

A stronger, simpler, better Aviva

AVIVA



Aviva plc Capital Markets Day 2019

Disclaimer

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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 and international political, regulatory and economic conditions; market developments (including those arising from the 2019 general election) and government actions (including those arising from 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 the ‘Risk and risk management’ section of the strategic report in Aviva’s most recent Annual Report. 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. This report has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

Note on Alternative Performance Measures:

Group adjusted operating profit is a non-GAAP Alternative Performance Measure (APM). Further information about its use and the basis of calculation is provided on page 254 of Aviva plc’s Annual Report and Accounts 2018. During the period, the definition of operating profit has been changed to include amortisation and impairment of internally generated intangible assets, which was previously presented within non-operating profit items. The revised presentation reflects management’s view that the costs arising from internally generated intangible assets are part of the operational overheads of the business. The effect of this change is to reduce FY18 Group adjusted operating profit by £112 million from £3,116 million to £3,004 million, and to increase FY18 operating expenses by £112 million from £4,026 million to £4,138 million. There is no impact on total IFRS profit as a result of this presentation change.

Today's agenda

Strategy update

Maurice Tulloch

Financial update

Jason Windsor

Lunch

Investments, Savings & Retirement

Euan Munro

UK Life

Angela Darlington

General Insurance

Colm Holmes

Europe

Patrick Dixneuf

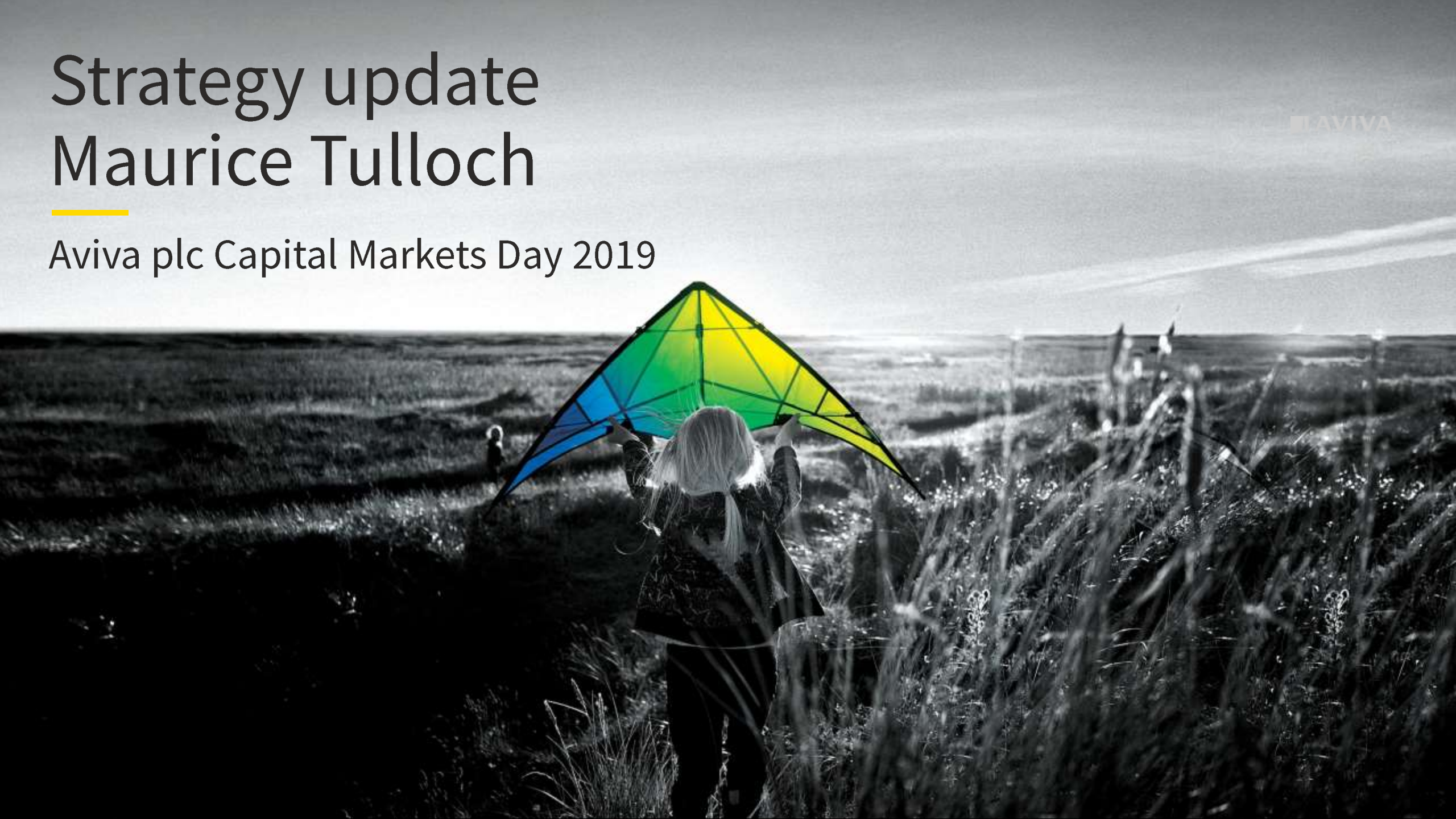
Singapore

Nishit Majmudar

Strategy update Maurice Tulloch

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Today's key messages

Excel at the fundamentals

Group strategy refined with clear purpose and priorities

Simplified focus

Sustainable growing returns from five business divisions

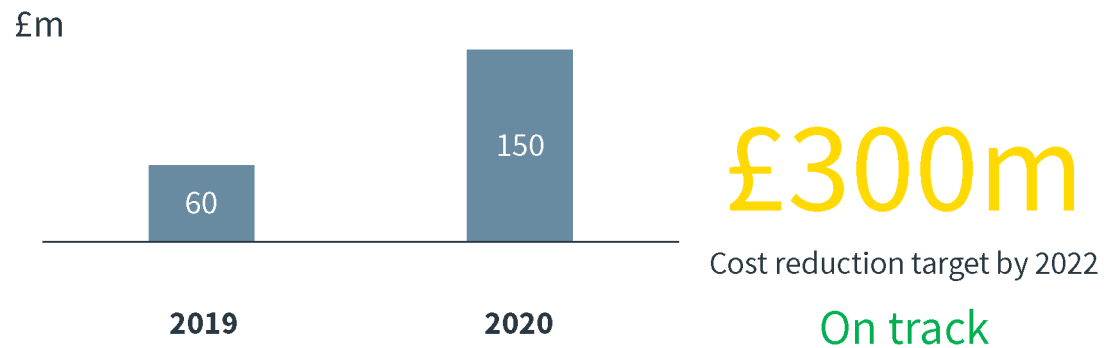
Commercial rigour

A culture of delivering against financial targets and best in class returns

Delivering on commitments

	What we said	What we've done		What's next...
Strategy	Full review of group and business unit strategy	Strategy outline today Update on Asia	<input checked="" type="checkbox"/>	Moving to implementation Active capital allocation to enhance RoE
Organisational design	Separate management structure for UK Life & GI	Separated GI & Life management teams Created new Investments, Savings & Retirement division	<input checked="" type="checkbox"/>	Drive accountability to ensure competitiveness and enhanced performance
Digital	Align with trading business	Digital aligned to UK GI	<input checked="" type="checkbox"/>	Leverage digital and insurance expertise, driving commercial outcomes across Aviva
Leadership changes	Build an experienced Aviva Leadership Team	Announcement of CEOs, CFO, COO, CRO and CPO	<input checked="" type="checkbox"/>	Some regulatory approvals pending
Costs	£300m cost saving by 2022 net of inflation & at constant FX	£60m in-year savings in 2019 On track for £150m in 2020	<input type="checkbox"/>	Work ongoing to achieve further savings Optimise capex, increase commercial rigour

Further progress on cost reduction plans



- In-year saving of £60m achieved for 2019
- Initiatives in place currently deliver £150m of cumulative in-year savings in 2020, with work ongoing to deliver more
- Implementation costs expected to be c£40m in 2019 and c£120m in 2020

Savings initiatives to date

- Progress on lean group centre programme
- Rationalisation of IT resourcing

Future savings opportunities

- Lower IT, Finance and other functional savings as projects end
- Further digitisation of customer journeys
- Shared service optimisation

Group strategy refined with
clear purpose and priorities

NAVIGATOR



Our purpose, vision and strategic priorities

Our Purpose

With you today,
for a better tomorrow

Our Vision

To earn customers' trust as the best place to save for the future, navigate retirement and insure what matters most

Our Group Strategy

Simplify Aviva into a leading international **Savings, Retirement and Insurance** business delivering for our customers, shareholders and communities

Our Strategic Priorities



Deliver great
customer outcomes



Excel at the
fundamentals



Invest in
sustainable growth

Pioneer in sustainable finance

Leader for over 40 years

- Founded or co-created market-leading organisations
- Work with governments, regulators and industry



Investing sustainably

- Integration of ESG considerations across all asset classes
- Active stewardship

54,335

Resolutions voted at 4,713 meetings (FY18)

1,954

Companies engaged with (FY18)

Accelerating our efforts

1. Carbon neutral since 2006

2. Strengthening climate risk model across assets

3. Building out climate transition fund range

4. Empowering customers with information and engagement

Globally credible ESG track-record for our customers and shareholders

Three strategic priorities to Run Aviva Better



Deliver great customer outcomes

Earn customers' trust

- Grow customer numbers
- Improve retention & TNPS scores
- Improve brand awareness



Excel at the fundamentals

Embed a performance culture

- Top quartile underwriting, indemnity management, investment performance and cost efficiency



Invest in sustainable growth

Deliver long-term value

- Growth in flows and revenues
- Growth in capital generation, cash and profit
- Return on capital hurdle



When we get these priorities right, we succeed

Quotemehappy

- Lean operations – low expense ratio
- Digital only, low cost IT – 1.4m customers, retention in line with direct
- Leading claims capability – reduction in average injury settlement

51%

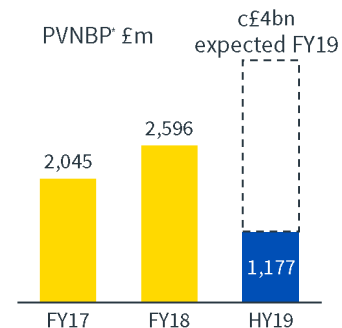
NWP growth 2016-18

97%

3Y average underlying COR

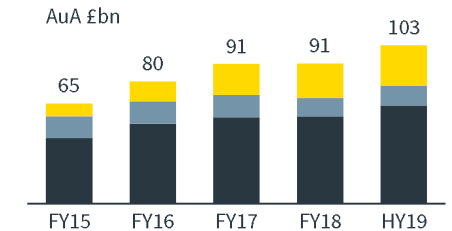
Bulk purchase annuities

- Leading capability in longevity, illiquid asset origination and commercial mortgage investment
- Strong pipeline of internal business >£15bn
- Increasing capital efficiency and improving payback periods



UK Savings

- Strong track-record of growth across advisor and workplace savings
- #1 workplace provider
- Emerging leader in advisor market



Singapore

- Leading player in regular premium savings and protection business
- Differentiated distribution strategy on financial advisors
- Top 2 group business generating individual customers through cross-sell

22%

APE growth 2016-18

26%

VNB' growth 2016-18

Sustainable returns from five business divisions

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Targets aligned to economic value and sustainable dividend

SII return on equity*

12% (2022)

Cash inflows to Centre

£8.5-9.0bn (2019-22)

Operating capital generation

c£7.5bn (2019-22)

net of interest and Centre costs

Cost reduction

£300m net savings (2022)

Debt leverage

£1.5bn debt reduction (2019-22)

Progressive dividend policy

Equity story built on five focused business divisions

Aviva is a leading international savings, retirement and insurance business delivering for our customers, shareholders and communities

Delivering sustainable growing returns to shareholders through operational excellence and commercial rigour

UK Life: dependable long term cash flow

Annuities & Equity release, Protection and Health, Heritage

Investments, Savings & Retirement (IS&R): future growth engine

Aviva Investors, UK Savings & Retirement

General Insurance: strong growth and improved profitability

UK, Canada, Europe, Singapore

Europe Life: focused franchise with diverse distribution

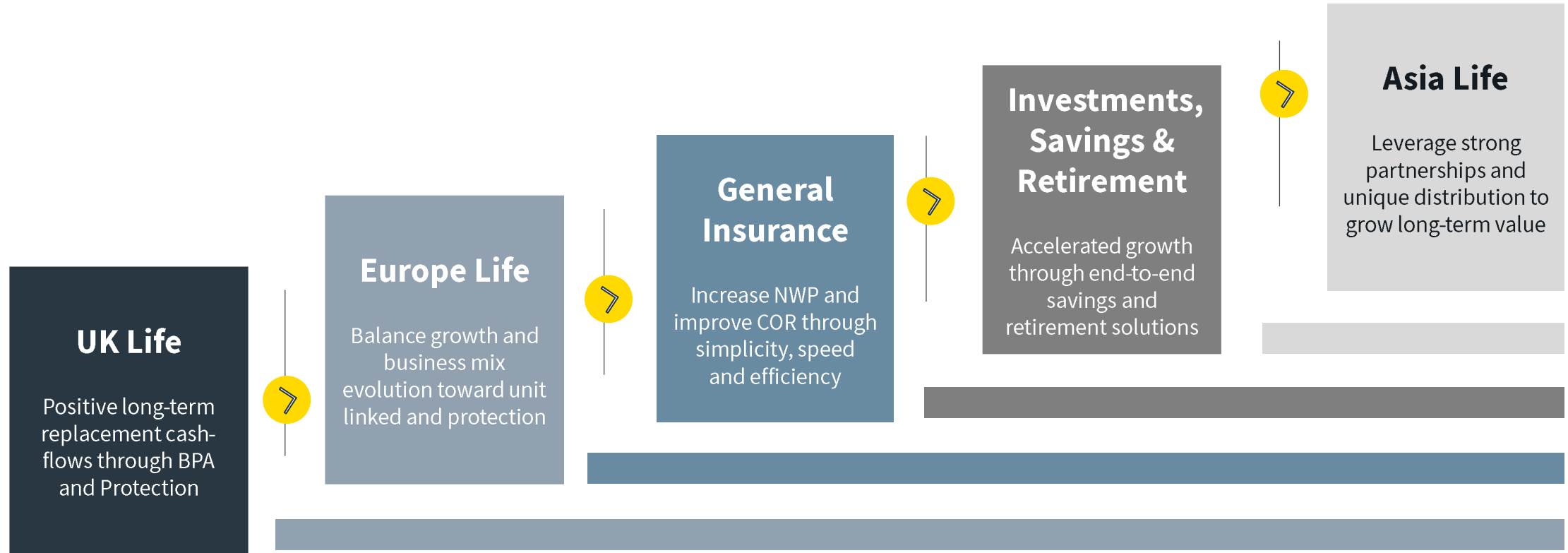
France, Italy, Poland, Ireland, Turkey

Asia Life: structural long-term growth

Singapore, China, India, Indonesia, Vietnam, Hong Kong

Progressive dividend, capital strength

Combining cash generators and growth engines



Cash generator



Growth engine

Investments, Savings & Retirement: future growth engine

Position

#1

In Workplace Pensions by AuA

£346 billion

All assets under management (HY19)

58% growth

In UK Savings AuA to £103bn (FY15-HY19)

Core capabilities

Investment breadth & track record

AuA & AuM scale

Aviva brand & customer base

Corporate, EBC and IFA relationships

ESG leader

Key priorities

1. Use Aviva's brand and product suite to develop savings and retirement solutions

2. Leverage investment in capability to accelerate growth in institutional asset management

3. Maintain strong growth in Savings through leading workplace and platform propositions

4. Maintain strong investment performance to become the go-to provider for active solutions

Key target

Net fund flows:

(Aviva investors)

£10bn 3rd party

(UK Savings & Retirement)

£10bn savings

UK Life: dependable long-term cash-flow

Position

£62 billion

Annuity and equity release assets (FY18)

£2.2 billion

Protection and health insurance PVNBP (FY18)

£90 billion

Heritage assets under management (FY18)

Core capabilities

Data analytics and underwriting

Asset-liability management

Access to AI investment solutions

Scale efficiencies

Back-book management

Key priorities

1. Expand annuity appetite with capital efficient growth in BPA to increase long-term cash-flow

2. Capitalise on data analytics, scale and innovative propositions to enhance returns in protection

3. Manage heritage savings in-force to maximise cash and minimise operational complexity

4. Simplify propositions and increase automation and digitisation to improve cost efficiency

Key target

Cash remittance £4.25-4.75bn (2019-22 cumulative, UKL + IS&R)

General Insurance: strong growth and improved profitability

Position

£9.1 billion

Global net written premiums (FY18)

Top 2

Position in the UK, Canada and Ireland

96%

Average COR since 2010, with low volatility

Core capabilities

Brand

Digital & automation

Data & analytics

Underwriting & pricing

Distribution

Claims & risk management

Key priorities

1. Simplicity, speed and efficiency to reinvigorate growth and profitability in personal lines

2. Expand commercial lines by extending strong SME position into mid-market and GCS portfolios

3. Deliver and extend on the Canada recovery leveraging broker channel and RBC opportunity

4. Differentiated digital propositions to build on strong customer TNPS and broker trust scores

Key target

NWP +20% (2022 vs. 2018)

COR 95% (2022)

Europe Life: focused franchise with diverse distribution

Position

£115 billion

Policyholder reserves (average, FY18)

