Aviva Capital Markets Day
9th July 2014

Mark Wilson
Group Chief Executive Officer
Cautionary statements:

This should be read in conjunction with the documents filed by Aviva plc (the “Company” or “Aviva”) with the United States Securities and Exchange Commission (“SEC”). This announcement 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. Statements containing the words “believes”, “intends”, “expects”, “projects”, “plans”, “will,” “seeks”, “aims”, “may”, “could”, “outlook”, “estimates” and “anticipates”, and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. 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.
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.30 – 9.45</td>
<td>Aviva Reloaded</td>
<td>Mark Wilson</td>
</tr>
<tr>
<td></td>
<td>Still more to do</td>
<td>Tom Stoddard</td>
</tr>
<tr>
<td></td>
<td><strong>Break</strong></td>
<td></td>
</tr>
<tr>
<td>11.15 – 11.30</td>
<td>Aviva Investors – Making asset management core</td>
<td>Euan Munro</td>
</tr>
<tr>
<td></td>
<td>Aviva UK Life – Cash flow and growing the franchise</td>
<td>David Barral</td>
</tr>
<tr>
<td></td>
<td><strong>Break</strong></td>
<td></td>
</tr>
<tr>
<td>12.30 – 14.00</td>
<td>Aviva GI – digital, analytics and opportunities to grow underwriting profits</td>
<td>Maurice Tulloch</td>
</tr>
<tr>
<td></td>
<td>Transforming our customer experience</td>
<td>Monique Shivanandan</td>
</tr>
<tr>
<td></td>
<td><strong>Lunch and demonstrations</strong></td>
<td></td>
</tr>
<tr>
<td>15.15 – 15.30</td>
<td>Aviva Europe – Cash, turnaround and growth</td>
<td>David McMillan</td>
</tr>
<tr>
<td></td>
<td>Aviva Asia – Capitalising on Asia’s growth potential</td>
<td>Khor Hock Seng</td>
</tr>
<tr>
<td></td>
<td><strong>Break</strong></td>
<td></td>
</tr>
<tr>
<td>17.30</td>
<td>People – creating a performance-based culture</td>
<td>Christine Deputy</td>
</tr>
<tr>
<td></td>
<td>Productivity and systems thinking</td>
<td>Nick Amin &amp; Scott McFie</td>
</tr>
<tr>
<td></td>
<td>CEO Summary and Q&amp;A</td>
<td>Mark Wilson</td>
</tr>
<tr>
<td></td>
<td><strong>Close</strong></td>
<td></td>
</tr>
</tbody>
</table>
Some progress since 2011

<table>
<thead>
<tr>
<th>Economic Capital</th>
<th>Remittances</th>
<th>Operating expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>130%</td>
<td>£778m</td>
</tr>
<tr>
<td>2013</td>
<td>182%</td>
<td>£1,269m</td>
</tr>
<tr>
<td>Increase</td>
<td>52ppt</td>
<td>63%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries</th>
<th>Cells</th>
<th>Management layers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>28</td>
<td>9</td>
</tr>
<tr>
<td>Current</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>2012</td>
<td>58</td>
<td>16</td>
</tr>
<tr>
<td>2013</td>
<td>42</td>
<td>5</td>
</tr>
<tr>
<td>Increase</td>
<td>11 countries</td>
<td>4 layers</td>
</tr>
</tbody>
</table>
Trends shaping the insurance industry

Winning Through Data
Those who interpret data quickly and intuitively to inform the development of products and services will lead the way.

The Power of Communities
The economic power of governments will have declined further and the power of ‘communities’, both virtual and local, will have increased.

Older & Healthier
The emergence of a generation aged 50 plus who will live longer and who are healthier. Markets will be driven increasingly by this group’s attitudes and needs.

My Life, My Way
Customers will be much more in control, expecting to self-serve and self-solve. They will want to be able to access data and insight, and use it to guide their own decisions.

The Age of Disruption
New agile competitors will act faster to disrupt our core business.

Shifting Wealth
Developing markets will have a much larger share of the world’s savings pool.
Our strategic anchor

- True customer composite
  - Serving all customer needs across Life, GI, Health and Asset Management

- Digital first
  - Customer experience driven by digital

- Not everywhere
  - Only in markets where we can win

Supported by:
- **MULTI**
  - Multiple lines of service and multiple lines of distribution
- **CONVENIENT**
  - Allowing customers to interact with us simply, in their way
- **EXPERT**
  - Technical expertise in underwriting, risk and asset management, data and analytics
- **BRITISH**
  - Actively harnessing the heritage from being an iconic British business
- **COLLABORATION**
  - Leveraging the commonalities across all our businesses

A focussed, clear, simple, differentiated business strategy
True customer composite

**Historical view of a composite**

- Financial benefits of diversification were clear, operational benefits elusive.
- No cross business line packaging
- Intermediary dominated distribution and customer relationships
- Wide geographic footprint lacking agility and focus

**True customer composite**

- Packaged customer solutions across product groups
- More product holdings lead to greater engagement, retention and profitability
- Simpler, often cheaper proposition
- Asset management increasingly important
- Enabled by digital technology
- Lower insurance risk profile

**Numbers of IFAs in the UK has dropped 38% since 2011**

- Source: Money Marketing

<table>
<thead>
<tr>
<th>Year</th>
<th>IFAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>40,000</td>
</tr>
<tr>
<td>2012</td>
<td>30,000</td>
</tr>
<tr>
<td>2013</td>
<td>25,000</td>
</tr>
</tbody>
</table>

**UK personal lines insurance has steadily become disintermediated**

- Source: ABI

Historical distribution has prevented composite packaging
Digital first

Digital first vision
• One customer view
• One place for all products and services
• One statement
• One premium
• No paper
• MyAviva

MyAviva

Digital is a key enabler to true customer composite
Not everywhere

Despite a reduction in the number of countries ROCE and ROE has increased*

![Graph showing ROCE and ROE changes over years](image)

We will continue to reshape our portfolio to drive returns higher

- Only operate in markets where we have scale and defined competitive advantage
- Allocate capital between cells and countries
- A preference for composite where margins and regulation are supportive

We have focussed our footprint and returns have improved

*All years as reported with the exception of 2013 which excludes the US.
We have clear strategies to deliver cash flow and growth.
### Key issues – Cash flow

<table>
<thead>
<tr>
<th>Issue</th>
<th>Plan</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Operating expense ratio is too high</td>
<td>Below 50%</td>
<td>YE 2016</td>
</tr>
<tr>
<td>2. Excess cash flow is inadequate considering our earnings power</td>
<td>More than double annual run-rate to £0.8bn</td>
<td>YE 2016</td>
</tr>
<tr>
<td>3. Life back books are inefficient and capital intensive</td>
<td>Increase cash flow, efficiency and retention</td>
<td>Ongoing</td>
</tr>
<tr>
<td>4. High external leverage and debt service levels deflates profits and restrictions financial flexibility</td>
<td>Below 40% on TNAV basis and AA equivalent on S&amp;P basis</td>
<td>Medium Term</td>
</tr>
</tbody>
</table>

