Aviva plc

Cash flow plus growth...Upgraded
Capital Markets Day 2017
Disclaimer

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Mark Wilson
Aviva plc
Group Chief Executive Officer
Cash flow plus growth...Upgraded

Leading franchises
- Disposals complete
- Quality and focus
- Underlying growth

Growth
- Growing share
- Composite delivering
- Better earnings quality

Digital
- Leading IP
- Partner of choice
- Enhanced efficiency

Capital
- De-leveraging
- Bolt-on M&A
- Capital returns
# Composites win in a digital world

<table>
<thead>
<tr>
<th>More data</th>
<th>Lower cost</th>
<th>More capital efficient</th>
<th>Deeper relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior insight</td>
<td>Scale</td>
<td>Diversification benefit</td>
<td>Capturing value chain</td>
</tr>
<tr>
<td>Cross-underwriting</td>
<td>Customer acquisition</td>
<td>Lower volatility</td>
<td>Multi-product</td>
</tr>
<tr>
<td>Positive risk selection</td>
<td>Administration</td>
<td>Higher margins</td>
<td>Higher retention</td>
</tr>
</tbody>
</table>
“We are focused on 8 attractive, growing markets where we are, or have the potential to be best in class. It is these businesses that will underpin cash flow plus growth”

France
Cash generator underpinned by strong distribution

Canada
Leading general insurance franchise with high ROE

Poland
High ROE business with strong distribution and digital credentials

UK
#1 composite providing a core growth engine and high levels of sustainable cash flow

Italy
Rebounding economic opportunity providing strong net flows

Ireland
A leading brand in a growth economy with accelerated development of the composite model

Singapore
Accelerating development of the financial advisor channel in an attractive growth market

Aviva Investors
A strong growth engine underpinned by increasing third party assets and positive cost-income jaws
High potential acorns

“*We have made a number of strategic bets that will accelerate growth and provide increased value over the long term*”

- **China**: Delivering strong growth in sales and operating profit in one of the world’s largest insurance markets
- **Hong Kong**: Joint venture with Tencent and Hillhouse focused on digital disruption
- **Turkey**: Leading position in the life and pension market and exposure to a large, young and growing population
- **Indonesia**: Bancassurance venture in an underpenetrated, high growth emerging market
- **India**: Reassessing options given changes in market fundamentals
- **Vietnam**: Leading business in one of the fastest growing Asian economies
- **Corporate & Specialty**: Selective expansion provides a natural extension to our existing strength in retail and commercial lines
Building track record of outperformance in the UK

### Performance*

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>HY16</th>
<th>FY16</th>
<th>HY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>FY15</td>
<td>102</td>
<td></td>
<td>142</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td></td>
<td>64</td>
<td>89</td>
<td></td>
</tr>
<tr>
<td>Annuities and Equity Release</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>FY15</td>
<td>519</td>
<td></td>
<td>656</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>246</td>
<td>309</td>
<td></td>
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</tr>
<tr>
<td>Protection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td>159</td>
<td></td>
<td>242</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td></td>
<td>114</td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>General insurance</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>FY15</td>
<td>322**</td>
<td></td>
<td>392</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>190**</td>
<td></td>
<td>213</td>
<td></td>
</tr>
</tbody>
</table>

### Track record

- 39% year on year growth*: workplace pensions leader
- Advisor platform: 10% share of net flows
- 26% year on year growth*
- Mid-20% market share in individual annuities & equity release
- Only 5% share of BPA
- Strong double digit growth*
- c20% share in individual and group protection
- Leading distribution
- NWP: high single digit growth
- Digital direct NWP: double digit growth
- Reported COR: 93-95%***

### Growth drivers

- Auto-enrolment
- DB to DC
- Grow platform share
- Savings assets: 11% CAGR
- DB de-risking: £1.3tr market
- Increased BPA appetite
- Asset optimisation £14bn
- Modest growth segment
- TCC opportunity
- Expense and pricing discipline
- Digital direct
- Partnerships

