



Aviva

Capital Markets Day

6 July 2016

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 presentation 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 referendum on UK membership of the European Union; 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; 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; regulatory approval of extension of use of the Group’s internal model for calculation of regulatory capital under the European Union’s Solvency II rules; 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 (including cyber attack); 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; 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; 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 the risk factors contained in the Euro Note Programme prospectus published on 1 May 2015. Aviva undertakes no obligation to update the forward looking statements in this presentation 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.



Aviva

Capital Markets Day

6 July 2016

Mark Wilson
Group Chief Executive Officer

Context

Fundamentals are sound...



Fixed balance sheet



No longer capital constrained



Results are consistent



Strong brand and franchises

Yet...



Brexit uncertainty



Questions on growth



Still too complex

What we are here to answer



How will you grow earnings?

What is the trajectory of the dividend?

How strong and resilient is the balance sheet?

What is the outlook for capital generation?

What are capital management priorities?

What is the quality of your franchises?

What is the potential of TCC digital?

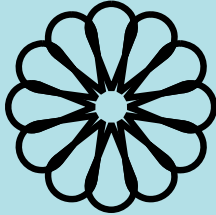
What is the impact of Brexit?

**Insurance is
about diversity.
And for Aviva,
diversity is
about multi-line,
multi-country
in a focused
disciplined way.**



Strategic anchor

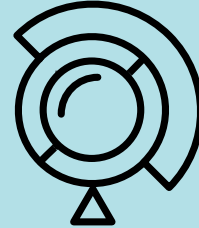
Cash flow plus growth



True Customer Composite



Digital First



Not Everywhere

Strategic identity

**British
champion,
focused
composite**



Quality core franchises



Strong balance sheet



Sustainable growing dividend

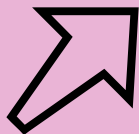


Surplus capital provides options



Oaks, acorns and apple trees

Our expectations



Operating profit

Mid-single digit growth
in medium term



Cash

£7bn cash remittances
2016 -2018

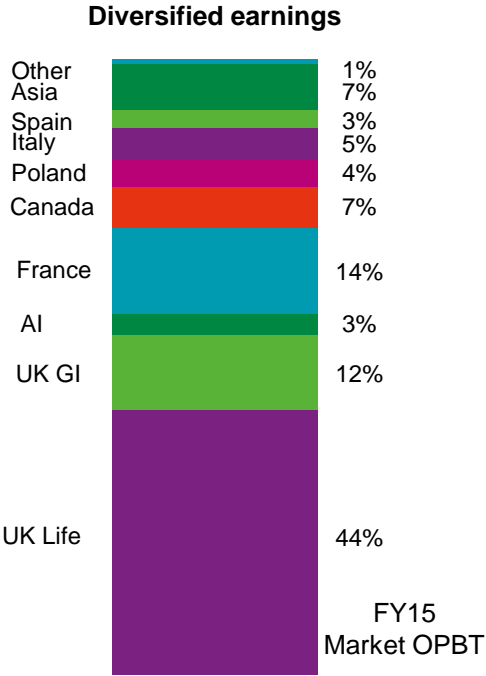


Dividend

50% pay-out
ratio 2017

Brexit considerations

Structure	No significant operational issues Locally incorporated and regulated
Capital	Proven resilience Low interest rate sensitivity
Earnings	Positive: FX, diversity Negative: Asset values, economic growth
Politics	Economic uncertainty



Capital allocation

Philosophy

To maximise
return for
shareholders

Options

- **Dividend is paramount**
- Organic growth
- Bolt on M&A
- Capital return
- Debt restructuring

Oaks, acorns and apple trees

Oaks

Solid growth,
sustainable cash

Acorns

Future,
fast growth

Apple trees

Simplify, restructure,
focus, improve

Oaks, acorns and apple trees



Oaks

UK:	Deepen
France:	Focused
Poland:	Grow
Canada:	Diversify



Acorns

AI:	Accelerate
Digital:	Innovate
Asia:	Disrupt
Turkey:	Grow



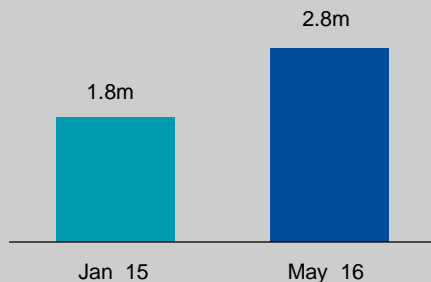
Apple trees

Spain:	}	Simplify
Italy:		Restructure
FPI:		Optimise
India/Taiwan:		Improve

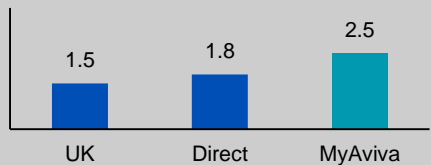
Digital first

Leading indicators

Registrations



Average policy holding



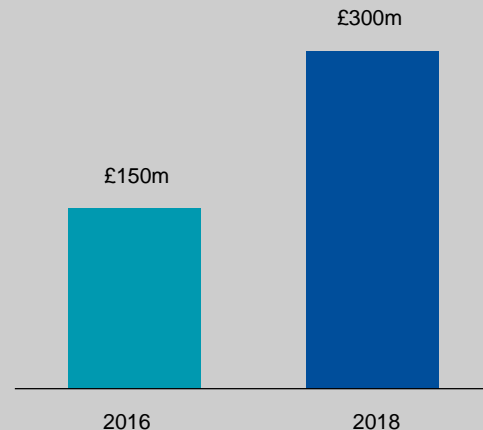
Margin implications



**30%
lower
total cost¹**

Size of the prize

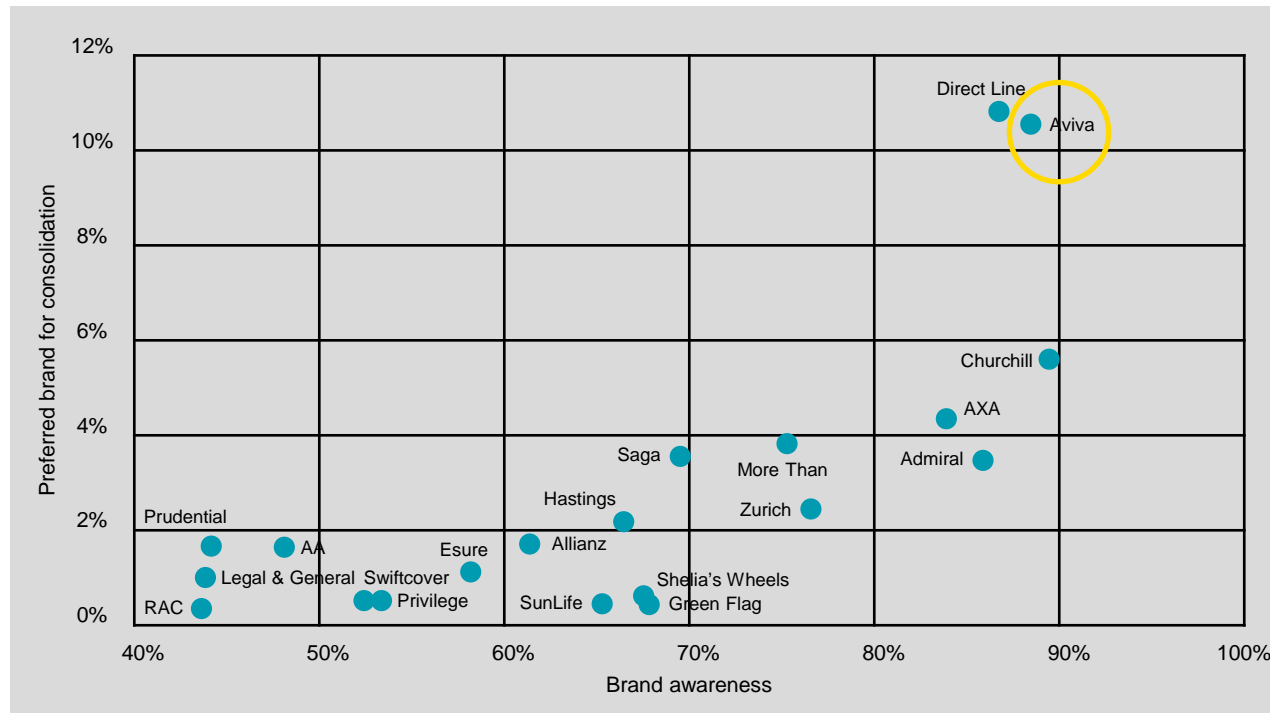
UK digital budget operating profit



1. 30% relates to total cost for new GI home cross sales to our existing retirement customers compared to new intermediated home customers.

Our brand is
a key source of
**competitive
advantage**

Clear link between brand and cross-sell



Source: UBS Evidence Lab: What Consumers Want

“

The UK market is not known as a composite one and preferences for consolidation are quite low. However, Aviva does compare well highlighting the opportunity if it can make a success of its strategy

”

~UBS

Why the UK?

-  3rd largest insurance market
-  Large, ageing and affluent population
-  Structural savings growth
-  Attractive product set
-  Disintermediation
-  Digital opportunity
-  Stable regulation
-  Consolidated and commercial



Aviva

Capital Markets Day

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Tom Stoddard
CFO

What we are here to answer



How stable is the balance sheet?

What is our exposure to interest rates?

What is our exposure to credit?

What is the outlook for operating EPS?

When will we reach our dividend pay-out target?

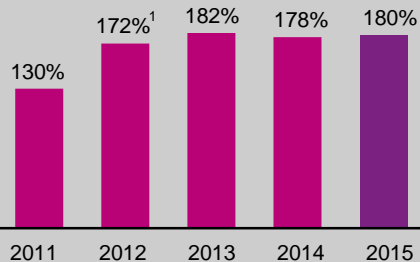
What funds the dividend?

How will Aviva's business mix result in growth?

How stable is the balance sheet?

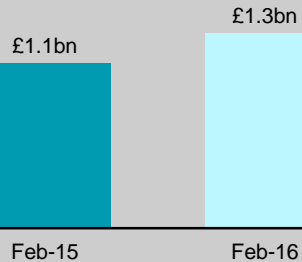
Capital

■ EC
■ S2

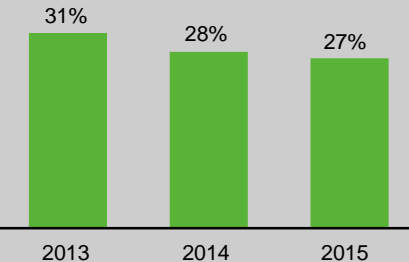


Capital position resilient to wide range of market stresses

Liquidity



Debt leverage



S&P Leverage Ratio

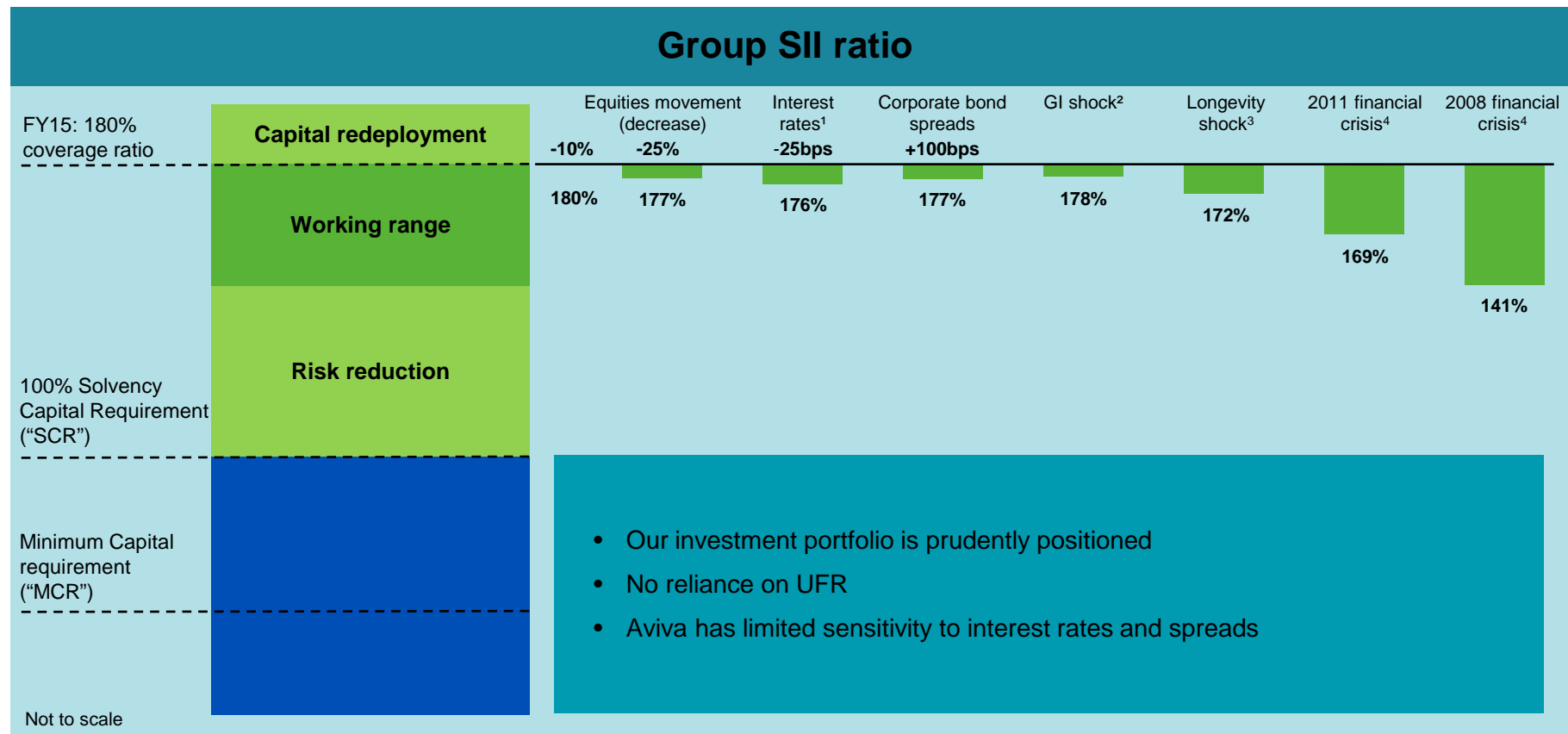
Ratings



A+ (Stable)
A1 (Stable)
A (Stable)
AA- (Stable)

¹ Pro-forma basis

How stable is the balance sheet? Well capitalised and resilient to stress



¹ For interest rate stresses, the transitional is assumed to be reset





² 5% increase in gross loss ratio

³ 5% decrease in mortality rates for annuity business





⁴ The financial impacts are estimates based on observed market movements during these crises and are intended to provide a high level indication of the Group's Solvency position in these scenarios

What is our exposure to interest rates?

Balance sheet

-  Resolute matching strategy
-  Resilience improved during H116
-  UK risk margin – transitional reset
-  Low guarantees in European savings

Profit & loss

-  Business mix
-  Av. yield significantly above guarantees
-  Av. yield in GI 2.7%. New money c.1.8%
-  Annuity volumes?

