

Transforming Aviva

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Goldman Sachs 19th Annual European Financials Conference

Rome, 15th June 2015

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”, “likely”, “target”, “goal”, “guidance”, “trends”, “future”, “estimates”, “potential” 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 simplifying our operating structure and activities; 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 short or long term inflation; 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; changes in, or restrictions on, our ability to initiate capital management initiatives or an acceleration of repayment of intercompany indebtedness; 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; a cyclical downturn of the insurance industry; the impact of natural and man-made catastrophic events on our business activities and results of operations; our reliance on information and technology and third-party service providers for our operations and systems; 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; our reliance on third-party distribution channels to deliver our products; 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 fluctuations in share price as a result of general market conditions or otherwise, including any as a result of the proposed acquisition of Friends Life; 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, including decreased demand for annuities in the UK due to proposed changes in UK law; 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, integration risk and other uncertainties, such as non-realisation of expected benefits or diversion of management attention and other resources, relating to announced acquisitions and pending disposals and relating to future acquisitions, combinations or disposals within relevant industries, including specifically the proposed acquisition of Friends Life; the policies, decisions and actions of government or regulatory authorities in the UK, the EU, the US or elsewhere, including the implementation of key legislation and regulation. 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 on 16 March 2015 (and also Part II (Risk Factors) of the prospectus published by Aviva on 19 January 2015 in relation to the proposed recommended all-share acquisition of Friends Life by Aviva). 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 presentation are current only as of the date on which such statements are made.

Why Aviva

A true customer composite



Life Insurance

Retirement Income,
Savings, Pensions,
Life cover, Protection



General Insurance

Home, Motor, Travel,
Commercial



Health Insurance

Private Medical Insurance



Asset Management

Managing assets for
Aviva and other clients

A strong franchise

319 years

Protecting our
customers

£300bn+

Assets Under
Management

34 million

Customers
globally

£24.6bn

Paid in benefits
and claims in 2014

**Cash flow plus
growth**

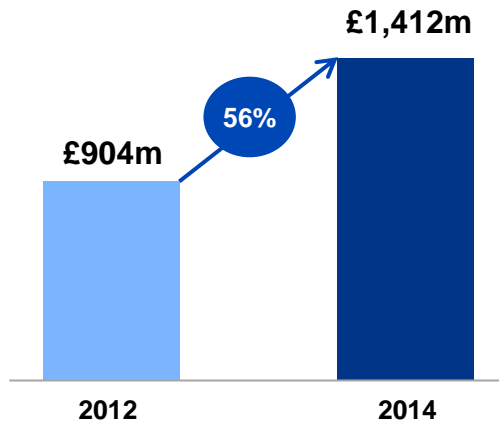
12.25p

Final dividend 2014,
a **30% increase** on
final dividend 2013

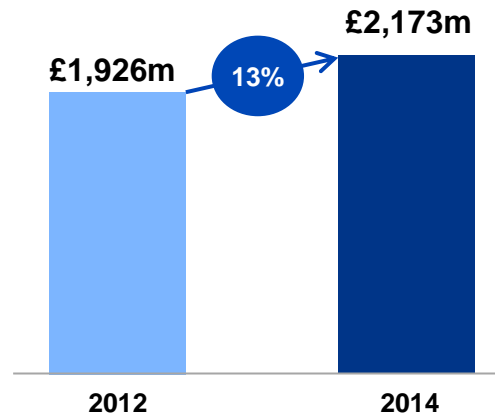
A true customer composite and British champion
delivering value to customers and shareholders around the world