Clear plan to deliver improvements in cash flow
## Key issues – Growth

<table>
<thead>
<tr>
<th>Issue</th>
<th>Plan</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Growth is necessary but not at the cost of dividends</td>
<td>Reallocate resources to growth businesses</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6 Third party flows are weak</td>
<td>Positive external fund flows at Aviva Investors</td>
<td>From 2015</td>
</tr>
<tr>
<td>7 Current cross-sell rate is unacceptable</td>
<td>Increase average product holdings</td>
<td>Ongoing</td>
</tr>
<tr>
<td>8 We rely too heavily on others for distributions</td>
<td>Two million MyAviva customers</td>
<td>Within 12 months</td>
</tr>
</tbody>
</table>

Potential for growth through reallocation of capital
A strengthened management team

Tom Stoddard
Chief Financial Officer
Aviva <1 year
Previously Blackstone

Euan Munro
CEO of Aviva Investors
Aviva <1 year
Previously Standard Life

David McMillan
Chairman Global Health Insurance and CEO Europe
Aviva 11 years

Maurice Tulloch
Chairman Global General Insurance and CEO UK&I GI
Aviva 22 years

Chris Wei
CEO Global Life Insurance and Chairman Asia
Aviva start date Oct 2014
Previously Great Eastern

Nick Amin
Chief Operations & Transformation Director
Aviva 1 year
Previously AIA Group

David Barral
CEO, UK&I Life Insurance
Aviva 15 years

Paul Boyle
Chief Audit Officer
Aviva 4 years
Previously PWC, FSA.

Kirstine Cooper
Group General Counsel and Company Secretary
Aviva 23 years

Christine Deputy
Group HR Director
Aviva 1 year
Previously Barclays, Starbucks

Khor Hock Seng
CEO, Aviva Asia
Aviva 1 year
Previously AIA Malaysia

John Lister
Group Chief Risk Officer
Aviva 28 years

Amanda Mackenzie
Chief Marketing and Communications Officer
Aviva 6 years
Previously BT, British Gas

Monique Shivanandan
Chief Information Officer
Aviva <1 year
Previously Capital One, BT

Jason Windsor
Chief Capital and Investments Officer
Aviva 4 years
Previously Morgan Stanley
Still more to do

Tom Stoddard
Group Chief Financial Officer
Industry challenges

• Regulatory change
  – Solvency II
  – GSII
  – Consumer value

• Legacy of global financial crisis

• New reporting requirements

• Systems and Management Information in transition

Who would want to be an insurance CFO?
Finance issues and actions

- Invest in change
- Improve profitability
- Reduce internal and external leverage
- Accelerate cash flow and growth
Increased scrutiny on underperforming cells

Capital backing underperforming cells has improved to 50%, but this is still unacceptable

Returns well above cost of capital
- IFRS capital £3bn
- IFRS ROCE 20%
- Cash return 13%

Returns above cost of capital
- IFRS capital £5bn
- IFRS ROCE 13%
- Cash return 9%

Some returns below cost of capital
- IFRS capital £8bn
- IFRS ROCE 5%
- Cash return 6%

Performing 13 cells

Adequate 9 cells

Under-performing 20 cells

2013:
- 50% of Group capital delivered above hurdle cash, profit and NB returns
- 50% of Group capital invested in sub hurdle returns, on one or more basis

2012:
- 25% of Group capital delivered above hurdle cash, profit and NB returns
- 75% of Group capital invested in sub hurdle returns, on one or more basis
Invest in change: True Customer Composite & Digital First

Customer composite

Delivering our strategic anchor

Cash, turnaround & growth

Digital first

More focus on strategic spend
How we achieved £400m run-rate savings

Full time employee savings (74%)
- UK & Ireland: 45%
- Europe, Canada & Asia: 31%
- Aviva Investors: 13%
- Group Centre & Other: 11%

De-layering: 43%
BU cost efficiency: 7%
De-regionalisation: 8%
Operating Model Changes: 16%

Other Savings (26%)
- Property: 4%
- Consultancy, outsourcing & other: 22%

Cost base post £400m saving

Moving away from ‘big-bang’ restructuring
A focus on improving efficiency ratios

Segmental efficiency ratios

**Group ratio**

37% 37% 33%

16% 15% 15%

14bps 13bps 12bps

17% 15% 15%

58% 57% 54% <50%

**Life**

Expenses per Profit Driver Analysis* (PDA)

Op profit + PDA Expenses

**GI**

PDA Expenses

Net Written Premium

**FM**

Op Expenses

Average Funds Under Management

**Health**

Op Expenses

Net Written Premium

**Group**

Op Expenses

Op profit (before debt costs) + Op Expenses

2011 2012 2013 2016

We expect Group operating expense ratio to improve every year

*Life expenses are per the profit driver analysis, excluding commission expenses and DAC on new business.
Improve profitability: Unlocking value in back books

Back book strategies

• Improved retention by:
  - Integrated customer / distributor plan
  - Greater engagement
• Further expense and capital initiatives

Aviva Systems Thinking

• View from a customer perspective
• Study process to identify “failure demand”
• Eliminate waste and improve customer experience

Urgent need to improve back book efficiency relative to peer benchmarks

UK Life
- MCEV: £7.4bn
- Policies in-force: 6.6mn

France
- MCEV: £3.7bn
- Policies in-force: 2.6mn

Poland
- MCEV: £1.3bn
- Policies in-force: 4.7mn
Drive value from balance sheet

**Assets**
- Group asset allocation framework
- Greater collaboration with Aviva Investors
- Consistent approach to Investment Management Agreements
- New asset class capability

**Liabilities**
- Creation of Reinsurance Mixer
- Significant opportunities from Back Book management
- Revised and improved debt structure
- Capital efficient products
- Free up underutilised capital

We can make our balance sheet work harder
Improving financial flexibility

**Economic capital surplus**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Q1-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>£bn</td>
<td>3.6</td>
<td>5.3</td>
<td>8.3</td>
<td>7.8</td>
</tr>
</tbody>
</table>

**Holding company liquidity**

<table>
<thead>
<tr>
<th>Period</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Q1-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>£bn</td>
<td>0.2</td>
<td>1.6</td>
<td>1.5</td>
<td>1.6</td>
</tr>
</tbody>
</table>

**Inter-company loan**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>Feb-14</th>
<th>May-14</th>
<th>Dec-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>£bn</td>
<td>5.8</td>
<td>4.1</td>
<td>4.0</td>
<td>Plan 2.2</td>
</tr>
</tbody>
</table>

**External leverage ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>TNAV</th>
<th>S&amp;P</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>50%</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>2013</td>
<td>50%</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Medium Term</td>
<td>40%</td>
<td>AA</td>
<td></td>
</tr>
</tbody>
</table>

**Priority to reduce debt leverage and financing cost**

1. The economic capital surplus represents an estimated unaudited position. The term ‘economic capital’ relates to Aviva’s own internal assessment and capital management policies and does not imply capital as required by regulators or other third parties.
Our plan is to more than double the sustainable annual run rate of excess cash flow from operations at the holding company level from 2013 to 2016.
Summary of financial plan and desired outcomes