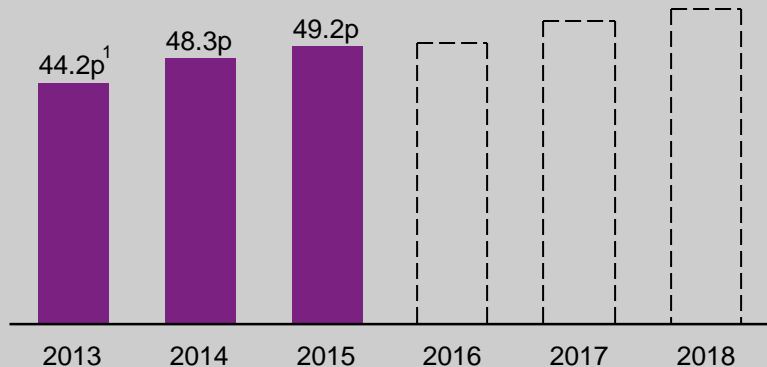
What is your exposure to credit?

Shareholder assets (FY 2015)	Debt securities	
£ million	£ million	% of portfolio
AAA	6,770	14.1%
AA	16,271	34.0%
A	13,145	27.4%
BBB	8,347	17.4%
Less than BBB	691	1.4%
Non rated	2,712	5.7%
Total	47,936	100%

- Conservative portfolio - minimal defaults
- 93% of non rated assets rated as investment grade internally
- Bank debt securities both senior and sub debt - £5.9bn
- Commercial mortgage portfolio
 - LTV 61% FY 2015

What is the outlook for operating EPS?

IFRS Operating EPS



2016 – 2018 based on current consensus

- Longer term earnings growth: mid single digit increase
- Growth in 2016 / 2017 may be challenged by uncertainty
- 2016 impacted by increased share count. Weighted average share-count increased by 8% on 2015
- Intention to pay progressive dividend throughout, even through uncertainty
- EPS driven by quality core franchises and not predicated on large scale M&A

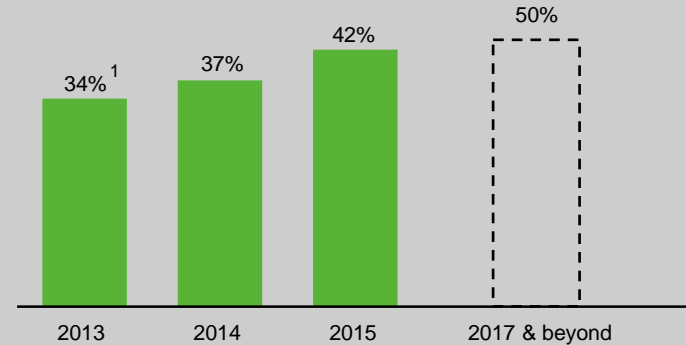
¹ Restated to exclude amortisation and impairment of acquired value of in-force business, which is now shown as a non-operating item. This is consistent with the calculation of 2014 and 2015 operating EPS

When will we reach our dividend pay-out target?

Dividends

- We aim to reach a 50% pay-out ratio in 2017
 - Allows for balance between cash flow and growth
 - 50% pay-out ratio not a ceiling on capital return
- From FY18 onwards: DPS in-line with operating EPS

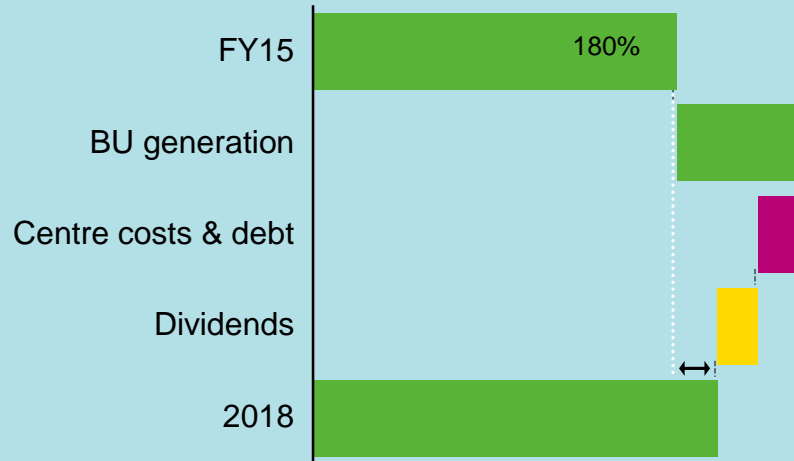
Pay-out ratio



¹ Restated to exclude amortisation and impairment of acquired value of in-force business, which is now shown as a non-operating item. This is consistent with the calculation of 2014 and 2015

What funds the dividend?

Cumulative 2016 – 2018 position



Business unit generation

- FY 16–18 capital generation covers dividend
- Ongoing c.20pts of generation

Remittance expectation

80% - 100% of capital generation

Not to scale

What is our approach to capital management?

- Complete upward rebasing of the dividend to 50% operating EPS pay-out ratio cover by 2017
- Sustainable long term dividend growth from 2018 onwards

Balanced approach to excess capital – with investment and return both on the agenda

Investment

- Organic growth – to fuel additional dividends or capital return in future over and above guidance
- Bolt on M&A to strengthen positions (e.g. RBCI in Canada)

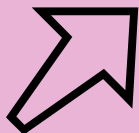
Capital return

- Share repurchase considered in the medium term if market conditions and financial position allow
- Repayment of expensive debt or other forms of liability management

How will Aviva's business mix result in growth? (UK)

	2016 – 2018 ambition	Opportunities	Challenges
Life	Low to mid single digit CAGR	<ul style="list-style-type: none"> • DC & platform flows • Annuity & protection new business • Expenses 	<ul style="list-style-type: none"> • Heritage run-off • Fee margin compression • Brexit
General Insurance	Mid single digit CAGR	<ul style="list-style-type: none"> • HomeServe + TSB • Expenses • A&H • CSR 	<ul style="list-style-type: none"> • Low yields – investment income
Aviva Investors	Double digit CAGR	<ul style="list-style-type: none"> • AIMS • Rate card • FL – integration • UK Life – increased asset capture 	<ul style="list-style-type: none"> • Expenses – investment for growth

Our expectations



Operating profit

Mid-single digit growth
in medium term



Cash

£7bn cash remittances
2016 -2018



Dividend

50% pay-out
ratio 2017



UK Life

6 July 2016

Andy Briggs

2015 UK Life results including 12 months of Friends Life, excluding PMI & Ireland. Results below UK Life level are an internal view and are unaudited.

What we are here to answer



What is the size and growth potential of the UK Life market?

What is the quality of Aviva's UK Life franchise?

How will we win in this market?

How does UK Life support the 'True Customer Composite'?

How do we make money in UK Life?

How fast can we grow?

What cash will we deliver to Group?

Aviva's market leading position and competitive advantage will drive cash flow plus growth



**Leading
position in
growing
markets**



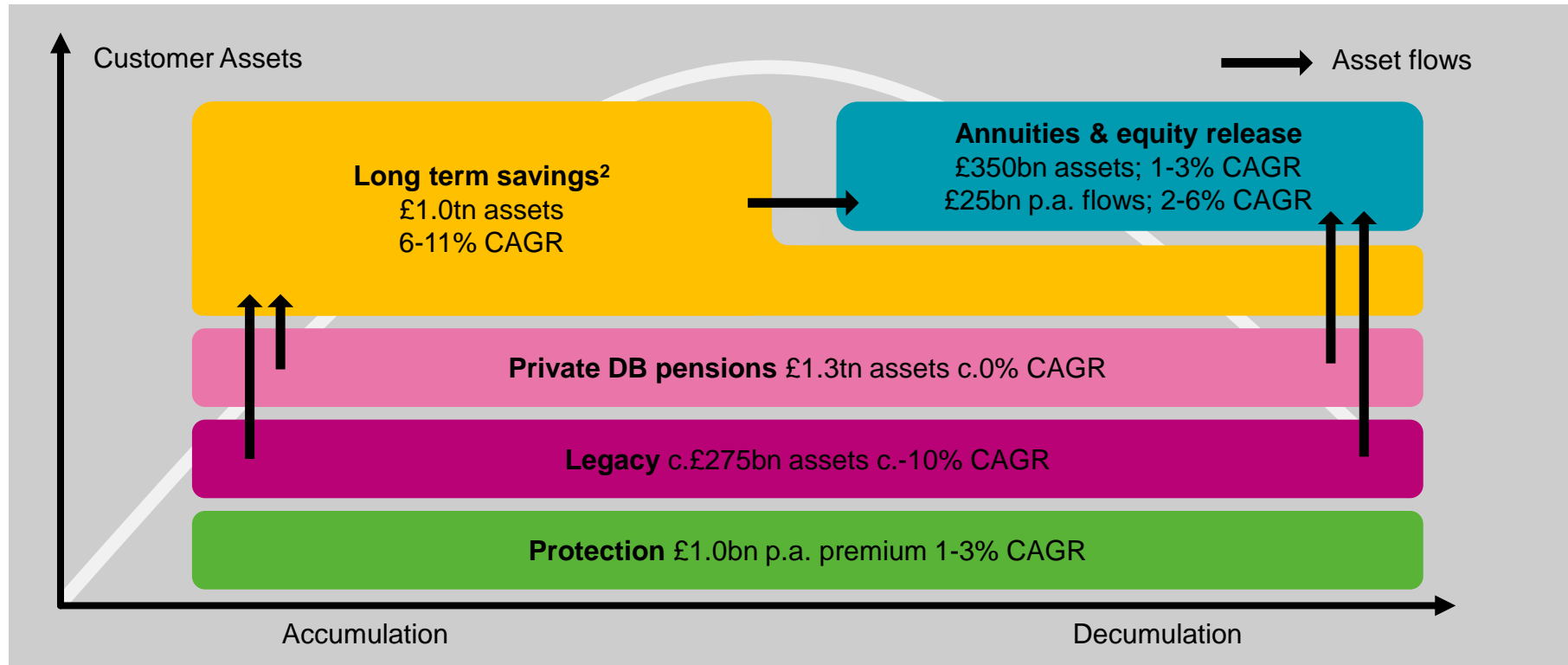
**Competitive
advantage from
multi-line model**



**Low to mid single digit
earnings growth**

**£3.5 – 4.0bn
cash remittances
(2016 – 18)**

We expect UK Life Market assets to double over the next 10 years¹

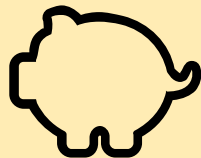


¹ Excluding DB

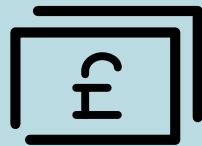
² Long term savings includes workplace, platform and individual pensions; legacy includes with profits (excluding PruFund) bonds and savings