Significant progress

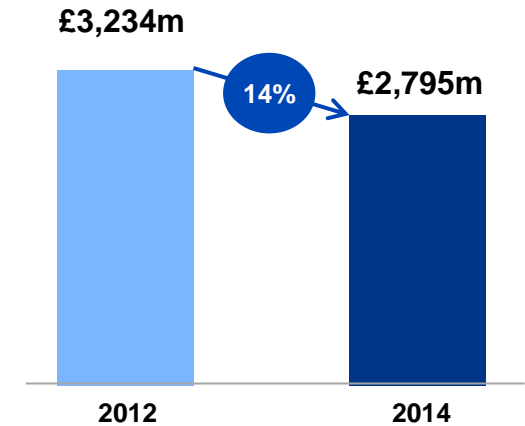
Cash Remittances



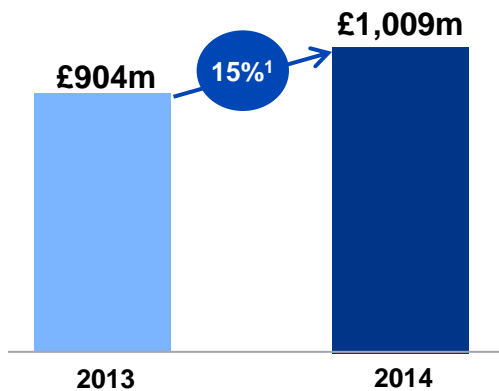
Operating profit



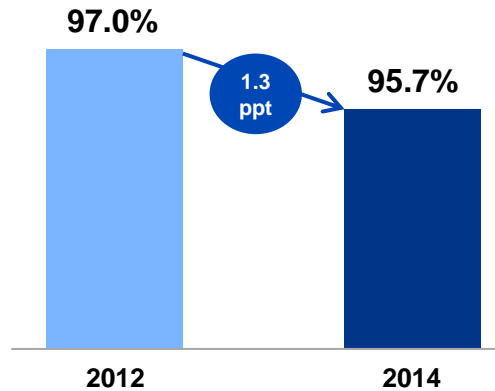
Operating expenses



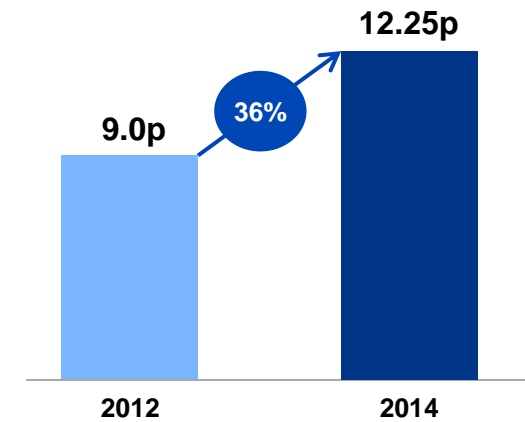
Value of new business



Combined operating ratio



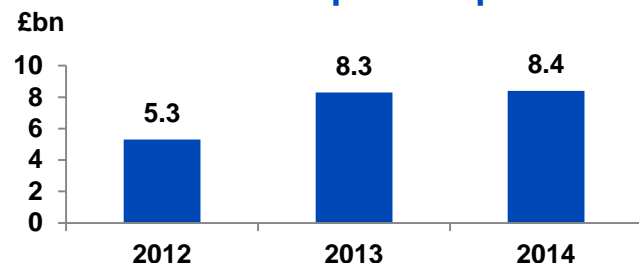
Final dividend



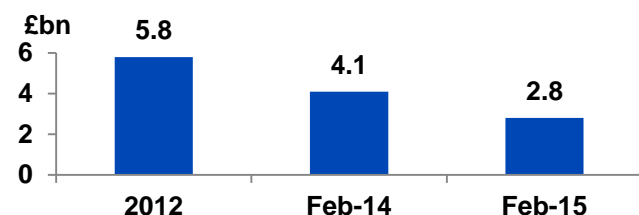
Aviva has delivered a solid performance over the past two years

