



“The playwright and the economist”

Bank of America Merrill Lynch Conference

September 25, 2013

Mark Wilson, Group CEO, Aviva

Disclaimer



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Aviva believes factors that could cause actual results to differ materially from those indicated in forward-looking statements in the presentation include, but are not limited to: the impact of ongoing difficult conditions in the global financial markets and the economy generally; the impact of various local political, regulatory and economic conditions; market developments and government actions regarding the sovereign debt crisis in Europe; the effect of credit spread volatility on the net unrealised value of the investment portfolio; the effect of losses due to defaults by counterparties, including potential sovereign debt defaults or restructurings, on the value of our investments; changes in interest rates that may cause policyholders to surrender their contracts, reduce the value of our 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; a cyclical downturn of the insurance industry; 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; the impact of catastrophic events on our business activities and results of operations; the inability of reinsurers to meet obligations or unavailability of reinsurance coverage; increased competition in the UK and in other countries where we have significant operations; the effect of the European Union’s “Solvency II” rules on our regulatory capital requirements; the impact of actual experience differing from estimates used in valuing and amortising deferred acquisition costs (“DAC”) and acquired value of in-force business (“AVIF”); the impact of recognising an impairment of our goodwill or intangibles with indefinite lives; changes in valuation methodologies, estimates and assumptions used in the valuation of investment securities; the effect of legal proceedings and regulatory investigations; the impact of operational risks, including inadequate or failed internal and external processes, systems and human error or from external events; risks associated with arrangements with third parties, including joint ventures; funding risks associated with our participation in defined benefit staff pension schemes; the failure to attract or retain the necessary key personnel; the effect of systems errors or regulatory changes on the calculation of unit prices or deduction of charges for our unit-linked products that may require retrospective compensation to our customers; the effect of simplifying our operating structure and activities; the effect of a decline in any of our ratings by rating agencies on our standing among customers, broker-dealers, agents, wholesalers and other distributors of our products and services; changes to our brand and reputation; changes in government regulations or tax laws in jurisdictions where we conduct business; the inability to protect our intellectual property; the effect of undisclosed liabilities, integration issues and other risks associated with our acquisitions; and the timing/regulatory approval impact and other uncertainties relating to announced acquisitions and pending disposals and relating to future acquisitions, combinations or disposals within relevant industries. For a more detailed description of these risks, uncertainties and other factors, please see Item 3d, “Risk Factors”, and Item 5, “Operating and Financial Review and Prospects” in Aviva’s most recent Annual Report on Form 20-F as filed with the SEC. Aviva undertakes no obligation to update the forward looking statements in this announcement or any other forward-looking statements we may make. Forward-looking statements in this announcement are current only as of the date on which such statements are made.

Investment Thesis – “Cash flow plus growth”

Cash flow

1. Three core business lines with scale – Life, General Insurance and Aviva Investors
2. Progressive cash flow focus
3. Significant diversification benefits
4. Robust balance sheet with lower leverage
5. Financial simplicity

Growth

1. Drive cash flow growth in our established markets
2. Opportunities in selected growth markets in Europe and Asia
3. Expense and significant efficiency opportunities
4. Upside from execution on turnaround businesses
5. Valuation upside from gradual UK & European recovery

	Cash flow	IFRS Op Profit	Expenses	VNB	COR
Group	●	●	●	●	●
UK&I Life	●	●	●	●	-
UK&I General Insurance	●	●	●	-	●
France	●	●	●	●	●
Canada	●	●	●	-	●
Aviva Investors	●	●	●	-	-
Italy	●	●	●	●	●
Spain	●	●	●	●	-
Poland	●	●	●	●	●
Turkey	●	●	●	●	●
Asia	●	●	●	●	●