Sources: Aviva analysis based on ABI and Purple Book

Aviva has strong, scale market positions



Long term savings



Annuities & Equity Release



Protection



Legacy

1st Workplace £51bn assets

5th Platform £3.2bn net flows

1st £52bn assets

1st £3.8bn premiums

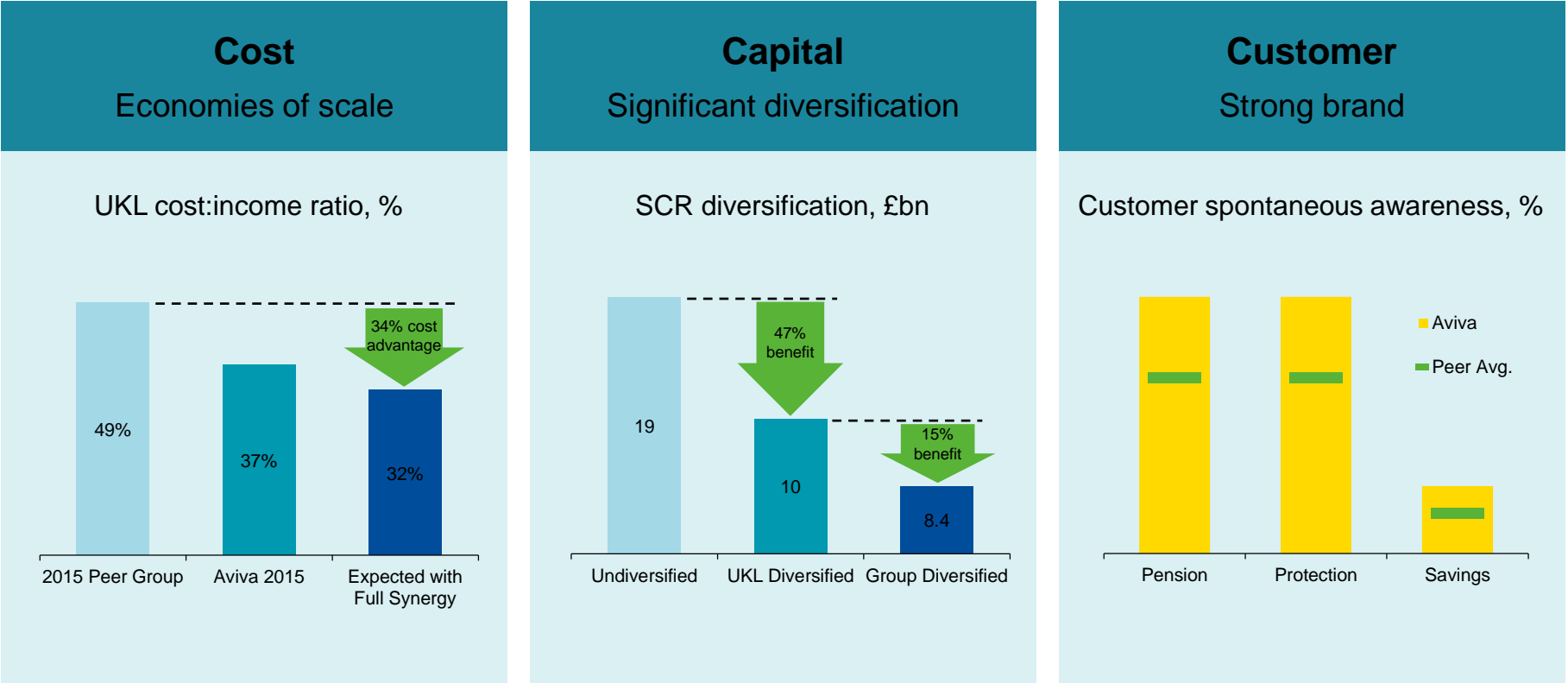
1st £1.7bn in-force premiums

2nd £230m new premiums

£83bn assets

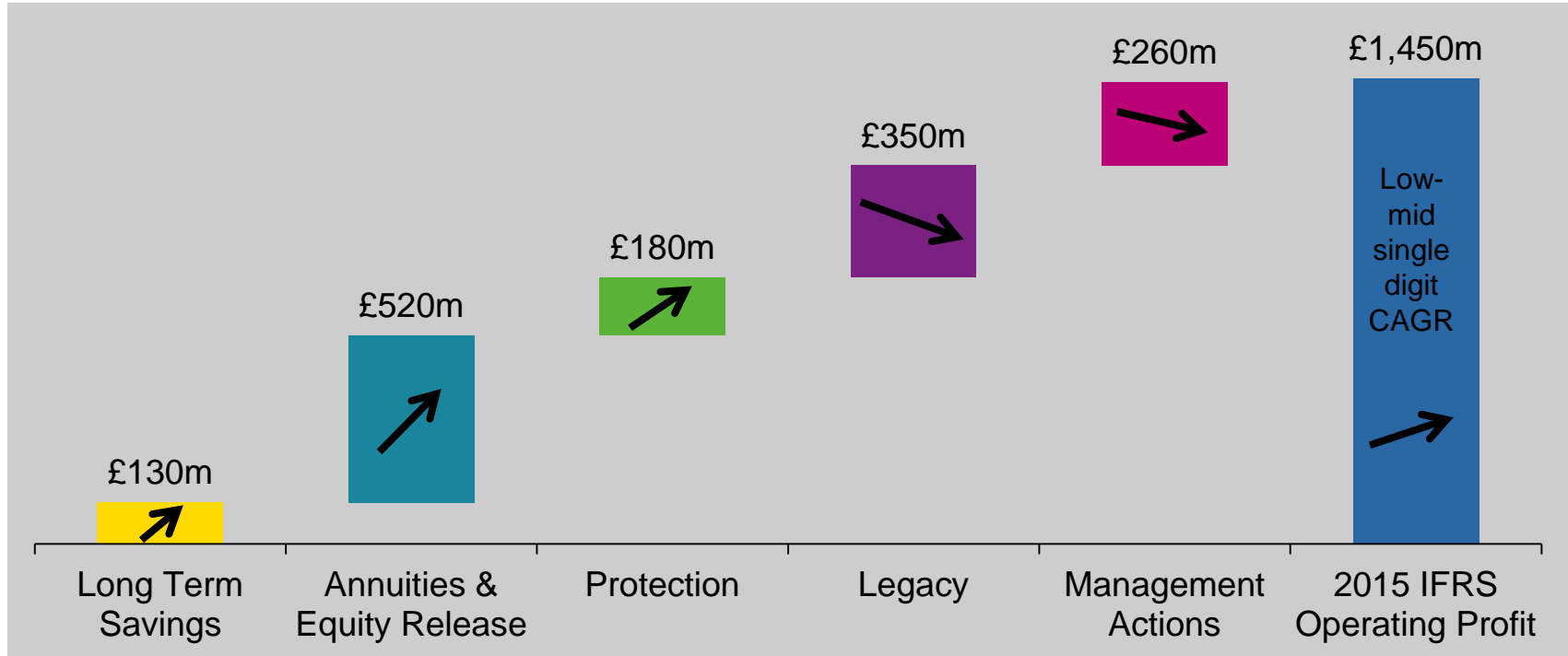
c.20% UK Life profits

Sustainable competitive advantage from our multi-line model



Source: Aviva / ICM brand tracker survey 2015

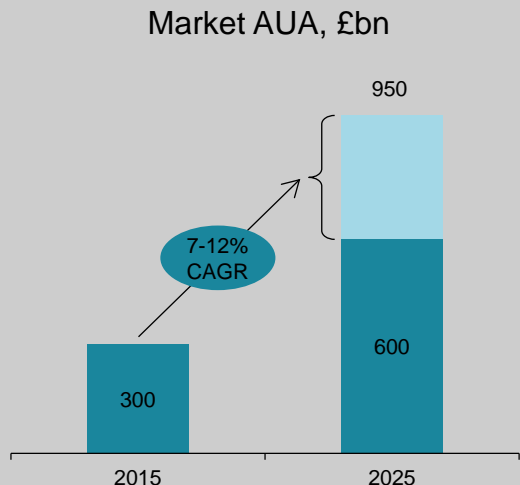
Our market leading position and competitive advantage drives low to mid single digit growth in IFRS earnings...



... and £3.5 - 4.0bn cash remittances to Group (2016-18) supported by capital generation

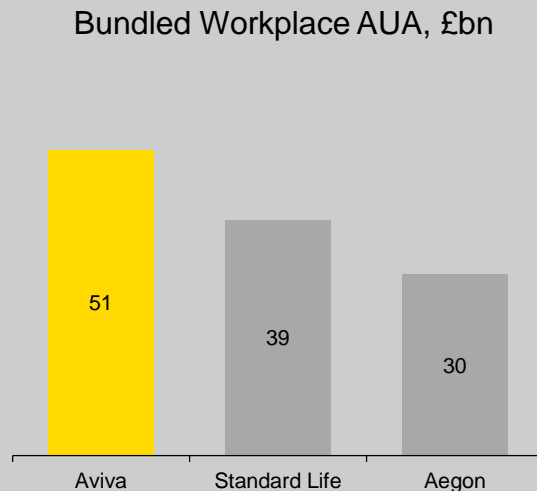
Long term savings: Aviva leading in workplace

Strong market growth



Source: Aviva analysis

Aviva in #1 position...



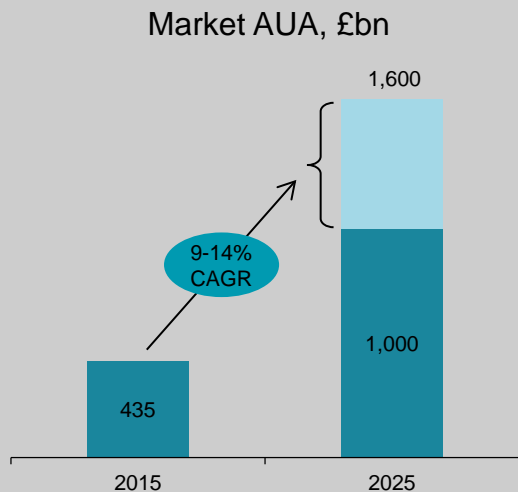
Source: 2015 Company reports
Note: Aegon includes Blackrock

... generating value

- c.80% of new premiums from existing schemes
- Engaging directly with businesses and employees
- Award winning platform
- Co-developing new solutions with Aviva Investors

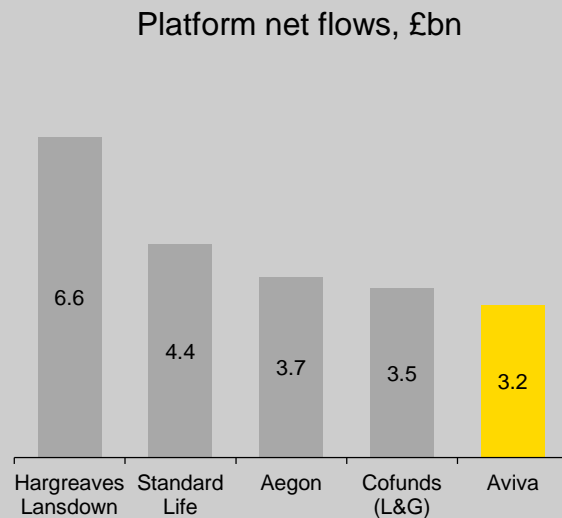
Long term savings: Aviva challenging in Adviser and Consumer platform

Strong market growth



Source: Aviva analysis

Aviva a challenger...



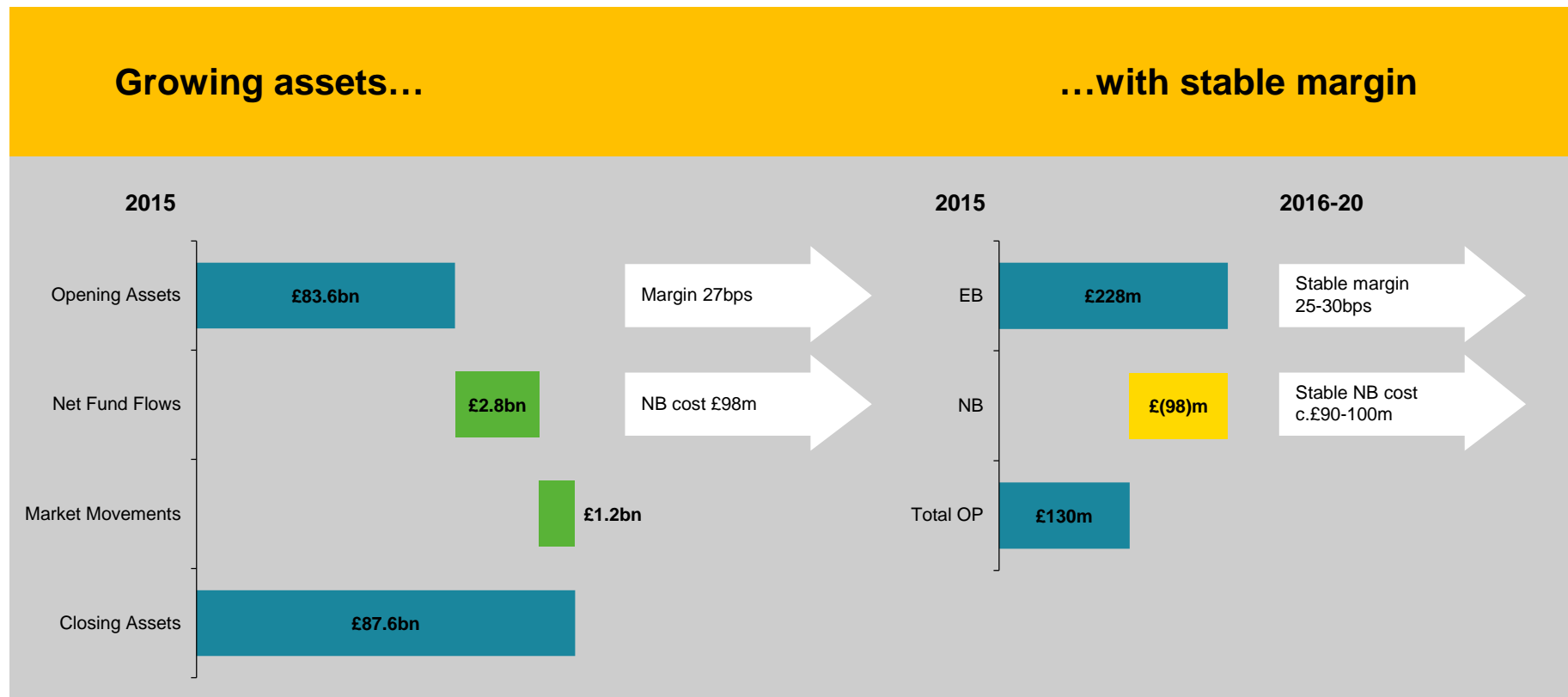
Source: 2015 Company reports

...with key advantages

- Broad distribution reach
- In-house advice
- Migration to single platform
- New business flows to Aviva Investors¹:
 - 32% adviser
 - 60% consumer

¹ Excluding cash investments

Long term savings: Expecting significant growth in assets and profits

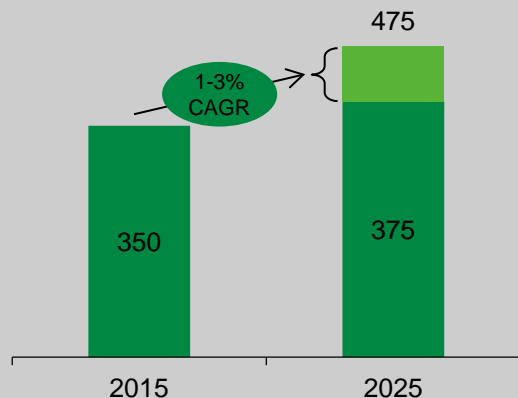


Note: Long term savings includes Workplace, Platform and Individual Pensions

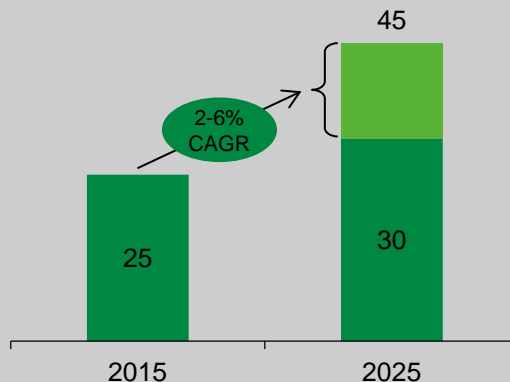
Annuities & Equity Release: Strong market position

Moderate market growth

Market AUA, £bn

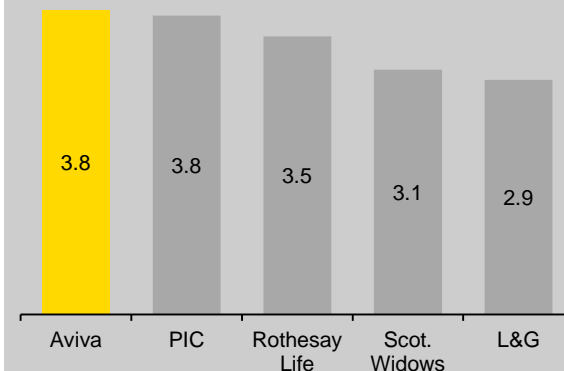


NB Premiums, £bn



Aviva in #1 position

2015 NB Premiums¹, £bn



- Increased appetite for bulks
- Maintain leadership in equity release and individual annuities

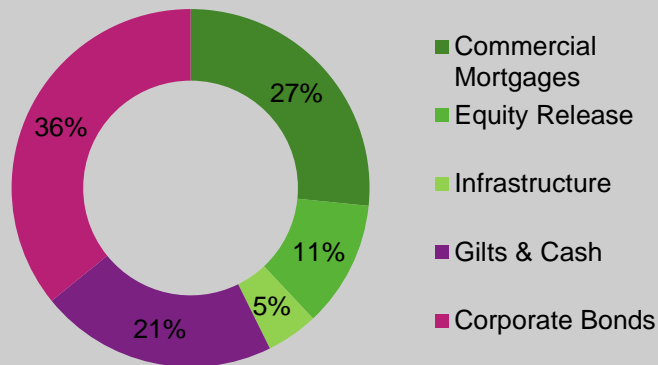
Source: Aviva analysis

¹ NB premiums are from company reports and are the total of bulk annuities, longevity insurance, individual annuities and equity release on a PVNBP basis