57%

Capital-light products (FY18 life sales)

7 million

Customers across 5 markets

Core capabilities

Owned and aligned distribution

Product innovation

ALM capabilities

Efficient operations

Key priorities

1. Further develop multi-channel distribution capability and strengthen brand awareness

2. Continue to evolve savings mix towards capital efficient unit linked and hybrid products

3. Increase penetration of protection products into the life customer base

4. Simplify propositions and increase automation and digitisation to improve cost efficiency

Key target

Cash remittance £0.75-£1.25bn (2019-22 cumulative)

Asia Life: structural long term growth

Position

22%

Singapore APE 2016-18 CAGR

18%

China APE 2016-18 CAGR

26%

Singapore VNB 2016-18 CAGR

Core capabilities

Distribution

Product & innovation

Digital & efficiency

Consistency & risk management

Key priorities

1. Increase penetration of FA channel in Singapore while maintaining leadership position
2. Work with JV partner in China to further expand distribution scale and productivity
3. Maintain disciplined approach to product mix
4. Streamline regional support functions to enhance efficiency

Key target

Double digit VNB growth

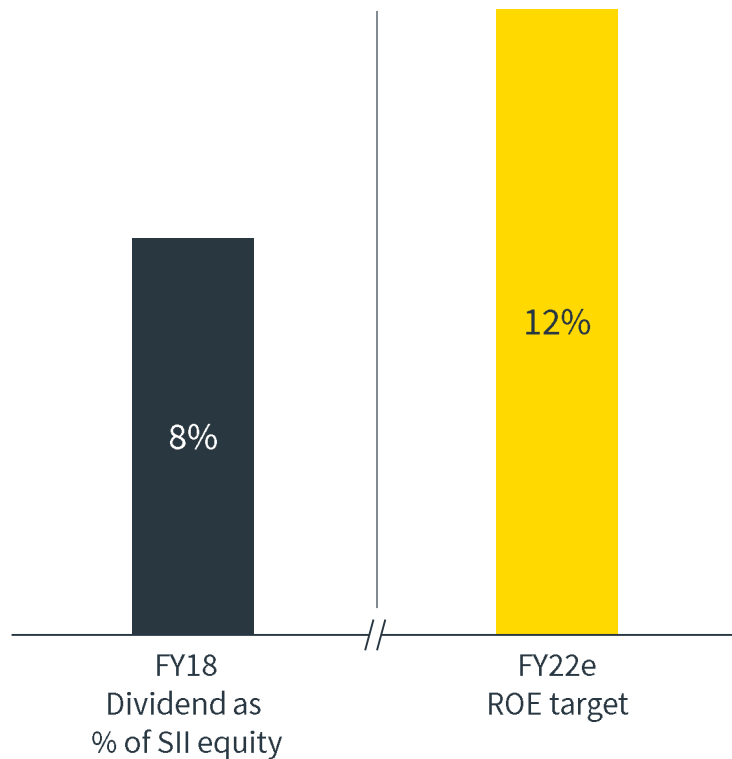
Progressive dividend through running Aviva better

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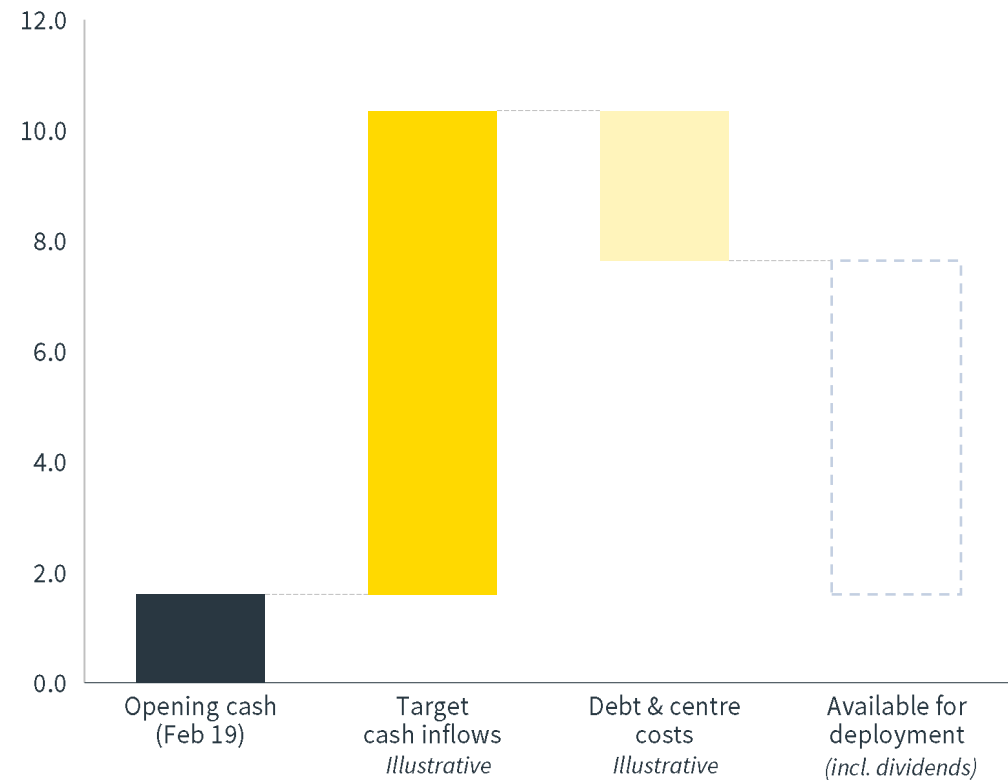


Providing a sustainable, progressive dividend

RoE target of 12% is sufficient to fund a progressive dividend and compounding growth in book value



Cash available for dividend and debt reduction over 2019-22 while maintaining strong centre liquidity



A simpler, stronger, better Aviva

Operating model	Simplified model with 5 focused divisions supported by a lean group centre
Cash-flow	Strong cash flow generation, including significant investment in the business
Capital	Maintain capital strength and resilience, while further reducing debt leverage
Growth	Broad-based, with growth engines in General Insurance, Asia and IS&R
Priorities	Excel at the fundamentals and deliver great customer outcomes to drive superior performance
Leadership	Attract world class talent and develop a culture of ambition and disciplined execution

Progressive dividend, capital strength

Jason Windsor

Chief Financial Officer

Aviva plc Capital Markets Day 2019



Today's key messages

Growing value safely

Robust financial targets focused on economic value

Strong cash and capital to fund a progressive dividend

Allocating capital to grow, and enhance returns

Strong financial position and prudent risk management

Robust financial targets focused on economic value

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Robust targets reflect economic value focus

SII Return on equity

12% (2022)

Cash inflows to Centre

£8.5-9.0bn (2019-22)

Operating Capital Generation

c£7.5bn (2019-22)

net of interest and Centre costs

Cost reduction

£300m net savings (2022)

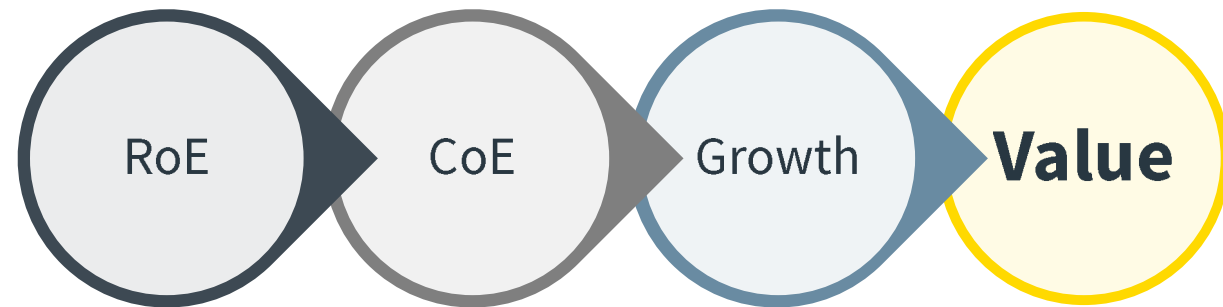
Debt leverage

£1.5bn debt reduction (2019-22)

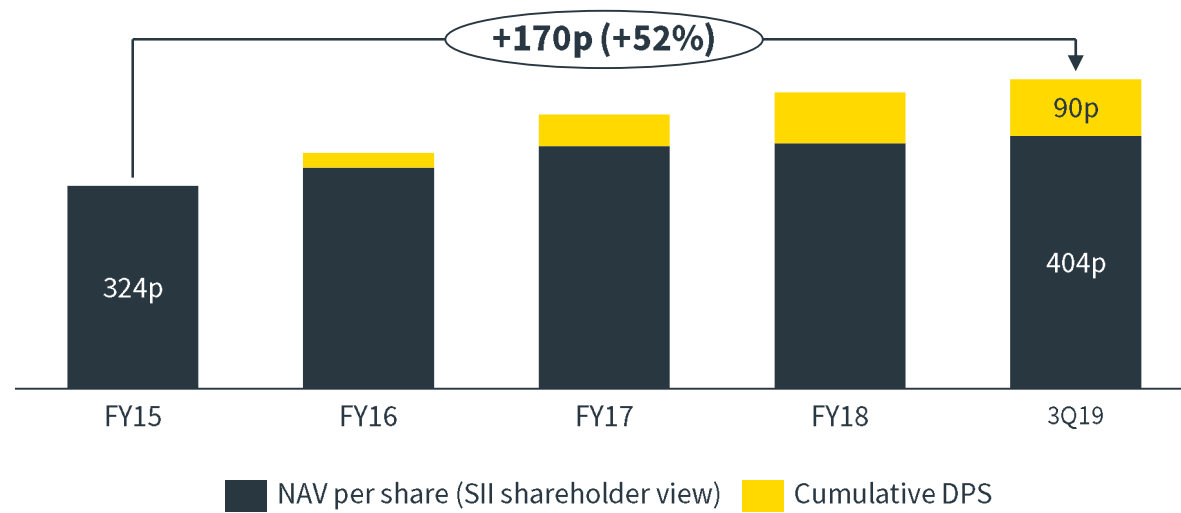
Progressive dividend policy

How do we think about value?

Focused on increasing Return on Equity, controlling volatility and delivering consistent franchise growth



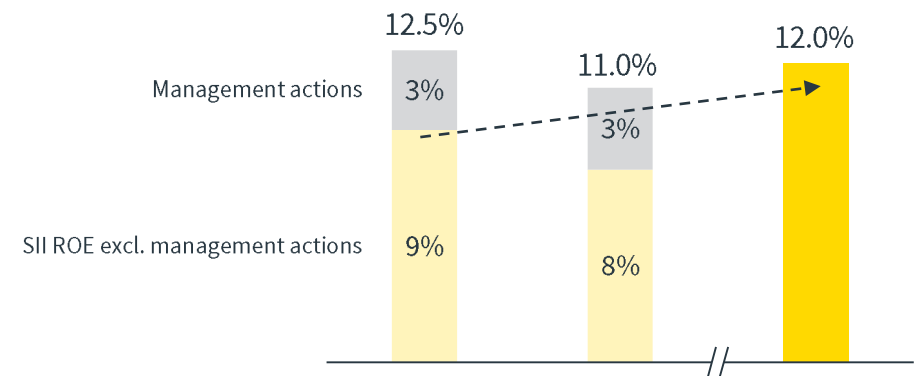
Providing shareholders with sustainable income and growing NAV per share



Measuring progress through SII return on equity

$$\text{SII ROE (\%)} = \frac{\text{Own Funds generated}}{\text{Own Funds}}$$

- Shareholder view
- Own Funds generated is on an operating basis and deducts interest on hybrid debt and preference share dividends
- Unrestricted Tier 1 Own Funds (UT1) deduct hybrid debt & preference shares from Own Funds. ROE is based on opening position.
- Risk margin and contract boundaries unadjusted, as per SII rules



	FY18	HY19*	// 2022 Target
SII OCG (£m)	3,198	780	
<i>Remove SCR change</i>	<i>(1,176)</i>	<i>84</i>	
<i>Deduct pref/DCI costs</i>	<i>(74)</i>	<i>(25)</i>	
OF generated (UT1, £m)	1,948	839	
<i>of which management actions</i>	<i>497</i>	<i>251</i>	
Own Funds (UT1, £m)	15,550	15,296	
SII ROE	12.5%	11.0%	

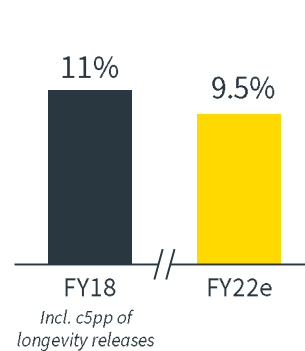
Which links to business performance drivers

Enhancing returns

Drivers

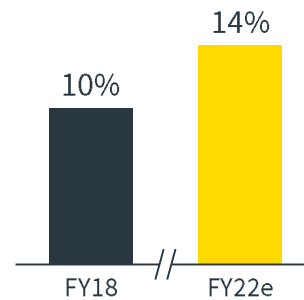
UK Life and IS&R

Unlevered ROC*



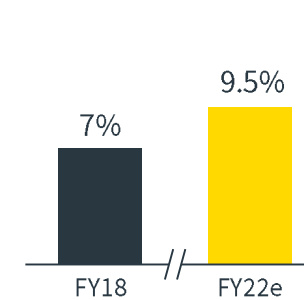
- UKL: enhance NB payback & IRR while optimising in-force
- IS&R: improve margins and grow net flows/AuMA
- Reduce unit costs

General Insurance



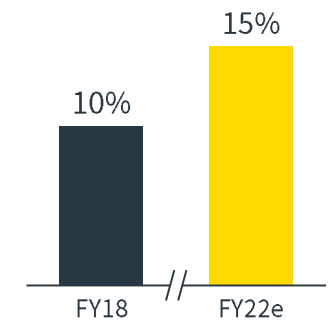
- Target 2022 COR 95%
- Improve expense ratio by 2pp by 2022

Europe Life



- Shift mix towards capital light
- Maintain focus on efficiency

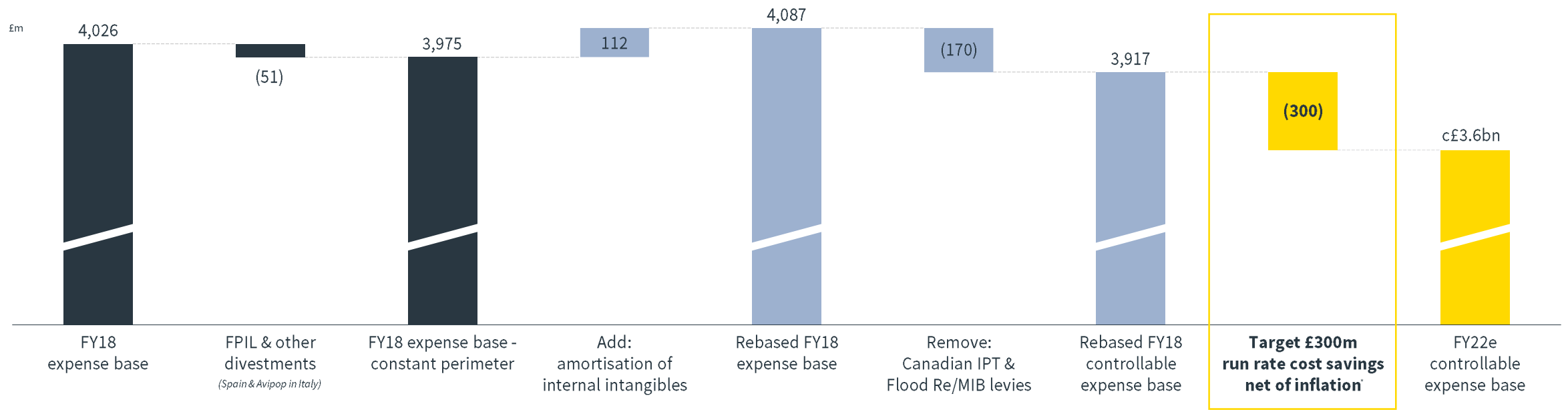
Asia Life



- Long-term growth opportunities
- Selective investment

Targeting £300m net expense savings by 2022

- Making good progress on cost reduction target with in-year saving of c£60m achieved for 2019 mainly from lower functional & head office overheads and lower investment spend
- Two presentation changes:
 - Amortisation and impairment of internally generated intangibles is now included in operating profit and operating expenses: £112m at FY18
 - Canadian insurance premium taxes and premium-driven levies in the UK & Ireland excluded from controllable operating expenses: £170m at FY18



Higher quality IFRS earnings

Group targets focused on economic returns and cash flow while IFRS remains important to illuminate performance

Improving quality of IFRS earnings

Adjusted for divestments

- £168m contribution to FY18 operating profit, mainly from FPIL
- Little contribution to OCG or Cash

Presentation change

- Amortisation and impairment of internally generated intangibles now presented in operating expenses
- FY18: £112m

Management actions

- Continue to be quantified in results disclosures
- FY19 estimate: £300-400m
- Longer-term range: £0-200m p.a.