Growing the sustainable level of excess cash flow from operations at the holding company level is the key to our investment thesis and business strategy.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Plan</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group operating expense ratio</td>
<td>Below 50%</td>
<td>YE 2016</td>
</tr>
<tr>
<td>Holdco excess cash flow</td>
<td>More than double annual run-rate to £0.8bn</td>
<td>YE 2016</td>
</tr>
<tr>
<td>Inter-company loan balance</td>
<td>£2.2 billion</td>
<td>YE 2015</td>
</tr>
<tr>
<td>External debt leverage</td>
<td>Below 40% on TNAV basis and AA equivalent on S&amp;P basis</td>
<td>Medium Term</td>
</tr>
</tbody>
</table>

The financial outcomes we want to deliver from managing toward this plan are:

- Consistently growing cash dividends to shareholders
- Financial flexibility to withstand stress and invest in opportunities
- Stronger ratings
- Adding to Aviva’s reputation as an admired brand

Becoming more efficient, generating more cash and improving financial flexibility
Aviva Investors

Making Asset Management Core

Euan Munro
Chief Executive Officer, Aviva Investors
An introduction to Aviva Investors

- Total AUM c. £240bn
- Predominantly captive asset manager
- 90% of business with Institutional clients
- Largest market positions by AUM are UK (#7) & France (#8)
- Strength in Fixed Income, Real Estate & Multi Asset

Core investment performance has been good with significant value added for the client (£1.4bn above benchmark)

1 yr performance above benchmark

3 yr performance above benchmark

1/3 yr weighted performance above benchmark

Source: Aviva Investors Management Information
Strategic potential of an in-house asset manager

A composite has a number of roles to play in driving shareholder value

Customer-driven value
- ‘Power up’ Aviva Life propositions
- ‘Externalisation’ - new customers & assets

Internally driven value
- Margin from managing in-house assets

As part of a composite
- Customer access
- Collaboration
- Co-development
- Co-investment
- Control

- Aviva share of wallet + retention
- Customer engagement & trust
- Partner to sweat assets
- Relief from VAT
- Resilience + optionality for profit emergence

‘Traditional’ value drivers—historically the focus of AI
More collaborative, composite value drivers
### Strategy fundamentals – the value proposition

We will align AI around a single overarching proposition: Outcomes

<table>
<thead>
<tr>
<th>Objective</th>
<th>Deliver outcomes central to customers’ success &amp; well being</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value proposition</td>
<td></td>
</tr>
<tr>
<td>Target return</td>
<td>Income</td>
</tr>
<tr>
<td>Inflation+</td>
<td>Liabilities</td>
</tr>
<tr>
<td>Customers</td>
<td>Anyone needing assistance in achieving those outcomes</td>
</tr>
<tr>
<td>Value add</td>
<td>Expertise in assembling &amp; shaping the solutions</td>
</tr>
<tr>
<td></td>
<td>Deliver critical specialist investments</td>
</tr>
</tbody>
</table>

**Why ‘outcomes’?**
- Fading of guarantees
- Retreat of state provision
- More uncertain lives
- Scarcity of advice & support
- Institutions with hard promises to keep

**Why Aviva Investors?**
- Insurance heritage
- Low volatility skill set
- Investment orientation
- We care
- Group strength & links
Our strategy

Re-position & re-boot for success

1. Re-orient around ‘outcomes’ and spearhead by multi-strategy suite
2. Enhance and globalise specialist investment capabilities
3. Open up new winnable markets and profit pools
4. Invest in and re-align distribution
5. ‘Power up’ Aviva Composite initiatives and positions
6. Engineer complexity out and build scalability in
7. Implement world class controls
8. Transform culture, capability and performance

Align to customer needs
Valued solutions - not sold products
Growth via Aviva & 3rd party
From complexity to simplicity
Manage Group assets optimally
## Taking the proposition to market

We will deploy a focussed market & distribution strategy based around 3 strands

<table>
<thead>
<tr>
<th>Market type, criteria &amp; focus areas</th>
<th>Routes to market</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aviva Customer Composite presence</strong></td>
<td>Uk&amp;I, France, Singapore, Indonesia, 3rd party platforms</td>
<td><strong>Invest in:</strong></td>
</tr>
<tr>
<td>1. Life, GI customers</td>
<td></td>
<td>• Marketing &amp; brand</td>
</tr>
<tr>
<td>2. Distribution platforms / assets</td>
<td></td>
<td>• Proposition</td>
</tr>
<tr>
<td>3. Digital</td>
<td></td>
<td>• Training / up skilling</td>
</tr>
<tr>
<td><strong>AI’s current direct-to-institution markets</strong></td>
<td>Consultants Wealth Platforms, Pension Schemes, Insurers</td>
<td><strong>Reinforce capability:</strong></td>
</tr>
<tr>
<td>1. Distribution in place</td>
<td>Develop AI’s current footprint</td>
<td>• Minimal in-market presence</td>
</tr>
<tr>
<td>2. AI brand building</td>
<td></td>
<td>• Service via local hubs</td>
</tr>
<tr>
<td>3. Profitable</td>
<td></td>
<td>• Build B2B sales capacity</td>
</tr>
<tr>
<td>4. Near Composite hubs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Winnable new markets</strong></td>
<td>Financial Institutions, Sub-advisory, Distribution partners, Consultants</td>
<td><strong>Build in-market capability:</strong></td>
</tr>
<tr>
<td>1. High scale markets</td>
<td>E.g. US, Japan</td>
<td>• B2B sales capacity</td>
</tr>
<tr>
<td>2. Diversifies asset base</td>
<td></td>
<td>• Client relationship management</td>
</tr>
<tr>
<td>3. Leveraged distribution</td>
<td></td>
<td>• Consultant relations</td>
</tr>
</tbody>
</table>
## Strategy delivery – activity to date

### We have already been active in progressing this strategy

<table>
<thead>
<tr>
<th>Value proposition &amp; direction</th>
<th>Efficiency, effectiveness, complexity</th>
<th>Driving value via Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New ExCo, new strategy</td>
<td>• Single operating platform</td>
<td>• Global Solutions Directorate to develop solutions for Aviva</td>
</tr>
<tr>
<td>• Exits from trading or non-outcomes style desks</td>
<td>• Initiated fund rationalisation programme</td>
<td>• Re-amalgamated UK Collectives into Aviva Investors</td>
</tr>
<tr>
<td>• First multi-strategy suite launched – Target Return</td>
<td>• Globalised front office capability in Fixed Income</td>
<td>• Initiated co-led projects with Aviva Life companies</td>
</tr>
<tr>
<td>• Built capability in active LDI, Multi Asset &amp; Illiquid</td>
<td>• Controls Environment Improvement program</td>
<td></td>
</tr>
</tbody>
</table>
Our approach to successful implementation

We see 4 drivers of successful implementation. We have made progress – but challenges over the next 18 months remain