Annuities & Equity Release: Strong capability in asset origination and longevity

Diverse range of illiquid assets

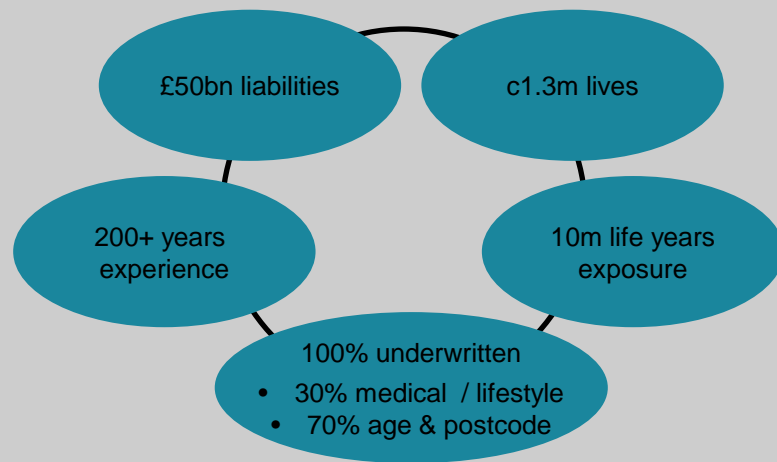
Assets backing annuities, 2015¹



- New business appetite for 80% illiquids
- Additional illiquids for back book

¹ Excluding Friends Life

Longevity expertise

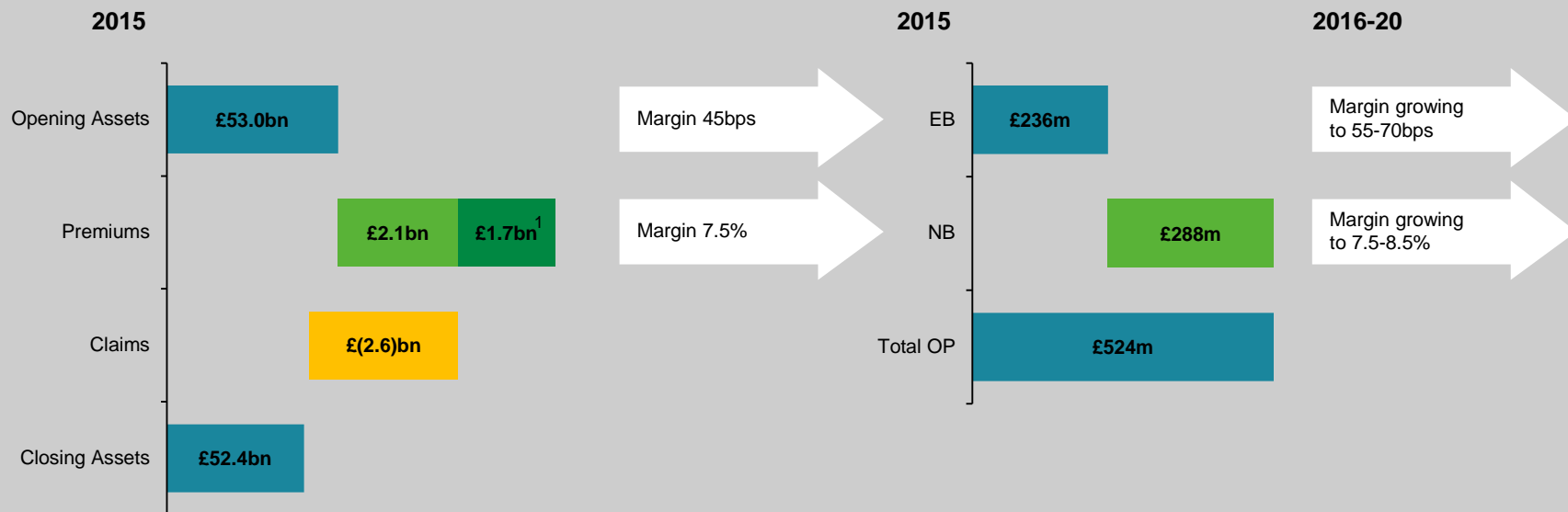


- Enhancing underwriting with customer data
- Selective reinsurance to manage longevity risk

Annuities & Equity Release: Expecting significant margin and profit growth

Stable assets...

...with growing margin



¹ Equity release and longevity swap premiums which have no impact on the asset position

Protection: Attractive financials for scale players

Stable market

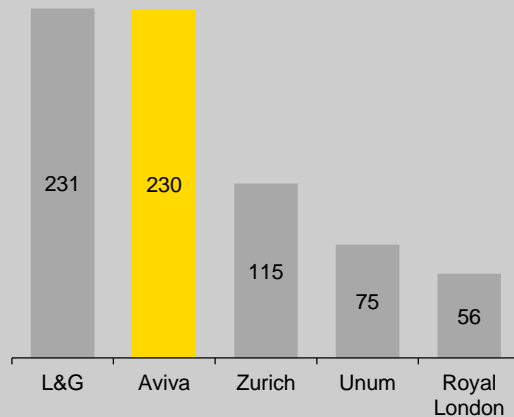
Market AUA, £bn



Source: Aviva analysis

Aviva a market leader...

NB Premiums, £m APE



Source: 2015 company reports & PRA returns

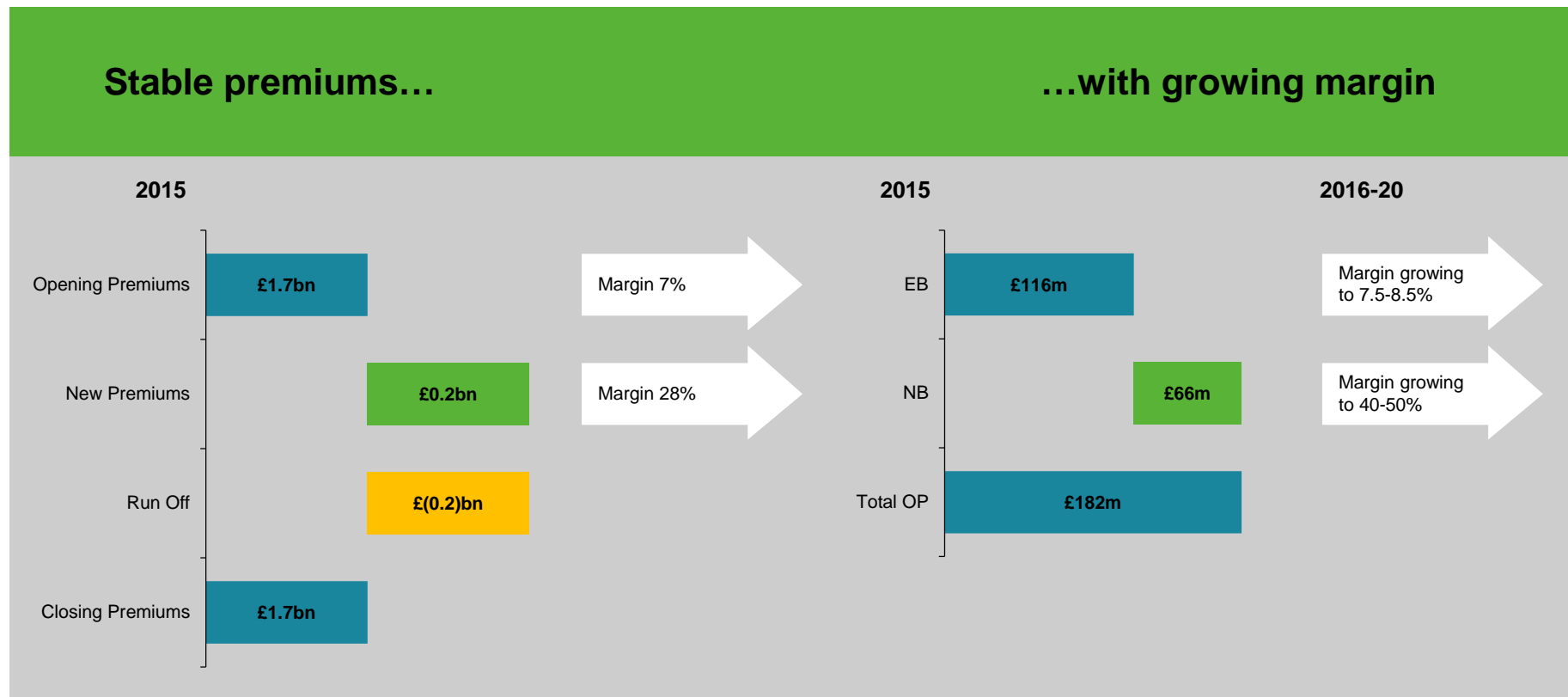
...with real advantages

- c.60% of individual sales from long-term partnerships e.g.:



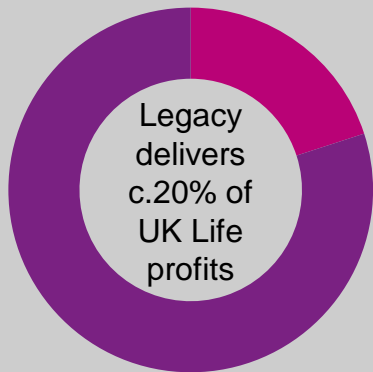
- Platform investment, delivering c.75% straight through
- Digital and TCC opportunities

Protection: Expecting significant margin and profit growth



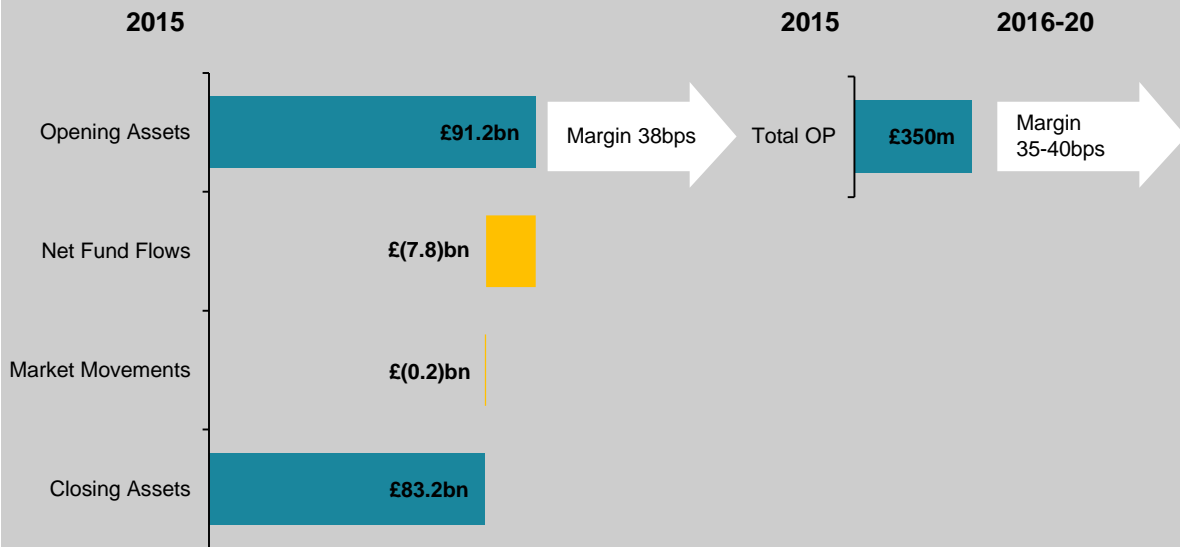
Legacy: Driving deeper customer relationships to create long term value

Legacy run off...



- Legacy run off c.10% p.a.
- Focus on cost and capital
- Engaging customers digitally

...with stable margin



Deeper relationships with customers, businesses and intermediaries

Customers	Focus on mass market / mass affluent			
Digital First	MyAviva			
	Corporate wrap	Aviva for Advisers	Consumer platform	
Channels	Workplace	Intermediated	Digital direct	
Products	Long term savings	Annuities & Equity Release	Protection	Legacy
TCC Opportunities	Aviva Investors	GI	Health	



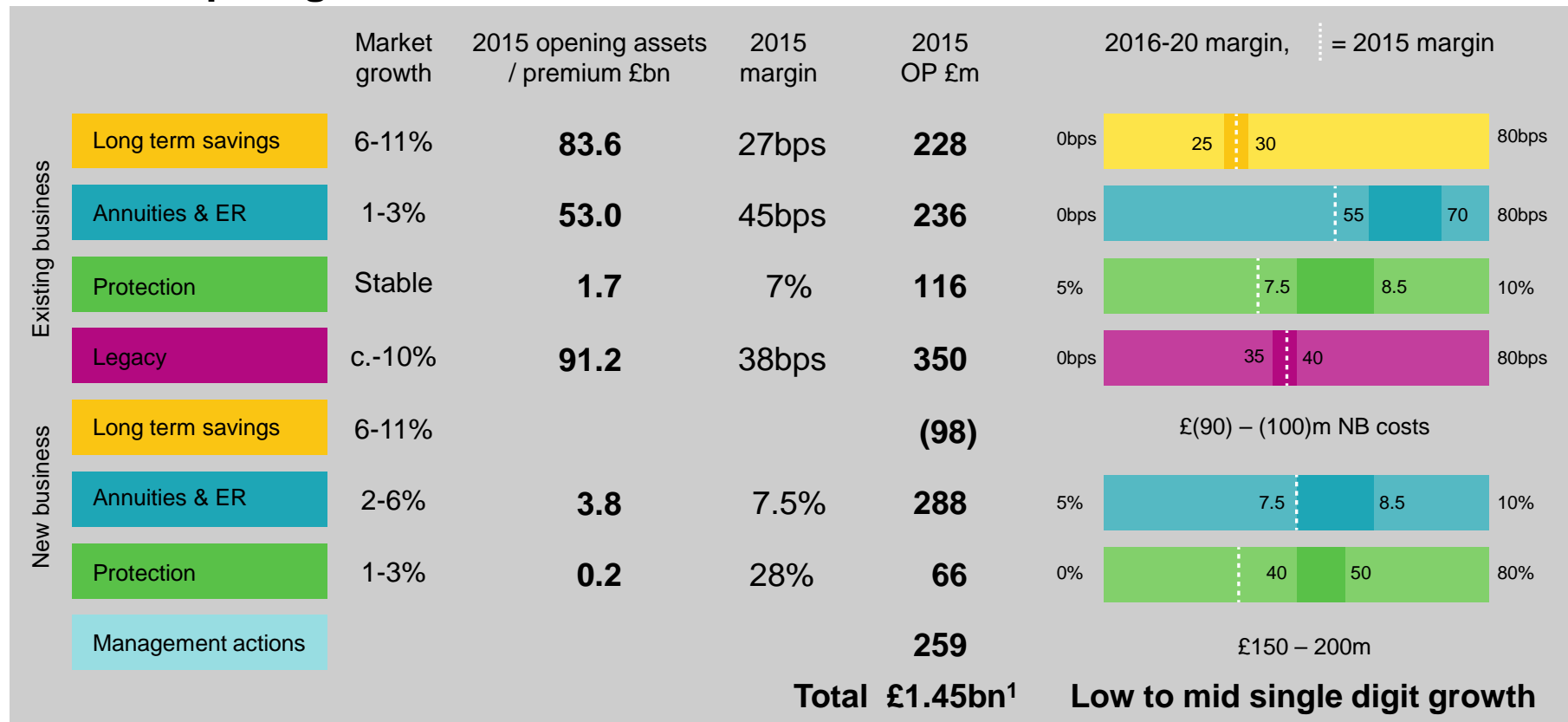
UK Life Financials

6 July 2016

Jason Windsor

2015 UK Life results including 12 months of Friends Life, excluding PMI & Ireland. Results below UK Life level are an internal view and are unaudited.