Balance sheet and cash

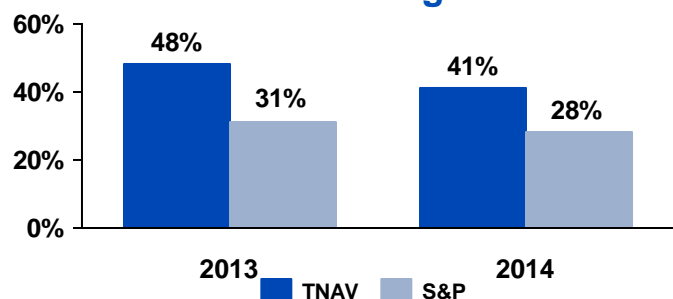
Economic capital surplus¹



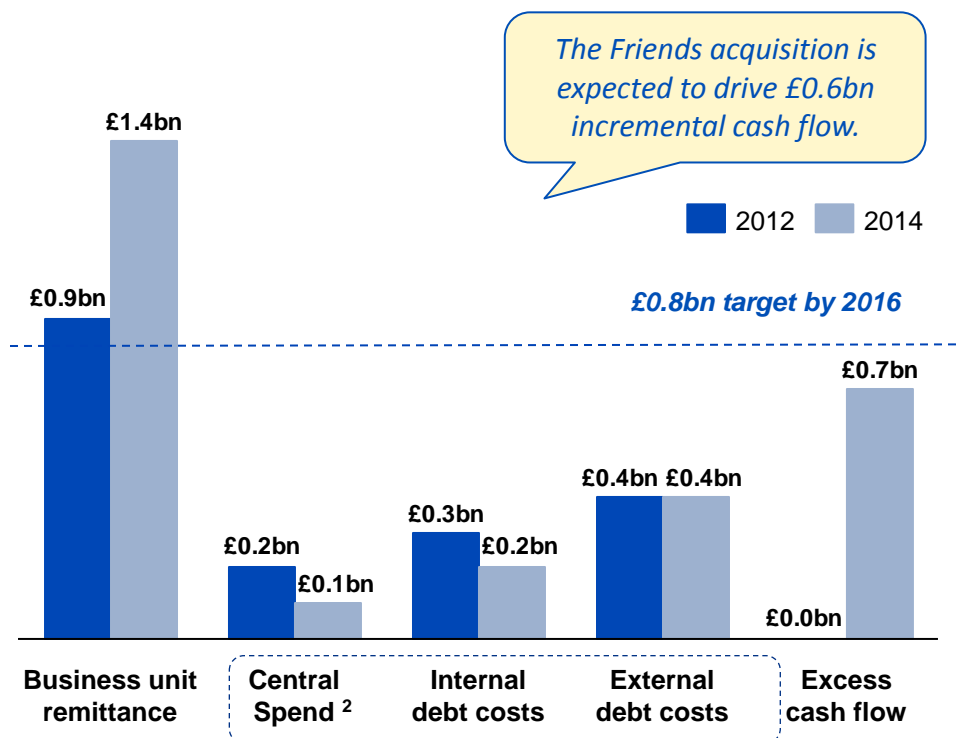
Inter-company loan



External leverage ratio



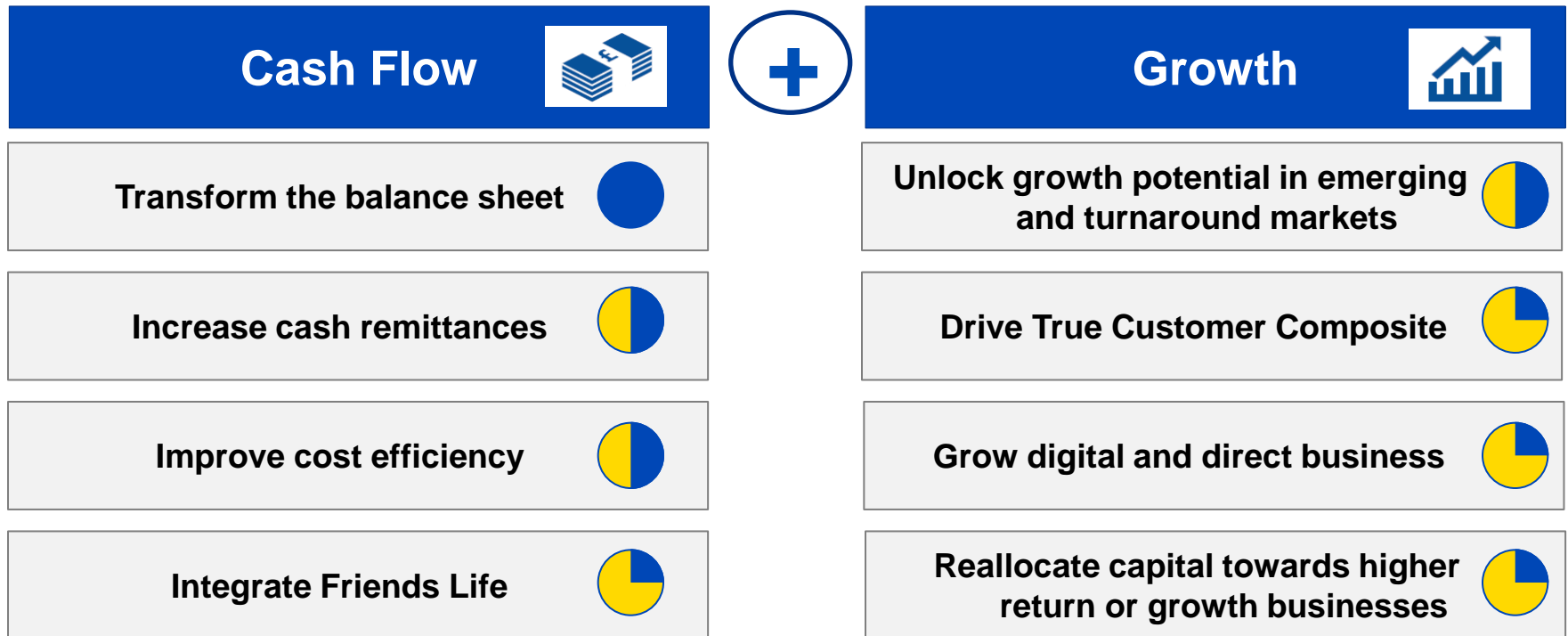
Holding company excess cash flow



Priority has been to reduce debt financing cost and grow excess cash flow

1. 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. The 2014 economic capital is before deduction of £0.4bn dividend declared in December 2014.

2. Includes other operating cash flows such as central investment income and group tax relief payments

