2013 Results

Disclaimer

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.

2013 Results

Mark Wilson

Group Chief Executive Officer

2013 Results summary

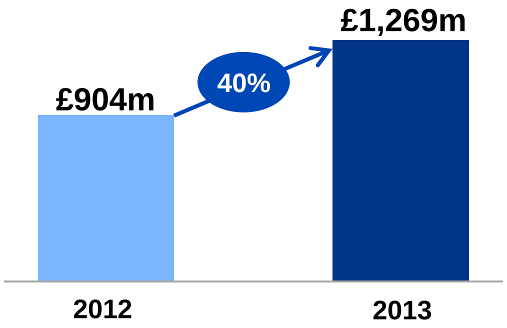
Cash flow	■ Cash remittances to Group up 40% at £1,269m *(FY12: £904 million)* ■ Operating capital generation (“OCG”) £1,772 million *(FY12: £1,859 million)* ■ Remittance ratio *72% (FY12: 49%)* ■ Final dividend per share 9.4p (*FY12: 9p*)
Profit	■ Operating profit 6% higher at £2,049 million (*FY12: £1,926 million*) ■ Profit after tax £2,151 million (*FY12: £2,934 million loss*)
Expenses	■ Operating expenses 7% lower £3,006 million[1] *(FY12: £3,234 million)* ■ £360m of cost savings already achieved
Value of new business	■ Value of new business[2] (“VNB”) up 13% to £835 million (*FY12: £738 million*) ■ Poland, Turkey and Asia contributed 21% of Group VNB (*FY12: 16%*) and collectively grew 49%
Combined operating ratio	■ Combined operating ratio (“COR”) 97.3% *(FY12: 97.0%)* ■ 2014 flood loss of £60m in the UK in January and February, in line with LTA
Balance sheet	■ Intercompany loan reduced by £1.7bn to £4.1bn at end of February 2014 ■ Agreed plan to reduce inter-company loan to £2.2bn by end of 2015, utilising £450m of existing cash resources and £1.45bn of other actions ■ Liquidity of £1.6bn at end of February 2014 ■ Economic capital surplus[3] £8.3 billion, 182% *(Pro Forma FY12: £7.1 billion, 172%)* ■ IFRS net asset value per share 270p (*FY12: 278p*) ■ MCEV Net asset value per share 445p (*FY12: 422p*)

All metrics in this document other than profit after tax and balance sheet metrics are on a continuing basis excl DL

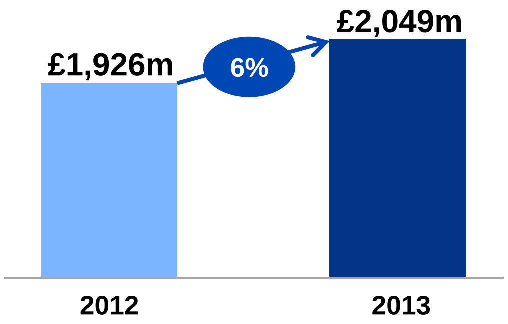
1. *Operating expenses excludes integration and restructuring costs and US Life*
2. *VNB excludes Malaysia and Sri Lanka*
3. *The economic capital surplus represents an estimated unaudited position. The term ‘economic capital’ relates to Aviva’s own internal assessment and capital management policies and does not imply capital as required by regulators or other third parties. At FY13 there is no pro forma basis for economic capital and IGD surplus. The pro forma surplus at FY12 includes the benefit of disposals and an increase in pension scheme risk allowance from five to ten years of stressed contributions.*

5 key metrics

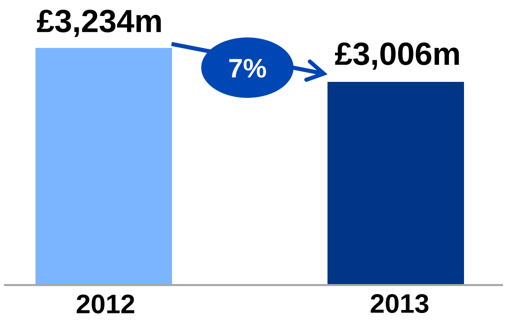
Cash flow



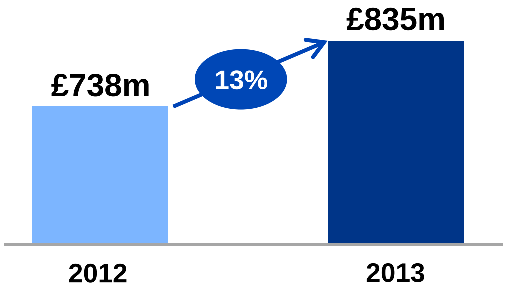
Operating profit



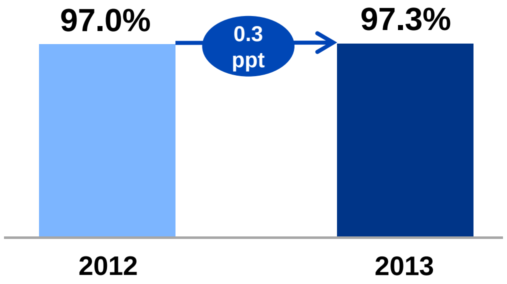
Operating expenses



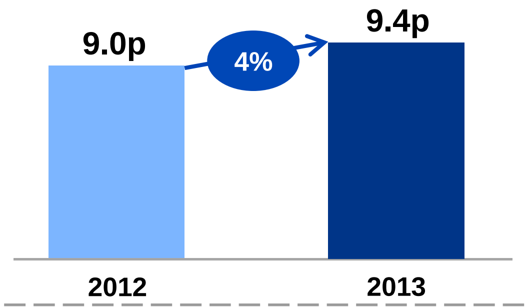
Value of new business



Combined operating ratio



Final dividend



2013 Recap

Focus Areas	Progress
Improve cash remittances	Cash remittances up 40% to £1,269m
Turnaround Italy, Spain, Ireland & Aviva Investors	Structural progress made, new management appointed Dividend payments resumed from Italy & Ireland
Complete the disposal of US business	Completed – proceeds higher than originally announced
Reduce intercompany loan	Balance now £4.1bn from £5.8bn Plan to reduce to £2.2bn
Lower external leverage ratio in the medium term	Reducing external debt over the medium term - £240m to be called in April
Ensure benefit of £400m expense savings flow through to P&L in 2014	£360m of cost savings already achieved
Reduce restructuring costs in 2014	Ongoing – 2013 restructuring costs £363m In line with guidance of £300 to £400m

Investment Thesis – "Cash flow plus growth"

Cash flow	**Cash remitted to Group from Business units**
Growth	**1. Life → Value of new business "VNB"** **2. GI → △ Underwriting result** **3. AI → External net fund flows**

