# It takes Aviva

**Aviva plc**
Half Year Report
2025

**News Release**

14 August 2025

# Aviva plc 2025 Interim Results Announcement

Strong first half performance with consistent delivery

Strategic and operational momentum continues with operating profit up 22%

Direct Line acquisition completed and integration moving at pace

| Operating profit[1] | SII OFG | Undiscounted COR | Solvency II cover ratio[2] | 2025 interim dividend per share |
|---|---|---|---|---|
| £1,068m | £909m | 94.6% | 206% | 13.1p |
| +22% | +20% | (0.8)pp | +3pp | +10% |
| HY24: £875m | HY24: £758m | HY24: 95.4% | FY24: 203% | HY24: 11.9p |

## Amanda Blanc, Group Chief Executive Officer, said:

*"Aviva's performance in the first half of 2025 was outstanding, growing operating profit by 22% and extending our track record of delivery. Another set of high-quality results, combined with excellent strategic progress, are further evidence of how we are pushing Aviva forward. This excellent performance allows us to achieve even more for our customers and our shareholders, and today we are increasing the interim dividend to 13.1 pence per share.*

*"Trading has been very good right across Aviva. We are the number one UK wealth player, with more than £200 billion of assets, and net flows are up 16%. In general insurance we remained disciplined, growing sales by 7%, and operating profit by 29%. Our general insurance operations now represent half of business unit operating profit. Our health business grew in-force premiums by 14% as more people and employers are attracted to the benefits of private medical insurance.*

*"We completed the acquisition of Direct Line at the beginning of July, just six months after our recommended offer, and integration is well underway. The combined business is a UK market leader with over 21 million customers, or 4 in 10 adults, and we are confident the deal will contribute significantly to Aviva's future growth.*

*"Over the past five years we've transformed the performance and prospects of Aviva. Today we are the UK's leading diversified insurer, with a strong track record of delivery, and an unwavering commitment to our customers. We are very well positioned to accelerate growth in the capital-light areas of wealth, health and general insurance, and deliver more and more for our shareholders."*

## Strong first half performance with continued profitable growth momentum

- Group operating profit up 22% to £1,068m (HY24: £875m). 66% of the Group's operating profit is now from capital-light businesses.
- Solvency II OFG up 20% to £909m (HY24: £758m) and Solvency II OCG up 33% to £957m (HY24: £722m).
- Solvency II return on equity 16.7% (HY24: 12.4%) and IFRS return on equity[3] of 20.6% (HY24: 14.8%).
- Cash remittances up 7% to £1,022m (HY24: £959m).
- Insurance, Wealth & Retirement (IWR) sales[4] up 9% to £21.5bn (HY24: £19.7bn).
- General Insurance premiums[4] up 7%[5] to £6,290m (HY24: £6,005m). Undiscounted COR of 94.6% (HY24: 95.4%) and discounted COR of 90.4% (HY24: 91.5%).
- IFRS profit for the period[6] of £819m (HY24: £654m).
- Solvency II shareholder cover ratio of 206% (FY24: 203%) remains strong and resilient. Centre liquidity (Jul 25) of £2.1bn (Jan 25: £1.7bn).
- Solvency II debt leverage ratio of 32.3% (FY24: 28.9%).
- Interim dividend per share up 10% to 13.1p (HY24: 11.9p).

## Direct Line integration underway following completion on the 1st July

- Acquisition completed after the period to which the interim results announcement applies. Therefore, Direct Line's H1 2025 numbers are not consolidated in Aviva's results.
- Using Direct Line's accounting policies as the basis of preparation with no adjustments to align to existing Aviva policies, motor and non-motor premiums were flat at £1,343m and £500m respectively. Motor policies were 6% lower at 3.7m and non-motor policies were 4% lower at 4.9m. Net Insurance Margin, Direct Line's measure of underwriting profitability, increased 7.6pp to 9.4%[7].
- Integration well underway with no updates today to the financial benefits of the acquisition outlined in December 2024. The acquisition will add further capital-light operating profits with c.10% run-rate EPS accretion.
- Further details on the integration and the impact to the Group targets to be provided at an 'In Focus' event in November.

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## Continued growth momentum across the Group

- UK&I General Insurance premiums up 9% to £4,141m (HY24: £3,809m) and undiscounted COR of 94.5% (HY24: 95.8%). UK personal lines premiums grew by 3% supported by growth in Intermediated, including the travel partnership with Nationwide. UK commercial lines premiums grew 15% due to pricing actions, new business growth and the Probitas acquisition.
- Canada General Insurance premiums up 4% to £2,149m (HY24: £2,196m) and undiscounted COR of 94.7% (HY24: 94.7%). We saw continued growth of 9% in personal lines driven by pricing actions across auto and property. Commercial lines premiums were lower by 3% driven by reduced GCS volumes from portfolio management actions as we maintain discipline and focus on margin over volumes.
- Wealth net flows of £5.8bn (HY24: £5.0bn) up 16%, or 6%[8] of opening Assets Under Management (AUM) due to growing regular contributions in Workplace and continued momentum in Platform. AUM grew 6% to £209bn (FY24: £198bn).
- Health saw 14% growth in in-force premiums, which have now reached £1.0bn, with low-90s COR. Protection sales[4] were lower by 16%, as expected, due to the consolidation of propositions in the second half of 2024 following the acquisition from AIG.
- Retirement sales of £2,946m (HY24: £3,036m) were 3% lower, reflecting subdued market activity in BPA with sales at £2.0bn (HY24: £2.3bn). As of today, volumes for completed BPA schemes have risen to £3.1bn. Individual annuity sales were up 29% reflecting enhanced operational capacity. VNB was 10% lower at £94m.
- Aviva Investors is a core enabler of growth for the Group, originating £1.3bn of real assets for our annuities business, and c.65% of Workplace net flows went into Aviva Investors funds. External net flows were positive at £0.3bn (HY24: £0.3bn).

### Group financial performance

| General Insurance premiums | Solvency II OCG | IFRS profit for the period |
|---|---|---|
| £6,290m | £957m | £819m |
| +7% | +33% | +25% |
| HY24: £6,005m | HY24: £722m | HY24: £654m |

### Cash and liquidity

| Cash remittances | Centre liquidity |
|---|---|
| £1,022m | £2,103m |
| +7% | +24% |
| HY24: £959m | Jan 25: £1,695m |

## Confident outlook

Today, our operating profit is majority capital-light and we're accelerating by investing in the business and through M&A. The acquisition of Direct Line will further power this trajectory, accelerating beyond 70% of capital-light operating profit as synergies are delivered.

Our positive momentum continued in the first half of 2025 with another strong set of results. We expect to give further colour on Direct Line and the impact of the acquisition on the Group targets at an 'In Focus' session in November, and we remain confident in meeting the Group targets outlined at our full year 2023 results presentation on a standalone basis:

- Operating profit: £2bn by 2026.
- Solvency II OFG: £1.8bn by 2026.
- Cash remittances: >£5.8bn cumulative 2024-26.

In General Insurance, where we expect to see some areas of rate softening in the second half, we remain focused on pricing appropriately to maintain the strong rate adequacy across the portfolios. We benefitted from 2.6pts of favourable prior year development in the first half which we wouldn't expect to repeat necessarily, given we use a best estimate approach to reserving.

In Wealth we expect our strong growth to continue, underpinned by continued momentum in our Workplace and Platform businesses, and we remain on track to deliver our ambition for £280m operating profit by 2027.

In our Health business we anticipate further growth towards our 2026 ambition of £100m operating profit. In Protection, the sales decline seen in the first half will moderate as the consolidation of propositions occurred in the second half of 2024.

In BPA we expect to remain active but disciplined, and we anticipate volumes for 2025 to be lower than 2024 reflecting the current market dynamics. We anticipate writing volumes over 2025-27 at similar levels to those achieved in aggregate over the last three years, although given the exceptional market conditions in 2024 those volumes may not be repeated, with our primary focus remaining on margins and IRRs.

Importantly, Aviva is a diversified business across geographies and product lines, allowing us to be disciplined in areas where conditions are more challenging, and focus on areas where there are growth opportunities.

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## Summary financial performance

| £m (unless otherwise stated)<br>**IFRS performance** | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| Business unit operating profit | **1,271** | 1,079 | 18 % | 2,155 |
| Corporate centre costs, Group external debt costs and Other | **(203)** | (204) | 1 % | (388) |
| **Operating profit**[1] | **1,068** | 875 | 22 % | 1,767 |
| IFRS profit for the period[6] | **819** | 654 | 25 % | 705 |
| Operating earnings per share[9] | **29.0 p** | 23.3 p | 25 % | 48.0 p |
| Basic earnings per share | **21.7 p** | 22.8 p | (5)% | 23.6 p |
| IFRS return on equity[3] | **20.6 %** | 14.8 % | 5.8 pp | 15.6 % |

| **IFRS capital** | **30 June 2025** | 31 December 2024 | Sterling % change | 30 June 2024 |
|---|---|---|---|---|
| IFRS Contractual service margin (CSM) | **7,779** | 7,772 | — % | 7,331 |
| Adjusted IFRS Shareholders' equity[10] | **13,290** | 13,471 | (1)% | 13,973 |
| Adjusted IFRS Shareholders' equity per share[10] | **496 p** | 503 p | (1)% | 521 p |

| **Solvency II performance** | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| **Solvency II operating own funds generation** | **909** | 758 | 20 % | 1,655 |
| Solvency II operating capital generation | **957** | 722 | 33 % | 1,468 |
| Solvency II return on equity | **16.7 %** | 12.4 % | 4.3 pp | 13.6 % |

| **Solvency II capital** | **30 June 2025** | 31 December 2024 | Sterling % change | 30 June 2024 |
|---|---|---|---|---|
| Solvency II shareholder cover ratio | **206 %** | 203 % | 3 pp | 205 % |
| Solvency II debt leverage ratio | **32.3 %** | 28.9 % | 3.4 pp | 31.1 % |

| **Cash** | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| **Cash remittances** | **1,022** | 959 | 7 % | 1,992 |

| **Dividend** | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| **Interim dividend per share** | **13.1 p** | 11.9 p | 10 % | 11.9 p |

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# Chief Executive's Overview

## A strong set of results, with more still to come

Aviva has delivered an outstanding performance in the first half of 2025, extending our track record of delivery once again. Another strong set of results, combined with excellent strategic progress, are further evidence of how we are pushing the business forward.

We have cemented our position as the UK's leading diversified insurer, with a consistent strategy and an enhanced reputation for delivering what we said we would. We're continuing to power growth both organically and through M&A, including the acquisition of Direct Line which we completed at the start of July.

Everything we've delivered at Aviva is ultimately down to our fantastic people. Their relentless focus on delivering a great customer experience is the driving force behind today's results and I want to thank everyone at Aviva for all they do.

Aviva has been transformed over the last five years, but my ambition for the future remains undiminished. If anything, it has only grown. We know there are still so many opportunities in front of us. I am excited about the next chapter of Aviva's growth and delivering more for both customers and shareholders alike.

## Excellent half-year performance, right across Aviva

Aviva has had a strong first half, with operating profit up 22%. We continue to grow capital and cash generation and our interim dividend of 13.1 pence per share represents a 10% increase.

Underpinning these results is growth right across our powerful, diversified model.

In General Insurance, operating profit is up 29% and premiums are up 7%, and the acquisition of Direct Line opens up significant opportunities for further growth. The integration is already well underway, and we're moving at speed to improve performance, drive financial benefits and unlock the full potential of the combined business.

In Wealth, we extended our position as the number one UK Wealth player with over £200 billion of assets. And we continue to grow, with net flows up 16% year-on-year, representing 6% of opening assets once more.

In Protection, we're improving margins as we integrate the business acquired from AIG. In Health we're growing well, reaching £1 billion of in-force premiums, with a combined ratio in the low-90s.

In Retirement, we've seen increased competition in bulk purchase annuities but have nonetheless written £2 billion of volumes at attractive margins, supported by real asset[11] origination in Aviva Investors.

Our customer focus remains front and centre, with a record 5.5 million customers having two or more policies with us. Our Net Promoter Score is up by more than 7 points year-on-year to stand at over 50.

## Executing our consistent strategy

All this demonstrates that our strategy is the right one for Aviva and it is delivering results across our four priorities of Growth, Customer, Efficiency and Sustainability.

In Growth, we are making great progress in shifting our earnings mix towards capital-light. Less than three years ago, our portfolio was evenly split. Today, we're at 66% capital-light and as we continue to grow organically and integrate Direct Line, we'll accelerate beyond 70%. The benefits of such an approach are clear. Stronger growth and better returns with less capital is a highly attractive proposition for our shareholders.

There's no shortage of opportunities across all our capital-light business and we have clear plans in place to go after them. To take just two examples: in Wealth we have a tremendous opportunity, with £2.3 trillion of assets in a market which is growing by double digits. Similarly in Health, we are on track to achieve £100 million of operating profit by 2026, benefitting from market-leading propositions, disciplined pricing and supply chain management.

On Customer, our leading franchise in UK financial services, with a greater scale than most major banks, is a key source of Aviva's advantage. With the addition of Direct Line we now have over 21 million customers in the UK alone, with 4 in 10 adults having a policy with Aviva.

This is a huge growth opportunity, and we're uniquely positioned to unlock it, with a full suite of products to meet people's lifetime financial needs, a leading brand they can trust, and an engaging digital experience.

We're focused on three priorities to take full advantage of this potential. We're serving more customers, with over two million more customers turning to us to protect their future over the last five years. We're serving more of their needs, with 42% of new policies sold to existing customers. And we've made huge strides improving the experience we offer. With a single view of data for all UK customers, we're delivering more personalised engagement on MyAviva, and our Online Experience Score now stands at over 70%.

On Efficiency, we are driving benefits from large transformation programmes in IWR and Aviva Investors, simplifying our IT estate and building enterprise capabilities. We are also harnessing the potential of both traditional AI and Generative AI with improvements to claims, fraud detection and call-handling, bringing benefits for Aviva and our customers.

And finally we continue to operate as a sustainable business, taking social and climate action to help our communities get ready for what lies ahead, and contribute to the conditions for Aviva's long-term, sustainable success. Our investment in the UK is testament to our commitment here. This includes plans to create a world-leading cancer research and treatment centre in London, building over one thousand new homes in Norwich City Centre and supporting UK start-ups.

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## Next chapter of Aviva growth

We've made a lot of progress over the last five years. We are the UK's leading diversified insurer, with great businesses in Ireland and Canada. We're accelerating in capital-light, we have a clear customer-centric strategy and a reputation for delivery. And we're further enhancing shareholder returns as a result of the Direct Line acquisition.

All this makes Aviva a great investment. Nonetheless, we know there's still huge untapped opportunity for us to grasp. Driven by our people, our winning strategy, and our unwavering commitment to customers, we are looking to extend our track record further, unlock our customer advantage and deliver on our promises to shareholders.

**Amanda Blanc DBE**
Group Chief Executive Officer
13 August 2025

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# Group financial headlines

## Operating results

### Cash remittances

Cash remittances were up 7% to £1,022 million (HY24: £959 million). We remain on track to meet our ambition of >£5.8 billion cash remittances (cumulative 2024-26).

### Performance

Operating profit increased by 22% to £1,068 million (HY24: £875 million) primarily driven by growth in UK&I General Insurance and IWR. Operating earnings per share (EPS) increased 25% to 29.0p (HY24: 23.3p).

Operating profit in UK&I General Insurance increased by 50% to £430 million (HY24: £287 million) driven by a strong underwriting result and improved investment return in the UK, partly offset by the impact of Storm Eowyn in Ireland. Canada increased by 7%[5] reflecting an improved underlying result, partly offset by adverse weather related catastrophe events. Insurance, Wealth & Retirement operating profit was up 8% to £575 million (HY24: £532 million) with growth in Wealth and in Protection and Health partly offset by the expected run-off of the Heritage business. Aviva Investors operating profit of £23 million (HY24: £18 million) reflects higher revenues from increased AUM.

IFRS profit for the period was £819 million (HY24: £654 million), primarily driven by improved operating profit and beneficial investment variances. Basic EPS was 21.7p (HY24: 22.8p) reflecting the impact of special dividends paid upon cancellation of the preference shares.

### Solvency II operating own funds generation (Solvency II OFG)

Solvency II OFG grew by 20% to £909 million (HY24: £758 million) driven by increases in UK & Ireland General Insurance, IWR, Aviva Investors and International investments.

### Solvency II operating capital generation (Solvency II OCG)

Solvency II OCG grew by 33% to £957 million (HY24: £722 million) driven by increases in UK & Ireland General Insurance, IWR and Canada, partly offset by Group Centre.

### Solvency II return on equity (Solvency II RoE)

Solvency II RoE increased by 4.3pp to 16.7% (HY24: 12.4%) due to lower opening own funds and higher SII OFG as outlined above. Excluding the impact of Management actions and Other, Solvency II return on equity has increased by 1.4pp to 14.0% (HY24: 12.6%) reflecting the lower opening own funds.

## Business performance

### Insurance, Wealth and Retirement (IWR)

Wealth net flows increased by 16% to £5.8 billion (HY24: £5.0 billion), representing 6% of opening AUM. The continued momentum in Wealth was driven by new business wins and strong growth in regular member contributions in Workplace, which have now reached £1 billion per month, and continued growth in Platform. Health sales were 15% higher at £76 million (HY24: £66 million) driven by continued momentum across our consumer and corporate propositions. In-force premiums have now reached £1 billion, increasing 14% year-on-year, reflecting strong sales and pricing actions. Protection sales decreased by 16% to £172 million (HY24: £205 million), as expected, due to the consolidation of propositions in the second half of 2024 following the acquisition from AIG. In Retirement, BPA volumes were marginally lower at £2.0 billion (HY24: £2.3 billion) across 43 deals, reflecting subdued market activity. We have continued to write new BPA business at low capital strain and the internal rate of return has remained above our low teens guidance. Total Retirement sales were £2.9 billion (HY24: £3.0 billion), which included strong growth in Individual Annuities, up 29%, reflecting increased operational capacity to capture sustained customer demand and grow market share.

IWR's cost asset ratio was broadly stable 43.5 bps (HY24: 43.3 bps). We continue to maintain focus on operational efficiency and leverage to grow assets under management.

IWR operating profit was up 8% to £575 million (HY24: £532 million). Wealth operating profit of £76 million (HY24: £58 million) was 31% higher as asset growth in Workplace and Platform translated to higher revenue and improved operating leverage. Retirement operating profit was 3% lower at £338 million (HY24: £347 million), as higher releases from the CSM from portfolio growth was offset by a lower investment result. Protection & Health operating profit grew 24% driven by higher releases from the stock of future profit supported by portfolio growth in Protection and improved performance in Health. Heritage operating profit was 14% lower at £95 million (HY24: £111 million) reflecting the expected run-off of the closed portfolio.

Solvency II OFG of £433 million (HY24: £412 million) was 5% higher reflecting new business growth and the positive impact of management actions, partly offset by reduced investment returns, reflecting lower interest rates and opening assets, and the impact of the Solvency UK reforms on the transitional measure on technical provisions, which results in a faster run-off. Cash remittances were £832 million (HY24: £792 million).

### UK & Ireland General Insurance

Premiums increased 9% to £4,141 million (HY24: £3,809 million). UK personal lines premiums grew 3% to £1,858 million (HY24: £1,811 million) driven by growth in Intermediated, including the travel partnership with Nationwide, partly offset by lower average premiums in Retail. We continue to achieve strong growth in UK commercial lines, up 15%, as premiums reached £2,008 million (HY24: £1,749 million) driven by £180 million from the acquisition of Probitas, new business in GCS, and pricing actions in SME.

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UK & Ireland General Insurance operating profit was 50% higher at £430 million (HY24: £287 million) driven by strong underwriting results and improved investment returns. Undiscounted COR was 94.5% (HY24: 95.8%) as we benefitted from the earn through of strong pricing actions, favourable prior year development and growth in Retail in 2024. Discounted COR was 89.8% (HY24: 92.2%).

Solvency II OFG was 21% higher at £329 million (HY24: £273 million) reflecting profitable growth in the business. Cash remittances increased to £99 million (HY24: £94 million).

### Canada General Insurance

Premiums of £2,149 million (HY24: £2,196 million) were up 4%. Personal lines premiums were up 9% reflecting continued pricing actions across property and auto. Commercial lines premiums were 3% lower as a result of lower volumes in GCS from portfolio management actions as we maintain discipline and focus on margin over volume.

Canada General Insurance operating profit was 7% higher at £218 million (HY24: £216 million) reflecting an improved underlying result, partly offset by adverse weather related catastrophe events. The undiscounted combined ratio was 94.7% (HY24: 94.7%) and the discounted COR was 91.5% (HY24: 90.4%).

For similar reasons, Solvency II OFG was 4% higher at £157 million (HY24: £161 million). Cash remittances were up 17% to £80 million (HY24: £73 million).

### Aviva Investors

AUM increased by £7.7 billion to £246 billion since FY24, driven by positive market movements of £8.5 billion and net flows into liquidity funds of £0.4 billion which more than offset the impact from net outflows of £1.2 billion (HY24: net outflows £1.7 billion).

The cost income ratio improved by 2pp to 88% (HY24: 90%) as revenue growth and stable costs drove efficiency improvements.

Aviva Investors operating profit improved to £23 million (HY24: £18 million) reflecting higher revenues, up 3% to £188 million (HY24: £183 million).

Solvency II OFG was £17 million (HY24: £12 million).

### International investments (India and China)

Sales were 12% higher at £905 million (HY24: £805 million), driven by growth in China.

Operating profit was 4% lower at £25 million (HY24: £26 million) and Solvency II OFG was £134 million (HY24: £64 million).

See section 6 (Our business review) for more detailed information on business performance.

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## Capital and cash

### Solvency II capital

At 30 June 2025, Group Solvency II shareholder surplus was £8.1 billion and estimated Solvency II shareholder cover ratio was 206% (31 December 2024: £7.9 billion and 203% respectively).

The increase in surplus since 31 December 2024 is mainly due to operating capital generation and the €600 million Tier 2 and £500 million RT1 issuances, partly offset by the cancellation of the preference shares, the final dividend and non-operating capital generation.

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

| Solvency II shareholder position[12] | 31 December 2024 £bn | OCG £bn | Non operating generation £bn | Dividend £bn | Preference share cancellation £bn | Debt issuance £bn | **30 June 2025 £bn** |
|---|---|---|---|---|---|---|---|
| Own Funds | 15.6 | 0.9 | (0.5) | (0.7) | (0.7) | 1.0 | **15.8** |
| SCR | (7.7) | — | — | — | — | — | **(7.7)** |
| **Surplus** | 7.9 | 1.0 | (0.5) | (0.7) | (0.7) | 1.0 | **8.1** |
| **Solvency II shareholder cover ratio (%)** | 203 % | 13 pp | (6)pp | (9)pp | (8)pp | 13 pp | **206 %** |

### Centre liquidity

At end July 2025, centre liquidity was £2.1 billion (end January 2025: £1.7 billion) reflecting cash remittances received from the business units and the €600 million Tier 2 and £500 million RT1 issuances, partly offset by the cancellation of the preference shares, the final dividend and excess centre cash used for the Direct Line acquisition.

### Solvency II debt leverage

Solvency II debt leverage ratio is 32.3% (31 December 2024: 28.9%). The increase reflects the €600 million subordinated debt issuance in May and £500 million RT1 issuance in March, partly offset by cancellation of the preference shares.

### Dividend

Today we have announced an interim dividend of 13.1 pence per share (2024: 11.9 pence), an increase of 10%. In line with our previous guidance, the dividend was increased by mid-single digits as usual, as well as an additional 5% uplift following completion of the Direct Line transaction. Beyond 2025[13], our dividend guidance remains that we expect mid-single digit growth in the cash cost of the dividend.

### Capital management framework

Under our capital framework, which remains unchanged, surplus capital is available for reinvestment in the business, strategic M&A opportunities and/or additional returns to shareholders. We anticipate our cadence of regular and sustainable capital returns to resume alongside our FY25 results[13], at an increased level to reflect the higher share count following the Direct Line acquisition.

## Shareholder asset portfolio

Aviva's high quality shareholder asset portfolio of £86.0 billion as 30 June 2025 (31 December 2024: £83.1 billion) continues to perform well and is defensively positioned.

Corporate bonds represent £21.2 billion of the portfolio. Of this, 77% is externally rated investment grade and 23% 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 c.£250 million of net downgrades to a lower letter during 2025.

Our commercial mortgage portfolio of £5.5 billion comprises largely long-duration fixed rate contracts with low average loan-to-value (LTV) ratios of 47.9% using the nominal value of the loan.

Our securitised mortgage loans and equity release portfolio of £9.0 billion is mostly internally securitised with a low average LTV of 28.2%.

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## Footnotes included within the news release

1 Reference to operating profit represents Group adjusted operating profit which is a non-GAAP Alternative Performance Measure (APM) and is not bound by the requirements of IFRS. Further details of this measure are included in the 'Other information' section.

2 Solvency II shareholder cover ratio is the estimated Solvency II shareholder cover ratio at 30 June 2025.

3 IFRS return on equity is a non-GAAP Alternative Performance Measure (APM). Further details are included in the 'Other information' section.

4 Sales for Insurance, Wealth & Retirement (IWR) and for Retirement (Annuities and Equity Release) refers to Present Value of New Business Premiums (PVNBP). Sales for Insurance (Protection and Health) refers to Annual Premium Equivalent (APE). Premiums for General insurance refer to gross written premiums (GWP). The first instance of each reference has been footnoted. However, this footnote applies to all such references in this announcement. PVNBP, APE and GWP are APMs and further information can be found in the 'Other information' section.

5 All GWP movements and Canada General Insurance movements are quoted in constant currency.

6 IFRS profit for the period represents IFRS profit after tax.

7 Net Insurance Margin (NIM) presented includes Motor and Non-Motor segments, previously described as "ongoing operations" by Direct Line.

8 Net flows annualised as a percentage of opening assets under management.

9 Operating earnings per share is derived from the Group adjusted operating profit APM. Further details of this measure are included in the 'Other information' section.

10 IFRS Shareholders' equity is equity attributable to shareholders of Aviva plc, less preference capital. Adjusted IFRS Shareholders' equity is IFRS Shareholders' equity plus CSM, net of tax.

11 'Real assets' is used within Aviva Investors (and in the Asset Management industry) to refer to investment asset classes for physical assets, which have a tangible form.

12 Rounding differences apply.

13 The board has not approved or made any decision to pay any dividend or initiate any buybacks in respect in any future period.

## Notes to editors

- Figures have been translated at average exchange rates applying for the period, with the exception of the capital position, which is translated at the closing rates on 30 June 2025. The average rates employed in this announcement are 1 euro = £0.84 (HY24: 1 euro =£0.85) and CAD$1 = £0.55 (HY24: CAD$1 = £0.58). Where percentage movements are quoted on a constant currency basis, this is calculated by applying year to date average exchange rates to prior period.
- Percentage changes in this announcement have been provided in sterling terms unless stated otherwise. Percentages, including currency movements, are calculated on unrounded numbers so minor rounding differences may exist.
- Throughout this report we use a range of financial metrics to measure our performance and financial strength. These metrics include Alternative Performance Measures (APMs), which are non-GAAP measures that are not bound by the requirements of IFRS and Solvency II. A complete list and further guidance in respect of the APMs used by the Group can be found in the 'Other information' section.
- We are the UK's leading diversified insurer and we operate in the UK, Ireland and Canada. We also have international investments in India and China.
- We help over 25 million customers (including Direct Line) make the most out of life, plan for the future, and have the confidence that if things go wrong we'll be there to put it right.
- We have been taking care of people for more than 325 years, in line with our purpose of being 'with you today, for a better tomorrow'. In 2024, we paid £29.3 billion in claims and benefits to our customers.
- In 2021, we announced our ambition to become Net Zero by 2040, the first major insurance company in the world to do so. While we are working towards our sustainability ambitions, we recognise that while we have control over Aviva's operations and influence over our supply chain, when it comes to decarbonising the economy in which we operate and invest, Aviva is one part of a far larger global system. Nevertheless, we remain focused on the task and are committed to playing our part in the collective effort to enable the global transition. The scope of our Climate ambitions and the risks and opportunities associated with our Climate strategy are set out in our Transition Plan published in February 2025: https://www.aviva.com/sustainability/taking-climate-action. Find out more about our sustainability ambition and action at www.aviva.com/sustainability.
- Aviva is a Living Wage, Living Pension and Living Hours employer and provides market-leading benefits for our people, including flexible working, paid carers leave and equal parental leave. Find out more at www.aviva.com/about-us/our-people
- As at 30 June 2025, total Group assets under management at Aviva Group were £419 billion and our estimated Solvency II shareholder capital surplus was £8.1 billion. Our shares are listed on the London Stock Exchange and we are a member of the FTSE 100 index.
- For more details on what we do, our business and how we help our customers, visit www.aviva.com/about-us
- The Aviva newsroom at www.aviva.com/newsroom includes links to our spokespeople images, podcasts, research reports and our news release archive. Sign up to get the latest news from Aviva by email.
- You can follow us on:
- X: www.x.com/avivaplc
- LinkedIn: www.linkedin.com/company/aviva-plc
- Instagram: www.instagram.com/avivaplc/
- For the latest corporate films from around our business, subscribe to our YouTube channel: www.youtube.com/aviva

## Enquiries

| Investor contacts | | Media Contacts | | Timings | |
|---|---|---|---|---|---|
| Greg Neilson | +44(0) 7800 694 564 | Andrew Reid | +44(0) 7800 694 276 | Presentation slides: | 0700 hrs BST |
| Joel von Sternberg | +44(0) 7384 231 238 | Sarah Swailes | +44(0) 7800 694 859 | Real time media conference call: | 0745 hrs BST |
| Michael O'Hara | +44(0) 7387 234 388 | Marion Fischer | +44(0) 7800 693 219 | Analyst presentation: | 0830 hrs BST |
| | | | | https://www.aviva.com | |

# 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 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 and Wales No. 2468686.

**Registered office**
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EC3M 4AE

# Contents



### As a reminder

Throughout this report we use a range of financial metrics to measure our performance and financial strength. These metrics include Alternative Performance Measures (APMs), which are non-GAAP measures that are not bound by the requirements of IFRS and Solvency II. Further guidance in respect of the APMs used by the Group, including a reconciliation to the financial statements (where possible), can be found within the Other Information section.

All references to 'Operating profit' represent Alternative Performance Measure 'Group adjusted operating profit'.

The financial performance of our business units are presented as Insurance, Wealth & Retirement (IWR), UK & Ireland General Insurance, Canada General Insurance, Aviva Investors and International investments (consisting of our investments in India and China, and until 18 March 2024 also included our investment in Singapore).

The acquisition of Direct Line Insurance Group plc (Direct Line) was completed on 1 July 2025 and therefore the Direct Line results are not included in the Aviva plc results for the six months ended 30 June 2025 presented in this report. See note B3 for more information on this acquisition.

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

All percentages, including currency movements, are calculated on unrounded numbers so minor rounding differences may exist.

A glossary explaining key terms used in this report is available on www.aviva.com/glossary

# 1 - Cash and Centre liquidity

## 1.1 - Cash remittances

The table below reflects remittances received by the Group centre from our businesses, comprising dividends and interest on internal loans. Cash remittances are eliminated on consolidation and hence are not directly reconcilable to the Group's IFRS statement of cash flows.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance, Wealth & Retirement (IWR)[1] | **832** | 792 | 1,272 |
| UK & Ireland General Insurance[1] | **99** | 94 | 571 |
| Canada General Insurance[1] | **80** | 73 | 135 |
| Aviva Investors | **—** | — | 14 |
| International investments (India and China) | **11** | — | — |
| **Cash remittances** | **1,022** | 959 | 1,992 |

1. We use a wholly-owned, UK domiciled reinsurance subsidiary for internal capital and cash management purposes. Some remittances otherwise attributable to the operating businesses arise from this internal reinsurance vehicle.

Cash remittances increased by 7% to £1,022 million (HY24: £959 million) reflecting strong performances from our businesses. Additional remittances from businesses which were received specifically in relation to the Direct Line acquisition are excluded from cash remittances. See note 1.2 below.

## 1.2 - 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 back into our businesses.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Cash remittances | **1,022** | 959 | 1,992 |
| External interest paid | **(134)** | (143) | (312) |
| Internal interest paid | **—** | — | (49) |
| Central spend | **(72)** | (117) | (417) |
| Other operating cash flows[1] | **164** | (4) | (4) |
| **Excess centre cash inflow** | **980** | 695 | 1,210 |
| Ordinary dividends | **(635)** | (603) | (921) |
| Share buyback | **—** | (300) | (300) |
| Preference share cancellation including special dividends | **(663)** | — | — |
| Net advance / (reduction) in external borrowings | **994** | (594) | (599) |
| Additional remittances from businesses[2] | **1,350** | **—** | **—** |
| Acquisition of Direct Line | **(1,731)** | **—** | **—** |
| Cash inflows related to Direct Line's Tier 2 notes[3] | **210** | **—** | **—** |
| Net movements related to Direct Line acquisition | **(171)** | — | — |
| External disposal proceeds[4] | **—** | 937 | 937 |
| Other non-operating cash flows[5] | **(97)** | (498) | (522) |
| **Movement in centre liquidity** | **408** | (363) | (195) |
| **Centre liquidity as at end of as at end of July/January respectively** | **2,103** | 1,528 | 1,695 |

1. Other operating cash flows include group tax relief net receipts in 2025, and group tax relief net payments in 2024
2. Additional remittances from group companies were made in the first half as a one off to support the Direct Line acquisition
3. As a result of the Group's acquisition of Direct Line on 1 July 2025, Direct Line's 4.00% £260 million Subordinated Tier 2 Notes were acquired by the Group (see note B23). This gave rise to a cash inflow of £210 million in centre liquidity.
4. External disposal proceeds in 2024 relate to total proceeds on disposal of Singapore Life Holdings Pte Ltd
5. In 2025, other non-operating cash flows includes £150 million repayment of an internal loan, offset by £55 million return of funds from a ring-fenced account for the main staff pension scheme, as the funding agreement has been fulfilled. In 2024 other non-operating cash flows includes capital paid to subsidiaries of £730 million (HY24: £505 million), net of an additional remittance of £200 million (HY24: £200 million) from our wholly-owned UK domiciled reinsurance subsidiary.

# 2 - IFRS performance

| Profit and earnings per share | Note | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | 6.1 | **575** | 532 | 1,071 |
| UK & Ireland General Insurance | 6.2 | **430** | 287 | 708 |
| Canada General Insurance | 6.3 | **218** | 216 | 288 |
| Aviva Investors | 6.4 | **23** | 18 | 40 |
| International investments (India and China) | 6.5 | **25** | 26 | 48 |
| **Business unit operating profit** | | **1,271** | 1,079 | 2,155 |
| Corporate centre costs and Other operations | A2 | **(71)** | (62) | (115) |
| Group debt costs and other interest | A3 | **(132)** | (142) | (273) |
| **Group adjusted operating profit** | | **1,068** | 875 | 1,767 |
| Tax attributable to shareholders' profit | | **(257)** | (208) | (407) |
| Amount attributable to non-controlling interests | | **(12)** | (11) | (21) |
| Preference dividends and tier 1 notes coupon payments | | **(26)** | (26) | (51) |
| **Operating profit attributable to ordinary shareholders** | | **773** | 630 | 1,288 |
| **Operating earnings per share** | B7 | **29.0 p** | 23.3 p | 48.0 p |
| IFRS return on equity[1] | A8 | **20.6 %** | 14.8 % | 15.6 % |
| **IFRS profit for the period** | A1 | **819** | 654 | 705 |
| **Basic earnings per share** | B7 | **21.7 p** | 22.8 p | 23.6 p |

1. IFRS return on equity is a non-GAAP alternative performance measure (APM). Further details are included in the Other information section.

## Operating profit

Operating profit increased by 22% to £1,068 million (HY24: £875 million). Business unit operating profit increased by 18% to £1,271 million (HY24: £1,079 million) reflecting strong performances across each of our businesses, particularly in our capital-light businesses in Insurance, Wealth & Retirement (IWR), and our UK & Ireland General Insurance business.

IWR operating profit increased by 8% to £575 million (HY24: £532 million), with the increases in Protection and Health mainly driven by portfolio growth and higher contractual service margin (CSM) releases, partly offset by lower investment returns. Wealth operating profit also increased due to growth in assets under management, generating higher Workplace and Platform revenues and improved operating leverage.

UK & Ireland General Insurance operating profit increased by 50% to £430 million (HY24: £287 million) driven by strong underwriting results and improved investment returns. The underwriting result reflects earn through of strong pricing actions and growth in Retail in 2024. Investment returns increased supported by the sustained higher interest rate environment.

Canada General Insurance operating profit increased by 7% on a constant currency basis (up 1% on a sterling basis) to £218 million (HY24: £216 million), reflecting an improved underlying result driven by earn through of pricing actions, partly offset by adverse weather experience and a lower investment result from lower yields.

Aviva Investors operating profit increased to £23 million (HY24: £18 million). This was driven by higher revenues, reflecting higher average assets under management, and increased asset origination for the Group.

International investments operating profit decreased marginally to £25 million (HY24: £26 million), with results broadly flat across India and China.

Corporate Centre costs and Other operations operating profit was £(71) million (HY24: £(62) million), largely reflecting a reduction of net income from Other operations, whilst Corporate centre costs remained broadly flat. Group debt cost and other interest decreased to £(132) million (HY24: £(142) million), mainly due to the redemption of subordinated notes over the past year.

## IFRS return on equity

IFRS return on equity has increased by 5.8pp to 20.6% (HY24: 14.8%) predominantly due to higher operating profit.

## IFRS profit for the period and earnings per share

Our hedging strategy, which reduces volatility from economic and market fluctuations, is focused on protecting the Solvency II capital position and securing our ability to pay dividends. This approach introduces IFRS volatility from the movement in the fair-value of assets which are held for the long term to back liabilities and capital requirements. During the first half of 2025, our IFRS results were favourably impacted by interest rates which increased the fair value of these assets. As we focus on the Solvency II capital position, we accept variability in the IFRS results.

IFRS profit for the period is £819 million (HY24: £654 million). This reflects the favourable impact of £251 million (HY24: adverse impact of £(206) million) from investment variances and economic assumption changes, primarily driven by currency movements as a result of significant strengthening of sterling against the US and Canadian dollar. In addition, 2025 results include integration and restructuring costs of £139 million (HY24: £69 million). Basic earnings per share is 21.7 pence (HY24: 22.8 pence). This reflects the special dividends paid on cancellation of the preference shares. See sections A1, A4, and A6 for further information.

# 3 - Controllable costs

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | **757** | 700 | 1,425 |
| UK & Ireland General Insurance | **496** | 400 | 854 |
| Canada General Insurance | **255** | 244 | 504 |
| Aviva Investors | **165** | 165 | 334 |
| Business unit controllable costs | **1,673** | 1,509 | 3,117 |
| Corporate centre costs and Other operations | **191** | 182 | 382 |
| **Total controllable costs** | **1,864** | 1,691 | 3,499 |

Controllable costs include the costs associated with maintaining and growing our businesses. Controllable costs have increased by £173 million to £1,864 million (HY24: £1,691 million). The increase is driven by higher spend in UK General Insurance and IWR due to investments in the business to capture and service business growth. In addition, 2025 includes controllable costs for the full six month period relating to acquired businesses from AIG in IWR and Probitas in UK & Ireland General Insurance.

