summarises information about options outstanding at 31 December:

Range of exercise prices	2024 Outstanding options number	2024 Weighted average remaining contractual life years	2024 Weighted average exercise price pence	2023 Outstanding options number	2023 Weighted average remaining contractual life years	2023 Weighted average exercise price pence
£2.20 - £3.16	**25,945,027**	**2.24**	**269.98**	35,089,530	2.65	260.47
£3.17 - £3.67	**7,182,408**	**1.57**	**334.00**	9,043,614	2.40	333.38
£3.68 - £4.19	**7,005,319**	**3.93**	**403.00**	138,673	0.41	387.16

(c) Movements in the year

A summary of the status of the option and share plans as at 31 December 2024 and 2023, and changes during the years ended on those dates, is shown below.

	2024 Options number	2024 Weighted average exercise price years	2024 Awards number	2023 Options number	2023 Weighted average exercise price years	2023 Awards number
Outstanding at 1 January	**44,271,817**	**275.76**	**36,796,790**	43,965,547	255.64	40,030,981
Granted during the year	**7,125,550**	**403.00**	**17,149,117**	17,123,614	298.00	17,236,818
Exercised during the year	**(9,438,680)**	**243.12**	**(12,801,800)**	(13,599,458)	233.58	(16,024,769)
Forfeited during the year	**(1,531,527)**	**311.15**	**(3,284,766)**	(2,624,572)	301.08	(4,446,240)
Cancelled during the year	**(219,853)**	**283.42**	**—**	(299,957)	257.82	—
Expired during the year	**(74,553)**	**304.66**	**—**	(293,357)	305.61	—
Outstanding at 31 December	**40,132,754**		**37,859,342**	44,271,817	275.76	36,796,790
Exercisable at 31 December	**2,652,142**	**308.30**	**—**	6,917,910	222.99	—

(d) Expense charged to the income statement

The total expense recognised for the year arising from equity compensation plans was as follows:

	2024 £m	2023 £m
Equity-settled expense	**(61)**	(61)

(e) Fair value of options and awards

The weighted average fair values of options and awards granted during the year, estimated by using the Binomial option pricing model and Monte Carlo Simulation model, were £0.96 and £4.73 (2023: £0.86 and £3.75) respectively.

(i) Share options
The fair value of the options was estimated on the date of grant, based on the following weighted average assumptions:

Weighted average assumption	2024	2023
Share price	**484p**	376p
Exercise price	**403p**	298p
Expected volatility	**24.58 %**	32.13 %
Expected life	**4.19 years**	4.11 years
Expected dividend yield	**7.07 %**	8.47%
Risk-free interest rate	**3.63 %**	4.41%

The expected volatility used was based on the historical volatility of the share price over a period equivalent to the expected life of the option prior to its date of grant. The risk-free interest rate was based on the yields available on UK government bonds as at the date of grant. The bonds chosen were those with a similar remaining term to the expected life of the options. 9,438,680 options were exercised during the year (2023: 13,599,458).

(ii) Share awards
The fair value of the awards was estimated on the date of grant based on the following weighted average assumptions:

Weighted average assumption	2024	2023
Share price	**489p**	393p
Expected volatility[1]	**30 %**	33 %
Expected volatility of comparator companies' share price[1]	**29 %**	30 %
Correlation between Aviva and comparator competitors' share price[1]	**49 %**	55 %
Expected life[1]	**3.00 years**	3.00 years
Expected dividend yield	**0.00 %**	0.00%
Risk-free interest rate[1]	**4.02 %**	3.32 %

1. For awards with market-based performance conditions only

Notes to the consolidated financial statements

33 - Treasury shares

The following table summarises information about treasury shares:

	number	2024 £m	number	2023 £m
Shares held by employee trusts	**17,993,161**	**81**	21,193,467	87
Total treasury shares	**17,993,161**	**81**	21,193,467	87

Shares held by employee trusts

Prior to 2021, we primarily issued new shares except where it is necessary to use shares held by an employee share trust. From 2021, we satisfy awards and options granted under the Group's share plans primarily through shares purchased in the market and held by employee share trusts. This note gives details of the shares held in these trusts.

Movements in the carrying value of shares held by employee trusts comprise:

	number	2024 £m	number	2023 £m
At 1 January	**21,193,467**	**87**	19,986,626	85
Acquired in the year	**11,013,221**	**53**	18,905,610	76
Distributed in the year	**(14,213,527)**	**(59)**	(17,698,769)	(74)
At 31 December	**17,993,161**	**81**	21,193,467	87

The shares are owned by employee share trusts with an undertaking to satisfy awards of shares in the Company under the Company's share plans and schemes. Details of the features of the plans can be found in the directors' remuneration report and/or in note 32.

These shares were either purchased in the market or, in 2015, new shares were issued to the trust and are carried at weighted average cost. At 31 December 2024, they had an aggregate nominal value of £5,918,803 (2023: £6,971,535) and a market value of £84,351,939 (2023: £92,128,001). The trustees have waived their rights to dividends on the shares held in the trusts.

34 - Preference share capital

The issued and paid up preference share capital of the Company at 31 December was:

	2024 £m	2023 £m
100,000,000 8.375% cumulative irredeemable preference shares of £1 each	**100**	100
100,000,000 8.75% cumulative irredeemable preference shares of £1 each	**100**	100
Total preference share capital	**200**	200

The issued preference shares are non-voting except where their dividends are in arrears, on a winding up or where their rights are altered.

On a winding up, they carry a preferential right of return of capital ahead of the ordinary shares. Holders are entitled to receive dividends out of the profits available for distribution and resolved to be distributed in priority to the payment of dividends to holders of ordinary shares. The Company does not have a contractual obligation to deliver cash or other financial assets to the preference shareholders and therefore the directors may make dividend payments at their discretion.

At 31 December 2024, the fair value of Aviva plc's preference share capital was £273 million (2023: £261 million).

35 - Tier 1 notes

The carrying amount of Tier 1 notes at 31 December was:

	2024 £m	2023 £m
Tier 1 notes	**496**	496

On 15 June 2022, Aviva plc issued £500 million of 6.875% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes (the RT1 notes). The RT1 notes are callable at par between 15 December 2031 and 15 June 2032 (the First Reset Date) inclusive and thereafter every five years after the First Reset Date. If not called, the coupon from 15 June 2032 will be reset to the prevailing five year benchmark gilt yield plus 4.649%. The notes have no fixed maturity date. Optional cancellation of coupon payments is at the discretion of Aviva plc and mandatory cancellation is upon the occurrence of certain conditions. The RT1 notes are therefore treated as equity and the coupon payment is recognised directly in equity. During the year coupon payments of £34 million were made (2023: £34 million). On the occurrence of certain conversion trigger events the notes are convertible into ordinary shares of Aviva plc.

Notes to the consolidated financial statements

36 - Capital reserves and retained earnings

This note analyses the movements in the consolidated capital reserves and retained earnings during the year.

		2024				2023			
		Capital reserves				Capital reserves			
	Note	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Retained earnings £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Retained earnings £m
At 1 January		17	24	5,224	2,228	1,263	3,855	5,224	(2,328)
Profit for the year attributable to equity shareholders		—	—	—	683	—	—	—	1,085
Remeasurements of pension schemes	44(b)(i)	—	—	—	(386)	—	—	—	(495)
Dividends and appropriations	15	—	—	—	(972)	—	—	—	(929)
Shares purchased in buyback	31(b)(i)	—	20	—	(300)	—	24	—	(300)
Capital Reductions	36(b)	—	—	—	—	(1,253)	(3,855)	—	5,108
Net shares issued under equity compensation plans		—	—	—	(27)	7	—	—	(35)
Owner-occupied properties fair value gains transferred to retained earnings on disposals		—	—	—	21	—	—	—	—
Aggregate tax effect		—	—	—	141	—	—	—	122
31 December		**17**	**44**	**5,224**	**1,388**	17	24	5,224	2,228

(a) Capital Reductions

At a General Meeting of Aviva held on 4 May 2023, Aviva received shareholder approval to a reduction of £1,253 million in its share premium account and to a reduction of £3,855 million in its capital redemption reserve (the Capital Reductions). The Capital Reductions received Court approval on 23 May 2023 and were effected on 25 May 2023.

(b) Aviva plc company

Retained earnings of Aviva plc, the Company, were £10,397 million at 31 December 2024 (2023: £10,589 million) (see note H on the Company Financial statements).

37 - Other reserves

This note gives details of the other reserves forming part of the Group's consolidated equity and shows the movements during the year net of non-controlling interests:

	2024						2023					
	Currency translation reserve	Owner occupied properties reserve	Investment valuation reserve	Hedging instruments reserve	Equity compensation reserve	Total Other reserves	Currency translation reserve	Owner occupied properties reserve	Investment valuation reserve	Hedging instruments reserve	Equity compensation reserve	Total Other reserves
Accounting policy	E	P	T	U	AB		E	P	T	U	AB	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January	378	22	(3)	(240)	122	279	485	22	(3)	(262)	113	355
Foreign exchange rate movements	(156)	—	—	52	—	(104)	(111)	—	—	28	—	(83)
Aggregate tax effect - shareholders' tax	3	—	—	(13)	—	(10)	4	—	—	(6)	—	(2)
Total other comprehensive income for the year	(153)	—	—	39	—	(114)	(107)	—	—	22	—	(85)
Fair value gains transferred to retained earnings on disposals	—	(21)	—	—	—	(21)	—	—	—	—	—	—
Transfer to profit on disposal of subsidiaries, joint ventures and associates	(17)	—	—	(4)	—	(21)	—	—	—	—	—	—
Reserves credit for equity compensation plans	—	—	—	—	61	61	—	—	—	—	61	61
Shares issued under equity compensation plans	—	—	—	—	(48)	(48)	—	—	—	—	(52)	(52)
At 31 December	**208**	**1**	**(3)**	**(205)**	**135**	**136**	378	22	(3)	(240)	122	279

Foreign exchange rate movements recorded in the consolidated statement of comprehensive income of £(107) million (2023 : £(86) million) relate to foreign exchange rate movements on the currency translation reserve of £(156) million (2023 : £(111) million), the hedging instrument reserve of £52 million (2023: £28 million) and non-controlling interests (see note 38) of £(3) million (2023: £(3) million).

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38 - Non-controlling interests

This note gives details of the Group's non-controlling interests and shows the movements during the year.

	2024 £m	2023 £m
At 1 January	**318**	310
Profit for the year attributable to non-controlling interests	**22**	21
Foreign exchange rate movements	**(3)**	(3)
Total comprehensive income attributable to non-controlling interests	**19**	18
Changes in non-controlling interests in subsidiaries	**—**	9
Non-controlling interests share of dividends declared in the year	**(21)**	(21)
Non-controlling interest in acquired subsidiaries	**—**	2
At 31 December	**316**	318
Comprising:		
Equity shares in subsidiaries	**66**	68
Preference shares in subsidiaries	**250**	250
Total non-controlling interests	**316**	318

39 - Insurance and reinsurance contracts

For the purpose of this note, all references to insurance contracts include participating investment contracts. The Group has presented the information about insurance and reinsurance contracts using the following product groups.

Reportable product group	Products and services	Measurement model
Life risk (see note 39(b)(i))	• Annuities (bulk purchase and individual), term assurance, income protection and critical illness • Includes participating pension saving contracts with guaranteed annuity terms as these contracts are expected to convert to annuity contracts and the predominant characteristics are life risk	General Measurement Model (GMM)
Life participating (see note 39(b)(ii))	• With profits savings contracts, unit linked insurance and unit linked participating contracts	Predominantly measured using the Variable Fee Approach (VFA). There is some participating business which is measured using the GMM.
Non-life (see note 39(b)(iii))	• General insurance contracts • Health insurance contracts	Predominantly measured using the Premium Allocation Approach (PAA). There is a small portion of non-life business which is measured using the GMM.

This note analyses the following in respect of these insurance and reinsurance contracts:
(a) Carrying amount
(b) Movements in the year
(c) Assets of insurance acquisition cashflows
(d) Effect of contracts initially recognised in the year
(e) Contractual service margin (CSM) emergence
(f) Non-life claims development
(g) Significant judgements, estimates and assumptions
(h) Financial guarantees and options

(a) Carrying amount

Insurance and reinsurance contracts at 31 December comprised:

	Note	**Life risk £m**	**Participating £m**	**Non-life £m**	**2024 Total £m**	Life risk £m	Participating £m	Non-life £m	2023 Total £m
Insurance contracts									
Insurance contract balances	39(b)	**71,452**	**37,225**	**15,694**	**124,371**	68,134	39,544	14,372	122,050
Assets for insurance acquisition cashflows	39(c)	**—**	**—**	**(220)**	**(220)**	—	—	(175)	(175)
Total insurance contract liabilities		**71,452**	**37,225**	**15,474**	**124,151**	68,134	39,544	14,197	121,875
Reinsurance contracts									
Reinsurance contract assets	39(b)	**(7,579)**	**—**	**(2,121)**	**(9,700)**	(5,739)	—	(1,965)	(7,704)

Carrying amounts of insurance and reinsurance contracts expected to be settled/(recovered) more than 12 months from reporting date:

	2024 £m	2023 £m
Insurance contract and participating investment contract liabilities	**110,330**	104,773
Reinsurance contract assets	**(8,330)**	(5,501)

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At 31 December 2024, the maximum exposure to credit risk from insurance contracts is £2,319 million (2023: £2,664 million), which primarily relates to premiums receivable for services that the Group has already provided, and the maximum exposure to credit risk from reinsurance contracts is £7,742 million (2023: £6,534 million).

(b) Movements in the year

The following movements have occurred in the carrying amount of insurance contract balances in the year:

Carrying amount	Note	**2024 £m**	2023 £m
At 1 January		**122,050**	117,639
Insurance revenue	4	**(20,747)**	(18,497)
Insurance service expenses		**18,240**	16,217
Insurance finance expense		**1,121**	7,228
Foreign exchange rate movements and other charges		**(571)**	(300)
Premiums received		**25,928**	20,532
Claims and expenses paid, including investment component		**(19,446)**	(17,628)
Acquisition cash flows		**(3,557)**	(3,141)
Effect of portfolio transfers, acquisitions and disposals		**1,353**	—
At 31 December		**124,371**	122,050

Included within the carrying amounts are: the present value of expected future cashflows, representing a best estimate view; risk adjustment for non-financial risk; and CSM representing the unearned profit for future service.

The carrying amount for reinsurance contracts are recognised separately from insurance contract balances. Detailed movements on both are included in sections 39(b)(i) to 39(b)(iii).

The following summarises movements in CSM that have occurred during the year:

	Life risk £m	**Participating £m**	**Non-life £m**	**2024 Total £m**	Life risk £m	Participating £m	Non-life £m	2023 Total £m
CSM in respect of insurance contracts								
At 1 January	**7,378**	**1,040**	**—**	**8,418**	5,714	1,218	—	6,932
CSM recognised for services provided	**(821)**	**(178)**	**(1)**	**(1,000)**	(729)	(151)	—	(880)
Other movements in CSM	**1,575**	**261**	**7**	**1,843**	2,393	(27)	—	2,366
Effect of portfolio transfers, acquisitions and disposals	**365**	**—**	**—**	**365**	—	—	—	—
At 31 December	**8,497**	**1,123**	**6**	**9,626**	7,378	1,040	—	8,418
CSM in respect of reinsurance contracts								
At 1 January	**(1,170)**	**—**	**—**	**(1,170)**	(452)	—	—	(452)
CSM recognised for services received	**129**	**—**	**—**	**129**	80	—	—	80
Other movements in CSM	**(495)**	**—**	**(2)**	**(497)**	(798)	—	—	(798)
Effect of portfolio transfers, acquisitions and disposals	**(316)**	**—**	**—**	**(316)**	—	—	—	—
At 31 December	**(1,852)**	**—**	**(2)**	**(1,854)**	(1,170)	—	—	(1,170)
Net CSM at 1 January	**6,208**	**1,040**	**—**	**7,248**	5,262	1,218	—	6,480
Net CSM at 31 December	**6,645**	**1,123**	**4**	**7,772**	6,208	1,040	—	7,248

Other movements in CSM include:
- Recognition of additional CSM in respect of new insurance and reinsurance contracts recognised in the year;
- Remeasurement of existing contracts (covering non-financial assumption changes and experience variances for all contracts, plus financial assumption changes and experience variances for contracts in scope of the VFA); and
- For contracts in scope of the GMM, interest accretion on the CSM balance which is recognised within net finance expense/income from insurance contracts;

There are also changes in CSM arising as a result of portfolio transfers, acquisitions and disposals.

Each of these items can be seen in more detail in the respective tables in section 39(b)(i) for life risk, 39(b)(ii) for participating and 39(b)(iii) for non-life.

For insurance contracts the largest driver of the movement in CSM for 2023 was longevity assumption changes on annuity contracts. These were not repeated in 2024, leading to the smaller balance of other movements in CSM (excluding acquisitions).

Assumption changes are described in more detail in note 41.

The CSM recognised for services provided on insurance contracts in the year of £1,000 million (2023: £880 million) is a key component of insurance revenue.

The CSM asset in respect of reinsurance contracts has also increased, with a key driver being acquisition activity.

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The following summarises movements in the risk adjustment that have occurred during the year:

2024	**Life Risk £m**	**Life Participating £m**	**Non-life PAA £m**	**Non-life GMM £m**	**Non-life Total £m**	**Total £m**
Risk adjustment in respect of insurance contracts						
At 1 January	**1,363**	**65**	**523**	**—**	**523**	**1,951**
Change in risk adjustment for risk expired	**(109)**	**(3)**	**—**	**(1)**	**(1)**	**(113)**
Other movements in risk adjustment	**61**	**(7)**	**27**	**—**	**27**	**81**
Effect of portfolio transfers, acquisitions and disposals	**75**	**—**	**—**	**10**	**10**	**85**
At 31 December	**1,390**	**55**	**550**	**9**	**559**	**2,004**
Risk adjustment in respect of reinsurance contracts						
At 1 January	**(639)**	**—**	**(80)**	**(70)**	**(150)**	**(789)**
Change in risk adjustment for risk expired	**44**	**—**	**—**	**8**	**8**	**52**
Other movements in risk adjustment	**(78)**	**—**	**9**	**(13)**	**(4)**	**(82)**
Effect of portfolio transfers, acquisitions and disposals	**(62)**	**—**	**—**	**(5)**	**(5)**	**(67)**
At 31 December	**(735)**	**—**	**(71)**	**(80)**	**(151)**	**(886)**
Net risk adjustment at 1 January	**724**	**65**	**443**	**(70)**	**373**	**1,162**
Net risk adjustment at 31 December	**655**	**55**	**479**	**(71)**	**408**	**1,118**

2023	Life Risk £m	Life Participating £m	Non-life PAA £m	Non-life GMM £m	Non-life Total £m	Total £m
Risk adjustment in respect of insurance contracts						
At 1 January	1,443	62	553	—	553	2,058
Change in risk adjustment for risk expired	(96)	(3)	—	—	—	(99)
Other movements in risk adjustment	16	6	(30)	—	(30)	(8)
At 31 December	1,363	65	523	—	523	1,951
Risk adjustment in respect of reinsurance contracts						
At 1 January	(570)	—	(72)	(90)	(162)	(732)
Change in risk adjustment for risk expired	33	—	—	11	11	44
Other movements in risk adjustment	(102)	—	(8)	9	1	(101)
At 31 December	(639)	—	(80)	(70)	(150)	(789)
Net risk adjustment at 1 January	873	62	481	(90)	391	1,326
Net risk adjustment at 31 December	724	65	443	(70)	373	1,162

The change in risk adjustment for risk expired is recognised in insurance revenue.

The net risk adjustment has decreased in the year. Other movements in risk adjustment include the risk adjustment established on new business (details of which can be seen in note 39(d)) and the impact of movements in discount rates.

There are also changes in risk adjustment arising as a result of portfolio transfers, acquisitions and disposals.

For 2023 there was additional impact of reforms to the Solvency II risk margin in the UK and impact of a reduction in the risk adjustment due to changes in assumptions, primarily for longevity.

Movements in carrying amounts of insurance and reinsurance contracts
The following reconciliations present the movements in the carrying amounts of insurance and reinsurance contracts in each product group.

For life risk and participating contracts each table presents a different analysis of the movements in both insurance and reinsurance balances. The first disclosure, split by remaining coverage and incurred claims, presents the income statement items that constitute insurance revenue, insurance service expenses and net expenses from reinsurance contracts. The sum of these items represents the contribution to insurance service result. Movements in the balances relating to finance expenses and cash flows are shown below the insurance service result.

In the second disclosure, split by measurement component (present value of expected future cash flows, risk adjustment and CSM), the movements are presented by driver of change. The insurance service result and subsequent movements have consistent totals across the two disclosure tables.

For non-life business for both gross and reinsurance contracts, the movements in balances are presented split by remaining coverage and incurred claims with the incurred claims further analysed between the cash flow and risk adjustment components.

A further table then follows for both gross and reinsurance contracts to display the results exclusively for the sub-group of contracts measured under the GMM. For 2023 the only GMM business in non-life was adverse development cover reinsurance contracts, which had no CSM.

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(i) Life risk

Insurance contracts

The following table shows life risk insurance contracts analysed by remaining coverage and incurred claims:

		2024				2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
Carrying amount	Note	**Excluding loss component £m**	**Loss component £m**	**Liabilities for incurred claims £m**	**Total £m**	Excluding loss component £m	Loss component £m	Liabilities for incurred claims £m	Total £m
Opening liabilities at 1 January		**66,473**	**418**	**1,243**	**68,134**	61,626	497	1,300	63,423
Changes in comprehensive income									
Insurance revenue	4	**(7,788)**	**—**	**—**	**(7,788)**	(6,914)	—	—	(6,914)
Contracts under the modified retrospective transition approach		**(156)**	**—**	**—**	**(156)**	(169)	—	—	(169)
Contracts under the fair value transition approach		**(4,107)**	**—**	**—**	**(4,107)**	(4,426)	—	—	(4,426)
Other contracts		**(3,525)**	**—**	**—**	**(3,525)**	(2,319)	—	—	(2,319)
Insurance service expenses		**336**	**(21)**	**6,569**	**6,884**	301	(96)	5,937	6,142
Incurred claims and other insurance service expenses		**—**	**(67)**	**6,569**	**6,502**	—	(40)	5,937	5,897
Amortisation of insurance acquisition cash flows		**336**	**—**	**—**	**336**	301	—	—	301
Losses and reversals of losses on onerous contracts		**—**	**46**	**—**	**46**	—	(56)	—	(56)
Investment components and premium refunds		**(1,033)**	**—**	**1,033**	**—**	(906)	—	906	—
Insurance service result		**(8,485)**	**(21)**	**7,602**	**(904)**	(7,519)	(96)	6,843	(772)
Net finance (income)/expenses from insurance contracts	5	**(1,236)**	**20**	**—**	**(1,216)**	4,139	18	—	4,157
Effect of movements in exchange rates		**(109)**	**(3)**	**(11)**	**(123)**	(80)	(1)	(5)	(86)
Total changes in comprehensive income		**(9,830)**	**(4)**	**7,591**	**(2,243)**	(3,460)	(79)	6,838	3,299
Cash flows									
Premiums received		**12,668**	**—**	**—**	**12,668**	8,777	—	—	8,777
Claims and other insurance service expenses paid, including investment component		**—**	**—**	**(7,508)**	**(7,508)**	—	—	(6,895)	(6,895)
Insurance acquisition cash flows		**(633)**	**—**	**—**	**(633)**	(470)	—	—	(470)
Total cash flows		**12,035**	**—**	**(7,508)**	**4,527**	8,307	—	(6,895)	1,412
Effect of portfolio transfers, acquisitions and disposals		**872**	**—**	**162**	**1,034**	—	—	—	—
Closing liabilities at 31 December		**69,550**	**414**	**1,488**	**71,452**	66,473	418	1,243	68,134

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The following table shows life risk insurance contracts analysed by measurement component:

				Contractual service margin (CSM)				
2024 Carrying amount	Note	**Estimates of present value of future cash flows £m**	**Risk adjustment for non-financial risk £m**	**Contracts under modified retrospective transition approach £m**	**Contracts under fair value transition approach £m**	**Other contracts £m**	**CSM Total £m**	**Total £m**
Opening liabilities at 1 January		**59,393**	**1,363**	**1**	**3,652**	**3,725**	**7,378**	**68,134**
Changes in comprehensive income								
CSM recognised for services provided		**—**	**—**	**—**	**(392)**	**(429)**	**(821)**	**(821)**
Change in risk adjustment for risk expired		**—**	**(109)**	**—**	**—**	**—**	**—**	**(109)**
Experience adjustments		**(20)**	**—**	**—**	**—**	**—**	**—**	**(20)**
Changes that relate to current services		**(20)**	**(109)**	**—**	**(392)**	**(429)**	**(821)**	**(950)**
Contracts initially recognised in the period		**(971)**	**222**	**—**	**—**	**750**	**750**	**1**
Changes in estimates that adjust the CSM		**(519)**	**(23)**	**(1)**	**301**	**242**	**542**	**—**
Changes in estimates that result in losses and reversal of losses on onerous contracts		**45**	**—**	**—**	**—**	**—**	**—**	**45**
Changes that relate to future services		**(1,445)**	**199**	**(1)**	**301**	**992**	**1,292**	**46**
Insurance service result		**(1,465)**	**90**	**(1)**	**(91)**	**563**	**471**	**(904)**
Net finance expenses/(income) from insurance contracts	5	**(1,382)**	**(132)**	**—**	**165**	**133**	**298**	**(1,216)**
Effect of movements in exchange rates		**(102)**	**(6)**	**—**	**(8)**	**(7)**	**(15)**	**(123)**
Total changes in comprehensive income		**(2,949)**	**(48)**	**(1)**	**66**	**689**	**754**	**(2,243)**
Cash flows								
Premiums received		**12,668**	**—**	**—**	**—**	**—**	**—**	**12,668**
Claims and other insurance service expense paid, including investment components		**(7,508)**	**—**	**—**	**—**	**—**	**—**	**(7,508)**
Insurance acquisition cashflows		**(633)**	**—**	**—**	**—**	**—**	**—**	**(633)**
Total cash flows		**4,527**	**—**	**—**	**—**	**—**	**—**	**4,527**
Effect of portfolio transfers, acquisitions and disposals		**594**	**75**	**—**	**—**	**365**	**365**	**1,034**
Closing liabilities at 31 December		**61,565**	**1,390**	**—**	**3,718**	**4,779**	**8,497**	**71,452**

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2023 Carrying amount	Note	Estimates of present value of future cash flows £m	Risk adjustment for non-financial risk £m	Contractual service margin (CSM) Contracts under modified retrospective transition approach £m	Contracts under fair value transition approach £m	Other contracts £m	CSM Total £m	Total £m
Opening liabilities at 1 January		56,266	1,443	—	3,283	2,431	5,714	63,423
Changes in comprehensive income								
CSM recognised for services provided		—	—	—	(376)	(353)	(729)	(729)
Change in risk adjustment for risk expired		—	(96)	—	—	—	—	(96)
Experience adjustments		109	—	—	—	—	—	109
Changes that relate to current services		109	(96)	—	(376)	(353)	(729)	(716)
Contracts initially recognised in the period		(602)	177	—	1	424	425	—
Changes in estimates that adjust the CSM		(1,619)	(149)	1	598	1,169	1,768	—
Changes in estimates that result in losses and reversal of losses on onerous contracts		(56)	—	—	—	—	—	(56)
Changes that relate to future services		(2,277)	28	1	599	1,593	2,193	(56)
Insurance service result		(2,168)	(68)	1	223	1,240	1,464	(772)
Net finance expenses/(income) from insurance contracts	5	3,959	(9)	—	150	57	207	4,157
Effect of movements in exchange rates		(76)	(3)	—	(4)	(3)	(7)	(86)
Total changes in comprehensive income		1,715	(80)	1	369	1,294	1,664	3,299
Cash flows								
Premiums received		8,777	—	—	—	—	—	8,777
Claims and other insurance service expense paid, including investment components		(6,895)	—	—	—	—	—	(6,895)
Insurance acquisition cashflows		(470)	—	—	—	—	—	(470)
Total cash flows		1,412	—	—	—	—	—	1,412
Effect of portfolio transfers, acquisitions and disposals		—	—	—	—	—	—	—
Closing liabilities at 31 December		59,393	1,363	1	3,652	3,725	7,378	68,134

Key changes that impact the income statement include the release of CSM for services provided and the release of risk adjustment for expired risks.

Changes that relate to future service include:
- New contracts initially recognised in the year which give rise to a CSM liability representing unearned future profit on service yet to be provided;
- Experience variances and assumption changes on profitable contracts that impact the expected fulfilment cash flows and adjust the CSM liability; and
- Recognition of new onerous contracts and experience variances or assumption changes on onerous contracts impacting the income statement immediately.

The changes in estimates that increase the CSM include the effect of both experience variances and assumption changes on expected future cash flows. The assumption changes within the changes in estimates that increases the CSM at 31 December 2024 of £542 million are relatively small compared to prior years.

The assumption changes within estimates that increase the CSM at 31 December 2023 of £1,768 million related primarily to spouses of BPA scheme members and changes to longevity assumptions.

Assumption changes are explained in more detail in note 41.

The net finance income from insurance contracts of £(1,216) million (2023: £4,157 million net finance expenses recognised in the income statement includes the impact of the change in financial assumptions, the unwind of discounting on the fulfilment cash flows and interest accretion on the CSM. Discount rates have increased at most durations during 2024, leading to a reduction in the value of the liabilities.

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Reinsurance contracts

The following table shows life risk reinsurance contracts analysed by remaining coverage and incurred claims:

		2024				2023			
		Assets for remaining coverage				Assets for remaining coverage			
Carrying amount	Note	Excluding loss recovery component £m	Loss recovery component £m	Assets for incurred claims £m	Total £m	Excluding loss recovery component £m	Loss recovery component £m	Assets for incurred claims £m	Total £m
Opening assets at 1 January		**5,245**	**(11)**	**505**	**5,739**	4,261	150	515	4,926
Changes in comprehensive income									
Allocation of reinsurance premiums paid		**(3,287)**	**—**	**—**	**(3,287)**	(2,693)	—	—	(2,693)
Recoveries of incurred claims and other insurance service expenses		**—**	**(2)**	**3,116**	**3,114**	—	(4)	2,576	2,572
Recoveries and reversals of recoveries of losses on onerous underlying contracts		**—**	**(45)**	**—**	**(45)**	—	(158)	—	(158)
Adjustments to assets for incurred claims		**—**	**—**	**—**	**—**	—	—	—	—
Amounts recoverable from reinsurers		**—**	**(47)**	**3,116**	**3,069**	—	(162)	2,576	2,414
Investment components and premium refunds		**(3)**	**—**	**3**	**—**	—	—	—	—
Net expenses from reinsurance contracts		**(3,290)**	**(47)**	**3,119**	**(218)**	(2,693)	(162)	2,576	(279)
Net finance (expenses)/income from reinsurance contracts	5	**(213)**	**2**	**—**	**(211)**	530	1	—	531
Effect of movements in exchange rates		**(32)**	**—**	**(4)**	**(36)**	(16)	—	(1)	(17)
Total changes in comprehensive income		**(3,535)**	**(45)**	**3,115**	**(465)**	(2,179)	(161)	2,575	235
Cash flows									
Premiums paid		**4,366**	**—**	**—**	**4,366**	3,163	—	—	3,163
Amounts received		**—**	**—**	**(3,045)**	**(3,045)**	—	—	(2,585)	(2,585)
Total cash flows		**4,366**	**—**	**(3,045)**	**1,321**	3,163	—	(2,585)	578
Effect of portfolio transfers, acquisitions and disposals		**800**	**—**	**184**	**984**	—	—	—	—
Closing assets at 31 December		**6,876**	**(56)**	**759**	**7,579**	5,245	(11)	505	5,739

Notes to the consolidated financial statements

The following table shows life risk reinsurance contracts analysed by measurement component:

2024 Carrying amount	Note	**Estimates of present value of future cash flows £m**	**Risk adjustment for non-financial risk £m**	**Contractual service margin (CSM): Contracts under modified retrospective transition approach £m**	**Contractual service margin (CSM): Contracts under fair value transition approach £m**	**Contractual service margin (CSM): Other contracts £m**	**Contractual service margin (CSM): CSM Total £m**	**Total £m**
Opening assets at 1 January		**3,930**	**639**	**(76)**	**451**	**795**	**1,170**	**5,739**
Changes in comprehensive income								
CSM recognised for services provided		**—**	**—**	**7**	**(53)**	**(83)**	**(129)**	**(129)**
Change in risk adjustment for risk expired		**—**	**(44)**	**—**	**—**	**—**	**—**	**(44)**
Experience adjustments		**—**	**—**	**—**	**—**	**—**	**—**	**—**
Changes that relate to current services		**—**	**(44)**	**7**	**(53)**	**(83)**	**(129)**	**(173)**
Contracts initially recognised in the period		**(347)**	**186**	**—**	**—**	**162**	**162**	**1**
Changes in estimates that adjust the CSM		**(236)**	**(46)**	**6**	**46**	**230**	**282**	**—**
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts		**(46)**	**—**	**—**	**—**	**—**	**—**	**(46)**
Changes that relate to future services		**(629)**	**140**	**6**	**46**	**392**	**444**	**(45)**
Net (expenses)/income from reinsurance contracts		**(629)**	**96**	**13**	**(7)**	**309**	**315**	**(218)**
Net finance (expenses)/income from reinsurance contracts	5	**(206)**	**(59)**	**(3)**	**18**	**39**	**54**	**(211)**
Effect of movements in exchange rates		**(30)**	**(3)**	**—**	**(3)**	**—**	**(3)**	**(36)**
Total changes in comprehensive income		**(865)**	**34**	**10**	**8**	**348**	**366**	**(465)**
Cash flows								
Premiums paid		**4,366**	**—**	**—**	**—**	**—**	**—**	**4,366**
Amounts received		**(3,045)**	**—**	**—**	**—**	**—**	**—**	**(3,045)**
Total cash flows		**1,321**	**—**	**—**	**—**	**—**	**—**	**1,321**
Effect of portfolio transfers, acquisitions and disposals		**606**	**62**	**—**	**—**	**316**	**316**	**984**
Closing assets at 31 December		**4,992**	**735**	**(66)**	**459**	**1,459**	**1,852**	**7,579**

2023 Carrying amount	Note	Estimates of present value of future cash flows £m	Risk adjustment for non-financial risk £m	Contractual service margin (CSM): Contracts under modified retrospective transition approach £m	Contractual service margin (CSM): Contracts under fair value transition approach £m	Contractual service margin (CSM): Other contracts £m	Contractual service margin (CSM): CSM Total £m	Total £m
Opening assets at 1 January		3,904	570	(74)	386	140	452	4,926
Changes in comprehensive income								
CSM recognised for services provided		—	—	11	(50)	(41)	(80)	(80)
Change in risk adjustment for risk expired		—	(33)	—	—	—	—	(33)
Experience adjustments		(8)	—	—	—	—	—	(8)
Changes that relate to current services		(8)	(33)	11	(50)	(41)	(80)	(121)
Contracts initially recognised in the period		(143)	155	—	—	(12)	(12)	—
Changes in estimates that adjust the CSM		(714)	(80)	(11)	105	700	794	—
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts		(158)	—	—	—	—	—	(158)
Changes that relate to future services		(1,015)	75	(11)	105	688	782	(158)
Net (expenses)/income from reinsurance contracts		(1,023)	42	—	55	647	702	(279)
Net finance (expenses)/income from reinsurance contracts	5	485	28	(2)	12	8	18	531
Effect of movements in exchange rates		(14)	(1)	—	(2)	—	(2)	(17)
Total changes in comprehensive income		(552)	69	(2)	65	655	718	235
Cash flows								
Premiums paid		3,163	—	—	—	—	—	3,163
Amounts received		(2,585)	—	—	—	—	—	(2,585)
Total cash flows		578	—	—	—	—	—	578
Effect of portfolio transfers, acquisitions and disposals		—	—	—	—	—	—	—
Closing assets at 31 December		3,930	639	(76)	451	795	1,170	5,739

Notes to the consolidated financial statements

Some gross onerous contracts do not have reinsurance in place so movements in the gross loss component occur without a corresponding movement being seen in the reinsurance loss recovery component.

(ii) Participating

Insurance contracts

The following table shows participating insurance contracts analysed by remaining coverage and incurred claims:

		2024				2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
Carrying amount	Note	**Excluding loss component £m**	**Loss component £m**	**Liabilities for incurred claims £m**	**Total £m**	Excluding loss component £m	Loss component £m	Liabilities for incurred claims £m	Total £m
Opening liabilities at 1 January		**38,677**	**9**	**858**	**39,544**	40,439	6	525	40,970
Changes in comprehensive income									
Insurance revenue	4	**(533)**	**—**	**—**	**(533)**	(658)	—	—	(658)
Contracts under the modified retrospective transition approach		**(147)**	**—**	**—**	**(147)**	(154)	—	—	(154)
Contracts under the fair value transition approach		**(354)**	**—**	**—**	**(354)**	(483)	—	—	(483)
Other contracts		**(32)**	**—**	**—**	**(32)**	(21)	—	—	(21)
Insurance service expenses		**7**	**11**	**312**	**330**	6	3	402	411
Incurred claims and other insurance service expenses		**—**	**(2)**	**312**	**310**	—	(1)	402	401
Amortisation of insurance acquisition cash flows		**7**	**—**	**—**	**7**	6	—	—	6
Losses and reversals of losses on onerous contracts		**—**	**13**	**—**	**13**	—	4	—	4
Investment components and premium refunds		**(3,973)**	**—**	**3,973**	**—**	(3,941)	—	3,941	—
Insurance service result		**(4,499)**	**11**	**4,285**	**(203)**	(4,593)	3	4,343	(247)
Net finance expenses/(income) from insurance contracts	5	**1,986**	**(2)**	**—**	**1,984**	2,493	—	—	2,493
Effect of movements in exchange rates		**(41)**	**—**	**(1)**	**(42)**	(37)	—	—	(37)
Total changes in comprehensive income		**(2,554)**	**9**	**4,284**	**1,739**	(2,137)	3	4,343	2,209
Cash flows									
Premiums received		**434**	**—**	**—**	**434**	391	—	—	391
Claims and other insurance service expenses paid, including investment component		**—**	**—**	**(4,467)**	**(4,467)**	—	—	(4,010)	(4,010)
Insurance acquisition cash flows		**(25)**	**—**	**—**	**(25)**	(16)	—	—	(16)
Total cash flows		**409**	**—**	**(4,467)**	**(4,058)**	375	—	(4,010)	(3,635)
Closing liabilities at 31 December		**36,532**	**18**	**675**	**37,225**	38,677	9	858	39,544

Notes to the consolidated financial statements

The following table shows participating insurance contracts analysed by measurement component:

2024 Carrying amount	Note	**Estimates of present value of future cash flows £m**	**Risk adjustment for non-financial risk £m**	**Contractual service margin (CSM): Contracts under modified retrospective transition approach £m**	**Contracts under fair value transition approach £m**	**CSM Total £m**	**Total £m**
Opening liabilities at 1 January		**38,439**	**65**	**388**	**652**	**1,040**	**39,544**
Changes in comprehensive income							
CSM recognised for services provided		**—**	**—**	**(90)**	**(88)**	**(178)**	**(178)**
Change in risk adjustment for risk expired		**—**	**(3)**	**—**	**—**	**—**	**(3)**
Experience adjustments		**(22)**	**—**	**—**	**—**	**—**	**(22)**
Revenue recognised for incurred policyholder tax expenses		**(13)**	**—**	**—**	**—**	**—**	**(13)**
Changes that relate to current services		**(35)**	**(3)**	**(90)**	**(88)**	**(178)**	**(216)**
Changes in estimates that adjust the CSM		**(259)**	**1**	**85**	**173**	**258**	**—**
Changes in estimates that result in losses and reversal of losses on onerous contracts		**13**	**—**	**—**	**—**	**—**	**13**
Changes that relate to future services		**(246)**	**1**	**85**	**173**	**258**	**13**
Insurance service result		**(281)**	**(2)**	**(5)**	**85**	**80**	**(203)**
Net finance expenses/(income) from insurance contracts	5	**1,989**	**(8)**	**—**	**3**	**3**	**1,984**
Effect of movements in exchange rates		**(42)**	**—**	**—**	**—**	**—**	**(42)**
Total changes in comprehensive income		**1,666**	**(10)**	**(5)**	**88**	**83**	**1,739**
Cash flows						**—**	**—**
Premiums received		**434**	**—**	**—**	**—**	**—**	**434**
Claims and other insurance service expense paid, including investment components		**(4,467)**	**—**	**—**	**—**	**—**	**(4,467)**
Insurance acquisition cashflows		**(25)**	**—**	**—**	**—**	**—**	**(25)**
Total cash flows		**(4,058)**	**—**	**—**	**—**	**—**	**(4,058)**
Closing liabilities at 31 December		**36,047**	**55**	**383**	**740**	**1,123**	**37,225**

Full year 2023	Note	Estimates of present value of future cash flows £m	Risk adjustment for non-financial risk £m	Contractual service margin (CSM): under modified retrospective transition approach £m	Contracts under fair value transition approach £m	CSM Total £m	Total £m
Opening liabilities at 1 January		39,690	62	438	780	1,218	40,970
Changes in comprehensive income							
CSM recognised for services provided		—	—	(58)	(93)	(151)	(151)
Change in risk adjustment for risk expired		—	(3)	—	—	—	(3)
Experience adjustments		(61)	—	—	—	—	(61)
Revenue recognised for incurred policyholder tax expenses		(36)	—	—	—	—	(36)
Changes that relate to current services		(97)	(3)	(58)	(93)	(151)	(251)
Changes in estimates that adjust the CSM		31	(3)	8	(36)	(28)	—
Changes in estimates that result in losses and reversal of losses on onerous contracts		4	—	—	—	—	4
Changes that relate to future services		35	(3)	8	(36)	(28)	4
Insurance service result		(62)	(6)	(50)	(129)	(179)	(247)
Net finance expenses/(income) from insurance contracts	5	2,483	9	—	1	1	2,493
Effect of movements in exchange rates		(37)	—	—	—	—	(37)
Total changes in comprehensive income		2,384	3	(50)	(128)	(178)	2,209
Cash flows							
Premiums received		391	—	—	—	—	391
Claims and other insurance service expense paid, including investment components		(4,010)	—	—	—	—	(4,010)
Insurance acquisition cashflows		(16)	—	—	—	—	(16)
Total cash flows		(3,635)	—	—	—	—	(3,635)
Effect of portfolio transfers, acquisitions and disposals		—	—	—	—	—	—
Closing liabilities at 31 December		38,439	65	388	652	1,040	39,544

Notes to the consolidated financial statements

Key changes that impact the income statement include the release of CSM for services provided and experience variances for the period. Other changes that relate to current services include revenue recognised for policyholder tax expenses, representing income tax on policyholders' investment return, charged to the policyholder funds.

Net finance (income)/expenses mainly represents investment returns on the net assets held in policyholder funds.

(iii) Non-life

Insurance contracts

The following table shows non-life insurance contracts analysed by remaining coverage and incurred claims:

		Liabilities for remaining coverage		Liabilities for incurred claims			
					Contracts under PAA		
2024 Carrying amount	Note	**Excluding loss component £m**	**Loss component £m**	**Contracts not under PAA £m**	**Estimates of present value of future cash flows £m**	**Risk adjustment for non-financial risk £m**	**Total £m**
Opening liabilities at 1 January		2,727	31	—	11,091	523	14,372
Changes in comprehensive income							
Insurance revenue	4	(12,426)	—	—	—	—	(12,426)
Incurred claims and other insurance service expenses		—	(50)	6	8,204	171	8,331
Amortisation of insurance acquisition cash flows		2,762	—	—	—	—	2,762
Losses and reversals of losses on onerous contracts		—	47	—	—	—	47
Adjustments to liabilities for incurred claims		—	—	—	27	(141)	(114)
Insurance service expenses		2,762	(3)	6	8,231	30	11,026
Insurance service result		(9,664)	(3)	6	8,231	30	(1,400)
Net finance expenses from insurance contracts	5	4	—	—	338	11	353
Effect of movements in exchange rates		(67)	(2)	—	(323)	(14)	(406)
Total changes in comprehensive income		(9,727)	(5)	6	8,246	27	(1,453)
Cash flows							
Premiums received		12,826	—	—	—	—	12,826
Claims and other insurance service expenses paid, including investment component		—	—	(6)	(7,465)	—	(7,471)
Insurance acquisition cash flows		(2,899)	—	—	—	—	(2,899)
Total cash flows		9,927	—	(6)	(7,465)	—	2,456
Effect of portfolio transfers, acquisitions and disposals		319	—	—	—	—	319
Closing liabilities at 31 December		3,246	26	—	11,872	550	15,694

The £(141) million adjustment to the risk adjustment in the liability for incurred claims comprises the release of the risk adjustment as claims are paid and also includes assumption changes in calculating the risk adjustment.

Notes to the consolidated financial statements

		Liabilities for remaining coverage		Liabilities for incurred claims		
				Contracts under PAA		
2023 Carrying amount	Note	Excluding loss component £m	Loss component £m	present value of future cash flows £m	Risk adjustment for non-financial risk £m	Total £m
Opening liabilities		2,439	44	10,210	553	13,246
At 1 January		2,439	44	10,210	553	13,246
Changes in comprehensive income						
Insurance revenue	4	(10,925)	—	—	—	(10,925)
Incurred claims and other insurance service expenses		—	(29)	7,037	160	7,168
Amortisation of insurance acquisition cash flows		2,535	—	—	—	2,535
Losses and reversals of losses on onerous contracts		—	16	—	—	16
Adjustments to liabilities for incurred claims		—	—	148	(203)	(55)
Insurance service expenses		2,535	(13)	7,185	(43)	9,664
Insurance service result		(8,390)	(13)	7,185	(43)	(1,261)
Net finance expenses from insurance contracts	5	—	—	558	20	578
Effect of movements in exchange rates		(31)	—	(139)	(7)	(177)
Total changes in comprehensive income		(8,421)	(13)	7,604	(30)	(860)
Cash flows						
Premiums received		11,364	—	—	—	11,364
Claims and other insurance service expenses paid, including investment component		—	—	(6,723)	—	(6,723)
Insurance acquisition cash flows		(2,655)	—	—	—	(2,655)
Total cash flows		8,709	—	(6,723)	—	1,986
Effect of portfolio transfers, acquisitions and disposals		—	—	—	—	—
At 31 December		2,727	31	11,091	523	14,372
Closing liabilities		2,727	31	11,091	523	14,372
At 31 December		2,727	31	11,091	523	14,372

The £(203) million adjustment to the risk adjustment in the liability for incurred claims comprises the release of the risk adjustment as claims are paid and also includes assumption changes in calculating the risk adjustment.