Aviva's market leading position and competitive advantage will drive cash flow plus growth



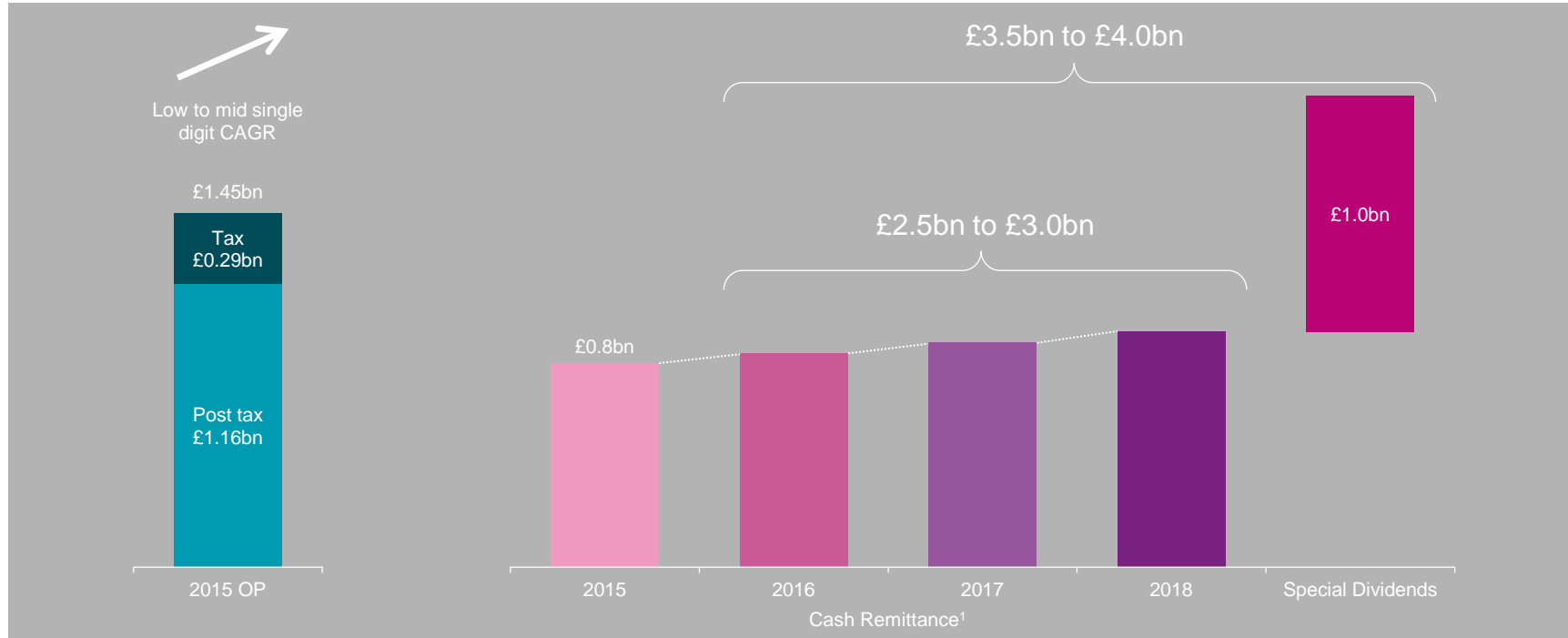
¹ 2015 UK Life results including 12 months of Friends Life (with c.£60m from Q1 2015), excluding PMI & Ireland

Reducing cost profile: strong track record of cost efficiency



- UK Life integration delivered £113m run-rate savings; £73m realised in 2015
- Cost:income ratio expected to reduce to c.32% over the next three years (2015: 37%)

£3.5 – 4.0bn of planned cash remittance over next 3 years



- Cash remittances supported by capital generation
- Minimal new business strain – as cost and capital efficiency delivered

¹ UK & Ireland and includes debt interest
Phasing of dividends to Group may vary

Delivery of management actions: dedicated team focusing on opportunities to optimise our c.£240bn balance sheet

Actions executed

- Commercial mortgage sale/restructuring
- Equity release securitisation
- Expense reductions
- Balance sheet hedging

Capital synergies

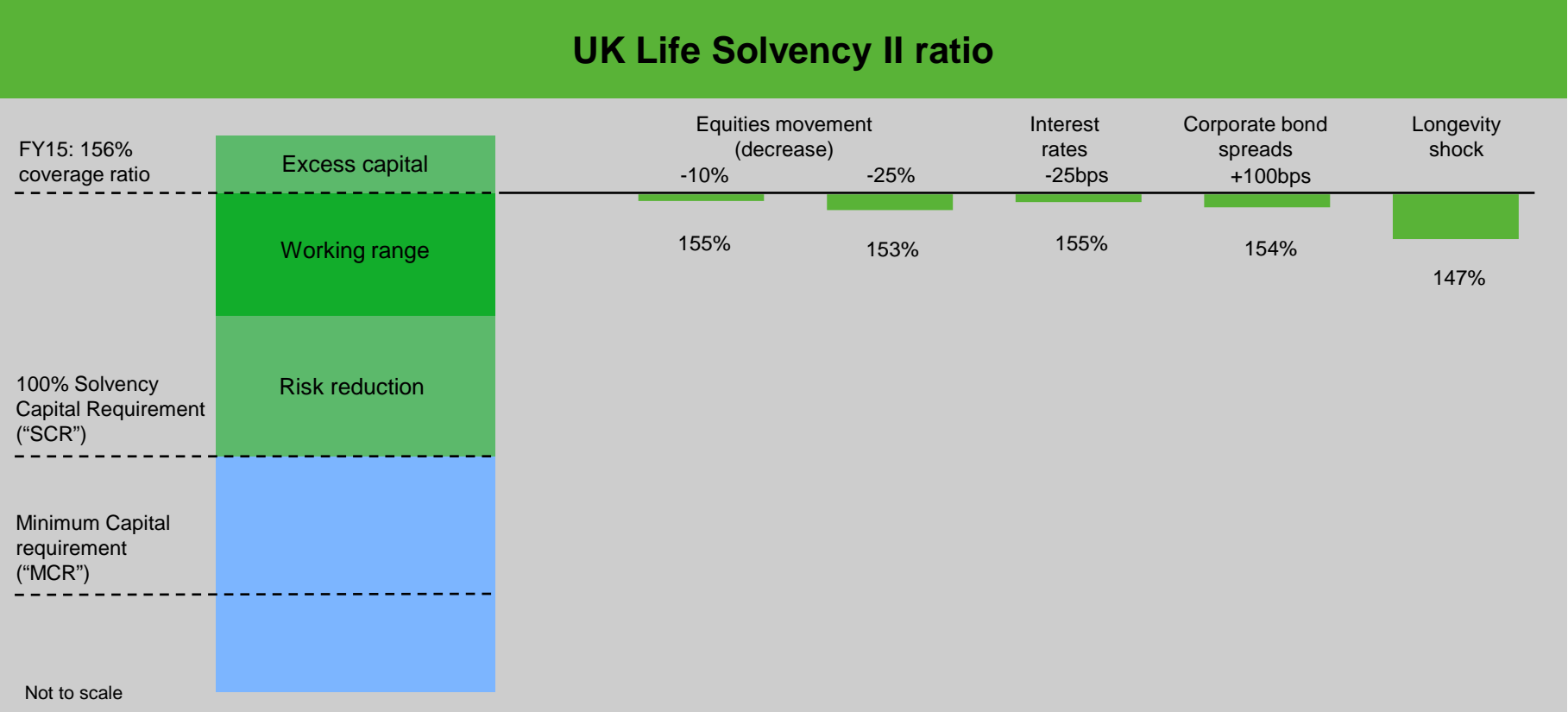
- Diversification driven by Part VII transfers in 2016 and 2017
- Friends Life economic capital optimisation
- Capitalisation of cost synergies

Ongoing management actions

- Further expense reductions
- With Profits management
- Product and fund rationalisation
- Asset optimisation
- Further hedging and reinsurance
- Sale/purchase of blocks of business

Driving £150-200m IFRS earnings p.a. plus £1bn capital synergies

Balance sheet: Strong capital position and low market sensitivity



Aviva's market leading position and competitive advantage will drive cash flow plus growth



**Leading
position in
growing
markets**



**Competitive
advantage from
multi-line model**



**Low to mid single digit
earnings growth**

**£3.5 – 4.0bn
cash remittances
(2016 – 18)**



Aviva Investors

Accelerating Profit Growth

6 July 2016

Euan Munro
Chief Executive Officer, Aviva Investors

What we are here to answer

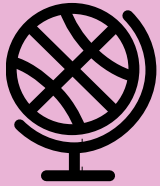


Where is Aviva Investors today?

How will we win?

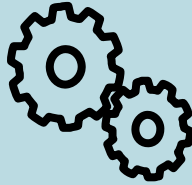
What does success look like?

AI – Low cost, scale manufacturer; 3% Group profits



Scale

£300bn AUM
Multi location
Multiple asset classes



New Solutions

AIMS TR
AIMS Income
+ Incubators



Investment Performance

84% vs BM



Profit Recovery

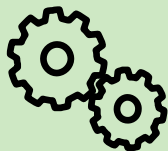
2015 £105m
33% increase on 2014

AI – Transforming to strong profit contributor



**Transformation
journey**

Half way
5 year turnaround
Strong indicators



**Demand for
outcome
orientated
solutions**

Low interest, high
volatility world
Ageing population



**Winning faster
with Aviva**

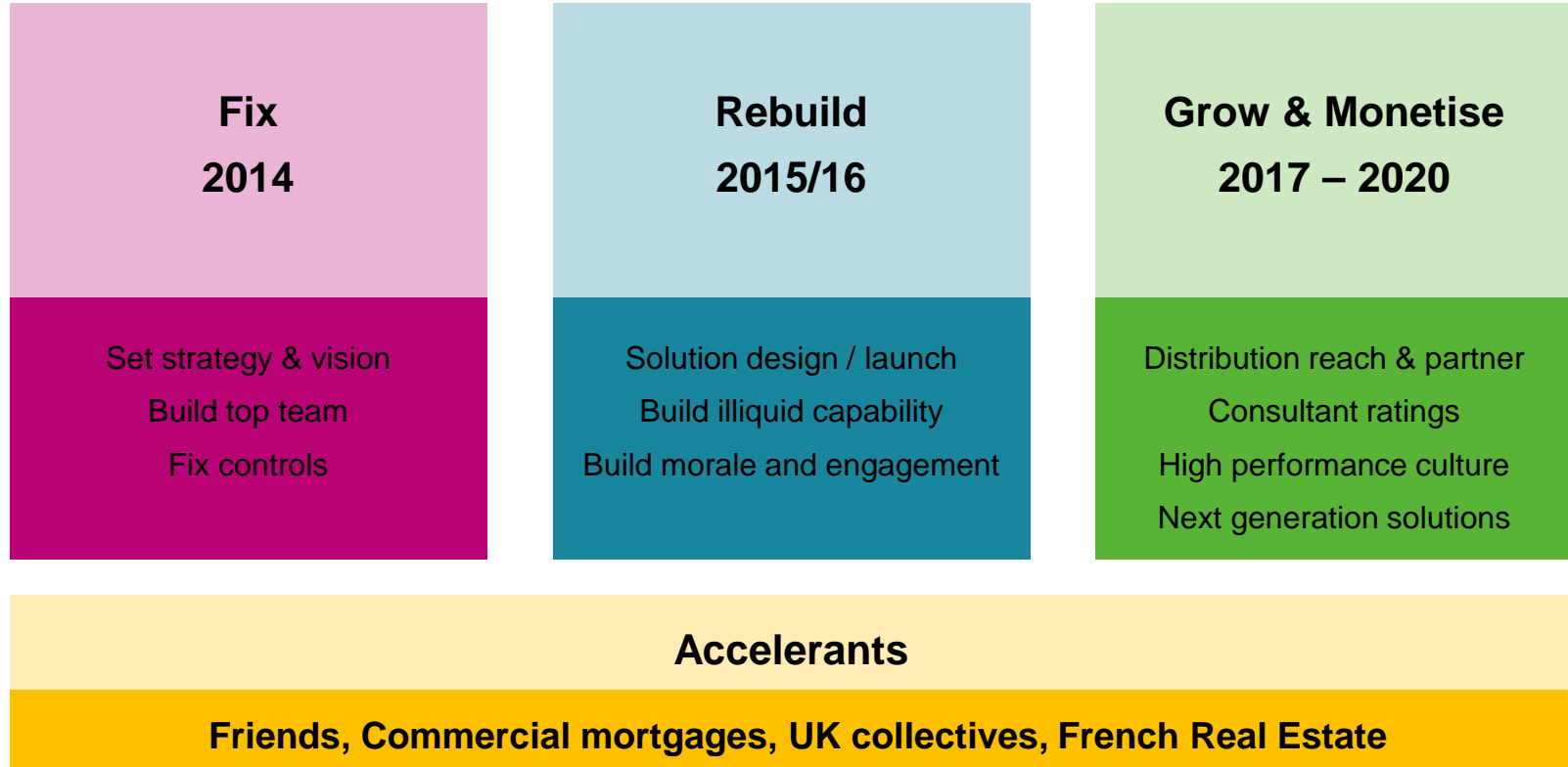
Product co-creation
Digital
Illiquid origination



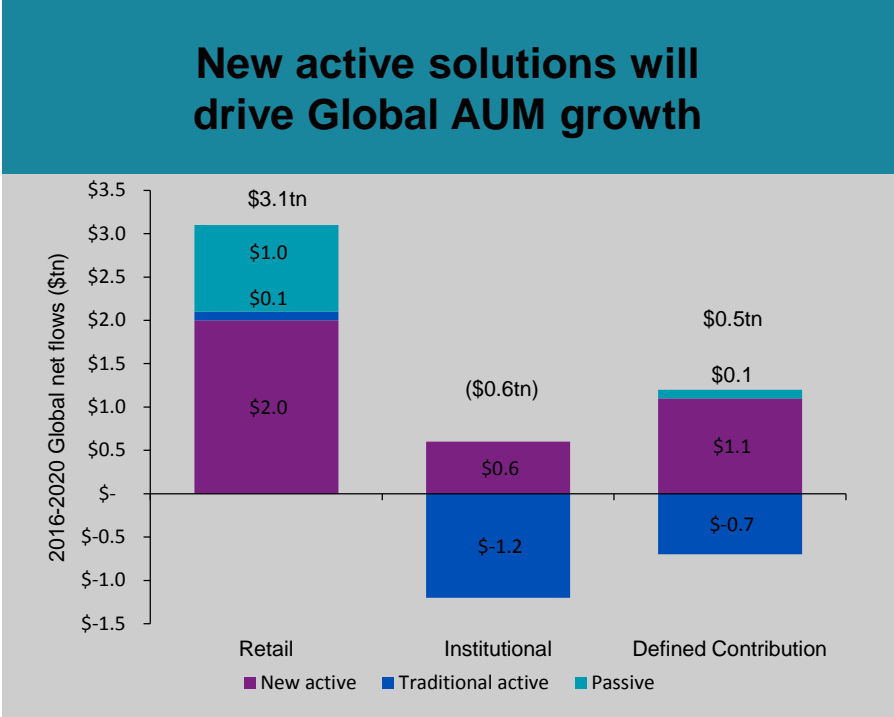
**Share price
growth**

Double digit profit
CAGR
Higher earnings
multiple

Transformation journey



Growing global demand – \$3.7tn in active solutions



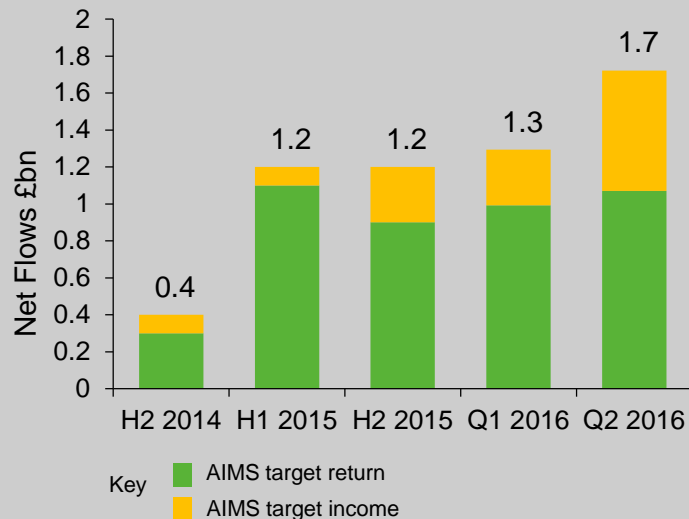
Growing demand for “new active” investment solutions

