

Sir Adrian Montague, Chairman

Good morning ladies and gentlemen. Welcome to Aviva's 2017 Annual General Meeting. I'm Adrian Montague, I'm your Chairman.

Those of you who were here last year will remember I devoted some time in my speech to our corporate responsibility programmes. That was well received and so I thought this year we'd begin today's proceedings with an update.

One of my shareholders commented to me recently that in the current environment it had never been more important to build and sustain trust in our great financial institutions like Aviva. Of course he's quite right. First and foremost we do that by providing what our customers want; policies that respond to their needs available at reasonable prices, not too much red tape in securing cover, prompt, sympathetic and efficient claims handling, all backed up by first class customer service and the proper attention to detail.

In order to build and sustain trust we set ourselves high standards, mostly we achieve them as Mark will show in his presentation, but sometimes we don't; in a few cases we let people down. We know that we have to aim for excellence across the board, with 16 million customers in the UK that's a very high bar to set ourselves and that's why the Board has asked Andy Briggs to make a special priority of customer service this year in our combined UK insurance business.

But a financial institution's standing doesn't just rest on customer service, fundamental though that is, it also rests on how it acts in the world at large. That's where our CR programmes come in; they embody our profound belief that Aviva is a business with a social purpose and we want to demonstrate that, not just in our dealings with customers, but to all stakeholders. Our products are cornerstones in the financial planning of our customers and we seek to earn their trust and the respect of society as a whole, not just for now, but for the long term.

A company like ours, with a heritage as long as ours, in a business like ours understands the importance of the long term perspective, which means that we remain committed to acting sustainably to acting responsibly in all that we do.

As usual in the short video that was playing as we came in, our values are also bigger than the here and now. They don't just apply to the people in this room and the people we serve directly, they make a difference for the communities where we all live and work. They make a difference for our society more widely and for the future as well. So that's quite simply what we have got to aspire to do at all times.

So last year we launched a partnership with the British Red Cross to help people across the world prepare for and respond to disasters. Now, as you saw from the video we're not just supporting the Red Cross, but we're learning from them too, as they have great insights into the management of high trauma situations based on their experience in the dreadful earthquake in New Zealand a few years ago.

Aviva's Community Fund continues to go from strength to strength, something that's very important to me personally. We now run these funds from Canada to Hong Kong

and nominations for the 2017 Fund here in the UK will open again in September. So I encourage you all to nominate and to vote for projects that are dear to you.

Our staff raised nearly £2m for good causes in 2016; together they volunteered over 40,000 hours of their own time. So well done everybody, that's tremendous.

Now the digital revolution is well and truly upon us, the eagle eyed amongst you will have noticed that I'm not alone here on the stage. And so I'd like to introduce you to the Amazon Echo, otherwise known as Alexa and her daughter Dot. I'll explain how they fit into the picture in a few minutes time.

An important part of our strategy is to ensure that Aviva is Digital First so that we can take advantage of the enormous potential of the information age. And again in line with our values we're trying to do so in a way which is as innovative and as inclusive as possible.

One area of innovation is our greater focus not just on helping when things go wrong, but also on protecting people and preventing problems. New technology not only allows us to assess risk more accurately, it can actually help lower the risk. So in your goodie bag you'll find a few items around the theme of keeping us all fit and healthy for example. We're also about to launch a safer homes campaign based around a company we've invested in called Cocoon. Cocoon produces home security systems that monitor your home from your phone. Now any shareholders who signs up to home insurance today will be offered a free Cocoon system and all shareholders will be able to take advantage of this offer on the shareholder My Aviva centre next year - from June onwards.

As for being inclusive one of the challenges of this brave new world is that some people aren't entirely comfortable with the technology. It can be very intimidating for some older members of our society. We want to help make sure that no one gets left behind. So following an idea that one of you gave me at this meeting last year, is Chris House here this year?

No, oh well it was going to be Chris; Chris is the man who gave me the idea. We looked to see if any of the community fund applicants could address the problem. You saw one of the winners in the earlier video, ICT Skills Training who do great work helping older people get to grips with the new technologies. And I'm also pleased to announce that Aviva will be partnering with Anchor Housing Association, England's largest not for profit provider of housing and care for older people, for the next two years. Together we'll provide iPads and training to help all of its 20,000 residents or so make the best of digital in over a thousand locations from Cumbria to Kent.