In addition to measuring controllable costs, efficiency ratios are used to monitor cost efficiency in our business units compared to business volumes. Further details of the efficiency ratios measured in each of our business units are included in section 6.

# 4 - Solvency II performance

## 4.1 - Solvency II operating own funds generation

Solvency II operating own funds generation (Solvency II OFG) measures the amount of Solvency II own funds generated from operating activities. Solvency II OFG is used to assess sustainable growth.

| | Underlying own funds generation | | | | | |
|---|---|---|---|---|---|---|
| **6 months 2025** | **Impact of Life new business £m** | **Earnings from Life existing business £m** | **Non-life own funds generation £m** | **Total underlying OFG £m** | **Management actions and Other £m** | **Total Solvency II OFG £m** |
| Insurance, Wealth & Retirement (IWR) | **192** | **133** | **—** | **325** | **108** | **433** |
| UK & Ireland General Insurance | **—** | **—** | **329** | **329** | **—** | **329** |
| Canada General Insurance | **—** | **—** | **157** | **157** | **—** | **157** |
| Aviva Investors | **—** | **—** | **17** | **17** | **—** | **17** |
| International investments (India and China) | **29** | **66** | **—** | **95** | **39** | **134** |
| **Business unit Solvency II OFG** | **221** | **199** | **503** | **923** | **147** | **1,070** |
| Corporate centre costs and Other | **—** | **—** | **(75)** | **(75)** | **—** | **(75)** |
| Group external debt costs | **—** | **—** | **(86)** | **(86)** | **—** | **(86)** |
| **Solvency II OFG** | **221** | **199** | **342** | **762** | **147** | **909** |

| | Underlying own funds generation | | | | | |
|---|---|---|---|---|---|---|
| 6 months 2024 | Impact of Life new business £m | Earnings from Life existing business £m | Non-life own funds generation £m | Total underlying OFG £m | Management actions and Other £m | Total Solvency II OFG £m |
| Insurance, Wealth & Retirement (IWR) | 163 | 256 | — | 419 | (7) | 412 |
| UK & Ireland General Insurance | — | — | 273 | 273 | — | 273 |
| Canada General Insurance | — | — | 161 | 161 | — | 161 |
| Aviva Investors | — | — | 12 | 12 | — | 12 |
| International investments (India and China) | 26 | 41 | — | 67 | (3) | 64 |
| Business unit Solvency II OFG | 189 | 297 | 446 | 932 | (10) | 922 |
| Corporate centre costs and Other | — | — | (70) | (70) | — | (70) |
| Group external debt costs | — | — | (94) | (94) | — | (94) |
| Solvency II OFG | 189 | 297 | 282 | 768 | (10) | 758 |

| | Underlying own funds generation | | | | | |
|---|---|---|---|---|---|---|
| Full year 2024 | Impact of Life new business £m | Earnings from Life existing business £m | Non-life own funds generation £m | Total underlying OFG £m | Management actions and Other £m | Total Solvency II OFG £m |
| Insurance, Wealth & Retirement (IWR) | 435 | 436 | — | 871 | 158 | 1,029 |
| UK & Ireland General Insurance | — | — | 572 | 572 | — | 572 |
| Canada General Insurance | — | — | 223 | 223 | — | 223 |
| Aviva Investors | — | — | 29 | 29 | — | 29 |
| International investments (India and China) | 40 | 83 | — | 123 | (6) | 117 |
| Business unit Solvency II OFG | 475 | 519 | 824 | 1,818 | 152 | 1,970 |
| Corporate centre costs and Other | — | — | (136) | (136) | — | (136) |
| Group external debt costs | — | — | (179) | (179) | — | (179) |
| Solvency II OFG | 475 | 519 | 509 | 1,503 | 152 | 1,655 |

Solvency II OFG has increased by £151 million to £909 million (HY24: £758 million).

IWR Solvency II OFG has increased by £21 million to £433 million (HY24: £412 million). IWR Underlying Solvency II OFG has decreased by £94 million to £325 million (HY24: £419 million) despite new business growth primarily due to accelerated run-off of transitional measures on technical provisions (TMTP) following Solvency UK reforms and lower expected investment returns due to a reduction to interest rates and lower opening assets. IWR Management actions and Other Solvency II OFG has increased by £115 million to £108 million (HY24: £(7) million) primarily due to the positive impact from BPA modelling changes to reflect that deferred scheme members have an option to convert some of their annuity benefits to cash and indemnity insurance recoveries.

UK & Ireland General Insurance Solvency II OFG has increased by £56 million to £329 million (HY24: £273 million) due to strong underwriting and improved investment returns partially offset by unfavourable weather experience in Ireland from Storm Éowyn.

Canada General Insurance Solvency II OFG has remained stable at £157 million (HY24: £161 million) due to strong trading and favourable prior year development offsetting increased weather-related catastrophe experience.

International investments Solvency II OFG has increased by £70 million to £134 million (HY24: £64 million) due to business growth and a modelling refinement relating to participating business in China.

Solvency II OFG in Corporate centre costs and Other has remained stable at £(75) million (HY24: £(70) million).

## 4.2 - Solvency II return on capital/equity

Solvency II return on capital/equity measures return generated on shareholder capital at both business and Group level and is used by the Group to assess performance, as we look to deliver long-term value for our shareholders.

Solvency II return on equity is calculated as:

- Operating own funds generation less preference dividends (excluding special dividends) and equity Restricted Tier 1 (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, multiplied by the opening TMTP), divided by:
- Opening unrestricted tier 1 shareholder Solvency II own funds.

| | | | **6 months 2025** | | | Re-presented[1] 6 months 2024 | | | Full year 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | **Solvency II OFG (post TMTP adjustment) £m** | **Opening own funds £m** | **Solvency II return on capital %** | Solvency II OFG (post TMTP adjustment) £m | Opening own funds £m | Solvency II return on capital % | Solvency II OFG (post TMTP adjustment) £m | Opening own funds £m | Solvency II return on capital % |
| Insurance, Wealth & Retirement (IWR) | **463** | **9,623** | **9.6 %** | 396 | 10,595 | 7.5 % | 998 | 10,595 | 9.4 % |
| UK & Ireland General Insurance | **329** | **2,670** | **24.6 %** | 273 | 2,385 | 22.9 % | 572 | 2,385 | 24.0 % |
| Canada General Insurance | **157** | **1,502** | **20.9 %** | 161 | 1,637 | 19.7 % | 223 | 1,637 | 13.6 % |
| Aviva Investors | **17** | **398** | **8.5 %** | 12 | 392 | 6.1 % | 29 | 392 | 7.4 % |
| International investments (India and China) | **134** | **832** | **32.2 %** | 64 | 1,082 | 11.8 % | 117 | 1,082 | 10.8 % |
| **Group Solvency II return on equity** | **902** | **10,808** | **16.7 %** | 706 | 11,374 | 12.4 % | 1,552 | 11,374 | 13.6 % |

1. Comparative amounts for the period ended 30 June 2024 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. The revised approach was implemented for the period ended 31 December 2024. There is no impact on Group Opening own funds or Group Solvency II return on equity.

Solvency II return on equity has increased by 4.3pp to 16.7% (HY24: 12.4%) primarily due to higher Solvency II OFG. Excluding the impact of Management actions and Other, Solvency II return on equity has increased by 1.4pp to 14.0% (HY24: 12.6%).

## 4.3 - Solvency II operating capital generation

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 generate sustainable growth.

| | **Underlying operating capital generation** | | | | | | **Of which:** | |
|---|---|---|---|---|---|---|---|---|
| **6 months 2025** | **Impact of new business £m** | **Earnings from existing business £m** | **Non-life capital generation £m** | **Underlying capital generation £m** | **Management actions and Other £m** | **Total Solvency II OCG £m** | **Own funds OCG £m** | **SCR OCG £m** |
| Insurance, Wealth & Retirement (IWR) | **(44)** | **339** | **—** | **295** | **198** | **493** | **433** | **60** |
| UK & Ireland General Insurance | **—** | **—** | **360** | **360** | **—** | **360** | **329** | **31** |
| Canada General Insurance | **—** | **—** | **187** | **187** | **—** | **187** | **157** | **30** |
| Aviva Investors | **—** | **—** | **36** | **36** | **—** | **36** | **17** | **19** |
| International investments (India and China) | **(21)** | **16** | **—** | **(5)** | **49** | **44** | **134** | **(90)** |
| **Business unit Solvency II OCG** | **(65)** | **355** | **583** | **873** | **247** | **1,120** | **1,070** | **50** |
| Corporate centre costs and Other | **—** | **—** | **(77)** | **(77)** | **—** | **(77)** | **(75)** | **(2)** |
| Group external debt costs | **—** | **—** | **(86)** | **(86)** | **—** | **(86)** | **(86)** | **—** |
| **Solvency II OCG** | **(65)** | **355** | **420** | **710** | **247** | **957** | **909** | **48** |

| 6 months 2024 | Underlying operating capital generation | | | | | | Of which: | |
|---|---|---|---|---|---|---|---|---|
| | Impact of new business | Earnings from existing business | Non-life capital generation | Underlying capital generation | Management actions and Other | Total Solvency II OCG | Own funds OCG | SCR OCG |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Insurance, Wealth & Retirement (IWR) | (51) | 439 | — | 388 | (13) | 375 | 412 | (37) |
| UK & Ireland General Insurance | — | — | 241 | 241 | — | 241 | 273 | (32) |
| Canada General Insurance | — | — | 162 | 162 | — | 162 | 161 | 1 |
| Aviva Investors | — | — | 41 | 41 | — | 41 | 12 | 29 |
| International investments (India and China) | (31) | 15 | — | (16) | (4) | (20) | 64 | (84) |
| Business unit Solvency II OCG | (82) | 454 | 444 | 816 | (17) | 799 | 922 | (123) |
| Corporate centre costs and Other | — | — | 17 | 17 | — | 17 | (70) | 87 |
| Group external debt costs | — | — | (94) | (94) | — | (94) | (94) | — |
| Solvency II OCG | (82) | 454 | 367 | 739 | (17) | 722 | 758 | (36) |

| Full year 2024 | Underlying operating capital generation | | | | | | Of which: | |
|---|---|---|---|---|---|---|---|---|
| | Impact of new business | Earnings from existing business | Non-life capital generation | Underlying capital generation | Management actions and Other | Total Solvency II OCG | Own funds OCG | SCR OCG |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Insurance, Wealth & Retirement (IWR) | (50) | 818 | — | 768 | 233 | 1,001 | 1,029 | (28) |
| UK & Ireland General Insurance | — | — | 337 | 337 | — | 337 | 572 | (235) |
| Canada General Insurance | — | — | 228 | 228 | — | 228 | 223 | 5 |
| Aviva Investors | — | — | 68 | 68 | — | 68 | 29 | 39 |
| International investments (India and China) | (73) | 23 | — | (50) | (9) | (59) | 117 | (176) |
| Business unit Solvency II OCG | (123) | 841 | 633 | 1,351 | 224 | 1,575 | 1,970 | (395) |
| Corporate centre costs and Other | — | — | 72 | 72 | — | 72 | (136) | 208 |
| Group external debt costs | — | — | (179) | (179) | — | (179) | (179) | — |
| Solvency II OCG | (123) | 841 | 526 | 1,244 | 224 | 1,468 | 1,655 | (187) |

Solvency II OCG has increased by £235 million to £957 million (HY24: £722 million) primarily due to higher IWR Management actions and Other and UK General Insurance.

IWR Solvency II OCG has increased by £118 million to £493 million (HY24: £375 million). Higher IWR Management actions and Other of £198 million (HY24: £(13) million) has more than offset lower underlying Solvency II OCG which decreased primarily due to accelerated run-off of TMTP following Solvency UK reforms and lower expected investment returns.

UK & Ireland General Insurance Solvency II OCG has increased by £119 million to £360 million (HY24: £241 million) due to higher Solvency II OFG and a reduction in capital requirements.

Canada General Insurance Solvency II OCG has increased by £25 million to £187 million (HY24: £162 million) primarily due to lower SCR from reduced exposure in commercial lines following actions taken to maintain profitability in a softening market.

International Investments Solvency II OCG has increased by £64 million to £44 million (HY24: £(20) million) consistent with Solvency II OFG.

Solvency II OCG from Corporate centre costs and Other has decreased by £94 million to £(77) million (HY24: £17 million) primarily due to lower benefits from Group diversification than the prior period as a result of a reduction in SCR in IWR, UK & Ireland General Insurance and Canada.

# 5 - Solvency II capital position

## 5.1 - Solvency II position (shareholder view)

The estimated Solvency II shareholder cover ratio is 206% at 30 June 2025 (31 December 2024: 203%). The Solvency position disclosed is based on a 'shareholder view'.

| | 30 June 2025 £m | 31 December 2024 £m |
|---|---|---|
| Own funds | 15,773 | 15,639 |
| Solvency capital requirement | (7,671) | (7,718) |
| **Solvency II shareholder surplus** | **8,102** | 7,921 |
| **Solvency II shareholder cover ratio** | **206 %** | 203 % |

The shareholder view is considered by management to be more representative of the shareholders' risk exposure and the Group's ability to cover 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 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 basis with any surplus capital above SCR not recognised.

The acquisition of Direct Line, which completed on 1 July 2025, is not reflected in the Solvency II shareholder position as at 30 June 2025.

| | 30 June 2025 | | | 31 December 2024 | | |
|---|---|---|---|---|---|---|
| | Own funds £m | SCR £m | Surplus £m | Own funds £m | SCR £m | Surplus £m |
| **Solvency II regulatory position** | **17,422** | **(9,320)** | **8,102** | 17,323 | (9,402) | 7,921 |
| Fully ring-fenced with-profit funds | (1,371) | 1,371 | — | (1,387) | 1,387 | — |
| Staff pension schemes in surplus | (278) | 278 | — | (297) | 297 | — |
| **Solvency II shareholder position** | **15,773** | **(7,671)** | **8,102** | 15,639 | (7,718) | 7,921 |

## 5.2 - Movement in Solvency II position (shareholder view)

| | 6 months 2025 | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Own funds £m | SCR £m | Surplus £m | Own funds £m | SCR £m | Surplus £m | Own funds £m | SCR £m | Surplus £m |
| **Solvency II position at 1 January** | **15,639** | **(7,718)** | **7,921** | 17,019 | (8,206) | 8,813 | 17,019 | (8,206) | 8,813 |
| Operating capital generation | **909** | **48** | **957** | 758 | (36) | 722 | 1,655 | (187) | 1,468 |
| Non-operating capital generation | **(464)** | **(1)** | **(465)** | (231) | 447 | 216 | (785) | 674 | (111) |
| Dividends[1] | **(655)** | **—** | **(655)** | (622) | — | (622) | (959) | — | (959) |
| Preference share cancellation[2] | **(653)** | **—** | **(653)** | — | — | — | — | — | — |
| Debt issue / (repayment) | **997** | **—** | **997** | (593) | — | (593) | (599) | — | (599) |
| Share buyback | **—** | **—** | **—** | (300) | — | (300) | (300) | — | (300) |
| Acquisitions / (disposals) | **—** | **—** | **—** | (84) | 16 | (68) | (392) | 1 | (391) |
| **Solvency II position at 30 June / 31 December** | **15,773** | **(7,671)** | **8,102** | 15,947 | (7,779) | 8,168 | 15,639 | (7,718) | 7,921 |

1. Dividends includes £9 million (2024: £17 million) of Aviva plc preference dividends and £12 million (2024: £21 million) of GA plc preference dividends
2. Preference share cancellation includes £450 million preference shares redemption, £94 million special dividends paid on cancellation of Aviva plc preference shares and £109 million special dividends paid on cancellation of GA plc preference shares

The estimated Solvency II surplus is £8,102 million at 30 June 2025 (30 June 2024: £8,168 million, 31 December 2024: £7,921 million), with a Solvency II shareholder cover ratio of 206% (31 December 2024: 203%). The improved solvency position is primarily due to operating capital generation, €600 million subordinated debt issuance in May and £500 million RT1 issued in March partly offset by the cancellation of preference shares, the 2024 final dividend and non-operating capital generation.

## 5.3 – Analysis of Solvency Capital Requirement (SCR)

The SCR is £7.7 billion at 30 June 2025 (31 December 2024: £7.7 billion). The table below summarises the SCR by business unit. The Group diversification between businesses is the SCR diversification arising from the sum of the SCR for each business being higher than the SCR at Group and arises primarily because of the composite nature of our business. The benefit from Group diversification has remained unchanged since 31 December 2024 and is £2.5 billion at 30 June 2025 (31 December 2024: £2.5 billion).

| | **30 June 2025 £bn** | 31 December 2024 £bn |
|---|---|---|
| Insurance, Wealth & Retirement (IWR) | **5.5** | 5.6 |
| UK & Ireland General Insurance | **1.7** | 1.6 |
| Canada General Insurance | **0.7** | 0.7 |
| Aviva Investors | **0.2** | 0.3 |
| International investments (India and China) | **1.6** | 1.5 |
| Group centre and other | **0.5** | 0.5 |
| Group diversification | **(2.5)** | (2.5) |
| **Total SCR** | **7.7** | 7.7 |

The table below summarises the diversified SCR by risk:

| | **30 June 2025 £bn** | 31 December 2024 £bn |
|---|---|---|
| Credit risk | **1.7** | 1.8 |
| Equity risk | **1.1** | 1.2 |
| Interest rate risk | **0.4** | 0.2 |
| Other market risk | **0.8** | 0.8 |
| Life insurance risk | **1.7** | 1.7 |
| General insurance risk | **1.1** | 1.1 |
| Operational risk | **1.0** | 1.0 |
| Other risk | **(0.1)** | (0.1) |
| **Total SCR** | **7.7** | 7.7 |

## 5.4 – Solvency II sensitivities

### Illustrative sensitivity analysis of Solvency II shareholder surplus and cover ratio

The following sensitivity analysis of Solvency II shareholder surplus and cover ratio allows for any consequential impact on the assets and liability valuations. All other assumptions remain unchanged for each sensitivity, except where these are directly affected by the revised economic conditions or where a management action that is allowed in the SCR calculation is applicable for that sensitivity. For example, future bonus rates are automatically adjusted to reflect sensitivity changes to future investment returns. See below for further details on the limitations of the sensitivity analysis.

The table below shows the absolute change in Solvency II shareholder surplus and cover ratio under each sensitivity, e.g. a 2pp positive impact would result in a Solvency II shareholder cover ratio of 208%.

| | | **30 June 2025** | | 31 December 2024 |
|---|---|---|---|---|
| | **Impact on surplus £bn** | **Impact on shareholder cover ratio pp** | Impact on surplus £bn | Impact on shareholder cover ratio pp |
| **Changes in economic assumptions** | | | | |
| 50 bps increase in interest rate | **0.1** | **4 pp** | 0.1 | 5 pp |
| 50 bps decrease in interest rate | **(0.2)** | **(6)pp** | (0.1) | (6)pp |
| 100 bps increase in interest rate | **0.2** | **8 pp** | 0.2 | 9 pp |
| 100 bps decrease in interest rate | **(0.3)** | **(11)pp** | (0.3) | (12)pp |
| 50 bps increase in corporate bond spread[1] | **0.1** | **5 pp** | 0.1 | 4 pp |
| 50 bps decrease in corporate bond spread[1] | **(0.2)** | **(5)pp** | (0.2) | (6)pp |
| 100 bps increase in corporate bond spread[1] | **0.2** | **8 pp** | 0.2 | 7 pp |
| Credit downgrade on annuity portfolio[2] | **(0.3)** | **(6)pp** | (0.3) | (6)pp |
| 10% increase in market value of equity | **0.1** | **(1)pp** | 0.1 | — pp |
| 10% decrease in market value of equity | **(0.1)** | **— pp** | (0.1) | — pp |
| 25% increase in market value of equity | **0.2** | **(2)pp** | 0.2 | (2)pp |
| 25% decrease in market value of equity | **(0.3)** | **(1)pp** | (0.3) | (2)pp |
| 20% increase in value of commercial property[3] | **0.2** | **3 pp** | 0.2 | 4 pp |
| 20% decrease in value of commercial property[3] | **(0.3)** | **(6)pp** | (0.3) | (6)pp |
| 20% increase in value of residential property[3] | **0.2** | **3 pp** | 0.2 | 4 pp |
| 20% decrease in value of residential property[3] | **(0.4)** | **(7)pp** | (0.4) | (6)pp |
| **Changes in non-economic assumptions** | | | | |
| 10% increase in maintenance and investment expenses | **(0.7)** | **(10)pp** | (0.7) | (10)pp |
| 10% increase in lapse rates | **(0.3)** | **(4)pp** | (0.3) | (4)pp |
| 2% increase in mortality/morbidity rates – life assurance | **(0.1)** | **(1)pp** | (0.1) | (1)pp |
| 2% decrease in mortality rates – annuity business | **(0.2)** | **(3)pp** | (0.2) | (3)pp |
| 5% increase in gross loss ratios | **(0.3)** | **(4)pp** | (0.3) | (4)pp |

1. The corporate bond spread sensitivity is applied such that even though movements vary by rating and duration consistent with the approach in the solvency capital requirement, the weighted average spread movement equals the headline sensitivity. Fundamental spreads remain unchanged.
2. An immediate full letter downgrade (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
3. In the annuity portfolio, any matching adjustment applied is assumed to be unchanged under a commercial property or residential property sensitivity

### Limitations of sensitivity analysis

The table above 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 sensitivities in the table above are as at 30 June 2025 and do not reflect the Direct Line acquisition, which completed on 1 July 2025.

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.

## 5.5 - Solvency II net asset value

| | 6 months 2025 | | 6 months 2024 | | Full year 2024 | |
|---|---|---|---|---|---|---|
| | **£m** | **pence per share[1]** | £m | pence per share[1] | £m | pence per share[1] |
| Solvency II shareholder unrestricted Tier 1 own funds at 1 January | **10,808** | **404 p** | 11,374 | 415 p | 11,374 | 415 p |
| Operating own funds generation | **909** | **34 p** | 758 | 27 p | 1,655 | 60 p |
| Non-operating capital generation | **(464)** | **(17)p** | (231) | (9)p | (785) | (29)p |
| Dividends[2] | **(655)** | **(25)p** | (622) | (23)p | (959) | (35)p |
| Preference share cancellation[3] | **(203)** | **(8)p** | — | — p | — | — p |
| Share buyback | **—** | **— p** | (300) | — p | (300) | — p |
| Acquisitions / disposals | **—** | **— p** | (84) | (3)p | (392) | (14)p |
| Impact of changes to the value of subordinated liabilities | **(82)** | **(3)p** | 120 | 4 p | 176 | 6 p |
| Impact of changes to the value of net deferred tax assets | **10** | **— p** | (5) | — p | 39 | 1 p |
| **Solvency II shareholder unrestricted Tier 1 own funds at 30 June / 31 December[4]** | **10,323** | **385 p** | 11,010 | 411 p | 10,808 | 404 p |

1. Number of shares in issue as at 30 June 2025 was 2,679 million (HY24: 2,680 million, 2024: 2,678 million)
2. Dividends includes £9 million (HY24: £9 million, 2024: £17 million) of Aviva plc preference dividends and £12 million (HY24: £11 million, 2024: £21 million) of GA plc preference dividends
3. Preference share cancellation reflects £94 million special dividends paid on cancellation of Aviva plc preference shares and £109 million special dividends paid on cancellation of GA plc preference shares
4. Solvency UK shareholder unrestricted tier 1 own funds is calculated as shareholder own funds of £15,773 million, (HY24: £15,947 million, 2024: £15,639 million) less restricted tier 1 debt of £992 million (HY24: £946 million, 2024: £946 million), tier 2 debt of £4,334 million (HY24: £3,813 million, 2024: £3,751 million) and tier 3 deferred tax assets of £124 million (HY24: £178 million, 2024: £134 million)

Solvency II net asset value per share has decreased by 19 pence to 385 pence per share at 30 June 2025 (31 December 2024: 404 pence). Operating own funds generation in the period is more than offset by dividend payments, special dividends paid for preference share cancellation and non-operating own funds generation.

## 5.6 - Solvency II debt leverage ratio

| Regulatory view | **30 June 2025 £m** | 31 December 2024 £m |
|---|---|---|
| Solvency II regulatory debt[1] | **5,326** | 4,697 |
| Senior notes | **395** | 383 |
| Commercial paper | **51** | 50 |
| Total debt | **5,772** | 5,130 |
| Unrestricted Tier 1 | **11,972** | 12,492 |
| Restricted Tier 1 | **992** | 946 |
| Tier 2 | **4,334** | 3,751 |
| Tier 3[2] | **124** | 134 |
| **Total regulatory own funds** | **17,422** | 17,323 |
| **Solvency II debt leverage ratio[3]** | **32.3 %** | 28.9 % |

1. Solvency II regulatory debt consists of Restricted Tier 1 and Tier 2 regulatory own funds
2. Tier 3 regulatory own funds at 30 June 2025 consist of £124 million net deferred tax assets (2024: £134 million). There is no subordinated debt included in Tier 3 regulatory own funds (2024: £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

Solvency II debt leverage ratio is 32.3% (2024: 28.9%). The increase in leverage is due to two debt issuances in the period, which were partly offset by the cancellation of the Aviva plc and GA plc preference shares, and the own funds impacts of the final 2024 dividend and the special dividends paid to preference shareholders on cancellation.

On 31 March 2025 the Group issued £500 million of 7.750% Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes.

On 28 May 2025 the Group issued €600 million of Fixed to Floating Rate Tier 2 Notes at 4.625%, with final maturity in August 2056 and first call in February 2036.

On 11 March 2025 the Group launched a parallel cancellation and tender offer process in relation to its £450 million of preference share capital issued by Aviva plc and GA plc. The cancellation in full of all four series of the preference shares was approved by shareholders on 15 April 2025 and sanctioned by court on 13 May 2025 and 5 June 2025 for Aviva plc and GA plc respectively. The cancellation of the Aviva plc preference shares became effective on 14 May 2025 and the cancellation of the GA plc preference shares became effective on 6 June 2025.

# 6 - Our business review

## 6.1 - Insurance, Wealth & Retirement (IWR)

| £m (unless otherwise stated) | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| **New business** | | | | |
| Insurance (Protection and Health) APE | **248** | 271 | (8)% | 513 |
| Wealth net flows | **5,788** | 4,969 | 16 % | 10,252 |
| Retirement (Annuities and Equity Release) PVNBP | **2,946** | 3,036 | (3)% | 9,408 |
| IWR VNB | **389** | 371 | 5 % | 839 |
| **Operating performance** | | | | |
| Operating profit | **575** | 532 | 8 % | 1,071 |
| Controllable costs | **757** | 700 | 8 % | 1,425 |
| Cost asset ratio | **43.5 bps** | 43.3 bps | 0.2 bps | 43.3 bps |
| Solvency II operating own funds generation | **433** | 412 | 5 % | 1,029 |
| Solvency II return on capital[1] | **9.6 %** | 7.5 % | 2.1 pp | 9.4 % |
| Solvency II operating capital generation | **493** | 375 | 31 % | 1,001 |
| **Cash remittances** | **832** | 792 | 5 % | 1,272 |

1. The comparative amount for the period ended 30 June 2024 for Solvency II return on capital has been re-presented as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting IWR. The revised approach was first implemented for the period ended 31 December 2024.

### (a) Overview

Aviva is the leading provider in the UK wealth market by assets and net flows[a] and is the largest provider in the UK life insurance market[a] with a 26% share[b]. 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 involves accelerating growth in our capital-light businesses of Wealth, Health and Protection whilst continuing to grow and develop our Retirement business. We are evolving to meet the changing needs of our customers, demonstrated by delivering key enhancements to our MyAviva app, such as a single view of wealth for our pensions, savings, and investment customers, and introducing a range of product launches in 2025, including a platform-integrated Onshore Bond.

In Protection, the integration of AIG's UK Protection business ('AIG'), now operating as Aviva Protection UK (APUK), is progressing well. Completed milestones achieved to date in 2025 include full operational separation from the seller, re-branding under APUK and securing directions hearing approval of our proposed Part VII transfer. In Health, in-force premiums have reached £1 billion in an attractive market underpinned by heightened awareness of health and wellbeing.

In Wealth, strong momentum continued in the first half of 2025 with growth in customers, assets and operating margins. Our Workplace and Adviser Platform businesses are highly scalable and well positioned in structurally attractive markets. We are growing our presence in the direct-to-customer market and building a Connected Wealth proposition to capitalise on a significant opportunity with our existing customer base.

Our Retirement business consistently delivers strong capital returns and long-term cash generation. In Individual Annuities and Equity Release we are expanding our product range and enhancing our propositions to strengthen our competitive position and deliver growth.

### (b) IWR Operating performance

#### (i) Operating profit

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Insurance (Protection and Health) | **86** | 69 | 24 % | 133 |
| Wealth | **76** | 58 | 31 % | 129 |
| Retirement (Annuities and Equity Release) | **338** | 347 | (3)% | 746 |
| Heritage | **95** | 111 | (14)% | 238 |
| Ireland | **1** | 1 | — % | 17 |
| IWR Other[1] | **(21)** | (54) | 61 % | (192) |
| **Total IWR operating profit** | **575** | 532 | 8 % | 1,071 |

1. IWR Other includes non-product specific income and expenses, such as return on excess assets and IWR wide project expenses

IWR operating profit increased by 8% to £575 million (HY24: £532 million) with strong growth in capital-light businesses. Protection and Health operating profit increased by 24% to £86 million (HY24: £69 million) driven by portfolio growth in Health and improved performance in Protection. Wealth operating profit increased by 31% to £76 million (HY24: £58 million) driven by growth in assets under management and improving operating leverage, while Direct Wealth operating performance improved by £7 million to £(12) million (HY24: £(19) million) following peak investment activity in 2024.

a. Aviva analysis of 2024 company reporting
b. Association of British Insurers (ABI) - 3 months to 31 March 2025 based on share of new business

Retirement operating profit decreased by 3% to £338 million (HY24: £347 million) as portfolio growth and higher releases of CSM were offset by lower investment returns. Heritage operating profit decreased by 14% to £95 million (HY24: £111 million) reflecting the expected run-off of the closed book. Ireland operating profit was stable at £1 million (HY24: £1 million). IWR Other operating performance improved to £(21) million (HY24: £(54) million) driven by recoveries from professional indemnity insurers, partly offset by lower investment returns on shareholder assets.

### (ii) Operating value added

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Insurance (Protection and Health) | **118** | 105 | 12 % | 227 |
| Wealth | **76** | 58 | 31 % | 129 |
| Retirement (Annuities and Equity Release) | **316** | 343 | (8)% | 971 |
| Heritage | **25** | 54 | (54)% | 132 |
| Ireland | **2** | 9 | (75)% | 1 |
| IWR Other | **(21)** | (54) | 61 % | (192) |
| **Total IWR operating value added** | **516** | 515 | — % | 1,268 |

IWR operating value added was stable at £516 million (HY24: £515 million). Protection and Health operating value added increased by 12% to £118 million (HY24: £105 million) supported by new business growth in Protection. Retirement operating value added decreased by 8% to £316 million (HY24: £343 million) driven by a reduction in new business volumes. Heritage operating value added decreased by 54% to £25 million (HY24: £54 million) reflecting negative experience variances in the CSM, compared to positive experience in the prior period.

### (iii) Controllable costs and cost asset ratio

IWR controllable costs increased by 8% to £757 million (HY24: £700 million) reflecting business growth and strategic investment in our propositions to support future expansion. We have also been investing to improve the efficiency of our operations through our significant transformation agenda, delivering cost savings through digitalisation, automation and consolidation of legacy platforms.

The cost asset ratio marginally increased to 43.5 bps (HY24: 43.3 bps) as growth in assets under management, which increased by 7% to £353.2 billion (HY24: £330.1 billion), was more than offset by the increase in controllable costs, due to investing for future growth.

### (iv) New business

IWR PVNBP increased by 9% to £21,459 million (HY24: £19,733 million) and IWR VNB increased by 5% to £389 million (HY24: £371 million) driven by growth in our capital-light businesses of Wealth and Health. Retirement VNB margin was 3.2% (HY24: 3.4%) and the internal rate of return for BPA new business exceeded our previous low teens guidance.

### (v) Solvency II

**Solvency II operating own funds generation (OFG)**

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Insurance (Protection and Health) | **59** | 70 | (16)% | 127 |
| Wealth | **84** | 69 | 22 % | 148 |
| Retirement (Annuities and Equity Release) | **234** | 215 | 9 % | 763 |
| Heritage | **21** | 85 | (75)% | 79 |
| Ireland | **2** | 20 | (90)% | 31 |
| IWR Other[1] | **33** | (47) | 170 % | (119) |
| **Total IWR Solvency II OFG** | **433** | 412 | 5 % | 1,029 |
| Of which: Underlying OFG | **325** | 419 | (22)% | 871 |

1. IWR Other includes non-product specific income and expenses, such as return on excess assets and IWR wide project expenses

Total IWR Solvency II OFG increased by 5% to £433 million (HY24: £412 million) driven by strong new business growth and a positive impact from management actions, partly offset by accelerated run-off of the transitional measures on technical provisions (TMTP) due to Solvency UK reforms and lower investment returns.

Protection and Health Solvency II OFG decreased by 16% to £59 million (HY24: £70 million) driven by increased investment in our propositions, partly offset by new business growth in Protection and higher profits in Health. Wealth Solvency II OFG increased by 22% to £84 million (HY24: £69 million) driven by strong new business volumes and growth in assets under management. Retirement Solvency II OFG increased by 9% to £234 million (HY24: £215 million) driven by the positive impact from BPA modelling changes to reflect that deferred scheme members have an option to convert some of their annuity benefits to cash, partly offset by faster run-off of TMTP due to Solvency UK reforms. Heritage Solvency II OFG decreased by 75% to £21 million (HY24: £85 million) reflecting the non-recurrence of positive experience in the prior period and book run-off. Ireland Solvency II OFG decreased by 90% to £2 million (HY24: £20 million) reflecting the implementation of key strategic initiatives that support our long-term growth ambitions. IWR Other Solvency II OFG improved to £33 million (HY24: £(47) million) driven by recoveries from professional indemnity insurers.

**Solvency II return on capital (RoC)**
Solvency II RoC increased by 2.1pp to 9.6% (HY24: 7.5%) due to the increase in Solvency II OFG and a reduction in opening own funds following interest rate movements in 2024.

**Solvency II operating capital generation (OCG)**
Solvency II OCG increased by 31% to £493 million (HY24: £375 million) driven by growth in Solvency II OFG and a reduction in capital requirements due to management actions.

### (c) Insurance (Protection and Health)
Aviva is the only provider of scale in the UK offering coverage across health, group protection and individual protection. We are the leading UK provider in both the individual protection[a] and group protection[b] market, and we are third in the health market[c]. We have developed strong relationships with our intermediary partners, including financial advisers, estate agents and other third parties. We have invested for growth in these markets, focusing on our digital proposition and bringing new health and wellbeing products to market. Pricing and underwriting discipline as well as cost efficiency are key drivers for profitability in this sector.

#### (i) New business

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Individual Protection | **91** | 95 | (5)% | 195 |
| Group Protection | **81** | 110 | (26)% | 180 |
| Health | **76** | 66 | 15 % | 138 |
| **Annual Premium Equivalent (APE)** | **248** | 271 | (8)% | 513 |
| VNB | **120** | 113 | 6 % | 250 |
| PVNBP | **1,727** | 1,841 | (6)% | 3,586 |
| **VNB margin** | **7.0 %** | 6.2 % | 0.8 pp | 7.0 % |

Protection and Health VNB increased by 6% to £120 million (HY24: £113 million) reflecting growth across both the Protection and Health businesses. The improvement in VNB margin was supported by the consolidation and streamlining of propositions in the second half of 2024 following the acquisition from AIG.

Protection and Health APE decreased by 8% to £248 million (HY24: £271 million) as growth in Health was offset by lower Protection sales, in line with expectations, reflecting a normalisation of market share following the consolidation. Health APE increased by 15% to £76 million (HY24: £66 million) with continued momentum across our consumer, SME and large corporate propositions. Health in-force premiums have now reached £1 billion, increasing 14% year-on-year, driven by growth in new business volumes and pricing actions. Individual Protection APE decreased by 5% to £91 million (HY24: £95 million), due to lower intermediated sales, partly offset by strong trading performances in our direct and estate agent channels. Group Protection APE decreased by 26% to £81 million (HY24: £110 million) reflecting significant new scheme wins in the first half of 2024 whilst excellent retention resulted in higher increments on in-force schemes.

#### (ii) Operating profit and operating value added

| | **6 months 2025** | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Operating profit £m** | **Operating changes in CSM £m** | **Operating value added £m** | Operating profit £m | Operating changes in CSM £m | Operating value added £m | Operating profit £m | Operating changes in CSM £m | Operating value added £m |
| New business | **—** | **94** | **94** | — | 79 | 79 | — | 167 | 167 |
| Releases from stock of future profit | **103** | **(95)** | **8** | 97 | (92) | 5 | 203 | (192) | 11 |
| Operating assumption changes | **—** | **—** | **—** | — | — | — | (57) | 64 | 7 |
| Experience variances, expenses and other | **(42)** | **16** | **(26)** | (48) | 35 | (13) | (72) | 24 | (48) |
| Insurance result | **61** | **15** | **76** | 49 | 22 | 71 | 74 | 63 | 137 |
| Investment result | **(4)** | **17** | **13** | (3) | 14 | 11 | (7) | 31 | 24 |
| Protection | **57** | **32** | **89** | 46 | 36 | 82 | 67 | 94 | 161 |
| Health | **29** | **—** | **29** | 23 | — | 23 | 66 | — | 66 |
| **Insurance (Protection and Health)** | **86** | **32** | **118** | 69 | 36 | 105 | 133 | 94 | 227 |

Protection and Health operating profit increased by 24% to £86 million (HY24: £69 million) with strong growth across Protection and Health. Protection operating profit increased by 23% to £57 million (HY24: £46 million) driven by higher releases from CSM and improved mortality experience. Health operating profit increased by 26% to £29 million (HY24: £23 million) driven by portfolio growth and an improved combined operating ratio in the low-90s.

Protection and Health operating value added increased by 12% to £118 million (HY24: £105 million) reflecting strong new business growth, partly offset by a lower benefit in the CSM from experience variances.

a. Aviva analysis of 2024 company reporting
b. Swiss Re Group Watch 2025
c. Aviva analysis of 2024 company reporting

## (d) Wealth

Our Wealth business offers workplace pensions and retail savings products, through both intermediated and retail channels, and is a highly efficient customer acquisition engine into the Group. We are the market leader of workplace pensions[a] and our adviser platform has attracted the second highest net flows in the market[b]. In May 2025, we launched our new Onshore Bond, now integrated with the Aviva Adviser Platform, demonstrating our commitment to this attractive market. Our established propositions deliver reliable and growing earnings, which supports investment to build future growth opportunities across Advice and Direct Wealth. In 2024 we re-launched our Aviva Wealth brand and we are delivering rapidly against our proposition road map and digital transformation plans. Our products are supported by guidance and advice, and offer access to open architecture asset solutions, including Aviva Investors who provide expertise in multi-asset and Environmental, Social, and Governance (ESG) investing.