Notes to the consolidated financial statements

The following table shows non-life insurance contracts analysed by measurement component (contracts measured under the GMM). There were no such contracts in 2023:

2024 Carrying amount	Estimates of present value of future cash flows £m	Risk adjustment for non-financial risk £m	Contractual service margin (CSM) Other contracts £m	CSM Total £m	Total £m
Opening liabilities at 1 January	—	—	—	—	—
Changes in comprehensive income					
CSM recognised for services provided	—	—	(1)	(1)	(1)
Change in risk adjustment for risk expired	—	(1)	—	—	(1)
Experience adjustments	(6)	—	—	—	(6)
Changes that relate to current services	(6)	(1)	(1)	(1)	(8)
Contracts initially recognised in the period	—	—	—	—	—
Changes in estimates that adjust the CSM	(6)	(1)	7	7	1
Changes in estimates that result in losses and reversal of losses on onerous contracts	—	—	—	—	—
Changes that relate to future services	(6)	(1)	7	7	1
Insurance service result	(12)	(2)	6	6	(7)
Net finance expenses/(income) from insurance contracts	4	1	—	—	5
Effect of movements in exchange rates	—	—	—	—	—
Total changes in comprehensive income	(8)	(1)	6	6	(3)
Cash flows					
Premiums received	—	—	—	—	—
Claims and other insurance service expense paid, including investment components	(6)	—	—	—	(6)
Insurance acquisition cashflows	—	—	—	—	—
Total cash flows	(6)	—	—	—	(6)
Effect of portfolio transfers, acquisitions and disposals	180	10	—	—	190
Closing liabilities at 31 December	**166**	**9**	**6**	**6**	**181**

Reinsurance contracts

The following table shows non-life reinsurance contracts analysed by remaining coverage and incurred claims (contracts measured under the PAA or GMM):

2024 Carrying amount	Note	Assets for remaining coverage £m	Assets for incurred claims: Contracts not under PAA £m	Assets for incurred claims: Contracts under PAA: Estimates of present value of future cash flows £m	Assets for incurred claims: Contracts under PAA: Risk adjustment for non-financial risk £m	Total £m
Opening assets at 1 January		844	—	1,041	80	1,965
Changes in comprehensive income						
Allocation of reinsurance premiums paid		(1,049)	—	—	—	(1,049)
Recoveries of incurred claims and other insurance service expenses		20	77	446	21	564
Adjustments to assets for incurred claims		—	—	49	(31)	18
Amounts recoverable from reinsurers		20	77	495	(10)	582
Effect of changes in non-performance risk of reinsurers		1	—	(4)	—	(3)
Net income/(expenses) from reinsurance contracts		(1,028)	77	491	(10)	(470)
Net finance income/(expenses) from reinsurance contracts	5	14	—	27	2	43
Effect of movements in exchange rates		(10)	—	(33)	(1)	(44)
Total changes in comprehensive income		(1,024)	77	485	(9)	(471)
Cash flows						
Premiums paid		880	—	—	—	880
Amounts received		—	(77)	(329)	—	(406)
Total cash flows		880	(77)	(329)	—	474
Effect of portfolio transfers, acquisitions and disposals		153	—	—	—	153
Closing assets at 31 December		**853**	**—**	**1,197**	**71**	**2,121**

Notes to the consolidated financial statements

2023 Carrying amount	Note	Assets for remaining coverage £m	Contracts not under PAA £m	Assets for incurred claims – Contracts under PAA – Estimates of present value of future cash flows £m	Assets for incurred claims – Contracts under PAA – Risk adjustment for non-financial risk £m	Total £m
Opening assets at 1 January		855	—	907	72	1,834
Changes in comprehensive income						
Allocation of reinsurance premiums paid		(949)	—	—	—	(949)
Recoveries of incurred claims and other insurance service expenses		34	46	261	16	357
Adjustments to assets for incurred claims		—	—	123	(12)	111
Amounts recoverable from reinsurers		34	46	384	4	468
Effect of changes in non-performance risk of reinsurers		1	—	(2)	—	(1)
Net income/(expenses) from reinsurance contracts		(914)	46	382	4	(482)
Net finance income/(expenses) from reinsurance contracts	5	73	—	33	4	110
Effect of movements in exchange rates		7	—	(5)	—	2
Total changes in comprehensive income		(834)	46	410	8	(370)
Cash flows						
Premiums paid		823	—	—	—	823
Amounts received		—	(46)	(276)	—	(322)
Total cash flows		823	(46)	(276)	—	501
Effect of portfolio transfers, acquisitions and disposals		—	—	—	—	—
Closing assets at 31 December		844	—	1,041	80	1,965

The following table shows non-life reinsurance contracts analysed by measurement component (contracts measured under the GMM):

2024 Carrying amount	**Estimates of present value of future cash flows £m**	**Risk adjustment for non-financial risk £m**	**Contractual service margin (CSM) – Contracts under fair value transition approach £m**	**CSM – Other contracts £m**	**CSM Total £m**	**Total £m**
Opening assets at 1 January	**852**	**70**	**—**	**—**	**—**	**922**
Changes in comprehensive income						
Change in risk adjustment for risk expired	**—**	**(8)**	**—**	**—**	**—**	**(8)**
Experience adjustments	**(5)**	**—**	**—**	**—**	**—**	**(5)**
Changes that relate to current services	**(5)**	**(8)**	**—**	**—**	**—**	**(13)**
Changes in estimates that adjust the CSM	**(2)**	**—**	**—**	**2**	**2**	**—**
Changes in estimates for adverse development cover	**7**	**7**	**—**	**—**	**—**	**14**
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	**(3)**	**6**	**—**	**—**	**—**	**3**
Changes that relate to future services	**2**	**13**	**—**	**2**	**2**	**17**
Effect of changes in non-performance risk of reinsurers	**2**	**—**	**—**	**—**	**—**	**2**
Net expenses from reinsurance contracts	**(1)**	**5**	**—**	**2**	**2**	**6**
Net finance income/(expenses) from reinsurance contracts	**5**	**—**	**—**	**—**	**—**	**5**
Effect of movements in exchange rates	**(14)**	**—**	**—**	**—**	**—**	**(14)**
Total changes in comprehensive income	**(10)**	**5**	**—**	**2**	**2**	**(3)**
Cash flows						
Amounts received	**(77)**	**—**	**—**	**—**	**—**	**(77)**
Total cash flows	**(77)**	**—**	**—**	**—**	**—**	**(77)**
Effect of portfolio transfers, acquisitions and disposals	**89**	**5**	**—**	**—**	**—**	**94**
Closing assets at 31 December	**854**	**80**	**—**	**2**	**2**	**936**

Notes to the consolidated financial statements

2023 Carrying amount	Estimates of present value of future cash flows £m	Risk adjustment for non-financial risk £m	Contractual service margin (CSM) Contracts under modified retrospective transition approach £m	Contracts under fair value transition approach £m	CSM Total £m	Total £m
Opening assets at 1 January	809	90	—	—	—	899
Changes in comprehensive income						
Change in risk adjustment for risk expired	—	(11)	—	—	—	(11)
Experience adjustments	8	—	—	—	—	8
Changes that relate to current services	8	(11)	—	—	—	(3)
Changes in estimates for adverse development cover	49	(15)	—	—	—	34
Changes that relate to future services	49	(15)	—	—	—	34
Effect of changes in non-performance risk of reinsurers	1	—	—	—	—	1
Net expenses from reinsurance contracts	58	(26)	—	—	—	32
Net finance income/(expenses) from reinsurance contracts	67	6	—	—	—	73
Effect of movements in exchange rates	(7)	—	—	—	—	(7)
Total changes in comprehensive income	118	(20)	—	—	—	98
Cash flows						
Amounts received	(75)	—	—	—	—	(75)
Total cash flows	(75)	—	—	—	—	(75)
Effect of portfolio transfers, acquisitions and disposals	—	—	—	—	—	—
Closing assets at 31 December	852	70	—	—	—	922

(c) Assets for insurance acquisition cashflows

The following table sets out carrying amount and movement of assets for non-life insurance acquisition cash flows at 31 December:

Carrying amount	2024 £m	2023 £m
At 1 January	**175**	78
Effect of portfolio transfers, acquisitions and disposals	**28**	—
Amounts incurred during the year	**70**	115
Amounts derecognised and included in the measurement of insurance contracts	**(53)**	(18)
Balance at 31 December	**220**	175

The following table sets out when the Group expects to derecognise assets for non-life insurance acquisition cash flows after the reporting date:

	2024 £m	2023 £m
Less than one year	**88**	52
One to two years	**45**	42
Two to three years	**38**	33
Three to four years	**30**	24
Four to five years	**6**	6
Five to ten years	**13**	18
Total	**220**	175

(d) Effect of contracts initially recognised in the year

	Note	2024 Life risk £m	2024 Participating £m	2024 Total £m	2023 Life risk £m	2023 Participating £m	2023 Total £m
Expected premiums from new insurance contracts		**11,576**	**—**	**11,576**	8,439	—	8,439

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

Notes to the consolidated financial statements

(i) Life risk
Insurance contracts

	2024 Profitable contracts issued £m	2024 Onerous contracts issued £m	2024 Total £m	2023 Profitable contracts issued £m	2023 Onerous contracts issued £m	2023 Total £m
Claims and other insurance service expenses payable	**9,627**	**315**	**9,942**	7,073	257	7,330
Insurance acquisition cash flows	**538**	**125**	**663**	503	4	507
Estimates of present value of cash outflows	**10,165**	**440**	**10,605**	7,576	261	7,837
Estimates of present value of cash inflows	**(11,126)**	**(450)**	**(11,576)**	(8,171)	(268)	(8,439)
Risk adjustment	**211**	**11**	**222**	170	7	177
CSM	**750**	**—**	**750**	425	—	425
Losses recognised on initial recognition	**—**	**1**	**1**	—	—	—

Reinsurance contracts

	2024 Contracts initiated without a loss recovery component £m	2024 Contracts initiated with a loss recovery component £m	2024 Total £m	2023 Contracts initiated without a loss recovery component £m	2023 Contracts initiated with a loss recovery component £m	2023 Total £m
Estimates of present value of cash outflows	**8,659**	**267**	**8,926**	5,132	505	5,637
Estimates of present value of cash inflows	**(8,295)**	**(284)**	**(8,579)**	(4,996)	(499)	(5,495)
Risk adjustment	**(177)**	**(9)**	**(186)**	(140)	(14)	(154)
CSM	**(187)**	**25**	**(162)**	4	8	12
Income recognised on initial recognition	**—**	**(1)**	**(1)**	—	—	—

(ii) Participating
There were no Participating business contracts initially recognised in either the current or prior year.

(iii) Non-life
There were no non-life insurance contracts initially recognised (due to writing new business) in the prior year or current year measured under the general measurement model.

(e) Contractual service margin emergence

The following tables set out when the Group expects to recognise the remaining CSM in the income statement for contracts measured under the GMM or VFA, after allowing for future accretion of interest on the CSM for GMM contracts. The amounts presented represent the net impact in each period of expected release of the CSM recognised in revenue less the accretion of interest on the CSM recognised in insurance finance expenses.

2024	**Less than one year £m**	**One to two years £m**	**Two to three years £m**	**Three to four years £m**	**Four to five years £m**	**Five to ten years £m**	**10 to 15 years £m**	**15 to 20 years £m**	**Greater than 20 years £m**	**Total £m**
Life risk	**514**	**476**	**428**	**407**	**391**	**1,713**	**1,362**	**1,055**	**2,151**	**8,497**
Participating	**117**	**109**	**99**	**90**	**81**	**296**	**160**	**83**	**88**	**1,123**
Non-life	**1**	**1**	**1**	**1**	**1**	**1**	**—**	**—**	**—**	**6**
Insurance contracts	**632**	**586**	**528**	**498**	**473**	**2,010**	**1,522**	**1,138**	**2,239**	**9,626**
Life risk	**59**	**62**	**58**	**59**	**59**	**298**	**291**	**271**	**695**	**1,852**
Participating	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Non-life	**1**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2**
Reinsurance contracts	**60**	**63**	**58**	**59**	**59**	**298**	**291**	**271**	**695**	**1,854**
Net CSM	**572**	**523**	**470**	**439**	**414**	**1,712**	**1,231**	**867**	**1,544**	**7,772**

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2023	Less than one year £m	One to two years £m	Two to three years £m	Three to four years £m	Four to five years £m	Five to ten years £m	10 to 15 years £m	15 to 20 years £m	Greater than 20 years £m	Total £m
Life risk	483	420	378	361	346	1,499	1,179	917	1,795	7,378
Participating	88	85	81	76	71	280	164	90	105	1,040
Non-life	—	—	—	—	—	—	—	—	—	—
Insurance contracts	571	505	459	437	417	1,779	1,343	1,007	1,900	8,418
Life risk	45	49	47	46	45	202	173	154	409	1,170
Participating	—	—	—	—	—	—	—	—	—	—
Non-life	—	—	—	—	—	—	—	—	—	—
Reinsurance contracts	45	49	47	46	45	202	173	154	409	1,170
Net CSM	526	456	412	391	372	1,577	1,170	853	1,491	7,248

(f) Non-life claims development

The table illustrates how estimates of cumulative claims for the Group's non-life business have developed over time on a gross and net of reinsurance basis. Each table shows how the Group's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date as per note 1.

In the claims development table, the cumulative claim payments and estimates of cumulative claims for each accident year are translated into sterling at the exchange rates that applied at the end of that accident year. The impact of using varying exchange rates is shown at the bottom of each table. Disposals are dealt with by treating all outstanding and IBNR claims of the disposed entity as 'paid' at the date of disposal.

The claims development table include information on asbestos and environmental pollution claims provisions from business written more than 10 years ago. The undiscounted claim provisions, net of reinsurance, in respect of this business at 31 December 2024 were £82 million (2023: £78 million). The movement in asbestos and environmental pollution liabilities in the year reflects an increase of £4 million due to adverse claims development.

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	All prior years £m	2015 £m	2016 £m	2017 £m	2017 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	Total £m
Gross of reinsurance												
Estimates of undiscounted cumulative claims		4,461	5,289	5,302	5,690	5,451	5,380	4,974	6,292	7,159	8,502	
At end of accident year		4,491	5,334	5,354	5,613	5,422	5,345	5,044	6,123	7,239	8,502	—
One year		4,581	5,362	5,310	5,644	5,384	5,383	5,104	6,216	7,159	—	—
Two years		4,576	5,312	5,307	5,710	5,431	5,378	4,987	6,292	—	—	—
Three years		4,503	5,286	5,301	5,741	5,414	5,460	4,974	—	—	—	—
Four years		4,494	5,305	5,291	5,734	5,423	5,380	—	—	—	—	—
Five years		4,476	5,307	5,283	5,706	5,451	—	—		—	—	—
Six years		4,474	5,319	5,282	5,690	—	—	—	—	—	—	—
Seven years		4,482	5,298	5,302	—	—	—	—	—	—	—	—
Eight years		4,462	5,289	—	—	—	—	—	—	—	—	—
Nine years		4,461	—	—	—	—	—	—	—	—	—	—
Cumulative gross claims paid		(4,406)	(5,126)	(5,063)	(5,409)	(4,951)	(4,443)	(4,025)	(4,757)	(5,000)	(3,970)	
	2,831	55	163	239	281	500	937	949	1,535	2,159	4,532	14,181
Effect of discounting	(1,102)	(7)	(28)	(28)	(25)	(88)	(47)	(70)	(124)	(194)	(312)	(2,025)
Effect of the risk adjustment for non-financial risk	108	3	6	10	12	22	36	40	64	92	166	559
Effect of claims payable	1	—	—	—	1	2	13	2	3	14	13	49
Cumulative effect of foreign exchange movements	—	5	(6)	(7)	(7)	(11)	(17)	(18)	(59)	(67)	—	(187)
Effect of acquisitions	15	7	3	—	—	—	—	—	—	—	—	25
Claims liabilities classified within the Liability for remaining coverage	—	—	—	—	—	—	—	—	—	—	(180)	(180)
Gross liabilities for incurred claims included in the statement of financial position	1,853	63	138	214	262	425	922	903	1,419	2,004	4,219	12,422
Net of reinsurance												
Estimates of undiscounted net cumulative claims		4,301	4,908	5,149	5,516	5,230	4,832	4,721	5,911	6,885	7,909	
At end of accident year		4,338	4,996	5,193	5,457	5,263	4,889	4,876	5,794	6,912	7,909	—
One year		4,435	5,008	5,138	5,457	5,247	4,861	4,838	5,893	6,885	—	—
Two years		4,423	4,939	5,146	5,530	5,285	4,858	4,762	5,911	—	—	—
Three years		4,357	4,917	5,144	5,562	5,262	4,890	4,721	—	—	—	—
Four years		4,353	4,923	5,135	5,560	5,253	4,832	—	—	—	—	—
Five years		4,332	4,922	5,115	5,516	5,230	—	—	—	—	—	—
Six years		4,315	4,929	5,141	5,516	—	—	—	—	—	—	—
Seven years		4,295	4,912	5,149	—	—	—	—	—	—	—	—
Eight years		4,300	4,908	—	—	—	—	—	—	—	—	—
Nine years		4,301	—	—	—	—	—	—	—	—	—	—
Cumulative net claims paid		(4,226)	(4,762)	(4,932)	(5,247)	(4,827)	(4,129)	(3,877)	(4,574)	(4,830)	(3,842)	
	998	75	146	217	269	403	703	844	1,337	2,055	4,067	11,114
Effect of discounting	(348)	(7)	(22)	(25)	(23)	(51)	(40)	(65)	(111)	(182)	(289)	(1,163)
Effect of the risk adjustment for non-financial risk	11	2	6	8	11	18	23	35	51	84	142	391
Effect of non-performance risk of reinsurers	1	—	—	—	—	—	—	1	2	2	5	11
Effect of claims payable	5	(4)	55	94	(24)	(30)	(98)	51	(8)	(97)	(20)	(76)
Cumulative effect of foreign exchange movements	—	16	(15)	(13)	(6)	(9)	(10)	(19)	(52)	(55)	—	(163)
Effect of acquisitions	12	15	3	—	—	—	—	—	—	3	—	33
Reinsurance presented in net liabilities for remaining coverage	1,007	—	—	—	—	—	—	—	—	—	—	1,007
Net liabilities for incurred claims included in the statement of financial position	1,686	97	173	281	227	331	578	847	1,219	1,810	3,905	11,154

Notes to the consolidated financial statements

(g) Significant judgements, estimates and assumptions

This note gives details of the significant judgements made in applying IFRS 17, explaining the inputs, assumptions, methods and estimation techniques used to measure insurance, participating investment and reinsurance contracts. Accounting policy C sets out the critical accounting judgements and the material accounting estimates that are considered particularly susceptible to changes in estimates and assumptions. This note provides further detail of how these are applied in the context of IFRS 17.

The Group underwrites life business primarily in the UK and Ireland. This is mainly written in the 'Non-Profit' funds and in a number of 'With-Profits' sub-funds. In the 'Non-Profit' funds shareholders are entitled to 100% of the distributed profits. In the 'With-Profits' sub-funds the with-profits policyholders are entitled to between 40% and 100% of distributed profits, depending on the fund rules. There is also the Reattributed Inherited Estate External Support Account (RIEESA) in the UK, which does not itself underwrite any business, but provides capital support to one of the 'With-Profits' sub-funds and receives any surplus or deficit emerging from it. In the RIEESA, shareholders are entitled to 100% of the distributed profits, but these can only be distributed in line with the criteria set by the Reattribution Scheme.

The Group underwrites non-life business in the UK, Ireland and Canada, providing individual and corporate customers with a wide range of insurance products.

Significant judgments, estimates and assumptions associated with measuring insurance products and associated reinsurance are outlined below.

(i) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment (discount rate) to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. A deterministic approach, producing point estimates based on best estimate assumptions, is used for valuing most of the Group's business. The exception is for contracts with embedded options and guarantees, in particular with-profits participation business, where a stochastic approach based on the average of a number of scenarios is used. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, using market variables consistent with observable market prices, where applicable.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. For cash flows which are contractually linked to an index of prices or wages, the Group derives an assumption for future RPI from RPI swap curves, and adjusts this to derive future inflation assumptions for other price and wage indices.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. This includes initial and recurring commissions payable on instalment premiums receivable within the contract boundary. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- costs that the Group will incur in providing investment services;
- costs that the Group will incur in performing investment activities to the extent that the Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics.

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Contract boundaries
The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract as follows.

Insurance contracts
Group protection policies issued by the Group have terms that are guaranteed to be renewable every two or three years. The Group determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for the period reflects the Group's expectation of its exposure to risk for that period and, on renewal, the Group can reprice the premium to reflect the reassessed risks for the next period based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.

Pension savings contracts with guaranteed annuity terms allow the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life-contingent annuity at a predetermined rate. The Group has assessed the contract boundary for the entire contract, including the option, and concluded that the cash flows related to the fulfilment of the annuity option fall within the boundary of the contract. This is because the Group does not have the practical ability to reprice the contract on maturity of the stated term.

Reinsurance contracts
Quota share - The Group manages risks arising from Life insurance contracts through external quota share reinsurance contracts. These reinsurance contracts cover underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Group and the reinsurer to terminate the cession of new business subject to giving notice to the other party. Notice can usually be given at any time, with termination to new business effective three months from notice being given, albeit a limited number of the Group's quota share reinsurance contract currently stipulate a different notice period. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the next three months. Subsequently risks expected to attach beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period.

Excess of loss - The Group's non-Life excess of loss reinsurance contracts held provide coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts include mandatory reinstatement premiums, which are guaranteed per the contractual arrangements and are thus within the contract boundary. Estimated reinstatement premiums due are offset against recoveries within the liability for incurred claims.

Risk attaching reinsurance - The Group's risk-attaching non-life treaties have varying coverage periods, ranging from annual treaties to indefinite treaties. Such treaties provide unilateral rights to the Group and reinsurer to terminate the cession of new business by giving notice to the other party based upon notice periods defined by the treaty. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the termination notice period. Subsequently risks attaching beyond the end of the initial termination notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within subsequent termination notice periods.

Adverse development cover - The Group's non-Life adverse development cover treaties are deemed to expire when all uncertainty associated with the ceded claims liabilities has expired. The contract boundary is based upon the best estimate of when all obligations associated with the liabilities will be extinguished.

Life contracts
Death and other claim benefits
Death and other claim benefits are projected using decrements appropriate to each class of business, including persistency, mortality and morbidity.

Mortality assumptions are set with regard to recent Company experience and general industry trends. Local, generally accepted, published standard mortality tables are used for different categories of business as appropriate.

The mortality tables used in the valuation for the most material lines of business are summarised below:

		2024	2023
UK business	Life protection	**AM00/AF00 or TM16/TF16 adjusted for smoker status and age/sex specific factors with allowance for future mortality improvements**	AM00/AF00 or TM16/TF16 adjusted for smoker status and age/sex specific factors with allowance for future mortality improvements
	Pure endowments and deferred annuities before vesting	**AM00/AF00 adjusted with allowance for improvements**	AM00/AF00 adjusted with allowance for improvements
Ireland business	Life protection	**TMS08/TMN08/TFS08/TFN08 adjusted plus allowance for future mortality improvement**	TMS08/TMN08/TFS08/TFN08 adjusted plus allowance for future mortality improvement

Annuity payments
The conventional immediate and deferred annuity business is valued by discounting future benefit payments with an allowance for mortality, including future improvements in mortality. Mortality assumptions are set with regard to Company experience and general industry trends.

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The mortality tables used in the valuation for the most material lines of business are summarised below:

		2024	2023
UK business	Pensions business and general annuity business	**PMA16_IND/PFA16_IND or PMA16_IND_INT/PFA16_IND_INT plus allowance for future mortality improvement**	PMA16_IND/PFA16_IND or PMA16_IND_INT/PFA16_IND_INT plus allowance for future mortality improvement
	Bulk purchase annuities	**CV6 plus allowance for future mortality improvement**	CV3 plus allowance for future mortality improvement
Ireland business	Annuities	**PMA08/PFA08 (conventional) adjusted plus allowance for future mortality improvement**	PMA08/PFA08 (conventional) adjusted plus allowance for future mortality improvement

For the largest portfolio of pensions annuity business, the underlying mortality assumptions, before risk adjustment for males are 104.1% of PMA16_IND with base year 2016 (2023: 106.6% of PMA16_IND with base year 2016). For females the underlying mortality assumptions, before risk adjustment, are 100.0% of PFA16_IND with base year 2016 (2023: 101.3% of PFA16_IND with base year 2016). The base rates on some contracts are adjusted for lifestyle, medical, and other factors.

Improvements before risk adjustment are based on 'CMI_2023 (S=7.25) Advanced with adjustments' (2023: 'CMI_2022 (S=7.25) Advanced with adjustments') with zero weight on 2022 and 2023 data within the model. Instead of placing weight on post-pandemic data within the CMI improvements model, a separate adjustment is made to reflect the impact that the drivers of excess mortality post-pandemic are expected to have in future years. This adjustment was added to the base table % in 2023 but it is now an explicit overlay (and this change is part of the reason for base table % falling 2023 to 2024). We use a long-term improvement rate of 1.5% for both males and females (31 December 2023: 1.5% for both males and females) . An allowance has been made to adjust for greater mortality improvements in the annuitant population relative to the general population on which CMI_2023 is based, using a parameter of 0.15% for males and 0.20% for females (for 2023 the same approach was taken with respect to CMI_2022).

Expenses

Maintenance expense assumptions for life business are generally expressed as a per policy charge set with regards to an allocation of current year expense levels by category of business, adjusted for known changes in contractual arrangements with external suppliers and using the policy counts for in-force business. Expenses are generally charged to with-profits funds using a fixed per policy charge in line with a memorandum of understanding between the with-profits funds and the non-profit fund within the company. Any differential between that and the total charge for each policy accrues to the non-profit fund and is also included in the fulfilment cash flows. The assumptions also include an allowance for future expense inflation over the lifetime of each contract, which is assumed to be in line with RPI. An additional liability is held if projected per policy expenses in future years are expected to exceed current assumptions. A further allowance is made for non-discretionary project costs that typically relate to mandatory requirements. Investment expense assumptions are generally expressed as a proportion of the assets backing the liabilities.

Non-life contracts

The Group establishes reserves for claim events that occurred before the valuation date, whether reported or not. When calculating claim costs, the Group takes into account estimated future recoveries from salvage and subrogation. Where non-Life contracts are onerous, the measurement of the loss component includes an estimate of future claims that are expected to occur within the remaining coverage period.

The undiscounted ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder and Bornhuetter-Ferguson methods. Historical claims development is mainly analysed by accident period, although underwriting or notification period is also used where this is considered appropriate.

The assumptions used in most non-life actuarial projection techniques, including future rates of claims inflation or loss ratio assumptions, are implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future in order to arrive at a point estimate for the ultimate cost of claims that represents the likely outcome. The ultimate cost of outstanding claims includes provision for expenses associated with handling claims.

UK mesothelioma claims

The level of uncertainty associated with latent claims is considerable due to the relatively small number of claims and the long-tail nature of the liabilities. UK mesothelioma claims account for a large proportion of the Group's latent claims. The key assumptions underlying the estimation of these claims include claim numbers, the base average cost per claim, future inflation in the average cost of claims and legal fees. The best estimate of the liabilities considers the latest available market information and studies and how these might impact Aviva's liabilities.

Lump sums payable to bodily injury claimants

Lump sum payments in settlement of UK bodily injury claims are influenced by the Ogden discount rate among other factors. The Ogden discount rate is set by the Lord Chancellor and is applied when calculating the present value of future care costs and loss of earnings for claims settlement purposes. The Lord Chancellor announced in December 2024 that the Ogden discount rate applicable to claims settled from 11th January 2025 is +0.5% (previously -0.25%).

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Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. For the risk-free yield curves, the Group generally uses the risk-free interest rate curves published by the PRA and EIOPA for regulatory reporting, which are based on swap rates and in the UK based on SONIA (Sterling Over Night Index Average). In Canada, the Group uses the Bank of Canada zero-coupon bond curve. Where necessary, yield curves are interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations.

The Group uses a bottom-up discount rate for all life and non-life insurance contracts except for annuities. A top-down discount rate is applied to annuities to reflect more appropriately the characteristics of the annuity liabilities. For other contracts where liabilities are subject to lapse risk or where cash flows depend on underlying asset performance (such as unit-linked and with-profits), the characteristics of the liability can be reflected using the bottom-up method which requires the application of less judgement.

Under the top-down approach, the discount rate is determined from the yield implicit in the fair value of an appropriate reference portfolio of assets that reflects the characteristics of the liabilities. Adjustments are made for differences between the reference portfolio and liability cash flows, including an allowance for defaults which reflects the compensation a market participant would require for credit risk.

For the measurement of new annuity business at inception only, the discount rates are based on assets expected to be originated for new business at initial recognition of the contracts. On subsequent measurement of the fulfilment cash flows the reference portfolio is based on the assets held to match the portfolio of liabilities. For recently written contracts, an adjustment is made to liabilities where appropriate assets are yet to be sourced.

Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium').

For UK and Ireland business, the illiquidity premium is determined as a percentage of the current spread over the risk-free yield on an index of covered bonds. For Canadian business, the illiquidity premium is determined with reference to a spread of bonds available on the market. The percentage applied reflects the liquidity characteristics of the liabilities including the propensity and ability of policyholders to lapse or surrender their contracts; for example, 100% for structured settlements where surrenders are not possible, and 0% for unit-linked contracts where policyholders can normally immediately surrender their contract for the unit value. An intermediate percentage is applied for other types of business. In Canada, a single illiquidity premium is selected given the limited duration differences and similar liquidity characteristics.

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The tables below set out key points on the yield curves used to discount the cash flows of insurance contracts for major currencies:

						2024						2023
	1 year	**5 years**	**10 years**	**15 years**	**20 years**	**40 years**	1 year	5 years	10 years	15 years	20 years	40 years
Life contracts												
Immediate and deferred annuities												
GBP	**6.2 %**	**5.8 %**	**5.8 %**	**6.0 %**	**6.0 %**	**5.8 %**	6.5 %	5.1 %	5.0 %	5.2 %	5.2 %	4.9 %
EUR	**3.4 %**	**3.3 %**	**3.4 %**	**3.4 %**	**3.4 %**	**3.7 %**	4.3 %	3.2 %	3.3 %	3.4 %	3.3 %	3.6 %
Life protection contracts												
GBP	**4.7 %**	**4.3 %**	**4.3 %**	**4.4 %**	**4.5 %**	**4.2 %**	5.1 %	3.7 %	3.6 %	3.7 %	3.8 %	3.5 %
EUR	**2.5 %**	**2.4 %**	**2.5 %**	**2.6 %**	**2.5 %**	**2.7 %**	3.6 %	2.5 %	2.6 %	2.7 %	2.6 %	2.8 %
With-profits contracts												
GBP	**4.8 %**	**4.4 %**	**4.4 %**	**4.5 %**	**4.6 %**	**4.3 %**	5.2 %	3.7 %	3.8 %	3.9 %	3.9 %	3.6 %
EUR	**2.5 %**	**2.4 %**	**2.5 %**	**2.6 %**	**2.5 %**	**2.7 %**	3.6 %	2.5 %	2.6 %	2.7 %	2.6 %	2.8 %
Unit-linked contracts												
GBP	**4.5 %**	**4.0 %**	**4.1 %**	**4.2 %**	**4.3 %**	**4.0 %**	4.7 %	3.4 %	3.3 %	3.4 %	3.4 %	3.2 %
EUR	**2.5 %**	**2.4 %**	**2.5 %**	**2.6 %**	**2.5 %**	**2.7 %**	3.6 %	2.5 %	2.6 %	2.7 %	2.6 %	2.8 %
Non-life contracts												
Structured settlements												
GBP	**4.9 %**	**4.5 %**	**4.5 %**	**4.7 %**	**4.7 %**	**4.5 %**	5.4 %	4.0 %	3.9 %	4.0 %	4.1 %	3.8 %
Latent claims												
GBP	**4.8 %**	**4.4 %**	**4.4 %**	**4.5 %**	**4.6 %**	**4.3 %**	5.2 %	3.8 %	3.8 %	3.9 %	3.9 %	3.6 %
EUR	**2.6 %**	**2.5 %**	**2.7 %**	**2.7 %**	**2.6 %**	**2.9 %**	3.9 %	2.8 %	2.9 %	3.0 %	2.9 %	3.2 %
Other general insurance claims												
GBP	**4.7 %**	**4.3 %**	**4.3 %**	**4.4 %**	**4.5 %**	**4.2 %**	5.1 %	3.7 %	3.6 %	3.7 %	3.8 %	3.5 %
EUR	**2.5 %**	**2.4 %**	**2.5 %**	**2.6 %**	**2.5 %**	**2.8 %**	3.7 %	2.7 %	2.7 %	2.8 %	2.7 %	3.1 %
CAD	**3.6 %**	**3.6 %**	**3.8 %**	**3.9 %**	**3.9 %**	**4.0 %**	5.4 %	3.9 %	3.9 %	3.9 %	3.9 %	3.8 %

The yields used are after a reduction for risk, but before allowance for investment expenses (which are included in the expected future cash flows).

For annuity business, the allowance for risk comprises long-term assumptions for defaults or, in the case of equity release assets, expected losses arising from the No-Negative-Equity Guarantee. These allowances vary by asset category and for some asset classes by rating.

The risk allowances made for corporate bonds (including overseas government bonds and structured finance assets), mortgages (including healthcare mortgages, commercial mortgages and infrastructure assets), and equity release equated to 34bps, 23bps, and 52bps respectively at 31 December 2024 (2023: 36bps, 25bps, and 89bps respectively).

For with-profits business, the liabilities associated with guarantees and options are measured using a market-consistent stochastic model. The cash flows are discounted at scenario-specific rates calibrated, on average, to be the bottom-up discount rates. Volatility assumptions are set with reference to implied volatility data on traded market instruments, where available, or on a best estimate basis where not.

	2024	2023
Equity returns	**15.3 %**	17.8 %
Property returns	**14.5 %**	15.0 %

The equity volatility used depends on term, moneyness and region. The figure shown is for a sample UK equity, at the money, with a ten-year term.

Risk adjustments for non-financial risk

The risk adjustment for non-financial risk reflects the compensation required by the Group to accept the uncertainty about the amount and timing of future cash flows that arises from non-financial risk. The calculation of the risk adjustment is calibrated with reference to the Group's pricing and capital allocation framework. The calibration leverages the Solvency II view of non-financial risk, considering a lifetime view, but excludes financial risks which are included within the Solvency II risk margin. The risk adjustment includes diversification between different portfolios of insurance and participating investment contracts, financial and non-financial risks, non-participating investment contracts and other non-insurance contracts using correlation matrix techniques. Diversification between entities across the Group is not included.

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For life business, the risk adjustment is allocated to individual contracts, including reinsurance contracts, using provisions for adverse deviation (PADs) applied to the best estimate non-financial assumptions.

For non-life business, the risk adjustment is allocated to groups of contract level based upon their capital intensity, with a greater amount allocated to contract groups with greater valuation uncertainty. Initially the Group applies these techniques on a net of reinsurance basis before calculating gross up factors for each group of contracts and calculating the reinsurance risk adjustment as the difference between net and gross.

For with-profits contracts the risk adjustment reflects the shareholder's interest in the with-profits fund. However, for non-profit contracts in the with-profit funds, the fund is treated as the entity and the risk adjustment reflects a 100% share of the risk, as for other non-profit business.

The Group estimates the Risk Adjustment's corresponding confidence level by comparing the combined value of best estimate cash flows and Risk Adjustment with a distribution of possible outcomes on an ultimate horizon. For life and participating contracts the confidence interval, net of reinsurance corresponds to the 68th percentile (2023: 68th percentile), for non-life contracts it corresponds to the 80th percentile (2023: 77th percentile). The percentiles disclosed benefit from the diverse profile of entities within the Group, but not from diversification between the Group's Life and non-Life segments and are uncertain estimates made as of 31 December, which could reasonably change within 12 months. Factors which could cause them to change include variations in the Company's risk profile or quantification thereof, for example as might arise from economic factors such as changes in risk-free discount rates or changes in the composition of insurance liabilities. the movements in the value of the net risk adjustment required to move the confidence level by 2.5 percentage points can be seen in the table below. The figures assume that there are no changes in estimate of future cashflows when in reality a lot of factors which influence the risk adjustment calibration will also impact the estimate of future cashflows.

	2024 £m	2023 £m
Life and participating business		
Movement in net risk adjustment required for 2.5pp confidence level increase	**54**	65
Movement in net risk adjustment required for 2.5pp confidence level reduction	**(54)**	(65)
Non-Life business		
Movement in net risk adjustment required for 2.5pp confidence level increase	**46**	45
Movement in net risk adjustment required for 2.5pp confidence level reduction	**(44)**	(41)

For Life risk and Participating contracts, this is the confidence level that the liabilities recognised and associated reinsurance balances, excluding CSM, are sufficient to cover the ultimate cost of in-force insurance liabilities applying period end assumptions. For non-Life contracts, this represents the confidence level that net claims liabilities recognised are sufficient to cover the ultimate cost of claims. Net non-Life claims liabilities include the liability for incurred claims, asset for incurred claims and the asset for remaining coverage on reinsurance contracts held that reinsure against adverse development on incurred claims.

(ii) Contractual service margin
Determination of coverage units
The amount of CSM recognised in profit or loss to reflect services provided in each year is determined by considering, for each group of contracts, coverage units that reflect the quantity of the benefits provided in each period and the expected coverage period. The coverage units are reviewed and updated at each reporting date.

The coverage units used by major product lines are:

Product line	**Coverage units**
Immediate annuity	Annuity outgo
Deferred annuity	Annuity outgo for insurance service post retirement and weighted expected investment return for the investment return service provided prior to retirement
Individual and Group Protection	Sum assured
Individual and Group Income Protection	Benefit amount payable
Unit linked insurance	Sum assured including unit value
With-profits	Cost of guarantees plus asset share

For deferred annuities, judgement has been applied in determining the appropriate method for measuring coverage units and the weighting of those coverage units across the investment return service provided prior to retirement and the insurance service provided post-retirement. That judgement was supported by evidence of market pricing of these services, resulting in an approach that targets equivalence at retirement with the CSM for immediate annuities (when pricing in an active market) that provide an insurance service equivalent to that provided by the deferred annuities post-retirement.

The coverage units for the investment return service combine the expected investment return with the weighting that produces the target CSM after allowing for expected retirement date, transfers and commutations. There is limited estimation uncertainty arising when applying this approach, not least because the weighting of services does not directly impact on the measurement of the CSM, instead it impacts on the pattern of CSM release over the long life of these contracts. Expected investment return is calculated using the locked in discount rate throughout the life of the contract, to represent the investment return that policyholders benefit from through the pricing of their contract.

Expected rates of transfers taken by retirement date and take up rates for tax free cash (the main commutations taken at retirement in the UK) are not typically subject to significant fluctuations.

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Coverage units for reinsurance contracts held are typically consistent with the underlying gross contracts, adjusted for differences in the services provided.

Risk mitigation option
The Group uses derivatives and financial investments to mitigate the financial risk arising from equity and interest rate exposures in UK with-profit funds, in accordance with its documented risk management objective and strategy for mitigating financial risk. An economic offset exists between the insurance contracts and the risk-mitigating items (derivatives and financial investments held at FVTPL), and credit risk does not dominate the economic offset.

For the with-profit sub-fund supported by the RIEESA, the Group has chosen to apply the risk mitigation option. Certain changes in variable fee cash flows are recognised in profit or loss, and do not adjust the CSM, as they arise from changes in equity and interest rate risks that are mitigated by the use of derivatives and financial investments held at FVTPL.

(iii) Investment components
The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components and rights to withdraw are both excluded from insurance revenue and insurance service expenses, and variances between actual and expected cash flows adjust the CSM.

Participating and some non-participating whole-life contracts have explicit surrender values. The non-distinct investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms.

Immediate annuities with a guarantee period contain a non-distinct investment component equal to the value of those guaranteed payments.

Deferred annuities include a non-distinct investment component if all of the following features are present:

- transfer value in the deferral period;
- death benefit in the deferral period; and
- guarantee period once the annuity is in payment.

The investment component excluded from insurance revenue and insurance service expenses is determined as the lower of the present value of each of those possible payments. Any amounts in excess of the investment component, or any payments made under those features that do not qualify as an investment component, are treated as rights to withdraw. In either case, transfer values paid during the deferral period are presented as premium refunds.

(iv) Fair value of insurance contracts and measurement of contracts on transition to IFRS 17
When the Group acquires insurance contracts measured under the GMM or VFA in a business combination it measures the CSM at acquisition by reference to the fair value of the contracts at the acquisition date less the fulfilment cash flows. The Group also applied the fair value approach on transition to IFRS 17 to all life business written prior to 2016, including annuities, except for groups to which the modified retrospective approach (MRA) was applied (as described below).

In this context fair value is derived in accordance with IFRS 13 Fair Value Measurement (except, where relevant, a demand deposit floor is not applied) and represents the price a market participant would require to assume the insurance contract liabilities in an orderly transaction. As quoted market prices are not available for groups of insurance contracts, valuation models are used to calculate the fair value of each group at the transition or acquisition date. The choice of model and inputs to the model involves judgement and this gives rise to a range of plausible fair values.

Whilst the fair value at acquisition or transition impacts the size of the CSM that will subsequently be recognised in profit over the remaining life of the contracts applying the accounting policy set out in accounting policy M, the fair value model and inputs to that model will not be applied to, or result in adjustment to, any subsequent measurement of the CSM.

The valuation models applied at transition and to subsequent acquisitions determined the fair value using a cost of capital approach. Expected cash flows and the required capital to run the business were projected forward, applying an appropriate weighted average cost of capital (WACC). Inputs were calibrated to those Aviva would expect market participants to have used had they priced the insurance contracts for transfer to them at the transition or acquisition date.

The Group also applied the MRA to certain groups of UK individual protection business written in the period 2012-2015 and certain groups of acquired UK unit-linked and with-profits business on transition to IFRS 17. Where information was not available to undertake the fully retrospective approach (FRA) in relation to UK unit-linked and with-profit business, modifications were applied in respect of: calculation of the CSM at the transition date and use of information available at the transition date for the assessment of contracts within the scope of IFRS 17, eligibility for the VFA measurement model and grouping of contracts. The aim was to achieve the closest possible outcome to the FRA.

(h) Financial guarantees and options

This note details the financial guarantees and options inherent in some of our insurance and participating investment contracts.

For insurance and participating investment contracts, the Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. For contracts with embedded options and guarantees, in particular with-profits business, a stochastic approach based on the average of a number of scenarios is typically used. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

Notes to the consolidated financial statements

(a) UK non-profit business
The material guarantees and options relating to non-profit business are:

(i) Guaranteed annuity options
The Group's UK non-profit funds have written contracts which contain guaranteed annuity rate options (GAOs), where the policyholder has the option to take the benefits from a policy in the form of an annuity based on guaranteed conversion rates. Liabilities for these guarantees do not materially differ from a provision based on a market-consistent stochastic model, and amount to £29 million at 31 December 2024 (2023: £24 million).

(ii) Guaranteed unit price on certain products
Certain pension products linked to long-term life insurance funds provide policyholders with guaranteed benefits at retirement or death. No additional liability is held for this guarantee as the investment management strategy for these funds is designed to ensure that the guarantee can be met from the fund, mitigating the impact of large falls in investment values and interest rates.

(iii) Return of Premium guarantees
German pension products sold in Friends Life between 2006 and 2014 are subject to a return of premium guarantee whereby the product guarantees to return the maximum of the unit fund value or total premiums paid (before deductions). Liabilities for this guarantee are calculated using a market-consistent stochastic model and amount to £77 million at 31 December 2024 (2023: £88 million).

(b) UK with-profits business
The material guarantees and options relating to with-profit business are:

(i) Maturity value and death benefit guarantees
Significant conventional and unitised with-profits business have minimum maturity (and in some cases death benefit) values reflecting the sum assured plus declared annual bonus. For some unitised with-profits life contracts the amount paid after the fifth policy anniversary is guaranteed to be at least as high as the premium paid increased in line with the rise in retail price index (RPI) or consumer price index (CPI).

(ii) No market valuation reduction (MVR) guarantees
For unitised business, there are circumstances where a 'no MVR' guarantee is applied, for example on certain policy anniversaries, guaranteeing that no market value reduction will be applied to reflect the difference between the accumulated value of units and the market value of the underlying assets.

(iii) Guaranteed annuity options
The Group's UK with-profits funds have written individual and group pension contracts which contain GAOs, where the policyholder has the option to take the benefits from a policy in the form of an annuity based on guaranteed conversion rates. The Group also has exposure to GAOs and similar options on deferred annuities.

Liabilities for the cost of guarantees in respect of GAOs in the UK with-profits funds were £439 million at 31 December 2024 (2023: £545 million). With the exception of the with-profits sub-fund supported by the RIEESA, movements in the GAO liabilities in the with-profits funds are offset by a corresponding movement in the estate to be distributed between policyholders and shareholders. The (immediate) impact on profit arises from the mismatch between the remeasurement of the variable fee (using current market consistent financial assumptions) and remeasurement of the CSM (using locked-in financial assumptions), together with the incremental amortisation of the change to the CSM. Liabilities for GAOs in the with-profits sub-fund supported by the RIEESA were £32 million at 31 December 2024 (2023: £44 million).

(iv) Guaranteed minimum pension
The Group's UK with-profits funds also have certain policies that contain a guaranteed minimum level of pension as part of the condition of the original transfer from state benefits to the policy.

(v) Guaranteed minimum maturity payments on mortgage endowments
The with-profits funds made promises to certain policyholders in relation to their with-profits mortgage endowments. Top-up payments will be made on these policies at maturity to meet the mortgage value up to a maximum of the 31 December 1999 illustrated shortfall.

(c) Ireland
(i) Guaranteed annuity options and guaranteed maturity values
Guarantees and options in Ireland include GAOs, minimum maturity values on conventional with-profits business, guaranteed minimum bonus rates on unitised with profits business, and a 'no MVR' guarantee that may apply at certain policy anniversaries. Guarantees and options are measured using stochastic methods, and for some smaller with-profit funds closed form solutions.

40 - Non-participating investment contracts
This note analyses our gross liabilities for non-participating investment contracts by type of product and describes the calculation of these liabilities.

(a) Carrying amount
Non-participating investment contracts as at 31 December comprised:

	2024 £m	2023 £m
Liabilities for non-participating investment contracts	**179,142**	158,588
Reinsurance assets for non-participating investment contracts	**(5,280)**	(4,713)
Net non-participating investment contracts	**173,862**	153,875

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(b) Group practice

Investment contracts are those that do not transfer significant insurance risk from the contract holder to the issuer and if they do not contain a significant discretionary participation feature they are treated as financial instruments in scope of IFRS 9.

Many investment contracts contain a discretionary participation feature in which the contract holder has a contractual right to receive additional benefits as a supplement to guaranteed benefits. These are referred to as participating contracts and are measured according to the methodology as prescribed by IFRS 17 insurance contracts.

Investment contracts that do not contain a discretionary participation feature are referred to as non-participating contracts and the liability is measured at fair value. For non-participating investment contracts designated at FVTPL, the Group elects to present the change in fair value attributable to a change in the credit risk of the contracts in the income statement.

Of the non-participating investment contracts measured at fair value, £179,070 million at 31 December 2024 (2023: £158,498 million) are unit-linked in structure and the fair value liability is equal to the current unit fund value, including any unfunded units, plus if required, additional non-unit reserves based on a discounted cash flow analysis.

These contracts are generally classified as Level 1 in the fair value hierarchy, as the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue, and any non-unit reserve is insignificant.

For unit-linked business, a deferred acquisition cost asset and deferred income reserve liability are recognised in respect of transaction costs and front-end fees respectively, that relate to the provision of investment management services, and which are amortised on a systematic basis over the contract term. The amount of the related deferred acquisition cost asset is shown in note 29 and the deferred income liability is shown in note 47.

For non-participating investment contracts acquired in a business combination, an acquired value of in-force business asset is recognised in respect of the fair value of the investment management services component of the contracts, which is amortised on a systematic basis over the useful lifetime of the related contracts. The amount of the acquired value of in-force business asset is shown in note 17, which relates primarily to the acquisition of Friends Life in 2015 and Friends First in 2018.