Actions taken

- Remittances increased to £1,269m, remittance ratio 72%
- Intercompany Loan reduced to £4.1bn
- Plans in place to reduce balance to £2.2bn by FY 2015
- Expense reduction target on track – achieved £360m

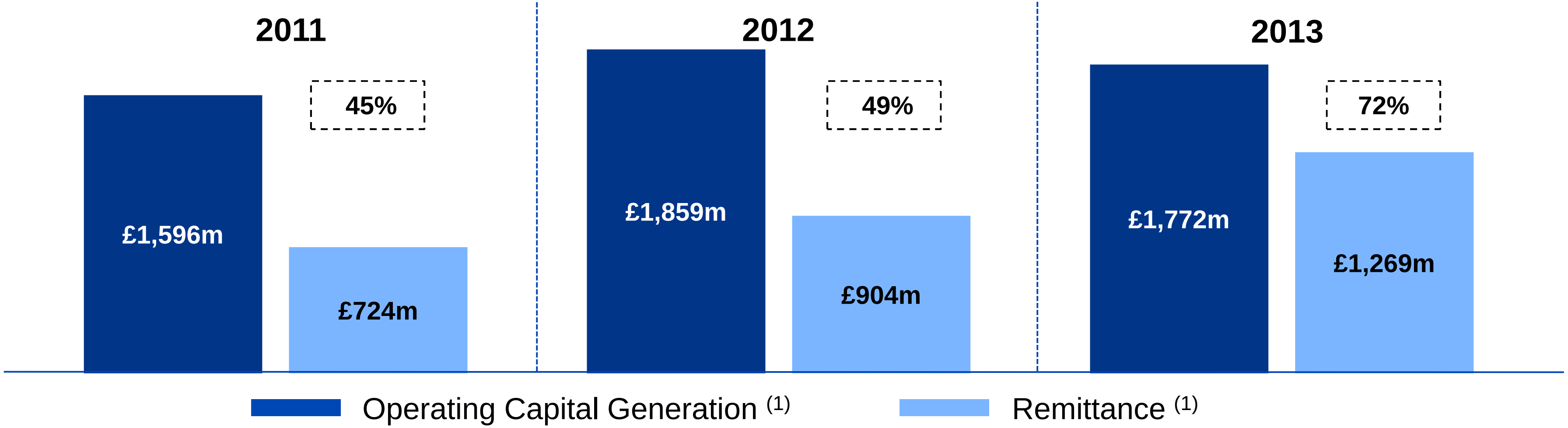
	Cash flow	IFRS Op Profit	Expenses	VNB	COR
Group	🟢	🔵	🔵	🔵	🔵
UK Life	🟢	🔵	🔵	🟡	-
UK General Insurance	🟢	🔵	🔵	-	🟢
France	🟢	🔵	🔵	🟡	🟢
Canada	🟢	🔵	🔵	-	🟢
Aviva Investors	🟢	🔵	🔵	-	-
Italy	🟢	🔵	🟡	🔵	🟢
Spain	🟢	🔵	🔵	🔵	-
Ireland	🟢	🔵	🔵	🔵	🟢
Poland	🔵	🔵	🟡	🟢	🟢
Turkey	🟡	🔵	🟡	🟢	🟢
Asia	🟡	🔵	🔵	🟢	🟢

Key

Critical 🟢 Significant 🔵 Important 🟡

Sustainable and progressive cash flow underpinned by a diversified insurance and asset management group with a robust balance sheet

Progress on cash flow



Focus areas

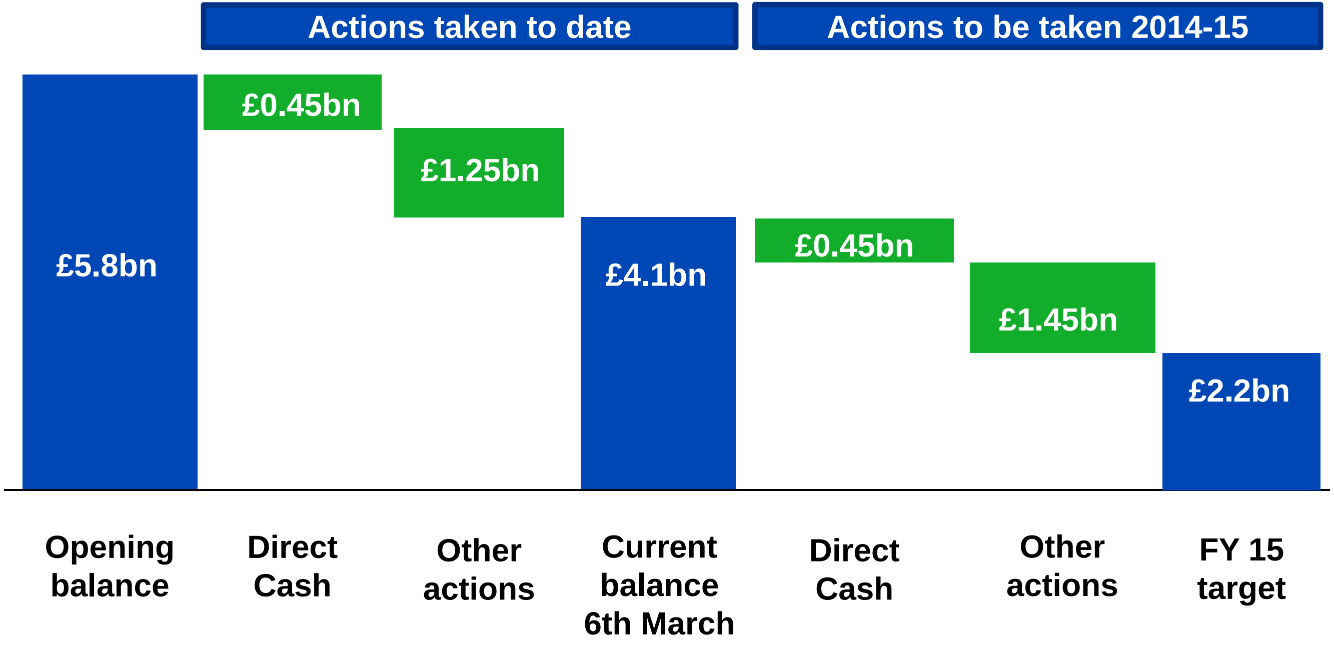
- Move the remittance to greater than 80%
- Operating expense reduction to flow through to bottom line
- Reduce Integration and Restructuring costs
- Execute Internal Leverage plans
- Continue structural simplification
- Manage back book
- Improve resilience to macro and market shocks