### (i) New business

Wealth and Other VNB increased by 16% to £153 million (HY24: £131 million) and PVNBP increased by 13% to £15,395 million (HY24: £13,627 million).

### (ii) Wealth assets under management and net flows

| | Platform £m | Workplace £m | Individual pensions £m | 6 months 2025 Total Wealth £m | 6 months 2024 Total Wealth £m | Full year 2024 Total Wealth £m |
|---|---|---|---|---|---|---|
| Assets under management at 1 January | **59,129** | **128,771** | **10,321** | **198,221** | 169,991 | 169,991 |
| Total inflows | **5,265** | **9,078** | **207** | **14,550** | 12,565 | 25,867 |
| Total outflows | **(2,876)** | **(5,316)** | **(570)** | **(8,762)** | (7,596) | (15,615) |
| **Net flows** | **2,389** | **3,762** | **(363)** | **5,788** | 4,969 | 10,252 |
| Market and other movements | **1,251** | **3,456** | **477** | **5,184** | 11,381 | 17,978 |
| **Assets under management at 30 June/31 December** | **62,769** | **135,989** | **10,435** | **209,193** | 186,341 | 198,221 |

Wealth net flows increased by 16% to £5.8 billion (HY24: £5.0 billion), representing an annualised 6% of opening assets under management (AUM), underpinned by strong performances in Platform and Workplace.

Platform net flows increased by 28% to £2.4 billion (HY24: £1.9 billion) due to strong gross inflows and higher retention in Adviser Platform, alongside continued momentum in Direct Wealth reflecting the benefits of the investment we are making in this business. Total Adviser Platform customers increased by 9% in the last year to over 400,000 and total direct customers increased by 27% in the last year to 90,000.

Workplace net flows increased by 8% to £3.8 billion (HY24: £3.5 billion) driven by growth in regular member contributions, which have now reached £1 billion per month and significant inflows from onboarded schemes. We have a strong new business pipeline in Workplace with 283 new schemes won in the first half of 2025 (HY24: 249).

AUM as at 30 June 2025 has grown 6% to £209.2 billion from an opening position of £198.2 billion, benefitting from both positive net flows and market movements of £5.2 billion, driven by growth in UK and overseas equity markets following heightened volatility in the spring.

### (iii) Operating profit

| | 6 months 2025 £m | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Revenue | **368** | 328 | 12 % | 665 |
| Expenses | **(292)** | (270) | (8)% | (536) |
| **Wealth** | **76** | 58 | 31 % | 129 |

Wealth operating profit increased by 31% to £76 million (HY24: £58 million). Excluding Direct Wealth, operating profit increased by 15% to £88 million (HY24: £77 million) due to strong asset growth and better margins, which benefitted from disciplined cost control and improved operating leverage. Direct Wealth operating performance improved by £7 million to £(12) million (HY24: £(19) million) following peak investment activity in 2024.

## (e) Retirement (Annuities and Equity Release)

Our Retirement business consists of BPAs, individual annuities and equity release. Our products offer customers safe and secure income in their retirement and support employers in their desire to de-risk their pension schemes. We are the UK's leading provider of individual annuities by assets[c], manage the UK's largest book of equity release mortgages[d] and are one of the top players in BPA[e]. Our scale, brand and efficient capital allocation gives our business a strong competitive edge across all these markets. We work closely with Aviva Investors, leveraging in-house expertise in illiquid asset origination with ESG credentials differentiating our propositions, enabling us to win new business.

a. Corporate Adviser Master Trust and GPP report - April 2025 | b. Fundscape Q4 2024 press release - January 2025 | c. Aviva analysis of 2024 company reporting | d. UK Finance 2024 data on UK mortgage lender | e. Hymans Robertson 2024 H2 analysis - April 2025

### (i) New business

| | 6 months 2025 £m | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| VNB | **94** | 105 | (10)% | 300 |
| PVNBP | **2,946** | 3,036 | (3)% | 9,408 |
| **VNB margin** | **3.2 %** | 3.4 % | (0.2)pp | 3.2 % |

Retirement PVNBP decreased by 3% to £2,946 million (HY24: £3,036 million) due to lower volumes in BPA, partly offset by growth in Individual Annuities and Equity Release. BPA PVNBP remained strong at £2,001 million in the first half of 2025 (HY24: £2,315 million) with the number of deals increasing to 43 (HY24: 39), supported by Aviva Clarity, our streamlined de-risking solution for smaller schemes. Year-to-date volumes at the date of this report for completed BPA schemes have risen to £3.1 billion. Individual Annuities PVNBP increased by 29% to £783 million (HY24: £607 million) reflecting investment in the business to grow market share, including enhancing our operational capacity to capture sustained customer demand. Equity Release PVNBP increased by 42% to £162 million (HY24: £114 million) driven by higher market lending and the launch of a new proposition.

Retirement VNB margin was 3.2% in the first half of 2025 (HY24: 3.4%), supported by higher volumes of small schemes in BPA. We have continued to write new business at low capital strain and, in light of current market conditions, have maintained a higher allocation of gilts within our investment strategy. The internal rate of return on BPA new business exceeded our previous low teens guidance.

### (ii) Operating profit and operating value added

| | 6 months 2025 | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Operating profit £m | Operating changes in CSM £m | Operating value added £m | Operating profit £m | Operating changes in CSM £m | Operating value added £m | Operating profit £m | Operating changes in CSM £m | Operating value added £m |
| New business | **—** | **107** | **107** | — | 130 | 130 | 46 | 406 | 452 |
| Releases from stock of future profit | **269** | **(249)** | **20** | 251 | (230) | 21 | 527 | (481) | 46 |
| Operating assumption changes | **—** | **—** | **—** | — | — | — | 17 | (48) | (31) |
| Experience variances, expenses and other | **(35)** | **8** | **(27)** | (38) | (8) | (46) | (106) | 132 | 26 |
| Insurance result | **234** | **(134)** | **100** | 213 | (108) | 105 | 484 | 9 | 493 |
| Investment result | **76** | **112** | **188** | 97 | 104 | 201 | 193 | 216 | 409 |
| Annuities | **310** | **(22)** | **288** | 310 | (4) | 306 | 677 | 225 | 902 |
| Equity Release | **28** | **—** | **28** | 37 | — | 37 | 69 | — | 69 |
| **Retirement (Annuities and Equity Release)[1]** | **338** | **(22)** | **316** | 347 | (4) | 343 | 746 | 225 | 971 |

1. Excludes the impact of intra-group reinsurance of periodic payment orders (PPOs)

Retirement operating profit decreased by 3% to £338 million (HY24: £347 million) driven by lower investment returns on surplus assets, partly offset by higher releases of CSM. CSM increased by 6% over the last year reflecting portfolio growth and positive impacts in the second half of 2024 from modelling changes.

Retirement operating value added decreased by 8% to £316 million (HY24: £343 million) driven by a reduction in new business.

## (f) Heritage

Aviva has one of the largest back books in the UK, with AUM of £63 billion. We manage legacy pension and savings policies for approximately 1.1 million customers, honouring promises made over many years. Heritage is an important part of the Group, providing a predictable source of capital and cash generation, and delivering significant inflows into our Wealth and Retirement business through asset recapture. The Heritage business is in run-off, and profit is driven by effective management of AUM and cost efficiencies.

### (i) Operating profit and operating value added

| | 6 months 2025 | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Operating profit £m | Operating changes in CSM £m | Operating value added £m | Operating profit £m | Operating changes in CSM £m | Operating value added £m | Operating profit % | Operating changes in CSM % | Operating value added % |
| Releases from stock of future profit | **64** | **(61)** | **3** | 70 | (66) | 4 | 178 | (173) | 5 |
| Operating assumption changes | **—** | **—** | **—** | — | — | — | (4) | 14 | 10 |
| Experience variances, expenses and other | **12** | **(42)** | **(30)** | 20 | (2) | 18 | 30 | 6 | 36 |
| Insurance result | **76** | **(103)** | **(27)** | 90 | (68) | 22 | 204 | (153) | 51 |
| Investment result | **19** | **33** | **52** | 21 | 11 | 32 | 34 | 47 | 81 |
| **Heritage** | **95** | **(70)** | **25** | 111 | (57) | 54 | 238 | (106) | 132 |

Heritage operating profit decreased by 14% to £95 million (HY24: £111 million) driven by the expected run-off of the closed book.

Heritage operating value added decreased by 54% to £25 million (HY24: £54 million) driven by negative experience variances in the CSM, compared to positive experience in the prior period.

### (g) Ireland

In Ireland we offer a wide range of products across protection, savings, pensions and annuities. We are the market leader in the income protection market[a]. We are undertaking a significant modernisation of our end-to-end customer operations, increasing investment in our propositions and streamlining Finance processes to enhance efficiency and deliver growth.

#### (i) New business

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| VNB | **22** | 22 | 1 % | 44 |
| PVNBP | **1,391** | 1,229 | 13 % | 2,614 |
| **VNB margin** | **1.6 %** | 1.7 % | (0.1)pp | 1.7 % |

Ireland PVNBP increased by 13% to £1,391 million (HY24: £1,229 million) driven by strong sales across our savings and protection propositions, including significant volumes of pre-retirement pension business.

Ireland VNB was £22 million (HY24: £22 million) reflecting strong sales growth, partly offset by a reduction in the margins on retail protection business in a highly competitive market.

#### (ii) Operating profit and operating value added

| | **6 months 2025** | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Operating profit £m** | **Operating changes in CSM £m** | **Operating value added £m** | Operating profit £m | Operating changes in CSM £m | Operating value added £m | Operating profit % | Operating changes in CSM % | Operating value added % |
| New business | **—** | **10** | **10** | — | 7 | 7 | — | 16 | 16 |
| Releases from stock of future profit | **22** | **(17)** | **5** | 16 | (15) | 1 | 36 | (30) | 6 |
| Operating assumption changes | **—** | **—** | **—** | — | — | — | — | (12) | (12) |
| Experience variances, expenses and other | **(20)** | **5** | **(15)** | (19) | 14 | (5) | (7) | 7 | — |
| Insurance result | **2** | **(2)** | **—** | (3) | 6 | 3 | 29 | (19) | 10 |
| Investment result | **6** | **3** | **9** | 5 | 2 | 7 | 19 | 3 | 22 |
| Other | **(7)** | **—** | **(7)** | (1) | — | (1) | (31) | — | (31) |
| **Ireland** | **1** | **1** | **2** | 1 | 8 | 9 | 17 | (16) | 1 |

Ireland operating profit was stable at £1 million (HY24: £1 million) with higher releases from stock of future profit offset by increased investment in the business to drive future growth.

Ireland operating value added decreased to £2 million (HY24: £9 million) with new business growth offset by less favourable experience variances in the CSM.

### (h) IWR Other

IWR Other operating performance, which includes non-product specific expenses, provisions related to product governance and hedging costs, improved to £(21) million (HY24: £(54) million) driven by recoveries from professional indemnity insurers, partly offset by lower investment returns on shareholder assets.

### (i) IWR Assets under management (AUM)

| | | | | | | **6 months 2025** | 6 months 2024 | Full year 2024 |
|---|---|---|---|---|---|---|---|---|
| | **Wealth £m** | **Retirement £m** | **Heritage £m** | **Ireland £m** | **Other £m** | **Total IWR £m** | Total IWR £m | Total IWR £m |
| Assets under management at 1 January | **198,221** | **65,032** | **64,092** | **12,492** | **2,523** | **342,360** | 315,911 | 315,911 |
| Net flows | **5,788** | **345** | **(3,011)** | **463** | **450** | **4,035** | 3,082 | 8,333 |
| Market and other movements | **5,184** | **182** | **1,679** | **243** | **(530)** | **6,758** | 11,094 | 18,116 |
| **Assets under management at 30 June/31 December** | **209,193** | **65,559** | **62,760** | **13,198** | **2,443** | **353,153** | 330,087 | 342,360 |

Net flows increased to £4.0 billion (HY24: £3.1 billion) driven by strong trading performances in Wealth and Retirement, offsetting run-off in Heritage.

AUM as at 30 June 2025 has grown 7% to £353.2 billion from an opening position of £342.4 billion, benefitting from positive net flows and market movements of £6.8 billion, driven by growth in UK and overseas equity markets following heightened volatility in the spring.

a. Aviva calculation derived from the Milliman Life and Pensions New Business 2024 FY Report

### (j) Contractual service margin (CSM) analysis

The CSM is a liability under IFRS 17 that represents a stock of future profit. It is recognised in our IWR businesses, most significantly on Annuities, reflecting the large, long-term source of profits within our business.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Protection[1] | **1,014** | 915 | 975 |
| Annuities | **5,393** | 5,097 | 5,406 |
| Ireland | **263** | 269 | 255 |
| Other[2] | **(157)** | (157) | (157) |
| **Total CSM (exc. Heritage)** | **6,513** | 6,124 | 6,479 |
| Heritage[1] | **1,265** | 1,207 | 1,289 |
| **Total CSM** | **7,778** | 7,331 | 7,768 |

1. The 6 months 2024 comparatives have been re-presented in Protection and Heritage for a change in the allocation of the benefits and costs from an extension of two key partnerships
2. Other comprises the CSM relating to the intra-group reinsurance of PPOs. For other reporting metrics the adjustment for PPOs is included within 'Other operations'.

The table below shows the movements in the CSM liability.

| | **Protection £m** | **Annuities £m** | **Heritage £m** | **Ireland £m** | **Other £m** | **6 months 2025 Total £m** | Protection[1] £m | Annuities £m | Heritage[1] £m | Ireland £m | Other £m | 6 months 2024 Total £m | Full year 2024 Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Opening CSM** | **975** | **5,406** | **1,289** | **255** | **(157)** | **7,768** | 835 | 5,109 | 1,193 | 267 | (156) | 7,248 | 7,248 |
| New business | **94** | **107** | **—** | **10** | **—** | **211** | 79 | 130 | — | 7 | — | 216 | 589 |
| Interest accretion and expected return | **17** | **112** | **33** | **3** | **(4)** | **161** | 14 | 104 | 11 | 2 | (4) | 127 | 290 |
| Experience variance and other | **16** | **8** | **(42)** | **5** | **—** | **(13)** | 35 | (8) | (2) | 14 | 2 | 41 | 169 |
| Assumption changes | **—** | **—** | **—** | **—** | **—** | **—** | — | — | — | — | — | — | 18 |
| Release of CSM | **(95)** | **(249)** | **(61)** | **(17)** | **4** | **(418)** | (92) | (230) | (66) | (15) | 2 | (401) | (870) |
| **Operating changes in CSM** | **32** | **(22)** | **(70)** | **1** | **—** | **(59)** | 36 | (4) | (57) | 8 | — | (17) | 196 |
| Non-operating changes | **7** | **9** | **46** | **7** | **—** | **69** | 44 | (8) | 71 | (6) | (1) | 100 | 324 |
| **Closing CSM** | **1,014** | **5,393** | **1,265** | **263** | **(157)** | **7,778** | 915 | 5,097 | 1,207 | 269 | (157) | 7,331 | 7,768 |

1. The 6 months 2024 comparatives have been re-presented in Protection and Heritage for a change in the allocation of the benefits and costs from an extension of two key partnerships

Total CSM excluding Heritage has increased by 6% to £6,513 million (HY24: £6,124 million) driven by profitable new business and positive impacts from experience variances in the second half of 2024. Including Heritage, total CSM increased to £7,778 million (HY24: £7,331 million).

The release of CSM in the first half of 2025 was 10.2% (HY24: 10.4%) of the closing CSM, before allowing for the release, on an annualised basis. This level is expected to be repeated in future periods, noting that the release percentage may change depending on the mix and volumes of new business written in each period.

In line with other performance indicators, movements in the CSM are split between operating and non-operating, where the former contributes to operating value added. Non-operating changes was driven by the positive impact of market movements on AUM in Heritage.

## 6.2 - UK & Ireland General Insurance

| £m (unless otherwise stated) | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| **New business** | | | | |
| Gross written premiums | **4,141** | 3,809 | 9 % | 7,699 |
| **Operating performance** | | | | |
| Operating profit | **430** | 287 | 50 % | 708 |
| Undiscounted COR | **94.5 %** | 95.8 % | (1.3)pp | 94.9 % |
| Discounted COR | **89.8 %** | 92.2 % | (2.4)pp | 90.9 % |
| Controllable costs | **496** | 400 | 24 % | 854 |
| Distribution ratio | **33.1 %** | 31.7 % | 1.4 pp | 31.2 % |
| Solvency II operating own funds generation | **329** | 273 | 21 % | 572 |
| Solvency II return on capital[1] | **24.6 %** | 22.9 % | 1.7 pp | 24.0 % |
| Solvency II operating capital generation | **360** | 241 | 49 % | 337 |
| **Cash remittances** | **99** | 94 | 5 % | 571 |

1. The comparative amount for the period ended 30 June 2024 for Solvency II return on capital has been re-presented as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting Ireland General Insurance. The revised approach was first implemented for the period ended 31 December 2024.

### (a) Overview

Aviva is a leading insurer in the UK and Ireland, holding the number one position in the UK market[a] and number three in Ireland[b].

On 1 July we completed the acquisition of Direct Line, which will scale our position in the Personal Lines market and accelerate our capital-light growth strategy, unlocking future growth. As a result of our acquisition of Direct Line, we expect to climb to number one in the UK personal lines market[c].

In commercial lines, we have extended our leadership position by investing in our underwriting capacity and technology. We have expanded our specialty product offerings in GCS and on our Lloyd's of London platform, Probitas. We've also built on our existing Delegated Underwriting Authority and multinational capabilities, and recently doubled our offshore renewables capacity. This continues to unlock future growth in an attractive marketplace.

In the second half of the year, we will continue to focus on our strategy of capital-light growth, underpinned by continuing underwriting discipline with focus on areas where we hold a competitive advantage. This will be enhanced by our Direct Line integration which will move at pace during the second half of the year.

### (b) Operating performance

#### (i) GWP

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Personal lines | **1,858** | 1,811 | 3 % | 3,600 |
| Commercial lines | **2,008** | 1,749 | 15 % | 3,604 |
| UK | **3,866** | 3,560 | 9 % | 7,204 |
| Ireland | **275** | 249 | 10 % | 495 |
| **Total GWP** | **4,141** | 3,809 | 9 % | 7,699 |

UK & Ireland continued its strong trading momentum with GWP increasing 9% to £4,141 million (HY24: £3,809 million).

UK personal lines GWP increased 3% to £1,858 million (HY24: £1,811 million) supported by growth in Intermediated business, including the addition of the travel partnership with Nationwide. Retail premiums were broadly consistent with the prior period and we continue to be disciplined despite areas of market softening, maintaining the strong rate adequacy of the book.

UK commercial lines GWP increased 15% to £2,008 million (HY24: £1,749 million), including £180 million in Probitas. We are benefitting from greater access to markets, launching seven new lines of business through Probitas since the deal was completed. Excluding Probitas, commercial lines growth was driven by new business in GCS and rate increases in SME.

Ireland GWP increased by 12% on a constant currency basis (10% on a sterling basis) to £275 million (HY24: £249 million). Personal lines GWP grew 22% on a constant currency basis (21% on a sterling basis) to £124 million (HY24: £103 million) driven by strong new business performance and significant rate increases, supported by our new personal lines direct sales platform. Commercial lines increased 4% on a constant currency basis (3% on a sterling basis) to £151 million (HY24: £146 million), which grew across the portfolio supported by strong retention.

a. Source: ABI General Insurance Company Rankings 2023, by GWP
b. Source: Insurance Ireland Non-life Members ranking 2024, by GWP
c. Based on 2024 published results

### (ii) Operating profit and COR

| | 6 months 2025 £m | 6 months 2024 £m | Sterling % change | Full year 2024 £m |
|---|---|---|---|---|
| Underwriting result | **360** | 212 | 70 % | 561 |
| Investment return | **178** | 147 | 21 % | 309 |
| Unwind of discounting on incurred claims | **(122)** | (117) | (4)% | (228) |
| Other[1] | **6** | 3 | 85 % | 4 |
| UK | **422** | 245 | 72 % | 646 |
| Ireland | **8** | 42 | (80)% | 62 |
| **Total operating profit** | **430** | 287 | 50 % | 708 |

1. Includes the results of non-insurance operations and pension scheme net finance costs

| | 6 months 2025 % | 6 months 2024 % | Change | Full year 2024 % |
|---|---|---|---|---|
| Personal lines | **93.9 %** | 96.5 % | (2.6)pp | 94.3 % |
| Commercial lines | **93.5 %** | 96.1 % | (2.6)pp | 95.4 % |
| UK | **93.7 %** | 96.3 % | (2.6)pp | 94.9 % |
| Ireland | **106.0 %** | 88.5 % | 17.5 pp | 94.8 % |
| **Total undiscounted COR** | **94.5 %** | 95.8 % | (1.3)pp | 94.9 % |
| | | | | |
| UK | **89.0 %** | 92.8 % | (3.8)pp | 91.0 % |
| Ireland | **101.2 %** | 84.0 % | 17.2 pp | 89.9 % |
| **Total discounted COR** | **89.8 %** | 92.2 % | (2.4)pp | 90.9 % |

Overall UK & Ireland operating profit increased 50% to £430 million (HY24: £287 million) driven by strong underwriting results and improved investment returns.

The UK underwriting result has increased by £148 million to £360 million (HY24: £212 million) driven by strong rate adequacy earning through and favourable PYD experience. Investment returns increased to £178 million (HY24: £147 million), supported by the sustained higher interest rate environment.

UK undiscounted COR improved by 2.6pp to 93.7% (HY24: 96.3%). Personal lines undiscounted COR of 93.9% (HY24: 96.5%) improved by 2.6pp, reflecting the earn through of the pricing actions taken and strong growth in retail business in 2024. Commercial lines undiscounted COR of 93.5% (HY24: 96.1%) improved by 2.6pp, due to continued strong performance in SME and improving profitability in GCS.

Ireland operating profit decreased by £34 million to £8 million (HY24: £42 million) and undiscounted COR increased 17.5pp to 106.0% (HY24: 88.5%) driven largely by adverse weather experience from Storm Éowyn, which has overshadowed the otherwise strong performance in the period.

### (iii) Controllable costs and distribution ratio

Controllable costs for UK and Ireland increased to £496 million (HY24: £400 million) driven by investment in business growth and the inclusion of Probitas. Overall UK & Ireland distribution ratio has increased by 1.4pp to 33.1% (HY24: 31.7%).

In the UK, investment in our business and a shift in mix towards business with higher distribution ratio, including Probitas, resulted in a 1.6pp increase in the distribution ratio to 33.1% (HY24: 31.5%). We continue to support profitable growth by investing in underwriting and improving customer propositions.

In Ireland, the distribution ratio improved by 1.8pp to 33.2% (HY24: 35.0%), due to improved operating efficiency as the business grows.

### (iv) Solvency II

| £m (unless otherwise stated) | 6 months 2025 | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| Solvency II operating own funds generation | **329** | 273 | 21 % | 572 |
| Solvency II return on capital[1 2] | **24.6 %** | 22.9 % | 1.7 pp | 24.0 % |
| Solvency II operating capital generation | **360** | 241 | 49 % | 337 |

1. 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 businesses
2. The comparative amount for the period ended 30 June 2024 for Solvency II return on capital has been re-presented as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting Ireland General Insurance. The revised approach was implemented for the period ended 31 December 2024.

Solvency II OFG in the UK & Ireland General Insurance businesses increased by £56 million to £329 million (HY24: £273 million) due to strong underwriting and higher investment returns, partially offset by unfavourable weather experience in Ireland from Storm Éowyn. Solvency II return on capital increased to 24.6% (HY24: 22.9%) primarily as a result of higher Solvency II OFG.

UK & Ireland Solvency II OCG increased by £119 million to £360 million (HY24: £241 million) due to higher Solvency II OFG and a reduction in capital requirements.

## 6.3 – Canada General Insurance

| £m (unless otherwise stated) | **6 months 2025** | 6 months 2024 | Sterling % change | Constant currency % | Full year 2024 |
|---|---|---|---|---|---|
| **New business** | | | | | |
| Gross written premiums | **2,149** | 2,196 | (2)% | 4 % | 4,505 |
| **Operating performance** | | | | | |
| Operating profit | **218** | 216 | 1 % | 7 % | 288 |
| Undiscounted COR | **94.7 %** | 94.7 % | — pp | — | 98.5 % |
| Discounted COR | **91.5 %** | 90.4 % | 1.1 pp | — | 94.4 % |
| Controllable costs | **255** | 244 | 5 % | 11 % | 504 |
| Distribution ratio | **33.0 %** | 33.3 % | (0.3)pp | — | 31.8 % |
| Solvency II operating own funds generation | **157** | 161 | (2)% | 4 % | 223 |
| Solvency II return on capital[1] | **20.9 %** | 19.7 % | 1.2 pp | 1.1 pp | 13.6 % |
| Solvency II operating capital generation | **187** | 162 | 15 % | 23 % | 228 |
| **Cash remittances** | **80** | 73 | 10 % | 17 % | 135 |

1. The comparative amount for the period ended 30 June 2024 for Solvency II return on capital has been re-presented as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting Canada General Insurance. The revised approach was first implemented for the period ended 31 December 2024.

### (a) Overview

Aviva is Canada's second largest general insurer[a] with a clear strategy to profitably grow our market share and maintain our position as a leading insurer with scale in both personal and commercial lines – our focus remains on being a top choice for customers, shareholders, partners and our people.

During the first half of 2025 our business delivered modest but quality GWP growth on a constant currency basis, driven by strong personal lines growth through partnerships along with the impact of rate, partly offset by the impacts of market softening in commercial lines and our focus on margins.

Following our partnership with President's Choice Insurance (PCI), we continue to focus on offering their products through our partners and further expanding distribution reach. In the near term, we will continue to prioritise broadening our product offerings and expand our supply chain network, to address additional demand and deliver the best outcomes to our customers, while also increasing and diversifying our distribution income.

### (b) Operating performance

#### (i) GWP

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Constant currency % | Full year 2024 £m |
|---|---|---|---|---|---|
| Personal lines | **1,372** | 1,345 | 2 % | 9 % | 2,788 |
| Commercial lines | **777** | 851 | (9)% | (3)% | 1,717 |
| **Total GWP** | **2,149** | 2,196 | (2)% | 4 % | 4,505 |

Canada GWP increased by 4% on a constant currency basis to £2,149 million (HY24: £2,196 million). In personal lines, GWP increased by 9% to £1,372 million (HY24: £1,345 million) driven by increased rate across both auto and property, along with growth through our partnerships. Commercial lines GWP decreased to £777 million (HY24: £851 million) mostly driven by our actions taken to maintain profitability in a softening market. Price competition remains on large profitable accounts, however, we continue to focus on margins over volume.

#### (ii) Operating profit and COR

| | **6 months 2025 £m** | 6 months 2024 £m | Sterling % change | Constant currency % | Full year 2024 £m |
|---|---|---|---|---|---|
| Underwriting result | **175** | 191 | (8)% | (3)% | 228 |
| Investment return | **112** | 125 | (10)% | (5)% | 246 |
| Unwind of discounting on incurred claims | **(65)** | (98) | 33 % | 29 % | (183) |
| Other[1] | **(4)** | (2) | (71)% | (82)% | (3) |
| **Total operating profit** | **218** | 216 | 1 % | 7 % | 288 |

1. Includes the results of non-insurance operations and pension scheme net finance costs

a. Canadian market share source: 2024 Q4YTD MSA Research Results. Includes: Lloyd's, excludes: ICBC, SAF, SGI and Genworth.

| | 6 months 2025 % | 6 months 2024 % | Change | Full year 2024 % |
|---|---|---|---|---|
| Personal lines | **95.8 %** | 94.6 % | 1.2 pp | 98.6 % |
| Commercial lines | **92.7 %** | 95.0 % | (2.3)pp | 98.3 % |
| **Total undiscounted COR** | **94.7 %** | 94.7 % | — pp | 98.5 % |
| **Total discounted COR** | **91.5 %** | 90.4 % | 1.1 pp | 94.4 % |

Canada operating profit increased by 7% on a constant currency basis (up 1% on a sterling basis) to £218 million (HY24: £216 million) driven by an improved underlying result, reflecting the earn-through of pricing actions, and favourable prior year development, which more than offset the impact of weather-related catastrophe events and a lower investment result of £112 million from lower yields.

Canada undiscounted COR remained strong at 94.7% (HY24: 94.7%). The personal lines undiscounted COR of 95.8% is unfavourable to prior period driven by increased weather-related losses and marginally higher expenses, partially offset by higher favourable prior year development, a reduction in theft claims incurred due to improving auto theft trends, along with pricing and theft deterrence actions. The commercial lines undiscounted COR of 92.7% improved by 2.3pp due to increased favourable prior year development, lower claims severity due to one-off large loss experience in the prior period, reduced commissions and expenses, partially offset by increased weather-related losses.

The discounted COR of 91.5% (HY24: 90.4%) reflects a reduced discounting benefit due to lower yields.

### (iii) Controllable costs and distribution ratio

Controllable costs were £255 million (HY24: £244 million), higher than prior period due to investment in business growth and the inclusion of a new partnership. The distribution ratio of 33.0% is broadly in-line with prior period at 33.3%.

### (iv) Solvency II

| £m (unless otherwise stated) | 6 months 2025 | 6 months 2024 | Sterling % change | Constant currency % | Full year 2024 |
|---|---|---|---|---|---|
| Solvency II operating own funds generation | **157** | 161 | (2)% | 4 % | 223 |
| Solvency II return on capital[1] | **20.9 %** | 19.7 % | 1.2 pp | 1.1 pp | 13.6 % |
| Solvency II operating capital generation | **187** | 162 | 15 % | 23 % | 228 |

1. The comparative amount for the period ended 30 June 2024 for Solvency II return on capital has been re-presented as a result of a revised approach to allocate capital in our internal reinsurance vehicle. This better reflects the capital supporting Canada General Insurance. The revised approach was implemented for the period ended 31 December 2024.

Solvency II OFG in Canada increased by 4% on a constant currency basis (decreased by 2% on a sterling basis) to £157 million (HY24: £161 million) due to strong trading and favourable prior year development offsetting increased weather-related catastrophe events. Solvency II OCG increased by 23% on a constant currency basis (15% on a sterling basis) to £187 million (HY24: £162 million) primarily due to lower SCR from reduced exposure in commercial lines following actions taken to maintain profitability in a softening market.

Solvency II return on capital increased to 20.9% (HY24: 19.7%).

## 6.4 - Aviva Investors

| £m (unless otherwise stated) | **6 months 2025** | 6 months 2024 | Sterling % change | Full year 2024 |
|---|---|---|---|---|
| **Operating performance** | | | | |
| Aviva Investors revenue | **188** | 183 | 3 % | 374 |
| Controllable costs | **(165)** | (165) | — % | (334) |
| Operating profit | **23** | 18 | 27 % | 40 |
| Cost income ratio | **88 %** | 90 % | (2) pp | 89 % |
| Net flows | **(1.2)bn** | (1.7)bn | 30 % | (2.3)bn |
| *Of which: External net flows* | **0.3 bn** | 0.3 bn | 7 % | 0.2 bn |
| *Of which: Internal net flows excluding Legacy assets* | **2.1 bn** | 2.0 bn | 10 % | 5.0 bn |
| *Of which: Legacy assets*[1] | **(3.2)bn** | (3.4)bn | 7 % | (6.1)bn |
| *Of which: Strategic actions* | **(0.5)bn** | (0.6)bn | 17 % | (1.5)bn |
| Net flows into liquidity funds and cash | **0.4 bn** | 3.0 bn | (87)% | 4.4 bn |
| Assets under management (AUM) | **246 bn** | 234 bn | 5 % | 238 bn |
| Cost asset ratio | **13.6 bps** | 14.3 bps | (0.7)pp | 14.4 bps |
| Solvency II operating own funds generation | **17** | 12 | 42 % | 29 |
| Solvency II return on capital | **8.5 %** | 6.1 % | 2.4 pp | 7.4 % |
| Solvency II operating capital generation | **36** | 41 | (12)% | 68 |
| **Cash Remittances** | **—** | — | — % | 14 |

1. Legacy assets includes closed pensions and savings products managed on behalf of IWR within with-profits and unit-linked funds

### (a) 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 £245.9 billion of assets of which £206.4 billion of assets are for businesses from the Aviva Group. We have a close partnership with Aviva's IWR business, offering our highly diversified range to IWR Wealth customers through their Workplace and retail channels, and originating illiquid assets to back IWR Annuities, a key enabler for growth in Bulk Purchase Annuity deals.

We also leverage our expertise and scale to benefit external clients, managing a further £40 billion of assets on behalf of institutional, wholesale and retail clients. External clients have access to our highly diversified range of capabilities including private markets, multi-assets, equities and fixed income products.

Our key strategic priorities are delivering for our customers by meeting their investment needs, ongoing focus on simplifying our business to deliver efficiency benefits and capitalising on growth opportunities within Aviva Group and externally through our strengths.

A fundamental part of our sustainability approach is to work in partnership with investors to identify and shape solutions to meet their evolving needs. This includes being a key enabler of the investment parts of Aviva's sustainability ambition.

### (b) Operating performance

#### (i) Operating profit

Operating profit increased to £23 million (HY24: £18 million). Increased revenue of £188 million (HY24: £183 million), was largely driven by a 5% increase in average assets under management in the six months ended 30 June 2025, and increased illiquid asset origination for Aviva Group.

Controllable costs remained flat at £165 million (HY24: £165 million). Inflation of staff and non-staff costs was offset by delivery of cost efficiencies and the non-repeat of one-off items in 2024. The cost asset ratio reduced to 13.6bps (HY24: 14.3bps) due to the growth in AUM with the overall cost base remaining flat.

### (ii) Net flows and Assets under Management (AUM)

AUM represent all assets managed by Aviva Investors. The assets managed by Aviva Investors on behalf of other Aviva Group entities are reported as internal assets in the table below. The table below also includes assets managed by Aviva Investors on behalf of external clients reported as external assets.

| | Internal £m | External £m | 6 months 2025 Total £m | 6 months 2024 Total £m | Full year 2024 Total £m |
|---|---|---|---|---|---|
| AUM at 1 January | **198,500** | **39,696** | **238,196** | 227,022 | 227,022 |
| Total inflows | **12,481** | **1,826** | **14,307** | 18,248 | 38,567 |
| Total outflows | **(10,339)** | **(1,515)** | **(11,854)** | (16,004) | (33,274) |
| Net flows (excluding legacy assets and strategic actions) | **2,142** | **311** | **2,453** | 2,244 | 5,293 |
| Net flows from legacy assets | **(3,171)** | **—** | **(3,171)** | (3,395) | (6,131) |
| Strategic actions[1] | **—** | **(492)** | **(492)** | (590) | (1,491) |
| Net flows | **(1,029)** | **(181)** | **(1,210)** | (1,741) | (2,329) |
| Net flows into liquidity funds and cash | **1,101** | **(708)** | **393** | 3,047 | 4,405 |
| Market and foreign exchange movements | **7,791** | **689** | **8,480** | 6,050 | 9,098 |
| **AUM at 30 June / 31 December[2]** | **206,363** | **39,496** | **245,859** | 234,378 | 238,196 |

1. Strategic actions from clients previously part of the Aviva Group and other corporate actions, such as fund closures
2. Aviva Investors administer an additional £36 billion (HY24: £36 billion, 2024: £36 billion) of assets classified as assets under administration which are not included in assets under management

AUM of £246 billion increased by £7.7 billion in 2025. Positive market movements of £8.5 billion (HY24: £6.1 billion), internal net flows excluding legacy assets and strategic actions of £2.1 billion (HY24: £2.0 billion), external flows of £0.3 billion (HY24: £0.3 billion) and flows into liquidity funds of £0.4 billion (HY24: £3.0 billion) were partly offset by net outflows from legacy assets of £3.2 billion (HY24: £3.4 billion) and strategic actions net outflows of £0.5 billion (HY24: £0.6 billion).

External client net inflows (excluding strategic actions) of £0.3 billion (HY24: £0.3 billion) were driven by continued strong sales of multi-asset funds.

Internal net inflows (excluding legacy asset flows) increased to £2.1 billion (HY24: £2.0 billion).

- Wealth net inflows increased to £3.3 billion (HY24: £2.3 billion) continuing our strong performance in this channel in support of IWR's growth strategy in Workplace.
- Retirement net outflows of £1.4 billion (HY24: £nil) reflects outflows to existing annuitants from previous individual or bulk purchase deals partly offset by BPA new business originated in HY25. HY24 annuity flows benefitted from 2023 IWR BPA deals being invested in Aviva Investors funds in HY24.
- Net flows from other Aviva businesses grew to £0.2 billion (HY24: net outflows of £0.4 billion).

Net outflows from legacy assets reduced by 7% to £3.2 billion (HY24: £3.4 billion) in line with the run off profile of the business.

Market movements of £8.5 billion reflect growth in global equity markets during the period, which recovered following significant uncertainty in early Q2 2025, and supported growth in equity funds and multi-asset portfolios.

Net inflows into liquidity funds decreased to £0.4 billion (HY24: £3.0 billion) reflecting investor sentiment in response to widely expected reductions in UK interest rates.

Our business outlook is positive as we continue to build and deliver growth through our strengths in real estate, infrastructure, fixed income and equities. We are actively managing outflows from legacy assets and strategic actions, which are expected to decline over time. Our focus remains on accelerating growth in our open book business, particularly through our internal Wealth channel and by deepening relationships with external clients.

## 6.5 - International Investments (India and China)

| £m (unless otherwise stated) | **6 months 2025** | 6 months 2024 | Sterling % change | Constant currency % | Full year 2024 |
|---|---|---|---|---|---|
| **New business** | | | | | |
| VNB | **41** | 33 | 25 % | 28 % | 51 |
| PVNBP | **905** | 805 | 12 % | 16 % | 1,507 |
| **Operating performance** | | | | | |
| Operating profit | **25** | 26 | (4)% | — % | 48 |
| Solvency II operating own funds generation | **134** | 64 | 109 % | 116 % | 117 |
| Solvency II return on capital | **32.2 %** | 11.8 % | 20.4 pp | 20.6 pp | 10.8 % |
| Solvency II operating capital generation | **44** | (20) | 320 % | 328 % | (59) |
| **Cash remittances** | **11** | — | 100 % | 100 % | — |

### (a) Overview

International investments comprise our subsidiary in India and our joint venture (JV) in China, providing us with value creation potential and optionality in attractive and fast-growing markets.

In India, we have a subsidiary undertaking with a shareholding of 74%, Aviva Life Insurance Company India Ltd (Aviva India), which is a life insurance business that provides savings, protection and retirement products through bancassurance, retail agency channels and a direct sales force.

In China we have a 50% shareholding in Aviva-COFCO Life Insurance Company Ltd.

On 18 March 2024 the Group announced that it had completed the sale of its entire 24.19% shareholding in Aviva SingLife Holdings Pte Ltd. This transaction further simplifies the Group’s geographic footprint and supports the focus on capital-light businesses. Aviva SingLife was included within the results of the Group up to the date of completion.