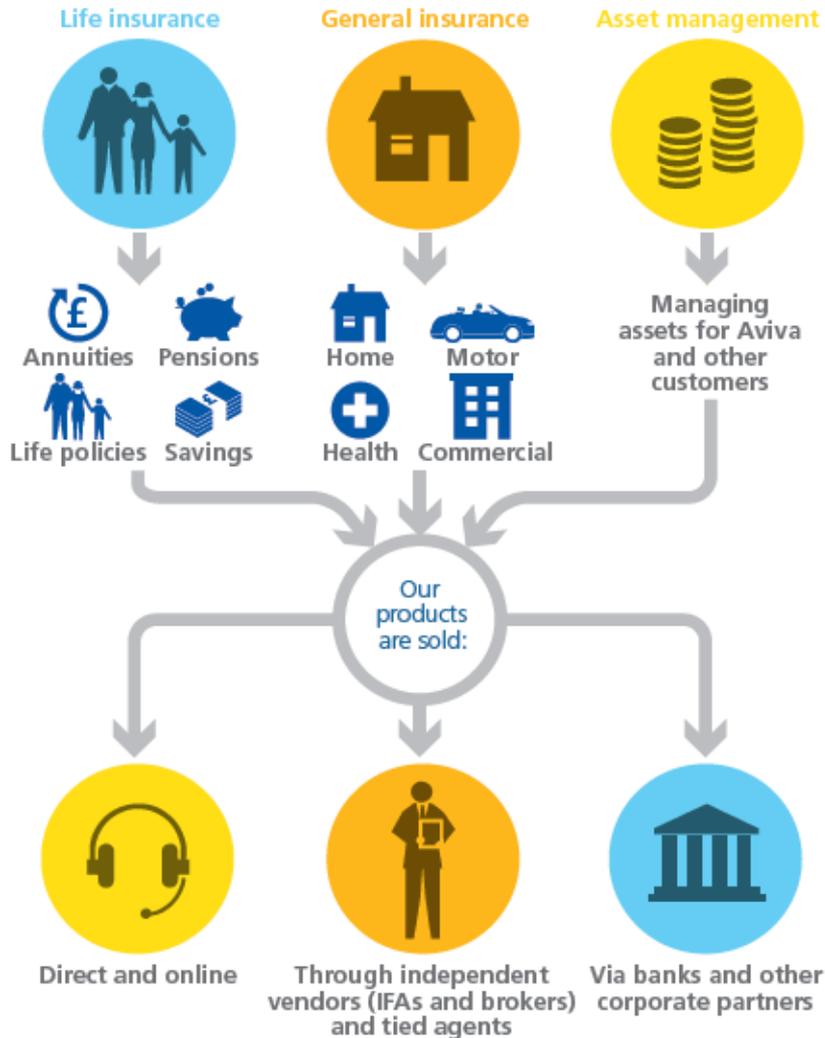
Key

● Critical ● Significant ● Important

Why Aviva? Cash flow plus growth

- Turnaround story with a strong brand
- Established and reliable profit stream
- Balanced portfolio of businesses
- De-risked recovery play on Europe
- Attractive growth prospects in selected emerging markets

Turnaround story with a strong brand



- **Largest** insurance company¹ in the UK
- Businesses in **selected international markets** including France, Canada, Poland and Singapore
- Established **317 years** ago
- 34 million customers
- The **world's largest bancassurer**, with 23% of our sales through this channel
- Number 1 **brand** in the UK for spontaneous awareness and consideration²
- Recent winner of 6 categories at the Financial Advisers Life and Pensions **Awards** 2013

1. Based on 2011 UK life and pensions sales (PVNBP) and general insurance GWP

2. Aviva global brand tracker

Established and reliable profit stream

Example capital generation	£bn
Back book capital generation	1.1
New business strain	(0.3)
Surplus generation from future new business	0.2
GI and fund management capital generation	0.7
Management actions and other	0.1
Baseline operating capital generation	1.8

Back book capital generation	£bn
Year 1	1.2
Year 2	1.1
Year 3	1.1
Year 4	1.1
Year 5	1.1
Year 6	1.1
Year 7	1.0
Year 8	1.0
Year 9	1.0
Year 10	0.9