Looking ahead

- Aim to grow operating profit* by expanding AuM and in-force premium, as well as improving margins and cost efficiency
 - c£0.1bn expected interest expense savings from £1.5bn debt deleveraging by 2022
 - c£0.3bn run rate cost savings by 2022

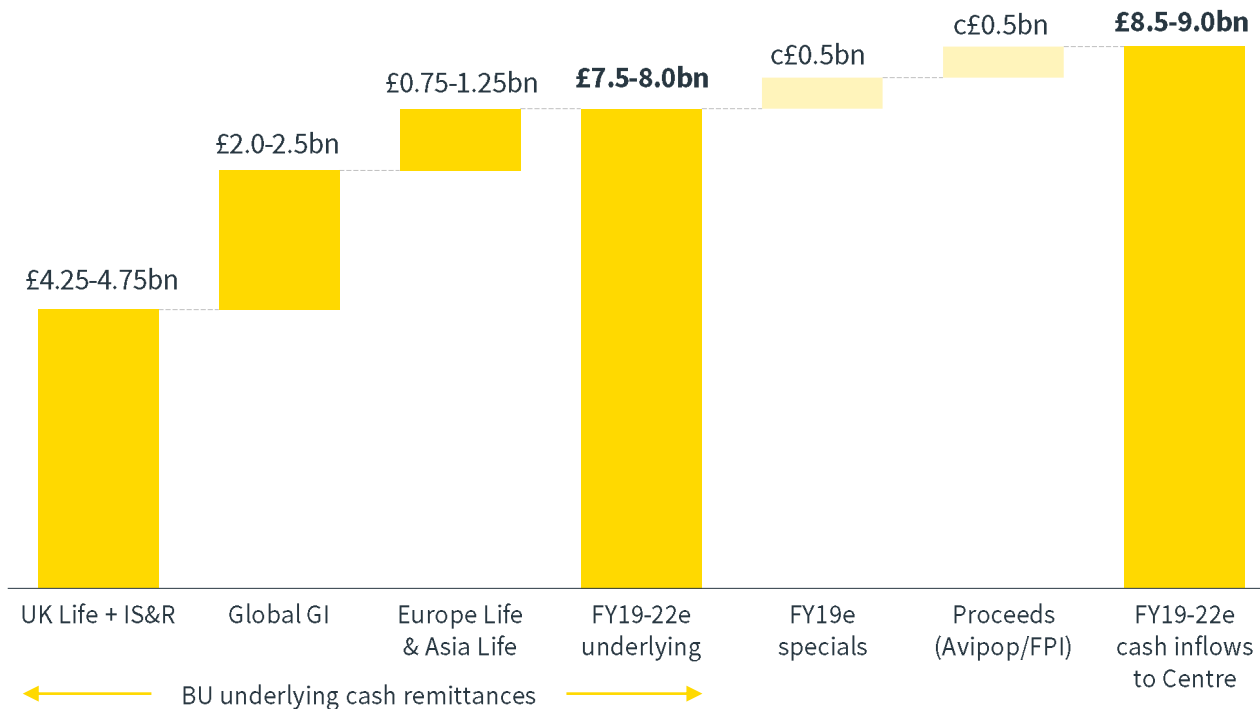
Strong cash and capital to fund a progressive dividend

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Sources of cash

2019-22e: £8.5-9bn planned cash inflows to Centre



- Underlying cash expected from:
 - Capital-efficient BU growth
 - Optimised fundamentals – margin benefits
 - Lower costs
- Partly offset by:
 - Lower expected remittances from France Life reflecting low interest rate environment
 - 2019-21 cost to achieve expense savings at BU level of c£0.2bn
- Subject to economic volatility (upside/downside potential)
 - Notably France Life: plan based on 3Q19 yields
- 2019: c£2.5bn cash expected to be remitted to Centre, incl. c£0.5bn of cash specials and £0.2bn Avipop proceeds (now received)

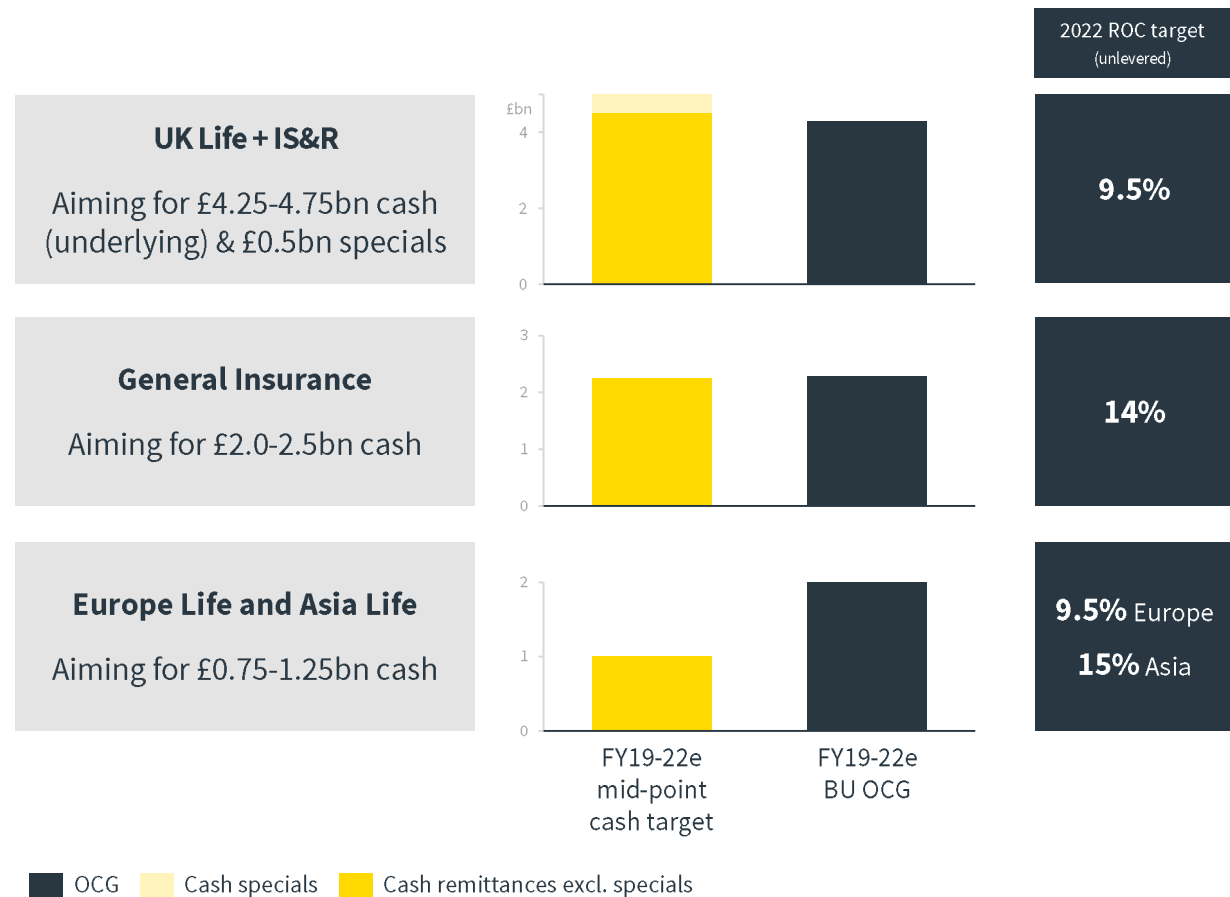
Strong underlying cash and capital generation

2019-22: Group

- Targeting cumulative group OCG of c£7.5bn net of interest and Centre costs
- Conservative level of management actions assumed: c£0.5bn benefit expected in 2019 mainly from longevity releases; longer-term expectation of c£0.2bn p.a.



2019-22: business divisions



Allocating capital to grow, and enhance returns



Capital allocation at Aviva

Strategic priorities

Deliver great customer outcomes

Excel at the fundamentals

Invest in sustainable growth

Financial framework

ROE / EVA*

Change spend

Total shareholder return

OCG

New business strain

Ability to execute

Management

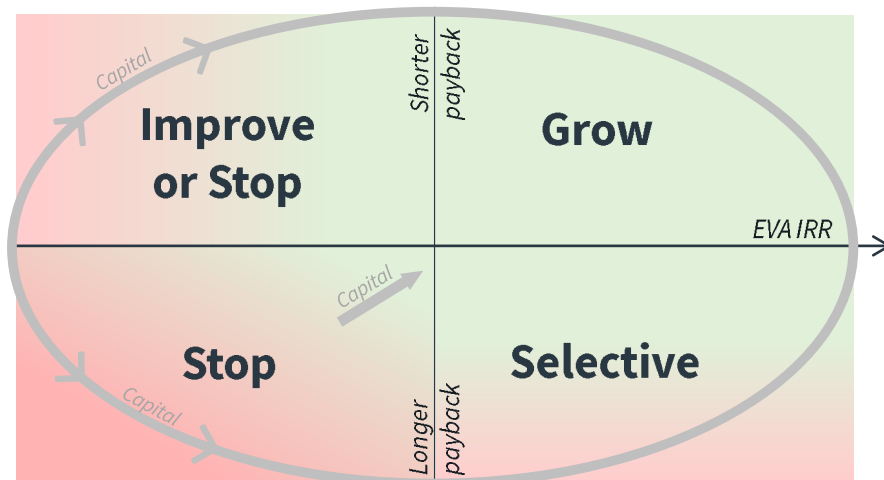
Controls and regulation

IT capability and Data

Competitive environment

Capital allocation: driving returns from new business

Economic Value Add* ('EVA') framework in action



Life new business

£0.2bn new business OCG strain at FY18:

UK Life (incl. IS&R) £121m

- Mainly optimising annuities to grow value and cash flow

Europe Life £80m

- Need to change product mix to reduce capital intensity

Asia & other <£1m

- Investing in long-term growth opportunities

Embedding economic value management across the group to allocate capital efficiently and enhance performance

Capital allocation: investing for the future

Group targets are net of significant investment in the business

Embedded within our financial ambitions is an expectation of c£1.3bn of investment over 2020-22 (while also investing c£300m to achieve £300m of run rate expense savings by 2022). Examples include:

Estimated change spend (cash basis, £bn)



IT simplification

- Data centre migration
- Investment in Cloud driving IT modernisation and enabling business growth & increased agility
- Upgrade underwriting systems to target platforms e.g. Guidewire in Canada

Sustainable growth

- UK customer experience transformation
- Funding growth in Investments, Savings & Retirement
- France: Client Unique initiative, full multi-access proposition for direct & broker customers

Mandatory change

- Meet mandated regulatory or legal changes
 - IFRS 17
 - Data strategy
- Operate within defined minimum standards e.g. cyber risk

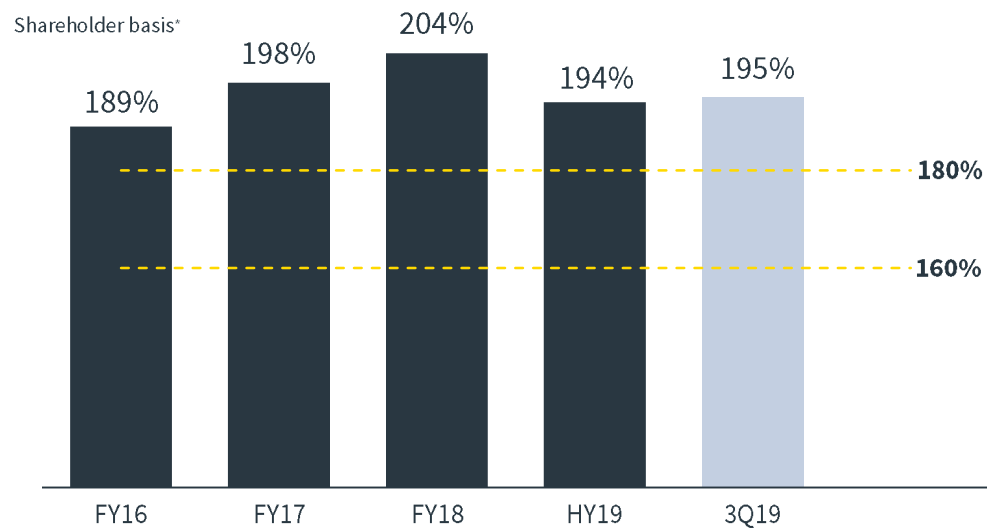
Strong financial position and prudent risk management



Very strong 3Q19 capital position

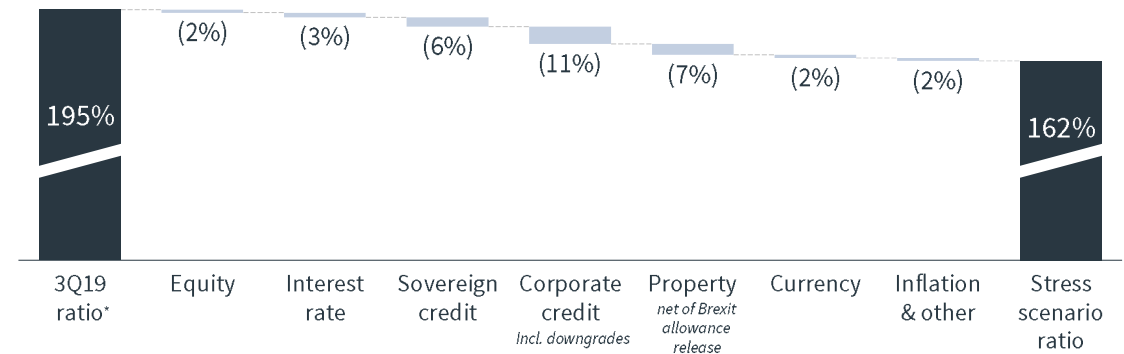
3Q19 Group SII cover ratio

- Remains above top end of working range at 3Q19
- All BU solo entities above respective risk appetites



Solvency resilience before recovery actions

- Stress scenario example: remaining within target working range under severe stress scenario before any recovery actions



Baseline: 3Q19	UK	RoW
Stress assumptions:		
Equities	-20%	-20% to -14%
Interest rates	-50bps	-10bps in Europe
Sovereign swap spreads	+20bps	+80bps Italy; +20bps rest of Europe
Corporate bond spreads	+200bps	Range: +30-140bps
Property	-20%	-
Inflation	+20bps	-
FX	-	Sterling c-10%

Confirming our leverage commitment

Managing leverage

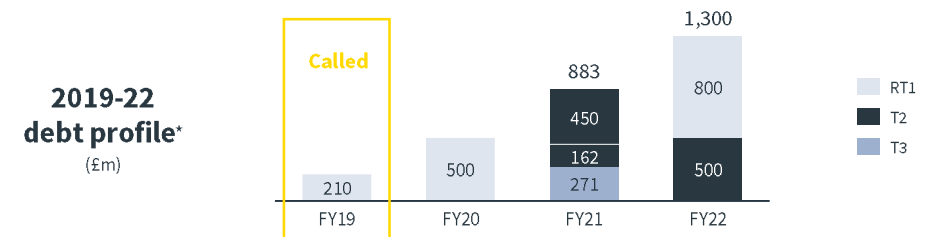
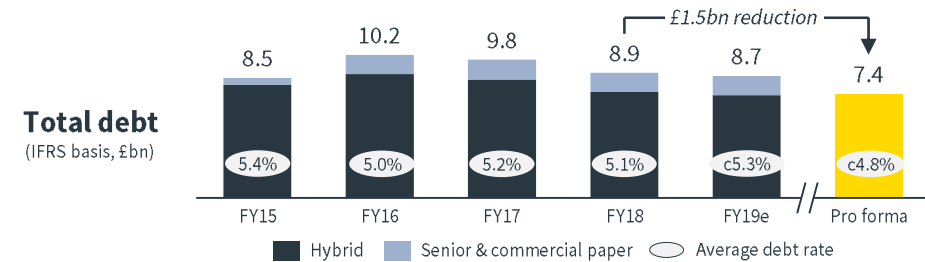
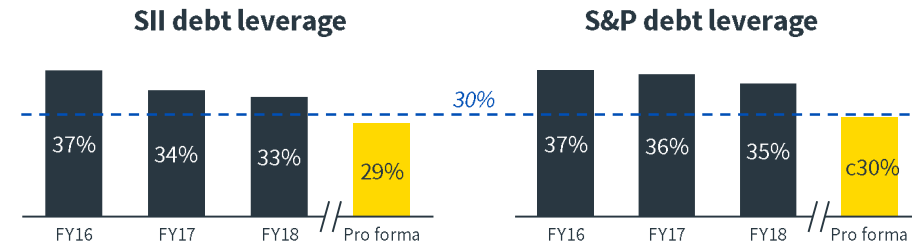
- Maintain flexibility in SII regulatory capital with headroom across all tiers
- Consistent with AA metrics
- Preferred level: ≤30% over the medium term

Reducing debt

- £1.5bn debt reduction planned over 2019-22
 - Expected run rate interest cash savings of c£100m
 - Expected deleveraging: c4pp (SII basis)
- Progress to date: 6.875% £210m hybrid Tier 1 called

Debt profile

- Well balanced maturity profile to 2038
- £1.4bn hybrid debt* maturing or callable over 2020-21



Managing low interest rates

Exposure

Sensitivity to low interest rates mainly arises from our European with-profits funds in France and Italy

Product management

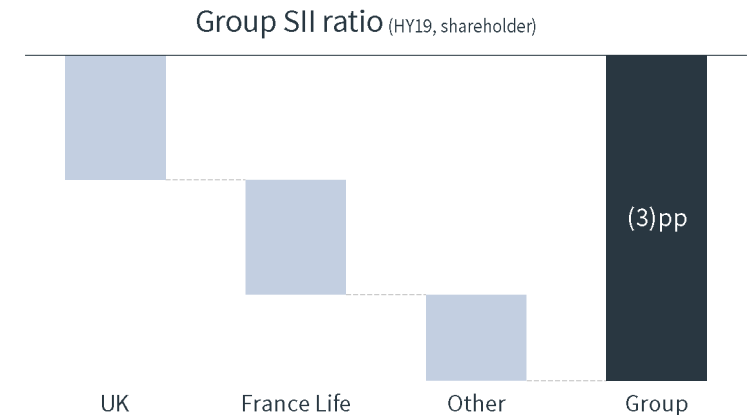
Europe

- Active management of guarantees: asset yields > average in-force guarantees by 200-300bps
- Product innovation e.g. hybrid product in Italy: 0% guarantee on WP and non reversible auto-switch to UL
- Shift mix by accelerating growth in capital-light products (57% of FY18 PVNBP vs. 43% at FY16*)