### (b) Operating performance

PVNBP has increased to £905 million (HY24: £805 million) and VNB has increased to £41 million (HY24: £33 million). On a constant currency basis PVNBP is 16% higher (12% on a sterling basis), primarily due to our JV in China where sales have grown compared to the prior period which suffered from industry level action to discontinue and replace the current product designs. VNB has increased reflecting sales growth and expense savings.

Operating profit has decreased to £25 million (HY24: £26 million). Cash remittances of £11 million (HY24: £nil) relate to dividends from our JV in China.

Solvency II OFG has increased by £70 million to £134 million (HY24: £64 million) due to business growth and a modelling refinement to participating business in our JV in China.

## 7 - General Insurance profit drivers

| 6 months 2025 | UK Personal £m | UK Commercial £m | Total UK £m | Ireland £m | Total UK & Ireland £m | Canada Personal £m | Canada Commercial £m | Total Canada £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|
| **Gross written premiums** | **1,858** | **2,008** | **3,866** | **275** | **4,141** | **1,372** | **777** | **2,149** | **6,290** |
| Net insurance revenue | 1,722 | 1,562 | 3,284 | 238 | 3,522 | 1,319 | 728 | 2,047 | 5,569 |
| Net claims incurred | (1,011) | (825) | (1,836) | (162) | (1,998) | (827) | (371) | (1,198) | (3,196) |
| Incurred commission | (323) | (336) | (659) | (36) | (695) | (246) | (170) | (416) | (1,111) |
| Incurred expenses | (212) | (217) | (429) | (43) | (472) | (157) | (101) | (258) | (730) |
| Underwriting result | 176 | 184 | 360 | (3) | 357 | 89 | 86 | 175 | 532 |
| Investment return | | | 178 | 23 | 201 | | | 112 | 313 |
| Unwind of discounting on incurred claims | | | (122) | (10) | (132) | | | (65) | (197) |
| Other[1] | | | 6 | (2) | 4 | | | (4) | — |
| **Operating profit** | | | **422** | **8** | **430** | | | **218** | **648** |
| Claims ratio | 58.7 % | 52.8 % | 55.9 % | 68.0 % | 56.7 % | 62.7 % | 50.9 % | 58.5 % | 57.4 % |
| *Of which:* | | | | | | | | | |
| Prior year reserve development (%) | | | (1.7)% | (10.1)% | (2.3)% | | | (3.3)% | (2.6)% |
| Weather claims over/(under) long-term average (%) | | | (0.3)% | 8.6 % | 0.3 % | | | 3.2 % | 1.3 % |
| Discounting (%) | (4.1)% | (5.3)% | (4.7)% | (4.8)% | (4.7)% | (2.6)% | (4.5)% | (3.2)% | (4.2)% |
| Distribution ratio | 31.1 % | 35.4 % | 33.1 % | 33.2 % | 33.1 % | 30.5 % | 37.3 % | 33.0 % | 33.0 % |
| *Of which:* | | | | | | | | | |
| Commission ratio | 18.8 % | 21.6 % | 20.1 % | 15.2 % | 19.7 % | 18.6 % | 23.4 % | 20.4 % | 19.9 % |
| Expense ratio | 12.3 % | 13.8 % | 13.0 % | 18.0 % | 13.4 % | 11.9 % | 13.9 % | 12.6 % | 13.1 % |
| **Discounted COR (%)** | **89.8 %** | **88.2 %** | **89.0 %** | **101.2 %** | **89.8 %** | **93.2 %** | **88.2 %** | **91.5 %** | **90.4 %** |
| **Undiscounted COR (%)** | **93.9 %** | **93.5 %** | **93.7 %** | **106.0 %** | **94.5 %** | **95.8 %** | **92.7 %** | **94.7 %** | **94.6 %** |
| **Assets supporting general insurance business** | | | | | | | | | |
| Debt securities | | | | | 3,664 | | | 4,839 | 8,503 |
| Equity securities | | | | | 15 | | | 80 | 95 |
| Investment property | | | | | 255 | | | — | 255 |
| Cash and cash equivalents | | | | | 1,428 | | | 986 | 2,414 |
| Other[2] | | | | | 2,987 | | | 758 | 3,745 |
| **Assets at 30 June 2025** | | | | | **8,349** | | | **6,663** | **15,012** |
| Debt securities | | | | | 3,395 | | | 4,878 | 8,273 |
| Equity securities | | | | | 13 | | | 82 | 95 |
| Investment property | | | | | 249 | | | — | 249 |
| Cash and cash equivalents | | | | | 1,492 | | | 901 | 2,393 |
| Other[2] | | | | | 2,888 | | | 774 | 3,662 |
| Assets at 31 December 2024 | | | | | 8,037 | | | 6,635 | 14,672 |
| Average assets | | | | | 8,193 | | | 6,649 | 14,842 |
| **Investment return as % of average assets** | | | | | **4.9 %** | | | **3.4 %** | **4.2 %** |

1. Includes the result of non-insurance operations and pension scheme net finance costs
2. Includes loans, equity unit trusts, derivatives and other financial investments

| 6 months 2024 | UK Personal £m | UK Commercial £m | Total UK £m | Ireland £m | Total UK & Ireland £m | Canada Personal £m | Canada Commercial £m | Total Canada £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|
| Gross written premiums | 1,811 | 1,749 | 3,560 | 249 | 3,809 | 1,345 | 851 | 2,196 | 6,005 |
| Net insurance revenue | 1,553 | 1,384 | 2,937 | 211 | 3,148 | 1,269 | 727 | 1,996 | 5,144 |
| Net claims incurred | (987) | (813) | (1,800) | (103) | (1,903) | (771) | (370) | (1,141) | (3,044) |
| Incurred commission | (300) | (289) | (589) | (33) | (622) | (240) | (178) | (418) | (1,040) |
| Incurred expenses | (172) | (164) | (336) | (41) | (377) | (142) | (105) | (247) | (624) |
| Underwriting result | 94 | 118 | 212 | 34 | 246 | 116 | 75 | 191 | 437 |
| Investment return | | | 147 | 22 | 169 | | | 125 | 294 |
| Unwind of discounting on incurred claims | | | (117) | (14) | (131) | | | (98) | (229) |
| Other[1] | | | 3 | — | 3 | | | (2) | 1 |
| Operating profit | | | 245 | 42 | 287 | | | 216 | 503 |
| Claims ratio | 63.5 % | 58.8 % | 61.3 % | 49.0 % | 60.5 % | 60.8 % | 50.8 % | 57.1 % | 59.1 % |
| *Of which:* | | | | | | | | | |
| Prior year reserve development (%) | | | 2.4 % | (10.7)% | 1.5 % | | | (1.4)% | 0.4 % |
| Weather claims over/(under) long-term average (%) | | | (1.1)% | (2.0)% | (1.1)% | | | (2.7)% | (1.8)% |
| Discounting (%) | (2.6)% | (4.6)% | (3.5)% | (4.5)% | (3.6)% | (3.7)% | (5.3)% | (4.3)% | (3.9)% |
| Distribution ratio | 30.4 % | 32.7 % | 31.5 % | 35.0 % | 31.7 % | 30.1 % | 38.9 % | 33.3 % | 32.4 % |
| *Of which:* | | | | | | | | | |
| Commission ratio | 19.3 % | 20.9 % | 20.1 % | 15.7 % | 19.7 % | 18.9 % | 24.5 % | 20.9 % | 20.3 % |
| Expense ratio | 11.1 % | 11.8 % | 11.4 % | 19.3 % | 12.0 % | 11.2 % | 14.4 % | 12.4 % | 12.1 % |
| Discounted COR (%) | 93.9 % | 91.5 % | 92.8 % | 84.0 % | 92.2 % | 90.9 % | 89.7 % | 90.4 % | 91.5 % |
| Undiscounted COR (%) | 96.5 % | 96.1 % | 96.3 % | 88.5 % | 95.8 % | 94.6 % | 95.0 % | 94.7 % | 95.4 % |
| Assets supporting general insurance business | | | | | | | | | |
| Debt securities | | | | | 3,381 | | | 4,627 | 8,008 |
| Equity securities | | | | | 9 | | | 96 | 105 |
| Investment property | | | | | 244 | | | — | 244 |
| Cash and cash equivalents | | | | | 1,162 | | | 1,024 | 2,186 |
| Other[2] | | | | | 2,518 | | | 803 | 3,321 |
| Assets at 30 June 2024 | | | | | 7,314 | | | 6,550 | 13,864 |
| Debt securities | | | | | 3,380 | | | 4,911 | 8,291 |
| Equity securities | | | | | 9 | | | 145 | 154 |
| Investment property | | | | | 223 | | | — | 223 |
| Cash and cash equivalents | | | | | 1,232 | | | 760 | 1,992 |
| Other[2] | | | | | 2,187 | | | 701 | 2,888 |
| Assets at 31 December 2023 | | | | | 7,031 | | | 6,517 | 13,548 |
| Average assets | | | | | 7,173 | | | 6,534 | 13,706 |
| Investment return as % of average assets | | | | | 4.7 % | | | 3.8 % | 4.3 % |

1. Includes the result of non-insurance operations and pension scheme net finance costs
2. Includes loans, equity unit trusts, derivatives and other financial investments

| Full year 2024 | UK Personal £m | UK Commercial £m | Total UK £m | Ireland £m | Total UK & Ireland £m | Canada Personal £m | Canada Commercial £m | Total Canada £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|
| Gross written premiums | 3,600 | 3,604 | 7,204 | 495 | 7,699 | 2,788 | 1,717 | 4,505 | 12,204 |
| Net insurance revenue | 3,243 | 2,917 | 6,160 | 435 | 6,595 | 2,578 | 1,477 | 4,055 | 10,650 |
| Net claims incurred | (2,016) | (1,678) | (3,694) | (242) | (3,936) | (1,707) | (831) | (2,538) | (6,474) |
| Incurred commission | (601) | (601) | (1,202) | (66) | (1,268) | (450) | (327) | (777) | (2,045) |
| Incurred expenses | (349) | (354) | (703) | (83) | (786) | (297) | (215) | (512) | (1,298) |
| Underwriting result | 277 | 284 | 561 | 44 | 605 | 124 | 104 | 228 | 833 |
| Investment return | | | 309 | 44 | 353 | | | 246 | 599 |
| Unwind of discounting on incurred claims | | | (228) | (26) | (254) | | | (183) | (437) |
| Other[1] | | | 4 | — | 4 | | | (3) | 1 |
| Operating profit | | | 646 | 62 | 708 | | | 288 | 996 |
| Claims ratio | 62.2 % | 57.7 % | 60.0 % | 55.6 % | 59.7 % | 66.2 % | 56.3 % | 62.6 % | 60.8 % |
| *Of which:* | | | | | | | | | |
| Prior year reserve development (%) | | | 1.8 % | (9.4)% | 1.1 % | | | (2.7)% | (0.3)% |
| Weather claims over/(under) long-term average (%) | | | (0.3)% | (1.1)% | (0.3)% | | | 4.0 % | 1.3 % |
| Discounting (%) | (2.8)% | (5.0)% | (3.9)% | (4.9)% | (4.0)% | (3.4)% | (5.4)% | (4.1)% | (4.1)% |
| Distribution ratio | 29.3 % | 32.7 % | 31.0 % | 34.3 % | 31.2 % | 29.0 % | 36.6 % | 31.8 % | 31.4 % |
| *Of which:* | | | | | | | | | |
| Commission ratio | 18.5 % | 20.6 % | 19.6 % | 15.3 % | 19.3 % | 17.5 % | 22.0 % | 19.2 % | 19.2 % |
| Expense ratio | 10.8 % | 12.1 % | 11.4 % | 19.0 % | 11.9 % | 11.5 % | 14.6 % | 12.6 % | 12.2 % |
| Discounted COR (%) | 91.5 % | 90.4 % | 91.0 % | 89.9 % | 90.9 % | 95.2 % | 92.9 % | 94.4 % | 92.2 % |
| Undiscounted COR (%) | 94.3 % | 95.4 % | 94.9 % | 94.8 % | 94.9 % | 98.6 % | 98.3 % | 98.5 % | 96.3 % |
| Assets supporting general insurance business | | | | | | | | | |
| Debt securities | | | | | 3,395 | | | 4,878 | 8,273 |
| Equity securities | | | | | 13 | | | 82 | 95 |
| Investment property | | | | | 249 | | | — | 249 |
| Cash and cash equivalents | | | | | 1,492 | | | 901 | 2,393 |
| Other[2] | | | | | 2,888 | | | 774 | 3,662 |
| Assets at 31 December 2024 | | | | | 8,037 | | | 6,635 | 14,672 |
| Debt securities | | | | | 3,380 | | | 4,911 | 8,291 |
| Equity securities | | | | | 9 | | | 145 | 154 |
| Investment property | | | | | 223 | | | — | 223 |
| Cash and cash equivalents | | | | | 1,232 | | | 760 | 1,992 |
| Other[2] | | | | | 2,187 | | | 701 | 2,888 |
| Assets at 31 December 2023 | | | | | 7,031 | | | 6,517 | 13,548 |
| Average assets | | | | | 7,534 | | | 6,576 | 14,110 |
| Investment return as % of average assets | | | | | 4.7 % | | | 3.7 % | 4.2 % |

1. Includes the result of non-insurance operations and pension scheme net finance costs
2. Includes loans, equity unit trusts, derivatives and other financial investments

# Financial supplement

# Profit & IFRS capital

## A1 - Reconciliation of Group adjusted operating profit to profit for the period

| | Note | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | 6.1 | **575** | 532 | 1,071 |
| UK & Ireland General Insurance | 6.2 | **430** | 287 | 708 |
| Canada General Insurance | 6.3 | **218** | 216 | 288 |
| Aviva Investors | 6.4 | **23** | 18 | 40 |
| International investments (India and China) | 6.5 | **25** | 26 | 48 |
| **Business unit operating profit** | | **1,271** | 1,079 | 2,155 |
| Corporate centre costs and Other operations | A2 | **(71)** | (62) | (115) |
| Group debt costs and other interest | A3 | **(132)** | (142) | (273) |
| **Group adjusted operating profit before tax attributable to shareholders' profits** | | **1,068** | 875 | 1,767 |
| Adjusted for the following: | | | | |
| Investment variances and economic assumption changes | A4 | **251** | (206) | (666) |
| Amortisation of intangibles acquired in business combinations | | **(21)** | (31) | (61) |
| Amortisation of acquired value of in-force business | | **(27)** | (26) | (52) |
| Profit on disposal and remeasurement of subsidiaries, joint ventures and associates | A5 | **—** | 195 | 195 |
| Integration and restructuring costs | A6 | **(139)** | (69) | (217) |
| Other | A7 | **(71)** | 46 | 31 |
| **Adjusting items before tax** | | **(7)** | (91) | (770) |
| IFRS profit before tax attributable to shareholders' profits | | **1,061** | 784 | 997 |
| Tax on Group adjusted operating profit | | **(257)** | (208) | (407) |
| Tax on other activities | | **15** | 78 | 115 |
| Tax attributable to shareholders' profits | | **(242)** | (130) | (292) |
| **IFRS profit for the period** | | **819** | 654 | 705 |

## A2 - Corporate centre costs and Other operations

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Project spend | **(28)** | (37) | (64) |
| Central spend | **(79)** | (69) | (182) |
| Corporate centre costs | **(107)** | (106) | (246) |
| Other operations | **36** | 44 | 131 |
| **Total Corporate centre costs and Other operations** | **(71)** | (62) | (115) |

Total corporate centre costs and other operations were 14% higher at £71 million as a result of a reduction of net income from Other operations and Corporate centre costs which remained broadly flat compared to HY24.

## A3 - Group debt costs and other interest

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Subordinated debt | **(109)** | (120) | (229) |
| Other | **(5)** | (6) | (10) |
| Group external debt costs | **(114)** | (126) | (239) |
| Internal lending arrangements | **(25)** | (26) | (53) |
| Net finance income on main UK pension scheme | **7** | 10 | 19 |
| **Total Group debt costs and other interest** | **(132)** | (142) | (273) |

External debt costs of £114 million (HY24: £126 million) decreased by £12 million as a result of the redemption of subordinated notes over the past year. Net finance income on the main UK pension scheme of £7 million (HY24: £10 million) decreased by £3 million due to remeasurement losses during 2024 resulting in lower opening assets in 2025.

# Non-operating profit items

## A4 - Investment variances and economic assumption changes

The investment variances and economic assumption changes impacting the Group consolidated income statement are as follows:

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Life business[1] | **199** | (342) | (850) |
| General insurance business | **47** | 130 | 207 |
| Other operations[2] | **5** | 6 | (23) |
| **Total investment variances and economic assumption changes** | **251** | (206) | (666) |

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 period, 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, 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:

| | **6 months 2025** | 6 months 2024 | Full year 2024 |
|---|---|---|---|
| Equity risk premium | **3.5 %** | 3.5 % | 3.5 % |
| Property risk premium | **2.0 %** | 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 period 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.

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.

Our hedging strategy, which reduces volatility from economic and market fluctuations, is focused on protecting the Solvency II capital position and securing our ability to pay dividends. This approach introduces IFRS volatility from the movement in the fair-value of assets which are held for the long term to back liabilities and capital requirements.

### (c) Analysis of investment variances and economic assumption changes

#### (i) Life business

The gain of £199 million (HY24: loss of £(342) million) in relation to investment variances and economic assumption changes on Life business was primarily due to gains on currency hedging as a result of significant strengthening of sterling against the US dollar. The loss arising from the decrease in the value of dollar-denominated assets in unit-linked funds and in the value of future annual management charges (AMCs) does not immediately result in an IFRS loss, but the gain resulting from the increase in value of the currency hedges against these AMC movements is recognised.

The loss for HY24 was primarily due to UK interest rates rising c.60 bps at 10-year term and a loss from hedging positive global equity returns, partly offset by favourable credit default experience.

**(ii) General insurance business**
The gain of £47 million (HY24: gain of £130 million) in relation to investment variances and economic assumption changes for the general insurance and health business was primarily driven by gains from exchange rate hedging as sterling strengthened against the Canadian dollar. The gain for HY24 was primarily driven by equity gains and credit spreads narrowing.

## A5 - Profit on the disposal and remeasurements of subsidiaries, joint ventures and associates

There are no disposals or remeasurement of subsidiaries, joint ventures or associates in the period (HY24: £195 million). The prior period gain of £195 million (after currency translation reserve recycling) relates to the sale of Aviva SingLife Holdings Pte Ltd completed in 2024.

## A6 - Integration and restructuring costs

Group adjusted operating profit excludes integration and restructuring costs that relate to a well-defined programme that materially changes the scope of our business or the manner in which it is conducted. The exception to this is integration and restructuring costs directly attributable to insurance contracts where a CSM is recognised. These costs are reflected in the CSM and the impact recognised in Group adjusted operating profit as the CSM is amortised. For the period ended 30 June 2025 £139 million (HY24: £69 million) of integration and restructuring costs were recognised in relation to simplification and efficiency programmes.

## A7 - Other

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 30 June 2025, other items are a net charge of £71 million which comprises the following:

- A charge of £12 million relating to fees associated with the cancellation of the Group's preference share capital.
- A charge of £25 million relating to costs associated with acquisitions.
- A charge of £34 million relating to shareholder costs payable to a with-profits fund resulting from an increase to asset shares, following the decision to take related strategic actions on this legacy business.

At 30 June 2024, other items were a net gain of £46 million primarily comprising a gain of £68 million in relation to a revision to the 2023 restatement in respect of accounting processes for with-profit funds, and a charge of £13 million relating to costs associated with acquisitions.

## A8 - IFRS return on equity

| | Group adjusted operating profit | | | |
|---|---|---|---|---|
| **6 months 2025** | **Before tax attributable to shareholders' profits £m** | **After tax attributable to shareholders' profits £m** | **Weighted average shareholders' funds £m** | **Return on equity %** |
| Insurance, Wealth & Retirement (IWR) | **575** | **429** | **7,015** | **12.2 %** |
| General insurance | **648** | **540** | **3,503** | **30.8 %** |
| Aviva Investors | **23** | **17** | **417** | **8.2 %** |
| International investments (India and China) | **25** | **26** | **609** | **8.5 %** |
| Other Group activities[1] | **(89)** | **(115)** | **1,771** | **N/A** |
| Return on total capital employed | **1,182** | **897** | **13,314** | **13.5 %** |
| Group external debt costs | **(114)** | **(86)** | **(4,765)** | **3.6 %** |
| Return on total equity | **1,068** | **811** | **8,549** | **19.0 %** |
| Less: Non-controlling interests[2] | | **(12)** | **(189)** | **12.7 %** |
| Less: Tier 1 notes | | **(17)** | **(744)** | **4.6 %** |
| Less: Preference shares[2] | | **(9)** | **(100)** | **18.0 %** |
| Return on equity shareholders' funds | | **773** | **7,517** | **20.6 %** |

1. The other Group activities operating loss before tax of £(89) million comprises corporate centre costs of £(107) million and interest expense on internal lending arrangements of £(25) million, partly offset by other operations profit of £36 million and finance income on the main UK pension scheme of £7 million
2. Non-controlling interests and preference shares exclude £109 million and £94 million special dividends paid to preference shareholders of GA plc and Aviva plc respectively on cancellation of preference shares during the period

| | Group adjusted operating profit | | | |
|---|---|---|---|---|
| 6 months 2024 | Before tax attributable to shareholders' profits £m | After tax attributable to shareholders' profits £m | Weighted average shareholders' funds £m | Return on equity % |
| Insurance, Wealth & Retirement (IWR) | 532 | 396 | 7,612 | 10.4 % |
| General insurance | 503 | 394 | 2,999 | 26.3 % |
| Aviva Investors | 18 | 16 | 419 | 7.6 % |
| International investments (India and China) | 26 | 26 | 756 | 6.9 % |
| Other Group activities[1] | (78) | (71) | 2,894 | N/A |
| Return on total capital employed | 1,001 | 761 | 14,680 | 10.4 % |
| Group external debt costs | (126) | (94) | (5,152) | 3.7 % |
| Return on total equity | 875 | 667 | 9,528 | 14.0 % |
| Less: Non-controlling interests | | (11) | (318) | 6.9 % |
| Less: Tier 1 notes | | (17) | (496) | 6.9 % |
| Less: Preference shares | | (9) | (200) | 9.0 % |
| Return on equity shareholders' funds | | 630 | 8,514 | 14.8 % |

1. The other Group activities operating loss before tax of £(78) million comprises corporate centre costs of £(106) million and interest expense on internal lending arrangements of £(26) million, partly offset by other operations profit of £44 million and finance income on the main UK pension scheme of £10 million

| | Group adjusted operating profit | | | |
|---|---|---|---|---|
| Full year 2024 | Before tax attributable to shareholders' profits £m | After tax attributable to shareholders' profits £m | Weighted average shareholders' funds £m | Return on equity % |
| Insurance, Wealth & Retirement (IWR) | 1,071 | 810 | 7,509 | 10.8 % |
| General insurance | 996 | 782 | 3,215 | 24.3 % |
| Aviva Investors | 40 | 34 | 418 | 8.1 % |
| International investments (India and China) | 48 | 44 | 671 | 6.6 % |
| Other Group activities[1] | (149) | (131) | 2,452 | N/A |
| Return on total capital employed | 2,006 | 1,539 | 14,265 | 10.8 % |
| Group external debt costs | (239) | (179) | (4,982) | 3.6 % |
| Return on total equity | 1,767 | 1,360 | 9,283 | 14.7 % |
| Less: Non-controlling interests | | (21) | (316) | 6.6 % |
| Less: Tier 1 notes | | (34) | (496) | 6.9 % |
| Less: Preference shares | | (17) | (200) | 8.5 % |
| Return on equity shareholders' funds | | 1,288 | 8,271 | 15.6 % |

1. The other Group activities operating loss before tax of £(149) million comprises corporate centre costs of £(246) million and interest expense on internal lending arrangements of £(53) million, partly offset by other operations profit of £131 million and finance income on the main UK pension scheme of £19 million

## A9 - IFRS Shareholders' equity

| | Note | **30 June 2025 £m** | **30 June 2025 Pence per share[1]** | 30 June 2024 £m | 30 June 2024 Pence per share[1] | 31 December 2024 £m | 31 December 2024 Pence per share[1] |
|---|---|---|---|---|---|---|---|
| IFRS Shareholders' equity at 1 January[2] | | **7,609** | **284 p** | 8,586 | 320 p | 8,586 | 321 p |
| Profit for the period attributable to shareholders of Aviva plc | | **698** | **26 p** | 643 | 24 p | 683 | 26 p |
| Dividends and appropriations | B8 | **(661)** | **(25)p** | (629) | (23)p | (972) | (36)p |
| Special dividends paid to Aviva plc preference shareholders | B8 | **(94)** | **(4)p** | — | — p | — | — p |
| Remeasurements of pension schemes (net of tax) | | **40** | **1 p** | 192 | 7 p | (245) | (9)p |
| Shares purchased in buyback | | **—** | **— p** | (300) | (11)p | (300) | (11)p |
| Foreign exchange rate movements (net of tax) | | **(141)** | **(5)p** | (35) | (1)p | (114) | (4)p |
| Other net equity movements | | **(28)** | **(1)p** | (16) | (1)p | (29) | (1)p |
| **IFRS Shareholders' equity at 30 June/31 December[2]** | | **7,423** | **277 p** | 8,441 | 315 p | 7,609 | 284 p |
| Total CSM | B9(b) | **7,779** | **289 p** | 7,331 | 273 p | 7,772 | 289 p |
| Less: Tax on CSM | | **(1,912)** | **(71)p** | (1,799) | (67)p | (1,910) | (71)p |
| **Adjusted IFRS Shareholders' equity at 30 June/31 December[2]** | | **13,290** | **496 p** | 13,973 | 521 p | 13,471 | 503 p |

1. The IFRS Shareholders' equity per share is calculated using the actual number of shares in issue at the closing balance sheet date of 2,679 million (HY24: 2,680 million; 2024: 2,678 million). Therefore, for each period reported, the opening pence per share is updated from the previously reported closing pence per share.
2. Excluding preference shares of £nil (HY24: £200 million; 2024: £200 million)

At 30 June 2025, Adjusted IFRS Shareholders' equity per share was 496 pence (HY24: 521 pence; 2024: 503 pence). The decrease of 7 pence has been driven by dividends and appropriations, including special dividends paid to Aviva plc preference shareholders, partially offset by profit for the period.

## A10 - Group capital under IFRS basis

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | **6,895** | 7,676 | 7,135 |
| General insurance[1] | **3,543** | 3,399 | 3,461 |
| Aviva Investors | **420** | 422 | 413 |
| International investments (India and China) | **644** | 598 | 574 |
| Other Group activities[2] | **2,008** | 2,489 | 1,533 |
| **Total capital employed[1]** | **13,510** | 14,584 | 13,117 |
| *Financed by* | | | |
| Equity shareholders' funds | **7,423** | 8,441 | 7,609 |
| Non-controlling interests | **61** | 318 | 316 |
| Tier 1 notes | **992** | 496 | 496 |
| Preference shares | **—** | 200 | 200 |
| Subordinated debt | **4,588** | 4,687 | 4,063 |
| Senior notes and commercial paper | **446** | 442 | 433 |
| **Total capital employed[1]** | **13,510** | 14,584 | 13,117 |

1. Goodwill, acquired value of in-force business (AVIF) and other intangibles are maintained within the capital base. Goodwill includes goodwill in subsidiaries of £2,583 million (HY24: £2,461 million; 2024: £2,584 million) and goodwill in joint ventures and associates of £13 million (HY24: £1 million; 2024: £13 million). AVIF and other intangibles comprise £1,111 million (HY24: £1,010 million; 2024: £1,131 million) of intangibles in subsidiaries and gross of deferred tax liabilities of £231 million (HY24: £220 million; 2024: £249 million). Capital employed for United Kingdom General Insurance excludes £998 million (HY24: £924 million; 2024: £998 million) of goodwill which does not support the general insurance business for capital purposes and is included in Other Group activities.
2. Other Group activities include centrally held tangible net assets, the main UK staff pension scheme surplus and also reflect internal lending arrangements. These internal lending arrangements, which net out on consolidation, include the formal loan arrangement between Aviva Group Holdings Limited and Aviva Insurance Limited.

Total capital employed is financed by a combination of equity shareholders' funds, subordinated debt and other borrowings.

The following capital management actions have taken place in the period:

- On 31 March 2025, Aviva plc issued £500 million of 7.750% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes.
- Following the outcome of a parallel tender offer and cancellation process launched on 11 March 2025 by the Group in relation to its £450 million preference share capital (£200 million preference share capital and £250 million within non-controlling interests), cancellation of the preference shares reducing the number of Aviva plc and GA plc preference shares in issue to nil was approved by court orders on 11 May 2025 and 5 June 2025 respectively.

At 30 June 2025 the market value of our external debt (subordinated debt and senior debt) was £6,052 million.

At 30 June 2024 and 31 December 2024 the market value of our external debt and preference shares (including both Aviva plc preference shares of £200 million and GA plc preference shares, within non-controlling interests, of £250 million) was £6,084 million and £5,522 million respectively.

# Condensed IFRS financial statements and notes

**In this section** **Page**

# Condensed consolidated income statement

For the six month period ended 30 June 2025

| | Note | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Insurance revenue | | **10,991** | 9,816 | 20,747 |
| Insurance service expense | B5 | **(9,537)** | (8,531) | (18,240) |
| Net expense from reinsurance contracts | | **(402)** | (389) | (689) |
| Insurance service result | | **1,052** | 896 | 1,818 |
| Investment return | | **8,505** | 11,895 | 19,882 |
| Net finance expense from insurance contracts and participating investment contracts | | **(2,213)** | (205) | (1,121) |
| Net finance expense from reinsurance contracts | | **(91)** | (117) | (168) |
| Movement in non-participating investment contract liabilities | | **(5,318)** | (10,621) | (17,124) |
| Investment expense attributable to unitholders | | **(184)** | (587) | (1,179) |
| Net financial result | | **699** | 365 | 290 |
| Fee and commission income | | **676** | 663 | 1,410 |
| Share of profit after tax of joint ventures and associates | | **130** | 53 | 136 |
| Profit on disposal and remeasurement of subsidiaries, joint ventures and associates | | **—** | 195 | 195 |
| Other operating expenses | B5 | **(1,093)** | (1,057) | (2,200) |
| Other net foreign exchange gains | B5 | **30** | 126 | 109 |
| Other finance costs | | **(227)** | (263) | (491) |
| **Profit before tax** | | **1,267** | 978 | 1,267 |
| Tax attributable to policyholders' returns | | **(206)** | (194) | (270) |
| **Profit before tax attributable to shareholders' profits** | | **1,061** | 784 | 997 |
| Tax expense | B6 | **(448)** | (324) | (562) |
| Less: tax attributable to policyholders' returns | | **206** | 194 | 270 |
| Tax attributable to shareholders' profits | | **(242)** | (130) | (292) |
| **Profit for the period** | | **819** | 654 | 705 |
| *Attributable to:* | | | | |
| Equity holders of Aviva plc | | **698** | 643 | 683 |
| Non-controlling interests | B18 | **121** | 11 | 22 |
| **Profit for the period** | | **819** | 654 | 705 |
| **Earnings per share** | | | | |
| Basic (pence per share) | B7 | **21.7** | 22.8 | 23.6 |
| Diluted (pence per share) | B7 | **21.5** | 22.6 | 23.3 |

# Condensed consolidated statement of comprehensive income

For the six month period ended 30 June 2025

| | Note | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| **Profit for the period** | | **819** | 654 | 705 |
| **Other comprehensive income:** | | | | |
| *Items that may be reclassified subsequently to income statement* | | | | |
| Foreign exchange rate movements | | **(147)** | (30) | (107) |
| Aggregate tax effect – shareholder tax on items that may be reclassified subsequently to income statement | B6 (b) | **1** | (5) | (10) |
| *Items that will not be reclassified to income statement* | | | | |
| Remeasurements of pension schemes | B12 (b) | **55** | 196 | (386) |
| Aggregate tax effect – shareholder tax on items that will not be reclassified subsequently to income statement | B6 (b) | **(15)** | (4) | 141 |
| **Total other comprehensive (loss)/income, net of tax** | | **(106)** | 157 | (362) |
| **Total comprehensive income for the period** | | **713** | 811 | 343 |
| *Attributable to:* | | | | |
| Equity holders of Aviva plc | | **597** | 800 | 324 |
| Non-controlling interests | | **116** | 11 | 19 |
| **Total comprehensive income for the period** | | **713** | 811 | 343 |

# Condensed consolidated statement of changes in equity

## For the six month period ended 30 June 2025

| | Ordinary share capital Note B15 £m | Preference share capital Note B16 £m | Capital reserves £m | Treasury shares £m | Other reserves £m | Retained earnings Note B14 £m | Tier 1 notes Note B17 £m | Total equity excluding non-controlling interests £m | Non-controlling interests Note B18 £m | Total equity £m |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January** | **881** | **200** | **5,285** | **(81)** | **136** | **1,388** | **496** | **8,305** | **316** | **8,621** |
| Profit for the period | **—** | **—** | **—** | **—** | **—** | **698** | **—** | **698** | **121** | **819** |
| Other comprehensive (loss)/income | **—** | **—** | **—** | **—** | **(141)** | **40** | **—** | **(101)** | **(5)** | **(106)** |
| Total comprehensive (loss)/income for the period | **—** | **—** | **—** | **—** | **(141)** | **738** | **—** | **597** | **116** | **713** |
| Dividends and appropriations | **—** | **—** | **—** | **—** | **—** | **(661)** | **—** | **(661)** | **—** | **(661)** |
| Preference share cancellation[1] | **—** | **(200)** | **—** | **—** | **—** | **(2)** | **—** | **(202)** | **(250)** | **(452)** |
| Special dividends paid to preference shareholders of Aviva plc and GA plc[1] | **—** | **—** | **—** | **—** | **—** | **(94)** | **—** | **(94)** | **(109)** | **(203)** |
| Non-controlling interests share of dividends declared in the period, excluding special dividends | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **(12)** | **(12)** |
| Issue of tier 1 notes[2] | **—** | **—** | **—** | **—** | **—** | **—** | **496** | **496** | **—** | **496** |
| Reserves credit for equity compensation plans | **—** | **—** | **—** | **—** | **32** | **—** | **—** | **32** | **—** | **32** |
| Shares purchased under equity compensation plans | **—** | **—** | **—** | **34** | **(64)** | **(28)** | **—** | **(58)** | **—** | **(58)** |
| **Balance at 30 June** | **881** | **—** | **5,285** | **(47)** | **(37)** | **1,341** | **992** | **8,415** | **61** | **8,476** |

1. Following the outcome of a tender offer and cancellation process launched on 11 March 2025 by the Group in relation to its £450 million preference share capital, cancellation of the preference shares for a total cancellation price of £452 million reducing the number of Aviva plc and GA plc preference shares in issue to nil was approved by court orders on 13 May 2025 and 5 June 2025 respectively. The cancellation resulted in a £200 million reduction in the Group's preference share capital attributable to Aviva plc and £250 million reduction in Group's non-controlling interests attributable to GA plc. Further this resulted in a £94 million reduction in retained earnings and £109 million reduction in non-controlling interests arising from special dividends paid to preference shareholders of both entities upon cancellation.
2. On 31 March 2025, Aviva plc issued £500 million of 7.750% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes

## For the six month period ended 30 June 2024

| | Ordinary share capital Note B15 £m | Preference share capital Note B16 £m | Capital reserves Note B14 £m | Treasury shares £m | Other reserves £m | Retained earnings Note B14 £m | Tier 1 notes Note B17 £m | Total equity excluding non-controlling interests £m | Non-controlling interests Note B18 £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 period | — | — | — | — | — | 643 | — | 643 | 11 | 654 |
| Other comprehensive (loss)/income | — | — | — | — | (35) | 192 | — | 157 | — | 157 |
| Total comprehensive (loss)/income for the period | — | — | — | — | (35) | 835 | — | 800 | 11 | 811 |
| Dividends and appropriations | — | — | — | — | — | (629) | — | (629) | — | (629) |
| Shares purchased in buyback | (20) | — | 20 | — | — | (300) | — | (300) | — | (300) |
| Non-controlling interests share of dividends declared in the period | — | — | — | — | — | — | — | — | (11) | (11) |
| Reserves credit for equity compensation plans | — | — | — | — | 31 | — | — | 31 | — | 31 |
| Shares purchased under equity compensation plans | — | — | — | 47 | (43) | (30) | — | (26) | — | (26) |
| 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 | — | — | — | — |
| Balance at 30 June | 881 | 200 | 5,285 | (40) | 190 | 2,125 | 496 | 9,137 | 318 | 9,455 |

**For the year ended 31 December 2024**

| | Ordinary share capital Note B15 £m | Preference share capital Note B16 £m | Capital reserves Note B14 £m | Treasury shares £m | Other reserves £m | Retained earnings Note B14 £m | Tier 1 notes Note B17 £m | Total equity excluding non-controlling interests £m | Non-controlling interests Note B18 £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) |
| 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 | — | — | — | — |
| Balance at 31 December | 881 | 200 | 5,285 | (81) | 136 | 1,388 | 496 | 8,305 | 316 | 8,621 |

# Condensed consolidated statement of financial position

As at 30 June 2025

| | Note | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|---|
| **Assets** | | | | |
| Goodwill | | **2,583** | 2,461 | 2,584 |
| Acquired value of in-force business and intangible assets | | **1,111** | 1,010 | 1,131 |
| Interests in, and loans to, joint ventures | | **1,295** | 1,218 | 1,257 |
| Interests in, and loans to, associates | | **34** | 167 | 38 |
| Property and equipment | | **378** | 417 | 355 |
| Investment property | | **6,617** | 6,241 | 6,313 |
| Loans | | **32,765** | 31,318 | 30,553 |
| Financial investments | | **272,685** | 264,086 | 263,979 |
| Reinsurance contract assets | B9 | **9,502** | 8,372 | 9,700 |
| Reinsurance assets for non-participating investment contracts | B10 | **5,104** | 5,157 | 5,280 |
| Deferred tax assets | | **497** | 842 | 614 |
| Current tax assets | | **41** | 112 | 146 |
| Receivables | | **4,755** | 4,847 | 3,813 |
| Deferred acquisition costs on non-participating investment contracts | | **832** | 831 | 821 |
| Pension surpluses and other assets | | **547** | 1,013 | 461 |
| Prepayments and accrued income | | **3,436** | 3,437 | 3,357 |
| Cash and cash equivalents | B19 | **19,960** | 16,948 | 23,481 |
| **Total assets** | | **362,142** | 348,477 | 353,883 |
| **Equity** | | | | |
| Ordinary share capital | B15 | **881** | 881 | 881 |
| Preference share capital | B16 | **—** | 200 | 200 |
| Capital | | **881** | 1,081 | 1,081 |
| Share premium | B14 | **17** | 17 | 17 |
| Capital redemption reserve | B14 | **44** | 44 | 44 |
| Merger reserve | | **5,224** | 5,224 | 5,224 |
| Capital reserves | | **5,285** | 5,285 | 5,285 |
| Treasury shares | | **(47)** | (40) | (81) |
| Other reserves | | **(37)** | 190 | 136 |
| Retained earnings | B14 | **1,341** | 2,125 | 1,388 |
| **Equity attributable to shareholders of Aviva plc** | | **7,423** | 8,641 | 7,809 |
| Tier 1 notes | B17 | **992** | 496 | 496 |
| **Equity excluding non-controlling interests** | | **8,415** | 9,137 | 8,305 |
| Non-controlling interests | B18 | **61** | 318 | 316 |
| **Total equity** | | **8,476** | 9,455 | 8,621 |
| **Liabilities** | | | | |
| Insurance contract and participating investment contract liabilities | B9 | **124,034** | 121,646 | 124,151 |
| Non-participating investment contract liabilities | B10 | **187,573** | 171,051 | 179,142 |
| Net asset value attributable to unitholders | | **16,065** | 17,537 | 17,333 |
| Pension deficits and other provisions | B12 | **700** | 746 | 726 |
| Deferred tax liabilities | | **441** | 499 | 345 |
| Current tax liabilities | | **52** | 6 | 1 |
| Borrowings | B11 | **6,115** | 6,343 | 5,612 |
| Payables and other financial liabilities | | **15,234** | 17,762 | 14,655 |
| Other liabilities | | **3,452** | 3,432 | 3,297 |
| **Total liabilities** | | **353,666** | 339,022 | 345,262 |
| **Total equity and liabilities** | | **362,142** | 348,477 | 353,883 |

# Condensed consolidated statement of cash flows

For the six month period ended 30 June 2025

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 | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash (used in)/generated from operating activities[1] | | **(3,037)** | 866 | 8,688 |
| Tax paid | | **(88)** | (154) | (243) |
| **Total net cash (used in)/generated from operating activities** | | **(3,125)** | 712 | 8,445 |
| **Cash flows from investing activities** | | | | |
| Acquisitions of, and additions to, subsidiaries, joint ventures and associates, net of cash acquired | | **—** | (568) | (760) |
| Disposals of subsidiaries, joint ventures and associates, net of cash transferred | | **5** | 937 | 1,095 |
| Purchases of property and equipment | | **(29)** | (34) | (50) |
| Purchases of intangible assets | | **(55)** | (34) | (123) |
| **Total net cash (used in)/generated from investing activities** | | **(79)** | 301 | 162 |
| **Cash flows from financing activities** | | | | |
| Shares purchased in buyback | B15 | **—** | (300) | (300) |
| Treasury shares purchased for employee trusts | | **—** | — | (53) |
| New borrowings drawn down, net of expenses | | **567** | 70 | 640 |
| Repayment of borrowings[2] | | **(141)** | (131) | (1,400) |
| Net drawn down/(repayment) of borrowings | | **426** | (61) | (760) |
| Interest paid on borrowings | | **(139)** | (120) | (328) |
| Repayment of leases | | **(22)** | (21) | (60) |
| Preference dividends paid | B8 | **(9)** | (9) | (17) |
| Ordinary dividends paid | B8 | **(635)** | (603) | (921) |
| Cancellation of preference share capital[3] | | **(452)** | — | — |
| Special dividends paid to Aviva plc preference shareholders[3] | B8 | **(94)** | — | — |
| Special dividends paid to GA plc preference shareholders[3] | B18 | **(109)** | — | — |
| Dividends paid to non-controlling interests of subsidiaries | B18 | **(12)** | (11) | (21) |
| Coupon payments on tier 1 notes | B8 | **(17)** | (17) | (34) |
| Issue of tier 1 notes[4] | B17 | **496** | — | — |
| **Total net cash used in financing activities** | | **(567)** | (1,142) | (2,494) |
| Total net (decrease)/increase in cash and cash equivalents | | **(3,771)** | (129) | 6,113 |
| Cash and cash equivalents at 1 January | | **22,553** | 16,652 | 16,652 |
| Effect of exchange rate changes on cash and cash equivalents | | **(31)** | (1) | (212) |
| **Cash and cash equivalents at 30 June/31 December** | B19 | **18,751** | 16,522 | 22,553 |

1. Cash flows from operating activities include interest received of £3,333 million (HY24: £2,588 million, 2024: £5,420 million) and dividends received of £2,392 million (HY24: £2,320 million, 2024: £2,829 million)
2. Repayment of borrowings includes the redemption of £nil (HY24: £531 million, 2024: £1,095 million) subordinated debt and senior notes
3. Following the outcome of a tender offer and cancellation process launched on 11 March 2025 by the Group in relation to its £450 million preference share capital, cancellation of the preference shares reducing the number of Aviva plc and GA plc preference shares in issue to nil was approved by court orders on 13 May 2025 and 5 June 2025 respectively. The cancellation resulted in a £200 million reduction in the Group's preference share capital attributable to Aviva plc and £252 million reduction in Group's non-controlling interests attributable to GA plc. Further this resulted in a £94 million reduction in retained earnings and £109 million reduction in non-controlling interests arising from special dividends paid to preference shareholders of both entities upon cancellation.
4. On 31 March 2025, Aviva plc issued £500 million of 7.750% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes

# Notes to the consolidated financial statements

## B1 - Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK, and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

The results for the six months ended 30 June 2025 are unaudited but have been reviewed by the Auditor, Ernst & Young LLP (EY). The interim results do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The comparative results for the year ended 31 December 2024 have been taken from the Group's 2024 Annual Report and Accounts. Therefore, these interim financial statements should be read in conjunction with the Group's 2024 Annual Report and Accounts that were prepared in accordance with UK-adopted international accounting standards and the legal requirements of the Companies Act 2006. EY reported on the 2024 financial statements and their report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The Group's 2024 Annual Report and Accounts have been filed with the Registrar of Companies.