Remittances up 40% to £1,269m. Remittance ratio 72% with an ambition of 80%+

[1] *OCG and Remittances exclude the US and Delta Lloyd*

Progress on intercompany loan

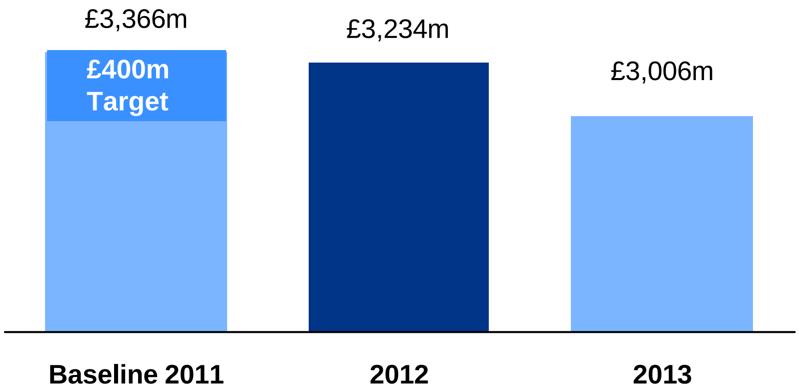
At £2.2bn AIL would not rely on this asset in a 1:200 stress event



A plan with realistic actions and timescales reviewed and agreed by the PRA

Progress on expenses - reduction target on track

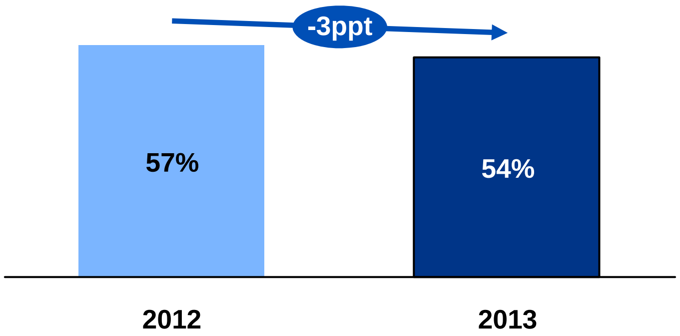
Material progress made on 2014 target



Actions taken in 2013

- Delayering and efficiency savings
- Reduced consultancy & contractor spend
- Property expense savings
- Automation

Operating Expense Ratio



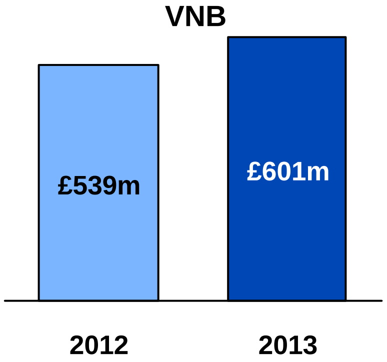
Expense ratio: $\frac{\text{Operating expenses}}{\text{Operating income}}$

Integration & Restructuring costs £m			
	2011	2012	2013
Restructuring Costs	172	344	284
Solvency II	89	117	79

Additional savings allocated to focus areas of digital and automation

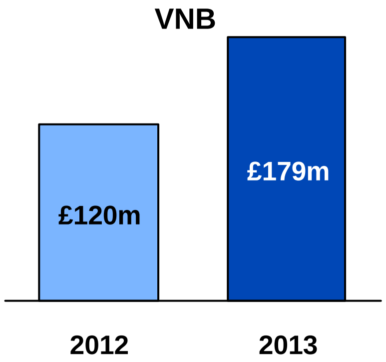
Growth is the second part of our investment thesis

Cash Generators



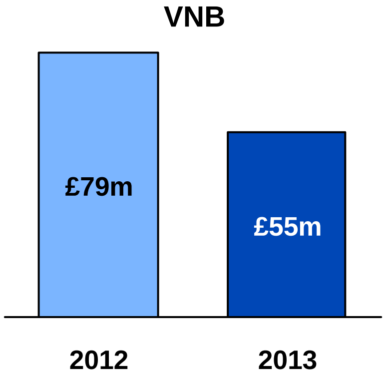
- Move to Digital
- Predictive analytics
- Ageing population
- Cost income ratio
- Back book management

Growth Markets



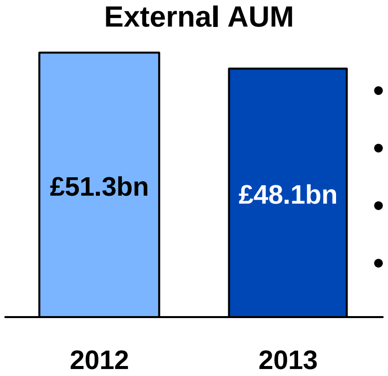
- Economic growth
- Favourable demographics
- Strategic partners
- Distribution agreements

Turnaround



- Pricing, product design and mix
- Capital allocation
- Broaden distribution
- Cost income ratio
- Structural simplification

Aviva Investors



- New management
- Strategic focus
- External net fund flows
- Cost Income ratio

Discipline in allocation of capital

AVIVA

3 filters (strategic, execution, and financial) enable us to identify priorities

A. Strategic filters

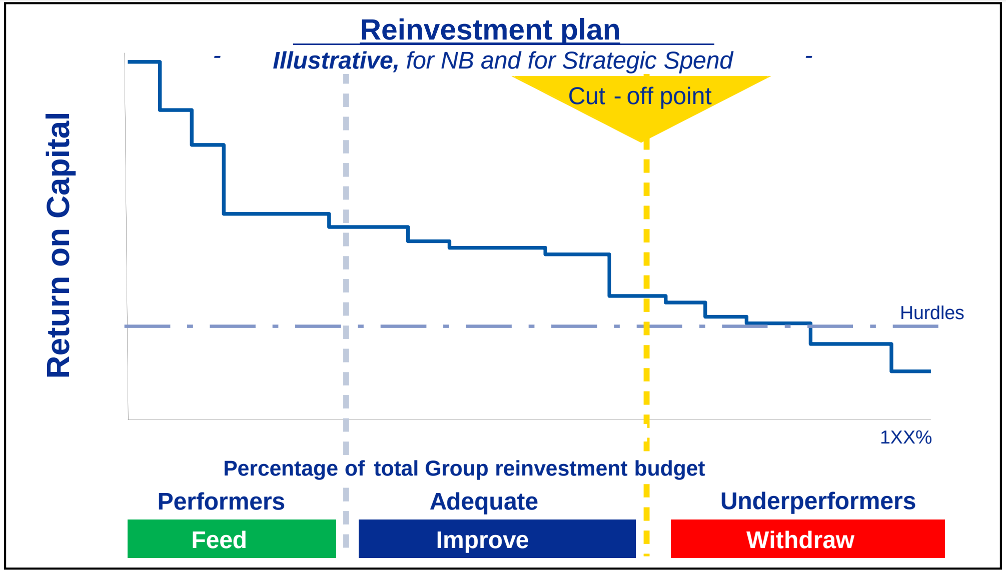
Focus and prioritise investment to align with Group strategy and BU imperatives.