UK

- BPAs: defined member benefits; well funded & matched schemes can still afford buy-out
- PPOs: Ogden “clarified”; low propensity; real inflation exposure

Sensitivity to 25bps decrease in interest rates



External reinsurance: managing capital and volatility

Life examples

- UK longevity risk:
 - 2019 new business: up to 100% reinsured for BPAs; 30% on average for Individual Annuities
 - Existing business: c15% reinsured on average
- UK Protection:
 - Individual: c80% reinsured on average (reducing)
 - Group: majority of insurance risk is retained

General Insurance retention

- Group-wide catastrophe reinsurance programmes:

	UK	Canada	Europe	Other
Per event (Excess of Loss)				
Retention	£150m	CAD50m	€25m	£25m
Limit of cover	£2.0bn	CAD2.5bn	€1.7bn	£175m
Aggregate (for smaller Cat events)		£175m retention; £350m limit of cover		

- Other specific reinsurance programmes include:
 - Property per risk, Motor & liability, Cyber and other
 - UK Latents* reinsured 100% for business written prior 31/12/00

Today's key messages

Growing value safely

Robust financial targets focused on economic value

Strong cash and capital to fund a progressive dividend

Allocating capital to grow, and enhance returns

Strong financial position and prudent risk management

Investments, Savings & Retirement

Euan Munro

Aviva plc Capital Markets Day 2019

AVIVA



Today's key messages



Investments, Savings & Retirement

Introducing Investments, Savings and Retirement

A significant local and global opportunity

Combining our capabilities to accelerate growth

Financial ambitions

Net fund flows: £10bn 3rd party & £10bn savings
(Aviva investors, 2022) (UK Savings & Retirement, 2022)

Introducing Investments, Savings & Retirement

Bringing together Aviva Investors and the UK modern savings businesses to develop a capital-light growth engine for Aviva

Scale savings business with leading customer and distributor experience

&

Powerful investment capability across multiple asset classes

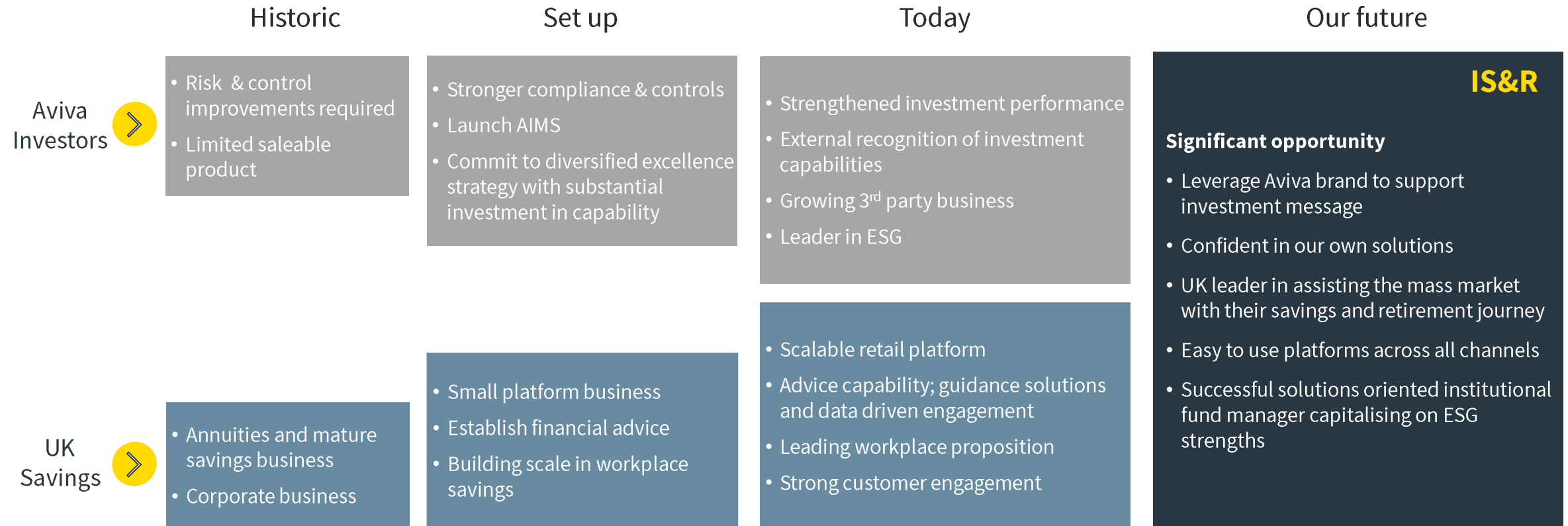
&

Compelling customer outcome focused savings and investment solutions



A significant global outcome oriented asset manager and the UK's leading savings & retirement solutions provider to our customers

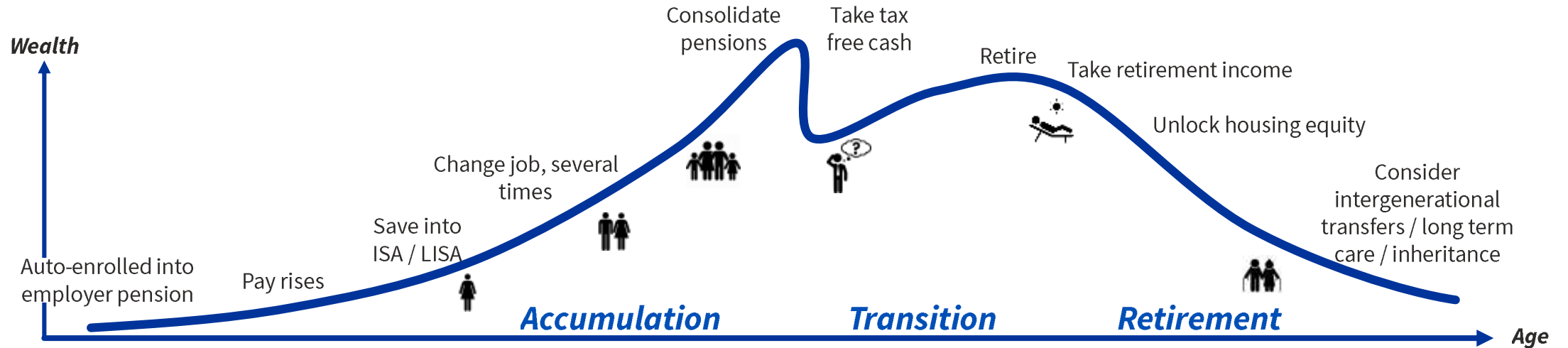
We are building towards a combined business



2014 pensions freedom



Aviva is uniquely positioned to help customers on their lifetime savings and retirement journey



We are in a unique position to join the dots and solve customer problems, especially for the mass market

What customers tell us they want

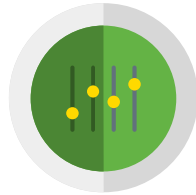
- Manage to their outcomes (life goals)
- Transparency and ease of access
- Help to make the right choices, i.e. advice or guidance

Why we are well placed to win

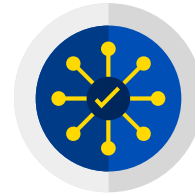
- We have proven strength across workplace/ advised savings, asset management, advice, retirement products
- Enabling a holistic savings and retirement proposition for the customer

Three routes to capture the IS&R growth opportunity

Growing Savings



Growing Aviva Investors



Growing together as Aviva



How

- Sustain leadership in workplace
- Maintain strong net flows momentum with IFA's

- Continue 3rd party expansion
- Leverage ESG leadership
- Investment spend to level off

- Active investment solutions for the 99%
- Capitalise on corporate relationships
- Customer solutions beyond savings

Result

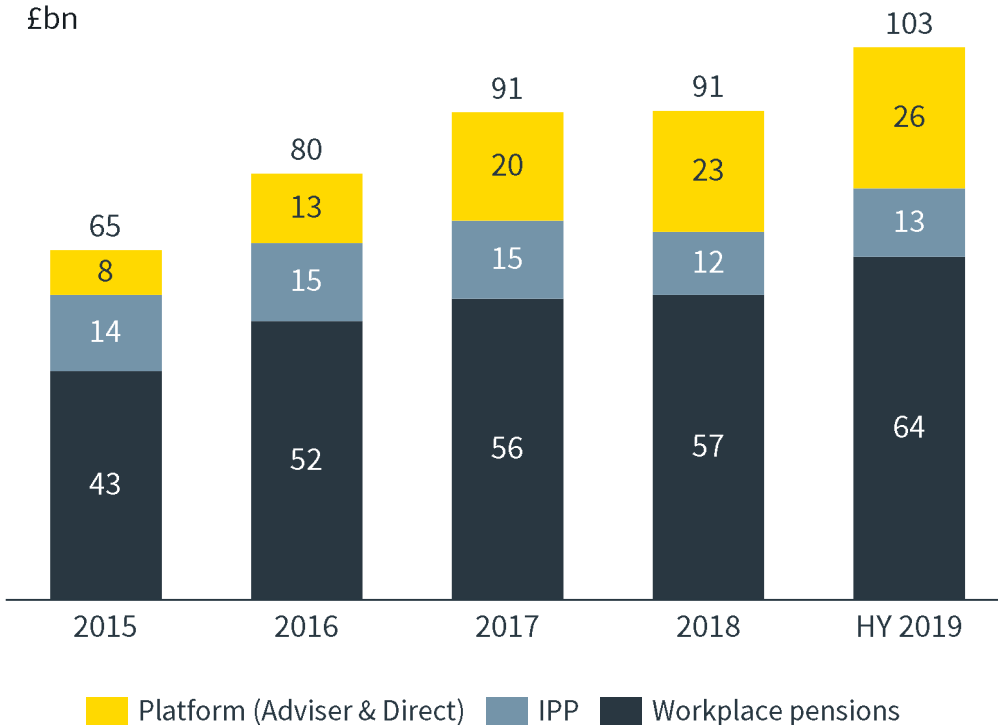
- Continued strong AuA growth
- Increased operating profit

- Restore revenue momentum
- Improve operating margin

- Go-to brand for retirement savings
- Customer growth and retention

Growing in workplace and savings

UK Savings assets under administration



Capitalising on our strength and momentum

Number 1 in the workplace*

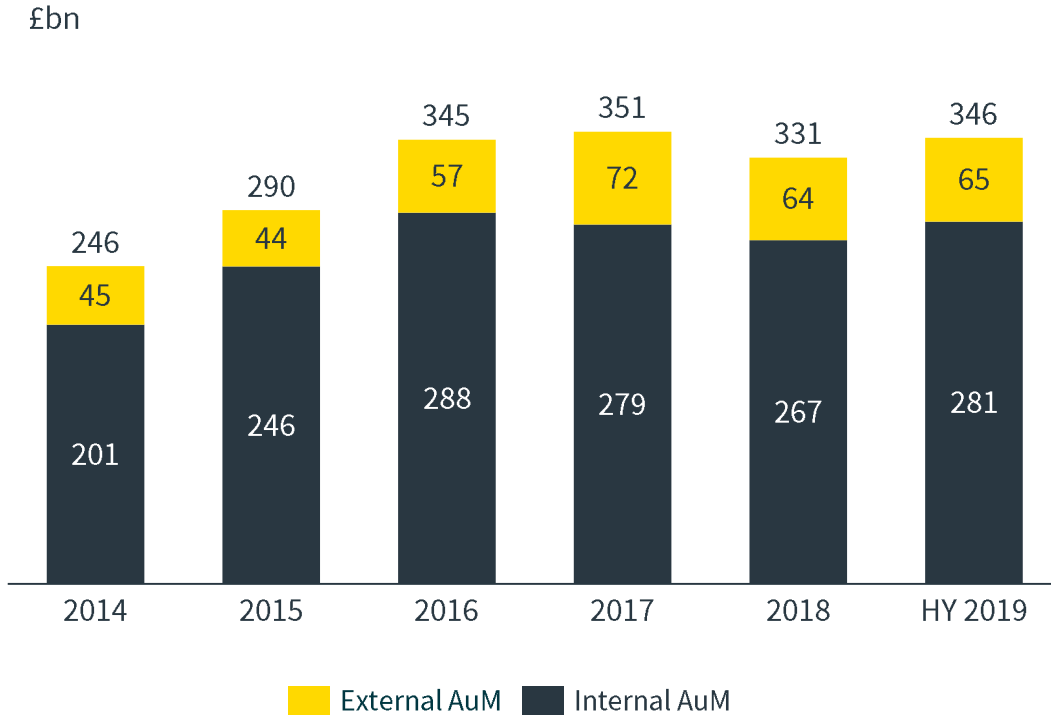
- 26,000 schemes and 3.5 million customers
- Differentiated proposition, providing health, wellness and employee benefits in conjunction with UK Life
- Significant funnel for high-trust, long-term customers
- c50% growth in AuA since 2015

Emerging leader in adviser platform market

- Currently serving over 12,000 IFA's and 290,000 customers
- Top 10 player by AuA, but ranked 2nd for net fund flows**
- Platform migration challenges in 2018 remediated, with renewed momentum on flows despite the challenging market backdrop
- AuA increased 3x since 2015

Growing in Aviva Investors

Aviva Investors assets under management



Harvesting the benefits of investment in capability

Leadership in ESG

- Strong heritage as responsible investors
- Global, credible ESG capability with strong IP
- Externally recognised leadership

Investment performance now robust

- 69% of funds ahead of benchmark over 3 years and 71% over 5 years (3Q19)

Growing across multiple asset class segments and markets

- As at 3Q19: external AuM £68bn; gross 3rd party flows £7.3bn
- Strong pipeline - £40bn of opportunities across our range of asset classes
- Growing presence in Europe and North America

Scale and depth of investment capability

- Asset mix diversifying via enhanced Real Asset, Solutions, Multi asset, Equity and Credit capabilities

Growing together as Aviva

Growing together

Quality propositions

High quality affordable active solutions for the 99%

Corporate relationships

Open the door to corporates for UK Life and GI

Customer acquisition

Deliver Aviva retail products to our 3.5m workplace customers

Customer experience

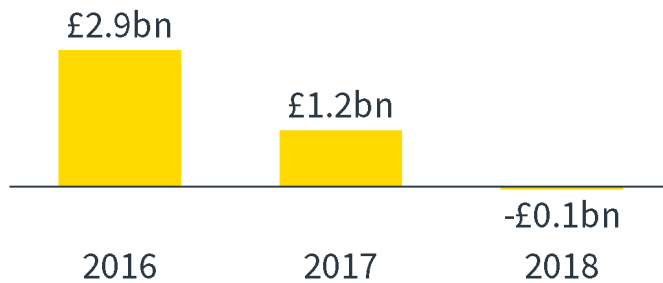
Uniquely positioned to provide a seamless retirement journey

Our immediate focus

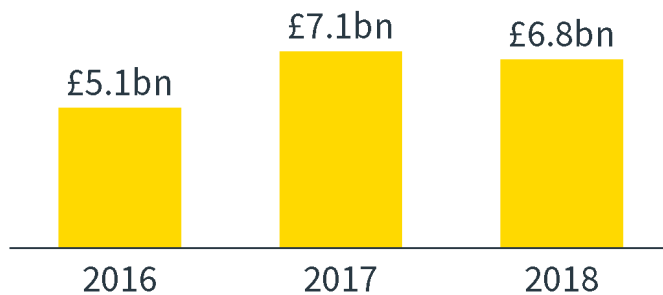
- Connecting solutions with the savings administration businesses
- Continued close interaction with corporate sales teams and relationship managers across the Aviva product suite
- Roll-out MyAviva and associated well-being propositions across the workplace customer base
- Positioning Aviva as a retirement savings brand

How will we be measured?