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).

### (a) Going concern

A detailed going concern review has been undertaken as part of the 2025 interim reporting process based on an assessment period of 12 months from the date of approval of the financial statements. This review includes consideration of the Group's current and forecast solvency and liquidity positions over a three-year period from the year ended 31 December 2024 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 used for the viability assessment 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.

Even in severe downside scenarios, no material uncertainty in relation to going concern 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 B20).

After making enquiries, the directors have a reasonable expectation that the Group has 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 13 August 2026). For this reason, the Group continues to adopt the going concern basis in preparing the financial statements.

### (b) New standards, interpretations and amendments to published standards that have been adopted by the Group

The Group has adopted Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability which became effective for the annual reporting period beginning on 1 January 2025. The amendments have been issued and endorsed by the UK and do not have a significant impact on the Group's consolidated financial statements.

## B2 - Exchange rates

The Group's principal overseas operations during the period 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 period, and the assets and liabilities have been translated at the period end rates as follows:

| | **6 months 2025** | 6 months 2024 | Full year 2024 |
|---|---|---|---|
| **Eurozone** | | | |
| Average rate (€1 equals) | **0.84** | 0.85 | 0.85 |
| Period end rate (€1 equals) | **0.85** | 0.85 | 0.83 |
| **Canada** | | | |
| Average rate ($CAD1 equals) | **0.55** | 0.58 | 0.57 |
| Period end rate ($CAD1 equals) | **0.53** | 0.58 | 0.55 |

## B3 - Strategic transactions

### (a) Acquisitions

#### (i) Direct Line Insurance Group Plc

On 1 July 2025 the Group acquired 100% of the issued share capital of the Direct Line Insurance Group plc (Direct Line) in exchange for total consideration of £4.0 billion. The consideration consisted of £1.7 billion of cash, funded from Aviva's own resources, and the issue of 378 million Aviva plc shares to Direct Line shareholders. The acquisition is expected to result in a leading UK Personal Lines franchise and accelerates Aviva's capital-light strategy. As at 13 August 2025, the initial accounting for the acquisition is incomplete and consequently the disclosures required by IFRS 3 Business Combinations in respect of the acquired balance sheet have not been made. The provisional acquisition balance sheet will be disclosed in the Annual Report and Accounts 2025. The goodwill, none of which is expected to be tax deductible, that is expected to be recognised reflects the future capital, expense and other synergies expected to arise from combining the operations of Direct Line with those of the Group as well as the value of the workforce in place and other future business value. Separate intangible assets are expected to be recognised in respect of acquired brand assets, existing customer and distribution relationships and software assets.

Acquisition costs of £72 million relating to legal and professional fees to support the acquisition, stamp duty and bridge facility fees are expected to be incurred. Of these, £25 million were not conditional on the acquisition completing and have been recognised within Other operating expenses in the six months to 30 June 2025.

Further information on other Subsequent events associated with the acquisition of Direct Line can be found in note B23.

#### (ii) Acquisitions in the prior period

For the year ended 31 December 2024 the Group completed a number of acquisitions, including AIG Life Limited (now named Aviva Protection UK Limited), Probitas Holdings (Bermuda) Limited and its subsidiaries, and Optiom O2 Holdings Inc.

### (b) Disposals

There have been no disposals during the period. For the year ended 31 December 2024 the Group's shareholding of Aviva SingLife Holdings Pte Ltd was disposed of.

## B4 - 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 and China).

### (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. 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 24.19% shareholding in Aviva SingLife Holdings Pte Ltd. Aviva SingLife was 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.

### (i) Segmental income statement for the six month period ended 30 June 2025

| | Insurance, Wealth & Retirement (IWR) £m | UK & Ireland General Insurance £m | Canada General Insurance £m | Aviva Investors £m | International investments (India and China) £m | Other Group activities £m | Total £m |
|---|---|---|---|---|---|---|---|
| Insurance revenue[1] | 4,829 | 3,953 | 2,166 | — | 50 | (7) | 10,991 |
| Insurance service expense | (4,220) | (3,350) | (1,914) | — | (56) | 3 | (9,537) |
| Net expense from reinsurance contracts | (102) | (226) | (63) | — | — | (11) | (402) |
| Insurance service result | 507 | 377 | 189 | — | (6) | (15) | 1,052 |
| Investment return[1] | 7,747 | 278 | 109 | 8 | 81 | 282 | 8,505 |
| Net finance expense from insurance contracts and participating investment contracts | (1,865) | (187) | (87) | — | (74) | — | (2,213) |
| Net finance (expense)/income from reinsurance contracts | (136) | 33 | 7 | — | — | 5 | (91) |
| Movement in non-participating investment contract liabilities | (5,318) | — | — | — | — | — | (5,318) |
| Investment expense attributable to unitholders | — | — | — | — | — | (184) | (184) |
| Net financial result | 428 | 124 | 29 | 8 | 7 | 103 | 699 |
| Fee and commission income[1] | 583 | 16 | 13 | 59 | — | 5 | 676 |
| Inter-segment revenue | — | — | — | 132 | — | — | 132 |
| Share of profit after tax of joint ventures and associates[1] | 17 | — | — | — | 113 | — | 130 |
| Other operating expenses | (586) | (51) | (34) | (187) | 1 | (236) | (1,093) |
| Other net foreign exchange gains | — | 12 | — | — | — | 18 | 30 |
| Other finance costs | (94) | — | (3) | — | — | (130) | (227) |
| Inter-segment expenses | (119) | (6) | (3) | — | — | (4) | (132) |
| Profit/(loss) before tax | 736 | 472 | 191 | 12 | 115 | (259) | 1,267 |
| Tax attributable to policyholders' returns | (206) | — | — | — | — | — | (206) |
| **Profit/(loss) before tax attributable to shareholders' profits** | 530 | 472 | 191 | 12 | 115 | (259) | 1,061 |
| *Adjusting items:* | | | | | | | |
| Reclassification of unallocated interest | (12) | — | 6 | — | — | 6 | — |
| Investment variances and economic assumption changes | (109) | (61) | 14 | — | (90) | (5) | (251) |
| Amortisation of intangibles acquired in business combinations | 13 | 1 | 7 | — | — | — | 21 |
| Amortisation of acquired value of in-force business | 27 | — | — | — | — | — | 27 |
| Integration and restructuring costs | 92 | 19 | — | 11 | — | 17 | 139 |
| Other | 34 | (1) | — | — | — | 38 | 71 |
| **Group adjusted operating profit/(loss) before tax attributable to shareholders' profits** | 575 | 430 | 218 | 23 | 25 | (203) | 1,068 |

1. Total reported income, excluding inter-segment revenue, includes £17,139 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.

### (ii) Segmental income statement for six month period ended 30 June 2024

| | Insurance, Wealth & Retirement (IWR) £m | UK & Ireland General Insurance £m | Canada General Insurance £m | Aviva Investors £m | International investments (India and China) £m | Other Group activities £m | Total £m |
|---|---|---|---|---|---|---|---|
| Insurance revenue[1] | 4,150 | 3,511 | 2,124 | — | 36 | (5) | 9,816 |
| Insurance service expense | (3,669) | (2,969) | (1,859) | — | (37) | 3 | (8,531) |
| Net (expense)/income from reinsurance contracts | (43) | (284) | (61) | — | — | (1) | (389) |
| Insurance service result | 438 | 258 | 204 | — | (1) | (3) | 896 |
| Investment return[1] | 10,888 | 198 | 116 | 8 | 96 | 589 | 11,895 |
| Net finance expense from insurance contracts and participating investment contracts | (6) | (32) | (65) | — | (93) | (9) | (205) |
| Net finance (expense)/income from reinsurance contracts | (121) | (13) | 3 | — | — | 14 | (117) |
| Movement in non-participating investment contract liabilities | (10,620) | — | — | — | — | (1) | (10,621) |
| Investment expense attributable to unitholders | — | — | — | — | — | (587) | (587) |
| Net financial result | 141 | 153 | 54 | 8 | 3 | 6 | 365 |
| Fee and commission income[1] | 554 | 29 | 12 | 66 | — | 2 | 663 |
| Inter-segment revenue | — | — | — | 123 | — | — | 123 |
| Share of profit after tax of joint ventures and associates[1] | — | — | 1 | — | 52 | — | 53 |
| Profit on disposal and remeasurement of subsidiaries, joint ventures and associates | — | — | — | — | — | 195 | 195 |
| Other operating expenses | (580) | (48) | (35) | (188) | — | (206) | (1,057) |
| Other net foreign exchange gains | — | (4) | — | — | — | 130 | 126 |
| Other finance costs | (117) | — | (3) | — | — | (143) | (263) |
| Inter-segment expenses | (111) | (5) | (3) | — | — | (4) | (123) |
| Profit/(loss) before tax | 325 | 383 | 230 | 9 | 54 | (23) | 978 |
| Tax attributable to policyholders' returns | (194) | — | — | — | — | — | (194) |
| Profit/(loss) before tax attributable to shareholders' profits | 131 | 383 | 230 | 9 | 54 | (23) | 784 |
| *Adjusting items:* | | | | | | | |
| Reclassification of unallocated interest | (8) | 1 | 9 | — | — | (2) | — |
| Investment variances and economic assumption changes | 370 | (98) | (32) | — | (28) | (6) | 206 |
| Amortisation of intangibles acquired in business combinations | 22 | 1 | 8 | — | — | — | 31 |
| Amortisation of acquired value of in-force business | 26 | — | — | — | — | — | 26 |
| Loss on disposal and remeasurement of subsidiaries, joint ventures and associates | — | — | — | — | — | (195) | (195) |
| Integration and restructuring costs | 51 | — | — | 9 | — | 9 | 69 |
| Other | (60) | — | 1 | — | — | 13 | (46) |
| Group adjusted operating profit/(loss) before tax attributable to shareholders' profits | 532 | 287 | 216 | 18 | 26 | (204) | 875 |

1. Total reported income, excluding inter-segment revenue, includes £18,750 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.

### (iii) 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 and China) £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 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 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) |
| Profit/(loss) 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 |
| Loss 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.

## (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, 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 small and medium-sized businesses, for risks associated mainly with motor vehicles, property and liability, such as employers' liability and professional indemnity liability, and medical expenses.

### 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 six month period ended 30 June 2025

| | Long-term business £m | General insurance and health[1] £m | Fund management £m | Other £m | Total £m |
|---|---|---|---|---|---|
| Insurance revenue | 4,507 | 6,491 | — | (7) | 10,991 |
| Insurance service expense | (3,927) | (5,613) | — | 3 | (9,537) |
| Net expense from reinsurance contracts | (102) | (289) | — | (11) | (402) |
| Insurance service result | 478 | 589 | — | (15) | 1,052 |
| Investment return | 7,825 | 390 | 8 | 282 | 8,505 |
| Net finance expense from insurance contracts and participating investment contracts | (1,939) | (274) | — | — | (2,213) |
| Net finance (expense)/income from reinsurance contracts | (136) | 40 | — | 5 | (91) |
| Movement in non-participating investment contract liabilities | (5,318) | — | — | — | (5,318) |
| Investment expense attributable to unitholders | — | — | — | (184) | (184) |
| Net financial result | 432 | 156 | 8 | 103 | 699 |
| Fee and commission income | 579 | 33 | 59 | 5 | 676 |
| Inter-segment revenue | — | — | 132 | — | 132 |
| Share of profit after tax of joint ventures and associates | 130 | — | — | — | 130 |
| Other operating expenses | (584) | (85) | (187) | (237) | (1,093) |
| Other net foreign exchange gains | — | 12 | — | 18 | 30 |
| Other finance costs | (94) | (3) | — | (130) | (227) |
| Inter-segment expenses | (119) | (9) | — | (4) | (132) |
| **Profit/(loss) before tax** | 822 | 693 | 12 | (260) | 1,267 |
| Tax attributable to policyholders' returns | (206) | — | — | — | (206) |
| **Profit/(loss) before tax attributable to shareholders' profits** | 616 | 693 | 12 | (260) | 1,061 |
| Adjusting items | (45) | (16) | 11 | 57 | 7 |
| **Group adjusted operating profit/(loss) before tax attributable to shareholders' profits** | 571 | 677 | 23 | (203) | 1,068 |

1. General insurance and health product segment includes insurance revenue of £372 million relating to health business. The remaining segment relates to property and liability insurance.

### (ii) Segmental income statement - product and services for the six month period ended 30 June 2024

| | Long-term business £m | General insurance and health [1] £m | Fund management £m | Other £m | Total £m |
|---|---|---|---|---|---|
| Insurance revenue | 3,836 | 5,985 | — | (5) | 9,816 |
| Insurance service expense | (3,375) | (5,159) | — | 3 | (8,531) |
| Net expense from reinsurance contracts | (42) | (346) | — | (1) | (389) |
| Insurance service result | 419 | 480 | — | (3) | 896 |
| Investment return | 10,975 | 323 | 8 | 589 | 11,895 |
| Net expense from insurance contracts and participating investment contracts | (99) | (97) | — | (9) | (205) |
| Net (expense)/income from reinsurance contracts | (121) | (10) | — | 14 | (117) |
| Movement in non-participating investment contract liabilities | (10,620) | — | — | (1) | (10,621) |
| Investment expense attributable to unitholders | — | — | — | (587) | (587) |
| Net financial result | 135 | 216 | 8 | 6 | 365 |
| Fee and commission income | 552 | 43 | 66 | 2 | 663 |
| Inter-segment revenue | — | — | 123 | — | 123 |
| Share of profit after tax of joint ventures and associates | 52 | 1 | — | — | 53 |
| (Loss)/profit on disposal and remeasurement of subsidiaries, joint ventures and associates | (4) | 4 | — | 195 | 195 |
| Other operating expenses | (576) | (87) | (188) | (206) | (1,057) |
| Other net foreign exchange (losses)/gains | — | (4) | — | 130 | 126 |
| Other finance costs | (117) | (3) | — | (143) | (263) |
| Inter-segment expenses | (111) | (8) | — | (4) | (123) |
| **Profit/(loss) before tax** | 350 | 642 | 9 | (23) | 978 |
| Tax attributable to policyholders' returns | (194) | — | — | — | (194) |
| **Profit/(loss) before tax attributable to shareholders' profits** | 156 | 642 | 9 | (23) | 784 |
| Adjusting items | 379 | (116) | 9 | (181) | 91 |
| **Group adjusted operating profit/(loss) before tax attributable to shareholders' profits** | 535 | 526 | 18 | (204) | 875 |

1. General insurance and health product segment includes insurance revenue of £350 million relating to health business. The remaining segment relates to property and liability insurance

### (iii) 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 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 expense from insurance contracts and participating investment contracts | (760) | (353) | — | (8) | (1,121) |
| Net (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 |
| (Loss)/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 (losses)/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.

## B5 - Expenses

This note analyses the Group's expenses in profit or loss.

| | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Claims and benefits on long-term insurance contracts and participating investment contracts | **3,516** | 2,953 | 6,362 |
| Claims and benefits on general insurance and health business | **3,711** | 3,441 | 7,537 |
| Claim recoveries from reinsurers | **(2,003)** | (1,520) | (3,693) |
| Losses on onerous insurance contracts and participating investment contracts | **54** | 38 | 150 |
| Fee and commission expense | **1,963** | 1,752 | 3,569 |
| Other expenses | **1,356** | 1,279 | 2,757 |
| **Total expenses** | **8,597** | 7,943 | 16,682 |
| *Represented by expenses included within the income statement:* | | | |
| Insurance service expense | **9,537** | 8,531 | 18,240 |
| Expense recovery from reinsurance contracts[1] | **(2,003)** | (1,519) | (3,648) |
| Other operating expenses | **1,093** | 1,057 | 2,200 |
| Other net foreign exchange gains | **(30)** | (126) | (109) |
| **Total expenses** | **8,597** | 7,943 | 16,682 |

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 £(2,405) million (HY24: £(1,908) million, 2024: £(4,337) million) and amount recovered from reinsurers of £2,003 million (HY24: £1,519 million, 2024: £3,648 million)

Other operating expenses presented on the consolidated income statement of £1,093 million (HY24: £1,057 million, 2024: £2,200 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, Corporate Centre costs and £25 million of acquisition costs that were not conditional on the acquisition of Direct Line completing. Other operating expenses also includes integration and restructuring (I&R) costs of £139 million (HY24: £69 million, 2024: £217 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.

## B6 - Tax

This note analyses the tax charge for the period and explains the factors that affect it.

### (a) Tax charged to the income statement

#### (i) The total tax charged comprises:

| | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| For the period | **191** | 120 | 201 |
| Adjustments in respect of prior years | **57** | 9 | (19) |
| Current tax | **248** | 129 | 182 |
| Origination and reversal of temporary differences | **200** | 195 | 380 |
| Deferred tax | **200** | 195 | 380 |
| **Total tax charged to income statement** | **448** | 324 | 562 |

#### (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 period. 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 £206 million (HY24: charge of £194 million, 2024: £270 million charge).

#### (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 in either 2025 or 2024.

#### (iv) The tax charged to the income statement, comprising current and deferred tax, can be analysed as follows:

| | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| UK tax | **409** | 281 | 491 |
| Overseas tax | **39** | 43 | 71 |
| **Total tax charged to income statement** | **448** | 324 | 562 |

**(v) Unrecognised tax losses and temporary differences**
There are no unrecognised tax losses and temporary differences of previous years used to reduce the current tax expense and deferred tax charge in either 2025 or 2024.

## (b) Tax charged/(credited) to other comprehensive income

**(i) The total tax charged/(credited) comprises:**

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| In respect of pensions and other post-retirement obligations | **(2)** | (3) | (4) |
| In respect of foreign exchange movements | **(1)** | 5 | 10 |
| Current tax | **(3)** | 2 | 6 |
| In respect of pensions and other post-retirement obligations | **17** | 7 | (137) |
| Deferred tax | **17** | 7 | (137) |
| **Total tax charged/(credited) to comprehensive income** | **14** | 9 | (131) |

**(ii) Policyholder tax**
There is no tax charge/(credit) attributable to policyholders' return included above in either 2025 or 2024.

## (c) Tax charged/(credited) to equity

No tax was charged or credited directly to equity in either 2025 or 2024.

## (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:

| | | **6 months 2025** | | | 6 months 2024 | | | Full year 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| | **Shareholder £m** | **Policyholder £m** | **Total £m** | Shareholder £m | Policyholder £m | Total £m | Shareholder £m | Policyholder £m | Total £m |
| Total profit before tax | **1,061** | **206** | **1,267** | 784 | 194 | 978 | 997 | 270 | 1,267 |
| Tax calculated at standard UK corporation tax rate of 25.00% (2024: 25.00%) | **265** | **52** | **317** | 196 | 49 | 245 | 249 | 68 | 317 |
| *Reconciling items* | | | | | | | | | |
| Different basis of tax – policyholders | **—** | **156** | **156** | — | 146 | 146 | — | 203 | 203 |
| Adjustment to tax charge in respect of prior periods | **(3)** | **—** | **(3)** | 5 | — | 5 | 108 | — | 108 |
| Non-assessable income and items not taxed at the full statutory rate | **(8)** | **—** | **(8)** | (8) | — | (8) | (17) | — | (17) |
| Non-taxable profit on sale of subsidiaries and associates | **—** | **—** | **—** | (56) | — | (56) | (57) | — | (57) |
| Disallowable expenses | **23** | **—** | **23** | 8 | — | 8 | 17 | — | 17 |
| Different local basis of tax on overseas profits | **3** | **(2)** | **1** | (3) | (1) | (4) | 3 | (1) | 2 |
| Movement in valuation of deferred tax | **(10)** | **—** | **(10)** | — | — | — | 7 | — | 7 |
| Tax effect of profit from joint ventures and associates | **(28)** | **—** | **(28)** | (13) | — | (13) | (22) | — | (22) |
| Other | **—** | **—** | **—** | 1 | — | 1 | 4 | — | 4 |
| **Total tax charged to income statement** | **242** | **206** | **448** | 130 | 194 | 324 | 292 | 270 | 562 |

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.

## B7 - 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 period.

### (a) Basic earnings per share

#### (i) Basic earnings per share is calculated as follows:

| | Note | 6 months 2025 Group adjusted operating profit £m | 6 months 2025 Adjusting items £m | 6 months 2025 Total £m | 6 months 2024 Group adjusted operating profit £m | 6 months 2024 Adjusting items £m | 6 months 2024 Total £m | Full year 2024 Group adjusted operating profit £m | Full year 2024 Adjusting items £m | Full year 2024 Total £m |
|---|---|---|---|---|---|---|---|---|---|---|
| Profit before tax attributable to shareholders' profits | | **1,068** | **(7)** | **1,061** | 875 | (91) | 784 | 1,767 | (770) | 997 |
| Tax attributable to shareholders' profits | | **(257)** | **15** | **(242)** | (208) | 78 | (130) | (407) | 115 | (292) |
| **Profit for the period** | | **811** | **8** | **819** | 667 | (13) | 654 | 1,360 | (655) | 705 |
| Amount attributable to non-controlling interests | B18 | **(12)** | **—** | **(12)** | (11) | — | (11) | (21) | — | (21) |
| Coupon payments in respect of tier 1 notes | | **(17)** | **—** | **(17)** | (17) | — | (17) | (34) | — | (34) |
| Cumulative preference dividends | B8 | **(9)** | **—** | **(9)** | (9) | — | (9) | (17) | — | (17) |
| Special dividends on cancellation of preference shares[1] | B8, B18 | — | **(203)** | **(203)** | — | — | — | — | — | — |
| **Profit attributable to ordinary shareholders** | | **773** | **(195)** | **578** | 630 | (13) | 617 | 1,288 | (655) | 633 |
| Weighted average number of shares | B7 (a) (iii) | **2,664** | **2,664** | **2,664** | 2,706 | 2,706 | 2,706 | 2,685 | 2,685 | 2,685 |
| **Operating earnings per share/Basic earnings per share** | | **29.0 p** | **(7.3)p** | **21.7 p** | 23.3 p | (0.5)p | 22.8 p | 48.0 p | (24.4)p | 23.6 p |

1. Special dividends paid on the cancellation of preference shares of Aviva plc of £94 million and GA plc of £109 million were recorded directly in equity

#### (ii) Basic earnings per share comprises:

| | 6 months 2025 Before tax, NCI, preference share dividends and tier 1 notes coupon payments £m | 6 months 2025 Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m | 6 months 2025 Per share pence | 6 months 2024 Before tax, NCI, preference share dividends and tier 1 notes coupon payments £m | 6 months 2024 Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m | 6 months 2024 Per share pence | Full year 2024 Before tax, NCI, preference share dividends and tier 1 notes coupon payments £m | Full year 2024 Net of tax, NCI, preference dividends and tier 1 notes coupon payments £m | Full year 2024 Per share pence |
|---|---|---|---|---|---|---|---|---|---|
| Group adjusted operating profit attributable to ordinary shareholders | **1,068** | **773** | **29.0** | 875 | 630 | 23.3 | 1,767 | 1,288 | 48.0 |
| *Adjusting items:* | | | | | | | | | |
| Investment variances and economic assumption changes | **251** | **209** | **7.8** | (206) | (155) | (5.7) | (666) | (526) | (19.6) |
| Amortisation of intangibles acquired in business combinations | **(21)** | **(16)** | **(0.6)** | (31) | (23) | (0.9) | (61) | (46) | (1.7) |
| Amortisation of acquired value of in-force business | **(27)** | **(20)** | **(0.7)** | (26) | (20) | (0.7) | (52) | (39) | (1.5) |
| Profit on disposal and remeasurement of subsidiaries, joint ventures and associates | **—** | **—** | **—** | 195 | 203 | 7.5 | 195 | 218 | 8.1 |
| Integration and restructuring costs | **(139)** | **(109)** | **(4.1)** | (69) | (54) | (2.0) | (217) | (164) | (6.1) |
| Special dividends on cancellation of preference shares[1] | **—** | **(203)** | **(7.6)** | — | — | — | — | — | — |
| Other | **(71)** | **(56)** | **(2.1)** | 46 | 36 | 1.3 | 31 | (98) | (3.6) |
| **Profit attributable to ordinary shareholders** | **1,061** | **578** | **21.7** | 784 | 617 | 22.8 | 997 | 633 | 23.6 |

1. Special dividends paid on the cancellation of preference shares of Aviva plc of £94 million and GA plc of £109 million were recorded directly in equity

#### (iii) Weighted average number of shares

The calculation of basic earnings per share uses a weighted average of 2,664 million (HY24: 2,706 million; 2024: 2,685 million) ordinary shares in issue, after deducting treasury shares. See note B15 for further information on the movements in share capital during the period.

### (b) Diluted earnings per share

**(i) Diluted earnings per share on Profit attributable to ordinary shareholders is calculated as follows:**

| | 6 months 2025 | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 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 | **578** | **2,664** | **21.7** | 617 | 2,706 | 22.8 | 633 | 2,685 | 23.6 |
| Dilutive effect of share awards and options | | **29** | **(0.2)** | | 27 | (0.2) | | 31 | (0.3) |
| **Diluted earnings per share** | **578** | **2,693** | **21.5** | 617 | 2,733 | 22.6 | 633 | 2,716 | 23.3 |

**(ii) Diluted earnings per share on Group adjusted operating profit attributable to ordinary shareholders is calculated as follows:**

| | 6 months 2025 | | | 6 months 2024 | | | Full year 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 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 | **773** | **2,664** | **29.0** | 630 | 2,706 | 23.3 | 1,288 | 2,685 | 48.0 |
| Dilutive effect of share awards and options | | **29** | **(0.2)** | | 27 | (0.2) | | 31 | (0.6) |
| **Diluted earnings per share** | **773** | **2,693** | **28.8** | 630 | 2,733 | 23.1 | 1,288 | 2,716 | 47.4 |

## B8 - Dividends and appropriations

This note analyses the total dividends and other appropriations paid during the period, as set out in the table below. Details are also provided of the interim dividend for 2025, which is not accrued in these financial statements and is therefore excluded from the table.

| | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Final 2024 – 23.8 pence per share, paid on 22 May 2025 | **635** | — | — |
| 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 | 603 |
| Ordinary dividends declared and charged to equity in the period | **635** | 603 | 921 |
| Preference dividends declared and charged to equity in the period | **9** | 9 | 17 |
| Coupon payments on tier 1 notes charged to equity in the period | **17** | 17 | 34 |
| | **661** | 629 | 972 |
| Special dividends declared and charged to equity on cancellation of Aviva plc preference shares[1] | **94** | — | — |
| **Total dividends and appropriations** | **755** | 629 | 972 |

1. For details of the special dividends paid on cancellation of GA plc preference shares, see note B18

Subsequent to 30 June 2025, the directors declared an interim dividend for 2025 of 13.1 pence per ordinary share, amounting to £400 million in total. Following the ordinary share capital issue associated with the acquisition of Direct Line (see note B3), the total number of shares in issue at 13 August 2025 is 3,057,053,395. The cash value of the dividend is calculated using this number of shares. The dividend will be paid on 16 October 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.

## B9 - 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<br>(see note B9(b)(i)) | • Annuities (bulk purchase and individual), term assurance, income protection and critical illness<br>• 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<br>(see note B9(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<br>(see note B9(b)(iii)) | • General insurance contracts<br>• 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 period
(c) Effect of contracts initially recognised in the period
(d) Significant judgements and estimates

### (a) Carrying amount

Insurance and reinsurance contracts comprised:

| | | **30 June 2025** | | | | 31 December 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | **Life risk £m** | **Participating £m** | **Non-life £m** | **Total £m** | Life risk £m | Participating £m | Non-life £m | Total £m |
| **Insurance contracts** | | | | | | | | | |
| Insurance contract balances | B9(b) | **71,813** | **36,401** | **16,027** | **124,241** | 71,452 | 37,225 | 15,694 | 124,371 |
| Assets for insurance acquisition cashflows | | **—** | **—** | **(207)** | **(207)** | — | — | (220) | (220) |
| **Total insurance contract liabilities** | | **71,813** | **36,401** | **15,820** | **124,034** | 71,452 | 37,225 | 15,474 | 124,151 |
| **Reinsurance contracts** | | | | | | | | | |
| Reinsurance contract assets | B9(b) | **(7,398)** | **—** | **(2,104)** | **(9,502)** | (7,579) | — | (2,121) | (9,700) |

### (b) Movements in the period

The following movements have occurred in the carrying amount of insurance contract balances in the period:

| **Carrying amount** | **6 months 2025 £m** | Full year 2024 £m |
|---|---|---|
| At 1 January | **124,371** | 122,050 |
| Insurance revenue | **(10,991)** | (20,747) |
| Insurance service expenses | **9,537** | 18,240 |
| Insurance finance expense | **2,213** | 1,121 |
| Foreign exchange rate movements and other charges | **(195)** | (571) |
| Premiums received | **11,033** | 25,928 |
| Claims and expenses paid, including investment component | **(9,832)** | (19,446) |
| Acquisition cash flows | **(1,895)** | (3,557) |
| Effect of portfolio transfers, acquisitions and disposals | **—** | 1,353 |
| **At 30 June / At 31 December** | **124,241** | 124,371 |

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 amounts for reinsurance contracts are recognised separately from insurance contract balances. Detailed movements on both are included in sections B9(b)(i) to B9(b)(iii).

The following summarises movements in CSM that have occurred during the period:

| | 6 months 2025 | | | | Full year 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Life risk £m** | **Participating £m** | **Non-life £m** | **Total £m** | Life risk £m | Participating £m | Non-life £m | Total £m |
| **CSM in respect of insurance contracts** | | | | | | | | |
| At 1 January | **8,497** | **1,123** | **6** | **9,626** | 7,378 | 1,040 | — | 8,418 |
| CSM recognised for services provided | **(413)** | **(64)** | **—** | **(477)** | (821) | (178) | (1) | (1,000) |
| Other movements in CSM | **366** | **44** | **(5)** | **405** | 1,575 | 261 | 7 | 1,843 |
| Effect of portfolio transfers, acquisitions and disposals | **—** | **—** | **—** | **—** | 365 | — | — | 365 |
| **At 30 June / At 31 December** | **8,450** | **1,103** | **1** | **9,554** | 8,497 | 1,123 | 6 | 9,626 |
| **CSM in respect of reinsurance contracts** | | | | | | | | |
| At 1 January | **(1,852)** | **—** | **(2)** | **(1,854)** | (1,170) | — | — | (1,170) |
| CSM recognised for services received | **58** | **—** | **—** | **58** | 129 | — | — | 129 |
| Other movements in CSM | **19** | **—** | **2** | **21** | (495) | — | (2) | (497) |
| Effect of portfolio transfers, acquisitions and disposals | **—** | **—** | **—** | **—** | (316) | — | — | (316) |
| **At 30 June / At 31 December** | **(1,775)** | **—** | **—** | **(1,775)** | (1,852) | — | (2) | (1,854) |
| Net CSM at 1 January | **6,645** | **1,123** | **4** | **7,772** | 6,208 | 1,040 | — | 7,248 |
| **Net CSM at 30 June/31 December** | **6,675** | **1,103** | **1** | **7,779** | 6,645 | 1,123 | 4 | 7,772 |

Other movements in CSM include:

- Recognition of additional CSM in respect of new insurance and reinsurance contracts recognised in the period;
- 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 were also changes in CSM in 2024 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 B9(b)(i) for life risk, B9(b)(ii) for participating and B9(b)(iii) for non-life.

The CSM recognised for services provided on insurance contracts in the period of £477 million (FY24: £1,000 million) is a key component of insurance revenue.

The following summarises movements in the risk adjustment that have occurred during the period:

| | **Life** | | **Non-life** | | | |
|---|---|---|---|---|---|---|
| **6 months 2025** | **Risk £m** | **Participating £m** | **PAA £m** | **GMM £m** | **Total £m** | **Total £m** |
| **Risk adjustment in respect of insurance contracts** | | | | | | |
| At 1 January | **1,390** | **55** | **550** | **9** | **559** | **2,004** |
| Change in risk adjustment for risk expired | **(64)** | **(2)** | **—** | **(1)** | **(1)** | **(67)** |
| Other movements in risk adjustment | **(13)** | **—** | **12** | **—** | **12** | **(1)** |
| At 30 June | **1,313** | **53** | **562** | **8** | **570** | **1,936** |
| **Risk adjustment in respect of reinsurance contracts** | | | | | | |
| At 1 January | **(735)** | **—** | **(71)** | **(80)** | **(151)** | **(886)** |
| Change in risk adjustment for risk expired | **28** | **—** | **—** | **6** | **6** | **34** |
| Other movements in risk adjustment | **6** | **—** | **7** | **(9)** | **(2)** | **4** |
| At 30 June | **(701)** | **—** | **(64)** | **(83)** | **(147)** | **(848)** |
| Net risk adjustment at 1 January | **655** | **55** | **479** | **(71)** | **408** | **1,118** |
| **Risk adjustment at 30 June** | **612** | **53** | **498** | **(75)** | **423** | **1,088** |

| Full 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 |
| Risk adjustment at 31 December | 655 | 55 | 479 | (71) | 408 | 1,118 |

The change in risk adjustment for risk expired is recognised in insurance revenue.

The net risk adjustment has decreased in the period. Other movements in risk adjustment include the risk adjustment established on new business (details of which can be seen in note B9(c)) and the impact of movements in discount rates.

There were also changes in risk adjustment in 2024 arising as a result of portfolio transfers, acquisitions and disposals.

**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 the analysis is presented split by measurement component (present value of expected future cash flows, risk adjustment and CSM).

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.

