

Financial performance¹

We use our key financial metrics to focus on in-year performance and longer term sustainability. These metrics include revenue, statutory profit before taxation, underlying profit, net cash generated from operating activities and Solvency II capital coverage ratio.

→ See Financial review on pages 33-35.

Revenue

£12.1bn

Statutory profit/(loss) before tax

£410m

Underlying profit

£388m

Net cash generated from operating activities

£1,343m

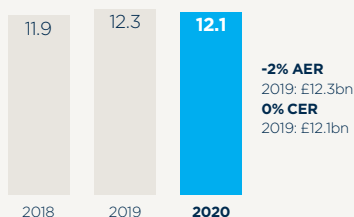
Solvency II capital coverage ratio³

160%

Revenue

Revenue was broadly flat as a result of growth in our Australia and New Zealand and Europe and Latin America Market Units, offset by a decline in Bupa Global and UK.

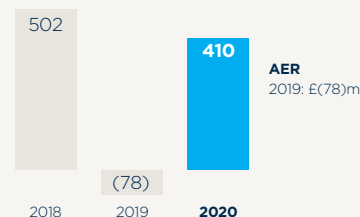
Revenue (£bn)



Statutory profit/(loss) before taxation

Statutory profit before taxation was £410m compared to a £78m loss in 2019, largely as a result of non-recurring goodwill impairments in 2019 of £443m.

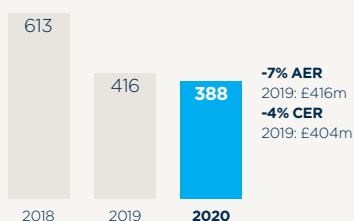
Statutory profit/(loss) before taxation (£m)



Underlying profit²

Group underlying profit declined marginally by 4% to £388m (2019: £404m at CER). Overall, our insurance profits have increased, however this was more than offset by losses in provision and aged care, reflecting the significant disruption to services from lockdowns, government restrictions and additional costs from COVID-19.

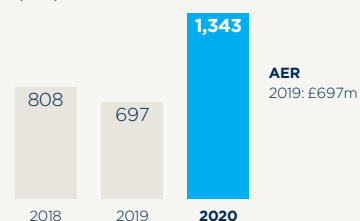
Underlying profit (£m)



Net cash generated from operating activities

We generated cash from operating activities of £1,343m, up £646m, largely reflecting the delay in claims outflows in the insurance businesses.

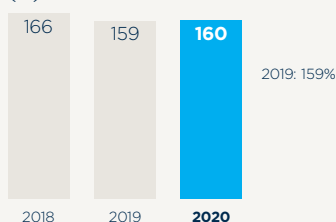
Net cash generated from operating activities (£m)



Solvency II capital coverage ratio³

Our Solvency II capital coverage ratio of 160% at 31 December 2020 remained strong and comfortably within our target working range of 140-170%.

Solvency II capital coverage ratio (%)



1. The numbers in the graphs are shown at AER.
2. Underlying profit is a non-GAAP financial measure. This means it is not comparable to other companies. Underlying profit reflects our trading performance and excludes a number of items included in statutory (loss)/profit before taxation, to facilitate year-on-year comparison. These items include impairment of intangible assets and goodwill arising on business combinations, as well as market movements such as gains or losses on foreign exchange, on return-seeking assets, on property revaluations and other material items not considered part of trading performance. A reconciliation to statutory (loss)/profit before taxation can be found in note 2 (page 107).
3. The 2020 Solvency II capital position, SCR and coverage ratio are estimates and unaudited.