Expense reductions on track

Derivation of operating expense target

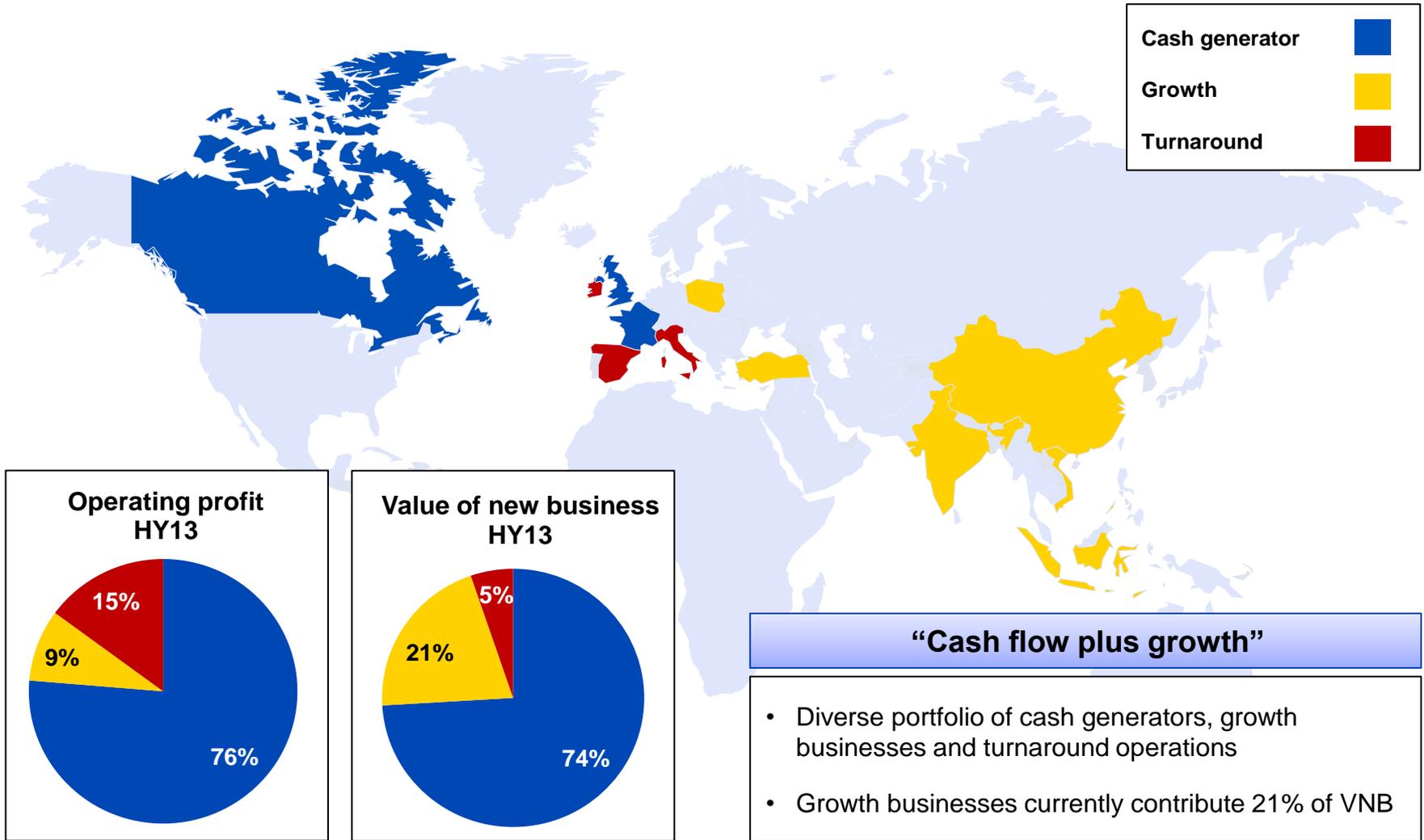
	£m
Total 2011 operating cost base excluding restructuring costs	4,224
Delta Lloyd	(362)
US	(313)
Other disposals and FX	(183)
2011 like for like operating cost base	3,366
Cost savings target	(400)
Targeted 2014 operating cost base*	2,966

