

News Release



6 June 2019

Aviva plc investor update

Aviva plc (Aviva) will today host a presentation for analysts and investors. Chief Executive Officer, Maurice Tulloch, will provide an update on progress since his appointment in March 2019 and will highlight the following key points:

- Aviva's life and general insurance businesses in the UK will be managed separately, with the digital direct business integrated into UK General Insurance. This will enable stronger accountability and greater management focus on the UK's leading life and general insurance businesses.
- Angela Darlington* is appointed interim Chief Executive Officer of UK Life and Colm Holmes* is appointed Chief Executive Officer of General Insurance.
- Aviva intends to reduce expenses by £300 million per annum by 2022, net of inflation, at constant currency. Cost savings will be achieved through lower central costs, savings in contractor and consultant spend, reduction in project expenditure and other efficiencies. This will involve approximately 1,800 role reductions across the group over the next three years, out of a total workforce of around 30,000. Aviva will look to ensure that redundancies are kept to a minimum wherever possible, for example through natural turnover. Aviva has engaged with Unite and our employee representative bodies and will continue to consult on specific proposals.
- Aviva reiterates its commitment to a progressive dividend policy and debt reduction of at least £1.5 billion.
- Year-to-date trading is broadly consistent with 2018: weaker performance in savings and asset management arising from lower investment markets have been partly offset by growth in Europe and Asia together with progress on our turnaround in Canada. UK longevity assumptions will be assessed in the second half of 2019.

Maurice Tulloch, Chief Executive Officer, said:

"Today is the first step in our plan to make Aviva simpler, more competitive and more commercial. We have strong foundations: excellent distribution, world class insurance expertise, and our balance sheet is robust.

"But there are also clear opportunities to improve. Reducing Aviva's costs is essential to remain competitive and this means tough decisions and job losses which I do not take lightly. We will do all we can to minimise redundancies and support our people through this.

"I am also determined to crack Aviva's complexity, an issue which has held back our performance for too long. Today's changes will begin to reduce complexity, cost, and duplication, enabling Aviva to be better at serving our customers and delivering stronger results for our shareholders.

"The sustainability and security of our dividend is paramount. We are focused on improving our performance to grow capital generation and cash-flow.

"On 20 November, we will host a capital markets day that will update on our future strategy and targets."

* Subject to regulatory approval

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Notes to editors:

- Aviva provides life insurance, general insurance, health insurance and asset management to 33 million customers.
- In the UK we are the leading insurer serving one in every four households and have strong businesses in selected markets in Europe, Asia and Canada. Our shares are listed on the London Stock Exchange and we are a member of the FTSE100 index.
- Aviva's asset management business, Aviva Investors, provides asset management services to both Aviva and external clients, and currently manages over £331 billion in assets. Total group assets under management at Aviva group are £470 billion.
- Aviva helps people save for the future and manage the risks of everyday life; last year we paid £32.9 billion in claims and benefits on behalf of our 33 million customers.
- By serving our customers well, we are building a business which is strong and sustainable, which our people are proud to work for, and which makes a positive contribution to society.
- The Aviva newsroom at www.aviva.com/newsroom includes links to our image library, research reports and our news release archive.
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- We have a Globelynx system for broadcast interviews. Please contact the Press Officer noted above if you would like to make a booking.