Aviva Investors (external net fund flows)



UK Savings & Retirement (net fund flows)



Ambition

➤ **£10 billion**
3rd party annual net fund flow by 2022

&

➤ **£10 billion**
Savings & Retirement
annual net fund flow by 2022

2019 outlook

- Aviva Investors 2019 results impacted by weaker revenues (lower flows and AUM in 2018), higher costs (further investment in capability) and perimeter changes
- Investment performance materially improved - strong leading indicator for future flows
- Reflected in improved flows in 2H19 – current expectation is for positive net flows from 3rd party clients in FY19

Investments, Savings & Retirement ambition

Bringing together Aviva Investors and the UK modern savings businesses to develop a capital-light growth engine for Aviva

Scale savings business & **Powerful investment capability** & **Compelling outcome focused solutions**



A significant global outcome oriented asset manager and the UK's leading savings & retirement solutions provider to our customers

Financial ambitions

Net fund flows: £10bn 3rd party & £10bn savings
(Aviva investors, 2022) (UK Savings & Retirement, 2022)

UK Life

Angela Darlington

AVIVA

Aviva plc Capital Markets Day 2019



Award-winning insurance company



Cover Excellence Awards 2019

- Best Group Critical Illness
- Best Individual Critical Illness



UK Pensions Awards 2019

- Defined Contribution Pension Provider of the Year
- Pensions Communication Initiative of the Year



What Mortgage Awards 2019

- Best Equity Release Lender
- Best Equity Release Lender Customer Service
- Best Financial Protection Provider



Pensions Age Awards 2019

- Innovation Award (Technology)



Health Insurance & Protection Awards 2019

- Best Individual PMI Provider
- Best Individual Critical Illness Provider
- Company of the Year (for the 10th year in a row)

Today's key messages



UK Life

**Delivering dependable
growth in long-term
cash flow**

Leading scale and skill across all UK life products

Annuities and equity release are primary growth engines

Maximise value and minimise complexity in Heritage

**Financial
ambitions**

ROC 9.5%

Combined UK Life + IS&R
(2022)

Cash remittances

£4.25-4.75bn underlying + £0.5bn specials
(UKL + IS&R, cumulative 2019-22) (UKL, 2019)

UK Life

AVIVA



A strong and balanced foundation for the group

UK Life is a significant source of capital and cash flow

£1.8bn

Operating capital generation
FY18 combined UKL + UK Savings & Retirement



Underlying
Management actions & other

£2.2bn

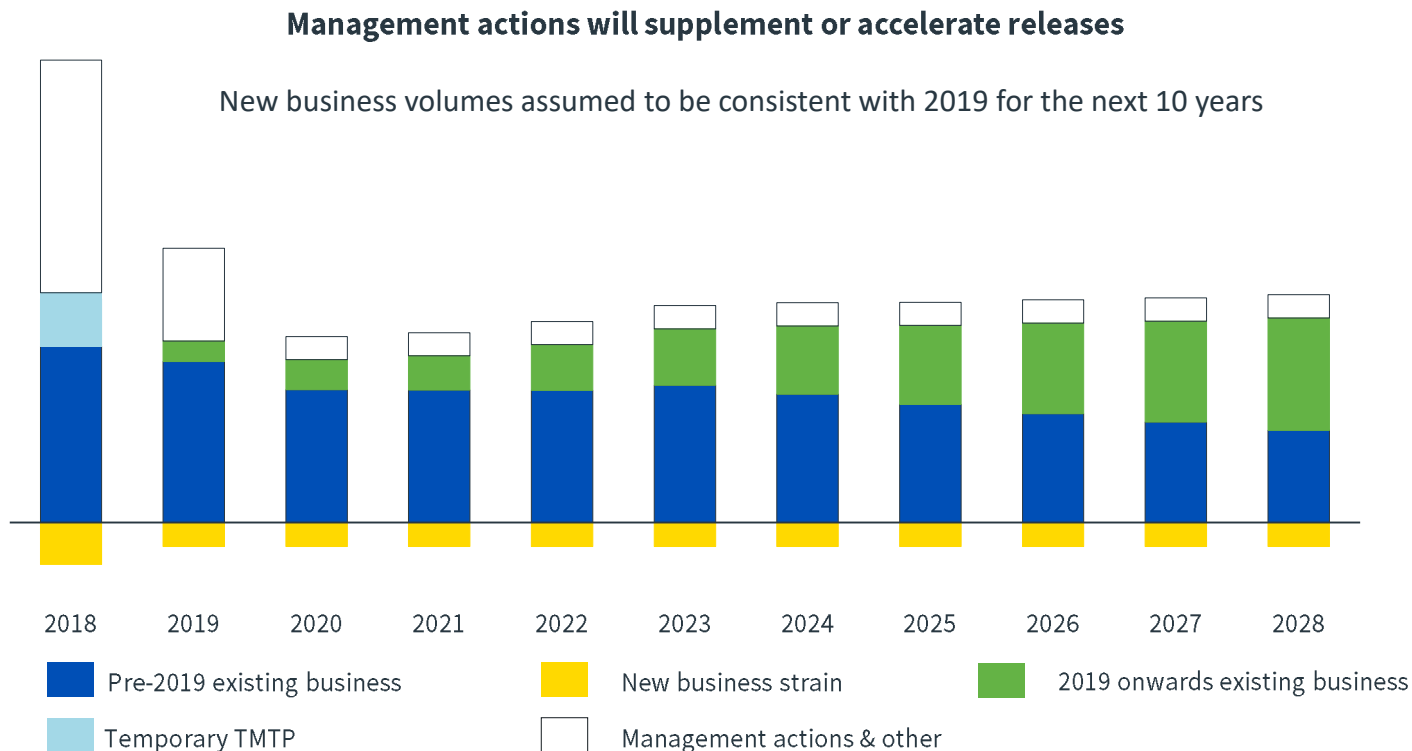
Cash remittances
FY18 combined UKL + UK Savings & Retirement



Underlying
Specials - Friends Life integration
Specials - Other

Capital efficient growth building future value

Strong outlook for underlying OCG delivery over the next decade

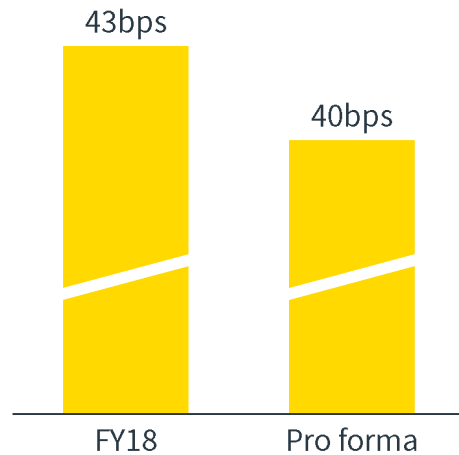


Capital velocity

- In-force OCG from 2019-28 of c£5bn runs off at c6% p.a. over the next 10 years allowing for planned cost actions
- Our capital management framework focuses on EVA and payback to optimise returns and improve capital velocity
- Our thresholds to allocate capital; returns: range, typically low-teens with a payback of 4-6 years
- Reduction in 2019 driven by loss of:
 - Temporary transitional benefit
 - Reduced management actions & other
- Expected longer term management actions of c£0.1bn p.a.

Strong focus on cost efficiency

Improving unit cost*



- Pro forma reflects expected benefit from targeted 2022 run rate cost savings in UK Life
- Reducing unit cost against headwind of run-off

While continuing to invest to support our business



Creating simplified journeys for both our customers and advisors through digitisation and automation



Product and proposition development to support our areas of future focus and our customer needs



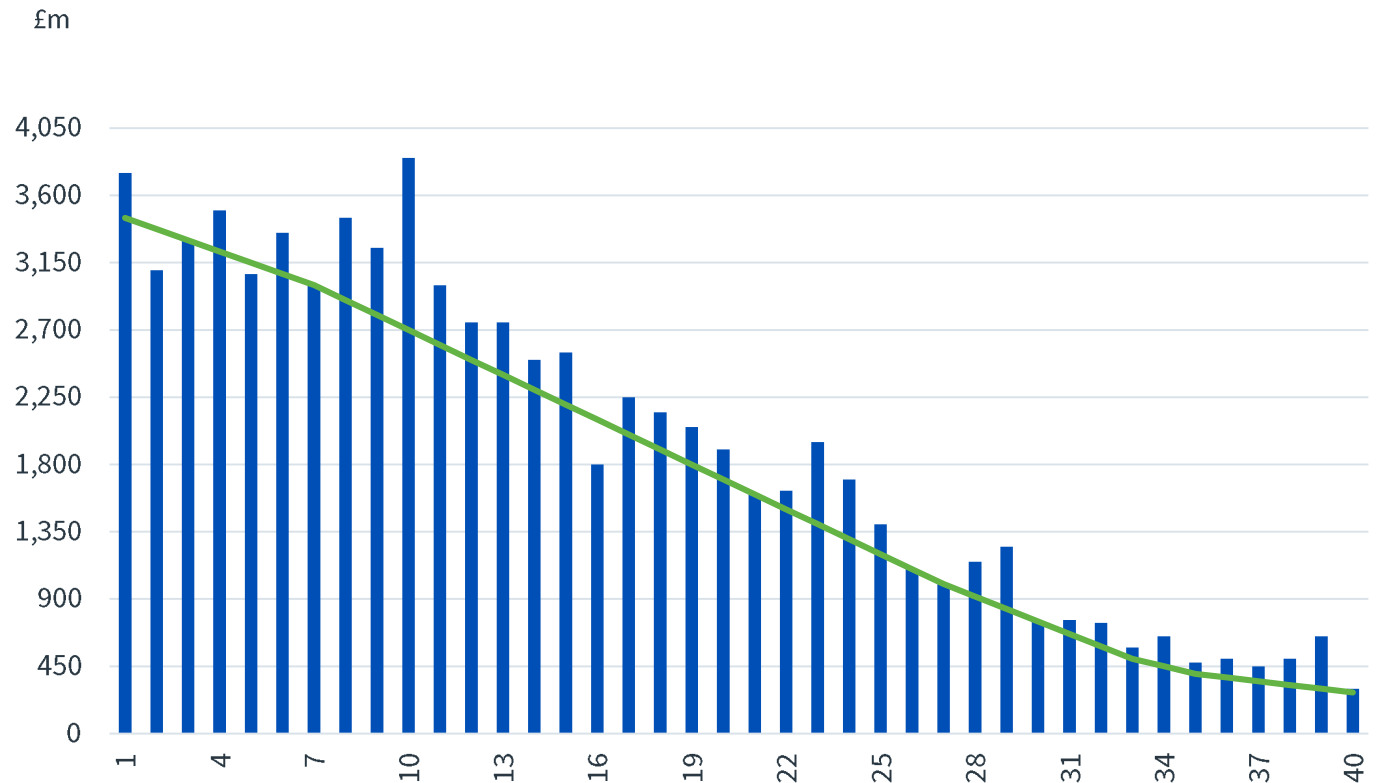
Working with Investments, Savings & Retirement to develop new propositions that increase the flexibility of annuities to meet the evolving needs of our customers

*Calculated as operating expenses, adjusted for amortisation of internally generated intangibles and alignment of UK digital business costs, expressed as a percentage of opening AuA

Well matched annuity cash flows

Interest rate risk management

- Highly predictable liability are illiquid and cash-flows are highly predictable
- High quality long duration assets tightly matched to liability cash-flows
- Limited economic risk of changes in yields on in-force performance



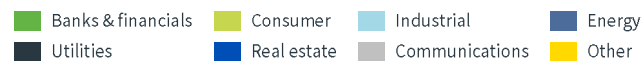
Strong balance sheet, low risk asset portfolio

Well diversified portfolio (shareholder assets)

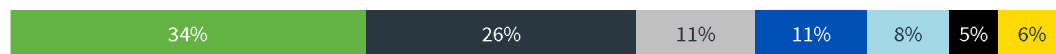
- £61bn investment portfolio at HY19



- £18bn (30%) corporate bonds



- £7bn (12%) commercial mortgage



Low risk commercial mortgage portfolio

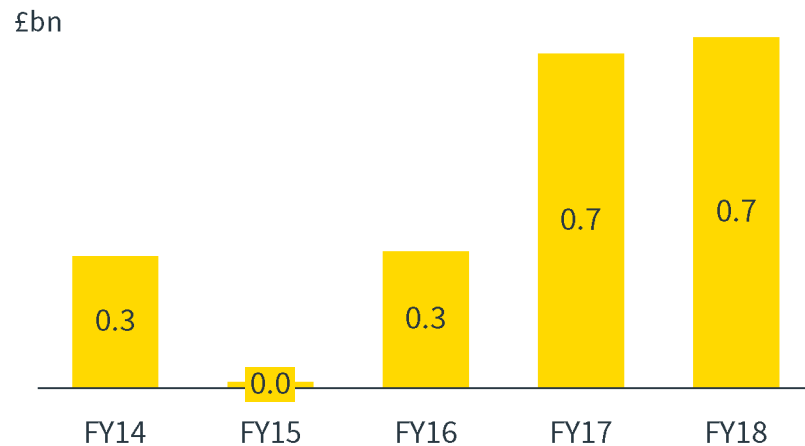
- Average LTV 56%; loan interest cover 2.75x

Portfolio prudently positioned for Brexit uncertainty

- Allowance: stable at £0.4bn (HY19)
- 3/4 equity release and 1/4 commercial
- Equivalent to immediate decrease in property values of 12% for equity release and 14% for commercial

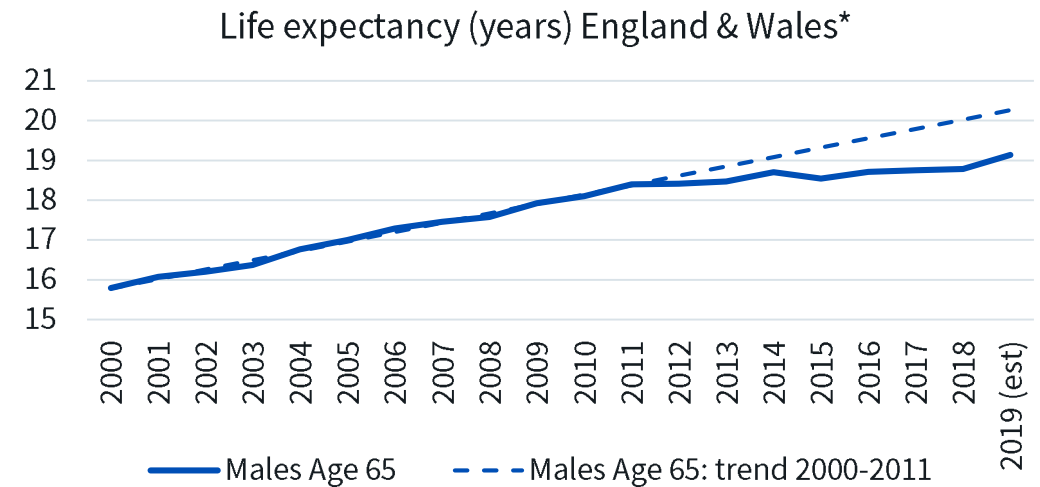
Longevity trends

Significant reserve releases in recent years



- Material benefits from longevity releases in recent years
- Projected improvements based on all relevant information, not simply CMI model

Mortality improvement trends



- Future changes in reserves will be driven by emerging experience and trends in the years to come
- However, 2019 experience has bucked recent trend

Maximise growth opportunities



Well positioned in Annuities & Equity Release

A leading provider with full suite of capabilities and scope to grow

Individual annuities

Market position	1 st
Market share ¹	c29%
Customer numbers	c1m
TNPS	54

Bulk purchase annuities

Market position	3 rd
Market share ¹	c7%
No. of transactions to date	>500
TNPS	42

Equity release²

Market position	2 nd
Market share	c19%
Customer numbers	c0.2m
TNPS	72

¹ ABI, H1 2019
² Equity release council

TNPS is the transactional net promoter score. It represents the number of customers that would recommend Aviva following a purchase, service or claims related transaction. The score can range from -100 to +100.

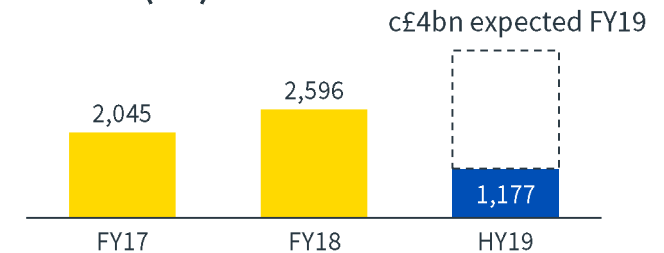
Innovating to support capital efficient growth in BPA

Our franchise

Top 3
Market position

7%
Market share

PVNB (€m)*



Our strengths

- Market leading illiquid asset origination incl. 20Y track record in commercial mortgages & equity release
- Strong brand, leading distribution
- Disciplined approval process
- Strong pipeline of internal business from Aviva pension schemes of >€15bn

Our future focus

- Improve capital efficiency of new business
 - further reinsurance
 - new lower capital asset types
- Delivering a reduction in new business strain to a target level of 3%
- Returns: range, typically low-teens
- Payback: 4 - 6 years

Strong Protection & Health businesses

Individual protection

Market position	2 nd
Market share	c16% ¹
Customer numbers	c4.6m
TNPS	53

Health²

Market position	3 rd
Market share	c13%
Lives covered	c0.9m
TNPS	45

Group protection³

Market position	2 nd
Market share	c20%
Lives covered	c2.7m
TNPS	n/a

¹ ABI, H1 2019

² Laing & Busson, 2017

³ SwissRe Group Watch 2019

TNPS is the transactional net promoter score. It represents the number of customers that would recommend Aviva following a purchase, service or claims related transaction. The score can range from -100 to +100.

Strong Individual Protection franchise with leading capabilities

Our franchise

#2

Market position

16%

Market share

c4.6m

Customers

Our strengths

- Track record of innovation in Individual Protection
- Widest distribution footprint in the market and strong IFA relationships
- Using our data and analytics capabilities to implement the use of Artificial Intelligence in the underwriting journey e.g. automated submission of medical assessments and machine learning to review

Our future focus

- Develop next generation of propositions to make it easy for IFAs to do business with us, with an aim to be the provider of choice
- Develop compelling packages that deliver more value to our customers
- Use our data and analytics capabilities to develop new propositions to meet the needs of our existing customer base

Supporting corporates across Protection & Health

Wellbeing – reimagining our relationships with corporates, employees & consumers

Addressing the huge societal challenge across the three key Wellbeing dimensions



Building a suite of services, focused initially on Corporates and workforces



Focused on driving performance benefits for Corporates...