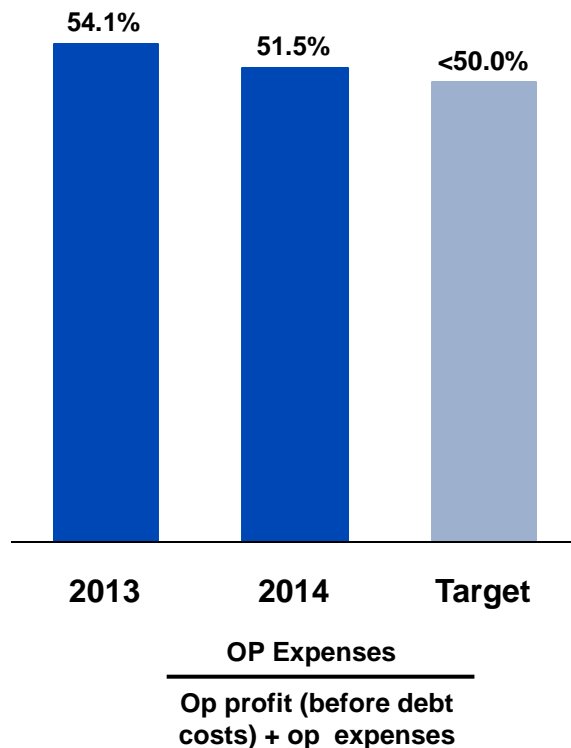


● Completed
● Not started

Our priority remains to deliver cash flow plus growth

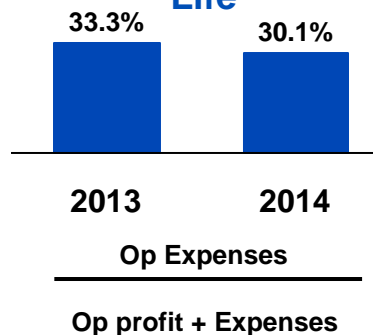
Focus on improving efficiencies

Group operating expense ratio

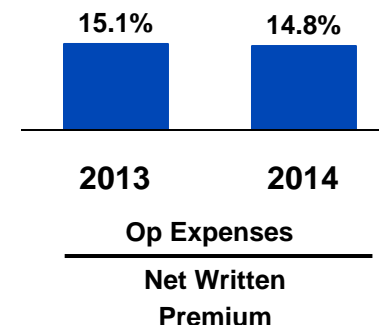


All segments improving or flat year on year

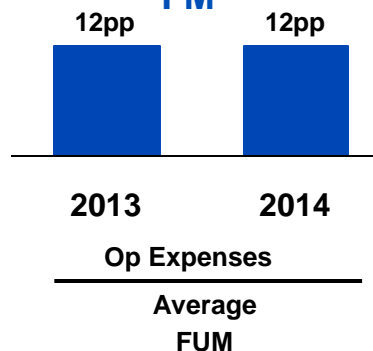
Life



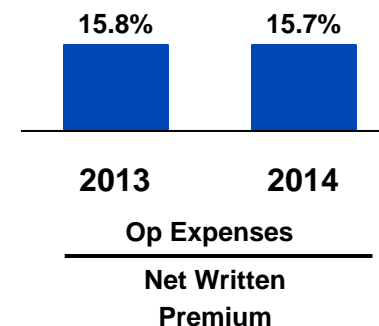
GI



FM



Health



We have made some progress improving cost efficiency but there is more to do

Financial



- **£0.6bn** incremental cash flow.
£1.15 billion¹ additional holding company liquidity