Source: Casey Quirk, November 2015

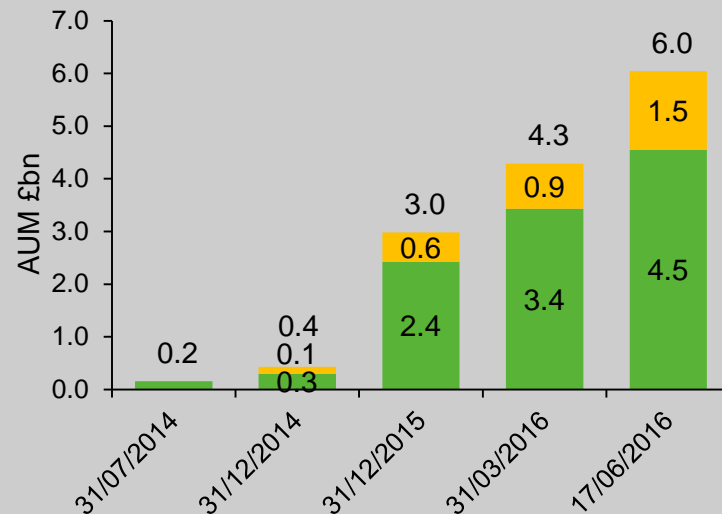
Source: Casey Quirk, July 2015

Good early proof points ... Assets building strongly

AIMS - Quarterly Net Flows



AIMS - Closing AUM



AIMS approvals

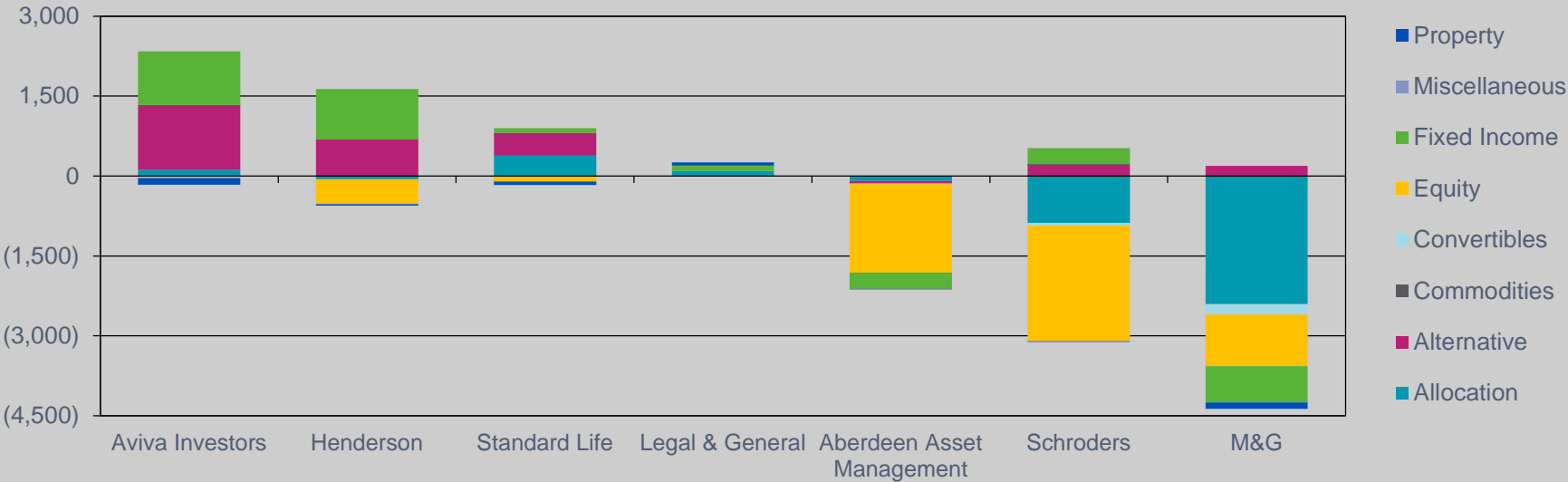
Early Consultant & Distribution platform adoption

- 6 confirmed “Buy” ratings
- 5 on Positive Watch
- Growing platform adoption - Barclays, HSBC, UBS, BNP

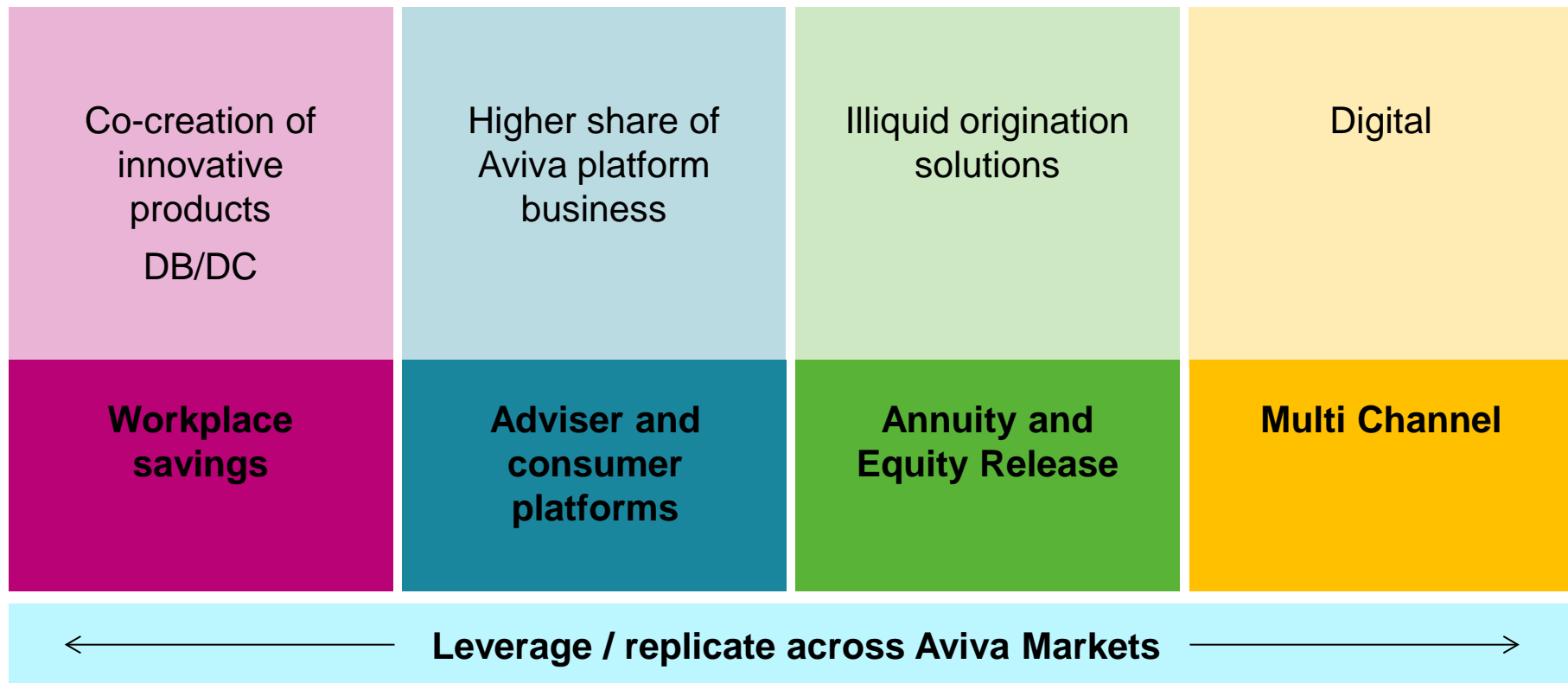
Good early proof points... Market leading flows

Performance vs Peers

Strong Q1 wholesale net flows growth has placed Aviva Investors above major competitors despite industry's 'worst Q1 in over 20 years'
Q1 2016 Morningstar Retail and Institutional global net flows by asset class (£m, excl seg, MM and ETF)



Winning faster with Aviva



What success might look like

	Comment	2016	2017	2018	2019	2020
Sound bite	How would you describe where we have got to on our journey?	Transformation	Delivering growth	Diversified excellence	Significant contribution to Group profits	Global leader in Solutions provider of choice
Status	How would competitors describe us?	One to watch	Winning mandates	Credible competition	Leading in UK solutions	Serious global competitor
Revenue % external	What % revenue from external clients?	30%	33%	37%	43%	50%
Profitability	What's our operating profit margin %?	25%	27%	30%	35%	40%

- 1 Right solutions for today's environment**
- 2 Flows now positive; expect to accelerate with Aviva distribution**
- 3 We are already on a growth track**



Growing from a position of strength

UK General Insurance

6 July 2016

Maurice Tulloch
Chairman, Global GI

UKGI is uniquely well-positioned in the market



Number one

Leading UK
General Insurer



**Diversified
business**

Multi-channel,
multi-product



**Proven track
record – resilient
performance**

Sustainable earnings
and dividends



Why we win

Scale and core
capabilities provide
competitive advantage

What we are here to answer



How do we exploit our market scale advantages?

How do we maintain and strengthen our diversification?

What are our sustainable sources of competitive advantage?

How we will win and grow our business

Number 1 UK General Insurer



Scale

£4bn GWP & 11%
market share

Advantages in procurement,
data and service



Performance

2014 & 2015 COR 95%
£100m cost reduction in
last 2 years



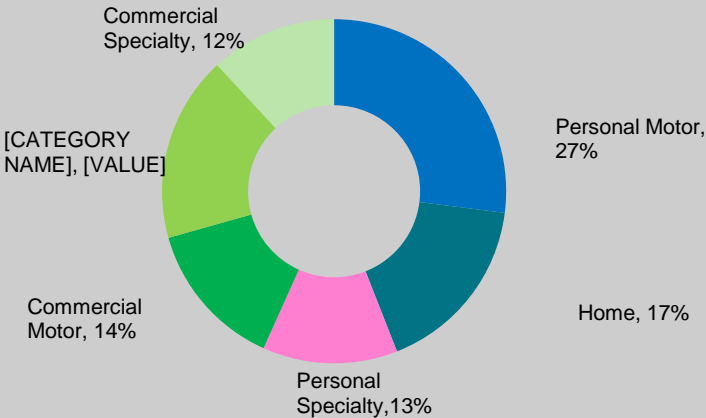
Recognition

Strong brand, quality
customer franchise
General Insurer of the
Year 2014 & 2015

Diversified business

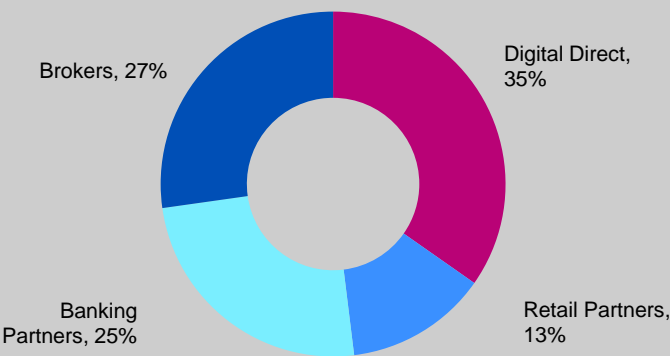
Products

Aviva UKGI FY15 GWP, %



Channels

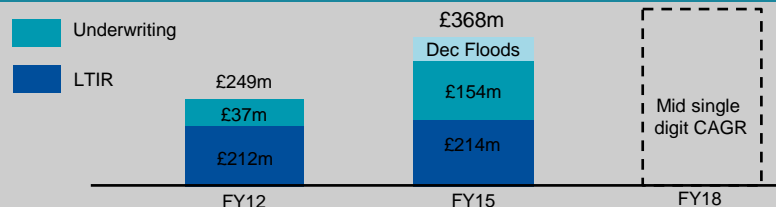
Aviva Personal Lines FY15 GWP, %



Well-diversified, customer-focused portfolio

Strong track record – resilient performance

Operating Profit

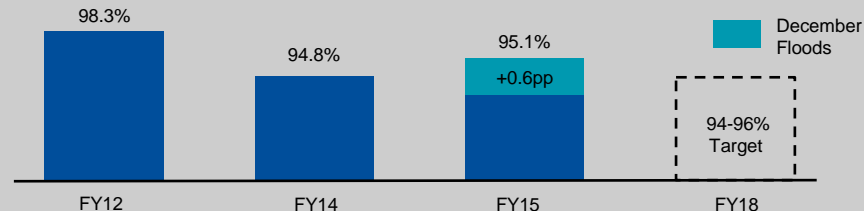


*FY12 LTIR adjusted to reflect FY15 AGH Loan value

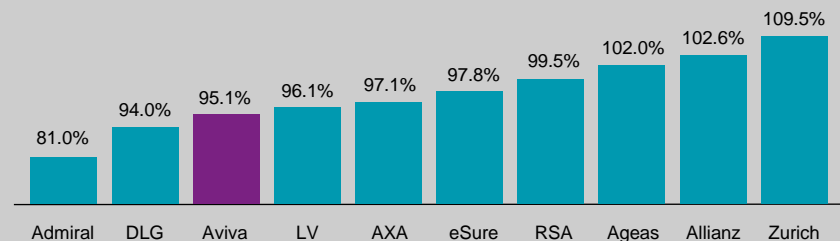
Net Cash Remittance

- £1.1bn cash paid to Group since 2012
- 2016-2018 forecast range £0.9 - 1.2bn

Reported COR



UK GI Market FY15 COR %



Resilient earnings and dividends across the insurance cycle

Market outlook and UKGI ambition

		Market growth and COR		2015			2016-20 growth ambition
				GWP £bn	COR %	Op profit £m	
Personal Lines	Personal Motor	Level	98-102%	1.1	98	87	1-2%
	Homeowner	Level	92-97%	0.7	91	86	2-4%
	Personal Speciality	3-5%	94-96%	0.5	94	28	6-10%
Commercial Lines	Commercial Motor	0-1%	98-102%	0.6	99	45	Level
	Property/ Liability	0-4%	92-97%	1.2	94	123	3-6%
Total				4.0	95	368	Mid single digit