B. Execution filters

Ensure plans and outcomes can be delivered with a high degree of confidence

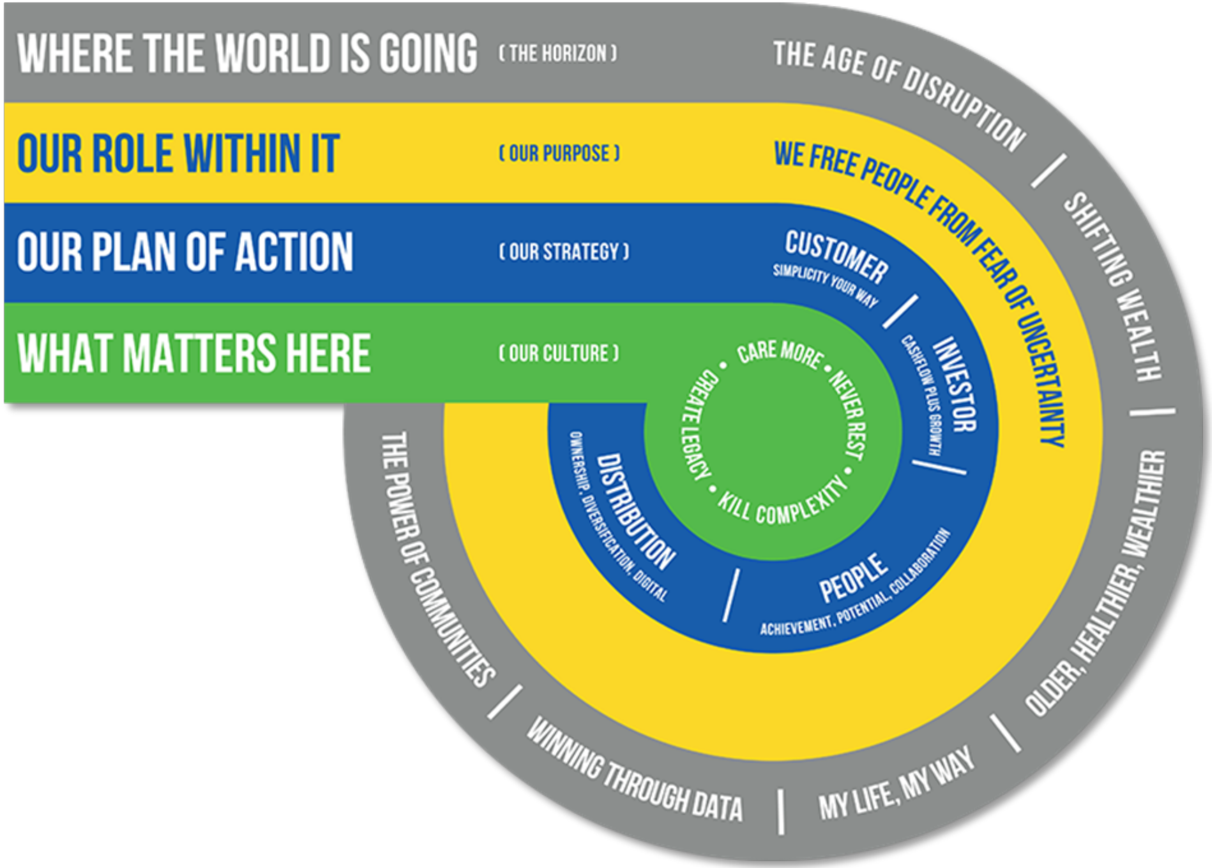
C. Financial filters

Ensure investment is affordable and delivers strong returns and payback, improving priority KPIs



IFRS			
	2011	2012	2013
ROCE	8.9%	9.3%	12.0%
ROE	12.5%	11.2%	17.8%

Our purpose and accompanying value set



2013 Results

Patrick Regan

Chief Financial Officer

Operating profit improvement

Operating profit **£ million**	FY12	**FY13**	Change
Life	1,831	1,901	4%
General Insurance & Health	894	797	(11)%
Fund Management	51	93	82%
Other operations	(177)	(90)	49%
Life, GI, fund management & other operations	**2,599**	**2,701**	**4%**
Corporate costs	(136)	(150)	(10)%
Group debt & other interest costs	(537)	(502)	7%
Operating profit (continuing basis)	**1,926**	**2,049**	**6%**
Investment Variances	(815)	100	N/A
Other Items & Discontinued Profit Contribution	(4,045)	2	N/A
Profit after tax	**(2,934)**	**2,151**	N/A

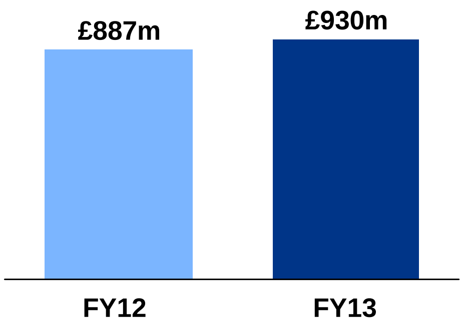
IFRS Operating profit reconciliation	
Operating profit FY12	**1,926**
Operating expense savings	228
Weather year on year	(63)
Aseval	(58)
Foreign exchange	41
Other	(25)
Operating profit FY13	**2,049**

UK Life

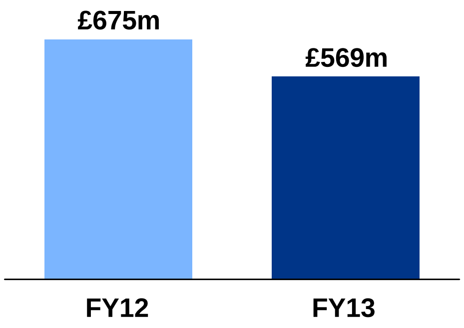
Value of new business			
£ million	FY12	**FY13**	
Pensions	71	**78**	10%
Protection	66	**75**	14%
Annuities	259	**279**	8%
Other	24	**3**	(88)%
Total	420	**435**	4%

- Improved performance in all key metrics
- Performance reflects focus on pricing discipline on risk products, and expense reductions
- Protection – VNB up 14% despite lower bank led sales
- Pension – maximising the auto-enrolment opportunity and shift to modern platform products

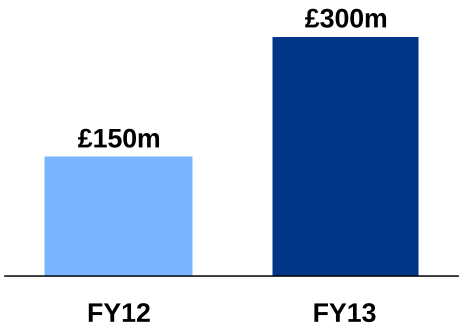
Operating profit



Operating expenses



Remittances to group



Dividend increased through a combination of:

