Investor update
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Aviva plc
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For a more detailed description of these risks, uncertainties and other factors, please see ‘Other information – Shareholder Information – Risks relating to our business’ in Aviva’s most recent Annual Report. Aviva undertakes no obligation to update the forward looking statements in this presentation or any other forward-looking statements we may make. Forward-looking statements in this presentation are current only as of the date on which such statements are made.
# Plan of action

<table>
<thead>
<tr>
<th>Today</th>
<th>For 20(^{th}) November</th>
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<tbody>
<tr>
<td>Complexity</td>
<td>Strategic direction</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Execution plan</td>
</tr>
<tr>
<td>Financials</td>
<td>Targets</td>
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My first 90 days

Feedback from our stakeholders

- **Customers** – mostly a positive experience but some journeys can be difficult

- **Investors** – clarify strategy, address leverage, dividend outlook and earnings quality

- **Employees** – great people, but bureaucracy and structural complexity hold us back

- **Distributors & partners** – strong relationships and ready to do more business with Aviva
Aviva has attractive foundations

Robust capital, cash and asset quality

We have focused and strengthened

Improving performance

Solvency II cover ratio

Operating earnings per share

Our markets

<table>
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<tr>
<th>Year</th>
<th>Solvency II Cover Ratio</th>
<th>Operating Earnings per Share</th>
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<tbody>
<tr>
<td>2015</td>
<td>180%</td>
<td>49.7p</td>
</tr>
<tr>
<td>2016</td>
<td>189%</td>
<td>51.1p</td>
</tr>
<tr>
<td>2017</td>
<td>198%</td>
<td>54.8p</td>
</tr>
<tr>
<td>2018</td>
<td>204%</td>
<td>58.4p</td>
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2011: 28
2019: 14
Strong franchises with great potential

UK Life
- Leading insurer with 17% share
- #1 in workplace pensions
- Capturing DB assets in motion

General Insurance
- Expand SME and commercial lines
- Canada recovery on track
- Consistent COR

Europe
- Growing multi-channel distribution
- Pension reform in France
- Product innovation

Aviva Investors
- Real assets origination
- Grow 3rd party franchise internationally
- Savings and retirement solutions

Asia
- Leading player in fast growing Singapore FA channel
- China profitable and growing
- Indonesia and Vietnam turn profitable in 2020
What can we improve to capture opportunities?

**Complexity**
- Management structure
- Organisational design
- Business and portfolio

**Efficiency**
- Lack expense discipline
- Return on investment focus
- Resourcing model

**Financials**
- Leverage versus peers
- Capital generation
- Growth and margins
Focus on fundamentals
The Aviva leadership team

Market CEOs

Angela Darlington*  
UK Life

Colm Holmes*  
General Insurance

Patrick Dixneuf  
Europe

Chris Wei  
Asia & Digital

Euan Munro  
Aviva Investors

Maurice Tulloch  
Group CEO

Functions

Jason Windsor*  
Finance

Chetan Singh  
Strategy and M&A

Nick Amin  
Operations & IT

Julian Woodford  
Risk

Kirsty Cooper  
General Counsel

Caroline Prendergast  
People

*Effective as of 1st of July 2019, subject to regulatory approval
Simpler structure with clear accountability

**Lean corporate centre**
- Group strategy, brand
- Capital allocation
- Steering
- Group standards
- IR and M&A

**Accountable business units**
- Local strategy
- Results
- Operational efficiency
- Customer value
- Cash & capital

What does this mean in practice?
- Clear definition of roles
- Remove duplication
- Empower business leaders
- Stronger customer focus
- Clear accountability for results
UK Life and GI under separate leadership

UKI structure – what worked and what didn’t?

- Improved co-ordination of customer teams across products leading to strong new business wins, particularly in corporate
  However

- Introduced more complexity in organisational design and management structure
- Did not deliver expected efficiency benefits

Why are we returning to separate UK leadership?