Why we will win



**Strong Results
across our Products**



**Leading Digital Capability
Growing Direct Business**



**Excellence in
Pricing & Underwriting
Powered by Analytics**



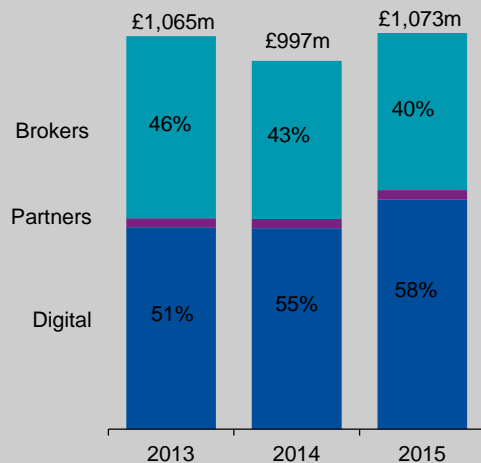
**Innovative Indemnity
Management
& Fighting Fraud**



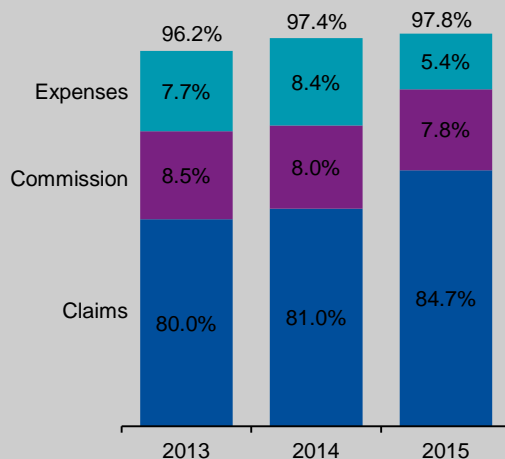
Routes to Growth

Personal Motor

Personal Motor GWP by channel



Personal Motor COR



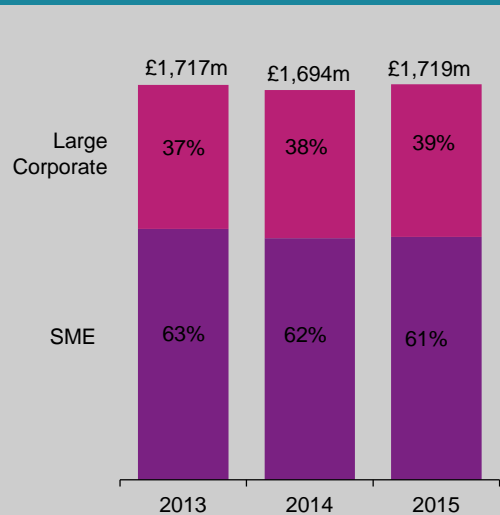
Why we will win:

- Growing the Digital business – Low cost manufacturer
- Further sophisticated underwriting techniques
- Continued investment in automation and analytics

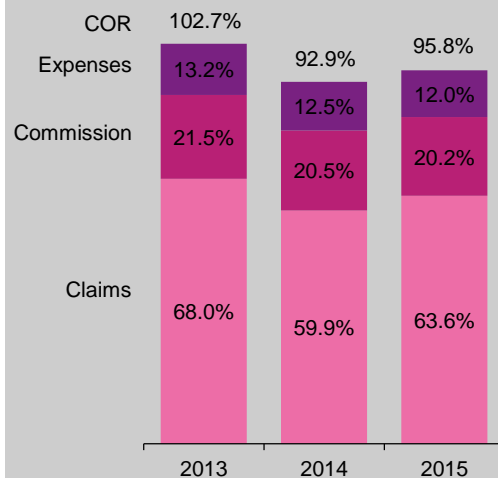
Exploiting our scale and growing digital

Commercial Lines

Commercial GWP by channel



Commercial COR



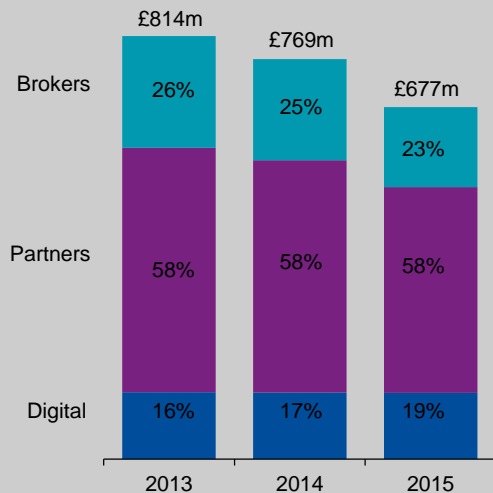
Why we will win:

- #1 SME largest distribution footprint
- Targeted and controlled expansion
- Market leading policy management – Guidewire and Automation
- Exploiting commercial composite advantage – TCC

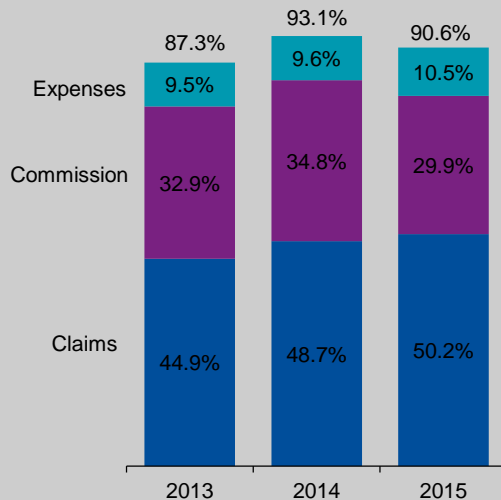
#1 in the Commercial Market

Home

Home GWP by channel



Home COR

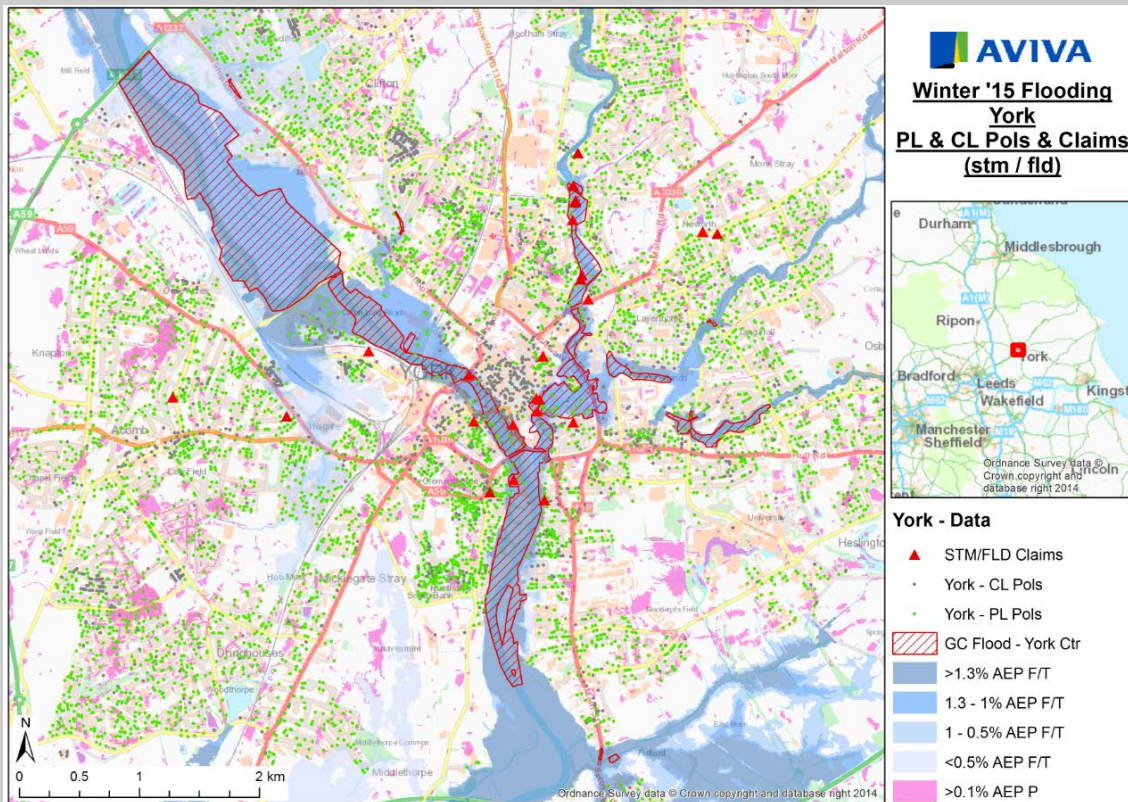


Why we will win:

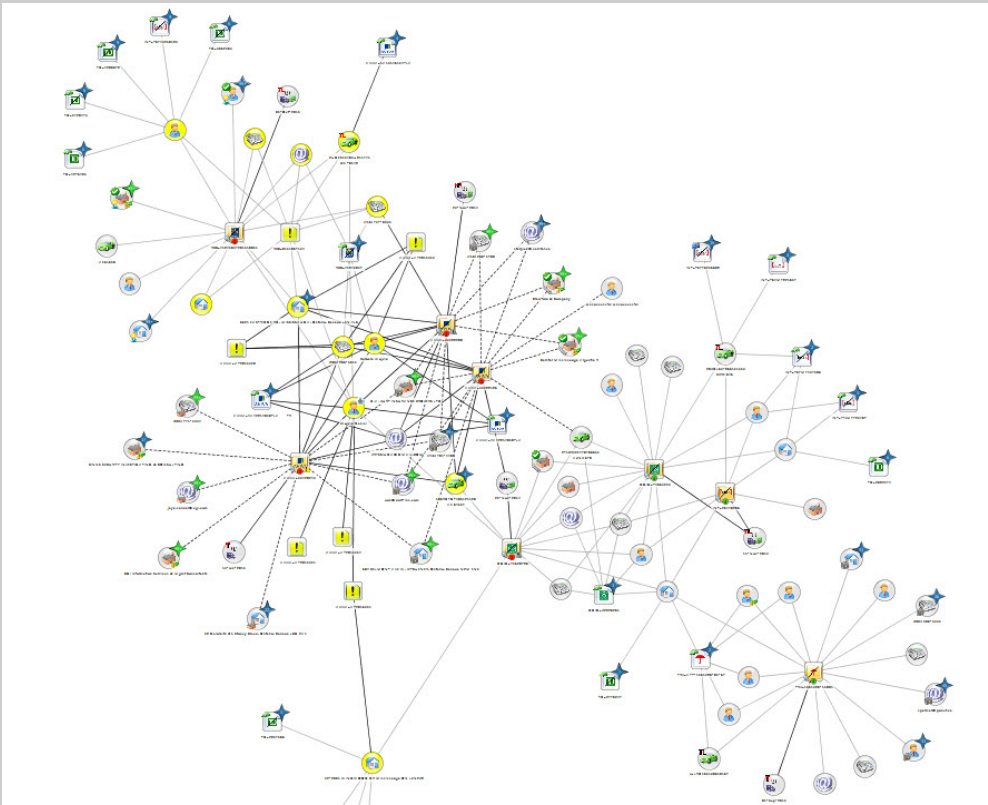
- Growing digital – Revitalising the home proposition
- Partner of choice for most banks – New TSB deal
- Analytic sophistication – Flood mapping
- Service excellence leads to higher retention – Flood TNPS +60%

Broadening product and distribution

Excellence in Pricing and Underwriting



Innovative Indemnity Management



Routes to growth

Market	Hardening market conditions
Total Customer Composite	Exploiting the power of the focussed composite
Distribution Management	Deeper relationships leveraging our core competencies, and unparalleled brand reach
Expanded & New Lines	Expanding our products and propositions – Home, Corporate business, Speciality propositions, Prevention Services, Cyber

UKGI is uniquely well-positioned in the market



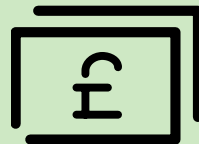
Number one

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**Diversified
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Multi-channel,
multi-product



**Proven track
record – resilient
performance**

Sustainable earnings
and dividends



Why we win

Scale and core
capabilities provide
competitive advantage



Digital first

6 July 2016

Andrew Brem
Chief Digital Officer

What we are here to answer



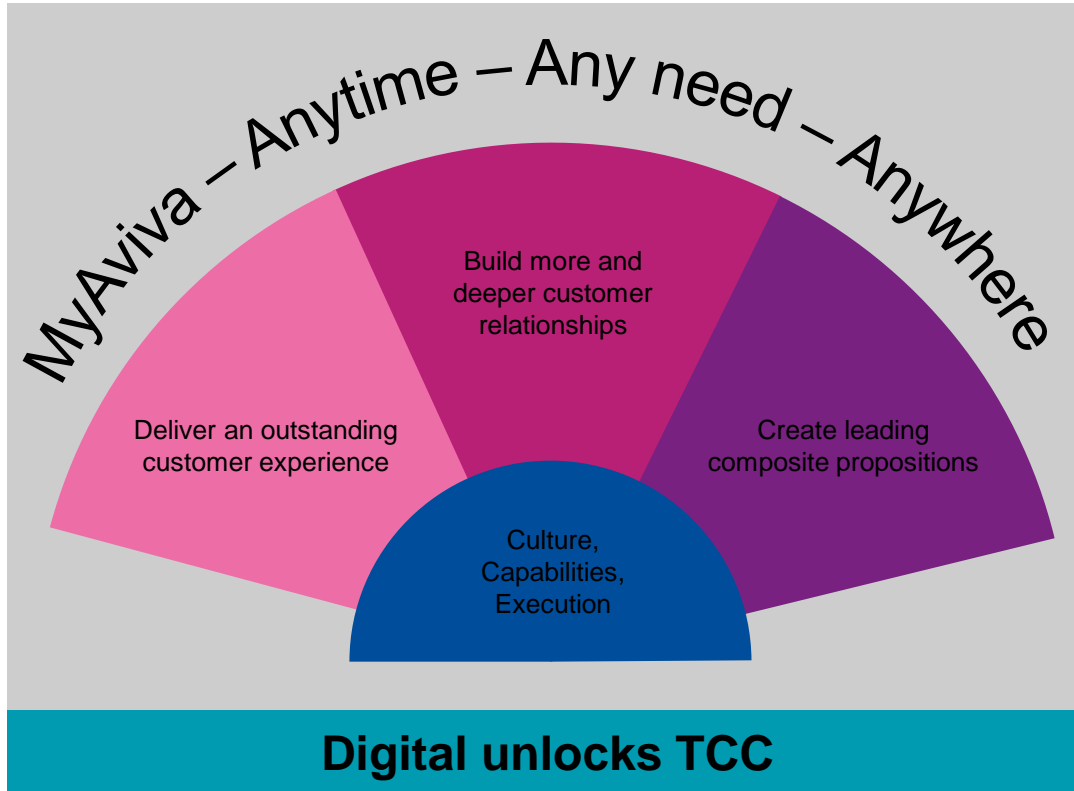
What is our digital strategy?

Do we have the capabilities to deliver it?

Are customers responding to it?

How does it deliver to the bottom line?