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*Operating profit before tax (£m) **restated for the internal loan ***excluding the impact of Ogden
Consistently delivering growth outside the UK

**Performance**

<table>
<thead>
<tr>
<th>International Life</th>
<th>FY15</th>
<th>FY16</th>
<th>VNB</th>
<th>HY16</th>
<th>HY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>France: 47% UL &amp; Protection</td>
<td>416</td>
<td>504</td>
<td>193</td>
<td>246</td>
<td></td>
</tr>
<tr>
<td>Poland: #2 with attractive returns</td>
<td>3,474</td>
<td>4,269</td>
<td>1,985</td>
<td>2,577</td>
<td></td>
</tr>
<tr>
<td>Ireland: #4 Life (pre Friends First)</td>
<td>123**</td>
<td>148</td>
<td>43</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Turkey: doubled operating profit (HY17)</td>
<td>105</td>
<td>139</td>
<td>49</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>All numbers in £m **Restated for DBS ***FY15 &amp; FY16 on MCEV basis with HY16 &amp; HY17 on adjusted SII basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**International GI**

| Canada: #2 with 11% market share | 3,474 | 4,269 | 1,985 | 2,577 |
| France: Eurofil #2 direct GI player | 123** | 148  | 43  | 71   |
| Ireland: market leader (15% share) | 105  | 139  | 49  | 71   |
| Consistently attractive CORs | 3,474 | 4,269 | 1,985 | 2,577 |

**Asia**

| Attractive mix: 51% protection | 123** | 148  | 43  | 71   |
| Singapore: >500-strong FA network | 105  | 139  | 49  | 71   |
| China: VNB x2 at HY17 | 3,474 | 4,269 | 1,985 | 2,577 |

**Aviva Investors**

| Operating profit: 45% growth at HY17 | 123** | 148  | 43  | 71   |
| AIMS: AUM x3 at HY17 (vs. FY15) | 105  | 139  | 49  | 71   |
| HY17 operating margin: 26% (+6pp) | 3,474 | 4,269 | 1,985 | 2,577 |
| HY17 external revenues: 35% total (+5pp) | 123** | 148  | 43  | 71   |

**Track record**

- France: 47% UL & Protection
- Poland: #2 with attractive returns
- Italy: €2bn+ net inflows p.a.
- Ireland: #4 Life (pre Friends First)
- Turkey: doubled operating profit (HY17)
- Canada: #2 with 11% market share
- France: Eurofil #2 direct GI player
- Ireland: market leader (15% share)
- Consistently attractive CORs
- Attractive mix: 51% protection
- Singapore: >500-strong FA network
- China: VNB x2 at HY17
- Operating profit: 45% growth at HY17
- AIMS: AUM x3 at HY17 (vs. FY15)
- HY17 operating margin: 26% (+6pp)
- HY17 external revenues: 35% total (+5pp)

**Growth drivers**

- Diverse distribution
- Product development (e.g. hybrids)
- Pensions reforms
- Attractive demographics
- Friends First
- Partnerships
- Digital disruption
- Channel diversification
- Hardening market
- Disruptive strategies
- Partnerships (Tencent, Astra & VietinBank)
- Increased 3rd party AuM
- Product diversification
- Positive cost-income jaws
# Leading IP and enhanced efficiency

<table>
<thead>
<tr>
<th>Effortless experience</th>
<th>Deeper relationships</th>
<th>Low-cost</th>
<th>World-class partnerships</th>
<th>Strategic investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ask It Never</td>
<td>MyAviva</td>
<td>Back-end digitisation</td>
<td>Tencent</td>
<td>Wealthify</td>
</tr>
<tr>
<td>Digital Wallet</td>
<td>MyContact</td>
<td>Automation</td>
<td>HSBC</td>
<td>Aviva Ventures</td>
</tr>
<tr>
<td></td>
<td>Aviva Plus</td>
<td>Artificial intelligence</td>
<td>RBC</td>
<td></td>
</tr>
</tbody>
</table>