Resilience

Productivity

Engagement

...and sustainable and defensible benefits to Aviva

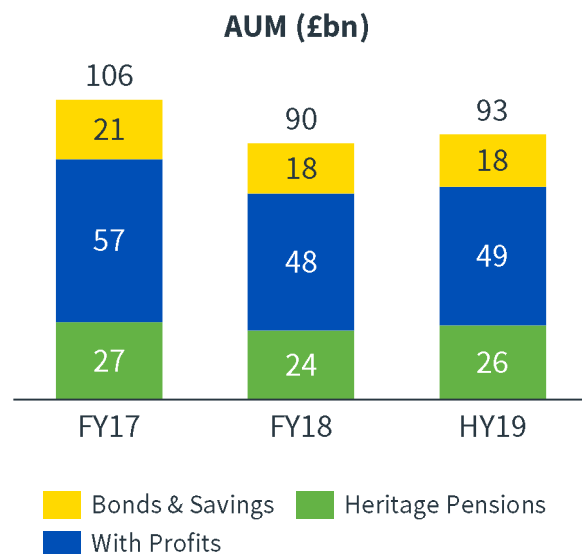
Corporate loyalty and lifetime value

Access to employees

Significant value in Heritage business

Our franchise

- Large back book with c2.1m customers



Our strengths

- Provides capital and cash generation underpin
- c2.1m customers: retention opportunity with IS&R
- Established outsourcing relationships with Diligenta, Capita and ReAssure
- Target engagement and retention activity through data and analytics

Our future focus

- Retention:
 - Targeted approach: c300k customers engaged through direct response campaigns
 - Improving service
 - Access to advice via IS&R
 - Double digit reduction in lapse rate to date following increased engagement
- Customer outcomes:
 - Better communications
 - Reduced charges
 - Improved investment solutions

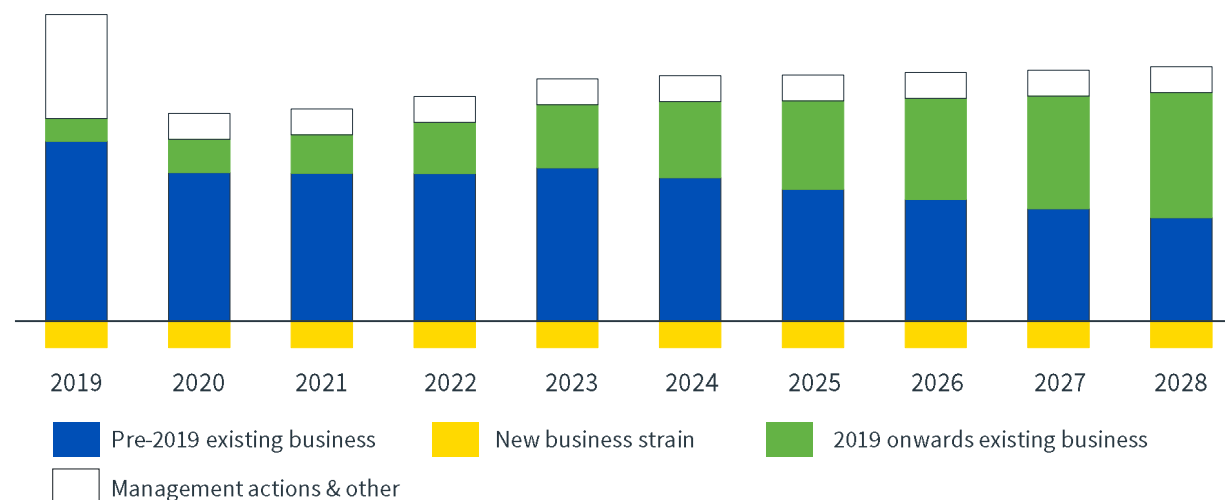
Market statistics as at HY19

Financial ambition



UK Life ambition

Delivering dependable growth in long-term cash flow



**Financial
ambitions**

ROC 9.5%

Combined UK Life + IS&R
(2022)

Cash remittances

£4.25-4.75bn underlying + £0.5bn specials
(UKL + IS&R, cumulative 2019-22) (UKL, 2019)

General Insurance

Colm Holmes

Aviva plc Capital Markets Day 2019



Today's key messages



**General
Insurance**

Sustainable profitable growth
at a reduced expense ratio
delivering attractive returns
on capital

Strong franchises, delivering attractive results and low volatility

Speed & simplicity, leading fundamentals & growth focused

Ambition to grow top-line by 20%; improve COR to 95% or lower;
reduce expense ratio 2pp

**Financial
ambitions**

NWP
+20%
(2022)

Cash remittances
£2.0-2.5bn
(cumulative 2019-22)

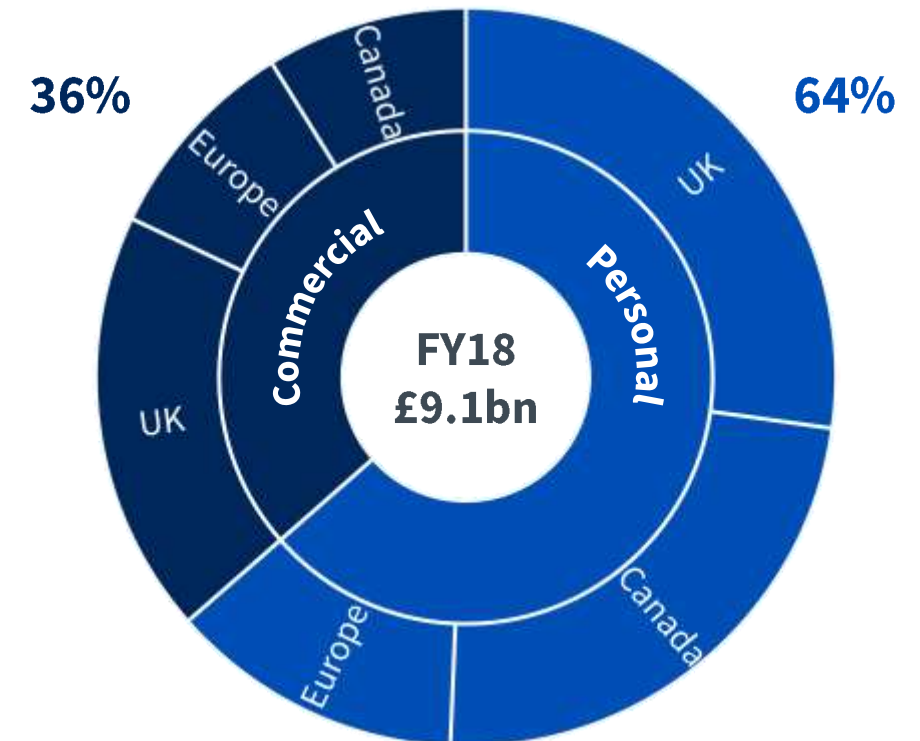
GI COR
95%
(2022)

ROC
14%
(2022)

Aviva GI operates at scale in the UK & Canadian markets, with an attractive European business that brings diversity & balance

	<u>GI NWP £bn</u>	<u>Position</u>	<u>Market share</u>	<u>Aviva 3Y average GI COR*</u>
	4.2	#1	11%	95.7%
	2.9	#2	10%	99.8%
	1.1	#12	2%	95.3%
	0.4	#2	15%	91.7%
	0.3	#18	1%	96.1%
	0.1	#10	1%	90.5%

Business split by net written premium



UK COR has been adjusted to exclude the impact of Ogden and amortisation of internally generated intangibles. For illustrative purposes, it has also been adjusted to reflect the realignment of UK digital business costs within UK general insurance

*Asia c£8m NWP

Unrivalled Strengths



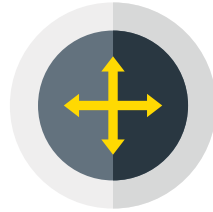
Pricing & data analytics

- Ask it never
- Non-linear pricing model
- Underwriting workflow



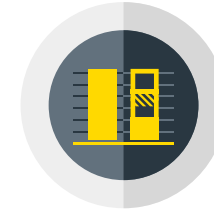
Indemnity management

- Total Loss tool
- Claims digitisation
- Fraud detection



Reinsurance

- Low net lines
- Low volatility
- Limited legacy



Distribution

- Regional networks
- Strategic Partnerships
- Direct & PCWs



Brand

- TNPS
- Broker Trust
- Insurance Company of the Year

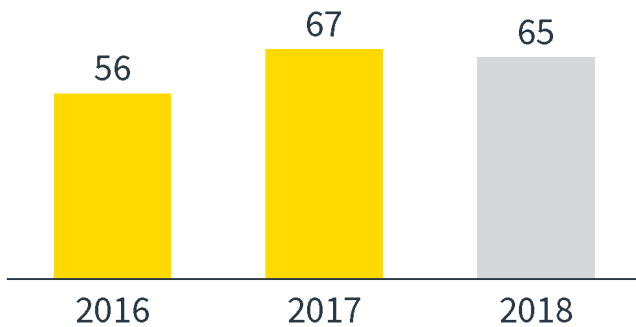
Opportunities

Reduce expense ratio | Increase retention | Business mix improvement | Reduce complexity

Trusted brand for customers and brokers

Case Study: UK

Customers



TNPS Scores*



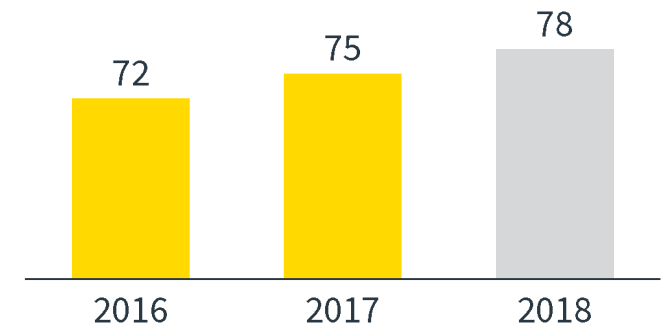
Partners

Broker Trust:

Commercial **92%**
Personal **89%**



Employees



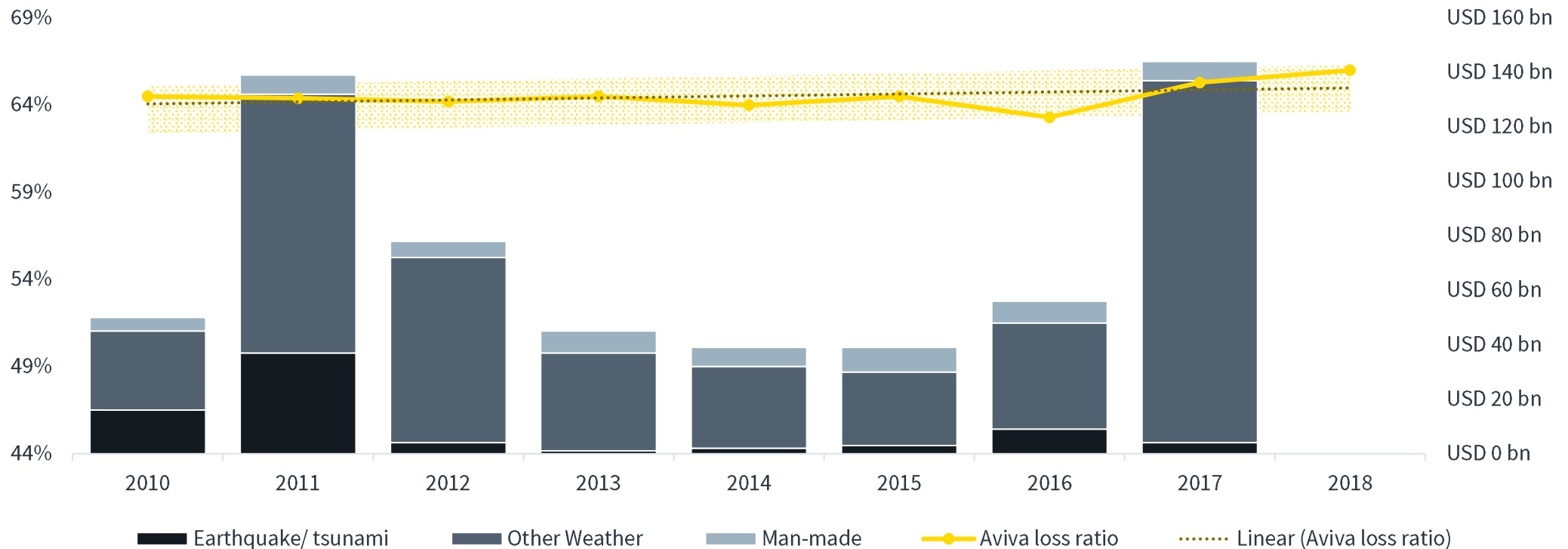
Engagement



Consistent profitability with low volatility since 2010

GI loss ratio

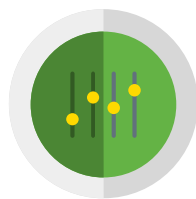
Market large losses (USD bn)*



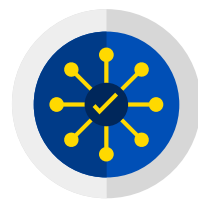
*Source: Swiss Re Institute Sigma Report (2018 market large losses data unavailable). Loss ratio excludes the impact of Ogden

Our strategic priorities will form the basis of future growth

Leading fundamentals



Simplicity & speed



Focused execution



How

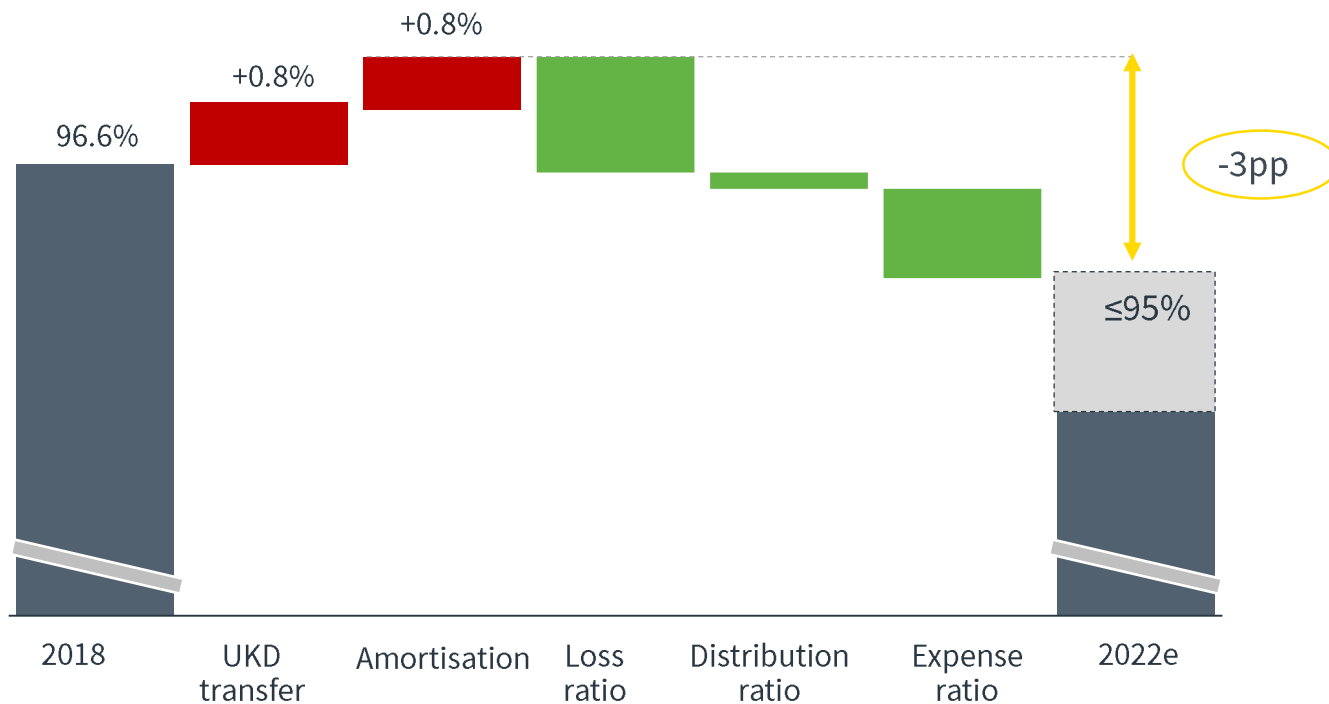
- Data & analytics
- Pricing & underwriting
- Talent & capability
- Fast customer journeys
- Self-serve capability
- Clear accountability
- Targeted customer acquisition
- Closing gaps where underweight
- Tackling underinsurance

Result

- Business mix improvement
- Reducing frequency & severity
- Higher conversion
- Lower expense ratio
- Faster premium growth
- Sustainable profit growth

Growth focus and COR improvement

3pp in like-for-like COR targeted



- **Claims:** risk management & prevention, fraud detection, pricing & underwriting
- **Commission:** strong intermediary relationships, continued focus on direct
- **Expense:** greater automation, improved operations, product & IT simplification

UK Personal lines strategy: simpler end-to-end structure will unlock the opportunity in our business



Success story: Quotemehappy

↑51%
NWP 16-18

+184%
OpProfit 16-18

- Lean standalone business
- Digital only, low cost IT
- Best in class technical pricing models



Leading fundamentals

- Market leading underwriting and claims indemnity
- Optimising analytics
- MyAviva and Aviva Plus



Simplicity & speed

- Restructured to ensure clear end-to-end P&L accountability
- 20% reduction in cost base (2022)
- Reducing product set from 400 to 40 (2022)



