

Group Chief Executive speech Aviva plc Annual General Meeting, 3 May 2012

Ladies and gentlemen,

Good morning and thank you for joining us today.

Here in the UK we live in difficult times. And in Europe we all know economies are troubled. We read about it every day.

So these are testing times for our industry in Europe and testing times for Aviva as the leading UK insurer in Europe.

Certainly times are changing – and there is no doubt that Aviva and others will have to react in the months and years ahead. I'm confident we will - just as we've successfully adapted to change over the last 316 years.

I care deeply about the Aviva share price and I'm as frustrated about it as anybody in this room. Yet despite the difficult external environment in Europe we have many things to celebrate and many reasons to be excited about the future.

And two weeks ago we made an organisational announcement prompted by two simple thoughts:

First, we have some great businesses in the developed countries of the west
And secondly, we have some great young businesses in Poland, Turkey, China, India and other Asian countries

This combination is powerful – strong cash flow from the developed countries and strong earnings growth from the young and higher growth markets.

And we have slimmed down our business – so we are efficient and competitive. With one objective – to win in our chosen markets.

And we have been on that path for the last few years:

Our UK life business has grown profits in 2011 and has doubled its profits over the last six years. We are number one in the annuity market and closely behind in protection.

And in UK general insurance - where again we are number one – profits are rising steadily. 800,000 new personal motor customers in the last two years have come on to our books. We now have more than two million customers and were voted general insurer of the year in 2011.

In Europe it's all too easy for some to view the region negatively. And yes recent times have been tough but we fundamentally believe in the medium and long term opportunities

in Europe. It's a great market, despite its challenges, with 800 million people who will need to save and who are familiar with life insurance products.

So in France we have seen consecutive years of higher earnings.

In Spain – record profits in 2011 despite economic malaise.

In Italy – clearly a troubled country but our business is still profitable although with work for us to do.

Ireland – a country working hard to recover and we are committed to being part of that.

And meanwhile in Canada and the US we saw record earnings in 2011.

Now together these markets drive our earnings and they drive our dividends – and in the face of difficult European markets in the second half of last year we are pleased still to have increased the dividend in 2011.

And how resilient is our business? Well it's proved fantastically resilient for the simple reason that we offer our customers good value and good service. And that is what we have been striving to do over the last few years – it's why we are winning business, why last year we won more than 50 awards across 10 countries for customer service and why more of our customers were willing to recommend us than ever before.

Now stepping back a little – we have had to take tough decisions to reshape our business following the first phase of the financial crisis and in the context of sovereign debt worries today. We are flexible – we do adapt. Often we see things coming – and if not we react quickly when they happen.

But in the last two years we have stayed focused, we have taken strategic decisions and acted on them. We have:

- Doubled operating capital generation in the company to over £2 billion
- We have reduced our cost base by £1 billion as we reshaped the business
- And we focused our business – getting out of nine countries to concentrate on markets where we have the strength and scale to win.
- And over the last two years we increased operating profits by 25% to £2.5 billion

But over and above the financials Aviva continues to lead and innovate.

Digital technology and social media are the new frontiers in customer service and we have a number of apps on iPads and iPhones, for example, to help people through their claims experiences here in the UK. These have received excellent levels of customer feedback and we are at advanced stage of developing a new app for pay-as-you-drive insurance.

It isn't just technology. It is, of course, about our people. I'm very, very proud of what our people do every day to help our customers. For example, over the last few years we've been changing the way we look after our customers in the UK through a process known as "Systems Thinking". We've been creating a culture that puts our customers at the heart of everything we do, simplifying processes and putting those who know our

customers the best - the people at the front line of the business – putting them in the driving seat, taking decisions in the interests of the best possible customer service.

And that's made a difference to our employees and our customers. Employee engagement and customer satisfaction have both increased. In our existing annuity business for example we have seen a 26 point improvement in our Transactional Net Promoter Score and a reduction in our call volumes by around 20%.

So we are delivering for our customers, but we also have a wider role as a sustainable and responsible business, contributing to society and the communities in which we work. That's extremely important to Aviva and an area in which I believe we have a strong track record.

- We have been ranked in the top five companies globally in FTSE4 Good's rating of companies' corporate responsibility commitments and performance.
- The Chairman talked about our Street to School programme.
- And during 2011 our staff across the group dedicated 60,000 hours of time to volunteering schemes.

As part of our wider responsibilities we are also committed to creating an effective gender mix at all levels within our own organisation. Lord Sharman commented on targeting a minimum of 25% women on our board and we are also targeting at least the same proportion of women across the senior management team at Aviva.

It is, of course, our people who have helped deliver our strong performance in 2011 and are at the heart of our ongoing success. And I'd like to thank them for their dedication, hard work and professionalism.

That's the reason why we have made good progress in 2011. Our strategy is paying off. We have delivered against our operating targets and we are now more profitable and we are more efficient.

And we are accelerating delivery of our strategy. Last month we announced a new, flatter, organisation as part of our strategy to simplify and bring more focus to the business.

And we have a very strong Group executive team who, I am confident, will continue to lead Aviva on to further success.

I would like to thank the Board and particularly our outgoing Chairman Lord Sharman for the expert guidance that they have given us over the year and to add my welcome to John McFarlane who takes over as Chairman next month.

And I'd particularly like to thank you — our shareholders for your faith in our business.

Now before I finish, I'd like to show you a film. It is called "This is Aviva". It gets to the heart of what matters most: which is what we do every day for millions of customers. And I am very proud of that.

Thank you.

(RUN VT – THIS IS AVIVA - NEXT SLIDE)