(c) Movements in the year

The following movements have occurred in the gross provisions for non-participating investment contracts in the year:

Carrying amount	2024 £m	2023 £m
At 1 January	**158,588**	141,188
Liabilities in respect of new business	**5,212**	4,243
Expected change in existing business	**(5,038)**	(3,263)
Variance between actual and expected experience	**20,802**	16,589
Other movements recognised as an expense	**—**	40
Change in liability	**20,976**	17,609
Foreign exchange rate movements	**(422)**	(164)
Other movements[1]	**—**	(45)
At 31 December	**179,142**	158,588

1. Other movements in 2023 related to a reallocation between non-participating investment liabilities and non-participating reinsurance assets of £(45) million

For unit-linked investment contracts, movements in asset values are offset by corresponding changes in liabilities, limiting the net impact on profit. The variance between actual and expected experience in 2024 of £20,802 million is primarily due to higher than expected investment returns following material increases in global equity markets.

The following movements have occurred in the reinsurance asset for non-participating investment contracts in the year:

Carrying amount	2024 £m	2023 £m
At 1 January	**4,713**	5,290
Assets in respect of new business	**84**	88
Expected change in existing business assets	**(120)**	(261)
Variance between actual and expected experience	**603**	456
Other movements recognised as an expense[1]	**—**	(815)
Change in asset	**567**	(532)
Other movements[2]	**—**	(45)
At 31 December	**5,280**	4,713

1. £815 million of policyholder assets transferred from reinsured funds to non-reinsured funds during 2023
2. Other movements in 2023 related to a reallocation between non-participating investment liabilities and non-participating reinsurance assets of £(45) million

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41 - Effect of changes in non-financial assumptions and estimates during the year

This note analyses the impact of changes in estimates and assumptions from 2023 to 2024, on liabilities for insurance and investment contracts, and related assets and liabilities, such as reinsurance, deferred acquisition costs and acquired value of in-force business and does not allow for offsetting movements in the value of backing financial assets.

Assumptions	2024 Fulfillment Cash Flows (FCF) £m	2024 Change in CSM £m	2024 Effect on profit £m	2023 Fulfillment Cash Flows (FCF) £m	2023 Change in CSM £m	2023 Effect on profit £m
Expenses	**95**	**(65)**	**(29)**	59	(63)	4
Persistency rates	**(2)**	**35**	**(33)**	(9)	9	—
Mortality and morbidity for assurance contracts	**(1)**	**20**	**(19)**	18	(18)	—
Longevity for annuity contracts	**(54)**	**21**	**33**	(456)	528	(72)
Tax and other assumptions	**(12)**	**7**	**5**	(98)	108	(10)
Long-term insurance and participating investment business	**26**	**18**	**(44)**	(486)	564	(78)
Expenses	**—**	**—**	**—**	—	—	—
Long-term non-participating investment business	**—**	**—**	**—**	—	—	—
Total	**26**	**18**	**(44)**	(486)	564	(78)

Of the £29 million loss from expense assumption changes in 2024, £20 million profit arises from discount rate mismatches (lack of full offset between FCF and CSM) and £49 million loss arises on onerous contracts, where the full impact from FCF is recognised as loss.

The impact of change in mortality and morbidity assumptions for assurance contracts for both 2024 and 2023 relates mainly to a review of recent experience. In 2023 business also moved onto the latest CMI series tables.

Longevity assumption changes during this year are valued at £54 million reduction in FCF (valued at opening market discount rates) and £21 million increase in CSM (discount rates locked in at the time of business inception), giving a total profit of £33 million, mainly due to the mismatch between those discount rates. Updates have been made to mortality improvements and reflecting recent experience in base mortality.

Longevity assumptions changes in 2023 were valued at £456 million reduction in FCF (valued at opening market discount rates) and £528 million increase in CSM (discount rates locked in at the time of business inception), giving a total loss of £72 million.

The three largest contributors were:

- introduction of an explicit adjustment for post-pandemic mortality,
- updates to the mortality improvement model moving onto the latest CMI_2022 model from CMI_2021, to incorporate revised population data, and
- improved assumptions for the proportion of BPA customers that are married.

Tax and other assumption changes in 2023 were mainly comprised of changes in provisions for risk adjustment on annuities, where the movements in FCF and CSM largely offset.

42 - Tax assets and liabilities

This note analyses the tax assets and liabilities that appear in the statement of financial position and explains the movements in these balances in the year.

(a) Current tax

Current tax assets recoverable and liabilities payable in more than one year are £85 million and £0 million (2023: £85 million and £1 million), respectively.

The Group is party to the CFC & Dividend Group Litigation Order, which challenged the tax treatment of dividends received from non-UK entities before 2009. The Group is attempting to recover claims from HMRC covered by this judgement. A recoverable balance of £85 million (2023: £85 million) is included within current tax assets. In addition, the Group estimates potential interest recoverable of £48 million, which has not previously been recognised in investment return in the income statement and is not currently reflected in the statement or financial position.

(b) Deferred tax

(i) The balances at 31 December comprise:

	2024 £m	2023 £m
Deferred tax assets	**614**	958
Deferred tax liabilities	**(345)**	(453)
Net deferred tax asset	**269**	505

Deferred tax attributable to policyholder returns included above at 31 December 2024 was a liability of £89 million (2023: asset of £89 million). Previously the Group recognised net deferred tax assets in respect of policyholder tax assets due to significant market volatility. These positions have now reversed as the market has recovered.

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Where shareholder deferred tax assets are not supported by deferred tax liabilities, they are recognised to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. In assessing future profitability, the directors have relied on board approved business plans and profit forecasts for up to five years and the Group's history of taxable profits in the relevant jurisdictions.

(ii) The net deferred tax asset/(liability) arises on the following items:

	2024 £m	2023 £m
Insurance and investment contract liabilities	**287**	500
Deferred acquisition costs	**61**	(6)
Unrealised gains on investments	**(309)**	(245)
Pensions and other post-retirement obligations	**(17)**	(145)
Unused losses and tax credits	**288**	267
Intangibles and additional value of in-force long-term business	**(249)**	(207)
Provisions and other temporary differences	**208**	341
Net deferred tax asset	**269**	505

(iii) The movement in the net deferred tax asset/(liability) was as follows:

	Note	**2024 £m**	2023 £m
Net asset at 1 January		**505**	679
Acquisition and disposal of subsidiaries		**7**	—
Amounts charged to income statement	13(a)	**(380)**	(292)
Amounts credited to other comprehensive income	13(b)	**137**	119
Foreign exchange rate movements		**—**	(1)
Net asset at 31 December		**269**	505

The Group has unrecognised gross tax losses (excluding capital losses) and other temporary differences of £799 million (2023: £347 million) to carry forward against future taxable income of the necessary category in the companies concerned. Of these, trading losses of £44 million (2023: £44 million) will expire within the next eight years. The remaining losses have no expiry date.

In addition, the Group has unrecognised gross capital losses of £566 million (2023: £577 million). These have no expiry date.

At 31 December 2024, a potential deferred tax liability of £32 million (2023: £22 million) is not recognised on temporary differences relating to reserves of overseas subsidiaries which are not expected to be distributed.

43 - Pension deficits and other provisions

This note details the non-insurance provisions that the Group holds and shows the movements in these during the year.

(a) Carrying amounts

	Note	**2024 £m**	2023 £m
Total IAS 19 obligations to main staff pension schemes	44(a)	**372**	410
Restructuring provisions		**28**	44
Other provisions		**326**	341
Total provisions		**726**	795

Restructuring provisions include lease termination penalties and costs relating to disposed entities. They comprise of only the direct expenditures arising from the restructuring, which are those that are necessarily entailed by the restructuring; and not associated with the ongoing activities of the entity.

Other provisions are measured based upon our expectation of the value and timing of future economic outflows. Other provisions include a number of product governance provisions totalling £189 million (2023: £128 million), which are measured based upon the amounts we expect to pay to policyholders and other costs arising directly from remediation.

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(b) Movements on restructuring and other provisions

	2024 Restructuring provisions £m	2024 Other provisions £m	2024 Total £m	2023 Restructuring provisions £m	2023 Other provisions £m	2023 Total £m
At 1 January	**44**	**341**	**385**	70	293	363
Additional provisions	**—**	**153**	**153**	—	174	174
Provisions released during the year	**(5)**	**(75)**	**(80)**	(3)	(66)	(69)
Charge to income statement	**(5)**	**78**	**73**	(3)	108	105
Utilised during the year	**(11)**	**(91)**	**(102)**	(23)	(60)	(83)
Foreign exchange rate movements	**—**	**(2)**	**(2)**	—	—	—
At 31 December	**28**	**326**	**354**	44	341	385

Of the total restructuring and other provisions, £105 million (2023: £88 million) is expected to be settled more than one year after the statement of financial position date.

44 - Pension obligations

(a) Introduction

The Group operates a number of defined benefit and defined contribution pension schemes. The material defined benefit schemes are in the UK, Ireland and Canada. The assets and liabilities of these defined benefit schemes as at 31 December are shown below.

	Note	2024 UK £m	2024 Ireland £m	2024 Canada £m	2024 Total £m	2023 UK £m	2023 Ireland £m	2023 Canada £m	2023 Total £m
Total fair value of scheme assets	44(b)(ii)	**8,972**	**621**	**171**	**9,764**	10,678	678	190	11,546
Present value of defined benefit obligation		**(8,866)**	**(593)**	**(226)**	**(9,685)**	(10,211)	(679)	(249)	(11,139)
Net IAS 19 surpluses in the schemes		**106**	**28**	**(55)**	**79**	467	(1)	(59)	407
Surpluses included in other assets	30	**423**	**28**	**—**	**451**	809	8	—	817
Deficits included in provisions	43	**(317)**	**—**	**(55)**	**(372)**	(342)	(9)	(59)	(410)
Net IAS 19 surpluses in the schemes		**106**	**28**	**(55)**	**79**	467	(1)	(59)	407

This note relates to the defined benefit pension schemes included in the table above. The charges to the income statement for the main schemes are shown in section (b)(i) below, whilst the total charges for all pension schemes are disclosed in section (d) below.

Under the IAS 19 valuation basis, the Group applies the principles of IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, whereby a surplus is only recognised to the extent that the company is able to access the surplus either through an unconditional right of refund to the surplus or through reduced future contributions relating to ongoing service, which have been substantively enacted or contractually agreed.

The Group has determined that it can derive economic benefit from the surplus in the Aviva Staff Pension Scheme (ASPS) via a reduction to future employer contributions for defined contribution (DC) members, which could theoretically be paid from the surplus funds in the ASPS. In the RAC (2003) Pension Scheme (RAC Scheme) and Friends Provident Pension Scheme (FPPS), in the UK and in the Aviva Ireland Staff Pension Fund (AISPF) and Friends First Group Retirement and Death Benefits Scheme (FFPS) in Ireland, the Group has determined that the rules set out in the schemes' governing documentation provide for an unconditional right to a refund from any future surplus funds in the schemes.

The assets of the UK, Ireland and Canada schemes are held in separate trustee-administered funds to meet long-term pension liabilities to past and present employees. In all schemes, the appointment of trustees of the funds is determined by their trust documentation and they are required to act in the best interests of the schemes' beneficiaries. The long-term investment objectives of the trustees and the employers are to limit the risk of the assets failing to meet the liabilities of the schemes over the long term, and to maximise returns consistent with an acceptable level of risk so as to control the long-term costs of these schemes.

A funding actuarial valuation of each of the defined benefit schemes is carried out at least every three years for the benefit of scheme trustees and members. Actuarial reports have been submitted for each scheme within this period, using appropriate methods for the respective countries on local funding bases.

The number of scheme members was as follows:

Number	2024 UK	2024 Ireland	2024 Canada	2024 Total	2023 UK	2023 Ireland	2023 Canada	2023 Total
Deferred members	**35,706**	**2,008**	**277**	**37,991**	37,906	2,182	213	40,301
Pensioners	**42,103**	**1,044**	**1,216**	**44,363**	41,212	975	1,228	43,415
Total members	**77,809**	**3,052**	**1,493**	**82,354**	79,118	3,157	1,441	83,716

All schemes are closed to future accrual. Closure of the schemes has removed the volatility associated with additional future accrual for active members.

Notes to the consolidated financial statements

(i) UK schemes
In the UK, the Group operates three main pension schemes, the ASPS, the RAC Scheme which was retained after the sale of RAC Limited in September 2011 and the FPPS, which was acquired as part of the Friends Life acquisition in 2015. As the defined benefit sections of the UK schemes are now closed to both new members and future accrual, existing deferred members in active service and new entrants participate principally in the defined contribution section of the ASPS. The UK schemes operate within the UK pensions' regulatory framework.

(ii) Other schemes
In Ireland, the Group operates two main pension schemes, the Aviva Ireland Staff Pension Fund (AISPF) and the Friends First Group Retirement and Death Benefits Scheme (FFPS) which was acquired as part of the Friends First acquisition in June 2018. Future accruals for the AISPF and FFPS schemes ceased with effect from 30 April 2013 and 1 April 2014 respectively. The Irish schemes are regulated by the Pensions Authority in Ireland.

The Canadian defined benefit pension plan ceased accrual with effect from 31 December 2011. The Canadian pension plan currently in force is a Defined Contribution Pension Plan that is subject to the Pensions Benefits Act (Ontario), Income Tax Act (Canada), and oversight of the Financial Services Regulatory Authority of Ontario.

(b) IAS 19 disclosures

Disclosures under IAS 19 for the material defined benefit schemes in the UK, Ireland and Canada, are given below. Where schemes provide both defined benefit and defined contribution pensions, the assets and liabilities shown exclude those relating to defined contribution pensions.

(i) Movements in the scheme surpluses and deficits
Movements in the pension schemes' surpluses and deficits comprise:

			2024			2023
	Fair value of Scheme Assets £m	**Present value of defined benefit obligation £m**	**IAS 19 Pensions net surplus/ (deficits) £m**	Fair value of Scheme Assets £m	Present value of defined benefit obligation £m	IAS 19 Pensions net surplus/ (deficits) £m
Net IAS 19 surplus in the schemes at 1 January	**11,546**	**(11,139)**	**407**	11,763	(10,931)	832
Administrative expenses	**—**	**(25)**	**(25)**	—	(22)	(22)
Total pension cost charged to net operating expenses	**—**	**(25)**	**(25)**	—	(22)	(22)
Net interest credited to investment income[1]	**498**	**(479)**	**19**	544	(505)	39
Total recognised in income statement	**498**	**(504)**	**(6)**	544	(527)	17
Actual return on these assets	**(1,214)**	**—**	**(1,214)**	316	—	316
Less: Interest income on scheme assets	**(498)**	**—**	**(498)**	(544)	—	(544)
Return on scheme assets excluding amounts in interest income	**(1,712)**	**—**	**(1,712)**	(228)	—	(228)
Gains from change in financial assumptions	**—**	**1,232**	**1,232**	—	(333)	(333)
Gains from change in demographic assumptions	**—**	**108**	**108**	—	104	104
Experience losses	**—**	**(14)**	**(14)**	—	(38)	(38)
Total remeasurements recognised in other comprehensive income	**(1,712)**	**1,326**	**(386)**	(228)	(267)	(495)
Employer contributions	**55**	**—**	**55**	53	—	53
Plan participant contributions	**2**	**(2)**	**—**	2	(2)	—
Benefits paid	**(559)**	**559**	**—**	(546)	546	—
Administrative expenses paid from scheme assets	**(25)**	**25**	**—**	(22)	22	—
Foreign exchange rate movements	**(41)**	**50**	**9**	(20)	20	—
Net IAS 19 surplus in the schemes at 31 December	**9,764**	**(9,685)**	**79**	11,546	(11,139)	407

1. Net interest income of £42 million (2023: £64 million) has been credited to investment income and net interest expense of £23 million (2023: £25 million) has been charged to finance costs (see note 8)

The present value of unfunded post-retirement benefit obligations included in the table above is £80 million at 31 December 2024 (2023: £85 million).

Remeasurement loss of £386 million (2023: loss of £495 million) recorded in the statement of comprehensive income for the period are largely driven by:

- During the period the RAC Scheme completed a bulk annuity buy-in transaction with Aviva Life & Pensions UK Limited, a Group Company. Due to different measurement bases applying for accounting purposes, the premium paid by the scheme exceeded the valuation of the scheme asset recognised. In the table above, this has been recognised as a loss in the actual return on assets (see note 55 for further information). The scheme asset recognised is transferable and so has not been subject to consolidation within the Group's financial statements.
- Economic movements, including increase in interest rates and widening spreads on UK government bonds, and movements impacting other assets. This has resulted in a reduction in the fair value of fixed income securities and other assets not fully offset by the decrease in the valuation of the defined benefit obligation (DBO).
- The losses were partially offset by actuarial gains relating to updated demographic assumptions.

Notes to the consolidated financial statements

(ii) Scheme assets

Scheme assets are stated at their fair values at 31 December. Total scheme assets are comprised by country as follows:

				2024				2023
	UK £m	**Ireland £m**	**Canada £m**	**Total £m**	UK £m	Ireland £m	Canada £m	Total £m
Bonds	**5,983**	**544**	**5**	**6,532**	7,804	545	—	8,349
Equities	**—**	**19**	**—**	**19**	—	18	—	18
Property	**—**	**—**	**—**	**—**	14	—	—	14
Pooled investment vehicles	**1,868**	**236**	**164**	**2,268**	2,093	253	185	2,531
Derivatives	**50**	**25**	**—**	**75**	3	52	—	55
Insurance policies	**4,316**	**—**	**—**	**4,316**	3,992	—	—	3,992
Repurchase agreements	**(2,423)**	**(215)**	**—**	**(2,638)**	(2,436)	(203)	—	(2,639)
Cash and other[1]	**(438)**	**12**	**2**	**(424)**	(361)	13	5	(343)
Total fair value of scheme assets	**9,356**	**621**	**171**	**10,148**	11,109	678	190	11,977
Less: consolidation elimination for non-transferable Group insurance policy[2]	**(384)**	**—**	**—**	**(384)**	(431)	—	—	(431)
Total IAS 19 fair value of scheme assets	**8,972**	**621**	**171**	**9,764**	10,678	678	190	11,546

1. Cash and other assets comprise cash at bank, receivables, payables, and longevity swaps
2. As at 31 December 2024, the FPPS asset includes an insurance policy of £384 million (2023: £431 million) issued by a Group company that is not transferable under IAS 19 and is consequently eliminated from the Group's IAS 19 scheme assets. Insurance policies issued by other Group companies of £3,932 million as at 31 December 2024 (2023: £3,561 million) included in the ASPS and RAC Scheme assets are transferable and so are not subject to consolidation.

Total scheme assets are analysed by those that have a quoted market price in an active market and other as follows:

			2024			2023
	Quoted in an active market £m	**Other £m**	**Total £m**	Quoted in an active market £m	Other £m	Total £m
Bonds	**5,735**	**797**	**6,532**	6,889	1,460	8,349
Equities	**19**	**—**	**19**	18	—	18
Property	**—**	**—**	**—**	—	14	14
Pooled investment vehicles	**44**	**2,224**	**2,268**	38	2,493	2,531
Derivatives	**25**	**50**	**75**	34	21	55
Insurance policies	**—**	**4,316**	**4,316**	—	3,992	3,992
Repurchase agreements	**—**	**(2,638)**	**(2,638)**	—	(2,639)	(2,639)
Cash and other[1]	**90**	**(514)**	**(424)**	489	(832)	(343)
Total fair value of scheme assets	**5,913**	**4,235**	**10,148**	7,468	4,509	11,977
Less: consolidation elimination for non-transferable Group insurance policy[2]	**—**	**(384)**	**(384)**	—	(431)	(431)
Total IAS 19 fair value of scheme assets	**5,913**	**3,851**	**9,764**	7,468	4,078	11,546

1. Cash and other assets comprise cash at bank, receivables, payables, and longevity swaps
2. As at 31 December 2024, the FPPS asset includes an insurance policy of £384 million (2023: £431 million) issued by a Group company that is not transferable under IAS 19 and is consequently eliminated from the Group's IAS 19 scheme assets. Insurance policies issued by other Group companies of £3,932 million as at 31 December 2024 (2023: £3,561 million) included in the ASPS and RAC Scheme assets are transferable and so are not subject to consolidation.

IAS 19 plan assets include investments in Group-managed funds of £876 million (2023: £1,124 million) and transferable insurance policies with other Group companies of £3,932 million (2023: £3,561 million) in the ASPS and RAC Scheme. Where the investments are in segregated funds with specific asset allocations, they are included in the appropriate line in the table above, otherwise they appear in 'Cash and other'. There are no significant judgements involved in the valuation of the scheme assets. Insurance policies are valued on the same basis as the pension scheme liabilities, as required by IAS 19.

(iii) Assumptions on scheme liabilities

The valuations used for accounting under IAS 19 have been based on the most recent funding actuarial valuations, updated to take account of the standard's requirements in order to assess the liabilities of the material schemes at 31 December 2024.

The projected unit credit method

The inherent uncertainties affecting the measurement of scheme liabilities require these to be measured on an actuarial basis. This involves discounting the best estimate of future cash flows to be paid out by the scheme using the projected unit credit method. This is an accrued benefits valuation method which calculates the past service liability to members and makes allowance for their projected future earnings. It is based on a number of actuarial assumptions, which vary according to the economic conditions of the countries in which the relevant businesses are situated, and changes in these assumptions can materially affect the measurement of the pension obligations.

Notes to the consolidated financial statements

Financial assumptions

The main financial assumptions used to calculate scheme liabilities under IAS 19 are:

	2024 UK	2024 Ireland	2024 Canada	2023 UK	2023 Ireland	2023 Canada
Inflation rate[1]	**3.2 %**	**2.05 %**	**2.75 %**	3.1 %	2.1 %	2.75 %
General salary increases[2]	**5.3 %**	**3.6 %**	**3.25 %**	5.2 %	3.6 %	3.25 %
Pension increases[3]	**3.2 %**	**0.55 %/0.65 %**	**— %**	3.2 %	0.6 %/0.7 %	— %
Deferred pension increases[3]	**2.8 %**	**2.05 %**	**— %**	2.6 %	2.1 %	— %
Discount rate[4, 5]	**5.48 %/5.68 % (non-insured members)**	**3.45 %/3.50 %**	**4.57 %**	4.49 %/4.50 %/ 4.51 % (non-insured members)	3.15 %/3.10 %	4.62 %
	5.63 %/5.56 %/5.41 % (insured members)			4.51 %/4.48 % (insured members)		
Basis of discount rate			**AA-rated corporate bonds**			AA-rated corporate bonds

1. For the UK schemes relevant RPI/CPI swap curves are used in the calculation of the DBO; the rate shown is the equivalent single RPI rate for ASPS. In 2024, CPI is derived as RPI less 100 bps pre 2030 and RPI less 0bps post 2030 (2023: RPI less 100 bps pre 2030 and RPI less 0bps post 2030).
2. In the UK, the only remaining linkage between pension benefits and general salary increases is in respect of a small amount of Guaranteed Minimum Pension benefits, in line with National Average Earnings
3. For the UK schemes relevant RPI/CPI swap curves are used, adjusted to reflect the appropriate caps/floors and inflation volatility with full curves used in the calculation of the DBO. The rates shown are the single equivalent rates for the biggest groups of pensions in payment and deferment respectively in the ASPS.
4. To calculate scheme liabilities in the UK, a discount rate of 5.48 % is used for ASPS, and 5.68 % for FPPS members not included in annuity policies held by the scheme. A discount rate of 5.63 % is used for ASPS, 5.56 % fpr RAC and 5.41 % for FPPS members included in annuity policies held by the schemes. The different rates reflect the differences in the duration of the liabilities between the schemes.
5. For the Irish schemes, a discount rate of 3.45 % and 3.50 % is used for AISPF and FFPS respectively, reflecting the differences in the duration of the liabilities between the two schemes

The discount rate and pension increase rate are the two assumptions that have the largest impact on the value of the liabilities, with the difference between them being known as the net discount rate. For each country, the discount rate is based on current average yields of high-quality debt instruments taking account of the maturities of the defined benefit obligations.

Mortality assumptions

Mortality assumptions are material in measuring the Group's obligations under its defined benefit schemes. The assumptions used are summarised in the table below and have been selected to reflect the characteristics and experience of the membership of these schemes.

The mortality tables, average life expectancy and pension duration used at 31 December 2024 for scheme members are as follows:

			Life expectancy/(pension duration) at NRA of a male		Life expectancy/(pension duration) at NRA of a female	
		Normal retirement age (NRA)	Currently aged NRA	20 years younger than NRA	Currently aged NRA	20 years younger than NRA
UK						
ASPS	SAPS tables as a proxy for Club Vita pooled experience, including an allowance for future improvements	60	88.1	89.3	89.8	91.6
			(28.1)	(29.3)	(29.8)	(31.6)
RAC	SAPS, including allowances for future improvement	65	86.8	88.5	88.8	90.6
			(21.8)	(23.5)	(23.8)	(25.6)
FPPS	SAPS, including allowances for future improvement	60	87.8	89.7	90.1	91.8
			(27.8)	(29.7)	(30.1)	(31.8)
Ireland						
AISPF	89% PNA00 with allowance for future improvements	61	89.0	90.7	91.8	93.4
			(28.0)	(29.7)	(30.8)	(32.4)
FFPS	88%/91% ILT15 with allowance for future improvements	65	89.1	90.7	91.8	93.3
			(24.1)	(25.7)	(26.8)	(28.3)
Canada	Canadian Pensioners' Mortality 2014 Private Table, including allowance for future improvements	65	87.4	88.8	89.9	91.2
			(22.4)	(23.8)	(24.9)	(26.2)

Notes to the consolidated financial statements

The assumptions above are based on commonly used mortality tables. The tables make allowance for observed variations in such factors as age, gender, pension amount, salary and postcode-based lifestyle group, and have been adjusted to reflect recent research into mortality experience. However, the extent of future improvements in longevity is subject to considerable uncertainty and judgement is required in setting this assumption. For the ASPS, which is the most material scheme to the Group, the allowance for mortality improvement is per the actuarial profession's CMI_2023 (S=7.25) Advanced with adjustments model (2023: CMI_2022 (S=7.25) Advanced with adjustments) with zero weight on 2022 and 2023 data within the model. Instead of placing weight on post-pandemic data within the CMI improvements model, a separate adjustment is made to reflect the impact that the drivers of excess mortality post-pandemic are expected to have in future years. There is a long-term improvement rate of 1.50% for both males and females (2023: 1.50% for both males and females). The CMI_2023 tables have been adjusted to allow for greater mortality improvements in the annuitant population relative to the general population on which CMI_2023 is based, using a parameter of 0.15% for males and 0.20% for females, tapering to zero between ages 90 and 110 (for 2023 the same approach was taken with respect to CMI_2022). Long-term improvement rates are set to taper to zero between ages 85 and 110 (2023: long-term improvement rates taper to zero between ages 85 and 110).

Illustrative sensitivity analysis
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, inflation rate and mortality. Movements in the defined benefit obligation are mitigated by the impact on the assets from economic movements including interest rates and price inflation, as well as the longevity sensitivity impact due to the insurance policy and longevity swap assets held by the UK pension schemes. The sensitivity analysis below has been determined by changing the respective assumptions while holding all other assumptions constant.

The following table illustrates how the IAS 19 surplus would have increased/(decreased) as a result of changes in interest rates, price inflation and mortality:

					2024					2023
	Increase in interest rates +1% £m	**Decrease in interest rates -1% £m**	**Increase in inflation rate +1% £m**	**Decrease in inflation rate -1% £m**	**1 year younger[1] £m**	Increase in interest rates +1% £m	Decrease in interest rates -1% £m	Increase in inflation rate +1% £m	Decrease in inflation rate -1% £m	1 year younger[1] £m
Impact on present value of defined benefit obligation	**1,001**	**(1,215)**	**(901)**	**751**	**(256)**	1,301	(1,612)	(1,189)	977	(314)
Impact on fair value of scheme assets	**(1,075)**	**1,312**	**956**	**(800)**	**261**	(1,448)	1,828	1,255	(1,086)	312
Impact on IAS 19 surplus	**(74)**	**97**	**55**	**(49)**	**5**	(147)	216	66	(109)	(2)

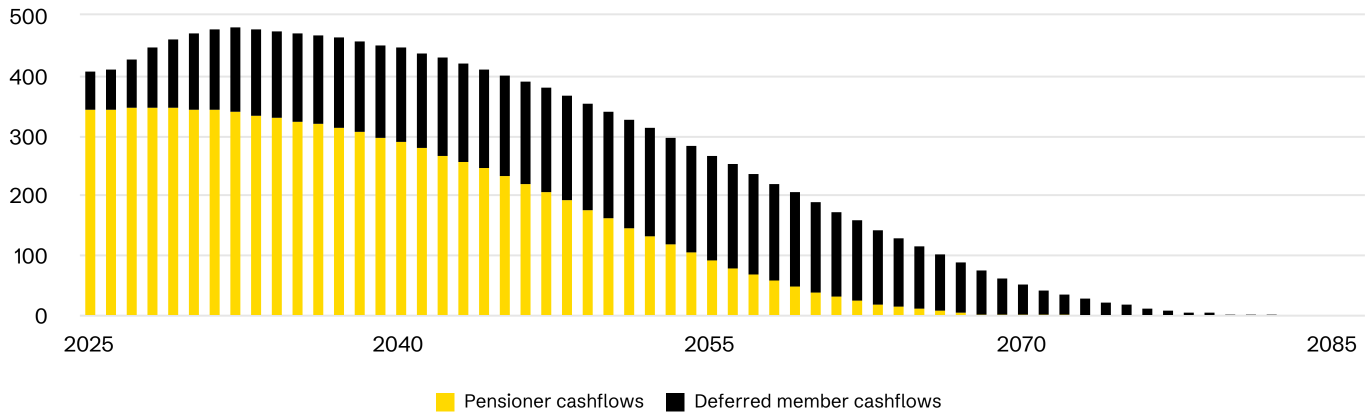
1. The effect of assuming all members in the schemes were one year younger

It is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

Maturity profile of the defined benefit obligation
The discounted scheme liabilities have an average duration of 12 years (2023: 13 years) in ASPS, 13 years (2023: 15 years) in FPPS, 12 years (2023: 13 years) in the RAC scheme, 14 years (2023: 15 years) in AISPF, 22 years (2023: 22 years) in FFPS and 9 years (2023: 9 years) in the Canadian scheme.

The expected undiscounted benefits payable from the main UK defined benefit scheme, ASPS, is shown in the chart below:

Undiscounted benefit payments (£m)



(iv) Risk management and asset allocation strategy
The investment objectives of the trustees and the employers are to limit the risk of the assets failing to meet the liabilities of the schemes over the long-term, and to maximise returns consistent with an acceptable level of risk so as to control the long-term costs of these schemes. To meet these objectives, the schemes' assets are invested in a portfolio, consisting primarily of debt securities as detailed in section (b)(ii). The investment strategy continues to evolve over time and is expected to match the liability profile closely with swap overlays to improve interest rate and inflation matching. The schemes are generally matched to interest rate and inflation risk relative to the funding bases.

Notes to the consolidated financial statements

The High Court ruling in June 2023, along with the subsequent appeal in July 2024, ruled that certain past amendments made to the rules of defined benefit schemes that contracted out of the state second pension are invalid without an actuarial confirmation under the Pension Schemes Act 1993. The Group commenced work to determine the impact of the court rulings on its main UK defined benefit pension schemes (and any predecessor schemes) and has identified the relevant amendments between 6 April 1997 and 5 April 2016. For some of the more material amendments impacting the Group's main schemes, initial analysis suggests appropriate actuarial engagement took place and therefore the current carrying value of the defined benefit obligation in the financial statements remains appropriate. It is not possible to quantify the impact of the ruling, if any, at this stage; however, further work will be performed following the outcome of the *Verity Trustees Ltd v Wood* hearing, which is expected to commence during 2025 and will provide further legal clarity on the level of actuarial engagement necessary to evidence validation of amendments during the contracted out period. The Group continues to monitor the legal proceedings of related cases. The calculation of the defined benefit obligation for UK schemes presented in section (a) is based on the pension benefits currently being administered.

Main UK scheme

The Company works closely with the trustee, who is required to consult with the Company on the investment strategy.

Interest rate and inflation rate risks are managed using a combination of liability-matching assets and swaps. Exposure to equity and property risk has been reducing over time and credit risk is managed within risk appetite. Currency risk is relatively small and is largely hedged. The other principal risk is longevity risk. This risk has reduced due to the ASPS entering into a longevity swap in 2014 covering approximately £3.0 billion of pensioner in payment scheme liabilities.

Since October 2019 the ASPS has completed multiple bulk annuity buy-in transactions with Aviva Life & Pensions UK Limited, a Group Company. These transactions have covered approximately £2.9 billion of liabilities related to deferred pensioners and current pensioners, removing the investment and longevity risk for these members from the scheme.

Other schemes

The other schemes are considerably less material but their risks are managed in a similar way to those in the main UK scheme. During 2024, the RAC pension scheme completed a bulk annuity buy-in with Aviva Life & Pensions UK Limited, a Group Company covering the liabilities of all scheme members.

(v) Funding

Formal actuarial valuations normally take place every three years and where there is a technical provisions deficit, the Group and the trustees would agree a deficit recovery plan. The assumptions adopted for triennial actuarial valuations are determined by the trustees and agreed with the Group and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are best estimate.

For the ASPS, the latest formal actuarial valuation was completed with an effective date of 31 March 2021 and showed that the ASPS was fully funded on its technical provisions basis consistent with the requirements of the UK pension regulations. The 31 March 2024 actuarial valuation is currently in progress.

Contributions of around £60 million are expected to be paid during 2025. This includes cash settlements from the FPPS non-transferable annuity policy, as well as deficit reduction contributions to the FPPS, AISPF and Canadian scheme and contributions relating to scheme expenses.

(c) Defined contribution (money purchase) section of the ASPS

The trustees have responsibility for selecting a range of suitable funds in which the members can choose to invest and for monitoring the performance of the available investment funds. Members are responsible for reviewing the level of contributions they pay and the choice of investment fund to ensure these are appropriate to their risk appetite and their retirement plans. Members of this section contribute at least 2% of their pensionable salaries, and depending on the percentage chosen up to 8%, the Group contributes up to 14%, together with the cost of the death-in-service benefits. In addition, for every 1% additional employee contribution over 8% of pensionable salaries, the Group contributes an additional 0.1% employer contribution. The amount recognised as an expense for defined contribution schemes is shown in section (d) below.

(d) Charge to staff costs in the income statement

The total pension charge to staff costs for all of the Group's defined benefit and defined contribution schemes were:

	Note	**2024 £m**	2023 £m
UK defined benefit schemes		**28**	26
Overseas defined benefit schemes		**1**	1
Total defined benefit schemes	10(b)	**29**	27
UK defined contribution schemes		**199**	171
Overseas defined contribution schemes		**26**	19
Total defined contribution schemes	10(b)	**225**	190
Total charge for pension schemes		**254**	217

There were no significant contributions payable or prepaid in the consolidated statement of financial position as at either 31 December 2024 or 2023.

Notes to the consolidated financial statements

45 - Borrowings

Our borrowings are classified as either core structural borrowings, which are included within the Group's capital employed, or operational borrowings drawn by operating subsidiaries. This note shows the carrying values of each type.

(a) Analysis of total borrowings

Total borrowings comprise:

	Note	2024 £m	2023 £m
Core structural borrowings at amortised cost	45(b)	**4,496**	5,174
Operational borrowings at amortised cost		**229**	259
Operational borrowings designated at fair value		**887**	941
Operational borrowings	45(c)	**1,116**	1,200
Total borrowings		**5,612**	6,374

(b) Core structural borrowings

(i) Carrying amount

The carrying amounts of these borrowings are:

	2024 £m	2023 £m
6.125% £700 million subordinated notes 2036	**200**	697
6.875% £600 million subordinated notes 2058	**595**	595
3.875% €700 million subordinated notes 2044	**—**	607
5.125% £400 million subordinated notes 2050	**397**	397
3.375% €900 million subordinated notes 2045	**745**	778
4.375% £400 million subordinated notes 2049	**397**	396
4.000% £500 million subordinated notes 2055	**494**	494
4.000% $CAD450 million subordinated notes 2030	**248**	265
6.875% £500 million subordinated notes 2053	**493**	493
6.125% £500 million subordinated notes 2054	**494**	—
Subordinated debt	**4,063**	4,722
1.875% €750 million senior notes 2027	**383**	401
Senior notes	**383**	401
Commercial paper	**50**	51
Total core structural borrowings	**4,496**	5,174

On 3 July 2024 the Group redeemed its 3.875% €700 million Dated Tier 2 Reset Notes in full at their optional first call date.

On 12 September 2024 the Group issued £500 million of Fixed Rate Reset Tier 2 Notes at 6.125%, with final maturity in September 2054 and first call in March 2034.

On 16 September 2024 the Group completed a tender offer and redeemed £500 million of its 6.125% £700 million Fixed Rate Reset Tier 2 Notes due in 2036.

All borrowings are stated at amortised cost, with the exception of commercial paper.

(ii) Contractual undiscounted cash flows

The contractual maturity dates of undiscounted cash flows for these borrowings are:

			2024			2023
	Principal £m	Interest £m	Total £m	Principal £m	Interest £m	Total £m
Within one year	**50**	**218**	**268**	51	245	296
1 to 5 years	**385**	**861**	**1,246**	402	972	1,374
5 to 10 years	**249**	**1,016**	**1,265**	267	1,151	1,418
10 to 15 years	**200**	**970**	**1,170**	700	1,041	1,741
Over 15 years	**3,646**	**2,530**	**6,176**	3,787	2,376	6,163
Total contractual undiscounted cash flows	**4,530**	**5,595**	**10,125**	5,207	5,785	10,992

Borrowings are considered current if the contractual maturity dates are within a year. Where subordinated debt is undated or loan notes are perpetual, the interest payments have not been included beyond 15 years.

Contractual undiscounted interest payments are calculated based on underlying fixed interest rates or prevailing market floating rates as applicable. Year-end exchange rates have been used for interest projections on loans in foreign currencies.

Notes to the consolidated financial statements

(c) Operational borrowings

(i) The carrying amounts of these borrowings are:

	Note	2024 £m	2023 £m
Amounts owed to financial institutions			
Loans		**229**	259
Securitised mortgage loan notes			
UK lifetime mortgage business	25(b)	**887**	941
Total operational borrowings		**1,116**	1,200

Loans owed to financial institutions are stated at amortised cost and loan notes issued in connection with the IWR lifetime mortgage business are stated at fair value. The Group designates these loan notes at FVTPL to eliminate an accounting mismatch, as the relevant mortgages and derivatives are managed as a portfolio on a fair value basis.

The Group elects to present the change in fair value attributable to a change in the credit risk of the loan notes in the income statement and the impacts are presented in note 23.

The fair values of the loan notes are modelled on risk-adjusted cash flows for defaults discounted at a risk-free rate plus a market-determined liquidity premium, and are therefore classified as 'Level 3' in the fair value hierarchy. The risk allowances are consistent with those used in the fair value asset methodology, as described in note 23.

The securitised mortgage loan notes are at various fixed, floating and index-linked rates. Further details about these notes are given in note 25.

(ii) The contractual maturity dates of undiscounted cash flows for these borrowings are:

			2024			2023
	Principal £m	Interest £m	Total £m	Principal £m	Interest £m	Total £m
Within one year	**247**	**41**	**288**	331	42	373
1 to 5 years	**358**	**166**	**524**	314	138	452
5 to 10 years	**291**	**156**	**447**	350	133	483
10 to 15 years	**87**	**38**	**125**	125	66	191
Over 15 years	**9**	**10**	**19**	20	19	39
Total contractual undiscounted cash flows	**992**	**411**	**1,403**	1,140	398	1,538

The carrying value of the loan notes issued in connection with IWR lifetime mortgages is £309 million lower (2023: £345 million lower) than the anticipated payment at maturity. The payment mirrors the repayment of the lifetime mortgages and is based on the current modelling assumptions.

Contractual undiscounted interest payments are calculated based on underlying fixed interest rates or prevailing market floating rates as applicable. Year-end exchange rates have been used for interest projections on loans in foreign currencies.

(d) Description and features

(i) Subordinated debt

A description of each of the subordinated notes is set out in the table below:

Notional amount	Issue date	Redemption date	Callable at par at option of the Company from	In the event the Company does not call the notes, the coupon will reset at each applicable reset date to
£200 million	14 Nov 2001	14 Nov 2036	16 Nov 2026	5 year Benchmark Gilt + 2.85%
£600 million	20 May 2008	20 May 2058	20 May 2038	Daily Compounded SONIA + 0.1193% + 3.26%
£400 million	4 June 2015	4 June 2050	4 June 2030	Daily Compounded SONIA + 0.1193% + 4.022%
€900 million	4 June 2015	4 December 2045	4 December 2025	3 month Euribor + 3.55%
£400 million	12 September 2016	12 September 2049	12 September 2029	Daily Compounded SONIA + 0.1193% + 4.721%
£500 million	3 June 2020	3 June 2055	3 March 2035	5 year Benchmark Gilt Rate + 4.70%
$CAD450 million	2 October 2020	2 October 2030	N/A	N/A
£500 million	27 November 2023	27 November 2053	27 May 2033	5 year Benchmark Gilt Rate + 3.85%
£500 million	12 September 2024	12 September 2054	12 March 2034	5 year Benchmark Gilt Rate + 3.30%

Subordinated notes issued by the Company rank below its senior obligations and ahead of its preference shares and ordinary share capital. The fair value of notes at 31 December 2024 was £3,999 million (2023: £4,658 million), calculated with reference to quoted prices.

(ii) Senior notes

All senior notes are at fixed rates and their total fair value at 31 December 2024 was £377 million (2023: £395 million).

(iii) Commercial paper

The commercial paper consists of £50 million issued by the Company (2023: £51 million) and is considered core structural funding. The fair value of the commercial paper is considered to be the same as its carrying value and all issuances are repayable within one year.

Notes to the consolidated financial statements

(iv) Loans
Loans owed to financial institutions comprise:

	2024 £m	2023 £m
Loans to property partnerships	**128**	207
Other non-recourse loans	**101**	52
Total non-recourse loans owed to financial institutions	**229**	259

As explained in accounting policy D, the UK long-term business policyholder funds have invested in a number of property funds and structures (the 'Property Funds'), some of which have raised external debt, secured on the relevant Property Fund's property portfolio. The lenders are only entitled to obtain payment of interest and principal to the extent there are sufficient resources in the relevant Property Fund and they have no recourse whatsoever to the policyholder or shareholders' funds of any companies in the Group. Loans of £128 million (2023: £207 million) included in the table above relate to Property Funds.

Other non-recourse loans include external debt raised by special purpose vehicles in the IWR long-term business and a bank credit facility as part of the acquisition of Optiom on 5 January 2024. The lenders have no recourse whatsoever to the shareholders' funds of any companies in the Group. The outstanding balance of these loans at 31 December 2024 was £101 million (2023: £52 million).

(v) Securitised mortgage loan notes
Loan notes have been issued by special purpose securitisation companies in the UK. Details are given in note 25.

(e) Movements during the year

Movements in borrowings during the year were:

			2024			2023
	Core Structural £m	**Operational £m**	**Total £m**	Core Structural £m	Operational £m	Total £m
At 1 January	**5,174**	**1,200**	**6,374**	5,469	1,286	6,755
New borrowings drawn down, excluding commercial paper, net of expenses	**494**	**33**	**527**	493	71	564
Repayment of borrowings, excluding commercial paper	**(1,095)**	**(192)**	**(1,287)**	(531)	(84)	(615)
Movement in commercial paper[1]	**—**	**—**	**—**	(189)	—	(189)
Net cash (outflow)/inflow	**(601)**	**(159)**	**(760)**	(227)	(13)	(240)
Borrowings acquired in business combinations[2]	**—**	**33**	**33**	—	—	—
Foreign exchange rate movements	**(82)**	**(2)**	**(84)**	(72)	(2)	(74)
Fair value movements	**—**	**44**	**44**	—	(74)	(74)
Amortisation of discounts and other non-cash items	**5**	**—**	**5**	4	3	7
At 31 December	**4,496**	**1,116**	**5,612**	5,174	1,200	6,374

1. Gross issuances of commercial paper were £113 million (2023: £377 million), offset by repayments of £113 million (2023: £566 million)
2. Borrowings acquired in business combinations relate to the acquisition of Optiom on 5 January 2024 and relate to a bank credit facility

All movements in fair value in 2024 and 2023 on securitised mortgage loan notes designated as fair value through profit or loss were attributable to changes in market conditions.

(f) Undrawn borrowings

The Group has the following undrawn committed central borrowing facilities:

	2024 £m	2023 £m
Expiring within one year	**—**	—
Expiring beyond one year	**3,550**	1,700
Total undrawn borrowings	**3,550**	1,700

Of the Group's undrawn borrowings, £1,700 million (2023: £1,700 million) relates to borrowing facilities which are used to support the commercial paper programme. As outlined in note 2 (a)(v), on 23 December 2024, Aviva plc and Direct Line announced that they had reached agreement on the terms of a recommended cash and share offer for Direct Line. The cash consideration payable under the terms of the acquisition will be funded from Aviva's existing cash resources. In addition, to satisfy Takeover Code requirements, Aviva entered into a bridge facility agreement in an amount of up to £1,850 million.

Notes to the consolidated financial statements

46 - Payables and other financial liabilities

This note analyses our payables and other financial liabilities at the end of the year.

	Note	**2024 £m**	2023 £m
Payables arising out of direct insurance due from intermediaries		**859**	987
Payables arising out of reinsurance operations due from intermediaries		**137**	56
Deposits and advances received from reinsurers		**—**	3
Bank customer accounts liability		**2**	2
Bank overdrafts[1]	52(e)	**928**	621
Derivative liabilities	53	**8,271**	7,426
Amounts due to brokers for investment purchases		**513**	912
Obligations for repayment of cash collateral received		**732**	1,435
Lease liabilities	22	**346**	372
Other financial liabilities		**2,867**	1,856
Total payables and other financial liabilities		**14,655**	13,670
Expected to be settled within one year		**7,345**	7,142
Expected to be settled in more than one year		**7,310**	6,528
Total payables and other financial liabilities		**14,655**	13,670

1. Bank overdrafts amount to £263 million (2023: £202 million) in life business operations and £665 million (2023: £419 million) in general insurance business and other operations

All payables and other financial liabilities are carried at cost, which approximates to fair value, except for derivative liabilities, which are carried at their fair values and lease liabilities which are carried at the present value of the outstanding lease payments.

47 - Other liabilities

This note analyses our other liabilities at the end of the year.

	2024 £m	2023 £m
Deferred income	**41**	78
Accruals	**845**	820
Interest payable on borrowings	**1,125**	1,246
Other liabilities	**1,286**	1,145
Total other liabilities	**3,297**	3,289
Expected to be settled within one year	**3,024**	3,062
Expected to be settled in more than one year	**273**	227
Total other liabilities	**3,297**	3,289

48 - Contingent liabilities and other risk factors

This note sets out the main areas of uncertainty over the calculation of our liabilities.

(a) Uncertainty over claims provisions

Note 39 gives details of the estimation techniques used by the Group to determine the non-life business liability for incurred claims provisions and of the methodology and assumptions used in determining the long-term business provisions. These approaches are designed to produce a best estimate of the cost of settling liabilities, with a risk adjustment reflecting the uncertainty associated with these liabilities. The actual cost of settling these liabilities may differ, for example because experience may be worse than that assumed, or future non-life business claims inflation may differ from that expected, and hence there is uncertainty in respect of these liabilities.