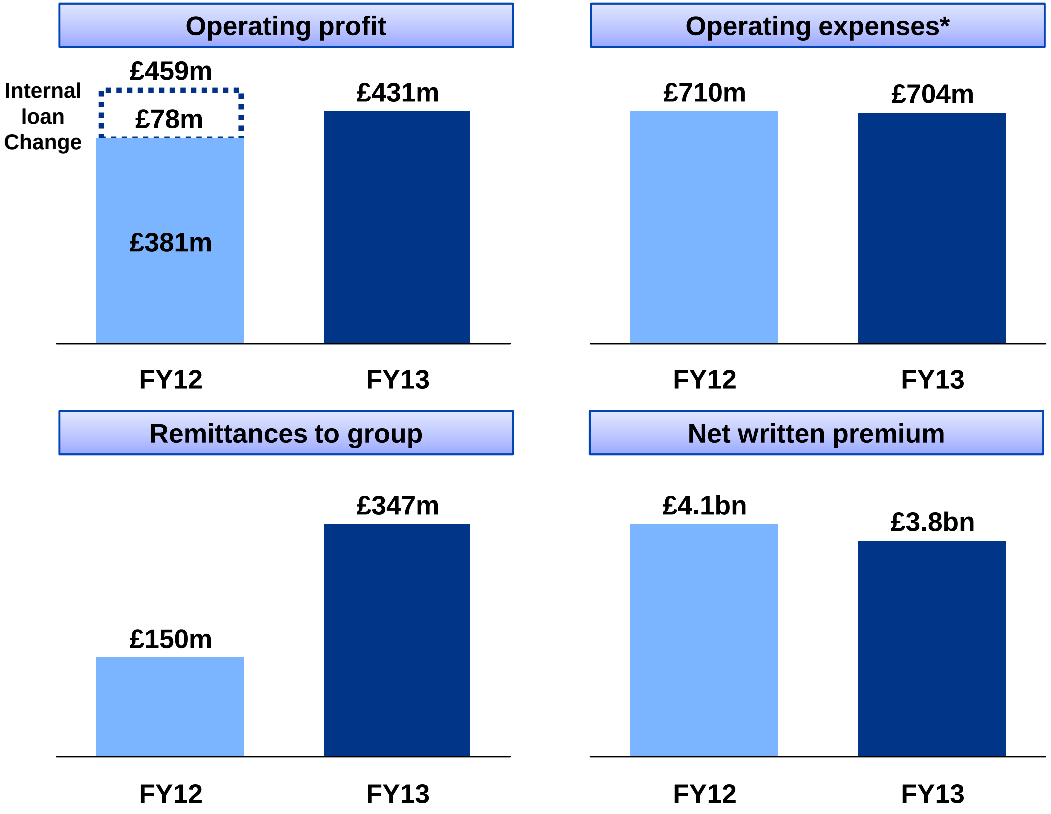
- Pricing discipline
- Balance sheet de-risking
- Cost reductions

UK GI

	Operating profit	
£m	FY12	**FY13**
Underwriting result	48	**117**
Inv Income internal loan	299	**221**
Other Inv Income	112	**93**
Total	459	**431**

	Combined operating ratio	
	FY12	**FY13**
Personal Motor	97%	**96%**
Home	93%	**87%**
Commercial Motor	106%	**112%**
Commercial Property	101%	**90%**
Total	98%	**97%**

- Improved underwriting result benefiting from prudent risk selection
- Increased remittance to Group in part as a result of restructuring
- Focussed on stabilising volume
- Up to Feb est. weather £60m in line with LTA



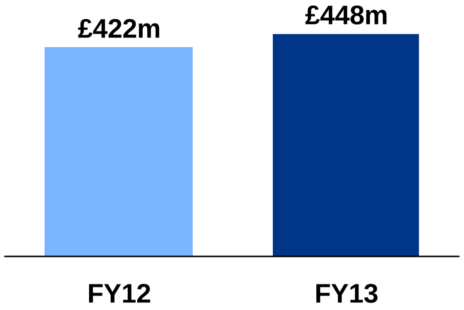
*excludes agencies & branches in run-off

France

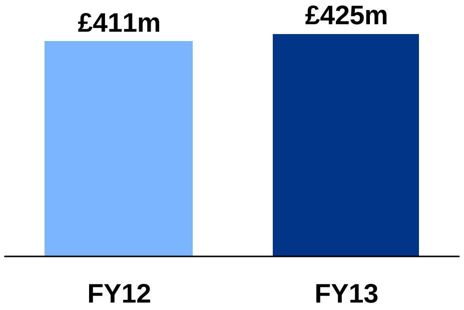
Value of new business			
£m	FY12	**FY13**	
Protection	32	**43**	35%
Unit linked savings	32	**74**	130%
Other savings	55	**49**	(13)%
Total	119	**166**	39%

- Expense reduction on local currency basis
- VNB growth from increased Unit-Linked and Protection volumes and profitability
- Assets under management of over €80bn generating stable revenue
- COR deteriorated from 95% to 97% due to weather and large losses