- Leverage consistent with **S&P AA rating** – no further need to de-lever



- **£225 million** of run rate synergies per annum expected by end of 2017



- **30% increase** in Aviva final dividend.
Move to c.2x operating EPS² cover over the medium term

Strategic



- Secures leading insurance and savings position in our home market



- Brings c.**5 million** Friends Life customers to Aviva, accelerating our digital and true customer composite strategies



- Adds significant scale and expertise to our **back book** initiative



- Adds up to c.**£70 billion** of funds for Aviva Investors



- Enables investment in **our growth businesses**

The acquisition of Friends Life has been completed creating a UK insurance leader

1. Friends Life Available Shareholder Assets as at 30 September 2014 adjusted for Lombard disposal proceeds net of share buyback conducted to date.
2. Operating EPS on an IFRS basis

Progress on international growth

2014-2013 VNB growth in local currency

Eurozone



+25%

France



+27%

Spain



+55%

Italy

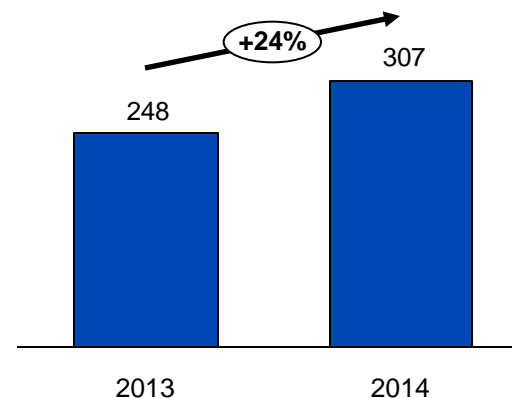


+30%

Ireland



VNB in £m



Growth markets



+31%

Poland



+23%

Singapore



-3%

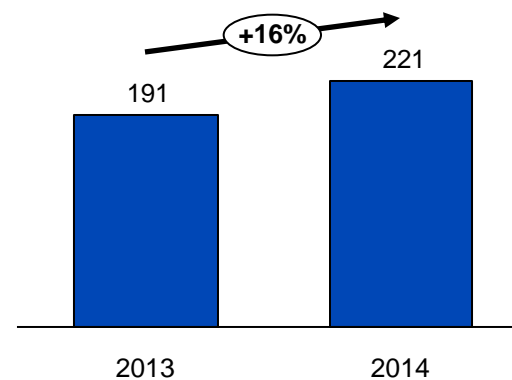
(17% underlying)

Turkey



+100%

China



Note: VNB figures include all emerging markets

Our international mature and emerging markets delivered 20% VNB growth in 2014

True Customer Composite opportunity – UK Example



We have an exciting opportunity to deliver a digital one stop-shop for insurance, transforming the way we do business and interact with our partners and customers

Why Now



UK consumer = **digital consumers**



Disintermediation of insurance



Customers looking for **simplicity**

Why Aviva



A strong, **trusted brand**



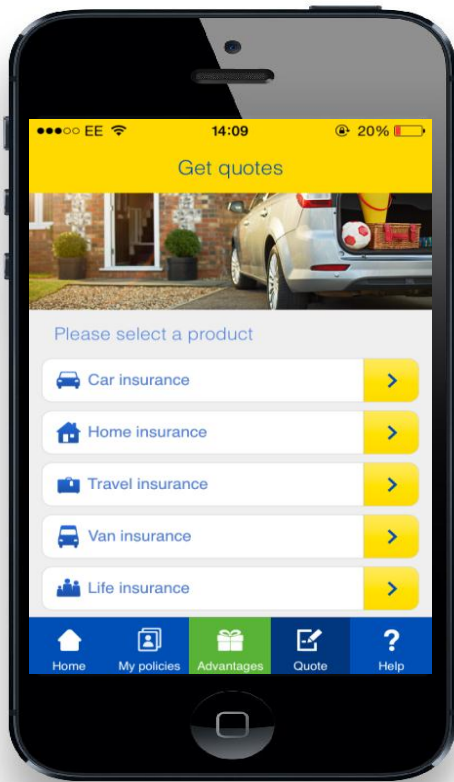
The **only UK composite** insurer



Strong **digital heritage**

Aviva is well placed to unlock the composite opportunity in the UK

My Aviva App



Online, simple portal for Aviva's UK customers

Virtual branch



Virtual consultants for investment solutions in Poland

Pocket doctor



*Partnership with **Chunyu Online Doctor** in China and **Babylon** in the UK & Ireland*