<table>
<thead>
<tr>
<th>Key delivery requirement</th>
<th>Now in place</th>
<th>18 month priorities &amp; challenges</th>
</tr>
</thead>
</table>
| Organisation and culture | • Streamlined to 960 FTE  
• Global front offices  
• 1 operating platform  
• Enhanced controls environment | • Globalisation / rationalisation  
• Global culture  
• Partnering and collaboration culture  
• World class controls, KPIs and KRI |
| Implementation approach | • Rigorous change methodology  
• Strategic roadmap  
• Benefits realisation process | • Deliver our 8 strategic initiatives  
• Align transformation agenda cross Aviva |
| Leadership | • Consistent strategy  
• New Exec and external new hires  
• Functional expertise  
• Global Solutions for Aviva | • Align Exec round balanced scorecard  
• Integrate into Aviva strategic initiatives  
• Programs to Kill Complexity across Aviva  
• Aviva service and collaboration levels |
| Measuring and evidence | • Cost/income  
• Customer and employee metrics  
• ‘External’ and ‘Internal’ cells | • Net new revenue  
• Delivery of earnings  
• Lead indicators of strategy delivery |
## Summary: the Aviva Investors 5 year journey

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captive insurance asset manager selling its expertise in the open market</td>
<td>Investment manager with clear value proposition directly targeted at real customer needs</td>
</tr>
<tr>
<td>Strong but inconsistent &amp; heavily siloed specialist investment capability</td>
<td>Collaborative investment professionals working across borders to develop relevant propositions</td>
</tr>
<tr>
<td>Skeletal distribution, operating ‘standalone’ with a handful of relevant propositions</td>
<td>Focussed and resourced distribution, leading globally-relevant propositions, well-integrated with Aviva platforms</td>
</tr>
<tr>
<td>Fragmented &amp; hard to scale operating model built round insurance legacy structures</td>
<td>Streamlined, less complex &amp; scalable model, organised to harness capability across the globe</td>
</tr>
<tr>
<td>A challenged controls environment</td>
<td>A world class controls framework, with the accompanying mindset and culture</td>
</tr>
</tbody>
</table>
Aviva UK Life:
Cash flow and growing the franchise

David Barral
Chief Executive Officer, Aviva UK & Ireland Life
UK Life - At a glance

- **£124bn** assets under management - 3rd largest
- **6.4 million** customers
- **Number 2** market share by Value of New Business*
- **£7.4bn** Embedded Value
- **£300m** Net Cash Remittance

(*) Derived from external released data

Large back book and customer base, multi products and multi distribution

**2013 Value of New Business**

- **By Channel**
  - Direct
  - Partnerships

- **By Product**
  - Individual Annuities
  - Protection / Health
  - Bulk Purchase Annuity
  - Accumulation

**FY13 Volume Market Share**

- No2 Individual Annuity
- No2 Protection
- No3 Bulk Purchase Annuity
- No3 Healthcare
- No4 Pensions
Delivered improvement across key metrics, but more to do
Focussed Strategy

Cash flow

Composite / Digital

Growth

Back Book

GI

Life

Retirement

SME Corporate benefits

Health

Asset Management

Protection

True composite, digital first, not everywhere
Post Budget individual annuities experience

- Average weekly sales down 34%
- External sales down 50%
- Internal sales down 14%
- New business margins broadly unchanged

Still early, but we expect c50% reduction in our volumes in long term, in line with guidance
Delivering profitable growth from bulk purchase annuities

• 2012 refocused on smaller, profitable schemes
• 2013 60 schemes with an average size of £6m
• H1 2014 30 schemes
• H2 2014 strong pipeline
• Margins remain acceptable

Bulk Purchase Annuity Sales

FY 2011: £1,075m
FY 2012: £187m
FY 2013: £379m
HY 2013: £111m
HY 2014: £187m

Winning due to longevity and asset sourcing skills, pricing and brand
What our customers want

- “Take control for me and make it simple”
- “Give me the tools and support I need to make good decisions”
- “I want advice and solutions that allow me to secure a good lifestyle in retirement”

Simplicity       Certainty        Choice          Help

The Opportunity

- The budget creates a new paradigm for UK retirement savings
- No longer a point in time but a transition
- High concentration of UK assets in 50+
- 23m customers in UK - 6m Aviva
- £0.7bn of sales came to us direct in 2013 for retirement products

Focussed on winning in the new 50+ market
Enhancing Capabilities

Leveraging existing strengths and enhancing capabilities
Growing IFA Platform and Direct opportunity

**IFA Platform**

- Simplicity and low cost
- Efficient for advisers
- Digital and fully mobile
- c13% of assets in AI funds versus best in class 25%

**Launching D2C**

- Simple, engaging digital experience
- Do it for me (easy ready-made solutions)
- Do it myself (self select)
- Help and Guidance

Good traction on IFA platform; opportunity to grow Aviva Investors and Direct
SME Corporate Benefits

The Opportunity

- Auto-enrolment opportunity - SME’s staging from now through to July 2017
- Targeting small businesses (5-99 lives), higher margin segment
- Leveraging benefits of Aviva brand
- Significant direct opportunity

A Winning Proposition

- Market leading Auto-enrolment tool (AME)
- Proposition focussed on SME needs
- Aviva Investor default fund
- Cost efficient packaged solution
- Cross-sell across composite

Capitalising on SME auto-enrolment opportunity and leveraging composite to become Trusted Advisor for small businesses
The Opportunity

- Large back book but not achieving scale efficiencies
- Retention programme making a difference but more to do
- Clear management focus

Driving Improvement

Costs
- Process simplification
- Automation
- Digital documents
- Commission actions

Retention
- Customer engagement / My Aviva
- Data Analytics
- D2C investment proposition

Capital
- Leverage group-wide diversification
- Legal entity rationalisation
- De-risking

Forensic approach to improve back book efficiency unlocking value and cash

(*) IPP – Individual Personal pensions, GPP – Group Personal Pension
Delivering cash flows and growing the franchise

2013
- Reduce Unit Costs
- Improve Retention
- Capital actions

Near term
- Unlocking value in back book
- Growing future cash flows

Cash
- Retirement solutions
- SME corporate benefits
- Protection
- True customer composite

Longer term

Cash

We will grow cash flows over near and longer term
Q & A

Euan Munro
Chief Executive Officer, Aviva Investors

David Barral
Chief Executive Officer, Aviva UK & Ireland Life
Aviva General Insurance

Digital, analytics and opportunities to grow underwriting profits

Maurice Tulloch
Chairman Global, General Insurance and CEO, UK&I GI
Aviva General Insurance – at a glance

- **15 million** customers
- **£8.1bn** GI gross written premiums
- **Top 3 GI** position UK, Canada & Ireland
- **97% COR**, operating profit **£763m**
- **£17.5bn** assets under management

Aviva GI: In 7 markets and delivering over 40% of Group cash flow

Note: GI Financials exclude discontinued operations (Turkey); Global totals include Aviva Re & other (excluded from pie charts).
Financial progress – total general insurance

**Net Cash Remittance**
- 2011: £378m
- 2013: £538m (+42%)

**Underwriting result**
- 2011: £223m
- 2013: £225m (+1%)

**Operating profit**
- 2011: £920m
- 2013: £763m (-17%)

**COR**
- 2011: 96.5%
- 2013: 97.0% (+0.5pp)

**Operating expenses**
- 2011: £1,317m
- 2013: £1,171m (-11%)
  (down £146m)

**Gross written premium**
- 2011: £8,530m
- 2013: £8,075m (-5%)

---

Some progress made, more to do

---

[1] Excluding impact of Canadian floods (two 1-in-100 events) underwriting result would have been £354m, COR 95.3% & operating profit £892m

