



5 January 2026

Aviva plc Update on Direct Line Capital Model

Aviva plc notes the PRA's written notice published earlier today, approving our request to revoke Direct Line's (DL's) Solvency II partial internal model covering UK Insurance Limited and Churchill Insurance Company Limited.

From 31 December 2025, DL's solo entity capital requirements can now be calculated using the Solvency II standard formula, and similarly DL can be included in Aviva's Group Solvency Capital Requirement (SCR) using the standard formula with adjustment. Although still prudent, this enables partial diversification benefits between DL and Aviva to be recognised from 31 December 2025. Previously, using DL's partial internal model, none of these diversification benefits could be recognised in Aviva's Group SCR.

This change in capital treatment is estimated to realise around £0.1bn of capital synergies at 31 December 2025, adding c.2pp to Aviva's full year 2025 Group shareholder solvency ratio. A further update will be provided alongside our full year results in early March, once the impacts are finalised.

Removing DL's partial internal model supports our plans to move DL's business onto Aviva's internal model in due course, subject to PRA approval. We remain on track to achieve this and to realise greater than £0.5bn of total capital synergies by around the end of 2026, as outlined at our In Focus event in November 2025.

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Notes to editors

- 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 our 25.2 million customers make the most out of life, plan for the future, and have the confidence that if things go wrong we'll be there to put it right.
- We have been taking care of people for 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.
- 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

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 as at 30 September 2025 was £7.0 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.
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Aviva plc is a company registered in England and Wales No. 2468686.

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