**How to measure success?** digital interactions and revenues
Excess capital, excess cash

Solvency surplus increased, calibrations strengthened

<table>
<thead>
<tr>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16*</th>
<th>HY17*</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6</td>
<td>7.1</td>
<td>8.3</td>
<td>8.0</td>
<td>9.7</td>
<td>11.3</td>
<td>11.4</td>
</tr>
</tbody>
</table>

- Remittances (2016-18) £8bn
- Cash to deploy
  - £3bn
  - £2bn (2018e)
  - £1bn (2019e)

* FY11-FY15 on economic capital basis. FY16-FY17 on Solvency II basis
Excess cash deployment fuels additional growth

- £900m debt reduction
- Interest cost savings >£100m pa
- 3-4% de-leveraging

£900m debt reduction

£1.1bn other deployment

Bolt-on M&A
Capital returns

2018e – £2bn

£1.1bn other deployment
£900m debt reduction
Improved cash pay-out potential underpins higher sustainable dividend

**Improved earnings/cash conversion**

- **Lower integration & restructuring**: 5-8%
- **FPI disposal**: c7%
- **Debt repayment**: 3-5%
- **Cash pay-out potential**: 15-20%

**2017: 50% target pay-out ratio**

**2020: 55-60% target pay-out ratio**
Cash flow plus growth... Upgraded

- **Operating EPS**: Mid-single digit growth in the medium term
- **Cash**: £7bn cash remittances 2016-18 inclusive
- **Dividend**: £8bn, pay-out ratio target 50% (2017) to 55-60% (2020)
Tom Stoddard
Aviva plc
Chief Financial Officer
Our financial priorities

**Earnings**
- Improving quality
- Increased ambition

**Capital & Liquidity**
- Maintain strength
- Accretive deployment

**Dividend**
- Sustainable
- Consistent growth
Diversified portfolio

%FY16 market operating profit (adjusted for disposals*)

By geography

Non UK 42%
UKI 58%

By segment

FM 5%
GI 25%
Life 70%

Cash flow plus growth...Upgraded

Winning positions

Control over destiny

TCC / Digital First

Consistent cash plus growth

Disruptive strategies

First-class JV partners

Digital / Distribution expertise

Accelerated growth options

*FPI, majority of Spain, Antarius & Banco BPM
Cash flow plus growth: UK Insurance

#1 Composite*

- #1 ind. Annuities
- #2 equity release
- #1 workplace
- #4 platform (net flows)
- #1 GI
- #2 protection

- Double digit growth** across all core segments
- Single operating model
- Building track record for exceeding targets

Leveraging growing UK pension pools

- BPA opportunities from DB de-risking
  - Market leader on small BPA deals (<£300m)
  - Superior skill set to be major player across whole market (£600m Pearson win)
- Fast-growing long-term savings profit pool driven by workplace & platform

Outperforming on Capital / Cash

- Asset optimisation towards illiquids
- Prudent risk management: hedging & reinsurance
- Part Vlls completed: capital & cash upsides expected
  - £4-4.5bn cash expected vs. £3.5-4bn target 2016-18

Longevity

- Prudent reserving policy, reflecting customer base’s profile
- Material slowdown in mortality improvements experienced over last 4Y with CMI16 further reflecting this
  - Upside potential while maintaining prudence

*Rankings at end 2016 based on Aviva’s analysis of data from company reporting, Fundscape, AON and GlobalData.  **Operating profit
Cash flow plus growth: France

#2 contributor to Group*

- Leadership in 5 distribution channels
- Composite: Life, GI & Aviva Investors
- New management making impact
- Sale of Antarius for 16.4x net earnings in 2017

Transformed strategy

- Single brand; 4 customer propositions
- Maintain focus on risk products
- Offer attractive & alternative savings products
- Disciplined digitalisation across all channels

Optimise capital & cash

- DVA application in progress in France
- French supplementary pension funds (FRPS**) in 2018 to enable better risk management
  - Potential benefits to local capital
  - Supports dividend-paying capacity to Group

Interest rates

- Asset returns comfortably above average guarantees
- Downwards trends in both crediting & guarantee rates
- Further optimise product mix
- On-going management

*Operating profit  ** Fonds de Retraite Professionnelle Supplémentaire
Growth ambition >5% p.a. 2019 onward

Operating EPS

2013-16 CAGR +5%

2013-16 CAGR +5%

44.2p 49.0p 49.7p 51.1p 25.8p

FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20

Not to scale

perimeter changes from 2016 onwards

Headwinds

- Perimeter changes: FPI, Spain, Antarius & Banco BPM
- Canada in 2017
- Change spend (IFRS17, IT etc.)