Now Mark is going to be talking more about our digital ambitions later on, but now I'd like to come back to Alexa here. Now I'm going to try to have a live dialogue with Alexa, all my team is very nervous about this, I have to tell you.

Now I think I know what's she's going to say, but sometimes she gives slightly unexpected answers, so I'll approach the next few minutes with a little trepidation. So here we go.

Chairman: Alexa, can you tell us about yourself?

Alexa: I'm Amazon's Alexa designed around your voice; I can provide information, music, news, weather and more. Arsenal will play in the Premier League tonight at 7.45 pm, away against South Hampton.

I did tell you that it was slightly unpredictable.

Alexa: Manchester United will play ...

Chairman: Alexa, stop.

I'm going to keep going, I'm to keep going, I'm not the slightest bit deterred by this.

Chairman: Alexa, what is the time now in London?

Alexa: The time in London is 11.10 am.

Chairman: Alexa, what is the weather in London?

Alexa: Currently in London it's 11 degrees, with partly sunny skies, you can expect more of the same today with a higher of 15 degrees and a low of 6 degrees.

Now this may feel a bit like science fiction, but voice activated technology is already with us and it's only going to become ever more widespread. So we're proud that we are the first insurance company ever to work with Amazon to add new capabilities to her armoury. I'll let her explain.

Chairman: Alexa, are you ready?

Alexa: I was born ready, let's do it.

Doesn't it get you when even the machines are good at repartee.

Chairman: Alexa, open Aviva.

Alexa: Welcome to Aviva, I can help you get your head around insurance jargon; just ask me to explain any insurance lingo that may be confusing you. So what would you like to know?

Chairman: What is an act of god?

Alexa: An act of god is an event that isn't anyone's fault, like an earthquake or heatwave.

Chairman: What is an annuity?

Alexa: An annuity is a product you can buy using your pension that pays you a regular income every year for life once you retire.

Chairman: What is the duty to disclose?

Alexa: Duty to disclose is information we need to know about, you must take reasonable care to provide complete and accurate answers to the questions we ask when you take out, make changes to, and renew your policy.

Chairman: Can you tell me about Aviva's AGM?

Alexa: The Annual General Meeting is a time for shareholders to come together, have their say and hear more about the future plans of the company. There is also the chance to have a nice cup of tea.

That's good to know isn't it? Ladies and gentlemen you know what they say about acting with children and animals; it's a bit like how I feel about acting with Alexa here. So I'm glad that passed off at least without major incident.

Anyway, Alexa is an example of the pioneering work we are doing to make sure that Aviva and all the people who rely on us are fit for the future, whatever it may bring. Now we'll be extending Alexa's functionality in the months to come, but to be clear for most people you'll still be communicating with us through more traditional channels of communication.

Now if any of you would like to try out Alexa for yourself, you'll find her in the Digital Lounge in the Pickwick Suite upstairs. I'm delighted that the team from ICT Skills Training, who you saw on the video, will be there, along with staff from Aviva to help anyone access the shareholder or the customer areas of My Aviva and to answer any questions you may have on digital technology in general. So please do drop by as the team will be very glad to help you.

Now with that it's time to start the AGM proper.

Now thank you all for indulging me with my CR report, I mean it was a break with tradition, but I hope you've found it interesting and less stressful than I did. Now there will be a change of tone as we get down to the traditional business of an AGM.

So the first order of business today, it's quite simple, but very important. I just want to start with a thank you, thanks to you our shareholders for your support as owners of this great company. Aviva would simply not exist without you, so let me extend to all of you a very warm welcome to this 2017 Annual General Meeting.

The AGM is one of the highlights of our year; it's a moment for your Board to hear what's on your mind. It's also a chance for us to give our view on how the business is

doing and where we're heading. It's great to see so many of you here to take part today.

I think many of you will already have spoken with Mark Wilson, our Group Chief Executive Officer and the rest of the Senior Management team, we'll be hearing from Mark shortly and there will be another chance to catch the team immediately after the meeting. I know they really value all your insights, so please don't hold back.

I'd also like to take this moment to express my thanks to another group of people without whom Aviva could not function, that's our wonderful staff. We have nearly 30,000 men and women here in the UK and around the world who do a tremendous job, wherever they are, day in, day out, each in their own way they work to deliver our defining purpose. They are here quite simply to help our customers defy uncertainty. I'm very proud of how our people are going around that task, they optimise the values that make Aviva different, they care more, they kill complexity, they never rest, and they strive every day to create legacy.