Business Interruption

There continues to be a degree of uncertainty in relation to business interruption claims arising from COVID-19 and on-going test case litigation, including where we are party to a number of litigation proceedings in Canada. In the opinion of management, adequate liabilities have been established for such claims based on information available at the reporting date. The Group purchases reinsurance protection that includes coverage for business interruption and is collecting or seeking reinsurance recoveries of business interruption losses that are covered by reinsurance.

For further information see note 52(f).

(b) Asbestos, pollution and social environmental hazards

In the course of conducting insurance business, various companies within the Group receive general insurance liability claims, and become involved in actual or threatened related litigation arising therefrom, including claims in respect of pollution and other environmental hazards. Amongst these are claims in respect of asbestos production and handling in the UK, Ireland and Canada. Given the significant delays that are experienced in the notification of these claims, the potential number of incidents they cover and the uncertainties associated with establishing liability, the ultimate cost cannot be determined with certainty. However, on the basis of current information having regard to the level of provisions made for general insurance claims and substantial reinsurance cover now in place, the directors consider that any additional costs arising are not likely to have a material impact on the financial position of the Group.

Notes to the consolidated financial statements

(c) Guarantees on long-term savings products

As a normal part of their operating activities, various Group companies have given guarantees and options, including interest rate guarantees, in respect of certain long-term insurance and investment products. Note 39(h) gives details of these guarantees and options. Interest rate guaranteed returns, such as those available on guaranteed annuity options, are sensitive to interest rates falling below the guaranteed level. The directors continue to believe that the existing IFRS 17 provisions for such guarantees and options are sufficient.

(d) Regulatory compliance

The Group's insurance and investment business is subject to local regulation in each of the countries in which it operates. A number of the Group's UK subsidiaries are dual regulated (directly authorised by both the PRA (for prudential regulation) and the FCA (for conduct regulation)) while others are solo regulated (regulated solely by the FCA for both prudential and conduct regulation). Between them, the PRA and FCA have broad powers including the authority to grant, vary the terms of, or cancel a regulated firm's authorisation; to investigate marketing and sales practices; and to require the maintenance of adequate financial resources.

The Group's regulated businesses have compliance resources to respond to regulatory enquiries in a constructive way, and take corrective action when warranted. However, all regulated financial services companies face the risk that their regulator could find that they have failed to comply with applicable regulations or have not undertaken corrective action as required.

The impact of any such finding (whether in the UK or overseas) could have a negative impact on the Group's reported results or on its relations with current and potential customers. Regulatory action against a member of the Group could result in adverse publicity for, or negative perceptions regarding, the Group, or could have a material adverse effect on the business of the Group, its results, operations and/or financial condition and divert management's attention from the day-to-day management of the business.

(e) Structured settlements

The Group has purchased annuities from licensed Canadian life insurers to provide for fixed and recurring payments to claimants. As a result of these arrangements, the Group is exposed to credit risk to the extent that any of the life insurers fail to fulfil their obligations. The Group's maximum exposure to credit risk for these types of arrangements is approximately £510 million as at 31 December 2024 (2023: £537 million). Credit risk is managed by acquiring annuities from a diverse portfolio of life insurers with proven financial stability. This risk is reduced to the extent of coverage provided by Assuris, the Canadian life insurance industry compensation plan. As at 31 December 2024, no information has come to the Group's attention that would suggest any weakness or failure in life insurers from which it has purchased annuities and consequently no provision for credit risk is required.

(f) Other

In the course of conducting insurance and investment business, various Group companies receive liability claims, and become involved in actual or threatened related litigation. In the opinion of the directors, adequate provisions have been established for such claims and no material loss will arise in this respect.

In addition, in line with standard business practice, various Group companies have given guarantees, indemnities and warranties in connection with disposals in recent years of subsidiaries and associates to parties outside the Aviva Group which can give rise to contingent liabilities. In the opinion of the directors, no material unprovisioned loss will arise in respect of these guarantees, indemnities and warranties.

There are a number of charges registered over the assets of Group companies in favour of other Group companies or third parties. In addition, certain of the Company's assets are charged in favour of certain of its subsidiaries as security for intra-Group loans.

49 - Commitments

This note gives details of our commitments to capital expenditure. See note 22 for further information on lease commitments.

Contractual commitments for acquisitions or capital expenditures of infrastructure loans, equity funds and investment property which have not been recognised in the financial statements are as follows:

	2024 £m	2023 £m
Infrastructure loan advances	**215**	104
Investment property	**234**	191
Other investment vehicles[1]	**536**	193
Total commitments	**985**	488

1. Represents commitments for further investment in certain private equity vehicles. Such commitments do not expose the Group to the risk of future losses in excess of its investment.

Notes 18 and 19 set out the commitments the Group has to its joint ventures and associates.

50 - Group capital management

(a) Group capital

The Group is required to measure and monitor its capital resources on a regulatory basis and to comply with minimum capital requirements of regulators in each territory it operates in. At a Group level, we have to comply with the requirements established by the PRA.

Notes to the consolidated financial statements

The Group solvency capital requirement is calculated using a Partial Internal Model (PIM) approved by the PRA. The Solvency II capital regime requires insurers to calculate regulatory capital adequacy at both individual regulated subsidiaries and an aggregate Group level. Non-UK entities have been included in Group solvency in line with Solvency II requirements. Other financial sector entities (including fund management) are included at their proportional share of the capital requirement according to the relevant sectoral values. In addition, non-UK businesses including Canada, are subject to the locally applicable capital requirements in the jurisdictions in which they operate.

Group capital is represented by Solvency II own funds. The Solvency II position disclosed is based on a 'shareholder view'. The shareholder view is considered by management to be more representative of the shareholders' risk exposure and the Group's ability to cover the Solvency Capital Requirement (SCR) with eligible own funds and aligns with management's approach to dynamically manage its capital position.

In arriving at the shareholder position, the contribution to the Group's SCR and own funds of the most material fully ring fenced with-profits funds of £1,387 million at 31 December 2024 (2023: £1,408 million) and staff pension schemes in surplus of £297 million at 31 December 2024 (2023: £397 million) are excluded. These exclusions have no impact on Solvency II surplus as these funds are self-supporting on a Solvency II capital basis with any surplus capital above SCR not recognised.

	2024 £m	2023 £m
Solvency II regulatory own funds as at 31 December	**17,323**	18,824
Adjustments for:		
Fully ring-fenced with-profit funds	**(1,387)**	(1,408)
Staff pension schemes in surplus	**(297)**	(397)
Solvency II shareholder own funds as at 31 December	**15,639**	17,019

Solvency II own funds are comprised of a combination of shareholders' funds, preference share capital, subordinated debt, and deferred tax assets measured on a Solvency II basis. During the year, the Group redeemed £1.1 billion of Tier 2 subordinated debt and issued £0.5 billion of Tier 2 subordinated debt (see note 45).

Solvency II surplus at the Group level represents the excess of eligible Solvency II own funds over the Group's solvency capital requirements calculated in accordance with Solvency II requirements. The Group maintained capital in excess of the SCR at all times during 2024. All regulated subsidiaries complied with their capital requirements throughout the year.

Further information on the Group's Solvency II position, including a reconciliation between IFRS equity and own funds can be found in the Other information section. This information is estimated and is therefore subject to change. It is also unaudited.

(b) Risks and capital management objectives

Optimal deployment of capital is a key driver in our strategic decision making, including product mix, pricing, hedging, reinsurance, investments, transformation programmes, acquisitions and disposals. Capital and liquidity management is embedded in our businesses and supported by group-wide policies. A Capital Management Standard sets out minimum standards and guidelines over responsibility for capital management including considerations for capital management decisions and requirements for management information, capital monitoring, reporting, forecasting, planning and overall governance.

The Group manages capital in conjunction with solvency capital requirements and in line with the dividend policy and capital management framework.

- We aim to deliver sustainable dividends at a level that is resilient in times of stress and is covered by the capital and cash generated from our businesses. We also expect to make regular and sustainable returns of capital;
- At the core of our capital management framework is financial strength in accordance with risk appetite and efficient deployment of capital. See note 52 for more information about the Group's risk management approach;
- Key elements of our capital management framework are as follows:
  - Solvency II shareholder cover ratio working range of 160%-180% with opportunities for the deployment of any excess capital considered as part of the framework (see below).
  - Centre liquid assets of at least £1 billion
  - Solvency II debt leverage ratio below 30% (other than for temporary periods)
  - To maintain our AA credit rating metrics;
- In addition to regular capital returns any excess capital is available for deploying in the business to support growth and top quartile efficiency objectives, M&A where this delivers attractive risk adjusted returns and the opportunity is in line with our strategy, thereafter, additional distributions to shareholders will be considered;
- The Group seeks to retain financial flexibility by maintaining strong liquidity, access to a range of capital markets and significant unutilised committed credit lines; and
- Our businesses are capitalised based on buffers above their regulatory minimum levels, which are specific to each entity. Subsidiary capital and liquidity risk appetites are reviewed regularly by subsidiary boards.

Intra-group capital arrangements

Consistent with our capital management framework, the Group has in place intra-group arrangements to provide additional capital support to its regulated subsidiaries. In the normal course of business, the Group will provide additional capital support to its regulated subsidiaries in certain circumstances. While the Group considers it unlikely that such support will be required, the arrangements are intended to provide additional comfort to its regulated subsidiaries and its policyholders.

Notes to the consolidated financial statements

51 - Statement of cash flows

This note gives further detail behind the figures in the statement of cash flows.

(a) The reconciliation of profit/(loss) before tax to the net cash inflow from operating activities is:

	2024 £m	2023 £m
Profit before tax	**1,267**	1,690
Adjustments for:		
Share of (profit)/loss of joint ventures and associates	**(136)**	71
Dividends received from joint ventures and associates	**29**	81
(Profit)/loss on sale of:		
Investment property	**4**	10
Subsidiaries, joint ventures and associates	**(195)**	—
Investments	**(1,816)**	(3,374)
Fair value (gains)/losses on:		
Investment property	**13**	301
Investments	**(10,250)**	(8,852)
Borrowings	**44**	(74)
Depreciation of property and equipment	**62**	67
Equity compensation plans, equity settled expense	**61**	61
Impairment and expensing of:	**18**	3
Financial investments, loans and other assets	**2**	3
Acquired value of in-force business and intangibles	**16**	—
Amortisation of:	**696**	489
Premium/discount on fixed maturity securities	**509**	306
Premium/discount on borrowings	**5**	6
Premium/discount on non-participating investment contracts	**52**	59
Acquired value of in-force business and intangibles	**130**	118
Interest expense on borrowings	**339**	335
Net finance income on pension schemes	**(19)**	(39)
Foreign currency exchange gains	**181**	(50)
Increase in reinsurance assets	**(1,505)**	(424)
(Increase)/decrease in deferred acquisition costs	**(41)**	70
Increase in insurance liabilities and investment contracts	**22,503**	22,222
Decrease/(increase) in other assets	**3,038**	(854)
Changes in working capital	**23,995**	21,014
Net purchases of investment property	**(494)**	(1,016)
Net proceeds on sale of investment property	**382**	317
Net purchase of financial investments	**(5,493)**	(13,698)
Net purchases of operating assets	**(5,605)**	(14,397)
Total cash generated from/(used in) operating activities	**8,688**	(2,664)

The cash flows presented in this statement cover all the Group's activities and include flows from both policyholder and shareholder activities. Operating cash flows reflect the movement in both policyholder and shareholder controlled cash and cash equivalent balances.

During the year the net operating cash inflow reflects a number of factors, including the level of premium income, payments of claims, creditors and surrenders and purchases and sales of operating assets including financial investments. It also includes changes in the size and value of consolidated cash investment funds and changes in the Group participation in these funds.

Notes to the consolidated financial statements

(b) Liabilities arising from financing activities:

	2024				2023			
	Borrowings £m	**Tier 1 notes £m**	**Leases £m**	**Total £m**	Borrowings £m	Tier 1 notes £m	Leases £m	Total £m
Opening balance of liabilities arising from financing activities	**6,374**	**496**	**372**	**7,242**	6,755	496	386	7,637
Cash movements								
Repayment of leases	**—**	**—**	**(60)**	**(60)**	—	—	(63)	(63)
New borrowings	**640**	**—**	**—**	**640**	941	—	—	941
Repayment of borrowings	**(1,400)**	**—**	**—**	**(1,400)**	(1,181)	—	—	(1,181)
Non-cash movements								
Foreign exchange movements	**(84)**	**—**	**(2)**	**(86)**	(74)	—	(2)	(76)
Fair value gains/losses	**44**	**—**	**—**	**44**	(74)	—	—	(74)
Other	**38**	**—**	**36**	**74**	7	—	51	58
Closing balance of liabilities arising from financing activities	**5,612**	**496**	**346**	**6,454**	6,374	496	372	7,242

(c) Cash flows in respect of the acquisition of, and additions to, subsidiaries, joint ventures and associates comprised:

	2024 £m	2023 £m
Cash consideration for subsidiaries, joint ventures and associates acquired and additions[1]	**(856)**	—
Less: Cash and cash equivalents acquired with subsidiaries	**96**	—
Total cash flow on acquisitions and additions	**(760)**	—

1. Cash consideration for subsidiaries, joint ventures and associates acquired and additions relates to the acquisition of AIG Life Limited, Optiom 02 Holdings Inc, Probitas Holdings (Bermuda) Limited and its subsidiaries, Succession Wealth Acquisitions and Level Health Limited

(d) Cash flows in respect of the disposal of subsidiaries, joint ventures and associates comprised:

	2024 £m	2023 £m
Cash proceeds from disposal of subsidiaries, joint ventures and associates[1]	**1,095**	—
Less: Net cash and cash equivalents divested with subsidiaries	**—**	—
Total cash flow on disposals	**1,095**	—

1. Cash proceeds from disposal of subsidiaries, joint ventures and associates are net of £5 million (2023: £nil) transaction costs paid during the year. These relate to the disposal of Aviva SingLife Holdings Ptd Ltd and Balanced Commercial Property Trust Ltd.

The above figures form part of cash flows from investing activities.

(e) Cash and cash equivalents in the statement of cash flows and statement of financial position comprised:

	Note	**2024 £m**	2023 £m
Cash at bank and in hand		**5,055**	6,138
Cash equivalents		**18,426**	11,135
Cash and cash equivalents per the statement of financial position		**23,481**	17,273
Bank overdrafts	46	**(928)**	(621)
Cash and cash equivalents		**22,553**	16,652

52 – Risk management

Risk management is key to Aviva's success. We accept the risks inherent to our core business lines of life, general insurance and health, and asset management. We diversify these risks through our scale, geographic spread, the variety of the products and services we offer and the channels through which we sell them. We receive premiums which we invest to maximise risk-adjusted returns, so that we can fulfil our promises to customers while providing a return to our shareholders. We identify risks to the business and, depending on our risk appetite, prefer, accept or avoid those risks. In doing so we prefer retaining those risks we believe we are capable of managing to generate a return.

Our sustainability and financial strength are underpinned by an effective risk management process and risk intelligent culture. This helps us identify major risks to which we may be exposed, establish appropriate controls and take mitigating actions for the benefit of our customers and investors. The Group's risk strategy is to invest its available capital to optimise the balance between return and risk while maintaining an appropriate level of economic (i.e. risk-based) and regulatory capital.

The key elements of our risk management framework comprise: our risk strategy and risk management forward plans; risk governance, including risk policies and business standards, risk oversight committees and roles and responsibilities; and the processes we use to identify, measure, manage, monitor and report risks, including the use of our risk models, Operational Risk and Control Management system (ORCM) and stress and scenario testing.

Risk Environment

Macroeconomic risk has been elevated throughout 2024 and the uncertainties around the global macroeconomic growth prospects are reflected in cost of living challenges and high interest rates.

Notes to the consolidated financial statements

The global growth forecasts for 2025 have lost momentum with the possibility of US policy changes such as global trade restrictions, higher inflationary impulses and heightened geo-political tensions. Analysts continue to comment on the impact to global trade prices and supply, global energy and financial markets including the increased level of gearing present across industries. Affordability remains a concern because of the global economic climate and will continue to impact all customers, including relatively affluent customers. Customer experience and retention will continue to require close monitoring.

While the high inflationary environment has eased within the UK and globally, sterling weakness, tariffs, global growth and trade deteriorations, together with government policy changes, may exacerbate pressure on consumers.

We expect continued regulatory change in 2025 and beyond. There are a significant number of ongoing regulatory developments that will create a high level of regulatory scrutiny on the fair value of products provided by the insurance industry.

The Group continues to maintain strong solvency and liquidity positions through a range of scenarios and stress testing. Our capital and liquidity positions have been tested by recent market conditions and have been shown to be robust and resilient.

There remains an increased threat of malware and ransomware attacks across the world. In response we have increased the protection level of anti-malware and cyber incident security controls. We continue to monitor threat intelligence data and update our controls to maintain protection against new and emerging ransomware variants, including in respect of our suppliers.

Aviva remains committed to supporting an economy wide transition to a low carbon, climate resilient, nature positive and socially just future. In March 2021, we set an ambition to become a Net Zero company by 2040. Through our Risk Management Framework, we continue to identify, measure, monitor, manage and report on the risks to which our business, customers and wider society are, or could be, exposed to.

We have defined our climate risk appetite framework (including climate statements and preferences) to enable confident, risk-based decisions. We report progress quarterly to enable the Board and senior management to oversee and monitor the financial impact of climate change and ensure this is in line with our risk appetite and risk profile.

We use a variety of historical and forward-looking metrics to monitor and manage the delivery of our sustainability ambition over the short, medium and long term. For example, we have built the possibility of extreme weather events into our general insurance pricing and reinsurance programme design, and monitor actual weather-related losses versus expected weather losses by business. We have defined financed greenhouse gas emissions metrics to track our 2030 interim investment ambition, and we calculate temperature alignment and Climate Value at Risk (VaR) to assess the climate-related risks and opportunities under different emission projections and associated temperature pathways.

Risk Management Framework (RMF)

The Group's RMF is at the heart of every business decision and is key to a robust control environment and the Group's sustainable success. The key components of our RMF are risk appetite; risk governance, including risk policies and business standards, risk oversight committees and roles and responsibilities; and the processes we use to identify, measure, manage, monitor and report risks, including the use of our risk models and stress and scenario testing. A risk taxonomy is maintained for a consistent approach to risk identification, measurement and reporting, and to determine application of the Group Risk Appetite Framework and the risks for which a risk policy is required. The taxonomy is arranged in a hierarchy with more granular risk types grouped into the following principal risk categories: credit and market, liquidity, life insurance, general insurance (including health), operational and strategic risk. Risks falling within these types may affect a number of outcomes including those relating to solvency, liquidity, profit, reputation and conduct.

To promote a consistent and rigorous approach to risk management across all businesses we have a set of risk policies, business standards and associated guidance which set out the risk strategy/forward plan, appetite, framework, key controls, and minimum requirements for the Group's worldwide operations. The business unit's Chief Executive Officers make an annual declaration, supported by an opinion from the business unit Chief Risk Officers, that the system of governance and internal controls was effective and fit for purpose for their business throughout the year.

The Group's Risk Appetite Framework was refreshed during the year, with revised risk appetites, preferences and tolerances considered and approved by the Risk Committee, and the addition of four new risk preferences to help the business make day-to-day decisions in the development and use of artificial intelligence.

A regular top-down key risk identification and assessment process is carried out by the Risk function in collaboration with the business. This includes the consideration of emerging risks and is supported by deeper thematic reviews. This process is replicated at the business unit level. The risk assessment processes are used to generate risk reports which are shared with the relevant risk committees.

Risk models are an important tool in our measurement of risks and are used to support the monitoring and reporting of the risk profile and in the consideration of the risk management actions available. We carry out a range of stress (where one risk factor, such as equity returns, is assumed to vary) and scenario (where combinations of risk factors are assumed to vary) tests to evaluate their impact on the business and the management actions available to respond to the conditions envisaged. For those risk types managed through the holding of capital, being our principal risk types except for liquidity risk, we measure and monitor our risk profile based on the Solvency Capital Requirement (SCR).

Roles and responsibilities for risk management in the Group are based around the 'three lines of defence' risk governance model where ownership for risk is taken at all levels in the Group. Line management in the business is accountable for risk ownership and management, including the implementation and embedding of the RMF. The Risk Function is accountable for quantitative and qualitative oversight and challenge of the risk identification, measurement, monitoring, management, and reporting processes and for developing the RMF, as well as providing advisory support to the business on risk innovation. Internal audit provides an independent assessment of the risk management framework and internal control processes.

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Board oversight of risk and its management across the Group is maintained on a roughly quarterly basis through its Risk Committee and Customer and Sustainability Committee. The Board has overall responsibility for determining risk appetite, which is an expression of the risk the business is willing to take. Three Group-level management Committees (Group Executive Risk Committee, Group Asset Liability Committee and the Disclosure Committee) exist to assist members of the Aviva Executive Committee in the discharge of their delegated authorities and their accountabilities within the Aviva governance framework and in relation to their defined regulatory responsibilities.

Where the Group has entered into joint venture arrangements without a controlling interest, we work with our joint venture partners to align the joint venture's RMF, where possible, with Aviva's RMF so not to unduly increase the overall risk exposure of the Group. Upon acquiring a new subsidiary, we work with these entities to understand how their risks are managed and apply the Group's RMF to the acquired entity in a manner appropriate for the scale and nature of their operations.

The types of risks to which the Group is exposed have not changed significantly during the year and remain credit, market, liquidity, life insurance, general insurance and health, asset management and operational risks. These risks are described below.

(a) Credit risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Group, or variations in market values as a result of changes in expectations related to these risks. Credit risk is taken so that the Group can provide the returns required to satisfy policyholder liabilities and to generate returns for our shareholders. In general we prefer to take credit risk over equity and property risks, because of the better expected risk-adjusted return, our credit risk analysis capability and the structural investment advantages conferred to insurers with long-dated, relatively illiquid liabilities.

Our approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. Our credit risks arise principally through exposures to debt security investments, structured asset investments, bank deposits, derivative counterparties, mortgage lending and reinsurance counterparties.

The Group manages its credit risk at business unit and Group level. All business units are required to implement credit risk management processes (including limits frameworks), operate specific risk management committees and report and monitor their exposures against detailed pre-established risk criteria. At Group level, we manage and monitor all exposures across our business units on a consolidated basis and operate a Group limit framework that must be adhered to by all.

We did not experience a material increase in credit defaults in 2024, with pro-active management of the credit portfolio in a challenging macroeconomic environment. We continue to monitor closely any deterioration in the credit markets. Our capital position includes an allowance for the expected potential impacts from downgrades and defaults.

A detailed breakdown of the Group's current credit exposure by credit quality is shown below.

(i) Financial exposures by credit ratings

Financial assets are graded according to current external credit ratings issued. AAA is the highest possible rating. Investment grade financial assets are classified within the range of AAA to BBB ratings. Financial assets with ratings outside this range are classified as sub-investment grade. The following table provides information regarding the aggregated credit risk exposure of the Group for financial and reinsurance contract assets with external credit ratings. 'Not rated' assets capture assets not rated by external ratings agencies.

							2024							2023
	AAA %	AA %	A %	BBB %	Below BBB %	Not rated %	Maximum exposure £m	AAA %	AA %	A %	BBB %	Below BBB %	Not rated %	Maximum exposure £m
Fixed maturity securities	**10.6 %**	**44.2 %**	**20.1 %**	**13.3 %**	**3.7 %**	**8.1 %**	**115,539**	11.7 %	39.0 %	24.2 %	13.4 %	4.7 %	7.0 %	113,889
Reinsurance contract assets	**— %**	**74.2 %**	**25.3 %**	**(1.0)%**	**— %**	**1.5 %**	**7,742**	— %	76.0 %	23.1 %	— %	— %	0.9 %	6,534
Reinsurance assets for non-participating investment contracts	**— %**	**48.8 %**	**50.5 %**	**0.7 %**	**— %**	**— %**	**5,280**	— %	50.7 %	45.6 %	3.7 %	— %	— %	4,713
Other investments	**1.5 %**	**0.2 %**	**0.2 %**	**0.1 %**	**— %**	**98.0 %**	**52,400**	0.8 %	0.2 %	0.6 %	0.2 %	— %	98.2 %	39,370
Loans	**13.0 %**	**— %**	**— %**	**0.4 %**	**— %**	**86.6 %**	**30,553**	— %	— %	0.2 %	0.5 %	— %	99.3 %	31,685
Total							**211,514**							196,191

The majority of non-rated fixed maturity securities within shareholder assets are private placements and other corporate bonds held by our UK IWR business, amounting to £5.6 billion (2023: £4.9 billion). Of these securities most are allocated an investment grade internal rating using a methodology largely consistent with that adopted by an external rating agency.

The Group's maximum exposure to credit risk of financial assets, without taking collateral or these hedges into account, is represented by the carrying value of the financial instruments in the Statement of Financial Position. For reinsurance contract assets the maximum exposure reflects the carrying value less the value of CSM.

The financial assets comprise debt securities, reinsurance assets, derivative assets, loans and receivables. The carrying values of these assets are disclosed in the relevant notes: financial investments (note 27), reinsurance assets (note 39), loans (note 24) and receivables (note 28). The collateral in place for these credit exposures is disclosed in note 54.

(ii) Other investments

Other investments include: unit trusts and other investment vehicles; derivative financial instruments, representing positions to mitigate the impact of adverse market movements; and other assets, including deposits with credit institutions and minority holdings in property management undertakings.

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The credit quality of the underlying debt securities within investment vehicles is managed by the safeguards built into the investment mandates for these funds which determine the funds' risk profiles. At the Group level, we also monitor the asset quality of unit trusts and other investment vehicles against Group set limits.

A proportion of the assets underlying these investments are represented by equities and so credit ratings are not generally applicable. Equity exposures are managed against agreed benchmarks that are set with reference to overall appetite for market risk.

(iii) Loans

The Group loan portfolio principally comprises:
- Policy loans which are generally collateralised by a lien or charge over the underlying policy;
- Loans and advances to banks which primarily relate to loans of cash collateral received in stock lending transactions. These loans are fully collateralised by other securities;
- Healthcare, infrastructure and private finance initiative loans secured against healthcare, education, social housing and emergency services related premises; and
- Mortgage loans collateralised by property assets.

We use loan to value, interest and debt service cover and diversity and quality of the tenant base metrics to internally monitor our exposures to mortgage loans. We use credit quality, based on dynamic market measures, and collateralisation rules to manage our stock lending activities. Policy loans are loans and advances made to policyholders and are collateralised by the underlying policies.

(iv) Credit concentration risk

The long-term and general insurance and health businesses are generally not individually exposed to significant concentrations of credit risk due to the regulations applicable in most markets and the Group credit policy and limits framework, which limit investments in individual assets and asset classes. Credit concentrations are monitored as part of the regular credit monitoring process and are reported to the Group Asset Liability Committee (ALCO).

(v) Reinsurance credit exposures

The Group is exposed to concentrations of risk with individual reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Group operates a policy to manage its reinsurance counterparty exposures, by limiting the reinsurers that may be used and applying strict limits to each reinsurer. The largest aggregated counterparty exposure within shareholder assets is to the Swiss Reinsurance Company Limited (including subsidiaries), representing approximately 1.1% of the total shareholder assets. Reinsurance exposures are aggregated with other exposures to ensure that the overall risk is within appetite. The Group Capital and Group Risk teams have an active monitoring role with escalation to the Chief Financial Officer (CFO), Chief Risk Officer (CRO), Group ALCO and the Board Risk Committee as appropriate.

(vi) Securities finance

The Group has significant securities financing operations within the UK and smaller operations in some other businesses. The risks within this activity are mitigated by collateralisation and minimum counterparty credit quality requirements.

(vii) Derivative credit exposures

The Group is exposed to counterparty credit risk through derivative trades. This risk is generally mitigated through holding collateral for most trades. Residual exposures are captured within the Group's credit management framework.

(viii) Unit-linked business

In unit-linked business the policyholder bears the direct market risk and credit risk on investment assets in the unit funds and the shareholders' exposure to credit risk is limited to the extent of the income arising from asset management charges based on the value of assets in the fund.

(ix) Impairment of financial assets

Impairment is calculated using an expected credit loss model for financial assets measured at amortised cost and lease receivables, with reference to historical experience of losses adjusted for forward-looking information, as discussed in accounting policy U.

(b) Market risk

Market risk is the risk of adverse financial impact resulting, directly or indirectly, from fluctuations in interest rates, inflation, foreign currency exchange rates, equity and property prices. Market risk arises in business units because of fluctuations in both the value of liabilities and the value of investments held. At Group level, it also arises in relation to foreign currency exchange risk from our international businesses and market risk from the value of investment assets held at Plc level. We actively seek some market risks as part of our strategy and in accordance to our risk preferences set out in our Risk Appetite Framework.

The management of market risk is undertaken at business unit and at Group level. Businesses manage market risks locally using the Group market risk framework and within local regulatory constraints. Group Capital is responsible for monitoring and managing market risk at Group level, limiting the impact of mismatches through monitoring of sensitivities and the application of our Asset Liability Management Business Standard.

In addition, where the Group's long-term savings businesses have written insurance and investment products where most investment risks are borne by its policyholders, these risks are managed in line with local regulations and marketing literature, so to satisfy the policyholders' risk and reward objectives. The Group writes unit-linked business, primarily in the UK.
The shareholders' exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

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The Group has transitioned away from GBP London Interbank Offered Rate (LIBOR), USD LIBOR and Canadian Dollar Offered Rate (CDOR) with the only remaining exposure being a small number of currently fixed-rate public bonds that would revert to GBP LIBOR-referencing floating rates in the event of a non-call by the issuer at the next call date. We continue to assess the likelihood of this event.

The most material types of market risk that the Group is exposed to are described below.

(i) Equity price risk
The Group is subject to direct equity price risk arising from changes in the market values of its equity securities portfolio. Our most material indirect equity price risk exposures are to policyholder unit-linked funds, which are exposed to a fall in the value of the fund thereby reducing the fees we earn on those funds, and participating contracts, which are exposed to a fall in the value of the funds thereby increasing our costs for policyholder guarantees. We have some equity exposure in shareholder funds thereby increasing our costs for policyholder guarantees. We also have some equity exposure in shareholder funds through equities held to match inflation-linked liabilities as part of general insurance investment optimisation.

We continue to limit our direct equity exposure in line with our risk preferences. At a business unit level, investment limits and local investment regulations require that business units hold diversified portfolios of assets thereby reducing exposure to individual equities. The Group does not have material holdings of unquoted equity securities.

Equity risk is also managed using a variety of derivative instruments, including futures and options. Businesses actively model the performance of equities through the use of risk models, in particular to understand the impact of equity performance on guarantees, options and bonus rates. An equity hedging strategy remains in place to help control the Group's overall direct and indirect exposure to equities.

Sensitivity to changes in equity prices is given in section (h) Risk and capital management, below.

(ii) Property price risk
The Group is subject to property price risk directly because of holdings of investment properties in a variety of locations worldwide and indirectly through investments in mortgages and mortgage backed securities. Investment in property is managed at business unit level, and is subject to local regulations on investments, liquidity requirements and the expectations of policyholders.

As at 31 December 2024, no material derivative contracts had been entered into to mitigate the effects of changes in property prices. We maintain a conservative loan-to-value ratio on our commercial mortgage portfolio. Exposure to property risk on equity release mortgages from sustained underperformance in the UK House Price Index (HPI) is mitigated by capping loan to value on origination at low levels and regularly monitoring the performance of the mortgage portfolio.

Sensitivity to changes in property prices is given in section (h) Risk and capital management, below.

(iii) Interest rate risk
Interest rate risk arises primarily from the Group's investments in long-term debt and fixed income securities and their movement relative to the value placed on the insurance liabilities. A number of policyholder product features contain interest rate risk. The major features include guaranteed surrender values, guaranteed annuity options, and minimum surrender and maturity values. Details of material guarantees and options are given in note 39(h).

We have limited appetite for interest rate risk as we do not believe it is adequately rewarded. We manage our overall exposure to interest rate risk via setting a risk tolerance on a Solvency II cover ratio basis. Exposure to interest rate risk is monitored through several measures that include duration, capital modelling, sensitivity testing and stress and scenario testing.

While interest rate risk is well managed, the Group's regulatory capital cover ratio is sensitive to interest rates movements with the cover ratio increasing with rate rises and decreasing with rate falls. Interest rates are highly dependent on the macro-economic outlook and wider geopolitical environment which has a high degree of uncertainty at this time.

The Group typically manages interest rate risk by investing in fixed interest securities which closely match the interest rate sensitivity of the liabilities where such investments are available. Per matching adjustment criteria, our annuity liabilities are matched with assets of the same duration, and in some cases where appropriate cash flow matching has been used. These assets include corporate bonds, residential mortgages and commercial mortgages. Should they default before maturity, it is assumed that the Group can reinvest in assets of a similar risk and return profile, which is subject to market conditions. Interest rate risk is also managed using a variety of derivative instruments, including futures, options, swaps, caps and floors.

Other product lines of the Group, such as protection, are not significantly sensitive to interest rate or market movements. For unit-linked business, the shareholder margins emerging are typically a mixture of annual management fees and risk/expense charges. Risk and expense margins are largely unaffected by low interest rates. Annual management fees could increase if there was a move towards low interest rates which increases the value of fixed interest unit funds.

The UK participating business includes contracts with features such as guaranteed surrender values, guaranteed annuity options and minimum surrender and maturity values. These liabilities are managed through duration matching of assets and liabilities and the use of derivatives, including swaptions. As a result, the Group's exposure to sustained low interest rates on this portfolio is not material. Details of material guarantees and options are given in note 39(h).

Sensitivity to changes in interest rates is given in section (h) Risk and capital management.

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(iv) Inflation risk
Inflation risk arises primarily from the Group's exposure to general insurance claims inflation, to inflation linked benefits within the defined benefit staff pension schemes and within the UK annuity portfolio and to expense inflation. Increases in long-term inflation expectations are closely linked to long-term interest rates and so are frequently considered with interest rate risk. Exposure to inflation risk is monitored through capital modelling, sensitivity testing and stress and scenario testing. The Group typically manages inflation risk through its investment strategy and, in particular, by investing in inflation linked securities and through a variety of derivative instruments, including inflation linked swaps. Inflation risk is an ongoing concern in the current macroeconomic environment and, in particular, in the context of the possibility of tariffs being applied on Canadian imports. We are monitoring the potential impact of inflation on the profits and margins of the Group and our counterparties, which could impact their credit quality.

(v) Currency risk
In the Group, we actively seek to manage currency risk primarily by matching assets and liabilities in functional currencies at the business unit level. The Group has minimal exposure to currency risk from financial instruments held by business units in currencies other than their functional currencies, as nearly all such holdings are backing either unit-linked or with-profits contract liabilities or are hedged. As a result, the foreign exchange gains and losses on investments are largely offset by changes in unit-linked and with-profits liabilities and fair value changes in derivatives attributable to changes in foreign exchange rates recognised in the income statement.

At 31 December, the Group's net assets by currency was:

	2024 £m	2023 £m
Sterling	**8,428**	9,821
Euro	**363**	324
$CAD	**669**	565
Other	**(840)**	(1,110)
Total	**8,620**	9,600

A 10% change in sterling to euro/$CAD period-end foreign exchange rates would have had the following impact on net assets and a 10% change in sterling to euro/$CAD average foreign exchange rates applied to translate foreign currency profits would have had the following impact on profit before tax, including resulting gains and losses on foreign exchange hedges.

	2024		2023	
	Impact on net assets £m	**Impact on profit before tax £m**	Impact on net assets £m	Impact on profit before tax £m
10% increase in sterling/euro	**(36)**	**24**	(32)	22
10% decrease in sterling/euro	**36**	**(29)**	32	(26)
10% increase in sterling/$CAD	**(67)**	**(27)**	(57)	(39)
10% decrease in sterling/$CAD	**67**	**34**	57	48

The balance sheet changes arise from retranslation of business unit statements of financial position from their functional currencies into sterling, with above movements being taken through the currency translation reserve. These balance sheet movements in exchange rates therefore have no impact on profit. Net asset and profit before tax sensitivities are stated after taking account of the effect of currency hedging activities.

(vi) Derivatives risk
Derivatives are used by a number of the business units. Derivatives are primarily used for efficient investment management, risk hedging purposes, or to structure specific retail savings products. Activity is overseen by the Group Capital and Group Risk teams, which monitor exposure levels and approve large or complex transactions.

The Group applies strict requirements to the administration and valuation processes it uses, and has a control framework that is consistent with market and industry practice for the activity that is undertaken.

(vii) Correlation risk
The Group recognises that lapse behaviour and potential increases in consumer expectations are sensitive to and interdependent with market movements and interest rates. These interdependencies are taken into consideration in the internal capital model and in scenario analysis.

(c) Liquidity risk

Liquidity risk arises from the risk of not being able to make payments as they become due because there are insufficient assets in cash (or permissible collateral) form. At a business unit level, the key liquidity risks relate to deviations in expected insurance cashflows and collateral calls on derivative contracts to manage interest rate, inflation and foreign-exchange risks.

The Group manages liquidity risk through use of a Centre Assets Liquidity Risk Appetite (LRA), and the businesses adopt their own LRAs under guidance from the Group. The Group LRA ensures we maintain sufficient financial resources at the centre to meet its (largely external) obligations as they fall due. The business unit LRAs consider both short and longer-term stressed liquidity requirements. In the short term the source of liquidity is restricted, with a wider pool of liquidity (with appropriate haircuts) available in the longer term. These LRAs in combination with business unit liquidity risk management plans, which identify available liquidity generating actions, and ongoing monitoring against financial market triggers ensure that liquidity risk is managed.

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Maturity analysis

The following tables show the maturities of our insurance and investment contract liabilities, and of the financial assets held to meet them. A maturity analysis of the contractual amounts payable for borrowings and derivative liabilities is given in notes 45 and 53(b)(ii), respectively. Contractual obligations under leases and capital commitments are given in note 22 and note 49.

(i) Analysis of maturity of insurance and investment contract liabilities

For insurance and participating investment contract liabilities, including reinsurance contract liabilities, the following table shows the estimates of the present value of future cash flows at 31 December 2024 and 2023 analysed by estimated timing.

For non-participating investment contracts, almost all may be surrendered or transferred on demand. The earliest contractual maturity date is therefore the 2024 statement of financial position date, for a surrender amount approximately equal to the current statement of financial position liability.

However, we expect surrenders, transfers and maturities to occur over many years, and therefore the table below reflects the expected cash flows for these contracts, rather than their contractual maturity date.

2024	**Within 1 year £m**	**One to Two years £m**	**Two to Three years £m**	**Three to Four years £m**	**Four to Five Years £m**	**Five to 15 years £m**	**Over 15 years £m**	**Total £m**
Life risk	**3,593**	**2,259**	**2,059**	**2,109**	**2,207**	**21,470**	**27,868**	**61,565**
Participating	**3,434**	**2,025**	**1,913**	**1,824**	**1,896**	**14,674**	**10,281**	**36,047**
Non-life	**5,251**	**3,134**	**1,936**	**1,360**	**928**	**2,122**	**407**	**15,138**
Insurance contract and participating investment contract liabilities	**12,278**	**7,418**	**5,908**	**5,293**	**5,031**	**38,266**	**38,556**	**112,750**
Non-participating investment contract liabilities	**648**	**1,712**	**3,015**	**4,082**	**4,885**	**55,440**	**109,360**	**179,142**
Total contract liabilities	**12,926**	**9,130**	**8,923**	**9,375**	**9,916**	**93,706**	**147,916**	**291,892**

2023	Within 1 year £m	One to Two years £m	Two to Three years £m	Three to Four years £m	Four to Five Years £m	Five to 15 years £m	Over 15 years £m	Total £m
Life risk	3,751	2,302	2,230	2,226	2,252	20,623	26,009	59,393
Participating	3,650	2,087	1,998	1,923	2,006	15,612	11,163	38,439
Non-life	4,803	2,748	1,747	1,206	828	2,048	469	13,849
Insurance contract and participating investment contract liabilities	12,204	7,137	5,975	5,355	5,086	38,283	37,641	111,681
Non-participating investment contract liabilities	1,543	1,259	2,908	4,109	4,833	52,385	91,551	158,588
Total contract liabilities	13,747	8,396	8,883	9,464	9,919	90,668	129,192	270,269

The amounts from insurance and investment contract liabilities that are payable on demand are set out below.

	2024		2023	
	Amount payable on demand £m	**Carrying value £m**	Amount payable on demand £m	Carrying value £m
Insurance contracts - Life risk	**11,759**	**12,018**	11,378	11,324
Insurance contracts - Participating	**35,973**	**35,915**	38,246	38,131
Non-participating investment contract liabilities	**179,044**	**179,142**	158,514	158,588
	226,776	**227,075**	208,138	208,043

(ii) Analysis of maturity of financial assets

The following table provides an analysis, by maturity date of the principal, of the carrying value of financial assets which are available to fund the repayment of liabilities as they crystallise.

	2024					2023				
	demand or within 1 year £m	**One to five years £m**	**Over five years £m**	**No fixed term £m**	**Total £m**	demand or within 1 year £m	One to five years £m	Over five years £m	No fixed term £m	Total £m
Fixed maturity securities	**20,137**	**34,886**	**60,233**	**283**	**115,539**	23,667	32,154	58,067	—	113,888
Equity securities	**—**	**—**	**—**	**96,040**	**96,040**	—	—	—	92,572	92,572
Other investments	**48,724**	**566**	**2,418**	**692**	**52,400**	36,076	429	2,383	482	39,370
Loans	**5,423**	**5,844**	**19,286**	**—**	**30,553**	6,270	5,205	20,390	19	31,884
Cash and cash equivalents	**23,481**	**—**	**—**	**—**	**23,481**	17,273	—	—	—	17,273
Total financial assets	**97,765**	**41,296**	**81,937**	**97,015**	**318,013**	83,286	37,788	80,840	93,073	294,987

The assets above are analysed in accordance with the earliest possible redemption date of the instrument at the initiation of the Group. Where an instrument is transferable back to the issuer on demand, such as most unit trusts or similar types of investment vehicle, it is included in the 'On demand or within 1 year' column. Debt securities with no fixed contractual maturity date are generally callable at the option of the issuer at the date the coupon rate is reset under the contractual terms of the instrument.

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The terms for resetting the coupon are such that we expect the securities to be redeemed at this date, as it would be uneconomic for the issuer not to do so, and for liquidity management purposes we manage these securities on this basis. The first repricing and call date is normally ten years or more after the date of issuance. Most of the Group's investments in equity securities and fixed maturity securities are market traded and therefore, if required, can be liquidated for cash at short notice.

(d) Life insurance risk

Life insurance risk in the Group arises through its exposure to mortality, morbidity and longevity risk and exposure to worse than anticipated operating experience on factors such as persistency levels, exercising of policyholder options and management and administration expenses.

The Group chooses to take measured amounts of life insurance risk provided that the relevant business has the appropriate core skills to assess and price the risk and adequate returns are available. The Group's underwriting strategy and appetite is communicated via specific policy statements, related business standards and guidelines. Life insurance risk is managed primarily at business unit level with oversight at the Group level.

The Group's life insurance risk continues to be dominated by exposure from our UK business. Longevity risk remains the most significant life insurance risk due to the Group's annuity portfolio. We are also exposed to longevity risk through the Aviva staff pension schemes, to which our economic exposure has been reduced since 2014 by entering into a longevity swap covering the majority of pensioner in-payment scheme liabilities in force at the time. We purchase reinsurance for some of the longevity risk relating to our annuity business and this also includes the bulk annuity transactions with the Aviva staff pension schemes that have been carried out since 2019, including a further tranche in 2024.

We have reinsurance in place across all our businesses to reduce our net exposure to potential losses. In the UK we have extensive quota share reinsurance in place on Individual Life Protection business and for UK Group Life Protection we use surplus reinsurance for very large individual claims as well as excess-of-loss reinsurance for large concentrations of risk in single geographical locations.

More generally, life insurance risks are believed to provide a significant diversification against other risks in the portfolio. Life insurance risks are modelled within the internal capital model and are subject to sensitivity and stress and scenario testing. COVID-19 is now expected to present limited future impact to our business, and this is allowed for in assumptions for pricing and reporting. However, there remains the potential for other future pandemics.

Recent persistency experience has been generally resilient to cost of living pressures and has not shown significant deterioration in the short term. There remains some uncertainty about the potential for this to continue, which is being monitored closely. External factors that may impact future persistency experience include prolonged high inflation and interest rates, increased stock-market volatility and changes in legislation.

The assumption setting and management of life insurance risks is governed by the Group-wide business standards covering underwriting, pricing, product design and management, in-force management, claims handling and reinsurance. The individual life insurance risks are managed as follows:

- Mortality and morbidity risks are managed through comprehensive medical underwriting, input and advice from medical experts, as well as frequent monitoring and analysis of company experience. Reinsurance treaties are in place to provide further mitigation.
- Longevity risk is managed through monitoring and analysis of the Group's experience, as well as considering the latest external industry data and emerging trends. While individual businesses are responsible for reserving and pricing for annuity business, the Group monitors the exposure to this risk and any associated capital implications. The Group has used reinsurance solutions to reduce the risks from longevity and continually monitors and evaluates emerging market solutions to mitigate this risk further.
- Persistency risk is managed at a business unit level through frequent monitoring of company experience and benchmarking against local market information. Generally, persistency risk arises from customers lapsing their policies earlier than has been assumed. Lapses and their associated financial impact are reduced through appropriate design of products to meet current and, where possible, future customer needs. Businesses also implement specific initiatives to improve the retention of policies which may otherwise lapse.
- Expense risk is primarily managed by the business units through robust cost controls and efficiency targets, together with frequent monitoring of expense levels.

Embedded derivatives

The Group is exposed to the risk of changes in policyholder behaviour due to the exercise of options, guarantees and other product features embedded in its long-term savings products. These product features offer policyholders varying degrees of guaranteed benefits at maturity or on early surrender, along with options to convert their benefits into different products on pre-agreed terms. The extent of the impact of these embedded derivatives differs considerably between business units and exposes Aviva to changes in policyholder behaviour in the exercise of options as well as market risk.

Examples of each type of embedded derivative affecting the Group are:

- Options: call, put, surrender and maturity options, guaranteed annuity options, options to cease premium payment, options for withdrawals free of market value adjustment, annuity options and guaranteed insurability options.
- Guarantees: embedded floor (guaranteed return), maturity guarantee, guaranteed death benefit, guaranteed minimum rate of annuity payment and the 'no negative equity' guarantee associated with the Equity Release business; and
- Other: indexed interest or principal payments, maturity value.

The impact of these is reflected in the capital model and managed as part of the asset liability framework. Further disclosure on financial guarantees and options embedded in contracts and their inclusion in insurance and investment contract liabilities is provided in note 39(h).

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(e) General insurance risk and health risk

The Group writes a balanced portfolio of general insurance risk (including personal motor, household, commercial motor, property and liability), as well as global exposure to corporate specialty risks. This risk is taken on, in line with our underwriting and pricing expertise, to provide an appropriate level of return for an acceptable level of risk. Underwriting discipline and a robust governance process is at the core of the Group's underwriting strategy.

The Group's health insurance risks (including risks associated with private health insurance, critical illness cover, income protection and personal accident insurance, as well as a range of corporate healthcare products) exposes the Group to morbidity risk (the proportion of our customers falling sick) and medical expense inflation.