Tailwinds

+ Organic growth in major markets
+ Investment optimisation & backbook actions
+ Capital returns
+ FX in 2017
+ New partnerships & acquisitions: HSBC UK, Ireland, Tencent, Wealthify
**Profit growth converting to strong capital & cash generation**

<table>
<thead>
<tr>
<th>BU normalised operating profit net of tax &amp; MI</th>
<th>BU underlying SII generation</th>
<th>Cash remitted to Group</th>
<th>Debt, centre &amp; other ongoing costs</th>
<th>Normalised excess centre cash flow</th>
<th>External dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>c80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c90%</td>
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**Medium-term payout ratio target:** 55-60%

- **c80%** of BU operating profit after tax & MI converts to capital surplus (OCG)
- **c90%+** of BU OCG converts to cash remittances
- SII life new business now largely self-funding
- Underlying trend underpins SII cover ratio at or above current levels
- Other capital actions likely to boost SII ratio further in 2017-19 and may temporarily distort timing & conversion ratios
- Operating EPS growth ambition >5% p.a. from 2019 onward
Why increase pay-out ratio target?

Pay-out ratio: 55-60% 2020

1. Enhanced capital generation & cash flow as business units optimise for SII

2. Improved quality of earnings
   • Eliminating cash drain of below-the-line integration & restructuring costs
   • Divesting cash-poor FPIL earnings

3. Savings from paying off expensive debt in 2017 & 2018
## Strengthened capital position and upgraded ratings

**SII cover ratio**

<table>
<thead>
<tr>
<th>Shareholder basis</th>
<th>FY15</th>
<th>FY16</th>
<th>HY17</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>180%</td>
<td>189%</td>
<td>193%</td>
</tr>
</tbody>
</table>

- **Moody’s**: Aa3, Stable
- **Fitch**: AA-, Stable
- **S&P**: A+, Stable
- **AM Best**: A, Stable

- **£300m**: 2017 share buy-back complete
- **$650m**: 8.25% RT1 notes redeemed
Capital resilient to stress

- Well capitalised
- Tightly matched
- High quality investment portfolio
- Well positioned to respond to market fluctuations
- Within working range across all sensitivities, incl. 2008 & 2011 financial crises

*Estimates based on observed market movements during these crises and intended to provide a high level indication of the Group's solvency position in these scenarios
Industry-leading financial risk management

Capital surplus
- FY11 (EC): £3.6bn
- HY17 (SII): £11.4bn
- HY17 (SII) over FY11 (EC): 130%
- HY17 (SII) over FY11 (EC): 193%

High quality investment portfolio (shareholder assets)
- Debt securities
  - FY11
    - AA & above: 36%
    - A: 31%
    - BBB: 21%
    - <BBB: 26%
    - Non rated: 18%
  - HY17
    - AA & above: 50%
    - A: 26%
    - BBB: 18%
    - <BBB: 18%
    - Non rated: 18%

- Commercial mortgages
  - FY11
    - LTV: 102%
  - HY17
    - LTV: 58%

Hedging
- Strategic hedges protect balance sheet and support efficient capital allocation
  - Macro credit & equity hedges
  - Interest rates, inflation & FX risks mitigated through matching, incl. derivative programmes
- Tactical hedging around specific events

Reinsurance
- Group-wide catastrophe reinsurance programmes
  - Per event: £150m retention (UK)
  - Aggregate: £175m retention (Group)
- Specific reinsurance (e.g. latents)
Building cash capacity for redeployment