Clear digital strategy and vision



Three strategies to compete

1. Digital direct



2. Multi-access Max



3. Digital ecosystems 'Affinity 2.0'



For customers

Ultimate tailoring
One-Click convenience
Customer-level pricing

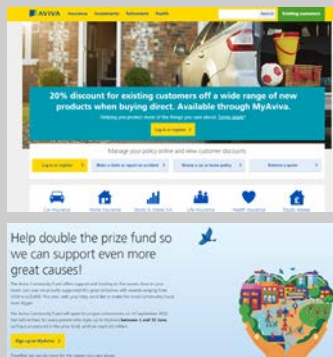
For Aviva

True customer composite
Average product holding
Lifetime value

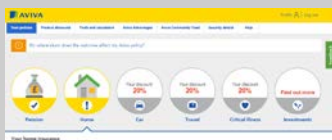
The Aviva Customer Experience Toolkit

Customer facing digital ecosystem

Public websites



MyAviva portal



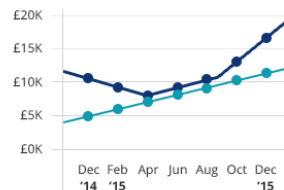
Customer tools

Your Pension | Y00ASD34

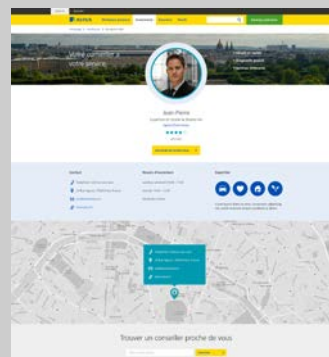
Performance over the last 12 months

Graph Tabular view

- Total plan value **£16,000**
- Total payment **£10,000**



Agent tools



Apps



World-class digital capabilities from two Garages

London



Singapore



**Digital product
and design**

**Customer
analytics**

Digital marketing

**Digital
engineering**

Digital business units in markets

UK Digital

France

Poland

Canada

Asia

UK Digital

Our journey to connect with our
16m UK personal customers



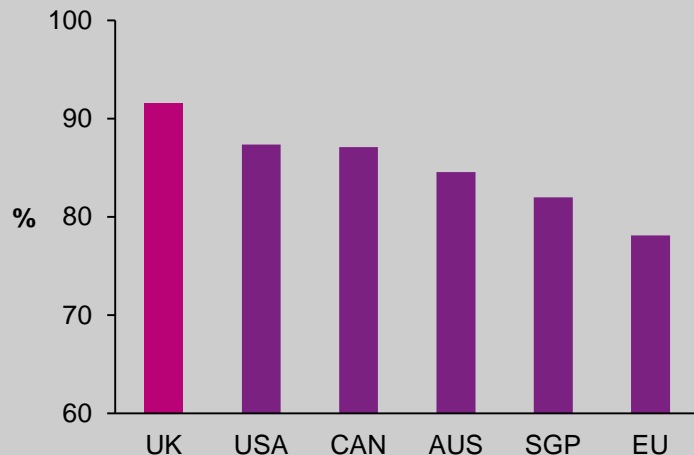
Digital first

6 July 2016

Blair Turnbull
MD, UK Digital

UK market remains attractive and presents growth opportunities

91% internet usage



World Bank / International Telecoms Union 2014



30% of retail & travel via mobile/tablets – forecast to rise to 45% by 2020¹



40% prefer to manage financial products online²



70% view bank statements online³

1. Forrester/PayPal, 2016

2. Aviva Consumer Attitudes Survey, ICM March 2016

3. Aviva Consumer Attitudes survey, ICM 2013

Customers need more from insurers

Today...

Confusing

Low trust

**Poor
engagement**

**Don't reward
loyalty**


Preference for one provider


31% of UK consumers prefer one insurance and savings provider¹

51% of MyAviva users prefer one insurance & savings provider²

1. Aviva Consumer Attitudes Survey, ICM March 2016

2. Aviva / GFK June 2016



Profile  | Log out

Your policies



Tools and calculators

Aviva Advantages



Product discounts

Security details

Help




Pension



Motor

Your annual price


£65



Travel

Your annual price


£185



Home

Your monthly price


£60



Health

Your discount

20%



Life

Change of personal details

- once for all products

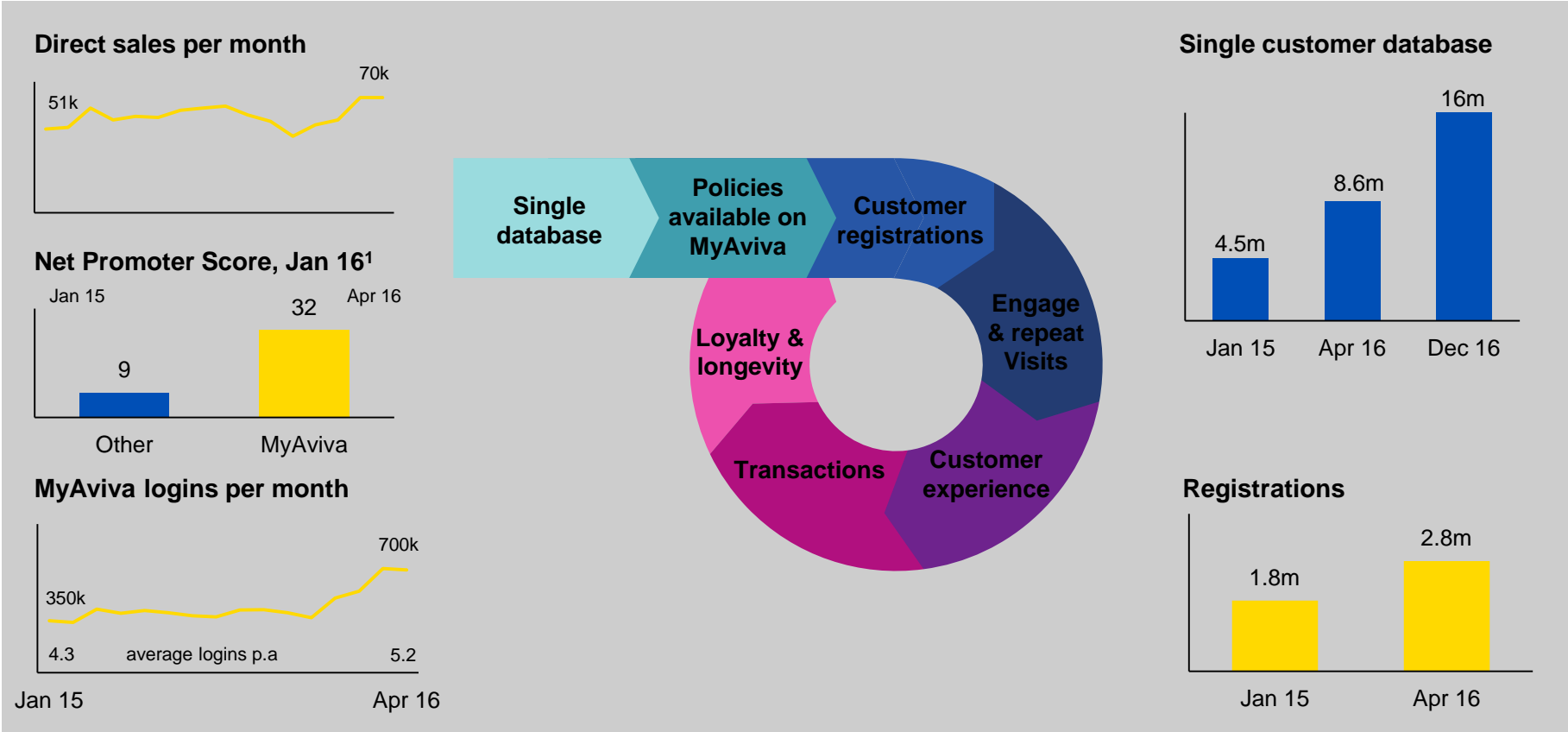
Travel, Home, Health

- pre-calculated quotes

Customer loyalty

- 20% customer discount

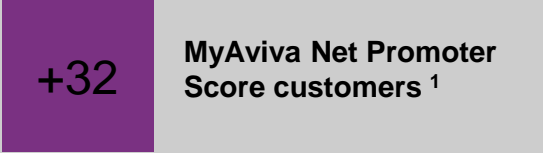
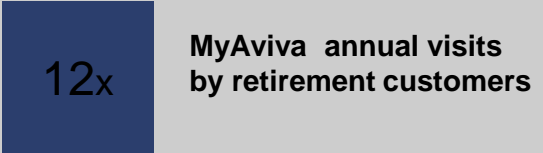
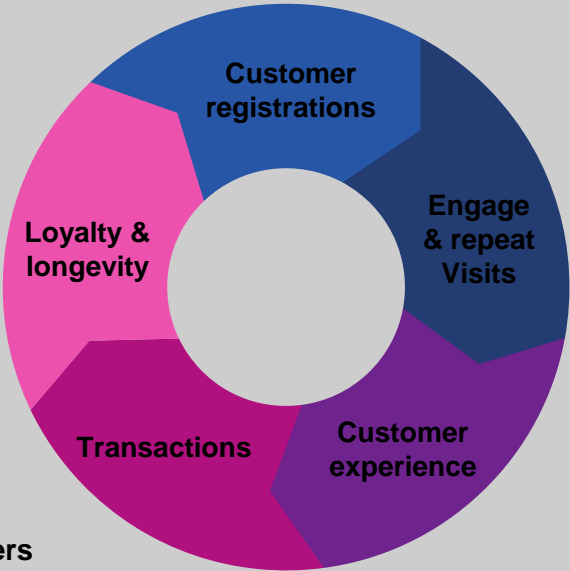
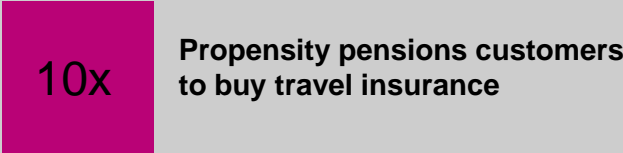
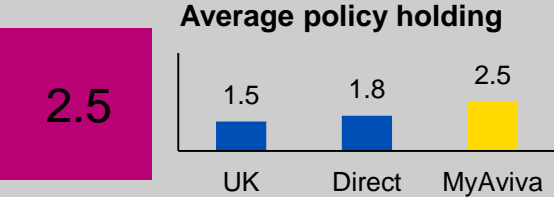
Leading indicators positively supporting UKD business model



1. Aviva / GFK Analysis, 2016

Positive composite and retention lead indicators

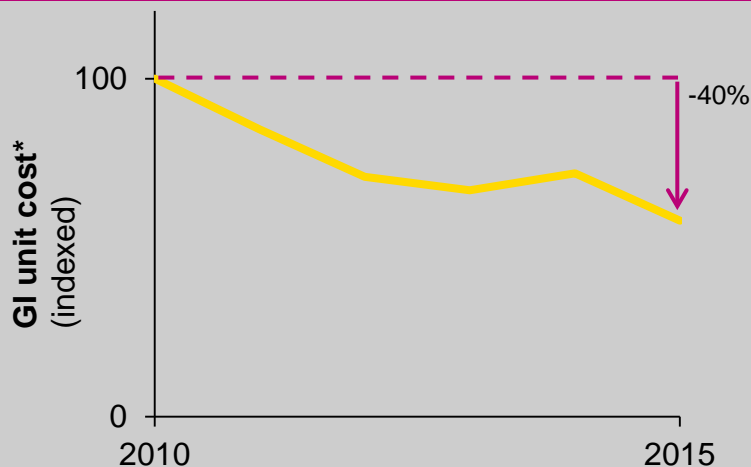
As at April 2016



1. Aviva / GFK Analysis, 2016

Significant opportunity for digitising operational processes

40% unit cost efficiencies delivered through GI digitisation since 2010



* Motor operating expenses per policy in force

Similar opportunities in Life and pan UK, with pilot activity in progress



Letters 30m p.a.



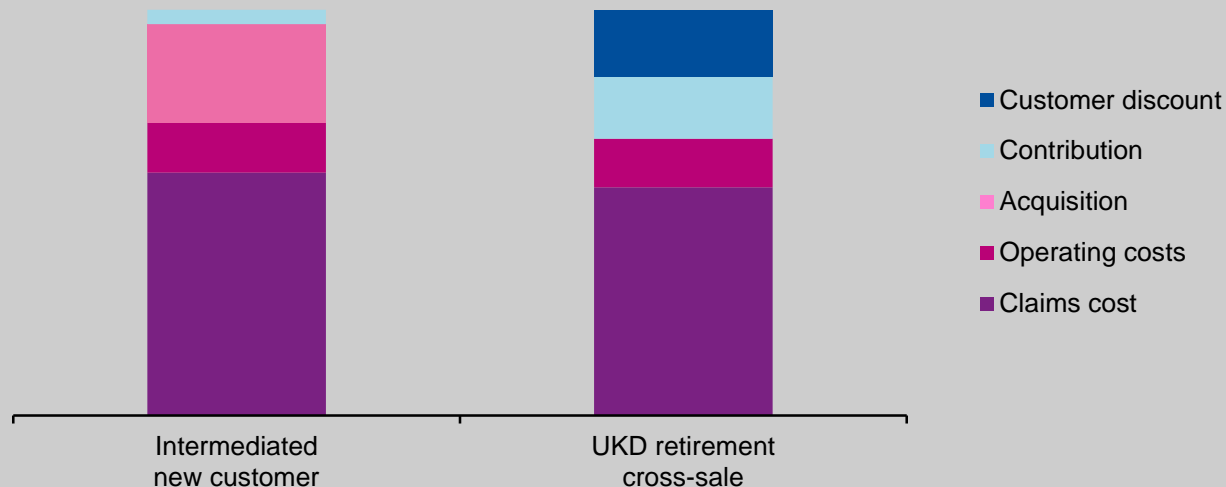
Telephone calls 13m p.a.



Claims 730,000 p.a.

Unique benefits from digital and existing customers, especially retirement

Scenario: New customer purchasing a home policy, modelled over 5 years



30%

lower total costs

Shared with customers

For illustration purposes only. Projected 5 year financial profile for new customers purchasing Home insurance. Bars represent each component as a proportion of total projected net premium over 5 year period. Customer discount incorporated for illustration. Includes single product income stream only. All cash flows non-discounted. Intermediated Personal Lines Software House business (excludes High Net Worth and Schemes business). Based on Feb 2016 data.

Plan to double earnings by 2018

Lead indicators



Single customer database



Registrations



Average product holdings

Digital direct operating profit



Key: Current position

Why we will win



16m customers

Composite

Single customer view

Analytics and pricing

Brand strength

What we have answered today

Balance sheet

Strong and proven resilience

UK franchises

Scale, strength, consistency, growth, composite

Profit

Mid-single digit growth in medium term

Dividend

50% pay-out ratio in 2017

Cash flow

£7bn remittance (2016-2018)

Capital management priorities

Progressive dividend paramount
Surplus: invest and return

Digital and TCC

Unique competitive advantages in the UK

- 1 Resilient balance sheet**
- 2 Growing core franchises**
- 3 Sustainable dividend growth**



Aviva

Capital Markets Day

6 July 2016