Provisions made for insurance liabilities are inherently uncertain. Due to this uncertainty, general and health insurance reserves are regularly reviewed by qualified and experienced actuaries at the business unit and Group level in accordance with the Group's reserving framework. These and other key risks, including the occurrence of unexpected claims from a single source or cause and inadequate reinsurance protection/risk transfer, are subject to an overarching risk management framework and various mechanisms to govern and control our risks and exposures.

We recognise that the severity and frequency of weather-related events has the potential to adversely impact provisions for insurance liabilities and our earnings, with the result that there is some seasonality in our results from period to period. Large catastrophic (CAT) losses arising as a result of these events are explicitly considered in our economic capital modelling to ensure we are resilient to such CAT scenarios, and this modelling considers the impact of climate change on the frequency and severity of potential future events. The impact of actual weather-related losses compared to the expected losses based on the long-term average was 7% worse (2023: 2% worse) for UK & Ireland General Insurance and 104% worse (2023: 17% worse) for Canada General Insurance.

More broadly, the materiality and time horizon over which climate-related risks and opportunities affect our business depend on the specific insurance products, geographies and investments being considered. Notwithstanding that the impact on general insurance liabilities is mitigated by the short-term nature of the business, the ability to re-price annually, and by the Company's reinsurance programmes, the physical effects of climate change will most likely result in more risks and perils becoming either uninsurable or unaffordable over the longer term and the need for more urgent action increases.

In the UK, legal rulings related to business interruption coverage due to COVID-19 restrictions continue to be issued, with ongoing proceedings and appeals taking place. Consequently there continues to be a degree of uncertainty in relation to business interruption claims arising from COVID-19.

In Canada we are party to a number of litigation proceedings, including class actions that challenge coverage under our commercial property policies, however, we believe we have a strong argument that there is no pandemic coverage under these policies. We anticipate the main class action trial to determine if any coverage exists will be heard by mid 2026.

The Group purchases reinsurance protection that includes coverage for business interruption and is collecting or seeking reinsurance recoveries of business interruption losses that are covered by reinsurance. The Group's general insurance business does not have material underwriting exposure to Israel, Palestine, Russia or Ukraine, and does not conduct operations in the affected regions.

The current geopolitical landscape and rising protectionist measures have the potential to lead to disruption to global supply chains and heightened claims inflation in 2025, and may increase the uncertainty associated with the cost of settling general insurance claims. While the impacts of heightened claims inflation can be mitigated via new business pricing actions, our ability to price for inflation is dependent on market, competitor and customer behaviour. The time lag between premium earning and claims emergence means that some adverse impact on profitability could be expected.

Reinsurance strategy

Significant reinsurance purchases are reviewed annually at both business unit and Group level to verify that the levels of protection being bought reflect any developments in exposure and the risk appetite of the Group. The basis of these purchases is underpinned by analysis of capital, earnings and capital volatility, cash flow and liquidity and the Group's franchise value.

Detailed actuarial analysis is used to calculate the Group's extreme risk profile and then design cost and capital efficient reinsurance programmes to mitigate these risks to within agreed appetites. For businesses writing general insurance we analyse the natural catastrophe exposure using various probabilistic catastrophe models which are benchmarked against external catastrophe models widely used by the rest of the (re)insurance industry.

The Group cedes much of its worldwide catastrophe risk to third-party reinsurers. The Group purchases a Group-wide catastrophe reinsurance programme to protect against its peak catastrophe losses in excess of a 1 in 250 year return period (1 in 500 year return period in Canada). The total Group potential retained loss from its most concentrated catastrophe exposure peril (Northern Europe Windstorm) is approximately £200 million on a per occurrence basis. The Group purchases a number of general insurance business line specific reinsurance programmes with various retention levels to protect both capital and earnings, and has reinsured 100% of its latent exposures to its historic UK employers' liability and public liability business written prior to 31 December 2000.

(f) Operational risk

Operational risk is the risk of direct or indirect loss, arising from inadequate or failed internal processes, people and systems, or external events including changes in the regulatory environment. We have limited appetite for operational risk and aim to reduce these risks as far as is commercially sensible.

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The Group continues to operate, validate and enhance its key operational controls and purchase insurance to minimise losses arising from inadequate or ineffective internal processes, people and systems or from external events. The Group maintains constructive relationships with its regulators around the world and responds appropriately to developments in relation to key regulatory changes. The Operational Risk Appetite framework enables management and the Board to assess the overall quality of the operational risk environment relative to risk appetite and where a business unit (or the Group) are outside of appetite, require clear and robust plans to be put in place in order to return to appetite. As part of our continual improvements of our risk management approach to keep pace with the business, increasing regulatory expectations, and the macroeconomic and geo-political environment, we continue to implement risk and control improvements throughout the organisation and across all three lines of defence. Those improvements continue to strengthen and enhance our risk management capabilities and enable us to operate a stronger control environment, improve understanding and accountabilities of risks, reduce the complexity of how the business thinks about and manages risks and create greater collaboration across the first and second lines of defence to provide higher quality advice and challenge.

(i) IT and cyber security risk
We have implemented measures and will continue to embed the Group's operational resilience in response to applicable operational resilience regulations (including outsourcing and critical third-party risk management). Digital Operational Resilience Act (DORA) regulations come into effect for entities operating in the EU on 17 January 2025 and UK regulations on 31 March 2025. This includes a programme of resilience and crisis response testing to ensure customer harm is minimised and the continued financial safety and soundness of Aviva's business. Operational resilience disciplines and assessments have been used in response to global and regional material events, including changes to the geo-political environment and financial market instability. We invoked crisis response and managed the CrowdStrike incident (which affected our third parties and not our own internal systems) with no breach of impact tolerance for our core services and followed this with a full lessons learned exercise.

We rely on several outsourcing providers for critical business processes, customer servicing, investment operations and IT support. To manage the risk of failure of a critical outsourcing provider, businesses are required to identify business critical outsourced functions (internal and external) and for each to have exit and termination plans, and business continuity and disaster recovery plans in place in the event of supplier failure, which are reviewed annually. We also carry out supplier financial stability reviews at least annually.

Increasing geo-political tensions more generally have heightened the risk of cyber security attacks on the Group or its suppliers, with the potential to cause business service interruption and/or data or intellectual property theft. In response Aviva continues to actively monitor the threat environment and enhance its IT infrastructure and cyber controls to identify, detect and prevent attacks. Aviva's cyber defences are regularly tested using our own 'ethical hacking' team and we have engaged our suppliers to put in place all reasonable measures so that services to Aviva and our customers are protected.

We oversee the management of controls for the current risks generative artificial intelligence presents to ensure these remain effective as well as exploit the opportunities for process efficiency, better pricing and underwriting, product personalisation and improved customer service.

Overall, Aviva services have remained stable in 2024 with no material disruption to customer journeys.

(ii) Reputational Risk
The Group actively monitors social and other media in order to manage misinformation about our business, products, colleagues and customers should we be targeted by a hostile actor, taking corrective media action if necessary.

We are exposed to the risk that litigation, employee misconduct, operational failures, the outcome of regulatory investigations, media speculation and negative publicity, disclosure of confidential client information, inadequate services, whether or not founded, as well as wider geo-political and economic external events or trends, could impact our brands or reputation. Any of our brands or our reputation could also be affected if products or services recommended by us (or any of our intermediaries) do not perform as expected (whether or not the expectations are founded) or customers' expectations of the product change.

(iii) Conduct Risk
A robust Compliance and Conduct Risk framework is in place across the Group, designed to facilitate adherence to local regulatory requirements and provide good conduct outcomes for our customers, and other stakeholders. The Framework supports relevant policies and standards. Compliance and conduct risks are reported, in line with risk appetite, to appropriate governance forums.

We have designed our products and business processes so that we treat our customers fairly and we make use of various metrics to assess our own performance, including customer advocacy, retention and complaints. Failure to treat our customers fairly is counter to our purpose, values and culture and could result in regulatory action and penalties, as well as impact our brands and/or reputation.

The FCA Consumer Duty ("the Duty") requires firms to 'act to deliver good customer outcomes' by managing the risks posed to those good outcomes; these are our customer conduct risks. Achieving the expectations of the Duty aligns with our strategic priority of becoming the go-to customer brand for Insurance, Wealth and Retirement. We have enhanced our Group-wide Compliance and Conduct risk policy to strengthen the definition and scope to reflect the Duty. We refreshed the compliance and conduct risk appetite and sharpened guidance around good customer outcomes and foreseeable harm. Senior Manager role profiles and their statements of responsibility have been refreshed and we revised strategy agendas to enhance the focus on customer outcomes and reviewed coverage of customer outcomes in monitoring. We have updated our policies and business standards (including those relating to people and reward) where needed.

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(iv) Asset Management Risk
The Group is directly exposed to the risks associated with operating an asset management business through its ownership of Aviva Investors. The underlying risk profile of our asset management risk is derived from investment performance, specialist investment professionals and leadership, product development capabilities, fund liquidity, margin, client retention, regulatory developments, fiduciary and contractual responsibilities. Funds invested in illiquid assets such as commercial property are particularly exposed to liquidity risk. The risk profile is regularly monitored.

A client relationship team is in place to manage client retention risk, while all new asset management products undergo a review and approval process at each stage of the product development process, including approvals from legal, compliance and risk functions. Investment performance against client objectives relative to agreed benchmarks is monitored as part of our investment performance and risk management process, and subject to further independent oversight and challenge by a specialist risk team, reporting directly to the Aviva Investors' Chief Risk Officer.

(g) Risk and capital management

(i) Sensitivity test analysis
The Group uses a number of sensitivity tests to understand the volatility of earnings, the volatility of its capital requirements, and to manage its capital more efficiently. Sensitivities to economic and operating experience are regularly produced on the Group's key financial performance metrics to inform the Group's decision making and planning processes, and as part of the framework for identifying and quantifying the risks to which each of its business units, and the Group as a whole, are exposed.

(ii) Life insurance and investment contracts
The nature of long-term business is such that a number of assumptions are made in compiling these financial statements. Assumptions are made about investment returns, expenses, mortality rates and persistency in connection with the in-force policies for each business unit. Assumptions are best estimates based on historic and expected experience of the business. A number of the key assumptions for the Group's central scenario are disclosed elsewhere in these statements.

(iii) General insurance and health business
General insurance and health claim liabilities are estimated by using standard actuarial claims projection techniques. These methods extrapolate the claims development for each accident year based on the observed development of earlier years. In most cases, no explicit assumptions are made as projections are based on assumptions implicit in the historic claims.

(iv) Sensitivity test results
Illustrative results of sensitivity testing for long-term business, general insurance and health business and the fund management and non-insurance business are set out below. For each sensitivity test the impact of a reasonably possible change in a single factor is shown, with other assumptions left unchanged. See below for further details on the limitations of the sensitivity analysis. The sensitivity of the net IAS 19 surplus to discount rates is provided in note 44(b)(iii).

Sensitivity factor	Description of sensitivity factor applied
Market risk variables	
Interest rate and investment return	The impact of a change in market interest rates by a 1% increase or decrease. The test allows consistently for similar changes to investment returns and movements in the market value of backing fixed interest securities.
Credit spreads	The impact of a 0.5% increase or decrease in credit spreads over risk-free interest rates on corporate bonds and other non-sovereign credit assets, also allowing for the consequential impact on liability valuations.
Equity market values	The impact of a 10% increase or decrease in equity market values.
Property market values	The impact of a 10% increase or decrease in commercial and residential property values. The indirect impact of property values on the value of commercial mortgage loans and equity release mortgage loans are included in this sensitivity.
Underwriting risk variables	
Expenses	The impact of an increase in maintenance expenses by 10%.
Lapses/surrenders	The impact of an increase in lapse or surrender rates by 10%.
Assurance mortality/morbidity	The impact of an increase in mortality/morbidity rates for assurance contracts by 2%.
Annuitant mortality	The impact of a reduction in mortality rates for annuity contracts by 2%.
Gross loss ratios	The impact of an increase in gross loss ratios for general insurance and health business by 5%.

Market risk variables
For business where the change in market risk variables could impact on profit, the following table presents how a possible shift in those variables might impact insurance and investment contract balances, the corresponding investment assets, profit before tax and shareholders' equity after tax, all net of reinsurance.

In general, a beneficial impact under the sensitivity (i.e. reduction in liability/increase in assets) should be displayed as a positive as this denotes an increase in immediate profit or to shareholder equity. For CSM impact an increase in CSM under the sensitivity should be displayed as a negative as this locks away more profit for future release thereby offsetting some of the immediate profit.

The net of reinsurance liability impact, investment asset impact and impact on shareholder equity are shown as positives where profit/shareholder equity increase and a negative where they decrease.

For business (including with-profits funds and unit-linked contracts) where changes in the market risk variables result in movements that offset to nil, having no overall impact on profit or shareholders' equity, the offsetting movements in the insurance and investment contract balances and investment assets are now included in this sensitivity analysis. The 2023 comparatives have been updated to include these offsetting movements. Impacts on the Group's pension schemes are excluded from the analysis.

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	2024					2023				
	Net insurance/ investment contracts balances		**Investment assets profit or loss**	**Total profit before tax**	**Shareholder's equity after tax**	Net insurance/ investment contracts balances		Investment assets profit or loss	Total profit before tax	Shareholder's equity after tax
	CSM £m	**Profit or loss £m**	**£m**	**£m**	**£m**	CSM £m	Profit or loss £m	£m	£m	£m
100 bps increase in interest rate	**3**	**8,524**	**(9,278)**	**(754)**	**(569)**	—	8,265	(9,385)	(1,120)	(843)
100 bps decrease in interest rate	**(1)**	**(9,861)**	**10,707**	**846**	**639**	—	(9,580)	10,902	1,322	996
50 bps increase in corporate bond spread	**12**	**1,826**	**(2,171)**	**(345)**	**(258)**	8	1,859	(2,260)	(401)	(299)
50 bps decrease in corporate bond spread	**(14)**	**(2,269)**	**2,639**	**370**	**276**	(9)	(2,413)	2,846	433	319
10% increase in market value of equity	**(52)**	**(13,880)**	**13,669**	**(211)**	**(160)**	(39)	(12,233)	12,047	(186)	(135)
10% decrease in market value of equity	**51**	**13,870**	**(13,654)**	**216**	**163**	39	12,223	(12,033)	190	142
10% increase in value of property	**(17)**	**(609)**	**770**	**161**	**121**	(17)	(625)	831	206	155
10% decrease in value of property	**16**	**611**	**(821)**	**(210)**	**(158)**	18	625	(894)	(269)	(203)

Underwriting risk variables

The following table presents information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact insurance and reinsurance contract balances, profit before tax and shareholders' equity after tax. The affected underlying insurance contracts and related reinsurance contracts are measured under IFRS 17 and the impacts on fulfilment cash flows (FCF) and on the CSM are shown separately as these components are not fully symmetrically impacted by possible changes in assumptions. The ultimate profit or loss arising will depend on the level of offset seen between CSM and FCF movements in the sensitivity, which in turn is impacted by whether locked-in rates within the CSM are higher or lower than the current market rates which drive the FCF movements.

	Insurance contracts balances			**Reinsurance contracts balances**				
2024	**FCF £m**	**CSM £m**	**Profit or loss £m**	**FCF £m**	**CSM £m**	**Profit or loss £m**	**Total profit before tax £m**	**Shareholder's equity after tax £m**
Life insurance business								
10% increase in expenses	**(330)**	**284**	**(46)**	**18**	**(20)**	**(2)**	**(48)**	**(36)**
10% increase in lapse rates	**(41)**	**44**	**3**	**(35)**	**17**	**(18)**	**(15)**	**(11)**
2% increase in assurance mortality	**(286)**	**171**	**(115)**	**210**	**(115)**	**95**	**(20)**	**(15)**
2% decrease in annuitant mortality	**(377)**	**455**	**78**	**176**	**(231)**	**(55)**	**23**	**17**
General insurance and health business								
10% increase in expenses	**(142)**	**—**	**(142)**	**—**	**—**	**—**	**(142)**	**(55)**
5% increase in gross loss ratios	**(350)**	**—**	**(350)**	**26**	**—**	**26**	**(324)**	**(243)**

	Insurance contracts balances			Reinsurance contracts balances				
2023	FCF £m	CSM £m	Profit or loss £m	FCF £m	CSM £m	Profit or loss £m	Total profit before tax £m	Shareholder's equity after tax £m
Life insurance business								
10% increase in expenses	(243)	273	30	3	(6)	(3)	27	21
10% increase in lapse rates	(16)	(13)	(29)	(38)	56	18	(11)	(8)
2% increase in assurance mortality	(212)	243	31	138	(164)	(26)	5	4
2% decrease in annuitant mortality	(357)	461	104	169	(258)	(89)	15	11
General insurance and health business								
10% increase in expenses	(126)	—	(126)	—	—	—	(126)	(53)
5% increase in gross loss ratios	(300)	—	(300)	14	—	14	(286)	(217)

For general insurance and health, the impact of the expense sensitivity on profit also includes the increase in ongoing administration expenses, in addition to the increase in the claims handling expense provision.

Limitations of sensitivity analysis

The tables above demonstrate the effect of an instantaneous change in a key assumption while other assumptions remain unchanged. In reality, changes may occur over a period of time and there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

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The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs. For example, the Group's financial risk management strategy aims to manage the exposure to market fluctuations.

As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocations and taking other protective action.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risks that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty and the assumption that all parameters move in an identical fashion.

Specific examples:
a. The sensitivity analysis assumes a parallel shift in interest rates at all terms. These results should not be used to calculate the impact of non-parallel yield movements.
b. The sensitivity analysis assumes equivalent assumption changes across all markets i.e. UK and non-UK yield curves move by the same amounts, equity markets across the world rise or fall identically.

Additionally, the movements observed by assets held by Aviva will not be identical to market indices so caution is required when applying the sensitivities to observed index movements.

53 – Derivative financial instruments and hedging

This note gives details of the various financial instruments the Group uses to mitigate risk.

The Group uses a variety of derivative financial instruments, including both exchange traded and over-the-counter instruments, in line with the Group's overall risk management strategy. The objectives include managing exposure to market, foreign currency and/or interest rate risk on existing assets or liabilities, as well as planned or anticipated investment purchases.

In the narrative and tables below, figures are given for both the notional amounts and fair values of these instruments. The notional amounts reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of the derivative transaction. The fair values represent the gross carrying values at the year end for each class of derivative contract held (or issued) by the Group.

The fair values do not provide an indication of credit risk, as many over-the-counter transactions are contracted and documented under ISDA (International Swaps and Derivatives Association, Inc.) master agreements or their equivalent. Such agreements are designed to provide a legally enforceable set-off in the event of default, which reduces credit exposure. In addition, the Group has collateral agreements in place between the individual Group entities and relevant counterparties. See note 54 for further information on collateral and net credit risk of derivative instruments.

(a) Instruments qualifying for hedge accounting

The Group has formally assessed and documented the hedge effectiveness for financial instruments designated as hedge instruments in accordance with IFRS 9.

(i) Net investment hedges

To reduce its exposure to foreign currency risk, the Group has designated a portion of its Euro and Canadian dollar denominated debt as hedging instruments to hedge the currency components of its net investments in foreign subsidiaries. The matching currency denomination of the assets and liabilities of the subsidiaries and the loan liabilities in the Group leads to an economic relationship, where a change in the value of the asset as a result of changes in the foreign exchange rate will be offset directly by an opposite change in the value of the liability. The maturity analysis of the liabilities is presented in note 45. The Group's net investments are designated into a hedge relationship in Canada such that the value hedged matches exactly the nominal amounts of the hedging instrument being used. The Group has applied a hedge ratio of 1:1 (2023: 1:1) for the net investment hedge in Canada and a hedge ratio of 0.66:1 (2023: 0.54:1) for the net investment hedge for Ireland.

At inception, the nature of the economic relationship is such that the net investment hedge is expected to be highly effective, however, ineffectiveness or discontinuation of the hedging relationship may arise should a disposal of a foreign subsidiary included in the net investment hedge occur during the period.

Other risks except for currency risk associated with the Group's net investments in its foreign subsidiaries are not covered by these hedging arrangements.

(ii) Cash flow hedges

The Group applied hedge accounting to mitigate currency risks arising from the expected $SGD 1.4 billion sales proceeds of the disposal of Aviva Singapore by designating the currency component of the derivatives in a cash flow hedge. The currency derivatives converted the $SGD proceeds to Sterling at predetermined rate at maturity, and there was an economic relationship between the hedged item and the hedging instruments due to the matching currency. The amounts previously recognised in the hedging instruments reserve were recycled to the income statement on completion of the disposal (see note 37).

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(iii) Financial impacts of hedge accounting

The following hedging instruments for the net investment hedges and cash flow hedge are included within borrowings and financial investments respectively in the statement of financial position.

	Note	2024 Carrying amount £m	2024 Change as a result of foreign currency movement £m	2023 Carrying amount £m	2023 Change as a result of foreign currency movement £m
Net investment hedges					
1.875% €750 million senior notes 2027[1]	45	**383**	**(13)**	401	(6)
3.375% €900 million subordinated notes 2045[2]	45	**361**	**(13)**	378	(6)
4.000% C$450 million subordinated notes 2030	45	**248**	**(13)**	265	(6)
		992	**(39)**	1,044	(18)
Cash flow hedge					
SGD1,444 million currency derivatives[3]		**—**	**—**	(4)	(4)
Total hedging instruments		**992**	**(39)**	1,040	(22)

1. Of the €750 million senior notes, a nominal amount of €464 million has been placed in a net investment hedge
2. Of the €900 million subordinated notes, a nominal amount of €436 million has been placed in a net investment hedge
3. The maturity date of the currency derivatives was 27 March 2024, with an average forward of 1.66. The change as a result of foreign currency movement in 2023 includes £0.7 million for the forward element of the currency derivatives.

The following hedged items were placed in a net investment hedges and cash flow hedge as at the year end:

	Currency	2024 Carrying amount £m	2024 Cumulative foreign currency movement £m	2024 Change as a result of foreign currency movement £m	2023 Carrying amount £m	2023 Cumulative foreign currency movement £m	2023 Change as a result of foreign currency movement £m
Net investment hedges							
Ireland	EUR	**744**	**(214)**	**26**	779	(237)	12
Canada	CAD	**248**	**6**	**13**	265	(7)	6
		992	**(208)**	**39**	1,044	(244)	18
Cash flow hedge	SGD	**—**	**—**	**—**	(4)	4	4
Total hedged items		**992**	**(208)**	**39**	1,040	(240)	22

The effects of hedge accounting on the Group's financial performance can be summarised as follows:

	Currency	2024 Translation gain/(loss) recognised in currency translation reserve £m	2024 Change in value of hedging instrument recognised in OCI £m	2024 Hedge ineffectiveness recognised in profit or loss £m	2024 Amount reclassified from hedging instrument reserve to profit or loss £m	2023 Translation gain/(loss) recognised in currency translation reserve £m	2023 Change in value of hedging instrument recognised in OCI £m	2023 Hedge ineffectiveness recognised in profit or loss £m	2023 Amount reclassified from hedging instrument reserve to profit or loss £m
Net investment hedges									
Ireland	EUR	**(26)**	**26**	**—**	**—**	(12)	12	—	—
Canada	CAD	**(13)**	**13**	**—**	**—**	(6)	6	—	—
		(39)	**39**	**—**	**—**	(18)	18	—	—
Cash flow hedge	SGD	**—**	**—**	**—**	**4**	(4)	4	—	—
Total hedged items		**(39)**	**39**	**—**	**4**	(22)	22	—	—

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(b) Derivatives

Except for the currency derivatives described in note 55(a), the Group did not apply hedge accounting to derivatives at 31 December 2024 or 2023.

(i) The Group's derivatives at 31 December were as follows:

	2024 Contract/ notional amount £m	**2024** Fair value asset £m	**2024** Fair value liability £m	2023 Contract/ notional amount £m	2023 Fair value asset £m	2023 Fair value liability £m
OTC Forwards	**14,044**	**291**	**(331)**	53,262	465	(341)
OTC Interest rate and currency swaps	**18,393**	**250**	**(1,035)**	11,894	369	(694)
Foreign exchange contracts	**32,437**	**541**	**(1,366)**	65,156	834	(1,035)
OTC Swaps	**61,845**	**2,086**	**(5,318)**	50,647	2,129	(4,618)
OTC Options	**152**	**2**	**—**	142	—	—
Exchange traded Futures	**4,994**	**9**	**(74)**	9,643	219	(40)
Interest rate contracts	**66,991**	**2,097**	**(5,392)**	60,432	2,348	(4,658)
OTC Options	**1,976**	**69**	**(34)**	2,222	82	(39)
Exchange traded Futures	**6,852**	**48**	**(139)**	9,708	150	(68)
Exchange traded Options	**902**	**119**	**—**	1,391	137	(10)
Equity/Index contracts	**9,730**	**236**	**(173)**	13,321	369	(117)
Credit contracts	**1,535**	**38**	**(20)**	1,158	39	(29)
Other	**20,570**	**423**	**(1,320)**	16,405	402	(1,587)
Total derivatives	**131,263**	**3,335**	**(8,271)**	156,472	3,992	(7,426)

Fair value assets of £3,335 million (2023: £3,992 million) are recognised as 'Derivative financial instruments' in note 27(a), while fair value liabilities of £8,271 million (2023: £7,426 million) are recognised as 'Derivative liabilities' in note 46.

The Group's derivative risk management policies are outlined in note 52.

(ii) The contractual undiscounted cash flows in relation to derivative liabilities have the following maturities:

	2024 Within one year £m	**2024** One to two years £m	**2024** Two to three years £m	**2024** Three to four years £m	**2024** Four to five years £m	**2024** After five years £m	2023 Within one year £m	2023 One to two years £m	2023 Two to three years	2023 Three to four years £m	2023 Four to five years £m	2023 After five years £m
Derivative liabilities	**1,015**	**680**	**636**	**539**	**484**	**6,705**	1,046	631	597	569	567	5,721

(c) Collateral

Certain derivative contracts, primarily interest rate and currency swaps, involve the receipt or pledging of cash and non-cash collateral. The amounts of cash collateral receivable or repayable are included in notes 28 and 46 respectively. Collateral received and pledged by the Group is detailed in note 54.

54 - Financial assets and liabilities subject to offsetting, enforceable master netting agreements and similar arrangements

(a) Offsetting arrangements

Financial assets and liabilities are offset in the statement of financial position when the Group has a legally enforceable right to offset and has the intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

Aviva mitigates credit risk in derivative contracts by entering into collateral agreements, where practical, and into ISDA master netting agreements for each of the legal entities to facilitate its right to offset credit risk exposure. The credit support agreement will normally dictate the threshold over which collateral needs to be pledged by Aviva or its counterparty.

Derivative transactions requiring Aviva or its counterparty to post collateral are typically the result of over-the-counter derivative trades, comprised mostly of interest rate swaps, currency swaps and credit default swaps. These transactions are conducted under terms that are usual and customary to standard long-term borrowing, derivative, securities lending and securities borrowing activities. The derivative assets and liabilities in the table below are made up of the contracts described in detail in note 53.

Aviva participates in a number of stock lending and repurchase arrangements. In some of these arrangements cash is exchanged by Aviva for securities and a related receivable is recognised within Loans to banks in note 24. These arrangements are reflected in the tables below. In instances where the collateral is recognised in the statement of financial position, the obligation for its return is included within Payables and other financial liabilities in note 46.

In other arrangements, securities are exchanged for other securities. The collateral received must be in a readily realisable form, such as listed securities, and is held in segregated accounts. Transfer of title always occurs for the collateral received. In many instances, however, no market risk or economic benefit is exchanged and these transactions are not recognised in the statement of financial position in accordance with our accounting policies, and accordingly not included in the following tables.

Notes to the consolidated financial statements

							2024
	Offset under IAS 32			**Amounts under a master netting agreement but not offset under IAS 32**			
Amounts subject to enforceable netting arrangements	**Gross amounts £m**	**Amounts offset £m**	**Net amounts reported in the statement of financial position £m**	**Financial instruments £m**	**Cash collateral £m**	**Securities collateral received/ pledged £m**	**Net amount £m**
Derivative financial assets	**2,295**	**—**	**2,295**	**(1,623)**	**(85)**	**(25)**	**562**
Loans to banks and repurchase arrangements	**4,486**	**—**	**4,486**	**—**	**(300)**	**(3,850)**	**336**
Total financial assets	**6,781**	**—**	**6,781**	**(1,623)**	**(385)**	**(3,875)**	**898**
Derivative financial liabilities	**(6,099)**	**—**	**(6,099)**	**2,175**	**36**	**3,136**	**(752)**
Other financial liabilities	**(1,753)**	**—**	**(1,753)**	**—**	**—**	**—**	**(1,753)**
Total financial liabilities	**(7,852)**	**—**	**(7,852)**	**2,175**	**36**	**3,136**	**(2,505)**

							2023
	Offset under IAS 32			Amounts under a master netting agreement but not offset under IAS 32			
Amounts subject to enforceable netting arrangements	Gross amounts £m	Amounts offset £m	Net amounts reported in the statement of financial position £m	Financial instruments £m	Cash collateral £m	Securities collateral received/ pledged £m	Net amount £m
Derivative financial assets	2,618	—	2,618	(1,505)	(173)	(82)	858
Loans to banks and repurchase arrangements	4,850	—	4,850	—	(300)	(4,550)	—
Total financial assets	7,468	—	7,468	(1,505)	(473)	(4,632)	858
Derivative financial liabilities	(5,428)	—	(5,428)	2,078	68	2,477	(805)
Other financial liabilities	—	—	—	—	—	—	—
Total financial liabilities	(5,428)	—	(5,428)	2,078	68	2,477	(805)

Derivative assets are recognised as Derivative financial instruments in note 27(a), while fair value liabilities are recognised as Derivative liabilities in note 46. £1,040 million (2023: £1,374 million) of derivative assets and £2,172 million (2023: £1,998 million) of derivative liabilities are not subject to master netting agreements and are therefore excluded from the table above.

Amounts receivable related to securities lending and reverse-repurchase arrangements totalling £4,486 million (2023: £4,865 million) are recognised within Loans to banks in note 24.

Other financial liabilities presented above represent liabilities related to repurchase arrangements recognised within Obligations for repayment of cash collateral received in note 46.

(b) Collateral

In the tables above, the amounts of assets or liabilities presented in the consolidated statement of financial position are offset first by financial instruments that have the right to offset under master netting or similar arrangements with any remaining amount reduced by the amount of cash and securities collateral. The actual amount of collateral may be greater than amounts presented in the tables above in the case of over-collateralisation.

The total amount of collateral received which the Group is permitted to sell or repledge in the absence of default, excluding collateral related to balances recognised within Loans to banks disclosed in note 24, was £5,648 million (2023: £6,827 million), all of which other than £138 million (2023: £245 million) is related to securities lending arrangements. Collateral of £459 million (2023: £1,050 million) has been received related to balances recognised within Loans to banks in note 24. £85 million (2023: £77 million) included within cash and cash equivalents has been pledged as collateral in respect of the Group's UK pension schemes. Under the agreements, cash is only transferred to the pension schemes to fund bulk annuity buy-in transactions with Aviva Life & Pensions UK Limited or in the event of the Group defaulting on its pension obligations. The value of collateral that was actually sold or repledged in the absence of default was £nil (2023: £nil).

The level of collateral held is monitored regularly, with further collateral obtained where this is considered necessary to manage the Group's risk exposure. The fair values of collateral received approximate to their carrying amounts.

55 - Related party transactions

This note gives details of the transactions between Group companies and related parties which comprises our joint ventures, associates and staff pension schemes.

The Group undertakes transactions with related parties in the normal course of business. Loans to related parties are made on normal arm's-length commercial terms.

Notes to the consolidated financial statements

(a) Services provided to, and by related parties

	2024				2023			
	Income earned in the year £m	**Expenses incurred in the year £m**	**Payable at year end £m**	**Receivable at year end £m**	Income earned in the year £m	Expenses incurred in the year £m	Payable at year end £m	Receivable at year end £m
Associates	**35**	**—**	**—**	**4**	59	—	—	3
Joint ventures	**24**	**—**	**—**	**—**	56	—	—	137
Employee pension schemes	**9**	**—**	**—**	**1**	15	—	—	4
Total services	**68**	**—**	**—**	**5**	130	—	—	144

Transactions with joint ventures in the UK relate to the property management undertakings, the most material of which are listed in note 18(a)(iii). The Group has equity interests in these joint ventures, together with the provision of administration services and financial management to many of them. Our fund management companies also charge fees to these joint ventures for administration services and for arranging external finance.

Key management personnel of the Company may from time to time purchase insurance, savings, asset management or annuity products marketed by group companies on equivalent terms to those available to all employees of the Group. In 2024, other transactions with key management personnel were not deemed to be significant either by size or in the context of their individual financial positions.

Our UK fund management companies manage most of the assets held by the Group's main UK staff pension scheme, for which they charge fees based on the level of funds under management. The main UK scheme holds investments in Group-managed funds and insurance policies with other group companies, as explained in note 44(i). As at 31 December 2024, the Friends Provident Pension Scheme (FPPS), acquired in 2015 as part of the acquisition of the Friends Life business, held an insurance policy of £384 million (2023: £431 million) issued by a group company, which eliminates on consolidation.

The related parties' receivables are not secured and no guarantees were received in respect thereof. The receivables will be settled in accordance with normal credit terms.

During the year, Aviva Group defined benefit staff pension schemes completed one (2023: two) bulk annuity buy-in transaction with Aviva Life & Pensions UK Limited (AVLAP), a group company. Total premiums of £1,323 millions (2023: £482 million) were paid by the schemes to AVLAP, with total transferable plan assets of £1,018 million (2023: £368 million) being recognised, and the difference being recognised as an actuarial loss through Other Comprehensive Income. No profit or loss (2023: £nil) was recognised by AVLAP on initial recognition as a CSM liability equal and opposite to the fulfilment cash flows was recognised.

As at 31 December 2024, AVLAP recognised cumulative best estimate liabilities of £4,154 million (2023: £3,535 million) in relation to buy-in transactions with Aviva Group defined benefit staff pension schemes which have been included within the Group's insurance contract liabilities, and the defined benefit staff pension schemes held transferable plan assets of £3,932 million (2023: £3,448 million) which do not eliminate on consolidation.

(b) Key management compensation

The total compensation to those employees classified as key management, being those having authority and responsibility for planning, directing and controlling the activities of the Group, including the executive and non-executive directors is as follows:

	2024 £m	2023 £m
Salary and other short-term benefits	**12.6**	10.8
Post-employment benefits	**0.1**	—
Equity compensation plans[1]	**10.3**	13.7
Total key management compensation	**23.0**	24.5

1. The 2023 comparative has been re-presented to align with the 2024 presentation. The LTIP amounts shown in last year's report in respect of the LTIPs awarded in 2021 were calculated with an assumed vesting share price of 413.49 pence. The actual share price at vesting was 494.50 pence, and the table has been updated to reflect this change.

Information concerning individual directors' emoluments, interests and transactions is given in the Directors' Remuneration Report.

Notes to the consolidated financial statements

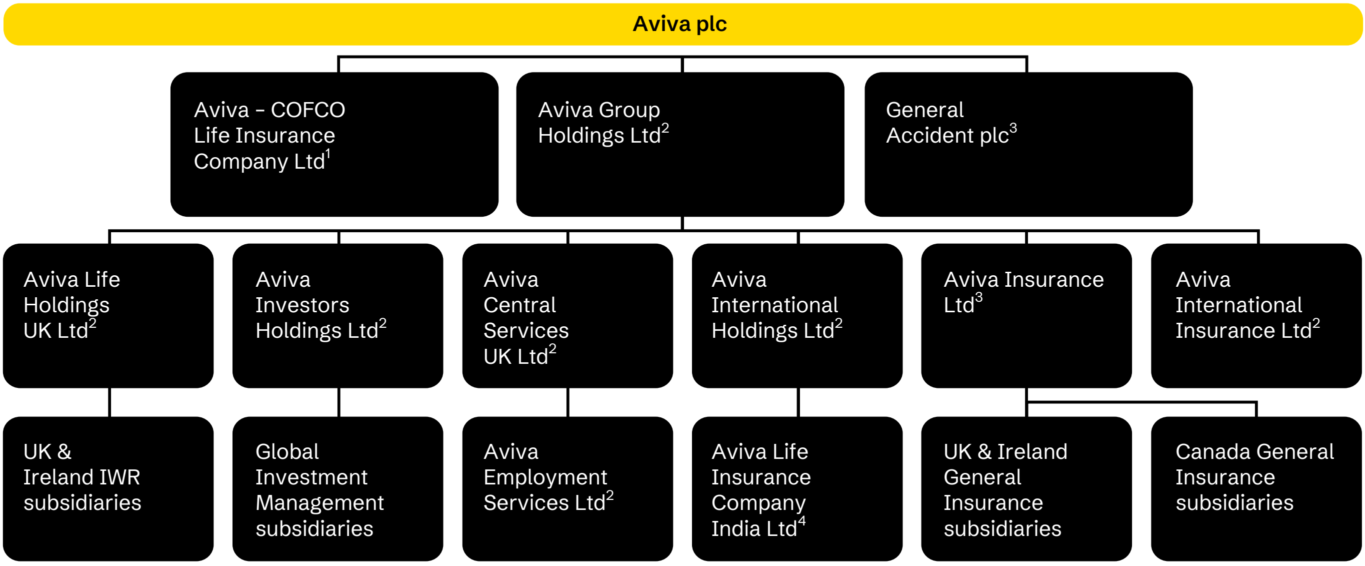
56 - Organisational structure

The following chart shows a simplified form of the organisational structure of the Group as at 31 December 2024. Aviva plc is the holding company of the Group.

Parent company
Aviva plc

Subsidiaries
The principal subsidiaries of the Company as at 31 December 2024 are listed below by country of incorporation.

A complete list of the Group's related undertakings. which comprises of subsidiaries, joint ventures and associates and other significant holdings is contained within note 57.



1. Incorporated in People's Republic of China
2. Incorporated in England and Wales
3. Incorporated in Scotland
4. Incorporated in India

United Kingdom
Aviva Administration Limited
Aviva Central Services UK Limited
Aviva Employment Services Limited
Aviva Equity Release UK Limited
Aviva Health UK Limited
Aviva Insurance Limited
Aviva International Insurance Limited
Aviva Investment Solutions UK Limited
Aviva Investors Global Services Limited
Aviva Investors UK Fund Services Limited
Aviva Life & Pensions UK Limited
Aviva Life Services UK Limited
Aviva Pension Trustees UK Limited
Aviva Protection UK Limited (formerly AIG Life Limited)
Aviva UK Digital Limited
Aviva Wrap UK Limited
Gresham Insurance Company Limited
Probitas Corporate Capital Limited
Probitas Holdings (UK) Limited

United Kingdom continued
Sesame Bankhall Group Limited
Solus (London) Limited
Succession Holdings Limited
The Ocean Marine Insurance Company Limited
Wealthify Group Limited

Canada
Aviva Canada Inc. and its principal subsidiaries:
Aviva Insurance Company of Canada
Aviva General Insurance Company
Elite Insurance Company
Pilot Insurance Company
Scottish & York Insurance Co. Limited
S&Y Insurance Company
Traders General Insurance Company

Ireland
Aviva Life and Pensions Ireland Designated Activity Company
Aviva Insurance Ireland Designated Activity Company

Luxembourg
Aviva Investors Luxembourg

Associates and Joint Ventures
The Group has ongoing interests in the following operations that are classified as joint ventures or associates, as a complete list of the Group's related undertakings comprising of subsidiaries, joint ventures, associates and other significant holdings is contained within note 57. Further details of those operations that were most significant in 2024 are set out in notes 18 and 19 to the financial statements.

China

Aviva-COFCO Life Insurance Company Limited 50%

United Kingdom
The Group has interests in several property limited partnerships. Further details are provided in notes 18, 19 and 26 to the financial statements.

Notes to the consolidated financial statements

57 - Related undertakings

We are required to disclose certain information about the Group's related undertakings which is set out in this note.

The definition of a subsidiary undertaking in accordance with the Companies Act 2006 is different from the definition under IFRS. As a result, the related undertakings included within the list below may not be the same as the undertakings consolidated in the Group IFRS financial statements. See accounting policies (D) Consolidation principles for further detail on principles of consolidation and definition of joint ventures.

This note contains certain fund entities that are beneficially owned by external parties and managed by Aviva Investors. Although legally owned by the Group, Aviva plc may not have a beneficial interest in these entities. Also, where the Group does not own equity in entities that are managed by Aviva Investors, a share class and ownership percentage will be disclosed.

The Group's related undertakings along with the country of incorporation, the registered address, the classes of shares held and the effective percentage of total equity owned as at 31 December 2024 are disclosed below.

(a) Direct

The direct related undertakings of the Company as at 31 December 2024 are listed below:

Name of undertaking	Country of incorporation	Registered address	Share class held	% of total equity
Aviva-COFCO Life Insurance Co. Ltd	China	12/F & 15/F & 01, 06-09 Unit of 10F of Building No.20, 27/F of Building No.24, Middle East Third Ring Road, Chaoyang District, Beijing, 100022, China	Ordinary	50%
Aviva Group Holdings Limited	United Kingdom	80 Fenchurch Street, London, EC3M 4AE, United Kingdom	Ordinary	100%
General Accident plc[1]	United Kingdom	Pitheavlis, Perth, PH2 0NH, United Kingdom	Ordinary	95%

1. Aviva plc holds 100% of the ordinary share capital of General Accident plc. In addition to its ordinary share capital, General Accident plc has classes of preference shares in issuance which are publicly listed and represent approximately 5% of General Accident plc's total equity.