- HY13 operating expenses 9% lower at £1,528m (HY12: £1,675m)
- Impact of inflation to be absorbed
- £400m will go to the P&L in 2014
- Further efficiencies to be reallocated to initiatives such as automation and digital
- Reducing restructuring costs for 2014 are a priority

Restructuring costs £m			
2010	2011	2012	HY13
216	261	461	164

* Number will be adjusted for any subsequent disposals not already announced

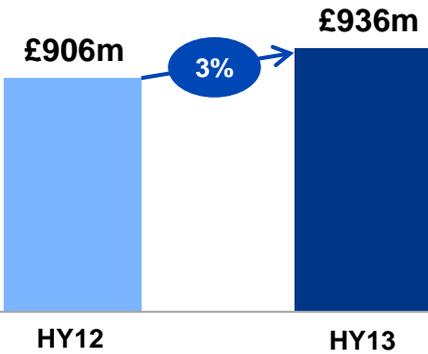
Geographic footprint - balanced exposure



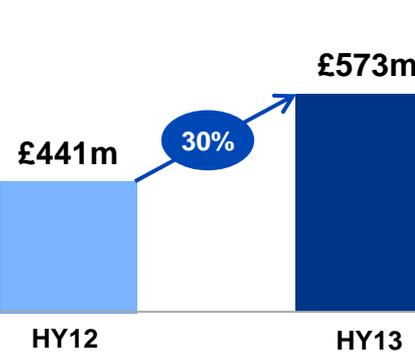
2013 interim results – satisfactory progress

Cash flow

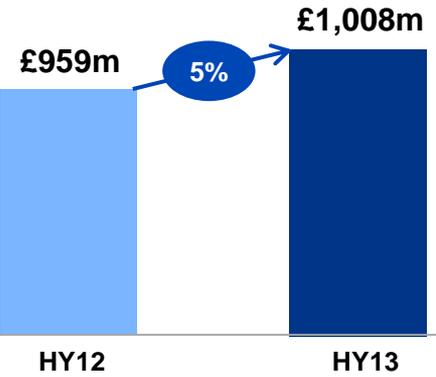
Operating capital generation



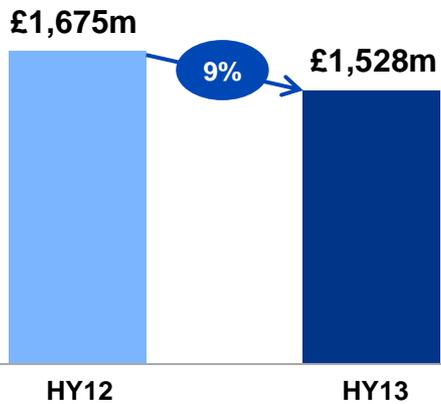
Remittances to Group



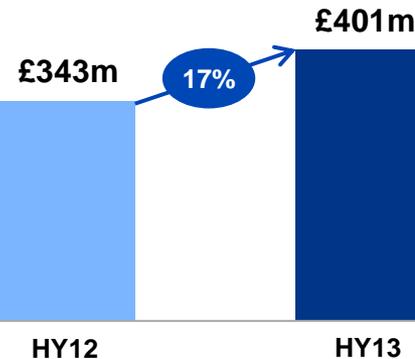
Operating profit



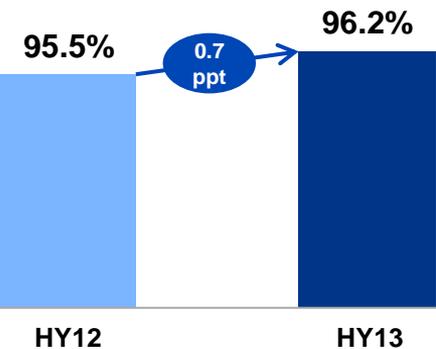
Operating expenses



Value of new business



Combined operating ratio





Q&A

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