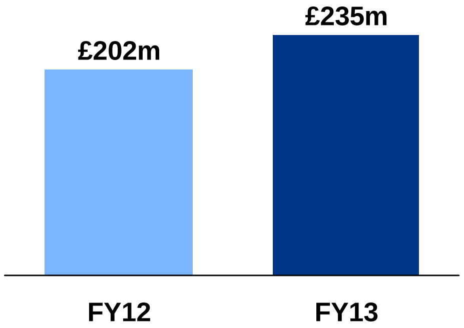
Operating profit



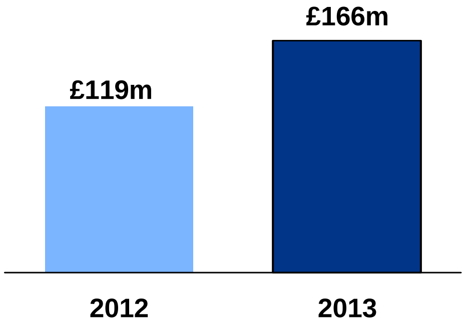
Operating expenses



Remittances to group



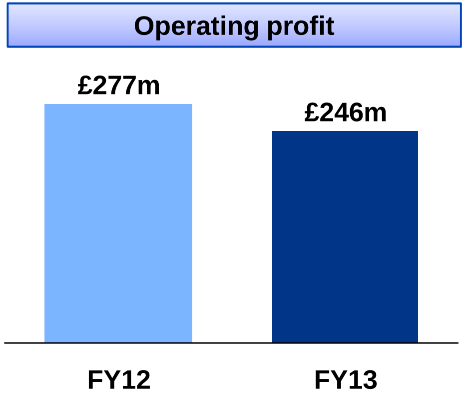
VNB

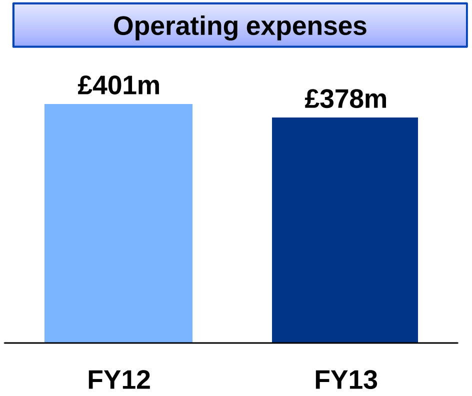


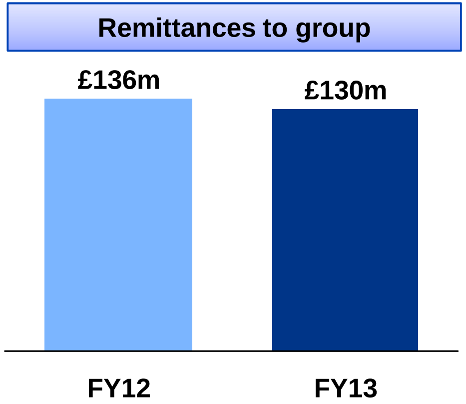
Canada

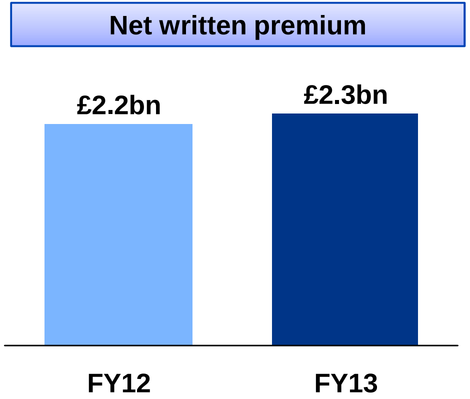
	Combined operating ratio	
	FY12	**FY13**
Personal Motor	90%	**90%**
Home	92%	**100%**
Commercial	98%	**97%**
Total	93%	**95%**

- Expenses lower, premiums higher
- Remittances flat year on year in local currency
- Rolling out predictive analytics to commercial lines
- Likely rate pressure in Ontario motor broadly offset by lower claims costs

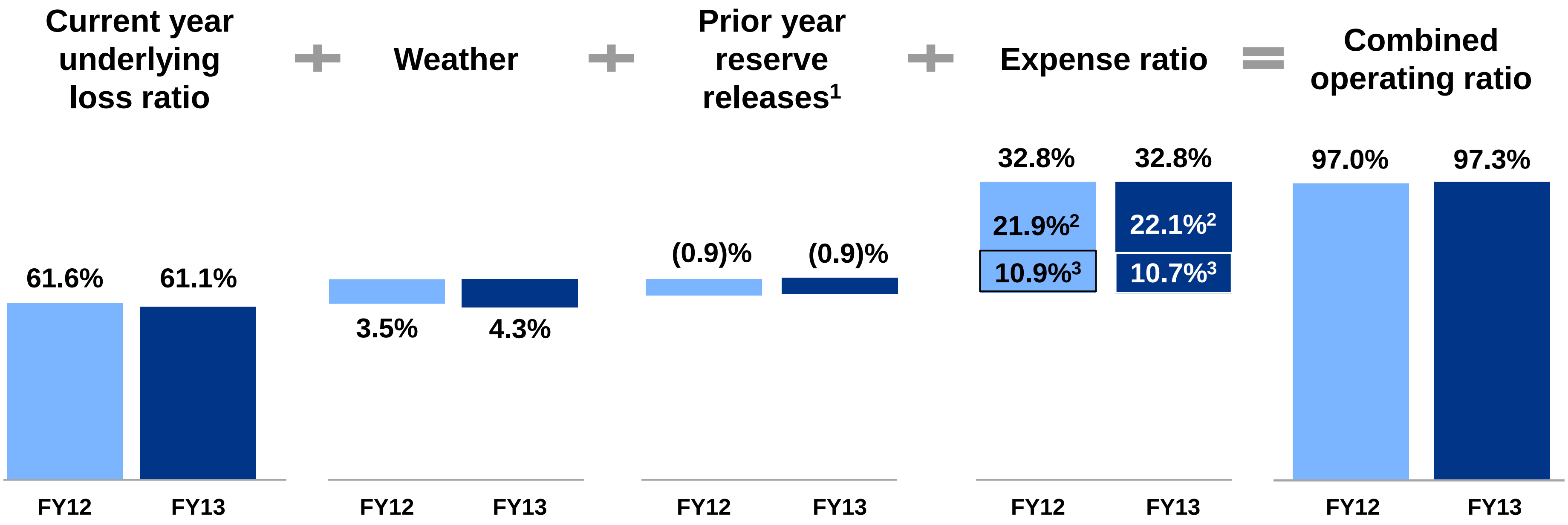








Combined Operating Ratio

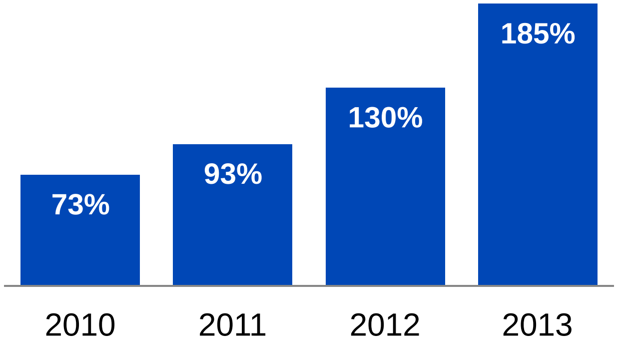


[1] *GI Only*
[2] *Commission ratio*
[3] *Expense ratio*

Value of new business

	FY12		FY13
UK & Ireland	412	7%	**441**
France	119	39%	**166**
Poland	35	46%	**51**
Turkey	30	23%	**37**
Asia*	55	65%	**91**
Italy	29	48%	**15**
Spain[1]	58	41%	**34**
Total VNB*	738	13%	**835**
New business margin* (%APE)	27%	4ppt	31%

VNB/Capital Strain improved by 112ppt since 2010



VNB and Strain net of taxation and minority interests

Mix and pricing

- Re-pricing annuity book in UK Life

Volume

- Improvement in French Unit-Linked sales
- Improved profitability of guaranteed products in European markets

** Excludes Malaysia and Sri Lanka*

[1]Spain includes Other Europe of £1 million (FY12: £2 million)