(b) Indirect

The indirect related undertakings of the Company as at 31 December 2024 are listed below:

Company name	Share Class held	% of total equity
Australia		
c/o TMF Corporate Services (Aust) Pty Limited, Suite 1 Level 11, 66 Goulburn Street, Sydney NSW 2000, Australia		
Aviva Investors Pacific Pty Ltd	Ordinary	100%
Level 1, 44 Martin Place, Sydney, NSW, 2000, Australia		
Probitas 1492 (Pacific) Pty Ltd	Ordinary	100%
Barbados		
c/o USA Risk Group (Barbados) Limited, 6th Floor, CGI Tower, Warrens, St. Michael, BB22026, Barbados		
Victoria Reinsurance Company Ltd.	Common	100%
Belgium		
Rue Picard 7, Box 100, 1000 Brussels, Belgium		
Probitas 1492 (Europe) BV/SRL	Ordinary	100%
Canada		
10 Aviva Way, Suite 100, Markham, ON, L6G 0G1, Canada		
1000930077 Ontario Inc.	Common	100%
1000962293 Ontario Inc.	Common	100%
1001045689 Ontario Inc.	Common	100%
2161605 Ontario Inc.	Common	100%
9543864 Canada Inc.	Common	100%
Aviva Canada Inc.	Common	100%
Aviva General Insurance Company	Common	100%
Aviva Insurance Company of Canada	Common	100%
Aviva Partner Insurance Services Inc.	Common	100%
Aviva Warranty Services Inc.	Common	100%
Bamboo Premium Financing Inc.	Common	100%
Bay-Mill Specialty Insurance Adjusters Inc.	Common	100%
Elite Insurance Company	Common	100%
Insurance Agent Service Inc.	Common	100%
Nautimax Ltd.	Ordinary	100%
O2 Insurance Services Inc.	Ordinary	100%
OIS Ontario Insurance Service Limited	Common	100%
Optiom Holdings Inc.	Common	100%
Optiom Inc.	Common	100%
Pilot Insurance Company	Common	100%
S&Y Insurance Company	Common	100%
Scottish & York Insurance Co. Limited	Common	100%
Traders General Insurance Company	Common	100%
22 Adelaide St. W., Suite 3400, Toronto, Ontario, M5H 4E3, Canada		
Probitas 1492 (Canada) Inc.	Common	100%
100 King Street West, Floor 49, Toronto, ON, M5X 2A2, Canada		
Aviva Investors Canada Inc.	Common	100%
150 King Street West, Suite #2401, P.O. Box 16, Toronto, ON, M5H 1J9, Canada		
Prolink Insurance Inc.	A Common	34%
555 Chabanel Ouest, Bureau 900, Montreal, QC, H2N 2H8, Canada		
Aviva Agency Services Inc.	Common	100%
Suite 1600, 925 W Georgia St, Vancouver, BC, V6C 3L2, Canada		
Westmount West Services Inc.	B Ordinary	20%
China		

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Units 1805-1807, 18th Floor, Block H Office Building, Phoenix Land Plaza, No. A5 Yard, Shuguangxili, Chaoyang District, Beijing, China		
Aviva-COFCO Yi Li Asset Management Co., Ltd.	Ordinary	21%
Denmark		
c/o TMF Denmark, H.C. Andersens Boulevard 38, 3. th, 1553, Copenhagen V, Denmark		
AICT EUR Real Estate (DS) GP ApS	Ordinary	100%
AICT EUR Real Estate (DS) LP K/S	Partnership	100%
France		
3, rue Saint Georges, 75009 Paris, France		
Aviva Investors Perpetual Ruby GP SAS	Ordinary	16%
Aviva Investors Perpetual Ruby SAS	Partnership	16%
20 PL Vendôme, Paris 75001, France		
AXA LBO Fund IV Feeder	Private Equity Fund	39%
47 Rue du Faubourg Saint-Honoré,75008, France		
CGU Equilibre	FCP	81%
Germany		
c/o TMF Deutschland AG, Wiesenhüttenstrasse 11, 60329, Frankfurt am Main, Germany		
Reschop Carré Hattingen GmbH	Ordinary	100%
c/o WSWP Weinert GmbH, Theatinerstr. 31, 80333, Munich, Germany		
FPB Holdings GmbH	Ordinary	100%
Lyoner Strasse 13, 60528 Frankfurt am Main, Germany		
Haspa TrendKonzept	SICAV	99%
Guernsey		
PO Box 155 Mill Court, La Charroterie, St Peter Port, GY1 4ET, Guernsey		
Paragon Insurance Company Guernsey Limited	Ordinary	49%
India		
2nd floor, Prakash Deep Building, 7 Tolstoy Marg, New Delhi, 110 001, India		
Aviva Life Insurance Company India Limited	Ordinary	74%
A-47 (L.G.F), Hauz Khas, New Delhi, Delhi, India		
Sesame Group India Private Limited	Ordinary	100%
Pune Office Addresses 103/P3, Pentagon, Magarpatta City, Hadapsar, Pune - 411013, India		
A.G.S. Customer Services (India) Private Limited	Ordinary	100%
Ireland		
13-18 City Quay, Dublin 2, Ireland		
Atrium Nominees Limited	Ordinary	100%
35 Merrion Square, Dublin 2, Ireland		
Fairstone Market 75 Fund	ICAV	95%
70 Sir John Rogerson's Quay, Dublin 2, D02 R296, Dublin, Ireland		
Mercer Diversified Retirement Fund	OEIC	28%
Mercer Long Term Growth Fund	OEIC	70%

Company name	Share Class held	% of total equity
Mercer Multi Asset Growth Fund	OEIC	29%
MGI UK Equity	OEIC	54%
Bishopsgate, Henry Street, Limerick, V94 K5R6, Ireland		
Ashtown Management Company Limited	Ordinary	50%
Building 12, Cherrywood Business Park, Loughlinstown, Co Dublin, D18 W2P5, Ireland		
Aviva Direct Ireland Limited	Ordinary	100%
Aviva Driving School Ireland Limited	Ordinary	100%
Aviva Group Protection Master Trust Ireland Designated Activity Company	Ordinary	100%
Aviva Group Services Ireland Limited	Ordinary	100%
Aviva Insurance Ireland Designated Activity Company	Ordinary	100%
Aviva Life & Pensions Ireland Designated Activity Company	Ordinary	100%
Aviva Master Trust Ireland Designated Activity Company	Ordinary	100%
Aviva Retail Master Trust Ireland Designated Activity Company	Ordinary	100%
Aviva Trustee Company Ireland Designated Activity Company	Ordinary	100%
Aviva Undershaft Six Designated Activity Company	Ordinary	100%
Peak Re Designated Activity Company	Ordinary	100%
Georges Court, 54-62 Townsend Street, Dublin 2, DO2 R156, Ireland		
FPPE Fund Public Limited Company	Ordinary	100%
IFSC House, Custom House Quay, International Financial Services Centre, Dublin, D01 R2P9, Ireland		
Aviva Investors Euro Liquidity Fund	Liquidity Fund	78%
Aviva Investors Sterling Government Liquidity Fund	Liquidity Fund	95%
Aviva Investors Sterling Liquidity Fund	Liquidity Fund	60%
Aviva Investors Sterling Liquidity Plus Fund	Liquidity Fund	83%
Aviva Investors Sterling Standard Liquidity Fund	Liquidity Fund	65%
Aviva Investors US Dollar Liquidity Fund	Liquidity Fund	77%
International House, 3 Habourmaster Place, Dublin 1, Ireland		
Merrion Multi-Asset 30 Fund	Unit Trust	100%
Merrion Multi-Asset 50 Fund	Unit Trust	100%
Merrion Multi-Asset 70 Fund	Unit Trust	91%
Thomas Clarke & Co., 1 McElwain Terrace, Station Road, Newbridge, Co. Kildare, W12 C434, Ireland		
Erapid Charger Company Limited	Ordinary	100%
Unit H6, Maynooth Business Campus, Straffan Road, Maynooth, Kildare, W23 X2F4, Ireland		
Carcharger EV Limited	Ordinary	25%
Workways, Level Health, Block 5 High Street, Tallaght, Dublin 24, D24 YK8N, Ireland		
Level Health Limited	Ordinary	38%
Isle of Man		
Royal Court, Castletown, IM9 1RA, Isle of Man		
Friends Provident International Limited	Ordinary	24%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Italy		
Corse Vercelli, 40 - 20145, Milan, Italy		
AICT EUR Infra Swift S.R.L.	Ordinary	100%
Piazza della Repubblica 32, Milan, 20124 Italy		
Innovo Renewables S.p.A.	Ordinary	50%
Via L. Ariosto 32, 20145, Milan, Italy		
Aviva Italia Holding S.p.A	Ordinary	100%
Jersey		
11-15 Seaton Place, St Helier, JE4 0QH Jersey		
101 Moorgate Unit Trust	Unit Trust	100%
1 Liverpool Street Unit Trust	Unit Trust	100%
22 Grenville Street, St Helier, JE4 8PX, Jersey		
ASL Caravel LP	Partnership	100%
ASL Clipper LP	Partnership	100%
ASL Mainsail LP	Partnership	100%
ASL Schooner LP	Partnership	100%
ASL/SLAS Xebec LP	Partnership	100%
AXA Sun Life Private Equity (No1) LP	Partnership	100%
Lekker Bolt UT	Unit Trust	100%
SLAS Topsail LP	Partnership	100%
TopHat Enterprises Limited	Ordinary	7%
28 Esplanade, St Helier, JE4 2QP, Jersey		
Aviva Investors Infrastructure Income Unit Trust	Unit Trust	100%
Aztec Group House, 11-15 Seaton Place, St Helier, JE4 0QH, Jersey		
Midlands Regen I Unit Trust	Unit Trust	95%
Gaspé House, 66-72 Esplanade, St Helier, E1 3PB, Jersey		
1 Fitzroy Place Unit Trust	Unit Trust	50%
2 Fitzroy Place Jersey Unit Trust	Unit Trust	50%
10 Station Road Unit Trust	Unit Trust	50%
11-12 Hanover Square Unit Trust	Unit Trust	50%
20 Gracechurch Unit Trust	Unit Trust	25%
20 Station Road Unit Trust	Unit Trust	50%
30 Station Road Unit Trust	Unit Trust	50%
50-60 Station Road Unit Trust	Unit Trust	50%
130 Fenchurch Street Unit Trust	Unit Trust	100%
Aviva Investors Jersey Unit Trusts Management Limited	Ordinary	100%
Bermondsey Yards Unit Trust	Unit Trust	100%
CCPF No.4 Unit Trust	Unit Trust	100%
Gracechurch Investment Unit Trust	Unit Trust	25%
Hams Hall Unit Trust	Unit Trust	100%
Irongate House Unit Trust	Unit Trust	50%
Lime Mayfair Unit Trust	Unit Trust	1%
Lime Property Fund Unit Trust	Unit Trust	1%
Longcross Jersey Unit Trust	Unit Trust	100%
New Broad Street House Unit Trust	Unit Trust	50%
Pegasus House and Nuffield House Unit Trust	Unit Trust	50%

Company name	Share Class held	% of total equity
Southgate Property Unit Trust	Unit Trust	50%
The Designer Retail Outlet Centres (Mansfield) Unit Trust	Unit Trust	100%
The Designer Retail Outlet Centres (York) Unit Trust	Unit Trust	100%
The Designer Retail Outlet Centres Unit Trust	Unit Trust	100%
IFC 5, St Helier, JF1 1ST, Jersey		
Aviva Investors REaLM Social Housing Unit Trust	Unit Trust	86%
Cannock Designer Outlet Unit Trust	Unit Trust	37%
PO Box 1075, 28 Esplanade, St Helier, JE4 2QP, Jersey		
Aviva Investors REaLM Commercial Assets Unit Trust	Unit Trust	100%
Aviva Investors REaLM Ground Rent Unit Trust	Unit Trust	100%
Aviva Investors REaLM Multi-Sector Unit Trust	Unit Trust	0%
Luxembourg		
1c Rue Gabriel Lippmann l-5365, Munsbach, Luxembourg		
Patriarch Classic B&W Global Freestyle	FCP	52%
2 Rue du Fort Bourbon, L1249, Luxembourg		
AICT EUR Real Estate (DS) Sarl	Ordinary	100%
AICT EUR Real Estate (Foz) Sarl	Ordinary	100%
Aviva Infrastructure Debt Europe I S.A.	Ordinary	100%
Aviva Investors Alternative Income Solutions Investments S.A.	Ordinary	100%
Aviva Investors Alternative Income Solutions SCSp	Fund	100%
Aviva Investors Alternatives, FCP-RAIF	Fund	0%
Aviva Investors Alternatives S.A.	Ordinary	0%
Aviva Investors Climate Transition EUR Infra SARL	Ordinary	100%
Aviva Investors Climate Transition EUR Infrastructure Fund	Fund	100%
Aviva Investors Climate Transition EUR Real Estate Fund	Fund	100%
Aviva Investors Climate Transition EUR Real Estate SARL	Ordinary	100%
Aviva Investors Climate Transition GBP Infrastructure Fund	Fund	100%
Aviva Investors Climate Transition GBP Real Estate Fund	Fund	100%
Aviva Investors Climate Transition Global Credit Fund	SICAV	73%
Aviva Investors Climate Transition Global Equity Fund	SICAV	98%
Aviva Investors E-RELI Danone Sarl	Ordinary	17%
Aviva Investors E-RELI Dublin Sarl	Ordinary	17%
Aviva Investors E-RELI Duisburg Sarl	Ordinary	17%
Aviva Investors E-RELI Holdings Sarl	Ordinary	17%
Aviva Investors E-RELI SCSp	Fund	17%
Aviva Investors E-RELI Stern Sarl	Ordinary	17%
Aviva Investors Emerging Markets Bond Fund	SICAV	73%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Aviva Investors Emerging Markets Corporate Bond Fund	SICAV	72%
Aviva Investors Emerging Markets Local Currency Bond Fund	SICAV	98%
Aviva Investors Eur Returnplus Fund	SICAV	86%
Aviva Investors Gbp Returnplus Fund	SICAV	96%
Aviva Investors Global Emerging Markets Core Fund	SICAV	100%
Aviva Investors Global Emerging Markets Equity Unconstrained Fund	SICAV	62%
Aviva Investors Global Emerging Markets Index Fund	SICAV	91%
Aviva Investors Global Equity Endurance Fund	SICAV	95%
Aviva Investors Global Equity Income Fund	SICAV	78%
Aviva Investors Global High Yield Bond Fund	SICAV	81%
Aviva Investors Global Investment Grade Corporate Bond Fund	SICAV	88%
Aviva Investors Global Sovereign Bond Fund	SICAV	89%
Aviva Investors Investment Solutions Emerging Markets Debt Fund	SICAV	0%
Aviva Investors Luxembourg	Ordinary	100%
Aviva Investors Multi-Asset Alternative Income S.A.	Ordinary	100%
Aviva Investors Multi Strategy Target Return Fund	SICAV	73%
Aviva Investors Natural Capital Transition Global Equity Fund	SICAV	26%
Aviva Investors Perpetual Acht 2 NL SARL	Ordinary	16%
Aviva Investors Perpetual Acht NL SARL	Ordinary	16%
Aviva Investors Perpetual Capital SCSp SICAV RAIF	Fund	16%
Aviva Investors Perpetual E20 Sarl	Ordinary	16%
Aviva Investors Perpetual Holdings Sarl	Ordinary	16%
Aviva Investors Perpetual Hoxton Sarl	Ordinary	16%
Aviva Investors Perpetual Kitzingen Sarl	Ordinary	16%
Aviva Investors Perpetual Ruby Sarl	Ordinary	16%
Aviva Investors Perpetual Vondel 1 Sarl	Ordinary	16%
Aviva Investors Perpetual Vondel 2 Sarl	Ordinary	16%
Aviva Investors Perpetual Zuiderhof NL Sarl	Ordinary	16%
Aviva Investors Perpetual Zuiderhof PropCo Sarl	Ordinary	16%
Aviva Investors Social Transition Global Equity Fund	SICAV	32%
Aviva Investors UK Equity Unconstrained Fund	SICAV	85%
E20 Phase 1 SARL	Ordinary	16%
2, boulevard Konrad Adenauer, L-1115 Luxembourg		
Aviva Investors European Secondary Infrastructure Credit SV S.A.	Ordinary	0%
16 Avenue de la Gare, L-1610, Luxembourg		

Company name	Share Class held	% of total equity
Aviva Investors Alternative Income Solutions General Partner S.à r.l.	Ordinary	100%
Aviva Investors Carbon Removal (GP) SARL	Ordinary	100%
Aviva Investors E-RELI (GP) SARL	Ordinary	100%
Aviva Investors EBC S.à r.l.	Ordinary	100%
Aviva Investors Luxembourg Services S.à r.l.	Ordinary	100%
Aviva Investors Perpetual Capital (GP) SARL	Ordinary	100%
Victor Hugo 1 S.à r.l.	Ordinary	100%
24-26, Avenue de la Liberte, L1930 Luxembourg		
Greenman Open Fund	SICAV	59%
35A, Avenue John F Kennedy, L-1855, Luxembourg		
abrdn SICAV II Global Smaller Companies Fund	SICAV	37%
37A, Avenue John F Kennedy, L-1855, Luxembourg		
Invesco Global Direct Property Fund	RAIF	66%
46a, Avenue John F Kennedy, L-1855, Luxembourg		
Aviva Investors Polish Retail S.à r.l.	Ordinary	100%
80, route d'Esch, L-1470, Luxembourg		
Allspring (Lux) Worldwide Fund	SICAV	47%
Vertigo Building - Polaris, 2-4 rue Eugene Ruppert, L-2453 Luxembourg		
Invesco Sustainable Global Structure Equity Fund	SICAV	59%
Mauritius		
Les Cascades, Edith Cavell Street, Port Louis, Mauritius		
Actis China Investment Company Limited	Ordinary	50%
Mexico		
Av. Insurgentes Sur 1898, Piso 1, Oficina 1418, Col. Florida, C.P. 01020, Alvaro Obregon, CDMX, Mexico		
Probitas 1492 Services Mexico S.A. de C.V.	Ordinary	100%
Netherlands		
ASR Vermogensbeheer N.V., Archimedeslaan 10, 3584 BA Utrecht, Netherlands		
ASR Separate Mortgage Account Fund	Mutual fund	20%
Norway		
c/o TMF Norway AS, Hagalokkveien 26, 1383 Asker, Norway		
Aviva Investors E-RELI Norway Holding AS	Ordinary	17%
Kongsgard Alle 20 AS	Ordinary	17%
Poland		
AI Jana Pawla II 25, 00-854, Warsaw, Poland		
Focus Mall Zielona Gora	Ordinary	100%
Focus Park Piotrków Trybunalski sp.z o.o.	Ordinary	100%
Wroclaw BC sp. z.o.o	Ordinary	100%
Inflancka 4b, 00-189, Warsaw, Poland		
Aviva Services Spółka z ograniczoną odpowiedzialnością	Ordinary	100%
Plac Piłsudskiego 1 Warsaw, Mazowieckie, 00-078, Poland		

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
PBC Lodz SP zoo	Unit Trust	100%
Singapore		
1 Harbourfront Avenue, #14-08 Keppel Bay Tower, 098632, Singapore		
Aviva Asia Management Pte. Ltd.	Ordinary	100%
Aviva Global Services (Management Services) Private Ltd.	Ordinary	100%
138 Market Street, #05-01 CapitaGreen, 048946, Singapore		
Aviva Investors Asia Pte. Limited	Ordinary	100%
Spain		
1D, 13 Edificio América Av. de Bruselas, 28108, Alcobendas, Madrid, Spain		
Eólica Almatret S.L.	Ordinary	100%
calle Príncipe de Vergara 112, 28002 Madrid, Spain		
Banbury Invest SL	Ordinary	66%
Berryway Invest SL	Ordinary	66%
Browhead Invest SL	Ordinary	66%
Kansville Spain S.L.	Ordinary	66%
Propia Sants SLU	Ordinary	66%
Propia Terrassa SLU	Ordinary	66%
Swalinbar S.L.	Ordinary	66%
Willingden Spain SLU	Ordinary	66%
Sweden		
c/o TMF Sweden AB, Vasagatan 38, 111 20, Stockholm, Sweden		
AICT EUR RE PropCo AB	Ordinary	100%
AICT EUR Real Estate Holding AB	Ordinary	100%
Switzerland		
Leutschenbachstrasse 45, 8050 Zurich, Switzerland		
Aviva Investors Schweiz GmbH	Ordinary	100%
United Kingdom		
1 Filament Walk, Suite 203, London, SW18 4GQ, United Kingdom		
Freetricity South East Limited	Ordinary	100%
1 London Wall Place, London, EC2Y 5AU, United Kingdom		
Schroder QEP US Core Fund	Unit Trust	27%
1 More London Place, London, SE1 2AF, United Kingdom		
IFA Services Holdings Company Limited	Ordinary	0%
1st Floor, Avenue House, 42-44 Rosemary Street, Belfast, BT1 1QE, United Kingdom		
Destination Financial Planning Limited	Ordinary	100%
Navigator Financial Planning Limited	Ordinary	100%
Watson Laird Limited	Ordinary	100%
1st Floor Finlay House, 10-14 West Nile Street, Glasgow, G1 2PP, United Kingdom		
MacKenzie Investment Strategies Ltd	Ordinary	100%
Spence and Spence (Scotland) Limited	Ordinary	100%
1-2 Morston Court, Blakeney Way, Cannock, WS11 8JB, United Kingdom		
New Homes Mortgage Services LLP	Partnership	29%
2 Communications Road, Greenham Business Park, Newbury, RG19 6AB, United Kingdom		
Connected Kerb Limited	Ordinary	94%

Company name	Share Class held	% of total equity
2 Savoy Court, London, WC2R 0EZ, United Kingdom		
Liontrust Sustainable Future Corporate Bond Fund	OEIC	29%
Liontrust Sustainable Future European Growth Fund	OEIC	47%
Liontrust Sustainable Future Global Growth Fund	OEIC	25%
Liontrust Sustainable Future Managed Fund	OEIC	43%
Liontrust Sustainable Future Managed Growth Fund	OEIC	28%
Liontrust Sustainable Future UK Growth Fund	OEIC	30%
Liontrust UK Ethical Fund	OEIC	58%
2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS, United Kingdom		
A P Associates Financial Services Limited	Ordinary	100%
G&E Private Wealth Limited	Ordinary	100%
Investors Planning Associates Limited	Ordinary	100%
KF Consulting UK Ltd	Ordinary	100%
Oaklea Wealth Management Ltd	Ordinary	100%
Pannells Financial Planning Ltd	Ordinary	100%
The Oxford Advisory Partnership Limited	Ordinary	100%
2nd Floor, 110 Cannon Street, London, EC4N 6EU, United Kingdom		
Biomass UK No. 3 Limited	Ordinary	100%
Biomass UK No.2 Limited	Ordinary	100%
RDF Energy No.1 Limited	Ordinary	57%
3a Dublin Meuse, Edinburgh, EH3 6NW, United Kingdom		
Par Forestry IV Holdco Limited	Ordinary	100%
PAR Forestry IV L.P.	Partnership	100%
4th Floor, 95 Chancery Lane, London, WC2A 1DT, United Kingdom		
Broadwood LLSCF Management Limited	Ordinary	25%
4th Floor, Millbank Tower, London, SW1P 4QP, United Kingdom		
Friends SL Nominees Limited	Ordinary	0%
4th Floor, New London House, 6 London Street, London, EC3R 7LP, United Kingdom		
Polaris U.K. Limited	Ordinary	39%
4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL, United Kingdom		
ES AllianceBerstein Low Volatility Global Equity Fund	OEIC	100%
5-11 Worship Street, 3rd Floor, London, EC2A 2BH, United Kingdom		
Acre Platforms Limited	Preferred A2	37%
8 Surrey Street, Norwich, NR1 3NG, United Kingdom		
Aviva Central Services UK Limited	Ordinary	100%
Aviva Credit Services UK Limited	Ordinary	100%
Aviva Health UK Limited	Ordinary	100%
Aviva Insurance UK Limited	Ordinary	100%
Aviva UK Digital Limited	Ordinary	100%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Aviva UKGI Investments Limited (formerly Aviva Protection UK Limited)	Ordinary	100%
Commercial Union Corporate Member Limited	Ordinary	100%
Gresham Insurance Company Limited	Ordinary	100%
London and Edinburgh Insurance Company Limited	Ordinary	100%
RAC Pension Trustees Limited	Ordinary	100%
Solus (London) Limited	Ordinary	100%
The Ocean Marine Insurance Company Limited	Ordinary	100%
12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom		
ACS Europe ex UK ESG Insights Equity Fund	ACS	31%
ACS Japan ESG Insights Equity Fund	ACS	33%
ACS North America ESG Insights Equity Fund	ACS	41%
ACS UK ESG Insights Equity Fund	ACS	60%
ACS World ESG Insights Equity Fund	ACS	81%
BlackRock Global Corporate ESG Insights Bond Fund	Unit Trust	22%
BlackRock Growth Allocation Fund	ACS	100%
BlackRock Market Advantage Fund	Unit Trust	48%
BlackRock Retirement Allocation Fund	ACS	100%
14 Albany Street, Edinburgh, EH1 3QB, United Kingdom		
Criterion Tec Holdings Ltd	Ordinary	24%
Criterion Tec Ltd	Ordinary	24%
22 Bishopsgate, London, EC2N 4BQ, United Kingdom		
AXA Ethical Distribution Fund	OEIC	44%
30 Finsbury Square, London, EC2A 1AG, United Kingdom		
Aviva Insurance Services UK Limited	Ordinary	100%
Boston Biomass Limited	Ordinary	100%
Boston Wood Recovery Limited	Ordinary	100%
FF Fabric Limited	Ordinary	100%
Friends AELRIS Limited	Ordinary	100%
Gobafoss Partnership Nominee No 1 Ltd	Ordinary	100%
Group Risk Technologies Limited	Ordinary	100%
Healthcare Purchasing Alliance Limited	Ordinary	50%
Irongate House Nominee 1 Limited	Ordinary	50%
Irongate House Nominee 2 Limited	Ordinary	50%
Sesame Regulatory Services Limited	Ordinary	100%
Synergy Sunrise (Broadlands) Limited	Ordinary	100%
42-44 Rosemary Street, Belfast, BT1 1QE, United Kingdom		
Law Society (NI) Financial Advice Limited	Ordinary	100%
50 Stratton Street, London, W1J 8LT, United Kingdom		
Lazard Multicap UK Income Fund	OEIC	53%
57-59 St James's Street, London, SW1A 1LD, United Kingdom		
Artemis UK Special Situations Fund	Unit Trust	24%
80 Fenchurch Street, London, EC3M 4AE, United Kingdom		
1 Fitzroy Place Limited Partnership	Partnership	50%
2 Fitzroy Place Limited Partnership	Partnership	50%

Company name	Share Class held	% of total equity
2-10 Mortimer Street (GP No 1) Limited	Ordinary	50%
2-10 Mortimer Street GP Limited	Ordinary	50%
2-10 Mortimer Street Limited Partnership	Partnership	50%
6-10 Lowndes Square Management Company Limited	Ordinary	0%
10 Station Road LP	Partnership	50%
10 Station Road Nominee 1 Limited	Ordinary	50%
10 Station Road Nominee 2 Limited	Ordinary	50%
10-11 GNS Limited	Ordinary	100%
11-12 Hanover Square LP	Partnership	50%
11-12 Hanover Square Nominee 1 Limited	Ordinary	50%
11-12 Hanover Square Nominee 2 Limited	Ordinary	50%
20 Gracechurch (General Partner) Limited	Ordinary	50%
20 Gracechurch Limited Partnership	Partnership	25%
20 Station Road LP	Partnership	50%
20 Station Road Nominee 1 Limited	Ordinary	50%
20 Station Road Nominee 2 Limited	Ordinary	50%
30 Station Road LP	Partnership	50%
30 Station Road Nominee 1 Limited	Ordinary	50%
30 Station Road Nominee 2 Limited	Ordinary	50%
41-42 Lowndes Square Management Company Limited	Ordinary	0%
43 Lowndes Square Management Company Limited	Ordinary	0%
50-60 Station Road LP	Partnership	50%
50-60 Station Road Nominee 1 Limited	Ordinary	50%
50-60 Station Road Nominee 2 Limited	Ordinary	50%
130 Fenchurch Street General Partner Limited	Ordinary	100%
130 Fenchurch Street LP	Partnership	100%
130 Fenchurch Street Nominee 1 Limited	Ordinary	100%
130 Fenchurch Street Nominee 2 Limited	Ordinary	100%
2015 Sunbeam Limited	Ordinary	100%
AI Special PFI SPV Limited	Ordinary	0%
ALPF Single Family Homes General Partner Ltd	Ordinary	100%
ALPF Single Family Homes LP	Partnership	100%
Ascot Real Estate Investments GP LLP	Partnership	50%
Ascot Real Estate Investments LP	Partnership	50%
Atlas Park Management Company Limited	Company Limited by guarantee	100%
Aviva Brands Limited	Ordinary	100%
Aviva Capital Partners Limited	Ordinary	100%
Aviva Commercial Finance Limited	Ordinary	100%
Aviva Company Secretarial Services Limited	Ordinary	100%
Aviva Employment Services Limited	Ordinary	100%
Aviva Europe UK Societas	Ordinary	100%
Aviva International Holdings Limited	Ordinary	100%
Aviva International Insurance Limited	Ordinary	100%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Aviva Investors 30:70 Global Equity (Currency Hedged) Index (Custom Screened) Fund	TTF	100%
Aviva Investors 40 Spring Gardens (General Partner) Limited	Ordinary	100%
Aviva Investors 40:60 Global Equity Index Fund	TTF	100%
Aviva Investors 50:50 Global Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors 60:40 Global Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors Asia Pacific ex Japan Fund	TTF	100%
Aviva Investors Balanced Life Fund	TTF	100%
Aviva Investors Balanced Pension Fund	TTF	100%
Aviva Investors Cautious Pension Fund	TTF	100%
Aviva Investors Climate Transition Global Equity Fund	OEIC	99%
Aviva Investors Climate Transition Real Assets Fund	TTF	100%
Aviva Investors Climate Transition Real Assets LTAF	Fund	100%
Aviva Investors Commercial Assets GP Limited	Ordinary	100%
Aviva Investors Commercial Assets Nominee Limited	Ordinary	100%
Aviva Investors Continental European Equity Fund	OEIC	7%
Aviva Investors Continental European Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors CTF Holdco1 Limited	Ordinary	100%
Aviva Investors CTF Infrastructure Midco 1 Limited	Ordinary	100%
Aviva Investors Developed Asia Pacific ex Japan Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors Developed European ex UK Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors Developed Overseas Government Bond (ex UK) Index Fund	TTF	100%
Aviva Investors Developed World ex UK Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors Distribution Fund	OEIC	0%
Aviva Investors Distribution Life Fund	TTF	100%
Aviva Investors EBC GP Limited	Ordinary	100%
Aviva Investors EBC Limited Partnership	Partnership	100%
Aviva Investors Emerging Market Equity Core Fund	TTF	65%
Aviva Investors Energy Centres No.1 GP Limited	Ordinary	100%
Aviva Investors Energy Centres No.1 Limited Partnership	Partnership	100%
Aviva Investors EPF ICVC	Fund	73%
Aviva Investors Europe Equity ex UK Core Fund	TTF	68%
Aviva Investors Europe Equity ex UK Fund	TTF	100%

Company name	Share Class held	% of total equity
Aviva Investors Global Equity Endurance Fund	OEIC	98%
Aviva Investors Global Equity Fund	TTF	100%
Aviva Investors Global Equity Growth Fund	TTF	100%
Aviva Investors Global Equity Income Fund	OEIC	23%
Aviva Investors Global Services Limited	Ordinary	100%
Aviva Investors GR SPV1 Limited	Ordinary	100%
Aviva Investors GR SPV3 Limited	Ordinary	100%
Aviva Investors GR SPV 4 Limited	Ordinary	100%
Aviva Investors GR SPV 5 Limited	Ordinary	100%
Aviva Investors GR SPV 6 Limited	Ordinary	100%
Aviva Investors GR SPV 7 Limited	Ordinary	100%
Aviva Investors GR SPV 8 Limited	Ordinary	100%
Aviva Investors GR SPV 9 Limited	Ordinary	100%
Aviva Investors GR SPV10 Limited	Ordinary	100%
Aviva Investors GR SPV 11 Limited	Ordinary	100%
Aviva Investors GR SPV 12 Limited	Ordinary	100%
Aviva Investors GR SPV 13 Limited	Ordinary	100%
Aviva Investors GR SPV 14 Limited	Ordinary	100%
Aviva Investors GR SPV 15 Limited	Ordinary	100%
Aviva Investors GR SPV16 Limited	Ordinary	100%
Aviva Investors GR SPV17 Limited	Ordinary	100%
Aviva Investors Ground Rent GP Limited	Ordinary	100%
Aviva Investors Ground Rent Holdco Limited	Ordinary	100%
Aviva Investors Higher Income Plus Fund	OEIC	14%
Aviva Investors Holdings Limited	Ordinary	100%
Aviva Investors Index Linked Gilt Fund	TTF	100%
Aviva Investors Index-Linked Gilts Over 5 Years Index Fund	TTF	100%
Aviva Investors Infrastructure GP Limited	Ordinary	100%
Aviva Investors Infrastructure Income B Limited	Ordinary	100%
Aviva Investors Infrastructure Income C Limited	Ordinary	100%
Aviva Investors Infrastructure Income C No.4E Limited	Ordinary	100%
Aviva Investors Infrastructure Income C No.4F Limited	Ordinary	100%
Aviva Investors Infrastructure Income Limited Partnership	Partnership	100%
Aviva Investors Infrastructure Income M Limited	Ordinary	100%
Aviva Investors Infrastructure Income M No.4C Limited	Ordinary	100%
Aviva Investors Infrastructure Income M No.4D Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.1 Limited	Ordinary	100%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Aviva Investors Infrastructure Income No.2 Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.2B Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.3 Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.3B Limited	Ordinary	0%
Aviva Investors Infrastructure Income No.4A Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.4B Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.5 Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.6 Limited	Ordinary	37%
Aviva Investors Infrastructure Income No.6a1 Limited	Ordinary	59%
Aviva Investors Infrastructure Income No.6B Limited	Ordinary	29%
Aviva Investors Infrastructure Income No.6B1 Limited	Ordinary	40%
Aviva Investors Infrastructure Income No.6c Limited	Ordinary	58%
Aviva Investors Infrastructure Income No.6c1 Limited	Ordinary	34%
Aviva Investors Infrastructure Income No.6D Limited	Ordinary	100%
Aviva Investors Infrastructure Income No.7 Limited	Ordinary	64%
Aviva Investors Infrastructure Income No.8 Limited	Ordinary	100%
Aviva Investors International Index Tracking Fund	OEIC	82%
Aviva Investors Japan Equity Core Fund	TTF	69%
Aviva Investors Japan Equity Fund	TTF	100%
Aviva Investors Japan Equity Growth Fund	OEIC	100%
Aviva Investors Japanese Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors Managed High Income Fund	OEIC	72%
Aviva Investors Money Market VNAV Fund	TTF	100%
Aviva Investors Monthly Income Plus Fund	OEIC	0%
Aviva Investors Multi-Asset (40-85% Shares) Index Fund	TTF	100%
Aviva Investors Multi-Asset Core Fund I	OEIC	28%
Aviva Investors Multi-Asset Core Fund II	OEIC	35%
Aviva Investors Multi-Asset Core Fund III	OEIC	35%
Aviva Investors Multi-Asset Core Fund IV	OEIC	27%
Aviva Investors Multi-Asset Core Fund V	OEIC	22%
Aviva Investors Multi-asset Plus I Fund	OEIC	16%
Aviva Investors Multi-asset Plus II Fund	OEIC	26%

Company name	Share Class held	% of total equity
Aviva Investors Multi-asset Plus III Fund	OEIC	44%
Aviva Investors Multi-asset Plus IV Fund	OEIC	30%
Aviva Investors Multi-asset Plus V Fund	OEIC	30%
Aviva Investors Multi-asset Sustainable Stewardship Fund I	OEIC	100%
Aviva Investors Multi-asset Sustainable Stewardship Fund II	OEIC	100%
Aviva Investors Multi-asset Sustainable Stewardship Fund III	OEIC	100%
Aviva Investors Multi-asset Sustainable Stewardship Fund IV	OEIC	97%
Aviva Investors Multi-Manager 20-60% Shares Fund	OEIC	80%
Aviva Investors Multi-Manager 40-85% Shares Fund	OEIC	79%
Aviva Investors Multi-Manager Flexible Fund	OEIC	90%
Aviva Investors Multi-Strategy Target Return Fund	OEIC	90%
Aviva Investors Non-Gilt Bond All Stocks Index Fund	TTF	100%
Aviva Investors Non-Gilt Bond Over 15 Years Index Fund	TTF	100%
Aviva Investors Non-Gilt Bond Up To 5 Years Index Fund	TTF	100%
Aviva Investors North American Equity Core Fund	TTF	68%
Aviva Investors North American Equity Fund	TTF	100%
Aviva Investors North American Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors Pacific Equity ex Japan Core Fund	TTF	70%
Aviva Investors Pacific ex Japan Equity Index Fund	TTF	100%
Aviva Investors Pensions Limited	Ordinary	100%
Aviva Investors PIP Solar PV (General Partner) Limited	Ordinary	100%
Aviva Investors PIP Solar PV Limited Partnership	Partnership	100%
Aviva Investors PIP Solar PV No.1 Limited	Ordinary	100%
Aviva Investors Polish EBC LP	Partnership	100%
Aviva Investors Polish Retail GP Limited	Ordinary	100%
Aviva Investors Polish Retail Limited Partnership	Partnership	100%
Aviva Investors Pre-Annuity Fixed Interest Fund	TTF	100%
Aviva Investors Property Fund Management Limited	Ordinary	100%
Aviva Investors Real Estate Active LTAF	Fund	100%
Aviva Investors Real Estate Limited	Ordinary	100%
Aviva Investors REALM Commercial Assets Limited Partnership	Partnership	100%
Aviva Investors REALM Ground Rent Limited Partnership	Partnership	100%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Aviva Investors REALM Social Housing Limited Partnership	Partnership	86%
Aviva Investors REALTAF Holdco Limited	Ordinary	100%
Aviva Investors Secure Income REIT Limited	Ordinary	100%
Aviva Investors Social Housing GP Limited	Ordinary	100%
Aviva Investors Social Housing Limited	Company Limited by guarantee	100%
Aviva Investors Sterling Corporate Bond Fund	TTF	100%
Aviva Investors Sterling Gilt Fund	TTF	100%
Aviva Investors Strategic Bond Fund	OEIC	81%
Aviva Investors Strategic Global Equity Fund	TTF	100%
Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund	OEIC	97%
Aviva Investors Sustainable Stewardship Fixed Interest Fund	TTF	100%
Aviva Investors Sustainable Stewardship Fund UK Equity Income Fund	TTF	100%
Aviva Investors Sustainable Stewardship International Equity Feeder Fund	OEIC	95%
Aviva Investors Sustainable Stewardship UK Equity Fund	TTF	100%
Aviva Investors Sustainable Stewardship International Equity Fund	TTF	100%
Aviva Investors UK Commercial Real Estate Senior Debt LP	Partnership	21%
Aviva Investors UK CRESD GP Limited	Ordinary	100%
Aviva Investors UK Equity (ex Aviva, Investment Trusts) Index (Custom Screened) Fund	TTF	100%
Aviva Investors UK Equity Alpha Fund	TTF	97%
Aviva Investors UK Equity Core Fund	TTF	100%
Aviva Investors UK Equity Dividend Fund	TTF	100%
Aviva Investors UK Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors UK Fund Services Limited	Ordinary	100%
Aviva Investors UK Gilts All Stocks Index Fund	TTF	100%
Aviva Investors UK Gilts Over 15 Years Index Fund	TTF	100%
Aviva Investors UK Gilts Up To 5 Years Index Fund	TTF	100%
Aviva Investors UK Index Tracking Fund	OEIC	83%
Aviva Investors UK Listed Equity ex Tobacco Fund	TTF	100%
Aviva Investors UK Listed Equity Fund	OEIC	100%
Aviva Investors UK Listed Equity Fund	TTF	100%
Aviva Investors UK Listed Equity Income Fund	OEIC	49%
Aviva Investors UK Listed Equity Income Fund	TTF	100%

Company name	Share Class held	% of total equity
Aviva Investors UK Listed Equity Unconstrained Fund	OEIC	1%
Aviva Investors UK Listed Small and Mid-Cap Fund	OEIC	10%
Aviva Investors UK Property Feeder Acc Fund	OEIC	22%
Aviva Investors UK Property Feeder Inc Fund	OEIC	8%
Aviva Investors UK Property Fund	OEIC	16%
Aviva Investors US Equity Income Fund	OEIC	0%
Aviva Investors US Equity Income II Fund	OEIC	0%
Aviva Investors US Equity Index (Custom Screened) Fund	TTF	100%
Aviva Investors US Large Cap Equity Fund	TTF	100%
Aviva Overseas Holdings Limited	Ordinary	100%
Aviva Public Private Finance Limited	Ordinary	100%
Aviva RELI 1 GP Limited	Ordinary	100%
Aviva RELI 1 LP	Partnership	100%
Aviva RELI 1 Nominee Limited	Ordinary	100%
Aviva RELI 1 Unit Trust	Unit Trust	100%
Aviva RELI 2 GP Limited	Ordinary	100%
Aviva RELI 2 LP	Partnership	100%
Aviva RELI 3 GP Limited	Ordinary	100%
Aviva RELI 3 LP	Partnership	100%
Aviva RELI 3 Nominee A Limited	Ordinary	100%
Aviva RELI 3 Nominee B Limited	Ordinary	100%
Aviva RELI 4 GP Limited	Ordinary	100%
Aviva RELI 4 LP	Partnership	100%
Aviva RELI 4 Nominee A Limited	Ordinary	100%
Aviva RELI 4 Nominee B Limited	Ordinary	100%
Aviva Special PFI GP Limited	Ordinary	100%
Aviva Special PFI Limited Partnership	Partnership	50%
Aviva Staff Pension Trustee Limited	Ordinary	100%
Barwell Business Park Nominee Limited	Ordinary	100%
Bermondsey Yards General Partner Limited	Ordinary	100%
Bermondsey Yards Limited Partnership	Partnership	100%
Bermondsey Yards Nominee 1 Limited	Ordinary	100%
Bermondsey Yards Nominee 2 Limited	Ordinary	100%
Bersey Warehouse Nominee 1 Limited	Ordinary	8%
Bersey Warehouse Nominee 2 Limited	Ordinary	8%
Biomass UK No.1 LLP	Partnership	100%
Biomass UK No.4 Limited	Ordinary	100%
Building a Future (Newham Schools) Limited	Ordinary	100%
Bunns Lane Development Limited	Ordinary	98%
Cara Renewables Limited	Ordinary	100%
CCPF No.4 LP	Partnership	100%
CGU International Holdings BV	Ordinary	100%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Chesterford Park (General Partner) Limited	Ordinary	50%
Chesterford Park (Nominee) Limited	Ordinary	50%
Chesterford Park Limited Partnership	Partnership	50%
Commercial Union Life Assurance Company Limited	Ordinary	100%
Digital Garage Nominee 1 Limited	Ordinary	8%
Digital Garage Nominee 2 Limited	Ordinary	8%
EES Operations 1 Limited	Ordinary	100%
Electric Avenue Ltd	Ordinary	100%
Elms Road Wokingham Ltd	Ordinary	100%
Fitzroy Place GP 2 Limited	Ordinary	50%
Fitzroy Place Management Co Limited	Ordinary	50%
Fitzroy Place Residential Limited	Ordinary	50%
Free Solar (Stage 2) Limited	Ordinary	100%
Gobafoss General Partner Limited	Ordinary	100%
Heritage FL Single Family Homes Limited	Ordinary	100%
Heritage FL Single Family Homes LP	Partnership	100%
Hooton Bio Power Limited	Ordinary	56%
Houlton Commercial Management Company 2 Limited	Company Limited by guarantee	50%
Houlton Commercial Management Company Limited	Company Limited by guarantee	50%
Houlton Community Management Company Limited	Company Limited by guarantee	50%
Igloo Regeneration (General Partner) Limited	Ordinary	50%
Igloo Regeneration (Nominee) Limited	Ordinary	50%
Igloo Regeneration Developments (General Partner) Limited	Ordinary	50%
Igloo Regeneration Developments LP	Partnership	20%
Igloo Regeneration Partnership	Partnership	100%
Igloo Regeneration Property Unit Trust	Unit Trust	50%
Lime Property Fund (General Partner) Limited	Ordinary	100%
Lime Property Fund (Nominee) Limited	Ordinary	100%
Lime Property Fund Limited Partnership	Partnership	1%
Lombard (London) 1 Limited	Ordinary	100%
Lombard (London) 2 Limited	Ordinary	100%
Longcross General Partner Limited	Ordinary	100%
Longcross Limited Partnership	Partnership	100%
Longcross Nominee 1 Limited	Ordinary	100%
Longcross Nominee 2 Limited	Ordinary	100%
Mortimer Street Associated Co 1 Limited	Ordinary	50%
Mortimer Street Associated Co 2 Limited	Ordinary	50%
Mortimer Street Nominee 1 Limited	Ordinary	50%
Mortimer Street Nominee 2 Limited	Ordinary	50%
Mortimer Street Nominee 3 Limited	Ordinary	50%
New Broad Street House LP	Partnership	50%

Company name	Share Class held	% of total equity
New Broad Street House Nominee 1 Limited	Ordinary	50%
New Broad Street House Nominee 2 Limited	Ordinary	50%
Norwich Union (Shareholder GP) Limited	Ordinary	100%
Norwich Union Public Private Partnership Fund	Partnership	100%
NU 3PS Limited	Ordinary	100%
NU Developments (Brighton) Limited	Ordinary	100%
NU Library For Brighton Limited	Ordinary	100%
NU Local Care Centres (Bradford) Limited	Ordinary	100%
NU Local Care Centres (Chichester No.1) Limited	Ordinary	100%
NU Local Care Centres (Chichester No.2) Limited	Ordinary	100%
NU Local Care Centres (Chichester No.3) Limited	Ordinary	100%
NU Local Care Centres (Chichester No.4) Limited	Ordinary	100%
NU Local Care Centres (Chichester No.5) Limited	Ordinary	100%
NU Local Care Centres (Chichester No.6) Limited	Ordinary	100%
NU Local Care Centres (Farnham) Limited	Ordinary	100%
NU Offices for Redcar Limited	Ordinary	100%
NU Schools for Redbridge Limited	Ordinary	100%
NU Technology and Learning Centres (Hackney) Limited	Ordinary	100%
NUPPP (Care Technology and Learning Centres) Limited	Ordinary	100%
NUPPP (GP) Limited	Ordinary	100%
NUPPP Nominees Limited	Ordinary	100%
Opus Park Management Limited	Company Limited by guarantee	100%
Pegasus House and Nuffield House LP	Partnership	50%
Pegasus House and Nuffield House Nominee 1 Limited	Ordinary	50%
Pegasus House and Nuffield House Nominee 2 Limited	Ordinary	50%
Porth Teigr Management Company Limited	Ordinary	50%
Quarryvale One Limited	Ordinary	100%
REALTAF Cambridge GP Limited	Ordinary	100%
REALTAF Cambridge LP	Partnership	100%
REALTAF Ebbsfleet GP Limited	Ordinary	100%
REALTAF Ebbsfleet LP	Partnership	100%
REALTAF Whitehouse GP Limited	Ordinary	100%
REALTAF Whitehouse LP	Partnership	100%
REALTAF Wixams GP Limited	Ordinary	100%
Renewable Clean Energy 3 Limited	Ordinary	100%
Renewable Clean Energy Limited	Ordinary	100%
Riley Factory Nominee 1 Limited	Ordinary	8%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Riley Factory Nominee 2 Limited	Ordinary	8%
Rugby Radio Station (General Partner) Limited	Ordinary	50%
Rugby Radio Station (Nominee) Limited	Ordinary	50%
Rugby Radio Station Limited Partnership	Partnership	50%
SHR Bordon Limited	Ordinary	100%
SHR Coventry Limited	Ordinary	100%
SHR Ipswich Limited	Ordinary	100%
SHR Ipswich OpCo Limited	Ordinary	100%
SHR Linmere Limited	Ordinary	100%
SHR Swindon Limited	Ordinary	100%
SHR Telford Limited	Ordinary	100%
SHR Telford OpCO Limited	Ordinary	100%
Solar Clean Energy Limited	Ordinary	100%
Southgate General Partner Limited	Ordinary	50%
Southgate LP (Nominee 1) Limited	Ordinary	50%
Southgate LP (Nominee 2) Limited	Ordinary	50%
Spire Energy Ltd	Ordinary	100%
Station Road Cambridge LP	Partnership	50%
Station Road General Partner LLP	Partnership	50%
Station Road GP Limited	Ordinary	100%
Stonebridge Cross Management Limited	Company Limited by guarantee	100%
Stoney Wood Property Developments Limited	Ordinary	100%
SUE Developments LP	Partnership	50%
SUE GP LLP	Partnership	50%
SUE GP Nominee Limited	Ordinary	50%
Sustainable Housing Holdco Limited	Ordinary	100%
Sustainable Housing Topco Limited	Ordinary	100%
Sustainable Storage HoldCo Limited	Ordinary	100%
Sustainable Storage Portfolio SPV Limited	Ordinary	100%
Sustainable Storage Topco Limited	Ordinary	100%
Swan Valley Management Limited	Ordinary	0%
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	Ordinary	100%
The Designer Retail Outlet Centres (Mansfield) Limited Partnership	Partnership	97%
The Designer Retail Outlet Centres (York) General Partner Limited	Ordinary	100%
The Designer Retail Outlet Centres (York) Limited Partnership	Partnership	97%
The Rutherford Nominee 1 Limited	Ordinary	8%
The Rutherford Nominee 2 Limited	Ordinary	8%
The Square Brighton Limited	Ordinary	100%
The Southgate Limited Partnership	Partnership	50%
Tyne Assets (No 2) Limited	Ordinary	100%
Tyne Assets Limited	Ordinary	100%
Undershaft Limited	Ordinary	100%
Welsh Insurance Corporation Limited	Ordinary	100%

Company name	Share Class held	% of total equity
Westcountry Solar Solutions Limited	Ordinary	100%
Yorkshire Insurance Company Limited	Ordinary	100%
88 Leadenhall Street, London, EC3A 3BP, United Kingdom		
AdA Risk Holding Co Limited	Ordinary	25%
AdA Underwriters Limited	Ordinary	25%
Probitas 1492 Services Limited	Ordinary	100%
Probitas Corporate Capital Limited	Ordinary	100%
Probitas Holdings (UK) Limited	Ordinary	100%
Probitas Managing Agency Limited	Ordinary	100%
124 City Road, London, EC1V 2NX, United Kingdom		
Astute Financial Advisers Limited	Ordinary	49%
Tenet Business Solutions Limited	Ordinary	49%
Tenet Client Services Limited	Ordinary	49%
180 Great Portland Street, London, W1W 5QZ, United Kingdom		
Quantum Property Partnership (General Partner) Limited	Ordinary	50%
Quantum Property Partnership (Nominee) Limited	Ordinary	50%
6600 Cinnabar Court Daresbury Park, Daresbury, Warrington, WA4 4GE, United Kingdom		
BNET Ultra Limited	Ordinary	19%
ITS (Holdco) Limited	Ordinary	19%
ITS (Midco) Limited	Ordinary	19%
ITS Hammersmith & Fulham Limited	Ordinary	19%
ITS Nottingham Limited	Ordinary	19%
ITS Technology Group Limited	Ordinary	19%
ITS Telecom Solutions Limited	Ordinary	19%
Liverpool City Region Digital Limited	Ordinary	5%
NextGenAccess Limited	Ordinary	19%
Building 1063, Cornforth Drive, Kent Science Park, Sittingbourne, ME9 8PX, United Kingdom		
Digital Greenwich Connect Limited	Ordinary	10%
c/o Interpath Ltd 4th Floor, Tailor's Corner, Thirsk Row, Leeds, LS1 4DP, United Kingdom		
Tenet Financial Services Limited	Ordinary	49%
Tenet Mortgage Solutions Limited	Ordinary	49%
c/o Interpath Ltd, 10 Fleet Place, London, EC4M 7RB, United Kingdom		
Tenet Group Limited	Ordinary	49%
Tenet Limited	Ordinary	49%
TenetConnect Limited	Ordinary	49%
TenetConnect Services Limited	Ordinary	49%
c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London, EC2R 7AF, United Kingdom		
Equity Release Funding (No.1) plc	Ordinary	0%
Equity Release Funding (No.2) plc	Ordinary	0%
Equity Release Funding (No.3) plc	Ordinary	0%
Equity Release Funding (No.4) plc	Ordinary	0%
Equity Release Funding (No.5) plc	Ordinary	0%
ERF Trustee (No.4) Limited	Ordinary	0%
ERF Trustee (No.5) Limited	Ordinary	0%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, United Kingdom		
Baillie Gifford International Fund	OEIC	29%
Baillie Gifford UK Equity Core Fund	OEIC	25%
Capital Tower, 91 Waterloo Road, London, SE1 8RT, United Kingdom		
Rock Road Devco Limited	Ordinary	49%
Exchange House, Primrose Street, London, EC2A 2HS, United Kingdom		
CT (Lux) Diversified Growth Fund	SICAV	98%
CT (Lux) European Growth & Income Fund	SICAV	75%
CT Global Total Return Bond Fund	OEIC	27%
Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EH, United Kingdom		
Hoxton Campus LP	Partnership	8%
Hoxton General Partner LLP	Partnership	8%
Forum 4, Solent Business Park, Parkway South, Whitley, Fareham, PO15 7AD, United Kingdom		
1 Liverpool Street GP Limited	Ordinary	50%
1 Liverpool Street Limited Partnership	Partnership	30%
1 Liverpool Street Nominee 1 Limited	Ordinary	50%
1 Liverpool Street Nominee 2 Limited	Ordinary	50%
101 Moorgate GP Limited	Ordinary	50%
101 Moorgate Limited Partnership	Partnership	30%
101 Moorgate Nominee 1 Limited	Ordinary	50%
101 Moorgate Nominee 2 Limited	Ordinary	50%
Midlands Regen I GP Limited	Ordinary	95%
Midlands Regen I Limited Partnership	Partnership	95%
Midlands Regen I Nominee Limited	Ordinary	95%
Founders Factory (Level 7) Arundel Street Building, 180 Strand, 2 Arundel Street, London, WC2R 3DA, United Kingdom		
FF AV JV Limited	Preference	17%
Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU, United Kingdom		
Defined Returns Limited	Ordinary	29%
NDF Administration Limited	Ordinary	33%
Legal & General (Unit Trust Managers) Limited, PO Box 6080, Wolverhampton, WV1 9RB, United Kingdom		
L&G Multi-Index Eur III-NEA	OEIC	86%
L&G Multi-Index Eur IV-NEA	OEIC	100%
L&G Multi-Index Eur V-NEA	OEIC	100%
Level 16, 5 Aldermanbury Square, London, EC2V 7HR, United Kingdom		
Houghton Regis Management Company Limited	Ordinary	33%
Nations House, 3rd Floor, 103 Wigmore Street, London, W1U 1QS, United Kingdom		
Cannock Consortium Holdings Limited	Ordinary	43%
Cannock Consortium LLP	Partnership	43%
Cannock Designer Outlet (GP Holdings) Limited	Ordinary	43%
Cannock Designer Outlet (GP) Limited	Ordinary	43%

