

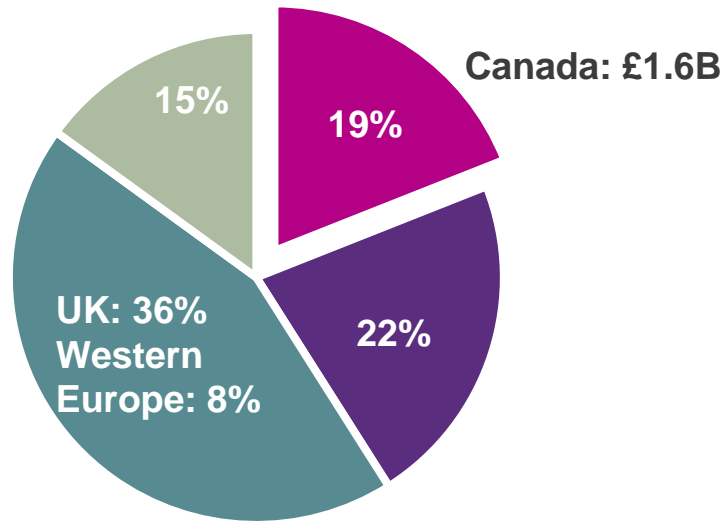
A wide-angle photograph of the Toronto skyline as seen from across Lake Ontario. The sky is a clear, vibrant blue with a few wispy white clouds. The city's buildings are densely packed along the waterfront, with the CN Tower standing out prominently in the center. The water in the foreground is dark blue with gentle ripples, reflecting the sky and the city. The overall scene is bright and clear, suggesting a sunny day.

RSA CANADA
INVESTOR & ANALYST BRIEFING
12 JUNE 2013

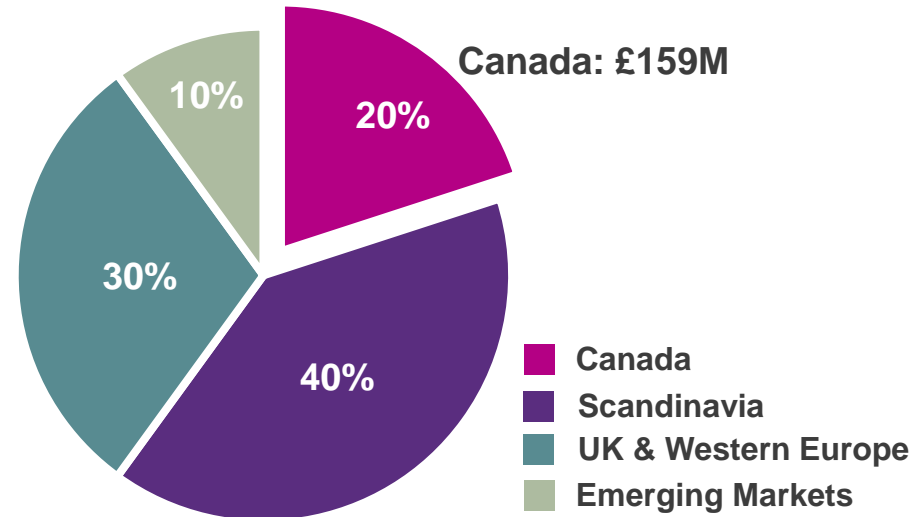
This presentation may contain 'forward-looking statements' with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "aim", "outlook", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Group's control, including amongst other things, UK and Canadian domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, currency changes, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation or regulations in the jurisdictions in which the Group and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the Group's forward-looking statements. Forward-looking statements in this presentation are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this presentation should be construed as a profit forecast.

RSA CANADA: A VALUABLE PART OF THE GROUP

Group 2012 NWP: £8.4B



Group 2012 insurance result: £806M



- Outlook: Continue to expect strong organic growth in mid-high single digits with CORs in the low 90s
- Canada NWP 19% of Group, up from 9% in 2004
- Strong organic growth supplemented by well executed bolt-on acquisitions
- Consistent profitability with CORs in the low 90s for the last 7 years
- Consistently strong return on capital
- Strong capital flows back to Group
- Well regarded and long standing management team

INTRODUCTION

- › Canada's 3rd largest P&C insurer
- › Best positioned distribution model
- › Leading positions in chosen segments
- › Proven track record of acquisitions and outperformance
- › Positioned to take advantage of industry trends