Note: GI Financials exclude discontinued operations (Turkey) (with the exception of operating expenses); Global totals include Aviva Re & other.
Our strategic agenda

<table>
<thead>
<tr>
<th>Growth</th>
<th>Cash</th>
<th>Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow UK Direct and leverage composite opportunity</td>
<td>Improving cost efficiency</td>
<td>Broaden underwriting appetite</td>
</tr>
<tr>
<td>Focus on retention &amp; average product holding</td>
<td>Accelerating automation</td>
<td>Risk analytics</td>
</tr>
<tr>
<td>Grow commercial lines</td>
<td>Reducing internal leverage</td>
<td>Customer analytics</td>
</tr>
<tr>
<td>Not Everywhere</td>
<td>Grow operating earnings</td>
<td>Behavioural analytics</td>
</tr>
</tbody>
</table>

Global exploitation of expertise through the operating model
Digital first: Winning in a commoditised world

Low cost direct – UK retail personal lines

<table>
<thead>
<tr>
<th></th>
<th>UKDI*</th>
<th>Broker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor – retention</td>
<td>70%</td>
<td>50%</td>
</tr>
<tr>
<td>Home – retention</td>
<td>85%</td>
<td>75%</td>
</tr>
<tr>
<td>Average product holding</td>
<td>2.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

**Net Written Premium**

- **2011**
  - UKDI: £635m
  - QMH & General Accident: £621m
- **2013**
  - UKDI: £689m
  - QMH & General Accident: £557m

**Customer Policies**

- **2011**
  - UKDI: 2,281k
  - QMH & General Accident: 44k
- **2013**
  - UKDI: 2,634k
  - QMH & General Accident: 348k

**Operating Expense Ratio**

- **2011**
  - 21.2%
- **2013**
  - 14.2%

**COR**

- **2011**
  - 88.9%
- **2013**
  - 88.6%

*Note: Retention statistics for Broker based on premium persistency. Average product holding includes policies & add-on insurance products, and for Broker is estimated based on internal MI. Customer policies for Motor based on vehicle count.*
Digital first: Proof points

- 1,025,000 logins
- 100% increase in cross-sell
- 15x more travel insurance
- Mobile/tablet motor quotes to overtake desktop in 12 months
- Increased customer interaction
Grow commercial: A capability led business

Underwriting actions taken to improve profitability; expertise being exported across our Global model

Principles & benefits

- Single operating model
- Global underwriting strategy
- Growth opportunity in untapped markets
- Diversification benefits
- Leverage existing capability & expertise
- Earnings improvement & stability

Spotlight on Canada Commercial

- Net Written Premium: £790m to £854m (8% growth)
- COR: 97.4% to 96.8% (-0.6pp)

Spotlight on UK Large Commercial

- Net Written Premium: £436m to £524m (20% growth)
- COR: 99.6% to 94.5% (-5.1pp)

Exploiting Analytics in commercial and controlled growth in Large Commercial
Improving cost efficiency

Global GI – Lower expenses in 2013 …

-9%  2%  -2%

Global GI expenses down 11%.

- Continued focus on distribution ratio efficiency across all businesses.
- Focus on total COR rather than component parts.

Lower operating expense ratios …

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2013</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>15.2%</td>
<td>15.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Canada</td>
<td>12.9%</td>
<td>11.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Global GI – Total</td>
<td>15.9%</td>
<td>15.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Comprises:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– management</td>
<td>11.2%</td>
<td>10.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>– claims handling</td>
<td>4.7%</td>
<td>4.4%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

GI expenses down 11% in the last 2 years – still more efficiency opportunities to explore, particularly as we grow

Note: Expense figures & ratios inclusive of Turkey GI. Ratios calculated as PDA expenses divided by net written premium; Canada expense ratio excludes premium tax at c3.5%.
Automation in claims: Continually improving customer service and efficiency

Improving our process through automation, systems thinking & analytics working together

Old processes

New processes

Investing in Guidewire

• Integrated solutions across billing, claims & administration.
• Canada – personal lines claims implemented.
• UK – commercial admin and claims live.
• UK & Canada – further roll-outs planned through to Q4 2016 across both personal & commercial lines.
• Other markets under review.

Developments in train

• Moving towards fully automated customer journey:
  – Log claim
  – Choose replacement product
  – Arrange delivery.
• Customer choice in how to interact – e.g. trial use of video chat capability.
Analytics: Continually evolving to win the data arms race

Analytics: a major contributor to COR improvement and competitive advantage

- Price optimisation
- Full cost model & rate refresh
- Automated post code monitoring
- Mid-market rating tool
- Fleet rating tool
- Fraud analytics
- Protect, improve & re-underwrite
- Rate by Peril
- Fraud analytics
- Real time optimisation
- Telematics
- Fleet model
- Postcode update
- Price optimisation
- Telematics
- UKDI cost model refresh
- Claims analytics
- Telematics
- New markets / appetite
- Geoscoring

Actions in UK

Actions in Canada

UK: Personal Motor
Canada: Personal Motor
Risk Analytics: Demonstrating outperformance

Canada – Leveraging predictive analytics to be an industry leader across Personal Lines

UK 2014 floods – losses of c 5% significantly lower than our market share of 11%

- Yellow outline marks a single postcode – previously no acceptable risks.
- Prior to developing capability we would not have written any properties.
- Further level of sophistication identifies specific areas of high flood risk (shown as red / black).
- We now know address points for insured properties are not at significant risk of flood.
Aviva UK & Ireland GI repudiated 15,000 fraud claims at £110m in 2013; Fraud costs each household an extra £50 per year through increased premiums.

**Organised Fraud**

- 6,000+ claims under investigation
- 90% repudiation rate

**Defending injury claims**

- Aviva UK & Ireland GI ‘nil-settle’ 40% of Injury cases
- Government Lobbying:
  - Independent Medicals
  - Dealing with non-fault differently

**Is the Customer who they say they are?**

**Noise Induced Hearing Loss Claims - current repudiation rate: 85%**

Our Philosophy – Prevent | Identify | Investigate | Deter
Summary

**Growth**
- Grow UK Direct and leverage composite opportunity
- Focus on retention & average product holding
- Grow commercial lines
- Not Everywhere

**Cash**
- Improving cost efficiency
- Accelerating automation
- Reducing internal leverage
- Grow operating earnings

**Analytics**
- Broaden underwriting appetite
- Risk analytics
- Customer analytics
- Behavioural analytics

Global exploitation of expertise through the operating model
Q & A

Maurice Tulloch
Chairman, Global General Insurance
Chief Executive Officer, UK & I GI
Transforming our customer experience

Monique Shivanandan
Group Chief Information Officer
Overview of Digital Exhibitions

**Business Unit**

**Aviva Canada**
- Fraud Management Command Centre (with UKGI)
  - Shows how insurance fraud is uncovered using the internet and Aviva’s technology tools in replica command centre
  - Explains collaboration with UK central fraud teams