Company name	Share Class held	% of total equity
Cannock Designer Outlet (Nominee 1) Limited	Ordinary	43%
Cannock Designer Outlet (Nominee 2) Limited	Ordinary	43%
Cannock Designer Outlet Limited Partnership	Partnership	37%
Old Bourchiers Hall, New Road, Aldham, Colchester, C06 3QU, United Kingdom		
County Broadband Holdings Limited	Ordinary	61%
County Broadband Ltd	Ordinary	61%
One Coleman Street, London, EC2R 5AA, United Kingdom		
L&G Diversified Fund	Unit Trust	74%
Pennine Place, 2a Charing Cross Road, London, WC2H 0HF, United Kingdom		
Clean Growth Fund	Partnership	100%
Perpetual Park, Perpetual Park Drive, Henley-on-Thames, RG9 1HH, United Kingdom		
Invesco Summit Responsible 2 Fund (UK)	OEIC	42%
Invesco Summit Responsible 5 Fund (UK)	OEIC	41%
Pinesgate West, Lower Bristol Road, Bath, BA2 3DP, United Kingdom		
Truespeed Communications Ltd	Ordinary	17%
Pitheavlis, Perth, PH2 0NH, United Kingdom		
AICT GBP Real Estate (Curtain House) General Partner Limited	Ordinary	100%
AICT GBP Real Estate (Curtain House) Limited Partnership	Partnership	100%
Aviva (Peak No.1) UK Limited	Ordinary	100%
Aviva Insurance Limited	Ordinary	100%
Aviva Investors (FP) Limited	Ordinary	100%
Aviva Investors (FP) LP	Partnership	100%
Aviva Investors (GP) Scotland Limited	Ordinary	100%
Aviva Investors Climate Transition GBP Real Estate General Partner Limited	Ordinary	100%
Aviva Investors Climate Transition GBP Real Estate Limited Partnership	Partnership	100%
Aviva Investors Private Equity Programme 2008 Partnership	Partnership	40%
Salisbury House, London Wall, London, EC2M 5QQ, United Kingdom		
London Wall Partners LLP	Partnership	100%
Stonyroyd House, 8 Cumberland Road, Leeds, LS6 2EF, United Kingdom		
Cutter & Co Financial Planning Limited	Ordinary	100%
Flowers McEwan Limited	Ordinary	100%
Lee Strathy Limited	Ordinary	100%
Tag Financial Planning Limited	Ordinary	100%
True Financial Partnerships Limited	Ordinary	100%
True Wealth Management Limited	Ordinary	100%
True Wealth Planning Solutions Limited	Ordinary	100%
Veracity Asset Transformation Service Limited	Ordinary	100%
Swan Court Waterman's Business Park, Kingsbury Crescent, Staines, TW18 3BA, United Kingdom		

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Healthcode Limited	Ordinary C, E	20%
Tec Marina Terra Nova Way, Penarth, Cardiff, CF64 1SA, United Kingdom		
Wealthify Group Limited	Ordinary	100%
Wealthify Limited	Ordinary	100%
The Apex, Brest Road, Derriford Business Park, Derriford, Plymouth, PL6 5FL, United Kingdom		
DFP Health & Wealth Management Limited	Ordinary	100%
DFP Wealth Management Ltd	Ordinary	100%
G&E Wealth Management (Holdings) Ltd	Ordinary	100%
G&E Wealth Management Limited	Ordinary	100%
HKA (F S) Limited	Ordinary	100%
HKA Holdings Limited	Ordinary	100%
JCF Financial Services Limited	Ordinary	100%
Succession Advisory Services Limited	Ordinary	100%
Succession Employee Benefit Solutions Limited	Ordinary	100%
Succession Financial Management Limited	Ordinary	100%
Succession Group Ltd	Ordinary	100%
Succession Holdings Ltd	Ordinary	100%
Succession Wealth Management Limited	Ordinary	100%
The Green, Easter Park, Benyon Road, Reading, RG7 2PQ, United Kingdom		
Anesco Mid Devon Limited	Ordinary	100%
Anesco South West Limited	Ordinary	100%
Free Solar (Stage 1) Limited	Ordinary	100%
Homesun 2 Limited	Ordinary	100%
Homesun 3 Limited	Ordinary	100%
Homesun 4 Limited	Ordinary	100%
Homesun 5 Limited	Ordinary	100%
Homesun Limited	Ordinary	100%
New Energy Residential Solar Limited	Ordinary	100%
Norton Energy SLS Limited	Ordinary	100%
TGHC Limited	Ordinary	100%
Third Floor, Queensberry House, 3 Old Burlington Street, London, W1S 3AE, United Kingdom		
Manse Opus Management Company Limited	Company Limited by Guarantee	20%
Unit 13 Piano Work, 113-117 Farringdon Road, London, EC1R 3BX, United Kingdom		
Eligible Limited	Ordinary	6%
Wellington Row, York, YO90 1WR, United Kingdom		
Aviva (Peak No.2) UK Limited	Ordinary	100%
Aviva Administration Limited	Ordinary	100%
Aviva Client Nominees UK Limited	Ordinary	100%
Aviva Equity Release UK Limited	Ordinary	100%
Aviva ERFA 15 UK Limited	Ordinary	100%
Aviva Investment Solutions UK Limited	Ordinary	100%
Aviva Life & Pensions UK Limited	Ordinary	100%

Company name	Share Class held	% of total equity
Aviva Life Holdings UK Limited	Ordinary	100%
Aviva Life Investments International (General Partner) Limited	Ordinary	100%
Aviva Life Investments International (Recovery) Limited	Ordinary	100%
Aviva Life Investments International L.P.	Partnership	100%
Aviva Life Services UK Limited	Ordinary	100%
Aviva Management Services UK Limited	Ordinary	100%
Aviva Master Trust Trustees UK Limited	Ordinary	100%
Aviva Pension Trustees UK Limited	Ordinary	100%
Aviva Protection UK Limited (formerly AIG Life Limited)	Ordinary	100%
Aviva Savings Limited	Ordinary	100%
Aviva Trustees UK Limited	Ordinary	100%
Aviva UKLAP De-risking Limited	Ordinary	100%
Aviva Wealth Holdings UK Limited	Ordinary	100%
Aviva Wrap UK Limited	Ordinary	100%
Bankhall Support Services Limited	Ordinary	100%
CGNU Life Assurance Limited	Ordinary	100%
Friends AEL Trustees Limited	Ordinary	100%
Friends AELLAS Limited	Ordinary	100%
Friends Life and Pensions Limited	Ordinary	100%
Friends Life Assurance Society Limited	Ordinary	100%
Friends Life Company Limited	Ordinary	100%
Friends Life FPLMA Limited	Ordinary	100%
Friends Life Limited	Ordinary	100%
Friends Life WL Limited	Ordinary	100%
Friends Provident Investment Holdings Limited	Ordinary	100%
Friends Provident Life Assurance Limited	Ordinary	100%
Friends' Provident Life Office	Company Limited by guarantee	0%
Friends' Provident Managed Pension Funds Limited	Ordinary	100%
Friends Provident Pension Scheme Trustees Limited	Ordinary	100%
Friends SLUA Limited	Ordinary	100%
Gateway Specialist Advice Services Limited	Ordinary	100%
Group Risk Services Limited	Ordinary	100%
Heritage friends life institutional (SLPM)	Ordinary	100%
Lancashire and Yorkshire Reversionary Interest Company Limited /The	Ordinary	100%
London and Manchester Group Limited	Ordinary	100%
Premier Mortgage Service Limited	Ordinary	100%
Sesame Bankhall Group Limited	Ordinary	100%
Sesame Bankhall Valuation Services Limited	Ordinary	75%
Sesame General Insurance Services Limited	Ordinary	100%
Sesame Limited	Ordinary	100%
Sesame Services Limited	Ordinary	100%

Notes to the consolidated financial statements

Company name	Share Class held	% of total equity
Suntrust Limited	Ordinary	100%
Undershaft (NULLA) Limited	Ordinary	100%
Undershaft FAL Limited	Ordinary	100%
Undershaft FPLLA Limited	Ordinary	100%
Undershaft SLPM Limited	Ordinary	100%
Voyager Park South Management Company Limited	Ordinary	52%
Wealth Limited	Ordinary	100%
United States		
100 Wilshire Boulevard, Santa Monica, California Suite 2060, 90401, United States		
Fifth Wall Accelerate (Late-Stage), L.P.	Partnership	100%
1209 Orange Street, Wilmington, DE, 19801, United States		
Aviva Investors Americas LLC	Sole Member	100%
2222 Grand Avenue, Des Moines, IA, 50312, United States		
Aviva Investors North America Holdings, Inc	Common	100%
251 Little Falls Drive, Wilmington, DE, 19808, United States		
AI-RECAP GP I, LLC	Sole Member	100%
UKP Holdings Inc.	Common	100%
Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware, Kent County, 19904, United States		
Exeter Properties Inc.	Common	95%
Winslade Investments Inc.	Common	100%

Definitions
Authorised Contractual Scheme ('ACS')
Fond common de Placement ('FCP')
Irish Collective Asset-management Vehicle ('ICAV')
Open Ended Investment Companies ('OEIC')
Société d'Investment à Capital Variable ('SICAV')
Tax Transparent Fund ('TTF')

Audit exemptions

The subsidiary undertakings of the Company listed below are to take advantage of s479A Companies Act 2006 (s479A) audit exemption for the year ended 31 December 2024. Aviva plc will issue a guarantee pursuant to s479A in relation to the liabilities of the entity:

Company name	Company number
Aviva ERFA 15 UK Limited	6518135
Aviva Europe UK Societas	SE000031
Aviva Management Services UK Limited	983330
Aviva Savings Limited	4384512
Aviva Wealth Holdings UK Limited	6861305
Bunns Lane Development Limited	15399360
Group Risk Services Limited	6744393
Lancashire and Yorkshire Reversionary Interest Company Limited /The	19770
London Wall Partners LLP	OC375373
Midlands Regen I GP Limited	14885856
Stoney Wood Property Developments Limited	13161720
Succession Employee Benefit Solutions Limited	8146349
Succession Financial Management Limited	4454027
Succession Holdings Limited	8148663
Suntrust Limited	1460956
Undershaft Limited	4075935

58 - Subsequent events

On 10 February 2025, Direct Line Insurance Group plc (Direct Line) published a circular in relation to the Scheme Document pertaining to the notices of the Court Meeting and the General Meeting and the details of the actions to be taken by Direct Line Shareholders on the proposed acquisition by Aviva plc. As required by Rule 28 of the Takeover Code, the Aviva 2025 and 2026 Profit Forecasts were included in the Scheme Document. For further details relating to the proposed acquisition of Direct Line, see note 2 (a)(v).

Company financial statements

Income statement

For the year ended 31 December 2024

	Note	**2024 £m**	2023 £m
Income			
Net investment income	A	**2,063**	2,518
		2,063	2,518
Expenses			
Operating expenses	B	**(289)**	(366)
Finance and other costs	C	**(820)**	(792)
		(1,109)	(1,158)
Profit for the year before tax		**954**	1,360
Tax credit	D	**152**	137
Profit for the year after tax		**1,106**	1,497

Statement of comprehensive income

For the year ended 31 December 2024

	2024 £m	2023 £m
Profit for the year	**1,106**	1,497
Items that will not be reclassified to income statement		
Remeasurements of pension schemes	**1**	—
Other comprehensive income, net of tax	**1**	—
Total comprehensive income for the year	**1,107**	1,497

Where applicable, the accounting policies of the Company are the same as those of the Group. The Company notes identified alphabetically are an integral part of these separate financial statements. Where the same items appear in the Group financial statements, reference is made to the Group notes identified numerically.

Company financial statements

Statement of changes in equity

For the year ended 31 December 2024

	Note	Ordinary share capital £m	Preference share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Equity compensation reserve £m	Retained earnings £m	Tier 1 notes £m	Total equity £m
Balance at 1 January		**901**	**200**	**17**	**24**	**2,688**	**122**	**10,589**	**496**	**15,037**
Profit for the year		**—**	**—**	**—**	**—**	**—**	**—**	**1,106**	**—**	**1,106**
Other comprehensive income		**—**	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**1**
Total comprehensive income for the year		**—**	**—**	**—**	**—**	**—**	**—**	**1,107**	**—**	**1,107**
Dividends and appropriations	15	**—**	**—**	**—**	**—**	**—**	**—**	**(972)**	**—**	**(972)**
Shares purchased in buyback[1]	31(b)(i)	**(20)**	**—**	**—**	**20**	**—**	**—**	**(300)**	**—**	**(300)**
Capital reductions		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Reserves credit for equity compensation plans	32(d)	**—**	**—**	**—**	**—**	**—**	**61**	**—**	**—**	**61**
Shares issued under equity compensation plans	36	**—**	**—**	**—**	**—**	**—**	**(48)**	**(27)**	**—**	**(75)**
Issue of tier 1 notes	35	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Return of capital to ordinary shareholders via B share scheme	31	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Balance at 31 December		**881**	**200**	**17**	**44**	**2,688**	**135**	**10,397**	**496**	**14,858**

1. In the year ended 31 December 2024, £300 million of shares were purchased and shares with a nominal value of £20 million have been cancelled as part of the share buyback programme

For the year ended 31 December 2023

	Note	Ordinary share capital £m	Preference share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Equity compensation reserve £m	Retained earnings £m	Tier 1 notes £m	Total equity £m
Balance at 1 January		924	200	1,263	3,855	2,688	113	5,248	496	14,787
Profit for the year		—	—	—	—	—	—	1,497	—	1,497
Other comprehensive income		—	—	—	—	—	—	—	—	—
Total comprehensive income for the year		—	—	—	—	—	—	1,497	—	1,497
Dividends and appropriations	15	—	—	—	—	—	—	(929)	—	(929)
Shares purchased in buyback[1]	31	(24)	—	—	24	—	—	(300)	—	(300)
Capital reductions[2]		—	—	(1,253)	(3,855)	—	—	5,108	—	—
Reserves credit for equity compensation plans	32	—	—	—	—	—	61	—	—	61
Shares issued under equity compensation plans	36	1	—	7	—	—	(52)	(35)	—	(79)
Issue of tier 1 notes	35	—	—	—	—	—	—	—	—	—
Return of capital to ordinary shareholders via B share scheme	31	—	—	—	—	—	—	—	—	—
Balance at 31 December		901	200	17	24	2,688	122	10,589	496	15,037

1. In the year ended 31 December 2023, £300 million of shares were purchased and shares with a nominal value of £24 million have been cancelled as part of the share buyback programme
2. In the year ended 31 December 2023, a capital reduction took place which reduced share premium by £1,253 million and the capital redemption reserve by £3,855 million. These amounts were reclassified as retained earnings.

Where applicable, the accounting policies of the Company are the same as those of the Group. The Company notes identified alphabetically are an integral part of these separate financial statements. Where the same items appear in the Group financial statements, reference is made to the Group notes identified numerically.

Company financial statements

Statement of financial position

As at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Non-current assets			
Investments in subsidiaries	E	**31,808**	31,801
Investment in joint venture	E	**123**	123
Receivables and other financial assets	F	**656**	1,473
Deferred tax assets	G	**122**	114
Current tax assets	G	**146**	167
		32,855	33,678
Current assets			
Receivables and other financial assets	F	**952**	779
Prepayments and accrued income		**110**	114
Cash and cash equivalents		**50**	48
Current tax assets	G	**165**	—
Total assets		**34,132**	34,619
Equity			
Ordinary share capital	31	**881**	901
Preference share capital	34	**200**	200
Called up capital		**1,081**	1,101
Share premium	36	**17**	17
Capital redemption reserve	36	**44**	24
Merger reserve	H	**2,688**	2,688
Equity compensation reserve		**135**	122
Retained earnings	H	**10,397**	10,589
Tier 1 notes	L	**496**	496
Total equity		**14,858**	15,037
Liabilities			
Non-current liabilities			
Borrowings	J	**4,446**	5,123
Payables and other financial liabilities	K	**14,541**	9,695
Pension deficits and other provisions	I	**31**	33
		19,018	14,851
Current liabilities			
Borrowings	J	**50**	51
Payables and other financial liabilities	K	**127**	4,581
Other liabilities		**79**	99
Total liabilities		**19,274**	19,582
Total equity and liabilities		**34,132**	34,619

Approved by the Board on 26 February 2025

Charlotte Jones
Chief Financial Officer

Company number: 02468686

Where applicable, the accounting policies of the Company are the same as those of the Group. The Company notes identified alphabetically are an integral part of these separate financial statements. Where the same items appear in the Group financial statements, reference is made to the Group notes identified numerically.

Company financial statements

Statement of cash flows

For the year ended 31 December 2024

All the Company's operating cash requirements are met by subsidiary companies and settled through intercompany loan accounts. As the direct method of presentation has been adopted for these activities, no further disclosure is required. In respect of financing and investing activities, the following items pass through the Company's own bank accounts.

	2024 £m	2023 £m
Cash flows from investing activities		
Dividends received from joint venture	—	14
Net cash from investing activities	**—**	14
Cash flows from financing activities		
Proceeds from issue of ordinary shares	—	8
Shares purchased in buyback	**(300)**	(300)
Treasury shares purchased for employee trusts	**(53)**	(76)
New borrowings drawn down, net of expenses	**607**	870
Repayment of borrowings	**(1,209)**	(1,097)
Net repayment of borrowings	**(602)**	(227)
Interest paid on borrowings	**(243)**	(230)
Preference dividends paid	**(17)**	(17)
Ordinary dividends paid	**(921)**	(878)
Coupon payments on tier 1 notes	**(34)**	(34)
Funding provided from subsidiaries	**2,203**	1,508
Other[1]	**(31)**	(40)
Net cash generated from/(used in) financing activities	**2**	(286)
Total net drawn down/(decrease) in cash and cash equivalents	**2**	(272)
Cash and cash equivalents at 1 January	**48**	320
Cash and cash equivalents 31 December	**50**	48

1. 2024 includes £35 million (2023: £32 million) in respect of payments relating to equity compensation plans

Notes to the Company's financial statements

A - Net investment income

	2024 £m	2023 £m
Dividends received from subsidiaries[1]	**2,000**	2,425
Dividends received from joint venture	**—**	15
Interest receivable from group company loans held at amortised cost	**61**	73
Net foreign exchange gains	**2**	5
Net investment income	**2,063**	2,518

1. Includes £2,000 million (2023: £2,000 million) dividend income from Aviva Group Holdings Limited and £nil million (2023: £425 million) dividend income from General Accident plc

B - Operating expenses

(a) Operating expenses

Operating expenses comprise:

	Note	2024 £m	2023 £m
Equity compensation plans	B(b)	**16**	16
Other operating costs		**271**	348
Realised loss on foreign exchange contracts		**2**	2
Operating expenses		**289**	366

(b) Equity compensation plans

All transactions in the Group's equity compensation plans, which involve options and awards for ordinary shares of the Company, are included in other operating costs. Full disclosure of these plans is given in the Group consolidated financial statements, note 32. The cost of such options and awards is borne by all participating businesses and, where relevant, the Company bears an appropriate charge. As the majority of the charge to the Company relates to directors' options and awards, for which full disclosure is made in the directors' remuneration report, no further disclosure is given here.

C - Finance and other costs

	Note	2024 £m	2023 £m
Interest payable on borrowings		**243**	237
Interest payable on group loans held at amortised cost	O(b)	**534**	460
Premium payments and other costs on external borrowings		**19**	92
Other costs		**24**	3
Finance and other costs		**820**	792

D - Tax

(a) Tax credited/(charged) to the income statement

The total tax credit comprises:

	2024 £m	2023 £m
For the period	**146**	167
Prior year adjustments	**(2)**	(2)
Current tax	**144**	165
Origination and reversal of temporary differences	**8**	(28)
Deferred tax	**8**	(28)
Total tax credited to income statement	**152**	137

The tax credit above, comprising current and deferred tax, can be analysed as follows:

	2024 £m	2023 £m
UK tax	**152**	138
Overseas tax	**—**	(1)
Total	**152**	137

The Company (as part of Aviva Group) is subject to the reform of the international tax system proposed by The Organisation for Economic Co-operation and Development (OECD), which introduces a global minimum effective rate of corporation tax of 15% and took effect in the current period. No current tax charge is included in respect of these provisions. No amount is recorded in 2023 as the tax had not been introduced in this period.

(b) Tax charged to other comprehensive income

Tax charged to other comprehensive income in the year amounted to £nil million (2023: £nil million) in respect of obligations under pension and post-retirement benefit schemes.

Notes to the company financial statements

(c) The total tax (credit)/charge comprises:

	2024 £m	2023 £m
Deferred tax :		
Pensions and other post retirement obligations	**1**	—
Unused losses and tax credits	**(9)**	28
Total tax (credited)/charged to equity	**(8)**	28

(d) Tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	2024 £m	2023 £m
Total profit before tax	**954**	1,360
Tax calculated at standard UK corporation tax rate of 25% (2023: 23.5%)	**(239)**	(320)
Reconciling items		
Adjustment to tax charge in respect of prior years	**7**	(8)
Non-assessable dividend income	**500**	573
Disallowable expenses	**(2)**	(3)
Movement in valuation of deferred tax	**—**	(1)
Different local basis of tax on overseas profits	**—**	(1)
Losses surrendered intra-group for nil value	**(123)**	(111)
Tax on interest amounts charged directly to equity	**9**	8
Total tax credited to income statement	**152**	137

In accordance with the amendments to IAS 12, endorsed in the UK on 19 July 2023, the Company has applied the exemption and not provided for deferred tax in respect of the global minimum tax reforms.

E - Investments in subsidiaries and joint venture

(a) Subsidiaries

At 31 December 2024, the Company has two wholly owned subsidiaries, both incorporated in the UK. These are General Accident plc and Aviva Group Holdings Limited. Aviva Group Holdings Limited is an intermediate holding company, while General Accident plc has preference shares listed on the London Stock Exchange. At 31 December 2024 the Company's investments in subsidiaries have a cost of £31,808 million (2023: £31,801 million). The principal subsidiaries of the Aviva Group at 31 December 2024 are set out in note 56 to the Group consolidated financial statements.

(b) Joint venture

At 31 December 2024 the Company's investment in the joint venture, Aviva-COFCO Life Insurance Co. Limited has a cost of £123 million (2023: £123 million).

F - Receivables and other financial assets

	Note	2024 £m	2023 £m
Loans due from subsidiaries held at amortised cost	O(a)	**1,402**	2,080
Amounts due from subsidiaries held at amortised cost	O(c)(i)	**206**	172
Total receivables and other financial assets		**1,608**	2,252
Expected to be recovered in less than one year		**952**	779
Expected to be recovered in more than one year		**656**	1,473
Total receivables and other financial assets		**1,608**	2,252

Fair value of these assets approximate to their carrying amounts.

G - Tax assets and liabilities

(a) Current tax

Current tax assets recoverable in more than one year are £146 million (2023: £167 million).

Current tax assets for prior years' tax of £165 million (2023: £nil million) are expected to be settled by group relief, and are recoverable in less than one year.

(b) Deferred tax

(i) The net deferred tax asset arises on the following items:

	2024 £m	2023 £m
Pensions and other post retirement obligations	**8**	9
Unused losses and tax credits	**114**	105
Net deferred tax assets	**122**	114

Notes to the company financial statements

(ii) The movement in the net deferred tax asset was as follows:

	Note	2024 £m	2023 £m
Net deferred tax assets at 1 January		**114**	142
Amounts credited/(charged) to income statement	D(a)	**8**	(28)
Net deferred tax assets at 31 December		**122**	114

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. In assessing future profitability, the directors have relied on board approved business plans and profit forecasts for the UK Group for up to 5 years. In entities where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future taxable profits will be available.

H - Reserves

	2024		2023	
	Merger reserve £m	**Retained earnings £m**	Merger reserve £m	Retained earnings £m
At 1 January	**2,688**	**10,589**	2,688	5,248
Profit for the year	**—**	**1,106**	—	1,497
Remeasurement of pension schemes	**—**	**1**	—	—
Dividends and appropriations	**—**	**(972)**	—	(929)
Capital reductions[1]	**—**	**—**	—	5,108
Shares purchased in buyback	**—**	**(300)**	—	(300)
Issue of share capital under equity compensation scheme	**—**	**(27)**	—	(35)
At 31 December	**2,688**	**10,397**	2,688	10,589

1. At a General Meeting of Aviva held on 4 May 2023, Aviva received shareholder approval to a reduction of £1,253 million in its share premium account and to a reduction of £3,855 million in its capital redemption reserve (the Capital Reductions). The Capital Reductions received Court approval on 23 May 2023 and were effected on 25 May 2023.

The vast majority of the retained earnings of the Company are distributable.

I - Pension deficits and other provisions

	2024 £m	2023 £m
Total IAS 19 obligations to staff pension schemes	**31**	33
Total pension deficits and other provisions	**31**	33

J - Borrowings

The Company's borrowings comprise:

	2024 £m	2023 £m
Subordinated debt	**4,063**	4,722
Senior notes	**383**	401
Commercial paper	**50**	51
Total borrowings	**4,496**	5,174
Expected to be paid in less than one year	**50**	51
Expected to be paid in more than one year	**4,446**	5,123
Total borrowings	**4,496**	5,174

All the above borrowings are stated at amortised cost with the exception of commercial paper.

Maturity analysis of contractual undiscounted cash flows:

	2024			2023		
	Principal £m	**Interest £m**	**Total £m**	Principal £m	Interest £m	Total £m
Within one year	**50**	**218**	**268**	51	245	296
One to five years	**385**	**861**	**1,246**	402	972	1,374
Five to ten years	**249**	**1,016**	**1,265**	267	1,151	1,418
10 to 15 years	**200**	**970**	**1,170**	700	1,041	1,741
Over 15 years	**3,646**	**2,530**	**6,176**	3,787	2,376	6,163
Total contractual undiscounted cash flows	**4,530**	**5,595**	**10,125**	5,207	5,785	10,992

Where subordinated debt is undated, the interest payments have not been included beyond 15 years.

Notes to the company financial statements

The fair value of the subordinated debt at 31 December 2024 was £3,999 million (2023: £4,658 million), calculated with reference to quoted prices. The fair value of the senior debt as at 31 December 2024 was £377 million (2023: £395 million), calculated with reference to quoted prices. The fair value of the commercial paper is considered to be the same as its carrying value.

Further details of these borrowings and undrawn committed facilities can be found in the Group consolidated financial statements in note 45 with the details of the fair value hierarchy in relation to these borrowings in note 23.

K - Payables and other financial liabilities

	Note	**2024 £m**	2023 £m
Loans due to subsidiaries held at amortised cost	O(b)	**9,597**	9,695
Amounts due to subsidiaries held at amortised cost	O(c)(ii)	**5,071**	4,581
Total payables and other financial liabilities		**14,668**	14,276
Expected to be paid in less than one year		**127**	4,581
Expected to be paid in more than one year		**14,541**	9,695
Total payables and other financial liabilities		**14,668**	14,276

L - Tier 1 notes

On 15 June 2022, the Company issued £500 million of 6.875% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes (the RT1 Notes), see details in note 35. During the year coupon payments of £34 million were made (2023: £34 million).

M - Contingent liabilities

Details of the Company's contingent liabilities are given in the Group consolidated financial statements, note 48.

N - Risk management

Risk and capital management in the context of the Group is considered in the Group consolidated financial statements, notes 50 and 52.

The business of the Company is managing its investments in subsidiaries and joint venture operations. Its risks are considered to be the same as those in the operations themselves, and full details of the major risks and the Group's approach to managing these are given in the Group consolidated financial statements, note 52. Such investments are held by the Company at cost in accordance with accounting policy D.

Financial assets, other than investments in subsidiaries and joint ventures, largely consist of amounts due from subsidiaries. As at the balance sheet date, these receivable amounts were neither past due nor impaired. The credit quality of receivables and other financial assets is monitored by the Company and provisions are made for expected credit losses. There are no material expected credit losses over the lifetime of the financial assets.

Financial liabilities owed by the Company as at the balance sheet date are largely in respect of borrowings (details of which are provided in note J and the Group consolidated financial statements, note 45) and loans owed to subsidiaries. Loans owed to subsidiaries were within agreed credit terms as at the balance sheet date.

(a) Interest rate risk

Loans to and from subsidiaries are at either fixed or floating rates of interest, depending on the preferences of the lending entities, with the latter being exposed to fluctuations in these rates.

All of the Company's long-term external borrowings are at fixed rates of interest and are therefore not exposed to changes in these rates. However, for short-term commercial papers, the Company is affected by changes in these rates to the extent the redemption of these borrowings is funded by the issuance of new commercial papers or other borrowings. Further details of the Company's borrowings are provided in note J and the Group consolidated financial statements, note 45.

The effect of a 100 basis point increase/decrease in interest rates on floating rate loans due to and from subsidiaries and on refinancing the short-term commercial paper as it matures would be a decrease/increase in profit before tax of £90 million (2023: decrease/increase of £90 million). We manage and hedge our interest rate exposure through setting risk tolerance levels on a Solvency II cover ratio basis. Exposure to interest rate risk is monitored through several measures that include duration, capital modelling, sensitivity testing and stress and scenario testing.

(b) Currency risk

The Company's direct subsidiaries are exposed to foreign currency risk arising from fluctuations in exchange rates during the course of providing insurance and asset management services around the world. The exposure of the subsidiaries to currency risk is considered from a Group perspective in the Group consolidated financial statements, note 52(b)(v).

The Company faces exposure to foreign currency risk through some of its borrowings which are denominated in Euros and Canadian dollars.

(c) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form. The Company's main sources of liquidity are liquid assets held within the Company and its subsidiary Aviva Group Holdings Limited and dividends received from the Group's insurance and asset management businesses.

Sources of liquidity in normal markets also include a variety of short and long-term instruments including commercial paper and medium and long-term debt.

Notes to the company financial statements

In addition to the existing liquid resources and expected inflows, the Company maintains significant undrawn committed borrowing facilities from a range of leading international banks to further mitigate this risk.

Maturity analysis of external borrowings and amounts due to and by subsidiaries are provided in notes J, K and F respectively.

(d) Intra-group capital arrangement

Consistent with our capital management framework, the Group has in place intra-group arrangements to provide additional capital support to its regulated subsidiaries. In the normal course of business, the Group will provide additional capital support to its regulated subsidiaries in certain circumstances. While the Group considers it unlikely that any material support will be required, the arrangements are intended to provide additional comfort to its regulated subsidiaries and its policyholders. See note 50 for more detail on risks and capital management objectives.

O - Related party transactions

The Company had the following related party transactions.

Loans to and from subsidiaries are made on normal arm's-length commercial terms. The maturity analysis of the related party loans is as follows:

(a) Loans owed by subsidiaries

	2024 £m	2023 £m
Within one year	**746**	607
One - five years	**202**	992
Over five years	**454**	481
Total loans owed by subsidiaries	**1,402**	2,080

The interest received on these loans is £61 million (2023: £73 million). See note A.

On 1 January 2013, Aviva International Holdings Limited, an indirect subsidiary, transferred an unsecured loan with the Company of €250 million to Aviva Group Holdings Limited, its direct subsidiary. The loan, originally entered into on 7 May 2003, accrues interest at a fixed rate of 5.5% with settlement to be paid at maturity in May 2033. As at the statement of financial position date, the total amount drawn down on the loan was £207 million (2023: £217 million).

On 23 December 2014, the Company provided an unsecured revolving credit facility of £2,000 million to Aviva Group Holdings Limited, its subsidiary, with an initial maturity date of 3 September 2018, which was subsequently extended to 31 December 2028. The loan accrued interest at a fixed rate of 0.895% to 31 December 2023, and then from 1 January 2024 accrued interest at the GBP Sonia Swap Rate plus the Five Year Credit Default Swap Spread. As at the statement of financial position date, the total amount drawn down on the facility was £nil (2023: £nil).

On 27 June 2016, the Company provided an unsecured loan of $CAD446 million to Aviva Group Holdings Limited, its subsidiary, with a maturity date of 27 June 2046. The loan accrues interest at 348 basis points above 6 month CORRA with a basis compensation adjustment of 49 basis points. As at the statement of financial position date, the total amount drawn on the loan was £247 million (2023: £264 million).

On 30 September 2016, the Company provided the following loans to Aviva Group Holdings Limited, its subsidiary:
- An unsecured loan of €850 million with a maturity date of 30 September 2021 which was subsequently extended to 30 September 2026. The loan accrues interest at 49 basis points above 12 month EURIBOR with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn on the loan was £202 million (2023: £212 million).
- An unsecured loan of €700 million with a maturity date of 3 July 2024. The loan was redeemed in full on its maturity date of 3 July 2024 and therefore at the statement of financial position date, the total amount drawn down on the loan was £nil million (2023: £607 million). The loan accrued interest at a fixed rate of 1.64% with settlement paid at maturity.
- An unsecured loan of €900 million with a maturity date of 4 December 2025. The loan accrues interest at a fixed rate of 1.74% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the loan was £746 million (2023: £780 million).

(b) Loans owed to subsidiaries

Maturity analysis of contractual undiscounted cash flows:

	Principal £m	**Interest £m**	**2024 Total £m**	Principal £m	Interest £m	2023 Total £m
Within one year	**—**	**478**	**478**	—	446	446
One to five years	**9,597**	**1,911**	**11,508**	9,695	1,784	11,479
Over five years	**—**	**—**	**—**	—	—	—
Total contractual undiscounted cash flows	**9,597**	**2,389**	**11,986**	9,695	2,230	11,925

The interest paid on these loans is £534 million (2023: £460 million). See note C.

On 3 September 2013 Aviva Group Holdings Limited, its subsidiary, provided an unsecured rolling credit facility of £1,000 million to the Company. On 6 October 2016, the facility increased to £5,000 million. This facility had a maturity date of 31 December 2023 and the Company renewed this facility on 1 January 2024 to further extend the maturity date to 31 December 2028. The loan accrued interest at a fixed rate of 0.895% to 31 December 2023, and from 1 January 2024 accrued interest at the 12 month SONIA Swap Rate plus 0.648%. The total amount drawn down on the facility at 31 December 2024 was £158 million (2023: £256 million).

Notes to the company financial statements

On 14 December 2017, the Company renewed its facility with General Accident plc, its subsidiary, of £9,990 million and the Board approved the extension of the maturity of the loan by five years from 31 December 2017 to 31 December 2022. A subsequent loan amendment in December 2022 extended the loan maturity to 31 December 2027 and changed the interest rate to a floating rate based on the 12 month SONIA swap rate effective from 1 January 2023. As at 31 December 2024, the loan balance outstanding was £9,439 million (2023: £9,439 million). This loan is secured against the ordinary share capital of Aviva Group Holdings Limited.

(c) Other transactions

(i) Services provided to related parties

	2024		2023	
	Income earned in year £m	**Receivable at year end £m**	Income earned in year £m	Receivable at year end £m
Subsidiaries and joint ventures	**2,000**	**206**	2,440	172

Income earned relates to dividends. The Company incurred expenses in the year of £0.5 million (2023: £0.8 million) representing audit fees paid by the Company on behalf of subsidiaries. The Company did not recharge subsidiaries for these expenses.

The related parties' receivables are not secured and no guarantees were received in respect thereof. The receivables will be settled in accordance with normal credit terms.

(ii) Services provided by related parties

	2024		2023	
	Expense incurred in year £m	**Payable at year end £m**	Expense incurred in year £m	Payable at year end £m
Subsidiaries	**311**	**5,071**	348	4,581

Expenses incurred relates to operating expenses. All the Company's operating cash requirements are met by subsidiary companies and settled through intercompany loans.

The Company has a prepayment of £81 million (2023: £87 million) relating to shares owned by an employee share trust to satisfy the Company's share awards.

The related parties' payables and receivables are not secured and no guarantees were given or received in respect thereof. The payables will be settled in accordance with normal credit terms. Details of guarantees, indemnities and warranties given by the Company on behalf of related parties are given in note 48(f).

(d) Key management

The directors and key management of the Company are considered to be the same as for the Group. Information on both the Company and Group key management compensation can be found in note 55.

P - Subsequent events

For Group subsequent events please see note 58.

Other Information

In this section

Alternative performance measures

Overview

In order to fully explain the performance of our business, we discuss and analyse our results in terms of financial measures which include a number of Alternative Performance Measures (APMs). APMs are non-GAAP measures which are used to supplement the disclosures prepared in accordance with other regulations, such as International Financial Reporting Standards (IFRS) and Solvency II. We believe these measures provide useful information to enhance the understanding of our financial performance. However, APMs should be viewed as complementary to, rather than as a substitute for, the amounts determined according to other regulations.

The APMs utilised by Aviva may not be the same as those used by other insurers and may change over time. The calculation of APMs is consistent with previous periods unless otherwise stated.

In the UK the final Prudential Regulation Authority (PRA) rules for Solvency UK became effective from 31 December 2024. The new regime has been referred to as "Solvency II" in this section, unless otherwise stated, as this is in line with the current PRA guidance and consistent with the name of the prudential regime in PRA policy material.

Further details on APMs derived from IFRS measures and APMs derived from Solvency II measures are provided in the following sections. A further section describes other APMs.

Changes in APMs:

Following achievement in 2023, one year early, of the Group's cost savings target of £750 million by 2024 as outlined in the Annual Report & Accounts 2023, Baseline Controllable costs have been retired as a separately defined sub-set of Controllable costs. Baseline Controllable costs excluded cost reduction implementation and IFRS 17 costs, strategic investment and certain other costs related to recently acquired entities which were not included in the 2018 cost savings target baseline. Controllable costs remains as a useful measure of the controllable operational overheads associated with maintaining and growing our businesses.

As a result of the retirement of Baseline Controllable costs, the definition of the Cost Income Ratio APM has been updated to use Controllable costs as the numerator, with comparatives re-presented to reflect this change.

A new subtotal labelled "Underlying" has been added to the Solvency II operating own funds generation (Solvency II OFG) and Solvency II operating capital generation (Solvency II OCG) metrics. These subtotals will be used to discuss the performance of the APMs without items which, in the directors view, should be excluded in order to understand the Group's performance during the period. Further details on these exclusions are provided in the relevant sections below.

The Group has introduced an additional APM, Health In-Force Premiums, for the Health business. This measure provides useful information on the sales and renewals taking place within the Health business.

APMs derived from IFRS measures

A number of APMs relating to IFRS are utilised to measure and monitor the Group’s performance.

- Group adjusted operating profit
- Operating value added
- Stock of future profit
- Gross written premiums (GWP)
- Combined operating ratio (COR)
- Claims, commission, expense and distribution ratios
- Operating earnings per share (Operating EPS)
- Controllable costs
- IFRS return on equity (RoE)
- IFRS Shareholders' equity per share
- Adjusted IFRS Shareholders' equity per share
- Assets Under Management (AUM) and Assets Under Administration (AUA)
- Net flows
- Aviva Investors revenue
- Cost income ratio (CIR)
- Cost asset ratio

Definitions and additional information, including reconciliation to the relevant amounts in the IFRS financial statements and, where appropriate, commentary on the material reconciling items are included within this section.

Group adjusted operating profit

Group adjusted operating profit is an APM that supports decision making and internal performance management of the Group’s operating segments that incorporates an expected return on investments supporting the life and non-life insurance businesses. The Group considers this measure meaningful to stakeholders as it enhances the understanding of the Group’s operating performance over time by separately identifying non-operating items. The various items excluded from Group adjusted operating profit, but included in IFRS profit before tax, are:

Alternative performance measures

(a) Investment variances and economic assumption changes

Group adjusted operating profit for life and non-life business is based on expected investment returns on financial investments backing shareholder and policyholder funds over the reporting period, with allowance for the corresponding expected movements in liabilities. This includes movements in the liabilities to with-profit policyholders that offset the operating result of non-profit contracts written in the with-profit funds. Group adjusted operating profit also includes the effect of the mismatch between movements in expected future insurance contract cash flows measured at current discount rates and the corresponding adjustment to the contractual service margin (CSM) measured at locked in rates. The expected rate of return is determined using consistent assumptions between operations, having regard to local economic and market forecasts of investment return and asset classification.

For fixed interest securities classified as fair value through profit or loss, the expected investment returns are based on average prospective yields for the actual assets held less an adjustment for credit risk. The expected return on equities and properties is calculated using the appropriate risk-free rate in the relevant currency plus a risk premium.

Group adjusted operating profit includes the effect of variances in experience for non-economic items, such as mortality, persistency and expenses, and the effect of changes in non-economic assumptions such as changes in expected cashflows for non-life claims. Changes due to economic items such as market value movements and interest rate changes, which give rise to variances between actual and expected investment returns, and the impact of changes in economic assumptions on liabilities, are disclosed separately outside Group adjusted operating profit.

The exclusion of short-term investment variances from this APM reflects the long-term nature of much of our business. The Group adjusted operating profit, which is used in managing the performance of our operating segments, excludes the impact of economic variances to provide a comparable measure year-on-year.

(b) Impairment, amortisation and profit or loss on disposal

Group adjusted operating profit also excludes impairment of goodwill, associates and joint ventures; amortisation and impairment of other intangible assets acquired in business combinations; amortisation and impairment of acquired value of in-force business on non-participating investment contracts; and the profit or loss on disposal and remeasurement of subsidiaries, joint ventures and associates.

These items principally relate to merger and acquisition activity which we view as strategic in nature, hence they are excluded from the Group adjusted operating profit APM as this is principally used to manage the performance of our operating segments when reporting to the Group chief operating decision maker.

(c) Integration and restructuring costs

Group adjusted operating profit excludes integration and restructuring (I&R) costs that relate to a well-defined programme that materially changes the scope of our business or the manner in which it is conducted, with the exception of expected future I&R costs directly attributable to insurance contracts. Directly attributable I&R costs will be reflected in the CSM and the impact recognised in Group adjusted operating profit as CSM is amortised.

(d) Other items

Other items are those items that, in the directors' view, are required to be separately disclosed by virtue of their nature or incidence to enable a full understanding of the Group's financial performance. At 31 December 2024, other items are a net gain of £31 million (2023: charge of £176 million) which comprises:

- A gain of £68 million relating to a revision to the 2023 restatement in respect of accounting processes for with-profit funds;
- A charge of £19 million (2023: £92 million) relating to the redemption payment in excess of carrying value for £500 million of the Group's £700 million Tier 2 Fixed Rate Reset Notes due in 2036 (2023: £600 million Tier 2 Fixed to Floating Notes due in 2038). This is disclosed outside of Group adjusted operating profit as the costs arise from a strategic decision relating to the financing of the group as a whole and not to the operating performance of the Group or its operating segments;
- A gain of £19 million (2023: charge of £71 million) related to provisions for indemnities entered into through acquisition and disposal activity, and fair value adjustments on contingent consideration associated with Succession Wealth acquisitions;
- A charge of £24 million (2023: £2 million) relating to costs associated with acquisitions completed in the period;
- Charges totalling £13 million (2023: £11 million)relating to the cost of the employee free share award, fees and charges associated with the share buyback programme, and costs to equalise Guaranteed Minimum Pension benefits.

Alternative performance measures

The table below presents a reconciliation between our consolidated Group adjusted operating profit and profit before tax attributable to shareholders' profits.

	2024 £m	2023 £m
Insurance, Wealth & Retirement (IWR)	**1,071**	994
UK & Ireland General Insurance	**708**	452
Canada General Insurance	**288**	399
Aviva Investors	**40**	21
International investments (India, China and Singapore)	**48**	63
Business unit operating profit	**2,155**	1,929
Corporate centre costs and Other operations	**(115)**	(215)
Group debt costs and other interest	**(273)**	(247)
Group adjusted operating profit before tax attributable to shareholders' profits	**1,767**	1,467
Adjusted for the following:		
Investment variances and economic assumption changes	**(666)**	322
Amortisation of intangibles acquired in business combinations	**(61)**	(52)
Amortisation of acquired value of in-force business	**(52)**	(59)
Profit on disposal and remeasurement of subsidiaries, joint ventures and associates	**195**	—
Integration and restructuring costs	**(217)**	(61)
Other	**31**	(176)
Adjusting items before tax	**(770)**	(26)
Tax on Group adjusted operating profit	**(407)**	(289)
Tax on other activities	**115**	(46)
Tax attributable to shareholders' profits	**(292)**	(335)
Profit for the year	**705**	1,106

Operating value added

Operating value added represents the increase in "value" in the period on an IFRS 17 basis. This is defined as the operating profit in the period plus the operating change in the contractual service margin (CSM) (gross of tax). Operating changes in the CSM include new business, interest accretion, expected return, experience variances, assumption changes and release of CSM and exclude economic variances and economic assumption changes.

Non-operating changes in the CSM consist of investment variances, economic assumption changes, and integration and restructuring costs that are directly attributable to insurance contracts.

For business measured using the general measurement model (GMM) the CSM is calculated using locked-in rates, so investment variances and economic assumption changes will be limited to changes in expenses due to inflation. For contracts measured under the variable fee approach (VFA), variance between the expected return on the shareholder share of underlying assets and the actual return are reported as non-operating changes in CSM.

This APM is relevant mainly for the life business and is a more complete and useful measure of the value generated in the period, reflecting the benefit of writing new business and assumption changes in the period. No adjustment is made for the future value of the businesses for which no CSM liability has been established and operating value added is equal to operating profit.