**Liquidity before capital redeployment**

- **Liquidity management**
  - Maintain both:
    - Centre assets within £1.0-1.5bn range
    - Liquidity coverage ratio (‘LCR’) >100%
  - Forward look over 2 years under 1-in-15 stress

**FY14** - £1.1bn
**FY15** - £1.3bn
**FY16** - £1.8bn
**FY17e** - £1.0bn
**FY18e** - £1.0bn
**FY19e** - £1.0bn
**FY20e** - £1.0bn

**BU remittances & proceeds from disposals net of ordinary dividends, centre & debt costs**

**2017**
- £0.8bn redeployed

**2018e**
- £2.0bn available for redeployment

Not to scale
Expect to redeploy £2bn excess cash in 2018

2017

Strong operating generation supporting dividend & organic growth

£0.8bn returned to debt investors & shareholders in 2017

Small scale strategic investments

2018e

£0.9bn

1. Deleveraging
- Hybrid debt repayment
  - €500m 6.875% T2 (May*)
  - $575m 7.875% RT1 (November*)

Disciplined

2. Bolt on M&A
- Focus on major markets
- Strengthen positions
- Friends First Ireland acquisition to complete in 1Q18 (£130m)

>£0.5bn

3. Capital returns
- Liability management
- Returns to shareholders
- Not mutually exclusive

*Optional first call dates
And another £1bn in 2019

£1bn for discretionary deployment

**2019e**

- Dividend remains paramount
- Returns to shareholders
- Continued focus on optimising cost of debt

**Beyond**

Sll ratio trending above working range

**Capital returns**

- Dividend remains paramount
- Returns to shareholders
- Continued focus on optimising cost of debt

**Bolt on M&A**

- Focus on major markets
- Reinforce our winning positions
- Disciplined approach
Cash flow plus growth...Upgraded

- Operating EPS: Mid-single digit growth in the medium term
- Cash: £7bn cash remittances 2016-18 inclusive
- Dividend: £8bn pay-out ratio target 50% (2017) 55-60% (2020)
Maurice Tulloch

Chief Executive Officer

International
Growth ambition in International

Focused footprint

Significant positions in some of the world's largest insurance markets

Partnerships

Strong and diversified distribution

Growth

Building a track record
Aviva International’s business

**Operating profit**
- £1.3bn
- 36% of group

**VNB** and **NWP**
- VNB - £0.5bn
  - 37% of group
- NWP** - £4.3bn
  - 52% of group

**Operating Capital Generation**
- £1.3bn
  - 38% of group

**Cash**
- £0.6bn
- 35% of group

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*Includes France, Italy, Poland, Ireland, Turkey & Canada and based on FY16 numbers   ** General Insurance only, excludes Health
The International markets

- World’s 5th largest insurance market
- Leadership in 5 distribution channels

- World’s 8th largest insurance market
- #2 in GI

- #2 in Life
- Great ROE

- World’s 7th largest insurance market
- Fast growth #12 to #7 in 2016

- Operating profit more than doubled (HY17)
- Auto-enrolment & TCC opportunity

- #1 in GI, #4 in Life
- Highest GDP growth in Europe
Accelerating our ambition in Ireland

- Superior brand
- 800k customers
- Proven growth and underwriting expertise

- €130m consideration
- 250k customers
- Market leader Group Risk and Protection

Market leading composite insurer

- #4 Life insurer
- #1 GI insurer
- 1.1m customers
- Scale benefits
- Attractive composite product offerings
- Accelerated growth
## Strong diversified distribution and partnerships