**Aviva Poland**
- Virtual Branch
  - Video showing key functionalities of Virtual Branch from an end to end customer experience perspective
  - Live connection via website to a Virtual Branch consultant

**Aviva UKGI**
- MyAviva (customer portal and app)
  - Shows how we have made it easier for customers to engage with us via customer portal, app (single view of customer) and other connections (e.g. telematics)

**Aviva UK Life**
- Auto-Enrolment Manager for Employers
  - Shows online tool that helps employers become compliant with the auto-enrolment regulations set out by The Pensions Regulator
  - Fastest capability to stage an employer in market (20 minutes)
Here are a few logistical instructions

1. Find your group number on the front of your name tag (1 – 4).

2. Follow the events leader holding a paddle with your group number on it.

3. Pick up a take-away boxed lunch at your first demo station – 10 minutes.

4. Each demo will be 20 minutes in length.

5. Afternoon session will commence at 2pm back in this room.

6. If you get lost – our events team will usher you around the floor.

7. For those watching online, we will resume the live streaming in about 90 minutes.
Aviva Europe

Cash, Turnaround & Growth

David McMillan
Chairman, Global Health
Chief Executive Officer, Aviva Europe
Aviva Europe – In a nutshell

- **£100bn** assets under management
- **13 million** customers
- **Top 5 Life** provider in Poland & Turkey
- **£1.6bn** GI and Health net written premiums
- **Composite player** in 3 markets

Aviva Europe is focused on 5 markets and accounts for 1/3 of the Group
### Our European portfolio – cash, turnaround & growth

<table>
<thead>
<tr>
<th>Cash Generator</th>
<th>Our business</th>
<th>Owned channels</th>
<th>Key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>✓ #9 insurer*</td>
<td>✓ #1 direct funeral provider</td>
<td>UniCredit, Fineco</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnaround</th>
<th>Our business</th>
<th>Owned channels</th>
<th>Key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>✓ #10 life insurer</td>
<td>✓ Largest life direct sales force network (2,300 advisors and management)</td>
<td>Banco Popolare, UBI Banca</td>
</tr>
<tr>
<td>✓ #4 protection provider</td>
<td>✓ #6 life insurer</td>
<td>✓ #3 largest life tied-agents network in Lithuania (500 advisors)</td>
<td>Unicaja Banco, BMN</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth</th>
<th>Our business</th>
<th>Owned channels</th>
<th>Key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>✓ #2 insurer</td>
<td>✓ Largest life direct sales force network (700 advisors and management)</td>
<td>Bank Zachodni WBK, Deutsche Bank</td>
</tr>
<tr>
<td>✓ #2 pensions provider</td>
<td>✓ #5 life insurer</td>
<td>✓ #3 largest life tied-agents network in Lithuania (500 advisors)</td>
<td>AKBank, Carrefour</td>
</tr>
</tbody>
</table>

*Based on Aviva’s internal profit analysis*
Financial progress

Dividend to Group

2012: £336m
2013: £388m
Increase: +15%

Value of new business

2012: £253m
2013: £319m
Increase: +26%

Operating profit

2012: £854m
2013: £894m
Increase: +5%

COR (GI only)

2012: 99.4%
2013: 98.1%
Decrease: -1.3ppts

Operating expenses

2012: £619m
2013: £627m
Increase: +1%

Over the last year we have focussed on tackling underlying performance and delivering stronger results.

Financials exclude Aseval, Eurovita, Russia and Danube
Our strategic agenda

**Cash**
- Reducing structural overhead
- Improving cost efficiency
- Simplifying legal vehicle structure
- Growing operating earnings

**Growth**
- Improving returns from savings
- Becoming a leading protection player
- Leveraging composite opportunity
- Investing in Poland & Turkey

The turnaround is at an early stage and there remains a lot to do
Since 2011 we have eliminated the European regional office and exited sub-scale businesses saving c£180m

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating expenses</th>
<th>Actions taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>£685m</td>
<td>✓ Exited sub-scale, unprofitable businesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Removed the regional office</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Improved efficiencies in markets</td>
</tr>
<tr>
<td>2012</td>
<td>£729m</td>
<td>c£40m savings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c£80m savings</td>
</tr>
<tr>
<td>2013</td>
<td>£657m</td>
<td>c£60m savings</td>
</tr>
</tbody>
</table>

Since 2011 we have eliminated the European regional office and exited sub-scale businesses saving c£180m
Cash: Improving cost efficiency

We are now focussed on achieving ‘best of breed’ efficiency ratios through further automation and reengineering.

Expense ratio

2013 expenses

Expenses

<table>
<thead>
<tr>
<th>Country</th>
<th>2013 expenses</th>
<th>France</th>
<th>Italy</th>
<th>Spain</th>
<th>Poland</th>
<th>Turkey</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td>£189m</td>
<td>£52m</td>
<td>£48m</td>
<td>£50m</td>
<td>£24m</td>
<td>£363m</td>
</tr>
<tr>
<td>GI</td>
<td></td>
<td>£114m</td>
<td>£33m</td>
<td>£21m</td>
<td></td>
<td></td>
<td>£168m</td>
</tr>
</tbody>
</table>

Opportunities to improve efficiency
Cash: Simplifying legal vehicle structures

An Italian example

Transforming the structure

Simplifying legal vehicle structures to remove cash traps and increase remittances to Group
Growth: VNB and capital efficiency

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>119</td>
<td>166</td>
</tr>
<tr>
<td>Poland</td>
<td>35</td>
<td>51</td>
</tr>
<tr>
<td>Turkey</td>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>Italy</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>Spain</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td>Total Europe</td>
<td>253</td>
<td>319</td>
</tr>
</tbody>
</table>

VNB and strain net of taxation and minority interests

VNB has grown by 26% with a more efficient new business capital strain

Financials exclude Aseval, Eurovita, Russia and Danube
We have shifted our product mix towards unit-linked and improved profitability of guaranteed products. Our focus is now on growing protection.
Growth: Leveraging composite opportunity

**A French example**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Tied-Agents</th>
<th>Aviva Direct</th>
<th>Eurofil</th>
<th>UFF</th>
<th>Antarius</th>
<th>Brokers</th>
<th>DSF (Epargne Actuelle)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings &amp; investments</td>
<td>✔ ✔</td>
<td>✗</td>
<td>✗</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
</tr>
<tr>
<td>Protection</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
<td>✗</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
<td>✗</td>
</tr>
<tr>
<td>General Insurance</td>
<td>✔ ✔</td>
<td>✗</td>
<td>✔ ✔</td>
<td>✗</td>
<td>✗</td>
<td>✔ ✔</td>
<td>✗</td>
</tr>
<tr>
<td>Health</td>
<td>✔</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✔ ✔</td>
<td>✗</td>
</tr>
</tbody>
</table>

| Customers | 1.2m | 0.5m | 0.2m | 0.2m | 0.4m | 0.3m | 0.2m |

Our ambition is to move from fragmented operating models towards true customer composite across all our markets.
**Growth: Investing in Poland & Turkey**