	2024 £m	2023 £m
Group adjusted operating profit before tax attributable to shareholders' profits	**1,767**	1,467
Operating changes in CSM	**200**	851
Operating value added	**1,967**	2,318

	2024 £m	2023 £m
Insurance, Wealth & Retirement (IWR)[1]	**1,268**	1,849
UK & Ireland General Insurance	**712**	452
Canada General Insurance	**288**	399
Aviva Investors	**40**	21
International investments (India, China and Singapore)	**48**	63
Business unit operating value added	**2,356**	2,784
Corporate centre costs and Other operations[1]	**(116)**	(219)
Group debt costs and other interest	**(273)**	(247)
Group operating value added	**1,967**	2,318

1. IWR operating value added excludes the impact of intra-group reinsurance of Periodic Payment Orders (PPOs). This intra-group reinsurance is reported under 'Other operations'.

Alternative performance measures

	Note	2024 £m	2023 £m
Opening CSM	39(b)	**7,248**	6,480
New business		**589**	437
Interest accretion and expected return		**290**	257
Experience variance and other		**173**	393
Assumption changes		**18**	564
Release of CSM		**(870)**	(800)
Operating changes in CSM		**200**	851
Non-operating changes		**324**	(83)
Closing CSM[1]	39(b)	**7,772**	7,248

1. The CSM is included within Insurance contract and participating investment contract liabilities on the Consolidated statement of financial position. See note 39 for more detailed information on these balances.

Stock of future profit

Stock of future profit is the addition of the CSM and the risk adjustment, which represents the future profit recognised in the statement of financial position to unwind into profit over time. It is presented at the Group total. The releases from the stock of future profit are a key driver of profit for our life insurance business and these releases are provided for our IWR Protection, Annuities, Heritage and Ireland businesses.

Gross written premiums (GWP)

GWP is a measure of volumes written in the period for the General Insurance (GI) business. GWP is useful for understanding the growth of the business. Reconciliations of GWP to insurance revenue is set out below. Reconciling items arise from presentational and timing differences between writing premiums and recognising insurance revenue.

	Note	2024 £m	2023 £m
Gross written premiums		**12,204**	10,888
Movement in unearned premiums on contracts measured under the premium allocation approach (PAA)		**(576)**	(668)
Instalment income		**86**	69
Insurance revenue from general insurance business	3(a)	**11,714**	10,289
Insurance revenue from other segments	3(a)	**9,033**	8,208
Insurance revenue	4	**20,747**	18,497

Combined operating ratio (COR)

COR is a useful financial measure of GI underwriting profitability calculated as total underwriting costs in our insurance entities expressed as a percentage of net insurance revenue. It is used to monitor the profitability of lines of business. A COR below 100% indicates profitable underwriting.

COR continues to be presented on a net of reinsurance basis and includes the impact of discounting (discounted COR).

The Group considers COR with claims measured on an undiscounted basis (undiscounted COR) to align more closely to the way in which the business is managed, and undiscounted COR is disclosed alongside discounted COR.

Alternative performance measures

The Group discounted and undiscounted COR are shown below.

	Note	**2024 £m**	2023 £m
Total claims and benefits – GI and Health	7	**(7,537)**	(6,557)
Adjusted for the following:			
Claims and benefits – Health		**510**	454
Claims recoverable from reinsurers		**593**	474
Losses on onerous contracts (including recoveries) and other		**(40)**	(16)
Total incurred claims (included in COR)		**(6,474)**	(5,645)
Insurance service expense – GI and Health	3(b)	**(11,026)**	(9,664)
Adjusted for the following:			
Insurance service expenses- Health		**656**	582
Insurance service expenses recoverable from reinsurers		**585**	473
Remove incurred claims		**6,474**	5,645
Include non attributable expenses and other		**(32)**	(35)
Total commission and expenses (included in COR)[1]		**(3,343)**	(2,999)
Total underwriting costs - discounted		**(9,817)**	(8,644)
Remove discounting benefit		**(428)**	(327)
Underwriting costs - undiscounted		**(10,245)**	(8,971)
Insurance Revenue – GI and Health	3(b)	**12,426**	10,925
Adjusted for the following:			
Insurance Revenue – Health		**(712)**	(637)
Allocation of reinsurance premiums		**(1,064)**	(963)
Net insurance revenue (included in COR)		**10,650**	9,325
Discounted Combined operating ratio (COR)		**92.2 %**	92.7 %
Undiscounted Combined operating ratio (COR)		**96.3 %**	96.2 %

1. Commission and expenses (included in COR) is comprised of £(2,045) million incurred commission (2023: £(1,857) million) and £(1,298) million incurred expenses (2023: £(1,142) million)

Claims, commission, expense and distribution ratios

Financial measures of the performance of our general insurance business which are calculated as incurred claims, earned commission or earned expenses expressed as a percentage of net insurance revenue, which can be derived from the COR table above. The ratios are meaningful to stakeholders because they enhance understanding of the profitability of the business sold. The commission ratio and expense ratio are aggregated together to calculate the distribution ratio, which is the key efficiency metric for the general insurance business.

Operating earnings per share (Operating EPS)

Operating EPS is calculated based on the Group adjusted operating profit attributable to ordinary shareholders net of tax, deducting non-controlling interests, preference dividends and direct capital instrument coupons divided by the weighted average number of ordinary shares in issue, after deducting treasury shares. Operating EPS is considered meaningful to stakeholders because it enhances the understanding of the Group's operating performance over time by adjusting for the effects of non-operating items. A reconciliation between operating EPS and basic EPS can be found in note 14.

Controllable costs

Controllable costs is a useful measure of the controllable operational overheads associated with maintaining our businesses. These predominantly consist of staff costs, central costs, property costs, IT related costs and other expenses. Controllable costs also include indirect acquisition costs, such as underwriting overheads, and claims handling costs. These are considered to be controllable by the operating segments.

Controllable costs excludes:
- Impairment of goodwill, associates and joint ventures; amortisation and impairment of other intangible assets acquired in business combinations; and amortisation and impairment of acquired value of in-force business. These items relate to merger, acquisition and disposal activity which we view as strategic in nature, hence they are excluded from controllable costs which is principally used to manage the performance of our operating segments;
- Costs in relation to product governance and mis-selling. These costs represent compensation and redress payments made to policyholders and are excluded from controllable costs because they have characteristics of claims payments;
- Premium based taxes, fees and levies that vary directly with premiums. These costs are by their nature a direct cost incurred as a result of generating premium income, and therefore not a controllable operational overhead;
- Integration and restructuring costs recognised in 'other expenses' that relate to a well-defined programme that materially changes the scope of our business or the manner in which it is conducted; and
- Other amounts that, in management's view, are not representative of underlying day-to-day expenses involved in running the business, and that would distort the year-on-year controllable costs trend. In 2024 these primarily include;
  - The employee free share award, fees and charges associated with the share buyback programme, and costs to equalise Guaranteed Minimum Pension benefits;
  - Certain investment management costs included within other expenses but not deemed to be controllable costs which are directly attributable to insurance and investment contracts; and

Alternative performance measures

- Instances where IFRS 17 required a change in income statement classification but not within the boundary of controllable costs.

A reconciliation of other expenses in the IFRS consolidated income statement to controllable costs is set out below:

	Note	**2024 £m**	2023 £m
Other expenses	7	**2,757**	2,443
Add: other acquisition costs	7	**1,218**	1,055
Add: claims handling costs		**271**	239
Less: amortisation of intangibles acquired in business combinations		**(61)**	(52)
Less: amortisation of acquired value of in-force business on investment contracts	7	**(52)**	(59)
Add: foreign exchange gains	7	**109**	146
Less: product governance and mis-selling costs		**(74)**	(63)
Less: integration and restructuring costs		**(217)**	(61)
Less: premium based income taxes, fees and levies		**(239)**	(220)
Less: other costs		**(213)**	(256)
Controllable costs		**3,499**	3,172

IFRS return on equity (RoE)

IFRS RoE shows how efficiently we are using our financial resources to generate a return for shareholders on an IFRS basis. The IFRS RoE calculation is based on Group adjusted operating profit after tax attributable to ordinary shareholders expressed as a percentage of weighted average ordinary shareholders' equity (excluding preference share capital, tier 1 notes and non-controlling interests).

For the full year reporting period, the weighted average is calculated as 25% weighting to closing equity, 25% weighting to opening equity and 50% weighting to equity as at the half year reporting date. For the half year reporting period, the weighted average is calculated as 50% weighting to opening equity and 50% weighting to closing equity.

	2024				2023			
	Group adjusted operating profit				Group adjusted operating profit			
	Before tax attributable to shareholders' profits £m	**After tax attributable to shareholders' profits £m**	**Weighted average shareholders' funds including non-controlling £m**	**Return on equity %**	Before tax attributable to shareholders' profits £m	After tax attributable to shareholders' profits £m	Weighted average shareholders' funds including non-controlling £m	Return on equity %
Insurance, Wealth & Retirement (IWR)	**1,071**	**810**	**7,509**	**10.8 %**	994	794	7,845	10.1 %
General insurance	**996**	**782**	**3,215**	**24.3 %**	851	677	2,722	24.9 %
Aviva Investors	**40**	**34**	**418**	**8.1 %**	21	21	424	4.9 %
International investments (India, China and Singapore)	**48**	**44**	**671**	**6.6 %**	63	63	919	6.9 %
Other Group activities[1]	**(149)**	**(131)**	**2,452**	**N/A**	(229)	(199)	3,108	N/A
Return on total capital employed	**2,006**	**1,539**	**14,265**	**10.8 %**	1,700	1,356	15,018	9.0 %
Group external debt costs	**(239)**	**(179)**	**(4,982)**	**3.6 %**	(233)	(178)	(5,303)	3.4 %
Return on total equity	**1,767**	**1,360**	**9,283**	**14.7 %**	1,467	1,178	9,715	12.1 %
Less: Non-controlling interests		**(21)**	**(316)**	**6.6 %**		(21)	(314)	6.7 %
Less: Tier 1 notes		**(34)**	**(496)**	**6.9 %**		(34)	(496)	6.9 %
Less: Preference shares		**(17)**	**(200)**	**8.5 %**		(17)	(200)	8.5 %
Return on equity shareholders' funds		**1,288**	**8,271**	**15.6 %**		1,106	8,705	12.7 %

IFRS Shareholders' equity per share

IFRS Shareholders' equity per share is calculated as the equity attributable to shareholders of Aviva plc, less preference share capital (both within the consolidated statement of financial position), divided by the actual number of shares in issue at the balance sheet date. IFRS Shareholders' equity per share is meaningful as a measure of the value generated by the Group in terms of the equity shareholders' face value per share investment.

	Note	**2024**	2023
IFRS Shareholders' equity[1] at 31 December (£m)		**7,609**	8,586
Number of shares in issue at 31 December (in millions)	31	**2,678**	2,739
IFRS Shareholders' equity per share		**284 p**	313 p

1. Excluding preference shares of £200 million (2023: £200 million).

Alternative performance measures

Adjusted IFRS Shareholders' equity per share

Adjusted IFRS Shareholders' equity per share is calculated as the equity attributable to shareholders of Aviva plc, less preference share capital (both within the consolidated statement of financial position), plus CSM (see note 39(b)) net of tax, divided by the actual number of shares in issue at the balance sheet date. Adjusted IFRS Shareholders' equity per share is meaningful as a measure of the value generated by the Group, including the value held in CSM, in terms of the equity shareholders' face value per share investment.

	Note	2024	2023
IFRS Shareholders' equity[1] at 31 December (£m)		**7,609**	8,586
Add: CSM (£m)	39(c)	**7,772**	7,248
Less: Tax on CSM (£m)		**(1,910)**	(1,779)
Adjusted IFRS Shareholders' equity[1]		**13,471**	14,055
Number of shares in issue at 31 December (in millions)	31	**2,678**	2,739
Adjusted IFRS Shareholders' equity per share		**503 p**	513 p

1. Excluding preference shares of £200 million (2023: £200 million).

Assets Under Management (AUM) and Assets Under Administration (AUA)

AUM represent all assets managed or administered by or on behalf of the Group's subsidiaries, including those assets managed by Aviva Investors and by third parties. AUM include managed assets that are reported within the Group's statement of financial position and those assets belonging to external clients outside the Aviva Group which are therefore not included in the Group's statement of financial position.

Consistent with previous years, Aviva Investors AUA comprises AUM plus £35,965 million (2023: £40,628 million) of assets managed by third parties on platforms administered by Aviva Investors. Both AUM and AUA are monitored as they reflect the potential earnings arising from investment returns and fee and commission income and measure the size and scale of the Group's fund management business.

A reconciliation of amounts appearing in the Group's statement of financial position to AUM is shown below:

	2024 £m	2023 £m
Financial investments	**263,979**	245,831
Investment property	**6,313**	6,232
Loans	**30,553**	31,884
Cash and cash equivalents	**23,481**	17,273
Other	**6,194**	5,678
Assets included in statement of financial position	**330,520**	306,898
Less: third-party funds and UK Platform included above	**(23,502)**	(19,821)
Assets managed on behalf of the Group's subsidiaries[1]	**307,018**	287,077
Aviva Investors external AUM	**39,696**	38,191
UK Platform[2]	**59,129**	50,555
Other	**1,008**	637
Assets managed on behalf of third parties[3]	**99,833**	89,383
Total AUM[4]	**406,851**	376,460

1. Includes investments in sustainable assets, capturing green assets, sustainability assets, social bonds, and transition and climate-related funds. Definitions for this Climate-related measure can be found within the Reporting Criteria section of the Aviva plc Climate-related Financial Disclosure 2024.
2. UK Platform relates to the assets under management in the UK Wealth business
3. AUM managed on behalf of third parties cannot be directly reconciled to the financial statements
4. Includes AUM of £238,196 million (2023: £227,022 million) managed by Aviva Investors

Net flows

Net flows is used by management as a key measure of growth in AUM, from which income is generated through asset management charges (AMCs). This measure is predominantly used in Aviva Investors and the Wealth business within Insurance, Wealth and Retirement (IWR).

It is the net position of inflows and outflows. Inflows include net premiums received for insurance and participating investment contracts, deposits made under non-participating investment contracts, and other funds received from customers included in AUM. Outflows include net claims paid for insurance and participating investment contracts, redemptions and surrenders under non-participating investment contracts, and other funds withdrawn by customers from AUM.

Aviva Investors net flows includes flows on internal assets which are managed on behalf of Group companies, and external flows on assets belonging to clients outside the Group which are not included in the Group's statement of financial position.

Net flows excludes market and other movements. Net flows when positive in the period can be referred to as net inflows and when negative as net outflows.

Alternative performance measures

Aviva Investors revenue

Aviva Investors revenue includes AMCs received, plus transaction fees and other related income, and is stated net of fees and commissions paid. It is a useful measure of revenue earned from fund management activities. Aviva Investors recognises fee income in the segmental income statement within both fee and commission income and inter-segment revenue. Fees and commissions paid are classified in other operating expenses.

Cost income ratio (CIR)

Cost income ratio is used to monitor profitable growth in Aviva Investors and is useful as it gives a simple view of how efficiently the business is being run, allowing management to clearly see how costs are moving in relation to income.

Cost income ratio is calculated as Aviva Investors' controllable costs divided by Aviva Investors revenue.

	2024 £m	2023 £m
Aviva Investors revenue	**374**	346
Aviva Investors controllable costs	**(334)**	(325)
Cost income ratio[1]	**89 %**	94 %

1. The 2023 comparative amounts for the cost income ratio have been re-presented to calculate the ratio using total Controllable costs

Cost asset ratio

Cost asset ratio is used to monitor efficiency in the Insurance, Wealth & Retirement (IWR) and Aviva Investors businesses and is calculated in basis points (bps) as controllable costs divided by average assets under management (AUM). It is a useful measure as it allows management to see the trend of costs compared with business volumes.

	2024 £m	2023 £m
Insurance, Wealth & Retirement (IWR) controllable costs	1,425	1,259
Insurance, Wealth & Retirement (IWR) average AUM	329,136	304,363
Insurance, Wealth & Retirement (IWR) cost asset ratio	43.3 bps	41.4 bps

	2024 £m	2023 £m
Aviva Investors controllable costs	**334**	325
Aviva Investors average AUM	**232,609**	224,847
Aviva Investors cost asset ratio	**14.4 bps**	14.5 bps

There is significant overlap between the AUM balances of the Insurance, Wealth & Retirement and the Aviva Investors businesses, while some of the Group's AUM is attributable to other business units. The internal allocation of AUM and AUA to Insurance, Wealth & Retirement and Aviva Investors provides the most relevant information to assess the efficiency of these businesses.

Alternative performance measures

APMs derived from Solvency II measures

The Group is a regulated entity under the Solvency II regulatory framework and therefore uses a number of APMs that are derived from Solvency II measures in addition to those that are derived from IFRS based measures.

A number of key performance measures relating to Solvency II are utilised to measure and monitor the Group's performance and financial strength:

- Solvency II shareholder cover ratio
- Value of new business on an adjusted Solvency II basis (VNB)
- Solvency II Present Value of New Business Premium (PVNBP)
- Annual premium equivalent (APE)
- Health In-Force Premiums
- Solvency II operating own funds generation (Solvency II OFG)
- Solvency II operating capital generation (Solvency II OCG)
- Solvency II future surplus emergence
- Solvency II return on equity (Solvency II RoE)
- Solvency II return on capital (Solvency II RoC)
- Solvency II net asset value per share (Solvency II NAV per share)
- Solvency II debt leverage ratio

The Solvency II regulatory framework requires insurers to hold own funds in excess of the Solvency Capital Requirement (SCR). Own funds are available capital resources determined under Solvency II. This includes the excess of assets over liabilities in the Solvency II balance sheet, calculated on best estimate, market consistent assumptions and includes transitional measures on technical provisions (TMTP), subordinated liabilities that qualify as capital under Solvency II, and off-balance sheet own funds.

The SCR is calculated at Group level using a risk-based capital model which is calibrated to reflect the cost of mitigating the risk of insolvency to a 99.5% confidence level over a one-year time horizon – equivalent to a 1 in 200 year event – against financial and non-financial shocks. As a number of subsidiaries utilise the standard formula rather than a risk-based capital model to assess capital requirements, the overall Group SCR is calculated using a partial internal model, and it is shown after the impact of diversification benefit.

The 'shareholder view' of Solvency II is considered by management to be more representative of the shareholders' risk-exposure and the Group's ability to cover the SCR with eligible own funds and aligns with management's approach to dynamically manage its capital position. In arriving at the shareholder view, the following adjustments may be made to the regulatory Solvency II position:

- The contribution to the Group's SCR and own funds of the most material fully ring-fenced with-profits funds and staff pension schemes in surplus are excluded. These exclusions have no impact on Solvency II surplus as these funds are self-supporting on a Solvency II capital basis with any surplus capital above SCR not recognised.
- Adjustments for future regulatory changes that are finalised but not yet implemented at the reporting date in order to show a more representative view of the Group's solvency position.

The reconciliation presented below shows the key differences between Group equity on an IFRS basis and Solvency II own funds on a shareholder view. Additional items bridging from Solvency II shareholder own funds to Solvency II regulatory own funds are presented subsequently.

Alternative performance measures

	Note	2024 £m	2023 £m
Total Group equity on an IFRS basis		**8,621**	9,600
Exclude preference shares and tier 1 notes		**(696)**	(696)
Exclude non-controlling interests	38	**(316)**	(318)
Add back CSM	39(b)	**7,772**	7,248
Exclude tax on CSM		**(1,910)**	(1,779)
IFRS adjusted shareholders' equity		**13,471**	14,055
Goodwill	16	**(2,584)**	(2,100)
Acquired value of in-force business	17	**(408)**	(461)
Deferred acquisition costs (net of deferred income)	29, 47	**(780)**	(710)
Other intangibles	17	**(723)**	(507)
Elimination of goodwill and other intangible assets		**(4,495)**	(3,778)
Removal of IFRS risk adjustment	39(b)	**1,118**	1,162
Inclusion of Solvency II risk margin		**(1,298)**	(1,278)
TMTP		**1,377**	1,407
Revaluation of subordinated liabilities		**312**	196
Asset, liability and other accounting valuation differences		**838**	682
Tax differences		**(98)**	(403)
Exclude staff pension schemes in surplus (net of tax)		**(417)**	(669)
Solvency II unrestricted shareholder tier 1 own funds		**10,808**	11,374
Restricted tier 1		**946**	946
Tier 2		**3,751**	4,526
Tier 3		**134**	173
Solvency II shareholder own funds		**15,639**	17,019
Adjustments for:			
Fully ring-fenced with-profit funds	50	**1,387**	1,408
Staff pension schemes in surplus	50	**297**	397
Solvency II regulatory own funds		**17,323**	18,824

Estimated Solvency II regulatory own funds of £17,323 million (2023: £18,824 million) is £1,644 million (2023: £2,016 million) greater than estimated Solvency II regulatory net assets of £15,679 million (2023: £16,808 million), primarily due to recognition of eligible subordinated debt capital less adjustments for ring-fenced funds restrictions.

Solvency II shareholder cover ratio

The estimated Solvency II shareholder cover ratio, which is derived from own funds divided by the SCR using the 'shareholder view', is one of the indicators of the Group's balance sheet strength.

A reconciliation of the Solvency II regulatory position to the Solvency II shareholder position is provided below:

	2024			2023		
	Own funds £m	**SCR £m**	**Surplus £m**	Own funds £m	SCR £m	Surplus £m
Solvency II regulatory position	**17,323**	**(9,402)**	**7,921**	18,824	(10,011)	8,813
Adjustments for:						
Fully ring-fenced with-profit funds	**(1,387)**	**1,387**	**—**	(1,408)	1,408	—
Staff pension schemes in surplus	**(297)**	**297**	**—**	(397)	397	—
Solvency II shareholder position	**15,639**	**(7,718)**	**7,921**	17,019	(8,206)	8,813

A summary of the shareholder view of the Group's Solvency II position is shown in the table below:

	2024 £m	2023 £m
Own funds	**15,639**	17,019
Solvency capital requirement	**(7,718)**	(8,206)
Solvency II shareholder surplus	**7,921**	8,813
Solvency II shareholder cover ratio	**203 %**	207 %

Value of new business on an adjusted Solvency II basis (VNB)

VNB measures the additional value to shareholders created through the writing of new life business in the period. It reflects Solvency II assumptions and allowance for risk, and is defined as the increase in Solvency II own funds resulting from life business written in the period, including the impact of interactions between in-force and new business, adjusted to:
- Remove the impact of the contract boundary restrictions under Solvency II;
- Include businesses which are not within the scope of Solvency II own funds (e.g. UK non-life Retail business and UK Equity Release); and
- Reflect a gross of tax and non-controlling interests basis, and other differences as set out in the footnote to the table.

Alternative performance measures

- Reflect the VNB methodology for annuities, which uses pricing target asset mix and target reinsurance (where actual reinsurance is not in place rather than the actual asset mix and reinsurance). This is considered more useful as it avoids distortions in the value of new business due to timing differences in asset origination or temporary reinsurance gaps.

	2024 £m	2023 £m
Insurance (Protection and Health)	**250**	214
Wealth & Other	**245**	239
Retirement (Annuities and Equity Release)	**300**	286
Ireland	**44**	42
Insurance, Wealth & Retirement (IWR)	**839**	781
International investments (India, China and Singapore)	**51**	93
Group value of new business on an adjusted Solvency II basis (VNB)	**890**	874

A reconciliation between VNB and the Solvency II own funds impact of new business is provided below:

	2024			2023		
	Insurance, Wealth & Retirement (IWR) £m	**International investments (India, China and Singapore) £m**	**Total £m**	Insurance, Wealth & Retirement (IWR) £m	International investments (India, China and Singapore) £m	Total £m
VNB (gross of tax and non-controlling interests)	**839**	**51**	**890**	781	93	874
Solvency II contract boundary restrictions - new business	**(77)**	**—**	**(77)**	(90)	—	(90)
Solvency II contract boundary restrictions - increments / renewals on in-force business	**124**	**—**	**124**	115	—	115
Businesses which are not in the scope of Solvency II own funds	**(210)**	**—**	**(210)**	(182)	—	(182)
Actual vs target asset mix/expected reinsurance	**16**	**—**	**16**	23	—	23
Tax and other[1]	**(257)**	**(11)**	**(268)**	(259)	(20)	(279)
Solvency II own funds impact of life new business	**435**	**40**	**475**	388	73	461

1. Other includes the impact of 'look through profits' in service companies (where not included in Solvency II) of £(24) million (2023: £(29) million) and the surplus from members options including transfers, early/late retirement and take up of tax-free lump sum payments at retirement (not included in Solvency II Own Funds) on BPAs of £(87) million (2023: £(90) million)

VNB is calculated using economic assumptions as at the point of sale, taken as those appropriate to the start of each quarter. For contracts that are repriced more frequently, weekly or monthly economic assumptions have been used. The economic assumptions follow Solvency II rules for risk-free rates, volatility adjustment and matching adjustment.

The operating assumptions are consistent with the Solvency II balance sheet. When these assumptions are updated, the year-to-date VNB will capture the impact of the assumption change on all business sold that year.

Aviva applies a Matching Adjustment (MA) to certain obligations in IWR, using methodology which is set out in the Solvency and Financial Condition Report (SFCR). The MA used for 2024 UK new business (where applicable) was 122 bps (2023: 133 bps). The MA is an addition to the rate used to discount Solvency II best-estimate liabilities, to reflect the return on the matching assets used. In the calculation of VNB, an MA is applied based on the target allocation of assets backing new business. This allocation will be different to the MA applied at the portfolio level.

New business margin

New business margin (VNB margin) is calculated as value of new business on an adjusted Solvency II basis (VNB) divided by the present value of new business premiums (PVNBP) and expressed as a percentage.

Present value of new business premiums (PVNBP)

PVNBP measures sales in the Group's life insurance business. PVNBP is derived from the present value of new regular premiums expected to be received over the term of the new contracts plus 100% of single premiums from new business written in the financial period and is expressed at the point of sale. The discounted value of regular premiums is calculated using the same methodology as for VNB. PVNBP also includes any changes to existing contracts which were not anticipated at the outset of the contract that generate additional shareholder risk and associated premium income of the nature of a new policy.

	2024 £m	2023 £m
Insurance (Protection and Health)	**3,586**	3,006
Wealth & Other	**27,847**	23,470
Retirement (Annuities and Equity Release)	**9,408**	7,088
Ireland	**2,614**	1,934
Insurance, Wealth & Retirement (IWR)	**43,455**	35,498
International investments (India, China and Singapore)	**1,507**	2,048
Group present value of new business premiums (PVNBP)	**44,962**	37,546

Alternative performance measures

The table below presents a reconciliation of IFRS expected premiums from new insurance contracts to PVNBP:

	Note	**2024 £m**	2023 £m
Expected premiums (including investment components) from new insurance contracts	39(d)	**11,576**	8,439
Contract boundary and other measurement differences between IFRS 17 and PVNBP		**83**	(18)
Expected premiums from new non-participating investment contracts, other retail business, equity release loans and increments on existing policies		**30,266**	25,409
Expected premiums from insurance contracts not in scope of Insurance and reinsurance contracts[1]		**1,530**	1,668
Additions		**31,796**	27,077
Premiums from share of joint ventures, associates and other		**1,507**	2,048
Present value of new business premiums (PVNBP)		**44,962**	37,546

1. Includes premiums from Health business measured under PAA and the cash flows arising from guaranteed annuity options which are within the contract boundary of existing contracts under IFRS, whilst the non-GAAP measure of PVNBP recognises a contract boundary at the date of vesting and therefore includes the premium paid by with profit funds to shareholder owned funds to establish the annuities at vesting

Annual premium equivalent (APE)

APE is calculated as the sum of new regular premiums plus 10% of new single premiums written in the period (where relevant). APE is used as a new business measure, in particular for Protection and Health, part of our Insurance, Wealth & Retirement business. This provides useful information on sales and new business when considered alongside VNB.

Protection and Health	**2024 £m**	2023 £m
Present value of new business premiums (PVNBP)	**3,586**	3,006
Remove capitalised value of future regular premiums	**(3,073)**	(2,591)
Annual premium equivalent (APE)	**513**	415

Health In-Force Premiums

Health In-Force Premiums is calculated as the sum of regular premiums which are in-force as at the reporting date. Health In-Force Premiums is used as a primary trading metric for reporting the Health business. This provides useful information on sales and renewals.

Health	**2024 £m**	2023 £m
Annual premium equivalent (APE)	**138**	151
Add value of renewal premiums in the period	**810**	710
Health In-Force Premiums	**948**	861

Solvency II operating own funds generation (Solvency II OFG)

Solvency II operating own funds generation measures the amount of Solvency II own funds generated from operating activities and incorporates an expected return on investments supporting the life and non-life insurance businesses. Solvency II operating own funds generation is used to assess sustainable growth. The Group considers this measure meaningful to stakeholders as it enhances the understanding of the Group's operating performance over time by separately identifying non-operating items.

The expected investment returns assumed within Solvency II OFG are consistent with the returns used for Group adjusted operating profit. Solvency II OFG includes the effect of variances in experience for non-economic items, such as mortality, persistency and expenses, the effect of changes in non-economic assumptions (for example, longevity) and model changes that are non-economic in nature.

Consistent with the Group adjusted operating profit APM, Solvency II OFG and Solvency II OCG exclude investment variances, economic assumption changes, and integration and restructuring costs.

Solvency II operating own funds generation is the own funds component of Solvency II OCG (see next section).

Underlying Solvency II operating own funds generation consists of Solvency II operating own funds generation excluding items that meet the definition of Management Actions and Other. Management Actions and Other primarily includes the impact of capital actions, non-economic assumption changes and other items which, in the directors view, should be excluded in order to understand the Group's performance during the period and only applies to the life business units.

Solvency II operating capital generation (Solvency II OCG)

Solvency II operating capital generation (Solvency II OCG) measures the amount of Solvency II capital the Group generates from operating activities. Capital generated enhances Solvency II surplus which can be used to support sustainable cash remittances from our businesses, which in turn, supports the Group's dividend as well as funding further investment to provide sustainable growth.

Solvency II OCG reflects Solvency II OFG and operating movements in the SCR including the impact of capital actions, for example, strategic changes in asset mix including changes in hedging exposure.

Underlying Solvency II operating capital generation consists of Solvency II operating capital generation excluding items that meet the definition of Management Actions and other. Management Actions and Other primarily includes the impact of capital actions, non-economic assumption changes and other items which, in the directors view, should be excluded in order to understand the Group's performance during the period and only applies to the life business units.

Alternative performance measures

An analysis of the components of Solvency II OCG is presented below:

	2024 £m	2023 £m
Solvency II own funds impact of life new business	**475**	461
Operating own funds generation from life existing business	**519**	541
Operating own funds generation from non-life	**824**	673
Corporate centre costs and Other	**(136)**	(219)
Group external debt costs	**(179)**	(178)
Underlying own funds generation	**1,503**	1,278
Operating own funds generation from life management actions and other[1]	**152**	451
Solvency II OFG	**1,655**	1,729
Solvency II operating SCR impact	**(187)**	(274)
Solvency II OCG	**1,468**	1,455
Less: Solvency II OCG from life management actions and other	**(224)**	(392)
Underlying Solvency II OCG	**1,244**	1,063

1. Management actions and other includes the impact of capital actions, non-economic assumption changes and other non-recurring items

Solvency II OCG is a key component of the movement in Solvency II shareholder surplus. The tables below provide an analysis of the change in Solvency II shareholder position.

	2024			2023		
Shareholder view	Own funds £m	SCR £m	Surplus £m	Own funds £m	SCR £m	Surplus £m
Solvency II position at 1 January	**17,019**	**(8,206)**	**8,813**	16,468	(7,774)	8,694
Operating capital generation[1]	**1,655**	**(187)**	**1,468**	1,729	(274)	1,455
Non-operating capital generation[1,2,3]	**(785)**	**674**	**(111)**	(214)	(158)	(372)
Dividends[4]	**(959)**	**—**	**(959)**	(917)	—	(917)
Debt (repayment) / issue	**(599)**	**—**	**(599)**	241	—	241
Share buyback / capital return	**(300)**	**—**	**(300)**	(300)	—	(300)
Acquisitions and disposals	**(392)**	**1**	**(391)**	12	—	12
Solvency II position at 31 December	**15,639**	**(7,718)**	**7,921**	17,019	(8,206)	8,813

1. Non-operating capital generation includes integration and restructuring costs on a Solvency II basis (net of tax) of £(106) million (2023: £(356) million). In 2023 £(47) million was incurred during the year, with the remaining £(309) million representing the present value of the costs expected to be incurred over the period 2024-2028 in relation to the extension of two key strategic partnerships. Within 2023, £208 million was recognised in operating own funds generation reflecting lower expense assumptions. Additional benefits significantly in excess of the costs are expected to be recognised in future years as contracts are migrated and the programme delivers the expected efficiencies.
2. Non-operating capital generation includes £51 million (2023: £(241) million) for the correction in respect of the review of accounting processes for with-profits funds
3. Non-operating capital generation also includes £34 million (2023: £34 million) of RT1 note coupons
4. Dividends includes £17 million (2023: £17 million) of Aviva plc preference dividends and £21 million (2023: £21 million) of General Accident plc preference dividends

Solvency II future surplus emergence

Solvency II future surplus emergence is a projection of the capital generation from existing long-term in-force IWR business (excluding Health) and provides an indication of our expected Solvency II OCG from this business in future periods.

The projection is a static analysis as at a point in time and hence it does not include the potential impact of future new business or the potential impact of active management of the business (for example, active management of market, demographic and expense risk through investment, hedging, risk transfer, operational risk and expense management). It excludes investment return on surplus assets (i.e. own funds in excess of SCR). These items may affect the actual amount of Solvency II OCG earned from existing business in future periods.

For business subject to short contract boundaries under Solvency II, allowance has been made for the impact of renewal premiums as and when they are expected to occur.

The projected surplus, which is primarily expected to arise from the release of risk margin (including transitional measures) and solvency capital requirement as the business runs off over time, is expected to emerge through Solvency II OCG in future years.

The cash flows are real-world cash flows, i.e. they are based on best estimate non-economic assumptions used in the Solvency II valuation and real-world investment returns rather than risk-free. The expected investment returns are consistent with the methodology used in the Group adjusted operating profit.

Solvency II return on equity (Solvency II RoE)

Solvency II RoE is used as an economic value measure by the Group to assess growth and performance.

Solvency II RoE is calculated as:
- Operating own funds generation less preference dividends and equity RT1 note coupons, adjusted to replace the run-off of TMTP with the economic cost of holding TMTP (calculated as Group Weighted Average Cost of Capital plus 1-yr swap rate, multiplied by the opening TMTP on a shareholder basis), divided by:
- Opening unrestricted tier 1 shareholder Solvency II own funds.

To remove distortions in the evaluation of growth and performance whilst we temporarily held excess capital an adjustment was made to exclude excess capital from the denominator (and the return on excess capital from Solvency II operating own funds generation). Excess capital is derived as Solvency II shareholder own funds in excess of our target shareholder cover ratio

Alternative performance measures

(currently 180%). Now that we have completed our capital return initiatives, we have reported Solvency II RoE with and without adjustment for excess capital.

Solvency II RoE is calculated on an annualised basis and is shown below:

	2024 £m	2023 £m
Solvency II operating own funds generation (Solvency II OFG)	**1,655**	1,729
Adjustment to replace TMTP run-off with economic cost of TMTP	**(31)**	(41)
Less preference share dividends	**(38)**	(38)
Less RT1 notes coupons	**(34)**	(34)
Adjusted Solvency II OFG (less preference share dividends & RT1 note coupons)	**1,552**	1,616
Opening unrestricted tier 1 shareholder Solvency II own funds	**11,374**	10,962
Solvency II return on equity	**13.6 %**	14.7 %

Solvency II RoE (adjusted for excess capital) has decreased by 2.0pp to 16.3% (2023: 18.3%). The excess capital (above 180% of SCR) at 1 January 2024 was £2,248 million (1 January 2023: £2,474 million).

Solvency II return on capital (Solvency II RoC)

Solvency II return on capital is an unlevered economic value measure as it is used to assess growth and performance in our businesses before taking debt into account. It is calculated on an annualised basis.

Solvency II RoC is calculated as:
- Operating own funds generation adjusted to replace the run-off of TMTP with the economic cost of holding TMTP (calculated as Group Weighted Average Cost of Capital plus 1-yr swap rate multiplied by the opening TMTP on a shareholder basis), divided by:
- Opening shareholder Solvency II own funds.

For UK general insurance only, capital held for internal risk appetite purposes is used instead of opening shareholder Solvency II own funds. This removes any distortions arising from our general insurance legal entity structure and therefore ensures consistency in measuring performance across markets. This is only applicable to UK general insurance Solvency II return on capital and not to the aggregated Group Solvency II return on equity measure.

A reconciliation of Solvency II return on capital by market to Group return on equity is provided below.

	2024			Re-presented[1] 2023		
	Solvency II OFG (post TMTP adjustment) £m	**Opening shareholder own funds £m**	**Solvency II return on capital/ equity %**	Solvency II OFG (post TMTP adjustment) £m	Opening shareholder own funds £m	Solvency II return on capital/equity %
Insurance, Wealth & Retirement (IWR)	**998**	**10,595**	**9.4 %**	1,256	10,729	11.7 %
UK & Ireland General Insurance[2]	**572**	**2,385**	**24.0 %**	315	2,418	13.0 %
Canada General Insurance	**223**	**1,637**	**13.6 %**	339	1,590	21.3 %
Aviva Investors	**29**	**392**	**7.4 %**	19	387	4.9 %
International investments (India, China and Singapore)	**117**	**1,082**	**10.8 %**	156	1,187	13.1 %
Corporate centre costs and Other[2]	**(136)**	**928**	**N/A**	(219)	157	N/A
Less: Senior and subordinated debt	**(179)**	**(4,526)**	**N/A**	(178)	(4,264)	N/A
Less: RT1 coupon and preference shares[3]	**(72)**	**(946)**	**N/A**	(72)	(946)	N/A
Less: Net deferred tax assets	**—**	**(173)**	**N/A**	—	(296)	N/A
Solvency II return on equity at 31 December	**1,552**	**11,374**	**13.6 %**	1,616	10,962	14.7 %

1. The 2023 comparatives for opening shareholder own funds and Solvency II return on capital have been re-presented for IWR, Canada General Insurance and Ireland General Insurance as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting IWR, Canada General Insurance and Ireland General Insurance performance. There is no impact on Group opening own funds or Group return on equity.
2. For UK general insurance only, capital held for internal risk appetite purposes is used instead of opening shareholder Solvency II own funds to ensure consistency in measuring performance across markets. This is only applicable to UK general insurance Solvency II return on capital and not to the aggregated Group Solvency II return on equity measure, with the reversal of the impact included in Corporate centre costs and Other opening own funds.
3. Preference dividends includes £17 million (2023: £17 million) of Aviva plc preference dividends and £21 million (2023: £21 million) of General Accident plc preference dividends

Solvency II net asset value per share (Solvency II NAV per share)

Solvency II NAV per share is used to monitor the value generated by the Group in terms of the equity shareholders' face value per share investment. This is calculated as the closing unrestricted Tier 1 Solvency II shareholder own funds, divided by the actual number of shares in issue as at the balance sheet date. Consistent with Solvency II RoE, it is an economic value measure used by the Group to assess growth.

The Solvency II NAV per share is shown below:

	Note	**2024**	2023
Unrestricted tier 1 shareholder Solvency II own funds (£m)		**10,808**	11,374
Number of shares in issue at 31 December (in millions)	31	**2,678**	2,739
Solvency II NAV per share		**404 p**	415 p

Alternative performance measures

Solvency II debt leverage ratio

Solvency II debt leverage ratio is calculated as total debt expressed as a percentage of Solvency II regulatory own funds plus senior debt and commercial paper. Solvency II regulatory debt includes subordinated debt and preference share capital. The Solvency II debt leverage ratio provides a measure of the Group's financial strength. The Solvency II debt leverage ratio is as follows:

	2024 £m	2023 £m
Solvency II regulatory debt	**4,697**	5,472
Senior notes	**383**	401
Commercial paper	**50**	51
Total debt	**5,130**	5,924
Solvency II regulatory own funds, senior debt and commercial paper	**17,756**	19,276
Solvency II debt leverage ratio	**28.9 %**	30.7 %

A reconciliation from IFRS subordinated debt to Solvency II regulatory debt is provided below:

	Note	**2024 £m**	2023 £m
IFRS borrowings	45	**5,612**	6,374
Senior notes		**(383)**	(401)
Commercial paper		**(50)**	(51)
Operational borrowings		**(1,116)**	(1,200)
Less: Borrowings not classified as Solvency II regulatory debt		**(1,549)**	(1,652)
IFRS subordinated debt		**4,063**	4,722
Revaluation of subordinated liabilities		**(312)**	(196)
Solvency II subordinated debt		**3,751**	4,526
Preference share capital and tier 1 notes		**946**	946
Solvency II regulatory debt		**4,697**	5,472

Other APMs

Cash remittances

Cash paid by our operating businesses to the Group, for the period between March and the end of the month preceding the results announcement comprised of dividends and interest on internal loans. Dividend payments by operating businesses may be subject to insurance regulations that restrict the amount that can be paid. The business monitors total cash remittances at a Group level and in each of its businesses. On occasion, cash may be moved around the Group via remittances to the centre and back to other business units in the same period. Such movements of cash around the Group are excluded from Cash remittances. Cash remittances are considered a useful measure as they support the payments of external dividends. Cash remittances eliminate on consolidation and hence are not directly reconcilable to the Group's IFRS consolidated statement of cash flows.

Excess centre cash flow

This represents the cash remitted by business units to the Group centre less central operating expenses and debt financing costs. Excess centre cash flow is a measure of the cash available to pay dividends, reduce debt or invest back into our business. Excess centre cash flow does not include cash movements such as disposal proceeds or capital injections. Excess centre cash flow when positive in the period can be referred to as excess centre cash inflows and when negative as excess centre cash outflows.

Centre liquidity

Centre liquidity comprises cash and liquid assets and represents amounts as at the end of the month preceding results announcements. It provides meaningful information because it shows the liquidity at the Group centre available to meet debt interest and central costs and to pay dividends to shareholders.

Shareholder services

2025 Financial Calendar

Ordinary dividend timetable:	**Final**	**Interim**[2]
Ex-dividend date	10 April 2025	28 August 2025
Record date	11 April 2025	29 August 2025
Last day for Dividend Reinvestment Plan and currency election	30 April 2025	25 September 2025
Dividend payment date[1]	22 May 2025	16 October 2025
Other key dates:		
Annual General Meeting		9am on 30 April 2025
Q1 Trading Update[2]		15 May 2025
Interim Results Announcement[2]		14 August 2025
Q3 Trading Update[2]		13 November 2025

1. Please note that the ADR local payment date will be approximately four business days after the proposed dividend date for ordinary shares
2. These dates are provisional and subject to change

Dividend payment options

Shareholders can receive their dividends in the following ways:

- Directly into a nominated UK bank account
- Directly into a nominated Eurozone bank account
- Shareholders living outside of the UK and the Single Euro Payments Area can elect to receive their dividends or interest payments in over 200 jurisdictions around the world via our Registrar, Computershare; or
- The Dividend Reinvestment Plan enables eligible shareholders to reinvest their cash dividend in additional Aviva ordinary shares

You can find further details regarding these payment options at www.aviva.com/dividends and register your choice by contacting Computershare using the contact details opposite, online at **www.investorcentre.co.uk** or by returning a dividend mandate form. You must register for one of these payment options to receive any dividend payments from Aviva.

Manage your shareholding online

www.aviva.com/shareholders:

General information for shareholders

www.investorcentre.co.uk:

- Change your address
- Change payment options
- Buy or sell Aviva shares
- Switch to electronic communications
- View your shareholding
- View any outstanding payments

Annual General Meeting (AGM)

The 2025 AGM will be held at the Aviva Centre, Brierly Furlong, Stoke Gifford, Bristol, BS34 8SW, on Wednesday, 30 April 2025, at 9am with facilities to attend electronically.

Details of each resolution to be considered at the meeting and voting instructions are provided in the Notice of AGM, which will be made available on the Company's website at **www.aviva.com/agm** in March 2025.

The voting results of the 2025 AGM will be accessible on the Company's website at **www.aviva.com/agm** shortly after the meeting.

Shareholder contacts:

Ordinary and preference shares

For any queries regarding your shareholding, please contact Computershare:

By telephone: 0371 495 0105
We're open Monday to Friday, 8.30am to 5.30pm UK time, excluding public holidays. Please call +44 117 378 8361 if calling from outside of the UK

By email:
Avivashares@computershare.co.uk

In writing: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ

American Depositary Receipts (ADRs)

For any queries regarding Aviva ADRs, please contact Citibank Shareholder Services (Citibank):

By telephone: 1 877 248 4237 (1 877-CITI-ADR)
We are open Monday to Friday, 8.30am to 6pm US Eastern Standard Time, excluding public holidays. Please call +1 781 575 4555 if calling from outside of the US

By email:
Citibank@shareholders-online.com

In writing: Citibank Shareholder Services, PO Box 43077, Providence, Rhode Island, 02940-3077 USA

Group Company Secretary

Shareholders may contact the Group Company Secretary:

By email:
Aviva.shareholders@aviva.com

In writing: Susan Adams, Group Company Secretary, 80 Fenchurch Street, London, EC3M 4AE

By telephone:
+44 (0)20 7283 2000

Cautionary statement

This report should be read in conjunction with the documents distributed by Aviva plc (the ‘Company’ or ‘Aviva’) through The Regulatory News Service (RNS).This report 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 and other future events and circumstances (including, climate and other sustainability-related plans and goals). Statements including those containing the words ‘believes’, ‘intends’, ‘expects’, ‘projects’, ‘plans’, ‘will’, ‘seeks’, ‘aims’, ‘may’, 'might', ‘could’, 'should', ‘outlook’, ‘likely’, ‘target’, ‘goal’, ‘guidance’, ‘trends’, ‘future’, ‘estimates’, ‘potential’, 'possible', ‘objective’, ‘predicts’, ‘ambition’ and ‘anticipates’, and words of similar meaning, are forward-looking. By their nature, all forward-looking statements are subject to known and unknown risks and uncertainty. Accordingly, there are or will be important factors that could cause actual results - and Aviva's related plans, expectations and targets - to differ materially from those indicated in these statements. Factors that could cause actual results to differ materially from those indicated in forward-looking statements in the report include: 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 current geopolitical landscape and rising protectionist measures); 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 commence 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; technological developments; 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 and the potential loss of or damage to customer relationships, whether related to changes in customer habits or not; changes in laws and legal or public policy, in particular; changes in tax law 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; uncertainties relating to announced and future acquisitions (in particular, the proposed acquisition of Direct Line), combinations or disposals within relevant industries including regulatory approvals, timing for completion, diversion of management attention and other resources and the Group's ability to integrate; the impact of exposure to Lloyd's 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. Forward looking statements should therefore be construed in light of such aforementioned factors.
Aviva undertakes no obligation to update the forward looking statements in this report 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 and readers are cautioned not to place undue reliance on such forward-looking statements. Such statements should be regarded as indicative and illustrative only, and Aviva does not provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. The climate metrics, projections, forecasts and other forward-looking statements used in this report should be treated with special caution, as they are more uncertain than 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; forward-looking climate metrics (such as ambitions, targets, climate scenarios and climate projections and forecasts); and metrics used to assess climate-related risks and opportunities in funds/investment strategies. Our understanding of climate change effects, data metrics and methodologies and its impact continue to evolve. Accordingly, both historical and forward-looking climate metrics are inherently uncertain and, therefore, could be less decision-useful than metrics based on historical financial statements. The information in this report does not constitute an offer to sell or an invitation to buy shares in Aviva plc or an invitation or inducement to engage in any other investment activities.

Aviva plc is a company registered in England No. 2468686.

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