Focused execution

- Customer acquisition, conversion and retention
- Targeted growth – leisure & lifestyle, telematics, Aviva private clients

UK commercial lines strategy: digitising micro, develop mid-market, targeting underinsurance in specialty



Success story: GCS

↑ 22%
NWP 16-18

↓ 6 pts
COR 16-18

- Refocused to industry segment
- Client service model
- Focus on risk management



Leading fundamentals

- Digitally advanced underwriting – 50,000 auto renewals
- Industry segment expertise – Property Investors #1
- Exposure Management – Flood Mapping



Simplicity & speed

- Removing c68,000 hours of non value processes in 2020
- Clear broker journey – Fast Trade
- Total Customer Underwriting - CIT



Focused execution

- Target markets – micro, mid-market, regional specialty & heartland corporate
- Target growth – 15% Market share

Canada strategy: primed for growth



Success story: turnaround



HY18 to HY19

- Clear end-to-end accountability
- Fix, transform, grow
- Machine learning risk modelling and claims analytics



Leading fundamentals

- Leverage individual strengths of all distribution channels
- Invest in data & analytics across pricing sophistication and claims management
- Outpace competitors



Simplicity & speed

- Digitise customer experience
- Enhanced broker service
- Differentiated quoting for small commercial

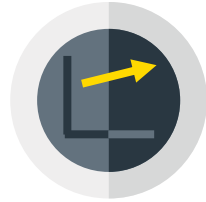


Focused execution

- Accelerate growth in SME and GCS, develop direct/aggregator
- Grow Leisure & Lifestyle with a mid-90s COR
- RBC partnership extended by 5 years to 2036

Aviva GI growth in NWP of 20%

Maintain strength



- Small commercial
- Bancassurance



- Personal lines retail
- Small commercial
- Mid-market commercial



- Resilient distribution

Growth Engines



- Direct & aggregator
- Global Corporate & Specialty
- Midmarket

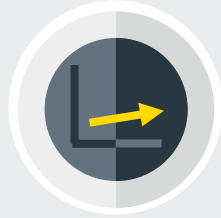


- Leisure & lifestyle
- RBC
- Global Corporate & Specialty



- SME
- Personal lines direct

Improve



- Leisure & lifestyle
- Broker personal lines



- Direct personal lines
- Broker consolidation platform



- Italy & Poland motor

General Insurance ambition

Growth

Higher returns

Cost reduction

Sustainable profitable growth at a reduced expense ratio delivering attractive returns on capital

**Financial
ambitions**

NWP
+20%
(2022)

Cash remittances
£2.0-2.5bn
(cumulative 2019-22)

GI COR
95%
(2022)

ROC
14%
(2022)

Aviva Europe

Patrick Dixneuf

Aviva plc Capital Markets Day 2019

AVIVA



Today's key messages



Europe

**Sustainable growth
by accelerating
business mix evolution**

Aviva has focused European franchises with strong operational track record

We are actively managing the headwind arising from low interest rates

Continuing to transform the business mix away from guaranteed savings, enabled by strong distribution and fundamentals

**Financial
ambitions**

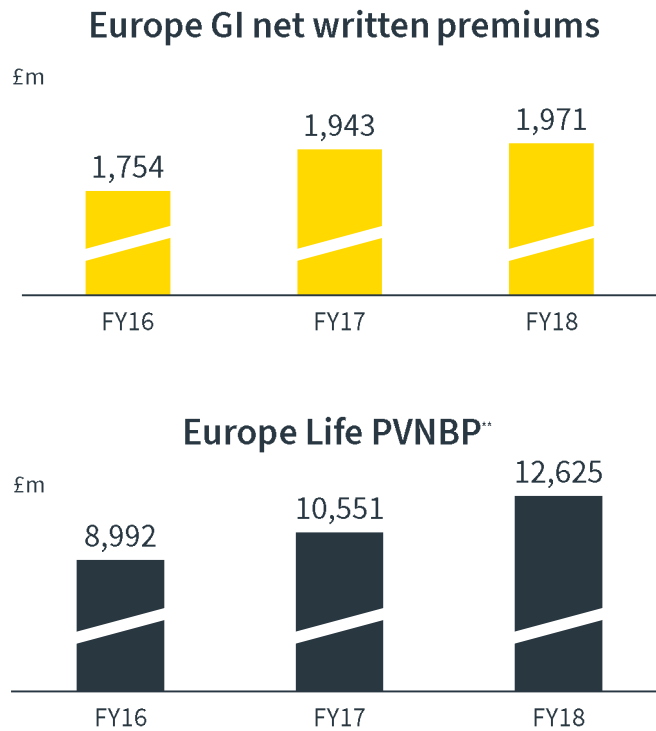
ROC
Life: 9.5%
(2022)

Cash remittances
Life: £0.75-1.25bn
(cumulative 2019-22)

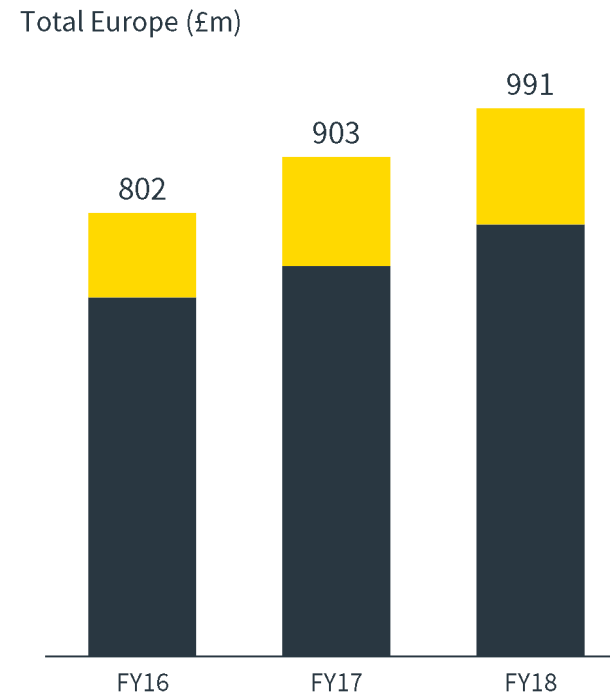
GI COR
95%
(2022)

Track record of growth

Revenues

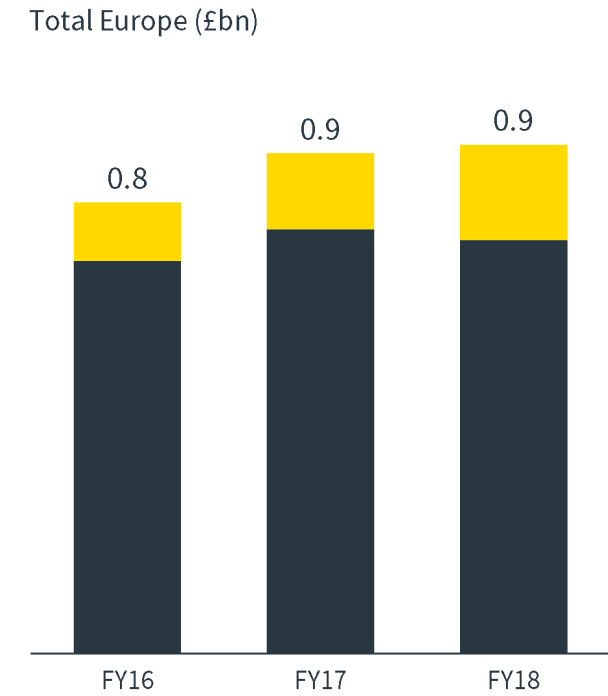


Operating profit



Life GI & H

Operating Capital Generation



Life GI & H

France

The market and Aviva

#11 Life (4% share)

#12 GI (2% share)

#4 Traditional insurer

- 2.9m customers
- £0.6bn FY18 OCG*
- £510m FY18 operating profit* (Life 80%/ GI 20%)
- 2016-18 average COR 95%
- Strong in SME & wealth management

Distribution

Key partners

- Brokers (1,500 Life; 186 GI)



- #1 Savings association
- 760k members, affluent customer base
- Aviva owns 2/3rd distribution
- €53bn reserves; c50% of life NB

Owned

- #4 tied agent network
- #2 FA
- #1 life broker
- #2 direct GI

Focus: Savings & Retirement

Savings: €69bn reserves

- €1.7tn market**
- 2 products: AFER and non-AFER
- 27% in unit-linked
- Switches & top-ups at anytime

Pensions: €5bn reserves

- €200bn market**
- 2 products: individual & self-employed
- New Pacte opportunity

Italy

The market and Aviva

#5 Life (6% share)

#18 GI (1% share)

- 1.4m customers
- £0.1bn FY18 OCG*
- £177m FY18 operating profit* (Life 83%/ GI 17%)
- Strong net flows: FY18: £3.6bn; HY19: £1.6bn
- Repositioning in GI
- Broadening distribution

Distribution

Bancassurance



Key partners

Agents / IFAs



- 7k+ agents across 10 networks
- FAs distribute >50% of new business sales (FY14 <10%)
- Fineco: largest IFA network in Italy with >2.5k agents

Focus: Hybrid product



Customer

- Attractive yields vs. peers**
- Stable performance & partial capital guarantee
- Protection for unforeseen events

Aviva

- 10% market share of hybrid NB sales (FY18)***
- 0% minimum guarantee rate on with-profits
- <50% WP in Italian sovereign & financial corporate bonds
- Non-reversible auto-switch to unit-linked

Poland

The market and Aviva



#2 Life (8% share), #1 non state-owned player

#10 GI (1% share)

- 2.1m customers
- £0.1bn FY18 OCG
- £198m FY18 operating profit* (Life 89%/ GI 11%)
- Capital-light life products
- Small in GI but sub 90% COR
- Strong capital position >200%

Distribution

Owned

- #1 tied agent network
- IFA  #1 IFA
- Digital Direct
- Aggregator 

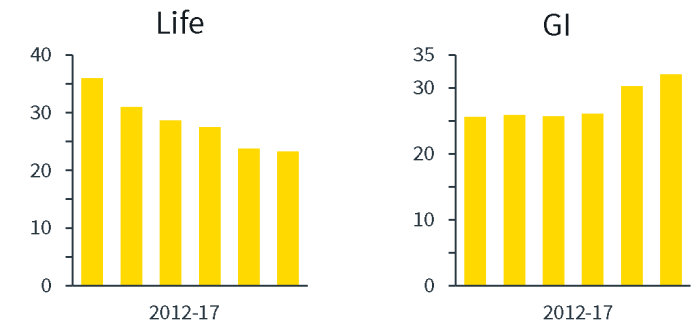
Bancassurance



- Key driver of recent growth
- Opportunity to expand health & protection offering

Focus: Market & regulations

FY12-17 market GWP* (BnPLN)







- Downward trend as customer demand shift from Savings to Protection
- Protection driving growth
- Auto-enrolment & pension reform
- Growth through Motor repricing
- Underserved SME opportunity

*Source: McKinsey





Ireland and Turkey

Aviva Ireland

#4	Life (15% share)	#2	GI (15% share)
	0.9m customers		£96m FY18 operating profit*
	<£0.1bn FY18 OCG		Life 42%/ GI 58%

- #1 trusted financial services brand
- Friends First integration on track

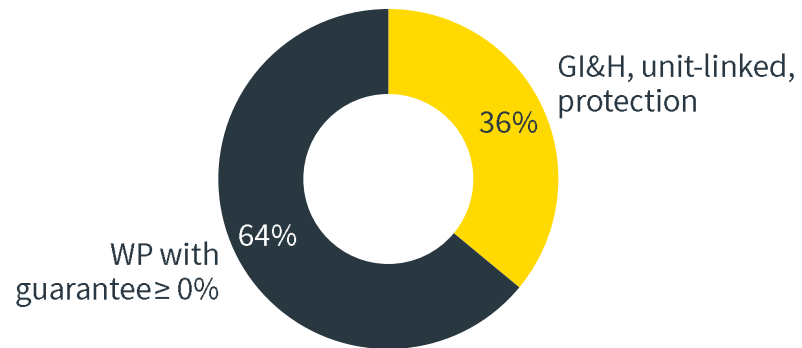
Aviva Turkey

#5	Life (8% share)	#1	Private pension provider
	2.4m customers		£10m FY18 operating profit*
	<£0.1bn FY18 OCG		Life 100%

- Leading positions in pensions and auto-enrolment
- Strong and collaborative partner in Sabanci

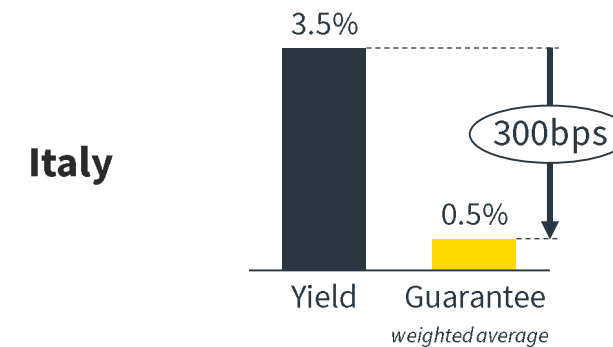
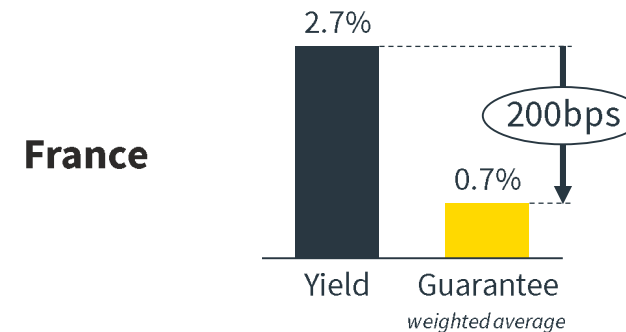
Active management of the low yield environment

Insurance and investment contract liabilities



- Guaranteed reserves form 64% of Europe total liabilities (SII basis, FY18)
- Average inforce guarantee rates are <1% and reducing with all new with-profits contracts (incl. Hybrid) at 0% guarantee
- Ongoing ALM actions incl. asset mix optimisation and hedging
- Material shift in new business mix: 57% of FY18 NB sales from capital-light products

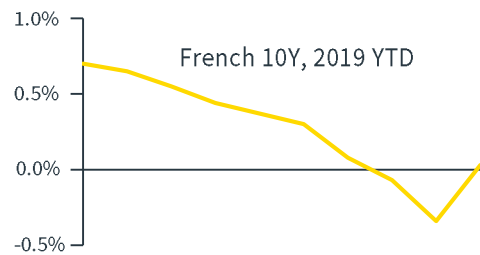
Guarantees versus yields



Accelerate growth in capital-light in France and Italy

Market conditions put pressure on performance

Fall in long-term interest rates

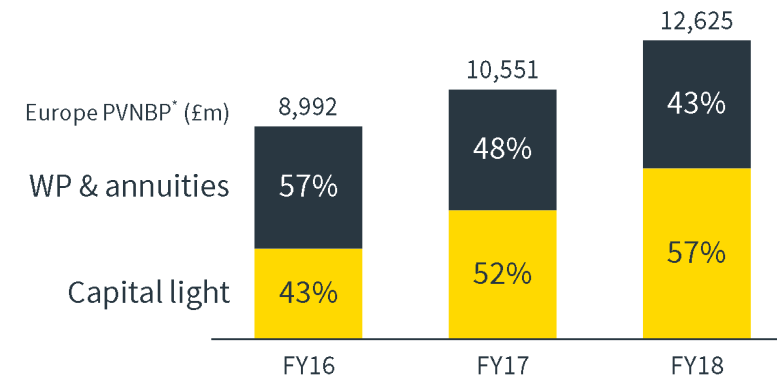


Volatile investment markets



- In volatile markets, new business mix is impacted as customers seek security of capital and are cautious on unit-linked
- In a low yield environment, guarantees put pressure on returns for insurers, while business mix is impacted

We will materially shift mix towards capital light



- Commercial initiatives in place to shift mix towards unit-linked incl. auto-switching programmes in France and Italy
- Continue to develop attractive UL propositions leveraging Aviva Investors expertise and ESG leadership e.g. Aviva Vie Solutions Durables
- Introduction of new products and Pacte law in France
- Continue to evolve Hybrid product in Italy

Capture pension opportunity in France – Pacte law

What does Pacte law mean?

More attractive pension product for customers

- Portability
- Favourable tax regime
- Flexible exit conditions

€100bn+ market opportunity by 2022

(+50% vs. 2018)



How will Aviva capture this opportunity?