Delivering our ambitious digital agenda is a key focus for Aviva

High growth opportunities

Asset Management



£300bn+ AuM, mainly in the UK & France



Predominately **captive asset manager**



Launched AI **Multi Asset Strategy range**

Accident & Health



c\$140bn market premium in our 16 markets



Significant **VNB contributions** to the Group



Investing in **digital wellness & innovation**

How we will realise our untapped potential



Leverage our True
Customer composite



Offer simple solution that are
relevant to our customers



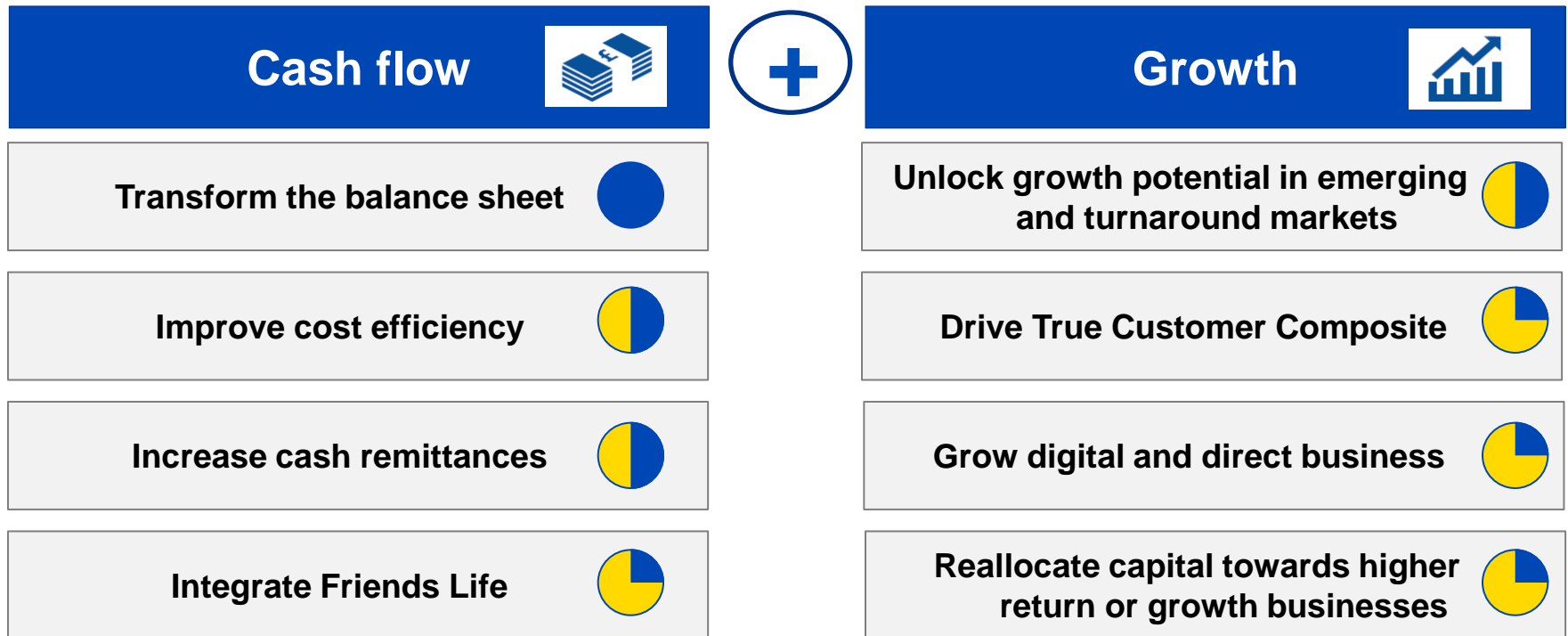
Build scale in selected,
profitable markets





Invest in core capabilities &
operating excellence

We will drive growth by allocating capital to higher return and higher growth businesses

Conclusion



 Completed
 Not started

Our priority remains to deliver cash flow plus growth

Q & A

Goldman Sachs