Now let me set the agenda for today's meeting. Shortly I'll introduce the members of your Board, then I'll comment very briefly on the performance of the Group, followed by a more comprehensive presentation from Mark and his remarks will be available on the company's website after the meeting. Then there will be an opportunity for you to ask questions on the business of the meeting, some of which you registered earlier this morning. And finally we'll move on to the formal part of the meeting when I'll ask you to vote on the resolutions set out in the notice of meeting.

First then my fellow directors, we've build a very strong Board and you'll notice that there have been a few changes since last year. I'm delighted to welcome Keith Williams who joined as a non-executive director on the 1st of August 2016. His financial savvy and his experience of new technology is going to be a great asset for us.

Scott Wheway stepped down on the 31st of December last year after nine years' service and Sir Malcolm Williamson and Bob Stein will not seek re-election today and Bob has sent his apologies for today's meeting. I'd like to thank all of them for their great contribution to our work.

So now the Board, firstly starting on your left is non-executive director Michael Mire, a man with a great eye for detail and extensive and varied experience across financial services, retail and government. To Michael's left is Belén Romana García, also non-executive director who has broad experience of financial services in Spain and in the EU, and brings a fresh and distinctly different perspective to our proceedings.

Next is Michael Hawker, non-executive director and Chairman of the Risk Committee, Mike is our longest serving director who offers a deep knowledge of the company and great continuity to the Board.

Then we have Patricia Cross, non-executive director with lots of experience in different areas of financial services here and overseas. Patricia is Chair of the Remuneration Committee. To her left is Tom Stoddard, Chief Financial Officer, our master of the

numbers, and immediately to my right is Mark Wilson our Chief Executive, who needs no further introduction.

Turning to my left first of all you have Kirsty Cooper our indefatigable General Counsel and Company Secretary. To Kirsty's left is Malcolm Williamson, senior independent non-executive director who joined the Board in April 2015 following the acquisition of Friends Life where he served as Chairman. Sir Malcolm will be retiring from the Board following the conclusion of the AGM and I'd just like to take this opportunity to thank Malcolm for his support and for his contribution to the integration of the Friends Life business, thank you Malcolm.

To Malcolm's left is Andy Briggs, Chief Executive Officer of UK Insurance who was appointed to the Board following the acquisition of Friends Life and is currently CEO of our Life business, but will be taking on expanded responsibilities as CEO of the combined UK Insurance business once we've completed the necessary regulatory formalities.

Next is Glyn Barker, non-executive director, following the conclusion of this AGM Glyn will be appointed senior independent director to succeed Malcolm. His extensive knowledge of the Group and wide business experience make him the natural choice. Later in the year, following the company's results in August Glyn will step down from his position as Audit Committee Chairman.

On Glyn's left is Claudia Arney, non-executive director and Chair of the Governance Committee, she is a champion for the customer and a bit of a digital wizard. And then finally on my far left, on your far right we have Keith Williams, as I say non-executive director, and as Glyn moves up to senior independent director, Keith will succeed him as Chairman of the Audit Committee, again subject to regulatory approval. His extensive financial experience and his detailed knowledge of business planning make him a first class successor to Glyn.

So ladies and gentlemen there you have it, there's the Board.

Now before I introduce Mark I'm just going to say a few words on the Group's performance. In a nutshell Aviva has had a strong year and I'm sure that there is more to come. Your Board is pleased to report that Aviva has continued to build on our considerable progress in the last three years as we have grown operating profit, increased cash remittances and further strengthened the balance sheet.

This strong performance has been delivered against a backdrop of significant political, market, and regulatory change, in particular following the national election in the US and the result of our referendum here in this country last year. Change breeds uncertainty, but our strong governance has meant that we have been more than able to anticipate and adapt successfully.

As a result of such a strong year your Board is proposing a final dividend of 15.88 pence per share, taking the full year dividend to 23.3 pence per share, this represents a 12% increase and reflects your Board's confidence both in the Group's prospects and in Aviva's ability to deliver on our commitment to increase the dividend payout ratio to 50% of operating earnings per share in 2017.

Good news I hope you'll agree. But we're not resting on our laurels and ladies and gentlemen now it's my pleasure to hand over to Mark Wilson to tell us more. But first of all a short video.