<table>
<thead>
<tr>
<th>Country</th>
<th>Owned channels</th>
<th>Key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>✓ #2 Direct GI&lt;br&gt;✓ #2 FA network</td>
<td>[Aviva Direct, Afer]</td>
</tr>
<tr>
<td>Canada</td>
<td>✓ Small Direct GI&lt;br&gt;✓ Select owned brokers</td>
<td>[RBC, OTIP RAEO, TESLA, MLSE]</td>
</tr>
<tr>
<td>Poland</td>
<td>✓ #1 Life Direct Sales Force&lt;br&gt;✓ #2 FA network</td>
<td>[Bank Zachodni WBK, Grupa Santander]</td>
</tr>
<tr>
<td>Italy</td>
<td>✓ Developing strategy</td>
<td>[UBI Banca, UniCredit]</td>
</tr>
<tr>
<td>Ireland</td>
<td>✓ Direct GI</td>
<td>[AA, Ulster Bank, Poste Mobile]</td>
</tr>
<tr>
<td>Turkey</td>
<td>✓ #1 direct sales force&lt;br&gt;✓ Growing agency network</td>
<td>[AKBANK, odeabank]</td>
</tr>
</tbody>
</table>

### Owned channels:
- #1 Direct GI: A top-tier direct sales force.
- #2 Direct GI: A notable direct sales force.
- #2 FA network: A significant financial advisory network.
- Select owned brokers: A curated selection of brokers.
- #1 Life Direct Sales Force: A leading life direct sales force.
- #2 Life Direct Sales Force: A secondary life direct sales force.
- Developing strategy: An emerging strategic initiative.
- Direct GI: A direct general insurance channel.
- Direct: A direct channel.
- #1 direct sales force: A premier direct sales force.
Consistent delivery in International

Value of new business*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>401</td>
</tr>
<tr>
<td>FY15</td>
<td>416</td>
</tr>
<tr>
<td>FY16</td>
<td>504</td>
</tr>
<tr>
<td>HY16</td>
<td>193</td>
</tr>
<tr>
<td>HY17</td>
<td>246</td>
</tr>
</tbody>
</table>

- France: +17%
- Italy: +10%
- Turkey: +16%
- Poland: +16%
- Spain: +17%

Net written premium and COR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (£m)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>3,652</td>
<td>+4%</td>
</tr>
<tr>
<td>FY15</td>
<td>3,474</td>
<td>+11%</td>
</tr>
<tr>
<td>FY16</td>
<td>4,269</td>
<td>+16%</td>
</tr>
<tr>
<td>HY16</td>
<td>1,985</td>
<td></td>
</tr>
<tr>
<td>HY17</td>
<td>2,577</td>
<td></td>
</tr>
</tbody>
</table>

- France (FY14: 96.2%, FY15: 94.7%, FY16: 93.9%, HY16: 96.6%, HY17: 95.7%)
- Poland (FY14: 4%, FY15: 11%, FY16: 4%)
- Ireland (FY14: 4408, FY15: 4408, FY16: 4408, HY16: 4408, HY17: 4408)
- Italy (FY14: 4408, FY15: 4408, FY16: 4408, HY16: 4408, HY17: 4408)

*Percentage increase based on constant currency FX rate; FY14, FY15 & FY16 are on an MCEV basis, HY16 & HY17 on an adjusted SIl basis
**General insurance only, excludes Health. Percentage increase based on constant currency FX rate. COR is on an earned basis.
Rebalancing to capital-lite

**Efficient new business mix**

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>HY17</th>
<th>FY20e</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
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</tbody>
</table>

**Low guarantees**

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>HY17</th>
<th>FY20e</th>
</tr>
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<td>France</td>
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</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Excl. Antarius*
Growth ambition in International

- **Focused footprint**: Significant positions in some of the world's largest insurance markets
- **Partnerships**: Strong and diversified distribution
- **Growth**: Higher than mid single-digit growth
Appendix
Potential benefits from paying back expensive debt

Subordinated debt profile

33% 32% 30% 29%

£439m £450m £500m £571m £615m £790m £700m £400m £400m £600m £450m

Implied cash savings (illustrative only)*
Implied SII gearing ratio (illustrative only)*
Restricted Tier 1
Tier 2
Tier 3
Preference shares (RT1)

All debt instruments have been presented at optional first call dates at nominal values converted to GBP using 30 June 2017 rates.

*Pro forma for 2017 debt redemption & illustrative only for potential redemption of 2018 notes - does not reflect additional upside potential from refinancing in the longer term