## (i) Life risk

### Insurance contracts

The following table shows life risk insurance contracts analysed by measurement component:

| 6 months 2025 | Estimates of present value of future cash flows £m | Risk adjustment for non-financial risk £m | CSM: Contracts under modified retrospective transition approach £m | CSM: Contracts under fair value transition approach £m | CSM: Other contracts £m | CSM Total £m | Total £m |
|---|---|---|---|---|---|---|---|
| **Opening liabilities at 1 January** | **61,565** | **1,390** | **—** | **3,718** | **4,779** | **8,497** | **71,452** |
| *Changes in comprehensive income* | | | | | | | |
| CSM recognised for services provided | **—** | **—** | **—** | **(189)** | **(224)** | **(413)** | **(413)** |
| Change in risk adjustment for risk expired | **—** | **(64)** | **—** | **—** | **—** | **—** | **(64)** |
| Experience adjustments | **14** | **—** | **—** | **—** | **—** | **—** | **14** |
| Changes that relate to current services | **14** | **(64)** | **—** | **(189)** | **(224)** | **(413)** | **(463)** |
| Contracts initially recognised in the period | **(272)** | **56** | **—** | **—** | **216** | **216** | **—** |
| Changes in estimates that adjust the CSM | **20** | **1** | **—** | **(5)** | **(16)** | **(21)** | **—** |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | **30** | **—** | **—** | **—** | **—** | **—** | **30** |
| Changes that relate to future services | **(222)** | **57** | **—** | **(5)** | **200** | **195** | **30** |
| Insurance service result | **(208)** | **(7)** | **—** | **(194)** | **(24)** | **(218)** | **(433)** |
| Net finance expenses/(income) from insurance contracts | **649** | **(74)** | **—** | **84** | **77** | **161** | **736** |
| Effect of movements in exchange rates | **—** | **4** | **—** | **6** | **4** | **10** | **14** |
| Total changes in comprehensive income | **441** | **(77)** | **—** | **(104)** | **57** | **(47)** | **317** |
| *Cash flows* | | | | | | | |
| Premiums received | **4,183** | **—** | **—** | **—** | **—** | **—** | **4,183** |
| Claims and other insurance service expenses paid, including investment components | **(3,826)** | **—** | **—** | **—** | **—** | **—** | **(3,826)** |
| Insurance acquisition cash flows | **(313)** | **—** | **—** | **—** | **—** | **—** | **(313)** |
| Total cash flows | **44** | **—** | **—** | **—** | **—** | **—** | **44** |
| Closing liabilities at 30 June | **62,050** | **1,313** | **—** | **3,614** | **4,836** | **8,450** | **71,813** |

| Full year 2024 | 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 | 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 | (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 expenses paid, including investment components | (7,508) | — | — | — | — | — | (7,508) |
| Insurance acquisition cash flows | (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 |

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 period which give rise to a CSM liability representing unearned future profit on service yet to be provided;
- Experience variances 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 may include the effect of both experience variances and assumption changes on expected future cash flows. At 30 June 2025 changes in estimates that reduce the CSM of £21 million are due to experience variances. The changes in estimates that increase the CSM at 31 December 2024 of £542 million included both experience variances and assumption changes.

The net finance expenses from insurance contracts of £736 million (FY24: £1,216 million net finance income) 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. In 2025 changes in UK interest rates have led to a reduction in the value of the liabilities but this is lower than the increase to liabilities resulting from the unwind of discounting; thus resulting in an overall increase to the value of the liabilities.

**Reinsurance contracts**

The following table shows life risk reinsurance contracts analysed by measurement component:

| 6 months 2025 | 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 assets at 1 January** | **4,992** | **735** | **(66)** | **459** | **1,459** | **1,852** | **7,579** |
| *Changes in comprehensive income* | | | | | | | |
| CSM recognised for services provided | **—** | **—** | **4** | **(22)** | **(40)** | **(58)** | **(58)** |
| Change in risk adjustment for risk expired | **—** | **(28)** | **—** | **—** | **—** | **—** | **(28)** |
| Experience adjustments | **(15)** | **—** | **—** | **—** | **—** | **—** | **(15)** |
| Changes that relate to current services | **(15)** | **(28)** | **4** | **(22)** | **(40)** | **(58)** | **(101)** |
| Contracts initially recognised in the period | **(46)** | **40** | **—** | **—** | **6** | **6** | **—** |
| Changes in estimates that adjust the CSM | **69** | **(9)** | **1** | **(10)** | **(51)** | **(60)** | **—** |
| Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts | **(1)** | **—** | **—** | **—** | **—** | **—** | **(1)** |
| Changes that relate to future services | **22** | **31** | **1** | **(10)** | **(45)** | **(54)** | **(1)** |
| Net income/ (expenses) from reinsurance contracts | **7** | **3** | **5** | **(32)** | **(85)** | **(112)** | **(102)** |
| Net finance (expenses)/income from reinsurance contracts | **(130)** | **(38)** | **(1)** | **9** | **24** | **32** | **(136)** |
| Effect of movements in exchange rates | **18** | **1** | **—** | **2** | **1** | **3** | **22** |
| Total changes in comprehensive income | **(105)** | **(34)** | **4** | **(21)** | **(60)** | **(77)** | **(216)** |
| *Cash flows* | | | | | | | |
| Premiums paid | **1,706** | **—** | **—** | **—** | **—** | **—** | **1,706** |
| Amounts received | **(1,671)** | **—** | **—** | **—** | **—** | **—** | **(1,671)** |
| Total cash flows | **35** | **—** | **—** | **—** | **—** | **—** | **35** |
| Closing assets at 30 June | **4,922** | **701** | **(62)** | **438** | **1,399** | **1,775** | **7,398** |

| Full year 2024 | 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 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 income/ (expenses) from reinsurance contracts | (629) | 96 | 13 | (7) | 309 | 315 | (218) |
| Net finance (expenses)/income from reinsurance contracts | (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 |

### (ii) Participating

**Insurance contracts**

The following table shows participating insurance contracts analysed by measurement component:

| | | | Contractual service margin (CSM) | | | |
|---|---|---|---|---|---|---|
| 6 months 2025 | 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 | CSM Total £m | Total £m |
| Opening liabilities at 1 January | **36,047** | **55** | **383** | **740** | **1,123** | **37,225** |
| *Changes in comprehensive income* | | | | | | |
| CSM recognised for services provided | **—** | **—** | **(25)** | **(39)** | **(64)** | **(64)** |
| Change in risk adjustment for risk expired | **—** | **(2)** | **—** | **—** | **—** | **(2)** |
| Experience adjustments | **3** | **—** | **—** | **—** | **—** | **3** |
| Revenue recognised for incurred policyholder tax expenses | **(89)** | **—** | **—** | **—** | **—** | **(89)** |
| Changes that relate to current services | **(86)** | **(2)** | **(25)** | **(39)** | **(64)** | **(152)** |
| Changes in estimates that adjust the CSM | **(42)** | **—** | **20** | **22** | **42** | **—** |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | **8** | **—** | **—** | **—** | **—** | **8** |
| Changes that relate to future services | **(34)** | **—** | **20** | **22** | **42** | **8** |
| Insurance service result | **(120)** | **(2)** | **(5)** | **(17)** | **(22)** | **(144)** |
| Net finance expenses/(income) from insurance contracts | **1,202** | **—** | **—** | **1** | **1** | **1,203** |
| Effect of movements in exchange rates | **(11)** | **—** | **—** | **1** | **1** | **(10)** |
| Total changes in comprehensive income | **1,071** | **(2)** | **(5)** | **(15)** | **(20)** | **1,049** |
| *Cash flows* | | | | | **—** | **—** |
| Premiums received | **203** | **—** | **—** | **—** | **—** | **203** |
| Claims and other insurance service expenses paid, including investment components | **(2,068)** | **—** | **—** | **—** | **—** | **(2,068)** |
| Insurance acquisition cash flows | **(8)** | **—** | **—** | **—** | **—** | **(8)** |
| Total cash flows | **(1,873)** | **—** | **—** | **—** | **—** | **(1,873)** |
| Closing liabilities at 30 June | **35,245** | **53** | **378** | **725** | **1,103** | **36,401** |

| | | | Contractual service margin (CSM) | | | |
|---|---|---|---|---|---|---|
| Full year 2024 | 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 | 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 | 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 expenses paid, including investment components | (4,467) | — | — | — | — | (4,467) |
| Insurance acquisition cash flows | (25) | — | — | — | — | (25) |
| Total cash flows | (4,058) | — | — | — | — | (4,058) |
| Closing liabilities at 31 December | 36,047 | 55 | 383 | 740 | 1,123 | 37,225 |

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 expenses/(income) 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 | | |
| | Excluding loss component | Loss component | Contracts not under PAA | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| 6 months 2025 | £m | £m | £m | £m | £m | £m |
| Opening liabilities at 1 January | 3,246 | 26 | — | 11,872 | 550 | 15,694 |
| Changes in comprehensive income | | | | | | |
| Insurance revenue | (6,490) | — | — | — | — | (6,490) |
| Incurred claims and other insurance service expenses | — | (6) | — | 4,161 | 97 | 4,252 |
| Amortisation of insurance acquisition cash flows | 1,496 | — | — | — | — | 1,496 |
| Losses and reversals of losses on onerous contracts | — | 16 | — | — | — | 16 |
| Adjustments to liabilities for incurred claims | — | — | — | (61) | (90) | (151) |
| Insurance service expenses | 1,496 | 10 | — | 4,100 | 7 | 5,613 |
| Insurance service result | (4,994) | 10 | — | 4,100 | 7 | (877) |
| Net finance expenses from insurance contracts | 3 | — | — | 259 | 12 | 274 |
| Effect of movements in exchange rates | (38) | (1) | — | (153) | (7) | (199) |
| Total changes in comprehensive income | (5,029) | 9 | — | 4,206 | 12 | (802) |
| Cash flows | | | | | | |
| Premiums received | 6,647 | — | — | — | — | 6,647 |
| Claims and other insurance service expenses paid, including investment component | — | — | — | (3,937) | — | (3,937) |
| Insurance acquisition cash flows | (1,575) | — | — | — | — | (1,575) |
| Total cash flows | 5,072 | — | — | (3,937) | — | 1,135 |
| Closing liabilities at 30 June | 3,289 | 35 | — | 12,141 | 562 | 16,027 |

The £(90) million adjustment to the risk adjustment in the liabilities for incurred claims comprises the release of the risk adjustment as claims are paid and also includes assumption changes in calculating the risk adjustment.

| Full year 2024 | Liabilities for remaining coverage | | Liabilities for incurred claims | | | |
|---|---|---|---|---|---|---|
| | | | | Contracts under PAA | | |
| | 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 | (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 | 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.

### Reinsurance contracts

The following table shows non-life reinsurance contracts analysed by remaining coverage and incurred claims (contracts measured under the PAA or GMM):

| 6 months 2025 | | Assets for incurred claims | | | |
|---|---|---|---|---|---|
| | | | Contracts under PAA | | |
| | Assets for remaining coverage £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 assets at 1 January | **853** | **—** | **1,197** | **71** | **2,121** |
| *Changes in comprehensive income* | | | | | |
| Allocation of reinsurance premiums paid | **(486)** | **—** | **—** | **—** | **(486)** |
| Recoveries of incurred claims and other insurance service expenses | **26** | **36** | **155** | **8** | **225** |
| Adjustments to assets for incurred claims | **—** | **—** | **46** | **(15)** | **31** |
| Amounts recoverable from reinsurers | **26** | **36** | **201** | **(7)** | **256** |
| Effect of changes in non-performance risk of reinsurers | **(1)** | **—** | **1** | **—** | **—** |
| Net (expenses)/income from reinsurance contracts | **(461)** | **36** | **202** | **(7)** | **(230)** |
| Net finance income/(expenses) from reinsurance contracts | **24** | **—** | **20** | **1** | **45** |
| Effect of movements in exchange rates | **4** | **—** | **(17)** | **(1)** | **(14)** |
| Total changes in comprehensive income | **(433)** | **36** | **205** | **(7)** | **(199)** |
| *Cash flows* | | | | | |
| Premiums paid | **523** | **—** | **—** | **—** | **523** |
| Amounts received | **—** | **(36)** | **(305)** | **—** | **(341)** |
| Total cash flows | **523** | **(36)** | **(305)** | **—** | **182** |
| Closing assets at 30 June | **943** | **—** | **1,097** | **64** | **2,104** |

| Full year 2024 | 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 | 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 (expenses)/income from reinsurance contracts | (1,028) | 77 | 491 | (10) | (470) |
| Net finance income/(expenses) from reinsurance contracts | 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 |

## (c) Effect of contracts initially recognised in the period

| | **6 months 2025** | | | Full year 2024 | | |
|---|---|---|---|---|---|---|
| | **Life risk £m** | **Participating £m** | **Total £m** | Life risk £m | Participating £m | Total £m |
| Expected premiums from new insurance contracts | **3,810** | **—** | **3,810** | 11,576 | — | 11,576 |

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 period.

### (i) Life risk

Insurance contracts

| | **6 months 2025** | | | Full year 2024 | | |
|---|---|---|---|---|---|---|
| | **Profitable contracts issued £m** | **Onerous contracts issued £m** | **Total £m** | Profitable contracts issued £m | Onerous contracts issued £m | Total £m |
| Claims and other insurance service expenses payable | **2,997** | **240** | **3,237** | 9,627 | 315 | 9,942 |
| Insurance acquisition cash flows | **297** | **4** | **301** | 538 | 125 | 663 |
| Estimates of present value of cash outflows | **3,294** | **244** | **3,538** | 10,165 | 440 | 10,605 |
| Estimates of present value of cash inflows | **(3,561)** | **(249)** | **(3,810)** | (11,126) | (450) | (11,576) |
| Risk adjustment | **51** | **5** | **56** | 211 | 11 | 222 |
| CSM | **216** | **—** | **216** | 750 | — | 750 |
| **Losses recognised on initial recognition** | **—** | **—** | **—** | — | 1 | 1 |

Reinsurance contracts

| | **6 months 2025** | | | Full year 2024 | | |
|---|---|---|---|---|---|---|
| | **Contracts initiated without a loss recovery component £m** | **Contracts initiated with a loss recovery component £m** | **Total £m** | Contracts initiated without a loss recovery component £m | Contracts initiated with a loss recovery component £m | Total £m |
| Estimates of present value of cash outflows | **1,725** | **235** | **1,960** | 8,659 | 267 | 8,926 |
| Estimates of present value of cash inflows | **(1,679)** | **(235)** | **(1,914)** | (8,295) | (284) | (8,579) |
| Risk adjustment | **(35)** | **(5)** | **(40)** | (177) | (9) | (186) |
| CSM | **(11)** | **5** | **(6)** | (187) | 25 | (162) |
| **Income recognised on initial recognition** | **—** | **—** | **—** | — | (1) | (1) |

**(ii) Participating**
There were no Participating business contracts initially recognised in either the current or prior period.

**(iii) Non-life**
There were no non-life insurance contracts initially recognised (due to writing new business) in the prior period or current period measured under the general measurement model.

## (d) Significant judgements, estimates and assumptions

The significant judgments, non-financial assumptions, methods and estimation techniques used to measure insurance, participating investment and reinsurance contracts are unchanged from those disclosed in Note 39 of the Group's 2024 Annual Report. Financial assumptions including discount rates and future inflation have been updated to reflect market conditions at the financial reporting date but the methodology used to determine them is unchanged.

**Discount rates**
The tables below set out key points on the yield curves used to discount the cash flows of insurance contracts for major currencies:

| | **30 June 2025** | | | | | | 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **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 | **5.5 %** | **5.4 %** | **5.8 %** | **6.1 %** | **6.3 %** | **6.1 %** | 6.2 % | 5.8 % | 5.8 % | 6.0 % | 6.0 % | 5.8 % |
| EUR | **3.1 %** | **3.3 %** | **3.7 %** | **3.9 %** | **3.9 %** | **4.1 %** | 3.4 % | 3.3 % | 3.4 % | 3.4 % | 3.4 % | 3.7 % |
| Life protection contracts | | | | | | | | | | | | |
| GBP | **4.0 %** | **3.9 %** | **4.3 %** | **4.6 %** | **4.8 %** | **4.6 %** | 4.7 % | 4.3 % | 4.3 % | 4.4 % | 4.5 % | 4.2 % |
| EUR | **2.1 %** | **2.4 %** | **2.7 %** | **2.9 %** | **2.9 %** | **3.1 %** | 2.5 % | 2.4 % | 2.5 % | 2.6 % | 2.5 % | 2.7 % |
| With-profits contracts | | | | | | | | | | | | |
| GBP | **4.1 %** | **4.0 %** | **4.4 %** | **4.7 %** | **4.9 %** | **4.7 %** | 4.8 % | 4.4 % | 4.4 % | 4.5 % | 4.6 % | 4.3 % |
| EUR | **2.1 %** | **2.4 %** | **2.7 %** | **2.9 %** | **2.9 %** | **3.1 %** | 2.5 % | 2.4 % | 2.5 % | 2.6 % | 2.5 % | 2.7 % |
| Unit-linked contracts | | | | | | | | | | | | |
| GBP | **3.8 %** | **3.7 %** | **4.0 %** | **4.4 %** | **4.5 %** | **4.4 %** | 4.5 % | 4.0 % | 4.1 % | 4.2 % | 4.3 % | 4.0 % |
| EUR | **2.1 %** | **2.4 %** | **2.7 %** | **2.9 %** | **2.9 %** | **3.1 %** | 2.5 % | 2.4 % | 2.5 % | 2.6 % | 2.5 % | 2.7 % |
| **Non-life contracts** | | | | | | | | | | | | |
| Structured settlements | | | | | | | | | | | | |
| GBP | **4.3 %** | **4.1 %** | **4.5 %** | **4.8 %** | **5.0 %** | **4.8 %** | 4.9 % | 4.5 % | 4.5 % | 4.7 % | 4.7 % | 4.5 % |
| Latent claims | | | | | | | | | | | | |
| GBP | **4.1 %** | **4.0 %** | **4.4 %** | **4.7 %** | **4.9 %** | **4.7 %** | 4.8 % | 4.4 % | 4.4 % | 4.5 % | 4.6 % | 4.3 % |
| EUR | **2.2 %** | **2.5 %** | **2.8 %** | **3.0 %** | **3.1 %** | **3.2 %** | 2.6 % | 2.5 % | 2.7 % | 2.7 % | 2.6 % | 2.9 % |
| Other general insurance claims | | | | | | | | | | | | |
| GBP | **4.0 %** | **3.9 %** | **4.3 %** | **4.6 %** | **4.8 %** | **4.6 %** | 4.7 % | 4.3 % | 4.3 % | 4.4 % | 4.5 % | 4.2 % |
| EUR | **2.1 %** | **2.4 %** | **2.7 %** | **2.9 %** | **3.0 %** | **3.1 %** | 2.5 % | 2.4 % | 2.5 % | 2.6 % | 2.5 % | 2.8 % |
| CAD | **3.2 %** | **3.4 %** | **3.8 %** | **4.0 %** | **4.1 %** | **4.1 %** | 3.6 % | 3.6 % | 3.8 % | 3.9 % | 3.9 % | 4.0 % |

**Risk adjustments for non-financial risk**
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 (FY24: 68th percentile), for non-life contracts it corresponds to the 80th percentile (FY24: 80th 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 at the reporting date, 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.

## B10 – 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 comprised:

| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Liabilities for non-participating investment contracts | **187,573** | 171,051 | 179,142 |
| Reinsurance assets for non-participating investment contracts | **(5,104)** | (5,157) | (5,280) |
| **Net non-participating investment contracts** | **182,469** | 165,894 | 173,862 |

### (b) Group practice

Of the non-participating investment contracts measured at fair value, £187,194 million at 30 June 2025 (30 June 2024: £170,973 million, 31 December 2024: £179,070 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.

### (c) Movements in the period

The following movements have occurred in the gross provisions for non-participating investment contracts in the period:

| Carrying amount | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| At 1 January | **179,142** | 158,588 | 158,588 |
| Liabilities in respect of new business | **3,248** | 2,430 | 5,212 |
| Expected change in existing business | **(2,657)** | (2,402) | (5,038) |
| Variance between actual and expected experience | **7,525** | 12,644 | 20,802 |
| Change in liability | **8,116** | 12,672 | 20,976 |
| Foreign exchange rate movements | **315** | (209) | (422) |
| **At 30 June / 31 December** | **187,573** | 171,051 | 179,142 |

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 of £7,525 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 period:

| Carrying amount | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| At 1 January | **5,280** | 4,713 | 4,713 |
| Assets in respect of new business | **40** | 40 | 84 |
| Expected change in existing business assets | **(62)** | (57) | (120) |
| Variance between actual and expected experience | **(154)** | 461 | 603 |
| Change in asset | **(176)** | 444 | 567 |
| **At 30 June / 31 December** | **5,104** | 5,157 | 5,280 |

## B11 – 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 | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|---|
| Core structural borrowings | B11(b) | **5,034** | 5,129 | 4,496 |
| Operational borrowings at amortised cost | | **234** | 291 | 229 |
| Operational borrowings designated at fair value | | **847** | 923 | 887 |
| Operational borrowings | B11(c) | **1,081** | 1,214 | 1,116 |
| **Total borrowings** | | **6,115** | 6,343 | 5,612 |

### (b) Core structural borrowings

The carrying amounts of these borrowings are:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| 6.125% £700 million subordinated notes 2036 | **200** | 698 | 200 |
| 6.875% £600 million subordinated notes 2058 | **595** | 595 | 595 |
| 3.875% €700 million subordinated notes 2044 | **—** | 593 | — |
| 5.125% £400 million subordinated notes 2050 | **398** | 397 | 397 |
| 3.375% €900 million subordinated notes 2045 | **768** | 761 | 745 |
| 4.375% £400 million subordinated notes 2049 | **397** | 397 | 397 |
| 4.000% £500 million subordinated notes 2055 | **495** | 494 | 494 |
| 4.000% $CAD450 million subordinated notes 2030 | **239** | 259 | 248 |
| 6.875% £500 million subordinated notes 2053 | **494** | 493 | 493 |
| 6.125% £500 million subordinated notes 2054 | **494** | — | 494 |
| 4.625% €600 million subordinated notes 2056 | **508** | — | — |
| Subordinated debt | **4,588** | 4,687 | 4,063 |
| 1.875% €750 million senior notes 2027 | **395** | 392 | 383 |
| Senior notes | **395** | 392 | 383 |
| Commercial paper | **51** | 50 | 50 |
| **Total core structural borrowings** | **5,034** | 5,129 | 4,496 |

On 28 May 2025 the Group issued €600 million of Fixed to Floating Rate Tier 2 Notes at 4.625%, with final maturity in August 2056 and first call in February 2036.

All core structural borrowings are stated at amortised cost, with the exception of commercial paper.

### (c) Operational borrowings

The carrying amounts of these borrowings are:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| **Amounts owed to financial institutions** | | | |
| Loans | **234** | 291 | 229 |
| **Securitised mortgage loan notes** | | | |
| UK lifetime mortgage business | **847** | 923 | 887 |
| **Total operational borrowings** | **1,081** | 1,214 | 1,116 |

### (d) Undrawn borrowings

The Group has the following undrawn committed central borrowing facilities:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Expiring within one year | **—** | — | — |
| Expiring beyond one year | **1,700** | 1,700 | 3,550 |
| **Total undrawn borrowings** | **1,700** | 1,700 | 3,550 |

The Group's undrawn borrowings of £1,700 million (HY24: £1,700 million, 2024: £3,550 million) relate to borrowing facilities which are used to support the commercial paper programme. 31 December 2024 also includes the bridge facility agreement of £1,850 million entered into by the Group as part of the acquisition of Direct Line, in order to satisfy the Takeover Code requirements. On 23 April 2025, the bridge facility agreement was cancelled.

## B12 - Pension deficits and other provisions

### (a) Carrying amounts

### (i) Provisions in the condensed consolidated statement of financial position

In the condensed consolidated statement of financial position, provisions include pension scheme deficits and comprise:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Total IAS 19 obligations to main staff pension schemes | **362** | 349 | 372 |
| Restructuring provisions | **24** | 45 | 28 |
| Other provisions | **314** | 352 | 326 |
| **Total pension deficits and other provisions** | **700** | 746 | 726 |

Other provisions shown above primarily include product governance provisions, which are measured based upon the amounts we expect to pay to policyholders and other costs arising directly from remediation.

### (ii) Pension obligations

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 schemes are shown below.

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Total fair value of scheme assets | **9,661** | 10,828 | 9,764 |
| Present value of defined benefit obligation | **(9,503)** | (10,196) | (9,685) |
| **Net IAS 19 surpluses in the schemes** | **158** | 632 | 79 |
| Surpluses included in other assets | **520** | 981 | 451 |
| Deficits included in provisions | **(362)** | (349) | (372) |
| **Net IAS 19 surpluses in the schemes** | **158** | 632 | 79 |

### (b) Movements in the schemes' surpluses and deficits

Movements in the pension schemes' surpluses and deficits comprise:

| **IAS 19 Pensions net surplus** | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Net IAS 19 surplus in the schemes at 1 January | **79** | 407 | 407 |
| Administrative expenses | **(16)** | (13) | (25) |
| Total pension cost charged to net operating expenses | **(16)** | (13) | (25) |
| Net interest credited to investment income | **2** | 10 | 19 |
| Total recognised in income statement | **(14)** | (3) | (6) |
| Actual return on these assets | **148** | (443) | (1,214) |
| Less: Interest income on scheme assets | **(261)** | (253) | (498) |
| Return on scheme assets excluding amounts in interest income | **(113)** | (696) | (1,712) |
| Gains from change in financial assumptions | **196** | 849 | 1,232 |
| Gains from change in demographic assumptions | **16** | 48 | 108 |
| Experience losses | **(44)** | (5) | (14) |
| Total remeasurements recognised in other comprehensive income | **55** | 196 | (386) |
| Employer contributions | **31** | 28 | 55 |
| Foreign exchange rate movements | **7** | 4 | 9 |
| **Net IAS 19 surplus in the schemes 30 June/ 31 December** | **158** | 632 | 79 |

The increase in surplus over the period ending 30 June 2025 is primarily due to economic movements. This includes positive returns on multi-asset funds and narrowing of spreads on UK government bonds. These are partially offset by lower inflation.

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 Group is able to access the surplus either through an unconditional right to refund of 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 ASPS defined benefit section via a reduction to future employer contributions for defined contribution members, which could theoretically be paid from the surplus funds in ASPS. In the RAC 2003 Pension Scheme (RAC) and Friends Provident Pension Scheme (FPPS) and in the Aviva Ireland Staff Pensions Fund (AISPF) 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.

On 5 June 2025, the Government announced that it will introduce legislation to give pension schemes affected by the High Court ruling (whereby 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 ability to retrospectively validate amendments by obtaining written actuarial confirmation that historical benefit changes met the necessary standards. The Group continues to monitor the development of the legislation and the legal proceedings of related cases, which will provide further legal clarity on the level of actuarial engagement necessary to evidence validation of amendments during the contracted out period. The calculation of the defined benefit obligation for UK schemes presented in section (a)(ii) is based on the pension benefits currently being administered and remains appropriate based on the review performed during 2024.

## B13 – 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 a 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 B13(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% (HY24: 13.2%, 2024: 13.4%) of assets and 0.5% (HY24: 0.6%, 2024: 0.6%) 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.

### (b) Changes to valuation techniques

There were no changes in the valuation techniques during the period compared to those described in the Group's 2024 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:

| | 30 June 2025 | | | | 30 June 2024 | | | | 31 December 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Mandatorily held at FVTPL £m | Designated at FVTPL on initial recognition £m | Amortised cost £m | Total carrying amount £m |
| **Financial assets** | | | | | | | | | | | | |
| Loans | **26,614** | **—** | **6,151** | **32,765** | 26,656 | — | 4,662 | 31,318 | 26,181 | — | 4,372 | 30,553 |
| Cash and cash equivalents | **—** | **1,036** | **18,924** | **19,960** | — | 1,185 | 15,763 | 16,948 | — | 1,096 | 22,385 | 23,481 |
| Fixed maturity securities | **116,255** | **—** | **10** | **116,265** | 114,314 | — | — | 114,314 | 115,539 | — | — | 115,539 |
| Equity securities | **99,366** | **—** | **—** | **99,366** | 95,052 | — | — | 95,052 | 96,040 | — | — | 96,040 |
| Other investments (including derivatives) | **57,054** | **—** | **—** | **57,054** | 54,720 | — | — | 54,720 | 52,400 | — | — | 52,400 |
| Financial investments | **272,675** | **—** | **10** | **272,685** | 264,086 | — | — | 264,086 | 263,979 | — | — | 263,979 |
| Reinsurance assets for non-participating investment contracts | **5,104** | **—** | **—** | **5,104** | 5,157 | — | — | 5,157 | 5,280 | — | — | 5,280 |
| **Financial liabilities** | | | | | | | | | | | | |
| Non-participating investment contracts | **—** | **187,573** | **—** | **187,573** | — | 171,051 | — | 171,051 | — | 179,142 | — | 179,142 |
| Net asset value attributable to unitholders | **—** | **16,065** | **—** | **16,065** | — | 17,537 | — | 17,537 | — | 17,333 | — | 17,333 |
| Borrowings | **—** | **847** | **5,268** | **6,115** | — | 923 | 5,420 | 6,343 | — | 887 | 4,725 | 5,612 |
| Derivative liabilities[1] | **7,839** | **—** | **—** | **7,839** | 11,989 | — | — | 11,989 | 8,271 | — | — | 8,271 |

1. Derivative financial liabilities meet the definition of held for trading

Fair values for borrowings held at amortised cost are presented in note B11(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.

### (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.

| | | Fair value hierarchy | | | | | |
|---|---|---|---|---|---|---|---|
| 30 June 2025 | Note | 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 | | **—** | **—** | **6,617** | **6,617** | **—** | **6,617** |
| Loans | | **—** | **—** | **26,614** | **26,614** | **6,151** | **32,765** |
| Cash and cash equivalents | | **1,036** | **—** | **—** | **1,036** | **18,924** | **19,960** |
| Fixed maturity securities | | **60,930** | **47,786** | **7,539** | **116,255** | **10** | **116,265** |
| Equity securities | | **99,086** | **—** | **280** | **99,366** | **—** | **99,366** |
| Other investments (including derivatives) | | **51,684** | **4,485** | **885** | **57,054** | **—** | **57,054** |
| Financial investments | | **211,700** | **52,271** | **8,704** | **272,675** | **10** | **272,685** |
| Reinsurance assets for non-participating investment contracts | B10(a) | **5,104** | **—** | **—** | **5,104** | **—** | **5,104** |
| **Total financial assets** | | **217,840** | **52,271** | **41,935** | **312,046** | **25,085** | **337,131** |
| Non-participating investment contracts | B10(a) | **187,300** | **273** | **—** | **187,573** | **—** | **187,573** |
| Net asset value attributable to unitholders | | **16,065** | **—** | **—** | **16,065** | **—** | **16,065** |
| Borrowings | B11(a) | **—** | **—** | **847** | **847** | **5,268** | **6,115** |
| Derivative liabilities | | **59** | **7,549** | **231** | **7,839** | **—** | **7,839** |
| **Total financial liabilities** | | **203,424** | **7,822** | **1,078** | **212,324** | **5,268** | **217,592** |
| **Non-recurring fair value measurements** | | | | | | | |
| Properties occupied by group companies | | **—** | **—** | **9** | **9** | **—** | **9** |
| **Total** | | **—** | **—** | **9** | **9** | **—** | **9** |

| 30 June 2024 | Note | Fair value hierarchy 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 | | — | — | 6,241 | 6,241 | — | 6,241 |
| Loans | | — | — | 26,656 | 26,656 | 4,662 | 31,318 |
| Cash and cash equivalents | | 1,185 | — | — | 1,185 | 15,763 | 16,948 |
| Fixed maturity securities | | 42,428 | 65,820 | 6,066 | 114,314 | — | 114,314 |
| Equity securities | | 94,731 | — | 321 | 95,052 | — | 95,052 |
| Other investments (including derivatives) | | 45,565 | 8,367 | 788 | 54,720 | — | 54,720 |
| Financial investments | | 182,724 | 74,187 | 7,175 | 264,086 | — | 264,086 |
| Reinsurance assets for non-participating investment contracts | B10(a) | 5,157 | — | — | 5,157 | — | 5,157 |
| **Total financial assets** | | 189,066 | 74,187 | 40,072 | 303,325 | 20,425 | 323,750 |
| Non-participating investment contracts | B10(a) | 171,051 | — | — | 171,051 | — | 171,051 |
| Net asset value attributable to unitholders | | 17,490 | — | 47 | 17,537 | — | 17,537 |
| Borrowings | B11(a) | — | — | 923 | 923 | 5,420 | 6,343 |
| Derivative liabilities | | 15 | 11,711 | 263 | 11,989 | — | 11,989 |
| **Total financial liabilities** | | 188,556 | 11,711 | 1,233 | 201,500 | 5,420 | 206,920 |
| **Non-recurring fair value measurements** | | | | | | | |
| Properties occupied by group companies | | — | — | 10 | 10 | — | 10 |
| **Total** | | — | — | 10 | 10 | — | 10 |

| 31 December 2024 | Note | Fair value hierarchy 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 | | — | — | 6,313 | 6,313 | — | 6,313 |
| Loans | | — | — | 26,181 | 26,181 | 4,372 | 30,553 |
| Cash and cash equivalents | | 1,096 | — | — | 1,096 | 22,385 | 23,481 |
| Fixed maturity securities | | 57,434 | 51,033 | 7,072 | 115,539 | — | 115,539 |
| Equity securities | | 95,703 | — | 337 | 96,040 | — | 96,040 |
| Other investments (including derivatives) | | 47,854 | 3,777 | 769 | 52,400 | — | 52,400 |
| Financial investments | | 200,991 | 54,810 | 8,178 | 263,979 | — | 263,979 |
| Reinsurance assets for non-participating investment contracts | B10(a) | 5,280 | — | — | 5,280 | — | 5,280 |
| **Total financial assets** | | 207,367 | 54,810 | 40,672 | 302,849 | 26,757 | 329,606 |
| Non-participating investment contracts | B10(a) | 179,142 | — | — | 179,142 | — | 179,142 |
| Net asset value attributable to unitholders | | 17,333 | — | — | 17,333 | — | 17,333 |
| Borrowings | B11(a) | — | — | 887 | 887 | 4,725 | 5,612 |
| Derivative liabilities | | 201 | 7,825 | 245 | 8,271 | — | 8,271 |
| **Total financial liabilities** | | 196,676 | 7,825 | 1,132 | 205,633 | 4,725 | 210,358 |
| **Non-recurring fair value measurements** | | | | | | | |
| Properties occupied by group companies | | — | — | 8 | 8 | — | 8 |
| **Total** | | — | — | 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 30 June 2025 was £9 million (HY24: £10 million, 2024: £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

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.

**Transfers between Level 1 and Level 2**
There were no significant transfers between Level 1 and Level 2 (HY24: no significant transfers, 2024: no significant transfers).

**Transfers to/from Level 3**
£66 million (HY24: £12 million, 2024: £95 million) of assets transferred into Level 3 and £27 million (HY24: £12 million, 2024: £14 million) of assets transferred out of Level 3 relate principally to fixed maturity securities and other investments (including derivatives) held by our business in the UK and Ireland. 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 in the period ended 30 June 2025 (HY24: £nil, 2024: £nil). There were £2 million of liabilities transferred out of Level 3 in the period ended 30 June 2025 (HY24: £nil, 2024: £nil) 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.

| | 30 June 2025 | | | | | 30 June 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | **6,313** | **26,181** | **7,072** | **337** | **769** | 6,232 | 27,221 | 6,024 | 313 | 858 |
| Total net gains/(losses) recognised in the income statement[1] | **125** | **(7)** | **(39)** | **(17)** | **(35)** | (89) | (637) | (209) | 9 | (54) |
| Purchases | **292** | **1,476** | **628** | **15** | **136** | 286 | 1,437 | 520 | 7 | 73 |
| Issuances | **—** | **67** | **—** | **—** | **—** | — | 88 | — | — | — |
| Disposals | **(118)** | **(1,105)** | **(114)** | **(52)** | **(34)** | (179) | (1,449) | (264) | (7) | (85) |
| Settlements | **—** | **—** | **—** | **—** | **—** | — | — | — | — | — |
| Transfers into Level 3 | **—** | **—** | **11** | **—** | **55** | — | — | 11 | — | 1 |
| Transfers out of Level 3 | **—** | **—** | **(23)** | **(1)** | **(3)** | — | — | (10) | — | (2) |
| Foreign exchange rate movements | **5** | **2** | **4** | **(2)** | **(3)** | (9) | (4) | (6) | (1) | (3) |
| **At 30 June** | **6,617** | **26,614** | **7,539** | **280** | **885** | 6,241 | 26,656 | 6,066 | 321 | 788 |

1. Total net (losses)/gains recognised in the income statement includes realised gains/(losses) on disposals

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | 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 |
| Total net gains/(losses) recognised in the income statement[1] | (53) | (828) | (309) | — | (40) |
| Purchases | 432 | 3,214 | 1,841 | 27 | 42 |
| Issuances | — | 172 | — | — | — |
| Disposals | (283) | (3,592) | (557) | — | (81) |
| Settlements | — | — | — | — | — |
| Transfers into Level 3 | — | — | 95 | — | — |
| Transfers out of Level 3 | — | — | (13) | — | (1) |
| Foreign exchange rate movements | (15) | (5) | (9) | (3) | (9) |
| At 31 December | 6,313 | 26,181 | 7,072 | 337 | 769 |

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.

| | **30 June 2025** | | | 30 June 2024 | | | 31 December 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Net asset value attributable to unitholders £m** | **Derivative liabilities £m** | **Borrowings £m** | 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** | **—** | **(245)** | **(887)** | — | (304) | (941) | — | (304) | (941) |
| Total net (losses)/gains recognised in the income statement[1] | **—** | **31** | **(10)** | (1) | 32 | (30) | — | 19 | (47) |
| Purchases | **—** | **(27)** | **—** | (46) | — | — | — | — | — |
| Issuances | **—** | **—** | **—** | — | — | — | — | — | — |
| Disposals | **—** | **8** | **—** | — | — | — | — | 39 | — |
| Settlements | **—** | **—** | **50** | — | 9 | 48 | — | 1 | 101 |
| Transfers into Level 3 | **—** | **—** | **—** | — | — | — | — | — | — |
| Transfers out of Level 3 | **—** | **2** | **—** | — | — | — | — | — | — |
| Foreign exchange rate movements | **—** | **—** | **—** | — | — | — | — | — | — |
| **At 30 June/At 31 December** | **—** | **(231)** | **(847)** | (47) | (263) | (923) | — | (245) | (887) |

1. Total net gains/(losses) recognised in the income statement includes realised gains/(losses) on disposals

Total net gains recognised in the income statement in the period ended 30 June 2025 in respect of Level 3 assets measured at fair value amounted to £27 million (HY24: net losses of £980 million, 2024: net losses of £1,230 million) with net gains in respect of liabilities of £21 million (HY25: net gains of £1 million, 2024: net losses of £28 million). Net gains of £10 million (HY24: net losses of £902 million, 2024: net losses of £1,006 million) attributable to assets and net gains of £22 million (HY24: net gains of £1 million, 2024 net losses of £28 million) attributable to liabilities relate to those still held at 30 June 2025.

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.
- 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 16bps to 4412bps (2024: 17bps to 3407bps) 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 16bps to 753bps (2024: 17bps to 792bps).

