

Aviva Half Year Results 2020

It's an exciting day for me presenting my first set of results at Aviva. More than that, it's exciting because today we can draw a line. From this moment on we must look forward towards the brighter future that I know is waiting for Aviva. I don't want to dwell too much on the numbers in this message. You can read all the detail in our press release. But I do want to say a huge thank you to all our people who contributed to what are a very solid set of results.

Today's results are the tangible evidence of the incredible effort our people have made in supporting our customers in the last six months. Through floods, storms and a global pandemic. And Aviva's response has been spot on - whether that be the smooth running of our business; the £43 million we have donated to support charities and communities; or how our people have looked after our customers. I couldn't have asked for more and am incredibly proud of the hard work of all our people.

We will take that confidence, in what we have achieved, into the rest of the year and beyond. Because it's the future I want everyone focused on. I said I would work at pace to assess our strategic opportunities. That is exactly what I have been doing and today I want to be clear about the future direction of travel.

Let me start by saying that Aviva has enormous potential:

- We have fantastic franchises;
- Market leading capabilities;
- Trusted long-term relationships with both customers and distributors;
- And, above all, we have great people.

To unlock that potential, meaningful change is required. I have three priorities that I want to be clear on today.

First, we will focus the portfolio. In the UK, Ireland and Canada, where we have market leading positions and a clear path to win, we will be investing for growth. Our aim is to be the UK's leading insurer. In our international businesses, in Europe and Asia, we will take a disciplined approach to investment and will manage these businesses for long-term shareholder value. These are excellent businesses with great people. But we have to be realistic in our broader ambitions if we are to unlock the full potential of Aviva. Where we see attractive opportunities to be market leaders, generate strong returns, deliver robust cash flows to the centre and ultimately win - we will invest. But if we cannot meet our strategic objectives, we will take a decisive action and we will withdraw capital. Ultimately there may be better owners for these businesses than Aviva in the longer-term.

Second, we will transform performance. I've been a competitor of Aviva's for a large part of my career and I can tell you that Aviva has a formidable market position. In terms of our brand, customers, distribution and capabilities in digital and data science. I am very proud of everything our people have done to look after our customers through these exceptional circumstances. More than anything, we need to believe. Look at what we have today. We have a business that offers a huge range of products and services. A business that not only maintained excellent service to customers during the pandemic but improved upon it. We have relationships with brokers and intermediaries that our competitors cannot replicate. And we have a business that has made huge leaps in digitisation. We have been quietly building up registrations and digital interactions.

These are all things to be incredibly proud of. Make no mistake though, we are not the finished article and there is a lot that must be done to bring it all together. But we need faster decision-making and more focus. I am going to bring a new intensity to how we approach performance management and competitiveness.

My third priority is financial strength. It is clear we need to create greater financial flexibility to either invest in our businesses or to return capital to our shareholders. Financial strength and debt reduction are key priorities for me. And they will be at the heart of our strategy going forward. In line with this, we have announced today a second

interim dividend in respect of the 2019 fiscal year of six pence per share. This is consistent with our solid financial position and resilient results. But also, a cautious stance towards economic risks as the economy slowly emerges from the current crisis.

My ambitions for Aviva are BIG but they are realistic. I firmly believe that everything we need for future success is in place but there is one key area where we need to make a huge improvement – delivery. The truth is, and let's be honest, we haven't been as good as we needed to be in that respect and that needs to change. I don't intend to distract the organisation with another lengthy strategic review or a capital markets day. With the right strategic focus, a commitment to high performance and unwavering financial discipline, we will win. Our investors and our customers – and our people – expect action, progress and improvement. And we are going to give it to them.

END