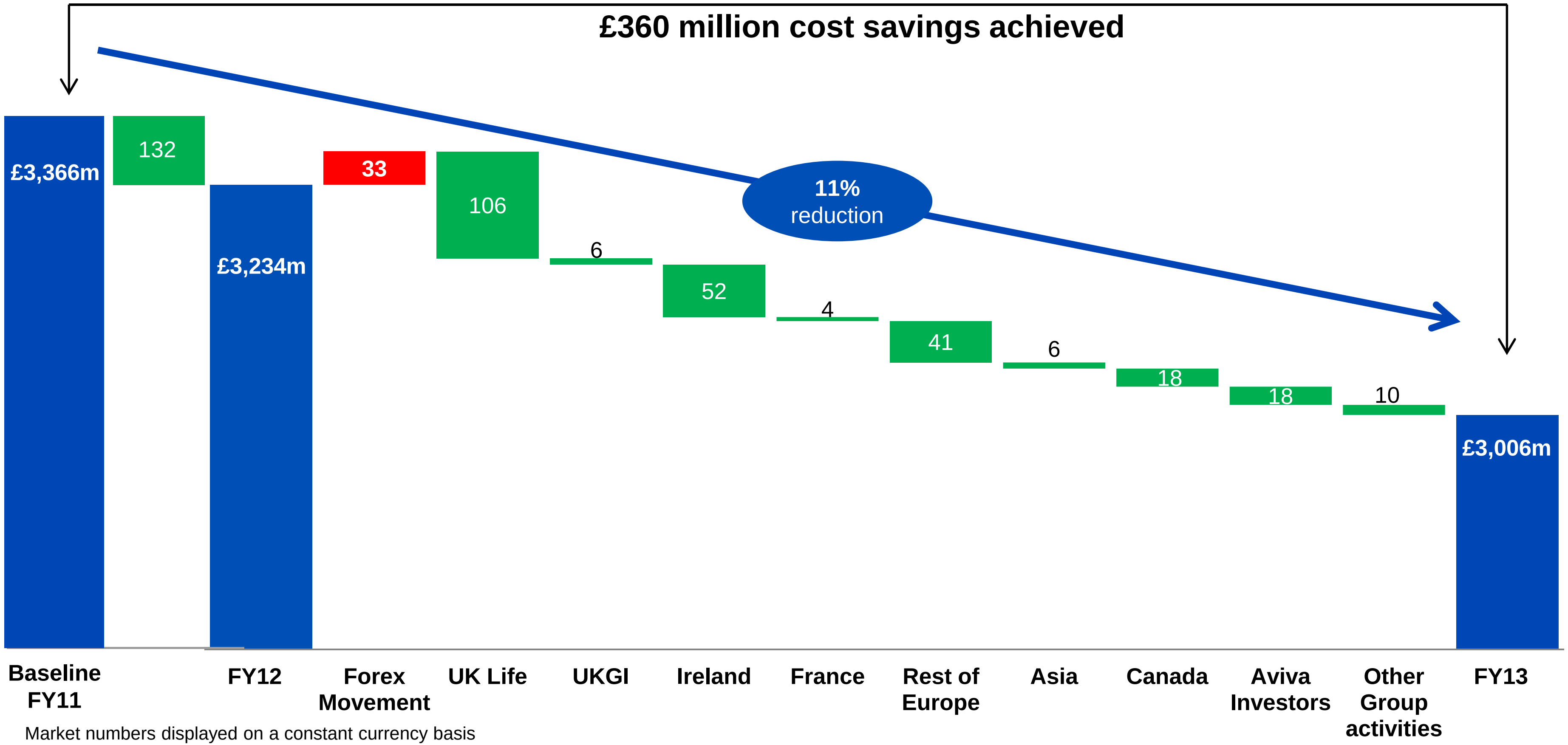
Cash remittances

Total by country*	Received in 2012			Received in 2013		
£ million	**Operational capital generation**	**Remittance**	**% remitted to Group**	**Operational capital generation**	**Remittance**	**% remitted to Group**
UK Life & Health	662	150	23%	570	300	53%
UK GI	341	150	44%	340	347	102%
France	330	202	61%	294	235	80%
Canada	192	136	71%	177	130	73%
Spain	78	68	87%	51	51	100%
Italy	75	0	-	88	12	14%
Ireland	61	0	-	59	70	119%
Poland	124	70	56%	135	85	63%
Asia	80	25	31%	97	20	21%
Other**	(84)	103	-	(39)	19	-
Total	**1,859**	**904**	**49%**	**1,772**	**1,269**	**72%**

Remittances up 40% to £1,269m

* Continuing operations
** Other includes AI, Turkey, Other Europe and Group activities

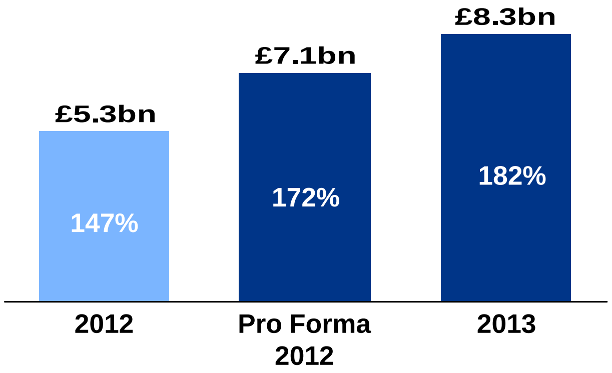
Expense reduction on track



Market numbers displayed on a constant currency basis
UK GI excludes agencies and branches in run off which is shown in other

Economic capital surplus

Economic capital surplus*



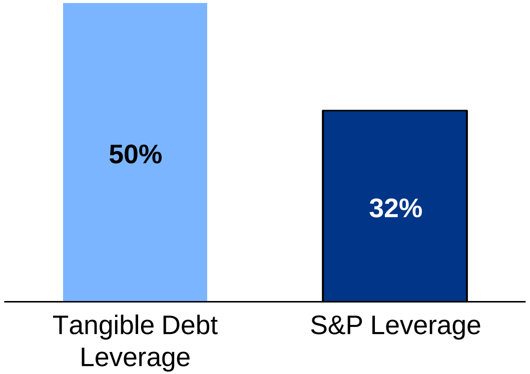
Key points

- Economic capital increased from £3.6bn at the end of 2011 to £8.3bn at the end of 2013 with more conservative assumptions
- Pension scheme now included on a fully funded basis
- Economic capital would be c. £0.7bn higher if the same pension scheme assumptions were used in 2013 as 2011

Key economic capital* movements in 2013

Economic Capital* £bn	Pro forma 2012	Market movements and other	Dividend	FY13
Available capital	17.0	1.9	(0.5)	**18.4**
Required capital	(9.9)	(0.2)	-	**(10.1)**
Total	7.1	1.7	(0.5)	**8.3**

External leverage



- Redemption of £200m & €50m hybrid

** 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.*

[1] At FY13 there is no pro forma basis for economic capital surplus. The FY13 economic capital surplus includes the allowance for staff pension scheme deficits on a fully funding basis under stressed conditions. The pro forma surplus at FY12 includes the benefit of disposals and an increase in pension scheme risk allowance from five to ten years of stressed contributions.