### (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 30 June 2025 the liquidity premium used in the discount rate was 190bps (2024: 185bps). Future capital expenditure costs of 0.9% per annum (2024: 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 30 June 2025 the illiquidity premium used in the discount rate was 200bps (2024: 185bps).
- 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% (2024: RPI +0.75%) which includes a reduction to the growth rate of 0.75% per annum (2024: 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 30 June 2025 (2024: 3.7%) 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 1.4% per annum (2024: 1.2%).

- 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 30 June 2025, the illiquidity premium used in the discount rate was 150bps (2024: 150bps) for the PFI loans and ranged from 25bps to 680bps (2024: 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 a 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 IWR 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 29bps to 822bps (2024: 34bps to 567bps) with 95% of the modelled assets valued using spreads within the range from 50bps to 404bps (2024: 38bps to 566bps). Fixed maturity securities held by our UK and India 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.

**(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:

| | Most significant unobservable input | Reasonable alternative £bn | 30 June 2025 Fair value £bn | 30 June 2025 Sensitivities Positive impact £bn | 30 June 2025 Sensitivities Negative impact £bn | 30 June 2024 Fair value £bn | 30 June 2024 Sensitivities Positive impact £bn | 30 June 2024 Sensitivities Negative impact £bn | 31 December 2024 Fair value £bn | 31 December 2024 Sensitivities Positive impact £bn | 31 December 2024 Sensitivities Negative impact £bn |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Investment property | Equivalent rental yields | **+/-5-10%** | **6.6** | **0.2** | **(0.2)** | 6.2 | 0.3 | (0.3) | 6.3 | 0.2 | (0.2) |
| Loans | | | | | | | | | | | |
| Commercial mortgage loans and Primary Healthcare loans | Illiquidity premium | **+/-20 bps** | **10.1** | **0.1** | **(0.1)** | 9.1 | 0.1 | (0.1) | 10.1 | 0.1 | (0.1) |
| Equity release mortgage loans | Base property growth rate | **+/-50 bps p.a.** | **9.0** | **0.1** | **(0.1)** | 9.8 | 0.1 | (0.1) | 9.1 | 0.1 | (0.1) |
| | Current property market values | **+/-10%** | **—** | **0.2** | **(0.2)** | — | 0.3 | (0.3) | — | 0.3 | (0.3) |
| Infrastructure and Private Finance Initiative (PFI) loans | Illiquidity premium | **+/-25 bps[1]** | **6.7** | **0.2** | **(0.2)** | 7.2 | 0.2 | (0.2) | 6.2 | 0.1 | (0.1) |
| Other | Illiquidity premium | **+/-25 bps[1]** | **0.8** | **—** | **—** | 0.5 | — | — | 0.8 | — | — |
| Fixed maturity securities | | | | | | | | | | | |
| Structured bond-type and non-standard debt products | Market spread (credit, liquidity and other) | **+/-25 bps** | **2.4** | **0.2** | **(0.2)** | 1.7 | 0.1 | (0.1) | 2.2 | 0.2 | (0.2) |
| Privately placed notes | Credit spreads | **+/-25 bps[1]** | **4.8** | **0.2** | **(0.2)** | 3.9 | 0.1 | (0.1) | 4.6 | 0.2 | (0.2) |
| Other fixed maturity securities | Credit and liquidity spreads | **+/-20-25 bps** | **0.3** | **—** | **—** | 0.5 | — | — | 0.3 | — | — |
| Equity securities | Market multiples applied to net asset values | **+/-30bps** | **0.3** | **0.1** | **—** | 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 | — | — | 0.2 | — | — |
| Other investments (including derivatives) | Market multiples applied to net asset values | **+/-10-40%[2]** | **0.7** | **0.1** | **(0.1)** | 0.6 | 0.1 | (0.1) | 0.6 | 0.1 | (0.1) |
| Liabilities | | | | | | | | | | | |
| Borrowings | Illiquidity premium | **+/-50 bps** | **(0.8)** | **—** | **—** | (0.9) | — | — | (0.9) | — | — |
| Other liabilities (including derivatives) | Independent valuation vs counterparty | **N/A** | **(0.2)** | **—** | **—** | (0.3) | — | — | (0.2) | — | — |
| **Total Level 3 investments** | | | **40.9** | **1.4** | **(1.3)** | 38.8 | 1.4 | (1.5) | 39.5 | 1.4 | (1.4) |

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.

## B14 - Capital reserves and retained earnings

This note analyses the movements in the consolidated capital reserves[1] and retained earnings during the period.

| | Note | **6 months 2025** Share premium £m | **6 months 2025** Capital redemption reserve £m | **6 months 2025** Retained earnings £m | 6 months 2024 Share premium £m | 6 months 2024 Capital redemption reserve £m | 6 months 2024 Retained earnings £m | Full year 2024 Share premium £m | Full year 2024 Capital redemption reserve £m | Full year 2024 Retained earnings £m |
|---|---|---|---|---|---|---|---|---|---|---|
| At 1 January | | **17** | **44** | **1,388** | 17 | 24 | 2,228 | 17 | 24 | 2,228 |
| Profit for the period attributable to equity shareholders | | **—** | **—** | **698** | — | — | 643 | — | — | 683 |
| Remeasurements of pension schemes | B12(b) | **—** | **—** | **55** | — | — | 196 | — | — | (386) |
| Dividends and appropriations | B8 | **—** | **—** | **(661)** | — | — | (629) | — | — | (972) |
| Special dividends paid to Aviva plc preference shareholders | B16 | **—** | **—** | **(94)** | — | — | — | — | — | — |
| Shares purchased in buyback | B15(b)(i) | **—** | **—** | **—** | — | 20 | (300) | — | 20 | (300) |
| Preference Share Cancellation | | **—** | **—** | **(2)** | — | — | — | — | — | — |
| Net shares issued under equity compensation plans | | **—** | **—** | **(28)** | — | — | (30) | — | — | (27) |
| Owner-occupied properties fair value gains transferred to retained earnings on disposals | | **—** | **—** | **—** | — | — | 21 | — | — | 21 |
| Aggregate tax effect | | **—** | **—** | **(15)** | — | — | (4) | — | — | 141 |
| **At 30 June / 31 December** | | **17** | **44** | **1,341** | 17 | 44 | 2,125 | 17 | 44 | 1,388 |

1. Capital reserves comprises share premium, capital redemption reserve and merger reserve of £5,224 million (HY24: £5,224 million; 2024: £5,224 million)

## B15 - Ordinary share capital

This note gives details of Aviva plc's ordinary share capital and shows the movements during the period.

### (a) Carrying amount

Details of the Company's ordinary share capital are as follows:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| The allotted, called up and fully paid share capital of the Company was: 2,678,856,754 (30 June 2024: 2,680,361,288; 31 December 2024: 2,677,649,489) ordinary shares of 32 17/19 pence each | **881** | 881 | 881 |

At the Annual General Meeting that took place on 30 April 2025, the Company was authorised to allot up to a further maximum nominal amount of:

- £586 million of which £293 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 | **30 June 2025** Number of shares | **30 June 2025** Share capital £m | 30 June 2024 Number of shares | 30 June 2024 Share capital £m | 31 December 2024 Number of shares | 31 December 2024 Share capital £m |
|---|---|---|---|---|---|---|---|
| At 1 January | | **2,677,649,489** | **881** | 2,739,487,140 | 901 | 2,739,487,140 | 901 |
| Executive Share Option Schemes | | **1,207,265** | **—** | 381,887 | — | 977,966 | — |
| Shares cancelled through buyback | B15(b)(i) | **—** | **—** | (59,507,739) | (20) | (62,815,617) | (20) |
| **As at 30 June / 31 December** | | **2,678,856,754** | **881** | 2,680,361,288 | 881 | 2,677,649,489 | 881 |

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.

## B16 - Preference share capital

The issued and paid up preference share capital of the Company at 30 June and 31 December were:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £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 |

On 11 March 2025 the Group launched a parallel cancellation and tender offer process in relation to its £200 million of preference share capital issued by Aviva plc.

The cancellation in full of both series of the Aviva plc preference shares was approved by shareholders on 15 April 2025 and sanctioned by court on 13 May 2025. The cancellation of the Aviva plc preference shares became effective on 14 May 2025. Special dividends of £44 million and £50 million were paid on cancellation of the 8.375% cumulative irredeemable preference shares and 8.75% cumulative irredeemable preference shares respectively, these have been recognised directly in retained earnings in note B14.

## B17 - Tier 1 notes

The carrying amount of Tier 1 notes are:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| 6.875% £500 million fixed rate tier 1 notes - issued 2022 | 496 | 496 | 496 |
| 7.750% £500 million fixed rate tier 1 notes - issued 2025 | 496 | — | — |
| **Total tier 1 notes** | **992** | 496 | 496 |

On 31 March 2025, Aviva plc issued £500 million of 7.750% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes. The notes are callable at par between 30 September 2032 and 31 March 2033 (the First Reset Date) inclusive and thereafter every five years after the First Reset Date. If not called, the coupon from 31 March 2033 will be reset to the prevailing five year benchmark gilt yield plus 3.194%.

On 15 June 2022, Aviva plc issued £500 million of 6.875% fixed rate reset perpetual Restricted Tier 1 contingent convertible notes. The 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%.

Both series of 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 period coupon payments of £17 million were made (HY24: £17 million). On the occurrence of certain conversion trigger events the notes are convertible into ordinary shares of Aviva plc.

## B18 - Non-controlling interests

This note gives details of the Group's non-controlling interests and shows the movements during the period.

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| At 1 January | **316** | 318 | 318 |
| Profit for the period attributable to non-controlling interests | **121** | 11 | 22 |
| Foreign exchange rate movements | **(5)** | — | (3) |
| Total comprehensive income attributable to non-controlling interests | **116** | 11 | 19 |
| Non-controlling interests share of dividends declared in the period, excluding special dividends | **(12)** | (11) | (21) |
| Preference share cancellation | **(250)** | — | — |
| Special dividends paid to GA plc preference shareholders | **(109)** | — | — |
| **As at 30 June / 31 December** | **61** | 318 | 316 |
| *Comprising:* | | | |
| Equity shares in subsidiaries | **61** | 68 | 66 |
| Preference shares in subsidiaries | **—** | 250 | 250 |
| **Total non-controlling interests** | **61** | 318 | 316 |

On 11 March 2025 the Group launched a parallel cancellation and tender offer process in relation to its £250 million of preference share capital issued by GA plc.

The cancellation in full of the preference shares was approved by shareholders on 15 April 2025 and sanctioned by court on 5 June 2025. The cancellation of the GA plc preference shares became effective on 6 June 2025. £109 million of special dividends were paid on cancellation of the preference shares.

## B19 - Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprised:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Cash at bank and in hand | **4,963** | 5,650 | 5,055 |
| Cash equivalents | **14,997** | 11,298 | 18,426 |
| Cash and cash equivalents per the statement of financial position | **19,960** | 16,948 | 23,481 |
| Bank overdrafts | **(1,209)** | (426) | (928) |
| **Cash and cash equivalents** | **18,751** | 16,522 | 22,553 |

## B20 - 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 remained elevated in the first half of 2025, with persistent uncertainty around global growth prospects reflected in ongoing cost of living pressures. While inflation has eased in some regions, interest rates remain high and trade policy developments have introduced new risks to global supply chains and pricing dynamics.

Momentum in global growth has softened, with analysts highlighting the impacts of geopolitical tensions, protectionist trade measures and financial market vulnerabilities. Affordability remains a concern because of the global economic climate and will continue to impact customers, including relatively affluent customers. Customer experience and retention will continue to require close monitoring as economic pressures shift consumer behaviour.

Although inflationary pressures have moderated, particularly in the UK, risks remain from sterling volatility, evolving trade relationships and government policy changes. These factors continue to 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 and several recent cyber incidents impacting the UK retail sector caused significant disruption. 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. Our ambition is to be a Net Zero company by 2040. The scope of our Climate ambitions and the risks and opportunities associated with our Climate strategy are set out in Aviva's second Transition Plan, published in February 2025.

We consider climate change to represent a significant risk to our customers, strategy, business model and wider society. The effects are already being felt and we are proactively addressing these through our business plan and Sustainability Ambition. 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 short-, medium- and long-term ambitions.

We conduct solvency modelling which provides a view of our resilience to the potential impact of climate change on our internal model solvency capital requirement. We incorporate climate and other sustainability-related risks and opportunities into our business plan. We continue to build the possibility of extreme weather events into our general insurance pricing, reinsurance programme design and monitor actual weather-related losses versus expected weather-related losses by business. Our medium to long-term scenario analysis uses a Climate Value at Risk metric to model the potential impact on shareholder assets under different climate scenarios, where data and methodologies are available.

Further details on climate risk strategy and management by the Group can be found in the Aviva plc Climate-related Financial Disclosure report 2024 and Transition Plan.

**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 period.

The types of risks to which the Group is exposed have not changed significantly during the first half of 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 the first half of 2025, and maintain an allowance for the expected impacts from downgrades and defaults within our capital position. We continue to monitor closely any deterioration in the credit markets and pro-actively manage our credit portfolio in a challenging macroeconomic environment.

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.

A detailed breakdown of the Group's current credit exposure by external credit rating is shown below:

| 30 June 2025 | AAA % | AA % | A % | BBB % | Below BBB % | Not rated % | Maximum exposure £m |
|---|---|---|---|---|---|---|---|
| Fixed maturity securities | **10.4 %** | **45.0 %** | **19.6 %** | **14.2 %** | **3.6 %** | **7.1 %** | **116,265** |
| Reinsurance contract assets | **— %** | **80.4 %** | **19.8 %** | **(1.2)%** | **— %** | **1.0 %** | **7,727** |
| Reinsurance assets for non-participating investment contracts | **— %** | **50.9 %** | **48.4 %** | **0.7 %** | **— %** | **— %** | **5,104** |
| Other investments | **0.6 %** | **0.3 %** | **0.2 %** | **0.1 %** | **— %** | **98.8 %** | **57,054** |
| Loans | **1.0 %** | **— %** | **0.2 %** | **0.4 %** | **— %** | **97.9 %** | **32,765** |
| **Total** | | | | | | | **218,915** |

| 30 June 2024 | AAA % | AA % | A % | BBB % | Below BBB % | Not rated % | Maximum exposure £m |
|---|---|---|---|---|---|---|---|
| Fixed maturity securities | 11.4 % | 38.2 % | 25.3 % | 13.3 % | 4.8 % | 7.0 % | 114,314 |
| Reinsurance contract assets | — % | 76.4 % | 22.2 % | 0.8 % | — % | 0.6 % | 6,882 |
| Reinsurance assets for non-participating investment contracts | — % | 48.9 % | 48.7 % | 2.4 % | — % | — % | 5,157 |
| Other investments | 0.6 % | 0.2 % | 0.5 % | 0.2 % | — % | 98.4 % | 54,720 |
| Loans | — % | — % | 0.2 % | 0.4 % | — % | 99.7 % | 31,318 |
| **Total** | | | | | | | 212,391 |

| 31 December 2024 | 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 |
| Reinsurance contract assets | — % | 74.2 % | 25.3 % | (1.0)% | — % | 1.5 % | 7,742 |
| Reinsurance assets for non-participating investment contracts | — % | 48.8 % | 50.5 % | 0.7 % | — % | — % | 5,280 |
| Other investments | 1.5 % | 0.2 % | 0.2 % | 0.1 % | — % | 98.0 % | 52,400 |
| Loans[1] | 0.9 % | — % | — % | 0.4 % | — % | 98.7 % | 30,553 |
| **Total** | | | | | | | 211,514 |

1. Comparative amounts have been amended to re-present internally rated loan assets from AAA to 'Not rated'

The Group's maximum exposure to credit risk of financial assets, without taking collateral or 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.

### (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 with 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.

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.

Equity risk is 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.

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.

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.

Inflation risk is managed through its investment strategy and, in particular, by investing in inflation linked securities and through a variety of derivative instruments, including inflation linked swaps.

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.

### (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.

### (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 also purchase reinsurance for some of the longevity risk relating to our annuity business.

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 some UK Group Protection business we use surplus reinsurance for very large individual claims as well as quota share and 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, 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. The potential impacts of climate change also present uncertainty regarding future longevity, mortality and morbidity experience, and these are considered when setting assumptions for future experience.

Recent persistency experience has been generally resilient to cost of living pressures and has not shown significant deterioration in the short term. External factors that may impact future persistency experience include prolonged high inflation and interest rates, increased stock-market volatility and changes in legislation.

### (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.

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 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. 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 reprice 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 challenging business interruption coverage for the COVID-19 pandemic under our commercial property policies, however, we believe we have a strong argument that there is no pandemic coverage under these policies. We are currently engaged in a mediation process; if this mediation is unsuccessful, the main class action trial to determine if any coverage exists is listed for 6 weeks from early January 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 Iran, 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 the second half of 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.

### (f) Operational risk (including Conduct 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.

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.

We have implemented measures and will continue to embed the management of the Group's operational resilience in response to applicable regulations (including outsourcing and critical third-party risk management). Digital Operational Resilience Act (DORA) regulations came into effect for entities operating in the EU on 17 January 2025 and UK on 31 March 2025. We maintain and continue to improve our programme of resilience and crisis response testing to minimise customer harm and ensure the continued financial safety and soundness of Aviva's business. Operational resilience disciplines and assessments have been reviewed and used in response to global and regional material events, including a firm level plan for a National Power Outage such as occurred in the Iberian Peninsula, cyber attacks on major retailers, changes to the geo political environment and financial market instability.

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 geopolitical 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 the first half of 2025 with no material disruption to customer journeys.

The Group actively monitors social and other media in order to manage misinformation about our business and takes corrective 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.

A robust Conduct and Compliance Risk framework is in place across the Group, designed to facilitate adherence to local regulatory requirements and provide good outcomes for our customers. The Framework supports relevant policies and standards. Conduct and Compliance risks are reported, in line with risk appetite, to appropriate governance forums.

We have designed our products and business processes so that we deliver good outcomes for customers and we make use of various metrics to assess our own performance, including customer advocacy, retention and complaints. Failure to deliver good outcomes is counter to our purpose, values and culture and could result in regulatory action and penalties, as well as impact to our brand 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 Conduct and Compliance risk policy to strengthen the definition and scope to reflect the Duty and other relevant market regulatory requirements. We refreshed the 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.

#### (g) 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.

## B21 - Contingent liabilities and other risk factors

During the period, there have been no material changes in the main areas of uncertainty over the calculation of our liabilities from those described in note 48 of the Group's 2024 Annual Report and Accounts. An update on material risks is provided in note B20.

## B22 - Related party transactions

During the period, there have been no changes in the nature of the related party transactions from those described in the Aviva plc Annual Report and Accounts 2024.

In the period to 30 June 2025, Aviva Group defined benefit staff pension schemes have completed no (HY24: nil, 2024: 1) bulk buy-in transactions with Aviva Life & Pensions UK Limited (AVLAP), a group company. Details of the prior period buy-in are included in the Group's 2024 Annual Report and Accounts.

## B23 - Subsequent events

### Direct Line

For details relating to the acquisition of Direct Line, see note B3.

**Borrowings**
As a result of the Group's acquisition of Direct Line on 1 July 2025, Direct Line's 4.00% £260 million Subordinated Tier 2 Notes were acquired by the Group. The Notes have a redemption date of 5 June 2032 and may be redeemed at the option of the group commencing on 5 December 2031 until the maturity date.

With effect on and from 2 July 2025, and in accordance with the terms and conditions of the Tier 2 Notes, Aviva plc has been substituted in place of Direct Line as principal debtor under the Tier 2 Notes.

**Non-controlling interests**
As a result of the Group's acquisition of Direct Line on 1 July 2025, Direct Line's 4.75% £350 million Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes were assumed by the Group. The Notes have an optional redemption date of 7 December 2027 and will be accounted for as non-controlling interests.

**Dividends and appropriations**
For details of the number of shares in issue following the acquisition of Direct Line and the interim dividend declared subsequent to 30 June 2025, see note B8.

# Directors' responsibility statement

The directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as contained in the UK-adopted IFRS, and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report and Accounts.

Information on the current directors responsible for providing this statement can be found on the Company's website at: http://www.aviva.com/investor-relations/corporate-governance/board-of-directors/

By order of the Board

**Amanda Blanc DBE**
Group Chief Executive Officer

13 August 2025

**Charlotte Jones**
Group Chief Financial Officer

13 August 2025

# Independent review report to Aviva plc

## Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the Half Year Report for the six months ended 30 June 2025 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Cash Flows, and the Notes to the Consolidated Financial Statements (B1 to B23). We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half Year Report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note B1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this Half Year Report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

## Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

## Responsibilities of the directors

The directors are responsible for preparing the Half Year Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Half Year Report, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the review of the financial information

In reviewing the Half Year Report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the Half Year Report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

## Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London

13 August 2025

# Analysis of assets

**In this section** **Page**

As an insurance business, the Group holds a variety of assets to match the characteristics and duration of its insurance liabilities. Appropriate and effective asset liability matching (on an economic basis) is the principal way in which Aviva manages its investments. To support this, we use a variety of hedging and other risk management strategies to mitigate any residual mismatch risk that is outside of our risk appetite.

The following asset information has been presented for policyholder, participating, and shareholder assets. The Group invests 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. Where the Group is deemed to control such vehicles, they are consolidated, with the interests of parties other than Aviva being classified as liabilities. The underlying assets within these consolidated vehicles are included within this section on a look-through basis, with the interests of parties other than Aviva shown separately as external assets.

## C1 - Summary of total assets by fund

### (a) Group assets by fund

| | Policyholder assets £m | Participating fund assets £m | Shareholder assets £m | Total excluding external assets £m | External assets £m | Total £m |
|---|---|---|---|---|---|---|
| Goodwill and acquired value of in-force business and intangible assets | — | — | 3,694 | 3,694 | — | 3,694 |
| Interests in, and loans to, joint ventures and associates | 276 | 615 | 438 | 1,329 | — | 1,329 |
| Property and equipment | — | — | 378 | 378 | — | 378 |
| Investment property | 4,373 | 1,987 | 257 | 6,617 | — | 6,617 |
| Loans | 297 | 1,001 | 30,417 | 31,715 | 1,050 | 32,765 |
| Fixed maturity securities | 41,279 | 16,505 | 50,083 | 107,867 | 8,398 | 116,265 |
| Equity securities | 88,293 | 7,562 | 1,083 | 96,938 | 2,428 | 99,366 |
| Other investments | 49,259 | 2,994 | 4,131 | 56,384 | 670 | 57,054 |
| Financial investments | 178,831 | 27,061 | 55,297 | 261,189 | 11,496 | 272,685 |
| Reinsurance contract assets | — | 13 | 9,489 | 9,502 | — | 9,502 |
| Reinsurance assets for non-participating investment contracts | 5,104 | — | — | 5,104 | — | 5,104 |
| Deferred tax assets | — | — | 497 | 497 | — | 497 |
| Current tax assets | — | — | 41 | 41 | — | 41 |
| Receivables | 1,061 | 631 | 3,018 | 4,710 | 45 | 4,755 |
| Deferred acquisition costs and other assets | 18 | — | 1,361 | 1,379 | — | 1,379 |
| Prepayments and accrued income | 559 | 794 | 1,992 | 3,345 | 91 | 3,436 |
| Cash and cash equivalents | 7,007 | 3,146 | 6,484 | 16,637 | 3,323 | 19,960 |
| **30 June 2025 Total** | **197,526** | **35,248** | **113,363** | **346,137** | **16,005** | **362,142** |
| **30 June 2025 Total %** | **54.5 %** | **9.7 %** | **31.3 %** | **95.6 %** | **4.4 %** | **100.0 %** |
| 31 December 2024 Total | 191,925 | 34,188 | 110,131 | 336,244 | 17,639 | 353,883 |
| 31 December 2024 Total % | 54.2 % | 9.7 % | 31.1 % | 95.0 % | 5.0 % | 100.0 % |

### (b) Assets under management by fund

| | Policyholder assets £m | Participating fund assets £m | Shareholder assets £m | Total excluding external assets £m | External assets £m | Total £m |
|---|---|---|---|---|---|---|
| Investment property | 4,373 | 1,987 | 257 | 6,617 | — | 6,617 |
| Loans | 297 | 1,001 | 30,417 | 31,715 | 1,050 | 32,765 |
| Fixed maturity securities | 41,279 | 16,505 | 50,083 | 107,867 | 8,398 | 116,265 |
| Equity securities | 88,293 | 7,562 | 1,083 | 96,938 | 2,428 | 99,366 |
| Other investments | 49,259 | 2,994 | 4,131 | 56,384 | 670 | 57,054 |
| Cash and cash equivalents | 7,007 | 3,146 | 6,484 | 16,637 | 3,323 | 19,960 |
| Other | 5,374 | 588 | 20 | 5,982 | — | 5,982 |
| Assets included in statement of financial position | 195,882 | 33,783 | 92,475 | 322,140 | 15,869 | 338,009 |
| Less: third-party funds and UK Platform included above | (22,406) | — | — | (22,406) | — | (22,406) |
| Assets managed on behalf of the Group's subsidiaries | 173,476 | 33,783 | 92,475 | 299,734 | 15,869 | 315,603 |
| Aviva Investors | — | — | — | — | 39,496 | 39,496 |
| UK Platform[1] | 22,406 | — | — | 22,406 | 40,363 | 62,769 |
| Other | — | — | — | — | 1,130 | 1,130 |
| Assets managed on behalf of third parties[2] | 22,406 | — | — | 22,406 | 80,989 | 103,395 |
| **30 June 2025 Total** | **195,882** | **33,783** | **92,475** | **322,140** | **96,858** | **418,998** |
| **30 June 2025 Total %** | **46.8 %** | **8.1 %** | **22.1 %** | **77.0 %** | **23.0 %** | **100.0 %** |
| 31 December 2024 Total | 189,947 | 32,984 | 90,079 | 313,010 | 93,841 | 406,851 |
| 31 December 2024 Total % | 46.7 % | 8.1 % | 22.1 % | 76.9 % | 23.1 % | 100.0 % |

1. UK Platform relates to the assets under management in the UK Wealth business
2. AUM managed on behalf of third parties cannot be directly reconciled to the financial statements

## C2 - Summary of shareholders assets by valuation bases

| | Fair value £m | Amortised cost £m | Equity accounted/ insurance accounted/ tax assets[1] £m | Total excluding external assets £m |
|---|---|---|---|---|
| Goodwill and acquired value of in-force business and intangible assets | — | 3,694 | — | 3,694 |
| Interests in, and loans to, joint ventures and associates | — | — | 438 | 438 |
| Property and equipment | 33 | 345 | — | 378 |
| Investment property | 257 | — | — | 257 |
| Loans | 26,055 | 4,362 | — | 30,417 |
| Fixed maturity securities | 50,073 | 10 | — | 50,083 |
| Equity securities | 1,083 | — | — | 1,083 |
| Other investments | 4,131 | — | — | 4,131 |
| Financial investments | 55,287 | 10 | — | 55,297 |
| Reinsurance contract assets | — | — | 9,489 | 9,489 |
| Reinsurance assets for non-participating investment contracts | — | — | — | — |
| Deferred tax assets | — | — | 497 | 497 |
| Current tax assets | — | — | 41 | 41 |
| Receivables | — | 3,018 | — | 3,018 |
| Deferred acquisition costs and other assets | — | 1,361 | — | 1,361 |
| Prepayments and accrued income | — | 1,992 | — | 1,992 |
| Cash and cash equivalents | — | 6,484 | — | 6,484 |
| **30 June 2025 Total** | **81,632** | **21,266** | **10,465** | **113,363** |
| **30 June 2025 Total %** | **72.0 %** | **18.8 %** | **9.2 %** | **100.0 %** |
| 31 December 2024 Total | 79,894 | 20,136 | 10,101 | 110,131 |
| 31 December 2024 Total % | 72.5 % | 18.3 % | 9.2 % | 100.0 % |

1. Within the Group's statement of financial position, assets are recognised for deferred tax and current tax, and for insurance and reinsurance contract assets that are within the scope of IFRS 17. The valuation basis of these assets does not directly fall within any of the categories outlined above. As such, these tax accounted and insurance accounted assets have been reported together with equity accounted items within the analysis of the Group's assets.

## C3 - Analysis of financial investments by fund

The asset allocation as at 30 June 2025 across the Group, split according to the type of the liability the assets are backing, is shown in the table below.

| | Note | Shareholder business assets: General insurance and health and other[1] £m | Shareholder business assets: Annuity and non-profit £m | Total shareholder assets £m | Policyholder (unit-linked assets) £m | Participating fund assets (UK style with-profits) £m | External assets £m | Carrying value in the statement of financial position £m |
|---|---|---|---|---|---|---|---|---|
| Government bonds | | **5,344** | **18,484** | **23,828** | **21,349** | **5,110** | **1,544** | **51,831** |
| Corporate bonds | | **5,302** | **15,876** | **21,178** | **15,195** | **8,113** | **1,750** | **46,236** |
| Other | | **1,846** | **3,231** | **5,077** | **4,735** | **3,282** | **5,104** | **18,198** |
| Fixed maturity securities | C4 | **12,492** | **37,591** | **50,083** | **41,279** | **16,505** | **8,398** | **116,265** |
| Mortgage loans | | **—** | **16,120** | **16,120** | **—** | **50** | **—** | **16,170** |
| Other loans | | **2,647** | **11,650** | **14,297** | **297** | **951** | **1,050** | **16,595** |
| Loans | C5 | **2,647** | **27,770** | **30,417** | **297** | **1,001** | **1,050** | **32,765** |
| Equity securities | C6 | **1,052** | **31** | **1,083** | **88,293** | **7,562** | **2,428** | **99,366** |
| Investment property | C7 | **255** | **2** | **257** | **4,373** | **1,987** | **—** | **6,617** |
| Other investments | C8 | **2,423** | **1,708** | **4,131** | **49,259** | **2,994** | **670** | **57,054** |
| **30 June 2025 Total** | | **18,869** | **67,102** | **85,971** | **183,501** | **30,049** | **12,546** | **312,067** |
| **30 June 2025 Total %** | | **6.0 %** | **21.5 %** | **27.5 %** | **58.8 %** | **9.6 %** | **4.1 %** | **100.0 %** |
| 31 December 2024 Total | | 16,466 | 66,602 | 83,068 | 176,815 | 28,589 | 12,373 | 300,845 |
| 31 December 2024 Total % | | 5.5 % | 22.1 % | 27.6 % | 58.8 % | 9.5 % | 4.1 % | 100.0 % |

1. Of the £18,869 million (2024: £16,466 million) of assets 34% (2024: 27%) relates to other shareholder business assets

## C4 - Analysis of shareholder fixed maturity securities

### (a) Fair value hierarchy

To provide further information on the valuation techniques we use to measure assets carried at fair value, we have categorised the measurement basis for assets carried at fair value into a fair value hierarchy described as follows, based on the lowest level input that is significant to the valuation as a whole:

- Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets.
- Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. If the asset has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset.
- Inputs to Level 3 fair values are unobservable inputs for the asset. 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 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. Unobservable inputs reflect the assumptions the business unit considers that market participants would use in pricing the asset. Examples are investment property and commercial and equity release mortgage loans.

| | Fair value hierarchy: Level 1 £m | Fair value hierarchy: Level 2 £m | Fair value hierarchy: Level 3 £m | Total excluding external assets £m |
|---|---|---|---|---|
| UK government | **11,807** | **1,322** | **157** | **13,286** |
| Europe | **432** | **2,753** | **308** | **3,493** |
| North America | **724** | **3,079** | **48** | **3,851** |
| Asia Pacific and other | **330** | **2,618** | **240** | **3,188** |
| Non-UK government | **1,486** | **8,450** | **596** | **10,532** |
| Corporate bonds - public utilities | **—** | **1,889** | **1,001** | **2,890** |
| Other corporate bonds | **1,439** | **13,042** | **3,807** | **18,288** |
| Other | **3,176** | **713** | **1,188** | **5,077** |
| **30 June 2025 Total** | **17,908** | **25,416** | **6,749** | **50,073** |
| **30 June 2025 Total %** | **35.8 %** | **50.8 %** | **13.4 %** | **100.0 %** |
| 31 December 2024 Total | 17,803 | 25,979 | 6,214 | 49,996 |
| 31 December 2024 Total % | 35.6 % | 52.0 % | 12.4 % | 100.0 % |

### (b) Credit ratings

| | AAA £m | AA £m | A £m | BBB £m | Less than BBB £m | Non-rated £m | Total excluding external assets |
|---|---|---|---|---|---|---|---|
| UK government | **90** | **13,084** | **111** | **—** | **1** | **—** | **13,286** |
| Non-UK government | **3,208** | **4,037** | **1,843** | **1,178** | **—** | **266** | **10,532** |
| Government | **3,298** | **17,121** | **1,954** | **1,178** | **1** | **266** | **23,818** |
| Public utilities | **—** | **59** | **577** | **2,232** | **22** | **—** | **2,890** |
| Other corporate | **3,033** | **4,024** | **8,572** | **2,595** | **48** | **16** | **18,288** |
| Corporate bonds | **3,033** | **4,083** | **9,149** | **4,827** | **70** | **16** | **21,178** |
| Certificates of deposit | **—** | **2,651** | **197** | **247** | **—** | **37** | **3,132** |
| Residential mortgage backed security non-agency prime | **—** | **527** | **—** | **—** | **—** | **—** | **527** |
| Commercial mortgage backed security | **32** | **362** | **92** | **26** | **—** | **—** | **512** |
| Asset backed security | **43** | **—** | **1** | **172** | **1** | **—** | **217** |
| Wrapped credit | **—** | **96** | **578** | **15** | **—** | **—** | **689** |
| Structured | **75** | **985** | **671** | **213** | **1** | **—** | **1,945** |
| **30 June 2025 Total** | **6,406** | **24,840** | **11,971** | **6,465** | **72** | **319** | **50,073** |
| *Of which:* | | | | | | | |
| Externally rated | **5,563** | **23,074** | **9,941** | **4,885** | **35** | **—** | **43,498** |
| Internally rated | **843** | **1,766** | **2,030** | **1,580** | **37** | **—** | **6,256** |
| Non-rated | **—** | **—** | **—** | **—** | **—** | **319** | **319** |
| **30 June 2025 Total** | **6,406** | **24,840** | **11,971** | **6,465** | **72** | **319** | **50,073** |
| **30 June 2025 Total %** | **12.8 %** | **49.6 %** | **23.9 %** | **12.9 %** | **0.1 %** | **0.7 %** | **100.0 %** |
| 31 December 2024 Total | 6,641 | 24,214 | 12,873 | 5,607 | 84 | 577 | 49,996 |
| 31 December 2024 Total % | 13.3 % | 48.4 % | 25.7 % | 11.2 % | 0.2 % | 1.2 % | 100.0 % |

## C5 - Analysis of shareholder loans

### (a) Overview

An analysis of the shareholder loans is set out below.

| | United Kingdom £m | Canada £m | Other £m | Total £m |
|---|---|---|---|---|
| Loans and advances to banks | **4,654** | **—** | **7** | **4,660** |
| Healthcare, infrastructure and PFI other loans | **9,429** | **—** | **44** | **9,473** |
| Mortgage loans | **16,120** | **—** | **—** | **16,120** |
| Other loans | **—** | **164** | **—** | **164** |
| **30 June 2025 Total** | **30,203** | **164** | **51** | **30,417** |
| **30 June 2025 Total %** | **99.3 %** | **0.5 %** | **0.2 %** | **100.0 %** |
| 31 December 2024 Total | 28,545 | 197 | 51 | 28,793 |
| 31 December 2024 Total % | 99.1 % | 0.7 % | 0.2 % | 100.0 % |

### (b) Loans and advances to banks

Loans and advances to banks primarily relate to loans of cash collateral received in stock lending transactions and are therefore fully collateralised by other securities. Loans with fixed maturities, including loans and advances to banks, are recognised when cash is advanced to borrowers. These 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 using the effective interest rate method.

### (c) Healthcare, infrastructure and Private Finance Initiative (PFI) other loans

Healthcare, infrastructure and PFI other loans are secured against the income from healthcare and education premises and as such are not considered further in this section.

### (d) Mortgage loans

Mortgage loans are collateralised by property assets. The majority of mortgage loans are measured at fair value based on the business model assessment and the assessment of the characteristics of the assets in scope. These mortgage loans are not traded in active markets and are classified within Level 3 of the fair value hierarchy as the significant valuation assumptions and inputs are not deemed to be market observable. Of the Group's shareholder loan portfolio, 53.0% (31 December 2024: 56.2%) is invested in mortgage loans.

The shareholder risk relating to these loans is discussed further below.

| | Total £m |
|---|---|
| Residential (Equity release) | **7,499** |
| Commercial | **5,476** |
| Healthcare, infrastructure and PFI mortgage loans | **1,679** |
| Non-securitised mortgage loans | **14,654** |
| Securitised mortgage loans | **1,466** |
| **30 June 2025 Total** | **16,120** |
| 31 December 2024 Total | 16,189 |

## (i) Non-securitised mortgage loans

***Residential***

The UK non-securitised residential mortgage portfolio has a total value as at 30 June 2025 of £7,499 million (31 December 2024: £7,534 million). During the period £155 million of new lending was offset by a decrease in the fair value of £116 million, with the remaining movement due to redemptions partially offset by additional accrued interest. These mortgages are all in the form of equity release, whereby homeowners mortgage their property to release cash equity.

Due to the structure of equity release mortgages, whereby interest amounts due are not paid in cash but instead rolled into the amount outstanding, they predominantly have a current Loan to Value (LTV) of below 70%. The average LTV across the portfolio is 28.2% (2024: 26.9%).

***Commercial***

Gross exposure by loan to value and arrears of UK non-securitised commercial mortgages is shown in the table below.

| 30 June 2025 | >120% £m | 120% £m | 115% £m | 110% £m | 105% £m | 100% £m | 95% £m | 90% £m | 70-80% £m | <70% £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Not in arrears | **21** | **—** | **—** | **—** | **10** | **35** | **3** | **158** | **70** | **5,179** | **5,476** |
| **Total** | **21** | **—** | **—** | **—** | **10** | **35** | **3** | **158** | **70** | **5,179** | **5,476** |

Of the £5,476 million, £5,419 million (2024: £5,330 million) of mortgage loans within shareholder assets are used to back annuity liabilities and are stated on a fair value basis. The UK loan exposures are calculated on a discounted cash flow basis, and include a risk adjustment through the use of a Credit Risk Adjusted Value (CRAV).

For commercial mortgages, loan service collection ratios, a key indicator of mortgage portfolio performance, increased to 2.46x (2024: 2.31x). Loan interest cover (LIC), which is defined as the annual net rental income (including rental deposits less ground rent) divided by the annual loan interest service, increased to 2.73x (2024: 2.61x). Average mortgage LTV decreased from 42.8% in 2024 to 42.5%. As at 30 June 2025, there were no loans with balances in arrears (2024: £nil)

Commercial mortgages and healthcare, infrastructure and PFI loans are held at fair value. The related insurance liabilities are valued using a discount rate derived from the gross yield on assets, with adjustments to allow for risk. £16,171 million of shareholder loan assets are backing annuity liabilities and comprise of commercial mortgage loans £5,419 million, Healthcare, Infrastructure and PFI mortgage loans (£1,679 million) and Healthcare, Infrastructure and PFI other loans (£9,073 million).