### Life penetration in Europe*

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>UK</td>
<td>0.2%</td>
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<tr>
<td>Denmark</td>
<td>1.9%</td>
<td>2.6%</td>
<td>3.1%</td>
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<tr>
<td>Ireland</td>
<td>2.6%</td>
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<tr>
<td>France</td>
<td>5.3%</td>
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<tr>
<td>Switzerland</td>
<td>3.1%</td>
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<tr>
<td>Italy</td>
<td>4.5%</td>
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<tr>
<td>Germany</td>
<td>6.8%</td>
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<td>Spain</td>
<td>5.6%</td>
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<tr>
<td>Poland</td>
<td>6.0%</td>
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<tr>
<td>Turkey</td>
<td>9.0%</td>
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</table>

**Europe average:** 3.9%

### Value of new business

- **2012**: £65m (Turkey: £3m, Poland: £72m)
- **2013**: £90m (Turkey: £5m, Poland: £85m)

### Net cash remittance

- **2012**: £73m (Turkey: £3m, Poland: £70m)
- **2013**: £90m (Turkey: £5m, Poland: £85m)

We have strong positions in two of the fastest growing European markets. We will invest in our brand, products and distribution to capture future growth.

---

*2012 Swiss Re*
Since 2011 dividends to Group increased by £200m+ but there is more we can do to grow cash.

*Financials exclude Aseval, Eurovita, Russia and Danube
Aviva Europe in summary

Good franchise in selected key European markets

Priorities
1. Sustainable cash growth from France
2. Complete turnaround in Italy & Spain
3. Target best of breed efficiency
4. Invest in Poland & Turkey
5. Double protection and build GI scale

Our ambition

True composite
All products through all channels

Digital
Digitally enabled distribution & multi access capabilities

Not everywhere
Strong position in Europe’s key markets

Aviva Europe is well positioned for a European recovery but not dependent on it
Aviva Asia

Capitalising on Asia’s growth potential

Khor Hock Seng
Chief Executive Officer, Aviva Asia
Aviva Asia – Greater China and South East Asia

**Greater China**
- China: 50:50 JV with COFCO Group
- Hong Kong: 100% Aviva owned
- Taiwan: 49:51 JV with First Financial Holdings

**South East Asia**
- Singapore: 100% Aviva owned
- Indonesia: 50:50 JV with Astra International
- Vietnam: 50:50 JV with VietinBank

**Geographically focussed in markets with enormous growth potential**
- Large population, 25% of world total
- Strong GDP growth
- Rising Wealth and Middle Class
- Low Insurance Penetration

Strategically positioned footprint
**Strong local partners with great brands and customer reach**

### Market position
- Leading conglomerate in Indonesia
- US$25 billion market cap*
- 179 companies, including Bank Permata, finance companies & automotive manufacturing

### Distribution & Customer Reach
- 300 Bank Permata branches nationwide, with 2m customers
- Nationwide network of finance companies, with over 200 branches
- 10m AstraWorld customer database

#### Astra International
- Largest supplier of food & agricultural products in China
- Diversified business (real estate, financial services)
- RMB 266.8 billion total assets in 2013

#### COFCO
- #1 Bank in Singapore
- S$402 billion total assets in 2013

#### DBS
- #8 bank in Taiwan by total asset (NT$ 2,263 billion 2013)

#### First Financial Holding
- #8 bank in Taiwan by total asset (NT$ 2,263 billion 2013)

#### VietinBank®
- #1 bank by total asset (VND 576 trillion in 2013)

### Note: * As of 30/6/2014

Source: Partners’ websites
Foundation for growth evidenced by recent strong results

Value of new business*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of new business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>£47m</td>
</tr>
<tr>
<td>2013</td>
<td>£78m</td>
</tr>
</tbody>
</table>

Value of new business* (Q1 2013, Q1 2014)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value of new business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2013</td>
<td>£13m</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>£26m</td>
</tr>
</tbody>
</table>

VNB by distribution* (Q1 2014)

- Direct: 16%
- Tied Agents: 27%
- Brokers/IFAs: 37%
- Bancassurance: 20%

Strong results and momentum

*Note: Aviva markets in Greater China and South East Asia*
Strategic Priorities

1. Capitalise on the distribution strength and customer reach of our partners
   - Build an integrated distribution network with our partners to penetrate the customer base
   - Offer a holistic customer proposition supported by digital & analytics capabilities

2. Optimise and expand our multi-distribution platform
   - Grow owned channels by expanding Agency, Telemarketing and Online distribution
   - Accelerate growth of FA channel
   - Expand bancassurance channel by implementing an integrated sales model

3. Develop our multi-line and integrated product offering
   - Realise protection and savings market potential via multi-pronged product strategy
   - Optimise product mix to enhance profit margin
4. **Deliver a superior customer experience**

- Tailored products based on customer segmentation and data analytics
- Superior customer experience via digitally enabled multi-service touch points

5. **Drive digital into the DNA of the organisation**

- Digital to be embedded within both sales processes and customer service touch points
- Develop a holistic online digital sales platform offering GI, Life and retail Asset Management products where appropriate (e.g. Singapore)
Singapore: Winning through innovation and multi-distribution

Value of new business

<table>
<thead>
<tr>
<th>Year</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>£42m</td>
<td>£64m</td>
</tr>
<tr>
<td>Market APE by Distribution</td>
<td>54%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Value of new business

<table>
<thead>
<tr>
<th>Period</th>
<th>Q1 13</th>
<th>Q1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>£9m</td>
<td>£14m</td>
</tr>
<tr>
<td>Aviva VNB by Distribution</td>
<td>64%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Current Position

- Aviva is ranked #4 in Individual Life & Health with a market share of 10%
- Market leader in Group Business with a market share of c. 30%
- Market leader in online GI
- Ownership of PIAS, the largest FA in Singapore and Navigator, a funds administrative platform

Strategic Priorities

- Further expand bancassurance distribution with DBS
- Accelerate growth of the FA channel through a hybrid proposition
- Develop an integrated online sales platform offering GI and Life and retail asset management

Well positioned with great distribution platform

Note: Market rank and share based on Q1 2014 New Business APE
Source: LIA
China: Deepening distribution to drive profitable growth

**Value of new business**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 12</td>
<td>9</td>
</tr>
<tr>
<td>FY 13</td>
<td>16</td>
</tr>
</tbody>
</table>

**VNB by Distribution (2014 Q1)**

- **Direct**: 42%
- **Tied Agents**: 15%
- **Brokers/IFAs**: 33%
- **Bancassurance**: 9%

**Current Position**

- One of the broadest footprints among foreign JVs
  - 54 cities in 12 provinces
  - Total population of 800m
- Ranked in the Top 5 JVs in 8 provinces
- 9% spontaneous brand awareness
- Multi-channel distribution
- Strong partnership with COFCO (11m+ retail customers) – aligned objectives

**Strategic Priorities**

- Aggressively grow tied agency in tier 2 & tier 3 cities
- Accelerate telemarketing channel through an enhanced and integrated model
- Build a digital platform to support the COFCO customer proposition and wider customer base

**Strong foundation for accelerated growth**

Note: Market rank based on FY 2013 New Business Premium
Source: CIRC
**Indonesia: Unlocking the JV potential**

**Market opportunity**

- Largest economy in S.E. Asia: Growth at 6% p.a.
- Huge population of 250m
- Penetration is low at 1.2%
- Market margins at 50%+
- Future market growth at 10 - 15% p.a.