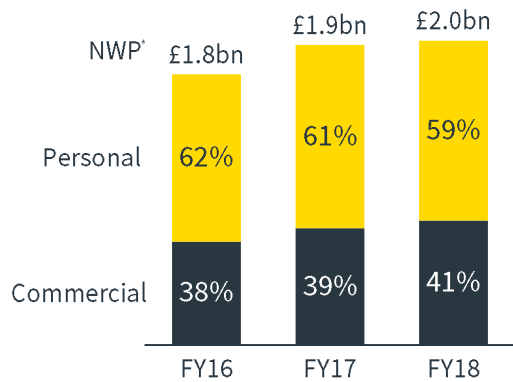
We have strong capabilities to grow in the pension market

- Market leading and largely owned distribution
- #4 Individual Pensions with award-winning products*
- 1st insurer to have launched FRPS: capital-efficient pension entity
- Pacte product launched in October 2019
- Leverage UK expertise in workplace pensions
- ➔ Aiming to grow faster than the market

*2019 award for "Aviva Retraite Plurielle Madelin" product

Enhance scale of GI businesses

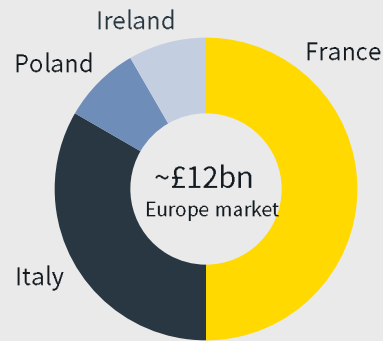
Europe GI



- Mix shifting to Commercial & ambition to continue
- COR ≤95% over 2017-18 and ambition to continue

SME opportunity

Large, underserved & underpenetrated market



How we will win

- New SME GI & Protection product in France
- Rollout Aviva+ for SMEs in Italy
- Specialty products in Poland
- Continue to invest in broker distribution

Personal Lines

France Grow through multi-channel approach (Client Unique)

Italy Motor turnaround complete, focus growth on non-motor

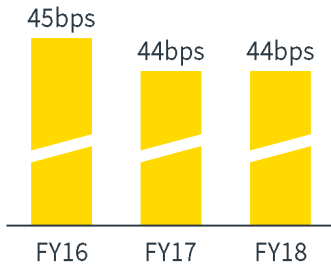
Ireland Grow through Direct, supported by simplified customer journeys

Poland Grow via Direct & Santander

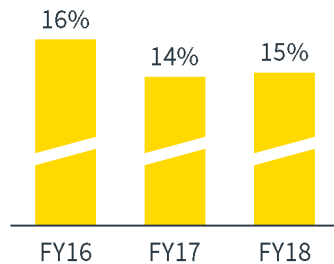
Further improve efficiency

Efficiency ratios

Life unit cost*
(bps, % managed assets)



GI & Health expense ratio**



- Revenues have grown at a faster rate than operating expenses since 2016 and headcount has remained flat
- Focus on cost efficiency to continue

While continuing to invest to support growth



Development and consolidation of IT platforms including:

- Guidewire-based GI platform in Italy
- Migration of AFER to Aviva
- Robotic automation



Investment in distribution & brand

Case study: Client Unique initiative in France

- Full multi-channel approach supporting customer centricity: same product, same price across all channels
- Optimised agent efficiency: focus on customer acquisition and service quality leading to higher customer satisfaction
- Increased profitability through direct platform claims management and standardisation of underwriting conditions
- Gradual product launch, starting with Home and Motor

Europe ambition

**Sustainable growth by
accelerating business
mix evolution**

Strong track record

Managing low interest rates

Transforming the business mix

Investing in our distribution

Further improve efficiency

**Financial
ambitions**

ROC
Life: 9.5%
(2022)

Cash remittances
Life: £0.75-1.25bn
(cumulative 2019-22)

GI COR
95%
(2022)

Singapore

Nishit Majmudar

Aviva Plc Capital Markets Day 2019



Today's key messages



Aviva Singapore

Well positioned to deliver sustainable growth and net cash generation to the Group

Leader in fast-growing, profitable Financial Advisory channel

#2 in the employee benefits space with strong cross-sell success

Highly profitable product portfolio across protection and savings

Financial ambitions

**VNB
Double-digit growth
(2022)**

**Net cash contributor
to Group**

Refreshed strategy set in 2015 to align with industry evolution in developed markets

Stable political environment coupled with highest per capita income

Ambition:
To be Singapore's leading insurer

Bridge the protection gap (mortality and critical illness in particular) with innovative products

Where to play:
Financial Advisory
40 of 40⁽¹⁾

- **FA channel:** 40% of total industry sales
- **Aviva SG:** 40% market share of FA channel

How to win:
"JAWS"

- Digitally enabled distribution & support functions
- Disciplined product mix management

Guiding principles for our strategy

Difficult to replicate
Choice for customers

Stakeholder alignment
Scalable

Execution capability
No channel conflict

Differentiated strategy with a focus on profitability

Market positioning⁽¹⁾

Tier 1

Life insurer

No. 2

Employee Benefits by GWP

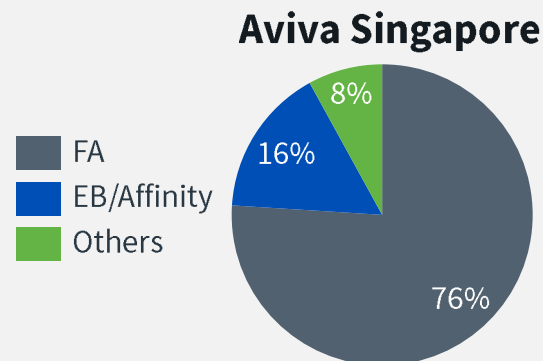
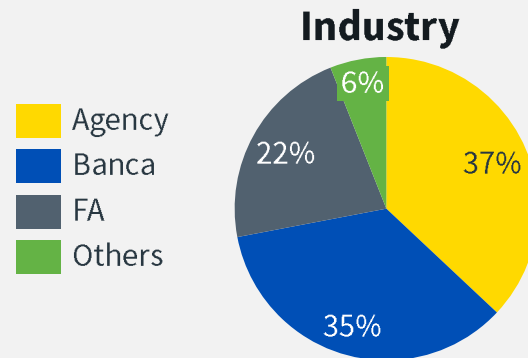
7%

Market share by APE

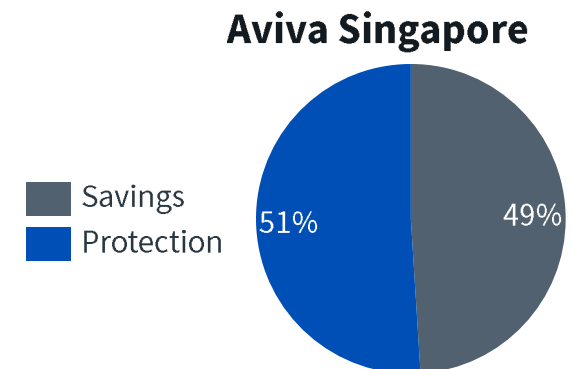
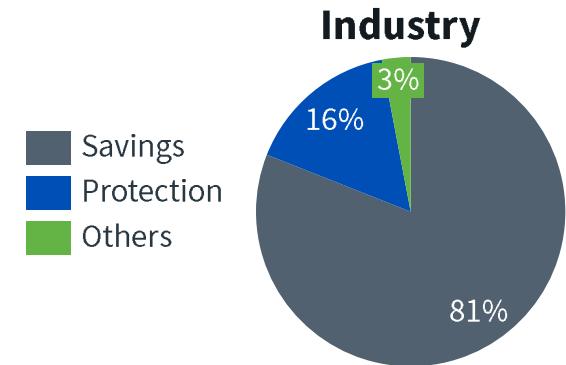
Leading franchise

Regular premium FA channel, with 31% market share

2018 distribution mix by APE



2018 product mix by APE⁽²⁾

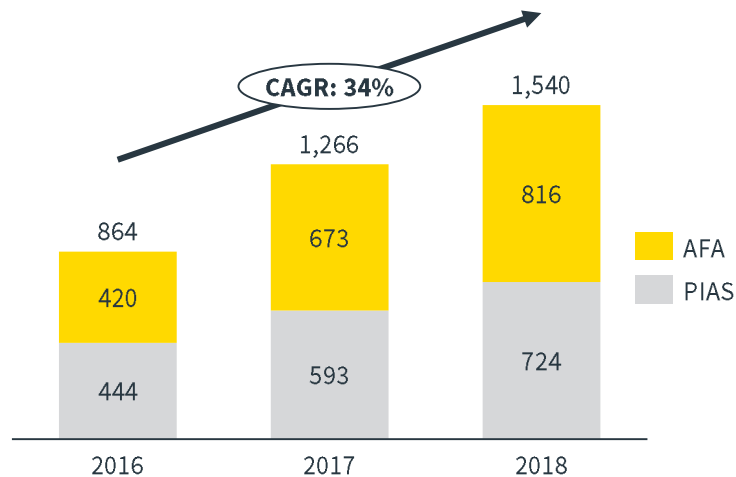


Overview of key distribution channels: FA, EB and Affinity

Financial Advisory (FA)

- Operates through 2 owned subsidiaries, AFA and PIAS, and third party FA firms
- FA has choice to leverage Aviva's brand name
- Customer centric product offerings supported by established FA compensation structure

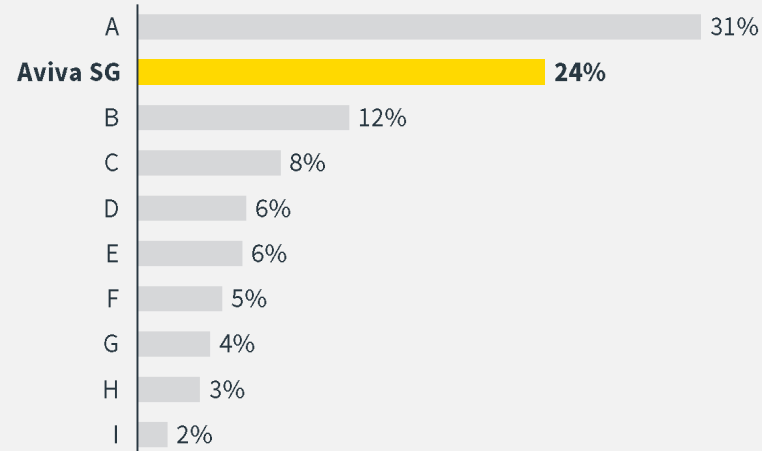
of Advisors



Employee Benefits (EB)

- #2 in the EB space with strong cross-sell success
- Broad customer footprint across private and public sector⁽¹⁾
- Comprehensive product propositions, underpinned by leading digital servicing capabilities and developed infrastructure

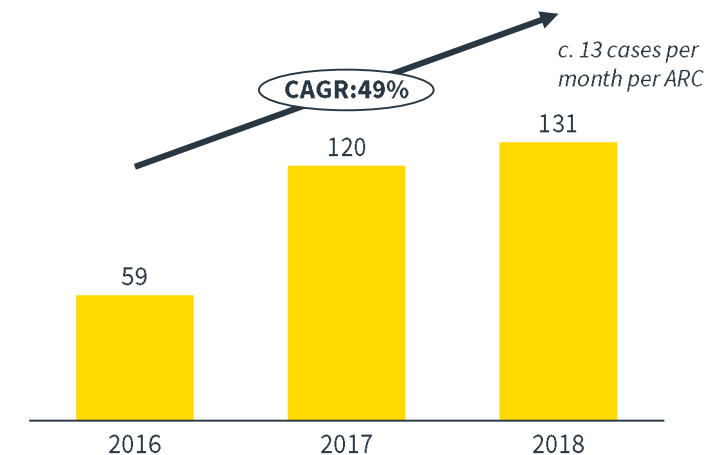
Top 10 insurers in overall EB by market share
(total 2018 market size by GWP: S\$1.2 bn)



Affinity

- Own sales force, focus on cross-sell
- Three strategic pillars: (A) co-branding - partnership approach, (B) bespoke solutions and (C) multi-distribution approach
- Strong growth opportunity in scale and profitability

of Affinity relationship consultants (ARCs)



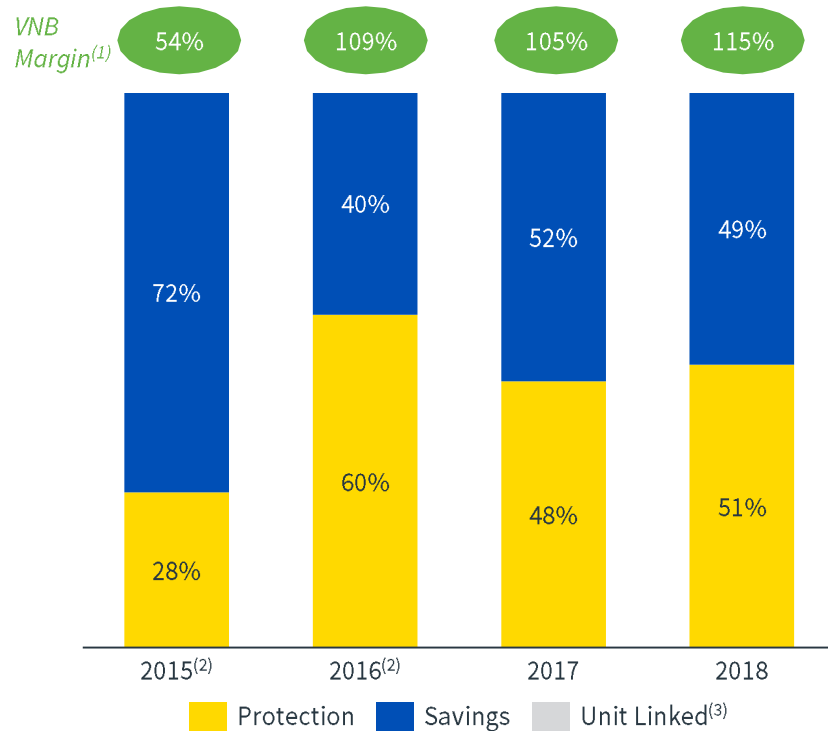
Source: Monetary Authority of Singapore.

Note: (1) For example: Ministry of Defence (MINDEF), Ministry of Home Affairs (MHA) and Public Officers Group Insurance Scheme (POGIS).

Highly profitable product portfolio across Protection and Savings

Active and disciplined management of product mix is essential for FA channel

Product mix by APE



Early mover to address government initiatives through product innovation; well-placed as a government approved insurer

LIA's protection gap study



War on diabetes



My MultiPay Critical Illness Plan



My CoreCI Plan



My Protector



Diabetes critical illness product

"first in market" and direct response to government's priority per 2018 National Day Rally speech



License for shield and long term care product

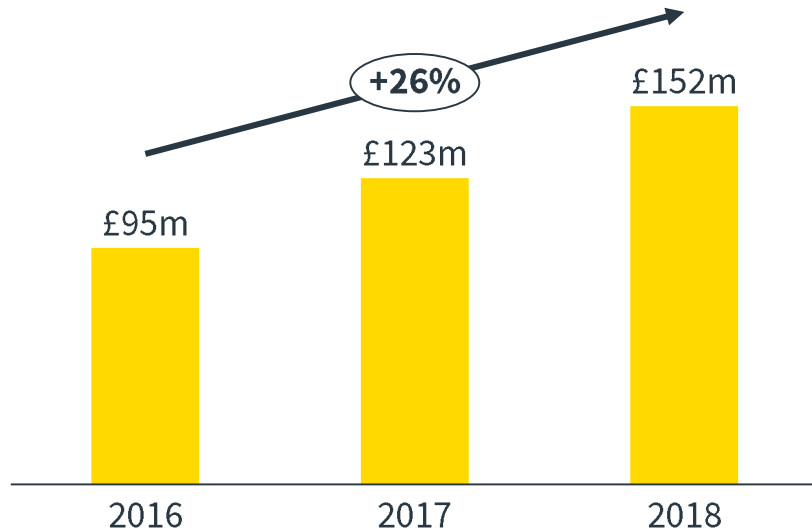
One of the few Shield writers in SG and a leader in the sector

Source: Life Insurance Association. Ministry of Health.

Note: (1) Figures for Aviva Ltd only. 2015 and 2016 based on estimated Solvency II figures. 2017 and 2018 based on Solvency II figures. (2) Product mix in 2015 and 2016 exclude retail investment products. (3) Unit linked product mix is less than 1% of APE for 2015-2018.

Well positioned to deliver sustainable growth and net cash generation to the Group

VNB



Leader in fast-growing, profitable Financial Advisory channel

#2 in the Employee Benefits space with strong cross-sell success

Highly profitable product portfolio across protection and savings

**Financial
ambitions**

**VNB
Double-digit growth
(2022)**

**Net cash contributor
to Group**

Appendix

AVIVA

Aviva plc Capital Markets Day 2019



FY18 divisional breakdown

FY18 £m	Group	UKL + IS&R	GI	Europe Life	Asia Life
SII OCG (shareholder basis)	3,198	1,903	571	726	55
of which OF generated (gross of interest costs)	2,319	1,622	455	390	144
Opening OFs (divisional allocation)	24,737	14,599	4,535	5,539	1,477
SII ROC (unlevered)	9.4%	11.1%	10.0%	7.0%	9.7%
<i>Deduct interest costs</i>	(297)				
<i>Deduct prefs/DCI costs</i>	(74)				
OF generated (UT1)	1,948				
Opening UT1 OFs	15,550				
SII ROE (shareholder basis)	12.5%				
Operating profit as reported at FY18 results	3,116	2,060	658	799	278
<i>Presentation change: intangibles</i>	(112)	(26)	(82)	(2)	(1)
Operating profit	3,004	2,034	576	797	277
<i>UKD alignment to UK businesses</i>	-	(45)	(86)		
<i>Contribution from divestments (Avipop & Spain)</i>	(17)		(2)	(15)	
Operating profit - adjusted	2,987	1,989	488	782	277
o/w FPI	151				151
o/w operating profit (excl. FPI & divestments)	2,836				126
GI COR (incl. UKD & adj. for intangibles)			98.2%		
o/w UKGI (incl. UKD)			96.9%		
o/w Canada			103.0%		
o/w Europe			93.5%		

- FY18 baseline view
- FY18 operating profit and COR have been adjusted to include amortisation and impairment of internally generated intangibles
- For illustrative purposes, these metrics have also been adjusted to reflect alignment of UK digital costs within the UK business (which are presented within Other Group Activities at FY18) and divestments.