The UK portfolio remains well diversified in terms of property type, location and tenants as well as the spread of loans written over time. The risks in commercial mortgages are addressed through several layers of protection with the mortgage risk profile being primarily driven by the ability of the underlying tenant rental income to cover loan interest and amortisation. Should any single tenant default on their rental payment, rental from other tenants backing the same loan often ensures the loan interest cover does not fall below 1.0x. Where there are multiple loans to a single borrower, further protection may be achieved through cross-charging (or pooling) such that any single loan is also supported by rents received within other pool loans. Additionally, there may be support provided by the borrower of the loan itself and further loss mitigation from any general floating charge held over assets within the borrower companies.

Most of the loans are protected by covenants which gives Aviva the right to call an early default in the event that the loan exceeds a certain percentage of the value of the security, or the loan interest cover drops below a certain level. In the event of a default (either following covenant breach or non-payment of contractual loan payments) Aviva retains the option of selling the security or restructuring the loans and benefitting from the protection of the collateral. A combination of these benefits and the high recovery levels afforded by property collateral (compared to corporate debt or other uncollateralised credit exposures) results in the economic exposure being significantly lower than the gross exposure reported above. The Group continues to actively manage this position.

### Healthcare, infrastructure and PFI

Healthcare, infrastructure and PFI mortgage loans included within shareholder assets of £1,679 million (2024: £1,738 million) are secured against healthcare premises, education, social housing and 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 provides considerable comfort of an ongoing business model and low risk of default.

On a market value basis, we estimate the average LTV of these mortgages to be 56.8% (2024: 56.6%), although this is not considered to be a key risk indicator due to the Government support noted above and the social need for these premises. The Group therefore consider these loans to be lower risk relative to other mortgage loans.

### (ii) Securitised mortgage loans

As at 30 June 2025, the Group has £1,466 million (2024: £1,524 million) of securitised mortgage loans within shareholder assets. Funding for the securitised residential mortgage assets was obtained by issuing loan note securities. Of these loan notes approximately £193 million (2024: £172 million) are held by Group companies. The remainder is held by third parties external to Aviva. As any cash shortfall arising once all mortgages have been redeemed is borne by the loan note holders, the majority of the credit risk of these mortgages is borne by third parties rather than by shareholders. The average LTV across the securitised mortgage loans is 54.0% (2024: 50.3%).

### (iii) Valuation allowance

The Group carries a valuation allowance within insurance liabilities against the risk of default for assets backing annuities. The total valuation allowance in respect of corporate bonds was £0.6 billion (2024: £0.6 billion) over the remaining term of the portfolio at 30 June 2025. The total valuation allowance in respect of mortgages, including healthcare mortgages but excluding equity release, was £0.3 billion at 30 June 2025 (2024: £0.3 billion). The total valuation allowance in respect of equity release mortgages was £0.4 billion at 30 June 2025 (2024: £0.4 billion).

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, 20bps, and 54bps respectively at 30 June 2025 (2024: 34bps, 23bps and 52bps respectively).

## C6 - Analysis of shareholder equity securities

| | Fair value hierarchy | | | Total excluding external assets |
|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | £m |
| Public utilities | **24** | **—** | **3** | **27** |
| Banks, trusts and insurance companies | **167** | **1** | **84** | **252** |
| Industrial, miscellaneous and all other | **701** | **—** | **77** | **778** |
| Non-redeemable preference shares | **26** | **—** | **—** | **26** |
| **30 June 2025 Total** | **918** | **1** | **164** | **1,083** |
| **30 June 2025 Total %** | **84.8 %** | **0.1 %** | **15.1 %** | **100.0 %** |
| 31 December 2024 Total | 923 | — | 220 | 1,143 |
| 31 December 2024 Total % | 80.8 % | — % | 19.2 % | 100.0 % |

## C7 - Analysis of shareholder investment property

| | Fair value hierarchy | | | Total excluding external assets |
|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | £m |
| Leased to third parties under operating leases | **—** | **—** | **257** | **257** |
| **30 June 2025 Total** | **—** | **—** | **257** | **257** |
| **30 June 2025 Total %** | **— %** | **— %** | **100.0 %** | **100.0 %** |
| 31 December 2024 Total | — | — | 251 | 251 |
| 31 December 2024 Total % | — % | — % | 100.0 % | 100.0 % |

## C8 - Analysis of shareholder other financial investments

| | Fair value hierarchy | | | Total excluding external assets |
|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | £m |
| Unit trusts and other investment vehicles | **993** | **310** | **391** | **1,694** |
| Derivative financial instruments | **11** | **1,784** | **140** | **1,935** |
| Deposits with credit institutions | **1** | **—** | **—** | **1** |
| Minority holdings in property management undertakings | **—** | **—** | **123** | **123** |
| Other | **286** | **—** | **92** | **378** |
| **30 June 2025 Total** | **1,291** | **2,094** | **746** | **4,131** |
| **30 June 2025 Total %** | **31.3 %** | **50.6 %** | **18.1 %** | **100.0 %** |
| 31 December 2024 Total | 385 | 1,870 | 630 | 2,885 |
| 31 December 2024 Total % | 13.3 % | 64.9 % | 21.8 % | 100.0 % |

# Other information

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# Alternative Performance Measures

## APM 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

The definition for the cash remittances APM has been updated. Due to exceptional movements of cash outside of the regular remittances, associated with the Direct Line acquisition, the APM definition has been updated. These updates preserve the APM's purpose in displaying the regular cash remittances and removes volatility associated with targeted M&A or other capital management actions. There is no effect on the comparative figures.

The impact of special dividends paid on cancellation of the preference shares of Aviva plc of £94 million and General Accident plc (GA plc) of £109 million have been excluded from the Operating earnings per share, IFRS return on equity and Solvency II return on equity APMs. This presentation ensures that year-on-year trends for these performance measures are not distorted by special dividends payable on the preference share cancellation.

## 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:

### (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 30 June 2025, other items are a net charge of £71 million which comprises the following:

- A charge of £12 million relating to fees associated with the cancellation of the Group's preference share capital.
- A charge of £25 million relating to costs associated with acquisitions.
- A charge of £34 million relating to shareholder costs payable to a with-profits fund resulting from an increase to asset shares, following the decision to take related strategic actions on this legacy business.

At 30 June 2024, other items were a net gain of £46 million primarily comprising a gain of £68 million in relation to a revision to the 2023 restatement in respect of accounting processes for with-profit funds, and a charge of £13 million relating to costs associated with acquisitions.

The table below presents a reconciliation between our consolidated Group adjusted operating profit and profit before tax attributable to shareholders' profits.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | **575** | 532 | 1,071 |
| UK & Ireland General Insurance | **430** | 287 | 708 |
| Canada General Insurance | **218** | 216 | 288 |
| Aviva Investors | **23** | 18 | 40 |
| International investments (India and China) | **25** | 26 | 48 |
| Business unit operating profit | **1,271** | 1,079 | 2,155 |
| Corporate centre costs and Other operations | **(71)** | (62) | (115) |
| Group debt costs and other interest | **(132)** | (142) | (273) |
| **Group adjusted operating profit before tax attributable to shareholders' profits** | **1,068** | 875 | 1,767 |
| Adjusted for the following: | | | |
| Investment variances and economic assumption changes | **251** | (206) | (666) |
| Amortisation of intangibles acquired in business combinations | **(21)** | (31) | (61) |
| Amortisation of acquired value of in-force business | **(27)** | (26) | (52) |
| Profit on disposal and remeasurement of subsidiaries, joint ventures and associates | **—** | 195 | 195 |
| Integration and restructuring costs | **(139)** | (69) | (217) |
| Other | **(71)** | 46 | 31 |
| **Adjusting items before tax** | **(7)** | (91) | (770) |
| IFRS profit before tax attributable to shareholders' profits | **1,061** | 784 | 997 |
| Tax on Group adjusted operating profit | **(257)** | (208) | (407) |
| Tax on other activities | **15** | 78 | 115 |
| Tax attributable to shareholders' profits | **(242)** | (130) | (292) |
| **IFRS profit for the period** | **819** | 654 | 705 |

## 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.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Group adjusted operating profit before tax attributable to shareholders' profits | **1,068** | 875 | 1,767 |
| Operating changes in CSM | **(62)** | (17) | 200 |
| **Operating value added** | **1,006** | 858 | 1,967 |

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance, Wealth & Retirement (IWR)[1] | **516** | 515 | 1,268 |
| UK & Ireland General Insurance | **427** | 287 | 712 |
| Canada General Insurance | **218** | 216 | 288 |
| Aviva Investors | **23** | 18 | 40 |
| International investments (India and China) | **25** | 26 | 48 |
| Business unit operating value added | **1,209** | 1,062 | 2,356 |
| Corporate centre costs and Other operations[1] | **(71)** | (62) | (116) |
| Group debt costs and other interest | **(132)** | (142) | (273) |
| **Group operating value added** | **1,006** | 858 | 1,967 |

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'.

| | Note | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Opening CSM | | **7,772** | 7,248 | 7,248 |
| New business | | **211** | 216 | 589 |
| Interest accretion and expected return | | **161** | 127 | 290 |
| Experience variance and other | | **(16)** | 41 | 173 |
| Assumption changes | | **—** | — | 18 |
| Release of CSM | | **(418)** | (401) | (870) |
| Operating changes in CSM | | **(62)** | (17) | 200 |
| Non-operating changes | | **69** | 100 | 324 |
| **Closing CSM** | B9 | **7,779** | 7,331 | 7,772 |

## Stock of future profit

Stock of future profit is the addition of the CSM and the risk adjustment, both of which are reported in note B9(b), and 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 businesses 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 | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Gross written premiums | | **6,290** | 6,005 | 12,204 |
| Movement in unearned premiums on contracts measured under the premium allocation approach (PAA) | | **(219)** | (414) | (576) |
| Instalment income | | **48** | 44 | 86 |
| Insurance revenue from general insurance business | B4(a) | **6,119** | 5,635 | 11,714 |
| Insurance revenue from other segments | B4(a) | **4,872** | 4,181 | 9,033 |
| **Insurance revenue** | | **10,991** | 9,816 | 20,747 |

## 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.

The Group discounted and undiscounted COR are shown below.

| | Note | 6 months 2025 £m | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Total claims and benefits – GI and Health | B5 | **(3,711)** | (3,441) | (7,537) |
| *Adjusted for the following:* | | | | |
| Claims and benefits – Health | | **263** | 259 | 510 |
| Claims recoverable from reinsurers | | **257** | 143 | 593 |
| Losses on onerous contracts (including recoveries) and other | | **(5)** | (5) | (40) |
| **Total incurred claims (included in COR)** | | **(3,196)** | (3,044) | (6,474) |
| Insurance service expense – GI and Health | B4(b) | **(5,613)** | (5,159) | (11,026) |
| *Adjusted for the following:* | | | | |
| Insurance service expenses – Health | | **349** | 331 | 656 |
| Insurance service expenses recoverable from reinsurers | | **265** | 143 | 585 |
| Remove incurred claims | | **3,196** | 3,044 | 6,474 |
| Include non attributable expenses and other | | **(38)** | (23) | (32) |
| **Total commission and expenses (included in COR)**[1] | | **(1,841)** | (1,664) | (3,343) |
| **Total underwriting costs - discounted** | | **(5,037)** | (4,708) | (9,817) |
| Remove discounting benefit | | **(231)** | (200) | (428) |
| **Underwriting costs - undiscounted** | | **(5,268)** | (4,908) | (10,245) |
| Insurance Revenue – GI and Health | B4(b) | **6,491** | 5,985 | 12,426 |
| *Adjusted for the following:* | | | | |
| Insurance Revenue – Health | | **(372)** | (350) | (712) |
| Allocation of reinsurance premiums | | **(550)** | (491) | (1,064) |
| **Net insurance revenue (included in COR)** | | **5,569** | 5,144 | 10,650 |
| **Discounted Combined operating ratio (COR)** | | **90.4 %** | 91.5 % | 92.2 % |
| **Undiscounted Combined operating ratio (COR)** | | **94.6 %** | 95.4 % | 96.3 % |

1. Commission and expenses (included in COR) is comprised of £(1,111) million incurred commission (HY24: £(1,040) million, 2024: £(2,045) million) and £(730) million incurred expenses (HY24: £(624) million, 2024: £(1,298) million)

## Claims, commission, expense and distribution ratios

Financial measures of the performance of our GI 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 (excluding special 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 B7.

## 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 recoveries from professional indemnity insurers for the compensation paid. These items 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 2025 these primarily include;
  - Costs relating to legal, professional and bridge facility fees associated with the Direct Line acquisition
  - Charges relating to the cancellation of preference shares in Aviva plc and GA plc

- 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
- 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 | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Other expenses | B5 | **1,356** | 1,279 | 2,757 |
| Add: other acquisition costs | | **661** | 574 | 1,218 |
| Add: claims handling costs | | **151** | 140 | 271 |
| Less: amortisation of intangibles acquired in business combinations | | **(21)** | (31) | (61) |
| Less: amortisation of acquired value of in-force business on investment contracts | | **(27)** | (26) | (52) |
| Add: foreign exchange gains | | **30** | 126 | 109 |
| Add/(less): product governance and mis-selling recoveries/(costs) | | **112** | (32) | (74) |
| Less: integration and restructuring costs | | **(139)** | (80) | (217) |
| Less: premium based income taxes, fees and levies | | **(128)** | (125) | (239) |
| Less: other costs | | **(131)** | (134) | (213) |
| **Controllable costs** | | **1,864** | 1,691 | 3,499 |

## 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.

| | **Group adjusted operating profit** | | | |
|---|---|---|---|---|
| **6 months 2025** | **Before tax attributable to shareholders' profits £m** | **After tax attributable to shareholders' profits £m** | **Weighted average shareholders' funds £m** | **Return on equity %** |
| Insurance, Wealth & Retirement (IWR) | **575** | **429** | **7,015** | **12.2 %** |
| General insurance | **648** | **540** | **3,503** | **30.8 %** |
| Aviva Investors | **23** | **17** | **417** | **8.2 %** |
| International investments (India and China) | **25** | **26** | **609** | **8.5 %** |
| Other Group activities[1] | **(89)** | **(115)** | **1,771** | **N/A** |
| **Return on total capital employed** | **1,182** | **897** | **13,314** | **13.5 %** |
| Group external debt costs | **(114)** | **(86)** | **(4,765)** | **3.6 %** |
| **Return on total equity** | **1,068** | **811** | **8,549** | **19.0 %** |
| Less: Non-controlling interests[2] | | **(12)** | **(189)** | **12.7 %** |
| Less: Tier 1 notes | | **(17)** | **(744)** | **4.6 %** |
| Less: Preference shares[2] | | **(9)** | **(100)** | **18.0 %** |
| **Return on equity shareholders' funds** | | **773** | **7,517** | **20.6 %** |

1. The other Group activities operating loss before tax of £(89) million comprises corporate centre costs of £(107) million and interest expense on internal lending arrangements of £(25) million, partly offset by other operations profit of £36 million and finance income on the main UK pension scheme of £7 million
2. Non-controlling interests and preference shares exclude £109 million and £94 million special dividends paid to preference shareholders of GA plc and Aviva plc respectively on cancellation of preference shares during the period

| 6 months 2024 | Group adjusted operating profit: Before tax attributable to shareholders' profits £m | Group adjusted operating profit: After tax attributable to shareholders' profits £m | Weighted average shareholders' funds £m | Return on equity % |
|---|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | 532 | 396 | 7,612 | 10.4 % |
| General insurance | 503 | 394 | 2,999 | 26.3 % |
| Aviva Investors | 18 | 16 | 419 | 7.6 % |
| International investments (India and China) | 26 | 26 | 756 | 6.9 % |
| Other Group activities[1] | (78) | (71) | 2,894 | N/A |
| **Return on total capital employed** | 1,001 | 761 | 14,680 | 10.4 % |
| Group external debt costs | (126) | (94) | (5,152) | 3.7 % |
| **Return on total equity** | 875 | 667 | 9,528 | 14.0 % |
| Less: Non-controlling interests | | (11) | (318) | 6.9 % |
| Less: Tier 1 notes | | (17) | (496) | 6.9 % |
| Less: Preference shares | | (9) | (200) | 9.0 % |
| **Return on equity shareholders' funds** | | 630 | 8,514 | 14.8 % |

1. The other Group activities operating loss before tax of £(78) million comprises corporate centre costs of £(106) million and interest expense on internal lending arrangements of £(26) million, partly offset by other operations profit of £44 million and finance income on the main UK pension scheme of £10 million

| Full year 2024 | Group adjusted operating profit: Before tax attributable to shareholders' profits £m | Group adjusted operating profit: After tax attributable to shareholders' profits £m | Weighted average shareholders' funds £m | Return on equity % |
|---|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) | 1,071 | 810 | 7,509 | 10.8 % |
| General insurance | 996 | 782 | 3,215 | 24.3 % |
| Aviva Investors | 40 | 34 | 418 | 8.1 % |
| International investments (India and China) | 48 | 44 | 671 | 6.6 % |
| Other Group activities[1] | (149) | (131) | 2,452 | N/A |
| **Return on total capital employed** | 2,006 | 1,539 | 14,265 | 10.8 % |
| Group external debt costs | (239) | (179) | (4,982) | 3.6 % |
| **Return on total equity** | 1,767 | 1,360 | 9,283 | 14.7 % |
| Less: Non-controlling interests | | (21) | (316) | 6.6 % |
| Less: Tier 1 notes | | (34) | (496) | 6.9 % |
| Less: Preference shares | | (17) | (200) | 8.5 % |
| **Return on equity shareholders' funds** | | 1,288 | 8,271 | 15.6 % |

1. The other Group activities operating loss before tax of £(149) million comprises corporate centre costs of £(246) million and interest expense on internal lending arrangements of £(53) million, partly offset by other operations profit of £131 million and finance income on the main UK pension scheme of £19 million

## 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, 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.

| £m (unless otherwise stated) | Note | **30 June 2025** | 30 June 2024 | 31 December 2024 |
|---|---|---|---|---|
| IFRS Shareholders equity[1] at 30 June (£m) | | **7,423** | 8,441 | 7,609 |
| Number of shares in issue at 30 June (in millions) | B15 | **2,679** | 2,680 | 2,678 |
| **IFRS Shareholders' equity per share** | | **277 p** | 315 p | 284 p |

1. Excluding preference shares of £nil (2024: £200 million)

## 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, plus CSM (see note B9(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.

| £m (unless otherwise stated) | Note | **30 June 2025** | 30 June 2024 | 31 December 2024 |
|---|---|---|---|---|
| IFRS Shareholders' equity[1] at 30 June (£m) | | **7,423** | 8,441 | 7,609 |
| IFRS Contractual service margin (CSM) (£m) | B9(b) | **7,779** | 7,331 | 7,772 |
| Less: Tax on CSM (£m) | | **(1,912)** | (1,799) | (1,910) |
| **Adjusted IFRS Shareholders' equity[1]** | | **13,290** | 13,973 | 13,471 |
| Number of shares in issue at 30 June (in millions) | B15 | **2,679** | 2,680 | 2,678 |
| **Adjusted IFRS Shareholders' equity per share** | | **496 p** | 521 p | 503 p |

1. Excluding preference shares of £nil (2024: £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 £36,407 million (30 June 2024: £36,241 million, 31 December 2024: £35,965 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:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Financial investments | **272,685** | 264,086 | 263,979 |
| Investment property | **6,617** | 6,241 | 6,313 |
| Loans | **32,765** | 31,318 | 30,553 |
| Cash and cash equivalents | **19,960** | 16,948 | 23,481 |
| Other | **5,982** | 6,068 | 6,194 |
| Assets included in statement of financial position | **338,009** | 324,661 | 330,520 |
| Less: third-party funds and UK Platform included above | **(22,406)** | (23,389) | (23,502) |
| Assets managed on behalf of the Group's subsidiaries | **315,603** | 301,272 | 307,018 |
| Aviva Investors external AUM | **39,496** | 40,777 | 39,696 |
| UK Platform[1] | **62,769** | 55,110 | 59,129 |
| Other | **1,130** | 747 | 1,008 |
| Assets managed on behalf of third parties[2] | **103,395** | 96,634 | 99,833 |
| **Total AUM[3]** | **418,998** | 397,906 | 406,851 |

1. UK Platform relates to the assets under management in the UK Wealth business
2. AUM managed on behalf of third parties cannot be directly reconciled to the financial statements
3. Includes AUM of £245,859 million (30 June 2024: £234,378 million, 31 December 2024: £238,196) 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.

## 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.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Aviva Investors revenue | **188** | 183 | 374 |
| Aviva Investors controllable costs | **(165)** | (165) | (334) |
| **Cost income ratio** | **88 %** | 90 % | 89 % |

## 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.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance, Wealth & Retirement (IWR) controllable costs | **757** | 700 | 1,425 |
| Insurance, Wealth & Retirement (IWR) average AUM | **347,757** | 322,999 | 329,136 |
| **Insurance, Wealth & Retirement (IWR) cost asset ratio** | **43.5 bps** | 43.3 bps | 43.3 bps |

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Aviva Investors controllable costs | **165** | 165 | 334 |
| Aviva Investors average AUM | **242,028** | 230,700 | 232,609 |
| **Aviva Investors cost asset ratio** | **13.6 bps** | 14.3 bps | 14.4 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.

## 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)
- 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 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.

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| **Total Group equity on an IFRS basis** | **8,476** | 9,455 | 8,621 |
| Exclude preference shares and tier 1 notes | **(992)** | (696) | (696) |
| Exclude non-controlling interests | **(61)** | (318) | (316) |
| Add back CSM | **7,779** | 7,331 | 7,772 |
| Exclude tax on CSM | **(1,912)** | (1,799) | (1,910) |
| **IFRS adjusted shareholders' equity** | **13,290** | 13,973 | 13,471 |
| Goodwill | **(2,583)** | (2,461) | (2,584) |
| Acquired value of in-force business | **(381)** | (435) | (408) |
| Deferred acquisition costs (net of deferred income) | **(799)** | (796) | (780) |
| Other intangibles | **(730)** | (575) | (723) |
| Elimination of goodwill and other intangible assets | **(4,493)** | (4,267) | (4,495) |
| Removal of IFRS risk adjustment | **1,088** | 1,121 | 1,118 |
| Inclusion of Solvency II risk margin | **(1,312)** | (1,266) | (1,298) |
| TMTP | **1,276** | 1,439 | 1,377 |
| Revaluation of subordinated liabilities | **254** | 281 | 312 |
| Asset, liability and other accounting valuation differences | **799** | 913 | 838 |
| Tax differences | **(116)** | (329) | (98) |
| Exclude staff pension schemes in surplus (net of tax) | **(463)** | (855) | (417) |
| **Solvency II unrestricted shareholder tier 1 own funds** | **10,323** | 11,010 | 10,808 |
| Restricted tier 1 | **992** | 946 | 946 |
| Tier 2 | **4,334** | 3,813 | 3,751 |
| Tier 3 | **124** | 178 | 134 |
| **Solvency II shareholder own funds** | **15,773** | 15,947 | 15,639 |
| *Adjustments for:* | | | |
| Fully ring-fenced with-profit funds | **1,371** | 1,430 | 1,387 |
| Staff pension schemes in surplus | **278** | 331 | 297 |
| Regulatory vs. notional TMTP valuation differences | **—** | (90) | — |
| **Solvency II regulatory own funds** | **17,422** | 17,618 | 17,323 |

Estimated Solvency II regulatory own funds of £17,422 million (31 December 2024: £17,323 million and 30 June 2024: £17,618 million) is £2,218 million (31 December 2024: £1,644 million and 30 June 2024: £1,242 million) greater than estimated Solvency II regulatory net assets of £15,204 million (31 December 2024: £15,679 million and 30 June 2024: £16,376 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:

| | **30 June 2025** | | | 31 December 2024 | | |
|---|---|---|---|---|---|---|
| | **Own funds £m** | **SCR £m** | **Surplus £m** | Own funds £m | SCR £m | Surplus £m |
| **Solvency II regulatory position** | **17,422** | **(9,320)** | **8,102** | 17,323 | (9,402) | 7,921 |
| *Adjustments for:* | | | | | | |
| Fully ring-fenced with-profit funds | **(1,371)** | **1,371** | **—** | (1,387) | 1,387 | — |
| Staff pension schemes in surplus | **(278)** | **278** | **—** | (297) | 297 | — |
| **Solvency II shareholder position** | **15,773** | **(7,671)** | **8,102** | 15,639 | (7,718) | 7,921 |

A summary of the shareholder view of the Group's Solvency II position is shown in the table below:

| | **30 June 2025 £m** | 31 December 2024 £m |
|---|---|---|
| Own funds | **15,773** | 15,639 |
| Solvency capital requirement | **(7,671)** | (7,718) |
| **Solvency II shareholder surplus** | **8,102** | 7,921 |
| **Solvency II shareholder cover ratio** | **206 %** | 203 % |

## 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);
- Reflect a gross of tax and non-controlling interests basis, and other differences as set out in the footnote to the table; and
- 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.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance (Protection and Health) | **120** | 113 | 250 |
| Wealth & Other | **153** | 131 | 245 |
| Retirement (Annuities and Equity Release) | **94** | 105 | 300 |
| Ireland | **22** | 22 | 44 |
| Insurance, Wealth & Retirement (IWR) | **389** | 371 | 839 |
| International investments (India and China) | **41** | 33 | 51 |
| **Group value of new business on an adjusted Solvency II basis (VNB)** | **430** | 404 | 890 |

A reconciliation between VNB and the Solvency II own funds impact of new business is provided below:

| | | **6 months 2025** | | | 6 months 2024 | | | Full year 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| | **Insurance, Wealth & Retirement (IWR) £m** | **International investments (India and China) £m** | **Total £m** | Insurance, Wealth & Retirement (IWR) £m | International investments (India and China) £m | Total £m | Insurance, Wealth & Retirement (IWR) £m | International investments (India and China) £m | Total £m |
| VNB (gross of tax and non-controlling interests) | **389** | **41** | **430** | 371 | 33 | 404 | 839 | 51 | 890 |
| Solvency II contract boundary restrictions - new business | **(46)** | **—** | **(46)** | (29) | — | (29) | (77) | — | (77) |
| Solvency II contract boundary restrictions - increments / renewals on in-force business | **83** | **—** | **83** | 75 | — | 75 | 124 | — | 124 |
| Businesses which are not in the scope of Solvency II own funds | **(119)** | **—** | **(119)** | (113) | — | (113) | (210) | — | (210) |
| Actual vs target asset mix/expected reinsurance | **(42)** | **—** | **(42)** | (19) | — | (19) | 16 | — | 16 |
| Tax and other[1] | **(73)** | **(12)** | **(85)** | (122) | (7) | (129) | (257) | (11) | (268) |
| **Solvency II own funds impact of life new business** | **192** | **29** | **221** | 163 | 26 | 189 | 435 | 40 | 475 |

1. Other includes the impact of 'look through profits' in service companies (where not included in Solvency II) of £(16) million (HY24: £(15) million, 2024: £(24) million). For new business written in 2025, the surplus from members options including transfers, early/late retirement and take up of tax-free lump sum payments at retirement are included in Solvency II Own Funds on BPAs, whilst prior to 2025, these were excluded in Solvency II Own Funds and reported in Other (HY24: £(40) million, 2024: £(87) 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 2025 UK new business (where applicable) was 144 bps (HY24: 117 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.

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Insurance (Protection and Health) | **1,727** | 1,841 | 3,586 |
| Wealth & Other | **15,395** | 13,627 | 27,847 |
| Retirement (Annuities and Equity Release) | **2,946** | 3,036 | 9,408 |
| Ireland | **1,391** | 1,229 | 2,614 |
| Insurance, Wealth & Retirement (IWR) | **21,459** | 19,733 | 43,455 |
| International investments (India and China) | **905** | 805 | 1,507 |
| **Group present value of new business premiums (PVNBP)** | **22,364** | 20,538 | 44,962 |

The table below presents a reconciliation of IFRS expected premiums from new insurance contracts to PVNBP:

| | Note | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|---|
| Expected premiums (including investment components) from new insurance contracts | B9(c) | **3,810** | 3,780 | 11,576 |
| Contract boundary and other measurement differences between IFRS 17 and PVNBP | | **(127)** | (21) | 83 |
| Expected premiums from new non-participating investment contracts, other retail business, equity release loans and increments on existing policies | | **17,086** | 15,327 | 30,266 |
| Expected premiums from insurance contracts not in scope of insurance and reinsurance contracts[1] | | **690** | 647 | 1,530 |
| Additions | | **17,776** | 15,974 | 31,796 |
| Premiums from share of joint ventures, associates and other | | **905** | 805 | 1,507 |
| **Present value of new business premiums (PVNBP)** | | **22,364** | 20,538 | 44,962 |

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 | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Present value of new business premiums (PVNBP) | **1,727** | 1,841 | 3,586 |
| Remove capitalised value of future regular premiums | **(1,479)** | (1,570) | (3,073) |
| **Annual premium equivalent (APE)** | **248** | 271 | 513 |

## 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 metric for reporting the Health business. This provides useful information on sales and renewals.

| Health | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Annual premium equivalent (APE) | **76** | 66 | 138 |
| Premiums attributable to policies written in the prior reporting period | **427** | 355 | — |
| Add value of renewal premiums in the period | **518** | 474 | 810 |
| **Health In-Force Premiums** | **1,021** | 895 | 948 |

## 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.

An analysis of the components of Solvency II OCG is presented below:

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Solvency II own funds impact of life new business | **221** | 189 | 475 |
| Operating own funds generation from life existing business | **199** | 297 | 519 |
| Operating own funds generation from non-life | **503** | 446 | 824 |
| Corporate centre costs and Other | **(75)** | (70) | (136) |
| Group external debt costs | **(86)** | (94) | (179) |
| **Underlying own funds generation** | **762** | 768 | 1,503 |
| Operating own funds generation from life management actions and other[1] | **147** | (10) | 152 |
| **Solvency II OFG** | **909** | 758 | 1,655 |
| Solvency II operating SCR impact | **48** | (36) | (187) |
| **Solvency II OCG** | **957** | 722 | 1,468 |
| Less: Solvency II OCG from life management actions and other[1] | **(247)** | 17 | (224) |
| **Underlying Solvency II OCG** | **710** | 739 | 1,244 |

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 surplus.

| | | | **6 months 2025** | | | 6 months 2024 | | | Full year 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Shareholder view | **Own funds £m** | **SCR £m** | **Surplus £m** | Own funds £m | SCR £m | Surplus £m | Own funds £m | SCR £m | Surplus £m |
| Solvency II position at 1 January | **15,639** | **(7,718)** | **7,921** | 17,019 | (8,206) | 8,813 | 17,019 | (8,206) | 8,813 |
| Operating capital generation | **909** | **48** | **957** | 758 | (36) | 722 | 1,655 | (187) | 1,468 |
| Non-operating capital generation[1] | **(464)** | **(1)** | **(465)** | (231) | 447 | 216 | (785) | 674 | (111) |
| Dividends[2] | **(655)** | **—** | **(655)** | (622) | — | (622) | (959) | — | (959) |
| Preference share cancellation[3] | **(653)** | **—** | **(653)** | — | — | — | — | — | — |
| Debt issue / (repayment) | **997** | **—** | **997** | (593) | — | (593) | (599) | — | (599) |
| Share buyback | **—** | **—** | **—** | (300) | — | (300) | (300) | — | (300) |
| Acquisitions / (disposals) | **—** | **—** | **—** | (84) | 16 | (68) | (392) | 1 | (391) |
| **Solvency II position at 30 June / 31 December** | **15,773** | **(7,671)** | **8,102** | 15,947 | (7,779) | 8,168 | 15,639 | (7,718) | 7,921 |

1. Non-operating capital generation includes integration and restructuring costs of £65 million (HY24: £21 million, 2024: £106 million) on a Solvency II basis (net of tax) in relation to simplification and efficiency programmes and RT1 note coupons of £17 million (HY24: £17 million, 2024: £34 million)
2. Dividends includes £9 million (HY24: £9 million, 2024: £17 million) of Aviva plc preference dividends and £12 million (HY24: £10 million, 2024: £21 million) of GA plc preference dividends
3. Preference share cancellation includes £450 million preference shares redemption, £94 million special dividends paid on cancellation of Aviva plc preference shares and £109 million special dividends paid on cancellation of GA plc preference shares

## 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 (excluding special 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, 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 (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:

| | **6 months 2025 £m** | 6 months 2024 £m | Full year 2024 £m |
|---|---|---|---|
| Solvency II operating own funds generation (Solvency II OFG) | **909** | 758 | 1,655 |
| Adjustment to replace TMTP run-off with economic cost of TMTP | **30** | (16) | (31) |
| Less preference share dividends[1] | **(20)** | (19) | (38) |
| Less RT1 notes coupons | **(17)** | (17) | (34) |
| **Adjusted Solvency II OFG (less preference share dividends & RT1 note coupons)** | **902** | 706 | 1,552 |
| **Opening unrestricted tier 1 shareholder Solvency II own funds** | **10,808** | 11,374 | 11,374 |
| **Solvency II return on equity** | **16.7 %** | 12.4 % | 13.6 % |

1. Preference share dividends exclude the £203 million special dividends paid to preference shareholders on cancellation of the preference shares during the period

Solvency II RoE (adjusted for excess capital) has increased by 4.7pp to 19.3% (HY24: 14.6%). The excess capital (above 180% of SCR) at 1 January 2025 was £1,747 million (1 January 2024: £2,248 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, 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.

| | | | **6 months 2025** | | | Re-presented[1] 6 months 2024 | | | Full year 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | **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 % | Solvency II OFG (post TMTP adjustment) £m | Opening shareholder own funds £m | Solvency II return on capital/equity % |
| Insurance, Wealth & Retirement (IWR) | **463** | **9,623** | **9.6 %** | 396 | 10,595 | 7.5 % | 998 | 10,595 | 9.4 % |
| UK & Ireland General Insurance[2] | **329** | **2,670** | **24.6 %** | 273 | 2,385 | 22.9 % | 572 | 2,385 | 24.0 % |
| Canada General Insurance | **157** | **1,502** | **20.9 %** | 161 | 1,637 | 19.7 % | 223 | 1,637 | 13.6 % |
| Aviva Investors | **17** | **398** | **8.5 %** | 12 | 392 | 6.1 % | 29 | 392 | 7.4 % |
| International investments (India and China) | **134** | **832** | **32.2 %** | 64 | 1,082 | 11.8 % | 117 | 1,082 | 10.8 % |
| Corporate centre costs and Other[2] | **(75)** | **614** | **N/A** | (70) | 928 | N/A | (136) | 928 | N/A |
| Less: Senior and subordinated debt | **(86)** | **(3,751)** | **N/A** | (94) | (4,526) | N/A | (179) | (4,526) | N/A |
| Less: RT1 coupon and preference shares[3] | **(37)** | **(946)** | **N/A** | (36) | (946) | N/A | (72) | (946) | N/A |
| Less: Net deferred tax assets | **—** | **(134)** | **N/A** | — | (173) | N/A | — | (173) | N/A |
| **Solvency II return on equity at 30 June / 31 December** | **902** | **10,808** | **16.7 %** | 706 | 11,374 | 12.4 % | 1,552 | 11,374 | 13.6 % |

1. Comparative amounts for the period ended 30 June 2024 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. The revised approach was implemented for the period ended 31 December 2024. There is no impact on Group opening own funds or Group Solvency II 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 £9 million (HY24: £9 million, 2024: £17 million) of Aviva plc preference dividends and £12 million (HY24: £10 million, 2024: £21 million) of GA plc preference dividends. Preference dividends exclude the £203 million special dividends paid to preference shareholders on cancellation of the preference shares during the period.

## 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 | **30 June 2025** | 30 June 2024 | 31 December 2024 |
|---|---|---|---|---|
| Unrestricted tier 1 shareholder Solvency II own funds (£m) | | **10,323** | 11,010 | 10,808 |
| Number of shares in issue at 31 December (in millions) | B15 | **2,679** | 2,680 | 2,678 |
| **Solvency II NAV per share** | | **385 p** | 411 p | 404 p |

## 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:

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Solvency II regulatory debt | **5,326** | 4,759 | 4,697 |
| Senior notes | **395** | 985 | 383 |
| Commercial paper | **51** | 50 | 50 |
| Total debt | **5,772** | 5,794 | 5,130 |
| Solvency II regulatory own funds, senior debt and commercial paper | **17,868** | 18,653 | 17,756 |
| **Solvency II debt leverage ratio** | **32.3 %** | 31.1 % | 28.9 % |

A reconciliation from IFRS subordinated debt to Solvency II regulatory debt is provided below:

| | Note | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|---|
| IFRS borrowings | B11 | **6,115** | 6,343 | 5,612 |
| Senior notes | | **(395)** | (392) | (383) |
| Commercial paper | | **(51)** | (50) | (50) |
| Operational borrowings | | **(1,081)** | (1,214) | (1,116) |
| Less: Borrowings not classified as Solvency II regulatory debt | | **(1,527)** | (1,656) | (1,549) |
| IFRS subordinated debt | | **4,588** | 4,687 | 4,063 |
| Revaluation of subordinated liabilities | | **(254)** | (281) | (312) |
| Other movements[1] | | **—** | (593) | — |
| Solvency II subordinated debt | | **4,334** | 3,813 | 3,751 |
| Preference share capital and tier 1 notes | | **992** | 946 | 946 |
| **Solvency II regulatory debt** | | **5,326** | 4,759 | 4,697 |

1 The 30 June 2024 comparative includes the Group's 3.875% €700 million Dated Tier 2 Reset Notes which were redeemed in full at their optional first call date on 3 July 2024. Under the Solvency II rules the notes ceased to qualify as Solvency II regulatory debt from 16 May 2024, the date at which notice was served to bondholders that the Group intended to redeem the notes at their first call date.

## Other APMs

### Cash remittances

Cash paid by our operating businesses to the Group, for the period between February 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. Some remittances to Group may be excluded from this APM as, in the directors' view, the movements do not represent a regular cash remittance and so are not useful to understand the Group cash remittances year on year. 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: | Interim |
|---|---|
| Ordinary ex-dividend date | 28 August 2025 |
| Dividend record date | 29 August 2025 |
| Last day for Dividend Reinvestment Plan and currency election | 25 September 2025 |
| Dividend payment date[1] | 16 October 2025 |
| **Other key dates:** | |
| Quarter three market 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 share
2. This date is 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 Investor Services PLC (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 below, 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**

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- View your shareholding
- View any outstanding payments

## Shareholder contacts

### Ordinary shares - Contact

For any queries regarding your shareholding, please contact Computershare:

- **By telephone:** 0371 495 0105

  We are 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) - Contact

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 6.00pm 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

### Chief Corporate Governance Officer and Group Company Secretary

Shareholders may contact the Chief Corporate Governance Officer and Group Company Secretary:

- **By telephone:** +44 (0)20 7283 2000
- **By email:** Aviva.shareholders@aviva.com
- **In writing:** Susan Adams, Chief Corporate Governance officer and Group Company Secretary, 80 Fenchurch Street, London, EC3M 4AE

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