- Improved focus on competitiveness and performance
- Reduces management and governance complexity
- Aligns digital trading to the businesses
- No change in legal entity structure or capital impacts

Previous structure

UK Insurance + UK Digital

New structure

UK Life + UK General Insurance
Digital aligned with the trading businesses
Digital – a change in emphasis, not commitment

**2015-2018**
Developing UK direct to consumer digital business, and core digital and data infrastructure

- Grown UK digital direct business from 3.2m to 5.3m customers
- Innovative propositions: AvivaPlus, MyAviva & MyPension
- Built single customer view and established Quantum to leverage data for trading, pricing and underwriting

**2019 onwards**
Deepening digitisation across channels and markets

- Integrate digital direct channel within UKGI
- Deepen digitisation to enhance customer experience and efficiency across Broker, Partnership and Corporate
- Enhanced focus on commercial outcomes
Digital – how we serve customers in the UK

Maintaining our holistic approach to customer service

• Customers: 4.0m UK digital direct and 1.3m QMH

• MyAviva remains a single point of service, providing customers with convenience and a great user experience

• MyAviva “skins” to be rolled out in D2B2C and partner channels, broadening its customer reach

• Aviva Plus: recently launched proposition recognising loyalty
A renewed focus on efficiency is necessary

Targeting £300m run rate reduction by 2022

- Expense base
  - £bn
  - Not to scale

<table>
<thead>
<tr>
<th>FY18</th>
<th>Inflation</th>
<th>Project &amp; change spend</th>
<th>Operational expenses</th>
<th>FY22e</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.0</td>
<td>1.0</td>
<td>0.3</td>
<td>3.7</td>
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Introducing an efficiency focused cost culture

- Lean centre and simpler structure reduce complexity
- Investment in the businesses to continue but with higher returns for projects with clear ownership to improve productivity
- c.18k role reductions over 2019-21
- Digitise value chain, benefiting from innovation and technology
- Cost target net of inflation and at constant FX
- Cost to achieve savings expected to be c.£300m over 2019-21

*Targeted run rate reduction in total expense base net of inflation and at constant perimeter & FX*
Reaffirming key financial messages
Capital generation supports dividend sustainability

Operating capital generation

Growth in OCG enables growth in the dividend

- Group SII OCG comfortably covered a growing dividend over 2016-18 while also enabling £2.3bn capital returns in 2017-18
- The dividend remains paramount, with growth in OCG over the long term being the key driver in growing the dividend
- There will continue to be timing differences between capital generation and cash-flows but OCG remains a good leading indicator for cash

Levers to grow OCG going forward

- Underlying OCG will benefit from:
  - BU growth, Canadian recovery and optimised fundamentals
  - Reducing operational expenses and interest costs
  - Disciplined approach on project expenditure leading to higher returns
- Other capital actions likely to continue, albeit on a smaller scale
£7.9bn cash inflows to Centre over 2016-18

2019-21 outlook for cash inflows to Centre comparable to 2016-18

Funding:
• Progressive dividend policy: maintain or grow the dividend over time
• Debt deleveraging: plan to reduce debt by at least £1.5bn by 2022
• Interest and Centre costs

Managing run rate of cash to support a sustainable and growing dividend

• Cash-flows are managed depending on Centre cash needs, external market conditions and local growth opportunities
• Strong centre liquidity provides resilience to short-term variations
2019 operating trends

YTD underlying trends broadly consistent with 2018
• Continued growth momentum in Europe and Asia
• Canada recovery progressing, on track to achieve underwriting profitability in 2019
• Lower BPA sales to date compared to 1H18 record levels, with pipeline giving confidence for FY growth
• Challenging Individual Protection trends from 2H18 continue in 1H19
• Revenue in savings challenged by lower markets at the beginning of 2019, with Aviva Investors maintaining investment in capabilities

CMI 18 confirms slowing longevity improvement trend
• Work to be completed in 2H19. As a result, 1H19 not expected to include benefit from UK Life longevity

Strong cash remittances including specials, albeit lower than FY18 record levels of £3.1bn

Reiterating our progressive dividend policy and our £1.5 billion debt reduction target
Today’s key messages

Aviva has strong foundations

Well positioned franchises with profitable growth potential
Strong underwriting, distribution and investment fundamentals
Robust capital, cash and asset quality

With opportunities to improve performance

A simpler, more effective operating structure with lean group centre
Targeting £300m run rate reduction in costs by 2022 with continued investment in growth
Increased commerciality and discipline

And provide better shareholder returns

Reaffirming dividend policy and debt reduction target
Focus on improving run-rate of OCG and cash-flow
Trading trends consistent with 2018