**Indonesia Market APE (US$ bn*)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.0</td>
<td>1.1</td>
<td>1.6</td>
<td>1.7</td>
<td>2.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

**Current Position**

- Newly formed JV with Astra – May 2014
- Exclusive partnership with Permata Bank
- Exclusive partnership with Astra’s finance companies
- Access to AstraWorld’s 10m customer base and 4-5m new customers each year from their finance and automotive businesses

**Strategic Priorities**

- Launch Bancassurance with Permata Bank
- Build distribution to support Astra’s finance companies and AstraWorld customer base
- Strengthen management team

**Excellent opportunity to build a leading life insurer**

*Note: * Converted from IDR at constant rate as of 31/12/13

*Source: AAJI*
Summary

Well positioned in excellent growth markets in Greater China and South East Asia

Strong local partners with great brands and customer reach

Strong distribution foundation

Strategies to enable us to drive our future growth
Q & A
Khor Hock Seng
Chief Executive Officer, Aviva Asia
David McMillan
Chairman, Global Health
Chief Executive Officer, Aviva Europe
Welcome to the Agora

Christine Deputy
Group HR Director
Similar to our investors, our people were losing patience.

2008
Pre Global Financial Crisis
“Liking the new recognition message and updated branding”

2009
Global financial crisis, 7,000 job losses in UK
“These are tough times”

2010
UK & Europe focus, You are the big picture
“I want to believe you”

2011
Big cuts, systems thinking & Street to School
“We love Aviva but we are not in love with Aviva”

2012
Shareholder Spring & Simplify
“I’m giving you the benefit of the doubt”

2013
Turnaround
“I can’t feel the change and I am worried it won’t ever change”

2014
Transformation
“We are optimistic, but there is more to do”
Building the future, today

- Purpose, Values & Culture – aligned to business strategy
- Operating Model to drive business performance
- Investment in Talent
- Measurement and Insight driven Communication
- Reward – Pay for Performance (What & How)
What colleagues are saying...

"We are encouraged to be innovative in our work but don't really have the opportunity to collaborate and share with our colleagues"  
80% encouraged to be innovative  
53% have opportunities to collaborate

"Our strategy is nearly there but now we need more detail and to see how it will work in practice"  
71% feel our strategy is the right one

"It's great to see how the performance of the business has improved, but we're not getting the recognition for the work we do"  
Over 1/2 feel colleagues are recognised for doing a good job

"We're starting to feel proud to work for Aviva again"  
70% pride  
9 points

"We appreciate the increased openness and honesty of our senior leaders, particularly when they engage with us directly"  
3/5 believe there is open and honest communication  
10 points
Productivity and systems thinking

Nick Amin
Chief Operations and Transformation Officer
'Life begins at the end of your comfort zone'

Neale Donald Walsh
In Summary

1. More to do, we are not done
2. Ship is turning
3. We will deliver as we have the execution focus
4. We are on it

We will not call victory too early
Systems Thinking in Aviva

Why, What, How and So What.

Scott McFie, Head of Systems Thinking
Why?...Systems Thinking
We have consistently found improved results in every area we have worked in.

Purpose
Design against customer demand

Removing waste
One stop, end to end thinking

Typical +30 point increase in NPS

CUSTOMER

Efficiency Model
Macro Cost Savings

Sustained +20 point increase in EPS Engagement

Typical 10% - 20% initial cost opportunity across the business

Developing leaders
Building capability

PEOPLE

FINANCIAL

Commercial – it works… on all levels

We have consistently found improved results in every area we have worked in.
"We can’t solve problems by using the same kind of thinking we used when we created them" –

Relates to Thinking

"Insanity: doing the same thing over and over again and expecting different results" –

Relates to Method
Systems Thinking is about more than Operations

We can use Systems Thinking to become more efficient in support functions…

Customer (Purpose)  
Operations  
Support

But…more importantly, how do support functions ENABLE “Systems Thunk” Operations to better understand and meet customer purpose.

We have Systems Thinking work in IT and Change, HR and more recently, Finance, Audit and Marketing.
What?...Systems Thinking
A gentle Intro
… there is a (tenuous) connection between these two, honest!

Genichi Taguchi
1924 - 2012

Brodie McFie
(age 12)
Why this works –

Net Promoter Score (NPS)

What the customer wants

Costs £

Deviation from CUSTOMER purpose gets expensive and hits NPS

Learn to design the way of working to meet the customer demand and not only does this improve Customer Sat, it also costs us less

Hierarchy and Management factory

- Reporting
- MI
- (Local) process Improvement
- Projects
- Complaints Team
- New Business/Marketing
But surely claims cost would rise?

A major Claims area

- Like for like claims cost down £15m p.a. on c £350m spend and still reducing

AND…

- Net Promoter Score from -3 to +53
- Headcount from 355 to 280 and a further 150 roles insourced and absorbed
- 40%+ more efficient.
How?... Systems Thinking
So what’s going on? - how do we see the “before” for what it really is, and make the transition to “the after”

**CHECK (STUDY)**
- Understand current performance – “what and why”
- Use front line staff to study the work – with leaders and data.

**RE-DESIGN (PLAN)**
- Identify levers for change and Experiment to get to perfect. Design against the customer demand.
- Do different assumptions and operating principles lead to improved performance

**DO**
- Implement the changes. Roll-In to the new design
- Make the new principles normal & sustainable at an organisational level. Much harder than in Re-design. This phase is about achieving because of the system design, not despite it.

Without exception, the Leaders who have been through the “Check” have been surprised by what they have learned, and are more aware that it’s a work design problem.

**And they now have a moral imperative and ambition to act sustainably**
Systems thinking connects real insight with real influence.

It’s a different type of Leadership …

If you want to change Performance, (Leadership) Thinking must change. Analysis is bottom up from the work (with Leaders). Change happens at the thinking level. More attention to the system.
So What … Results and next steps
Life Policyholder Contact

- 70% Failure Demand
- 58% Customer Satisfaction
- 37% EPS Engagement

200/month Complaints
£2.5m cost savings even with repatriation of offshore work (160 FTE)

Annuity death claims

- 18% Failure Demand
- 90% Customer Satisfaction
- 85% EPS Engagement

- 45 Days
- 0% First Point Resolution
- Between 5 and 15 touch points per claim

- 65% First Point Resolution
- 80% Reduction in post and paper
- 50% Reduction in reminders

Reduced cost £0.9m IN 4 MONTHS, from £1.3m to £0.4m (70%)
…to conclude

• We have tried and tested method and capability in Systems Thinking that drives and underpins our Theses – Investor, Customer, Distributor and People

• It aligns perfectly to our Values

• So, when we say we will be more efficient AND transform the customer experience… we can, we have and we will.
...Thank You
Q & A
Mark Wilson
Group Chief Executive Officer
Tom Stoddard
Group Chief Financial Officer