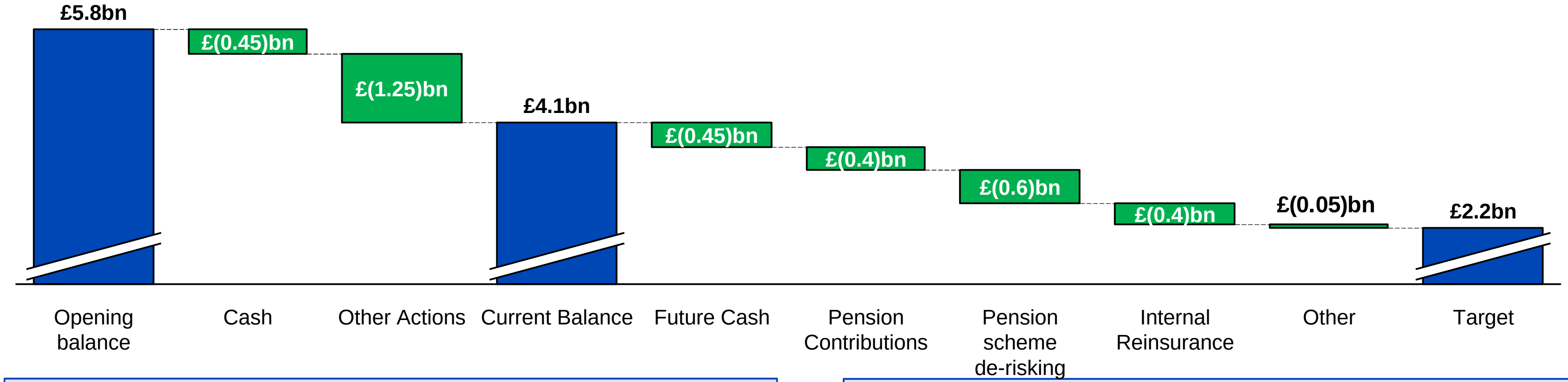
Net asset value

Net asset value per share	IFRS	MCEV
Opening NAV per share at 31 December 2012	**278p**	**422p**
Operating profit	53p	55p
Effect of US Disposal	6p	6p
Dividends and appropriations	(18)p	(18)p
Investment variances & AFS equity movements	(14)p	18p
Pension fund	(19)p	(19)p
Integration and restructuring costs, goodwill impairment, other	(14)p	(16)p
Foreign exchange	(2)p	(3)p
Closing NAV per share at 31 December 2013	**270p**	**445p**

Movements shown net of tax and non controlling interests

Intercompany loan

Significant progress made in 2013 and plans in place to reduce intercompany balance to £2.2bn by 2015



Actions taken to date

- Cash payments £450m
- Other actions include:
  - Commercial paper guarantee £600m
  - Changed pension funding basis £450m
  - Other £200m

Why £2.2bn is the correct level?

- At £2.2bn the UK GI business will not be dependent on the loan to meet its insurance liabilities post a 1:200 stress
- Our plan to get to £2.2bn has been reviewed and agreed by the PRA
- Future non-cash actions include funding and de-risking of our pension scheme, along with more effective use of internal reinsurance

The actual split of future other action items could vary from illustrated

2013 Results

Mark Wilson

Group Chief Executive Officer

2014 – Looking ahead

	Focus areas
Cash flow	• Continue to improve cash remittances • Ensure benefit of £400m expense savings flow through to P&L in 2014 • Improve cost income ratio • Continue to improve our turnaround businesses • Reduce integration and restructuring costs in 2014
Growth	• Increase VNB in our Life businesses through product mix and pricing • Improve COR and underwriting in GI through predictive analytics • Improve net flows in Asset Management • Strategic partnerships e.g. Indonesia • Improve efficiency and invest in digital and automation
Financial strength	• Execute on plans to reduce intercompany loan • Execute on remaining divestments • Reduce external leverage over the medium term • Continue to prepare for Solvency II

2013 Results

Q & A

2013 Results

Appendices

Group Life profit driver analysis

Key:

IFRS Profit Driver		
FY12	**FY13**	Variance

Pre-tax operating profit		
1,831	**1,901**	4%

Income		
3,609	**3,352**	(7)%

DAC/AVIF amortisation and other		
9	**131**	1356%

Expenses and commissions		
(1,787)	**(1,582)**	11%

New business income		
987	**838**	(15)%

Investment return		
1,964	**1,944**	(1)%

Underwriting margin		
658	**570**	(13)%

Acquisition expenses and commissions		
(868)	**(678)**	22%

Admin expenses and renewal commissions		
(919)	**(904)**	2%

Group Life profit driver analysis

Key:

IFRS Profit Driver		
FY12	**FY13**	Variance

Investment return		
1,964	**1,944**	(1)%

Unit linked margin		
882	**885**	0.3%

AMC (bps)	107	**102**	(5)
Average reserves (£bn)	82.1	**86.4**	5%

Participating business		
547	**590**	8%

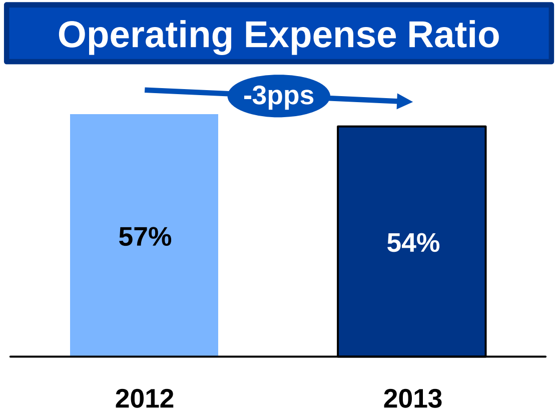
Bonus (bps)	54	**59**	5
Average reserves (£bn)	101.4	**100.4**	(1)%

Spread margin		
197	**205**	4%

Spread (bps)	43	**44**	1
Average reserves (£bn)	45.3	**46.4**	2%

Expected return on shareholder assets		
338	**264**	(22)%

Operating Expense Ratio



Components of Operating Expense Ratio		
£ million	FY12	**FY13**
Regional Operating Profit	2,599	**2,701**
Less Corporate Centre	(136)	**(150)**
Group Operating profit excluding Debt Costs and Pension income	2,463	**2,551**
Add operating expenses	3,234	**3,006**
Operating Income	5,697	**5,557**
Total Operating Expenses over Operating Income	57%	**54%**

$$\frac{\text{Operating expenses}}{\text{Operating income}}$$

= Expense ratio