CANADA: ECONOMIC ENVIRONMENT - STABLE AND GROWING

GDP Growth



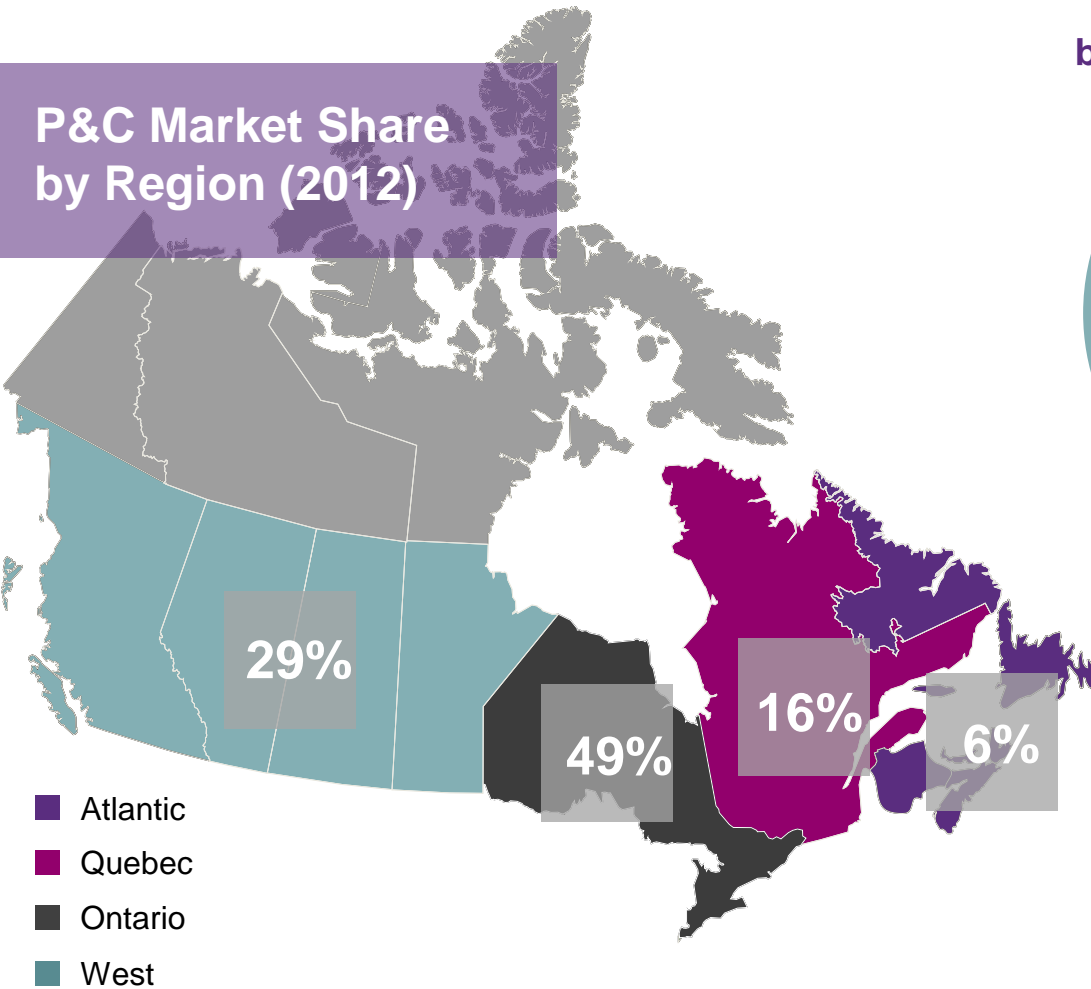
GDP: \$1.8 TRILLION

**STABLE
POLITICAL
ENVIRONMENT**

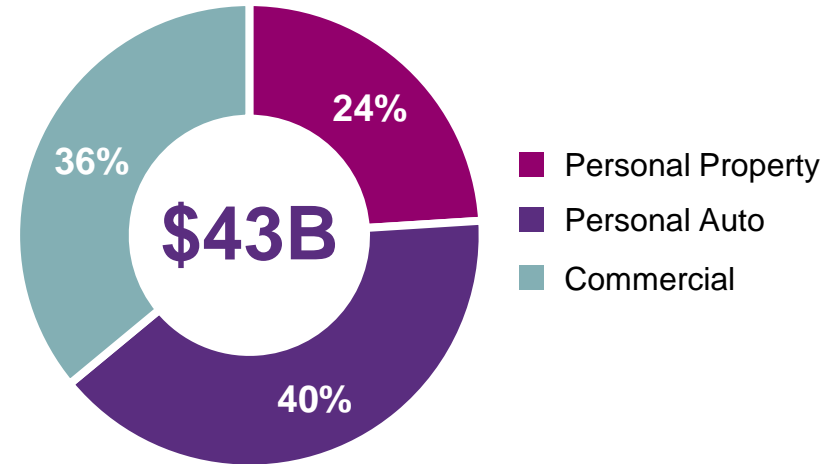
**HEALTHY
ECONOMY**

CANADA P&C LANDSCAPE: GEOGRAPHY AND BUSINESS MIX

P&C Market Share by Region (2012)



P&C Market Share by Line of Business (2012)



- › Federal and provincial regulation
- › Home and commercial rates unregulated
- › Auto rate regulation varies by province

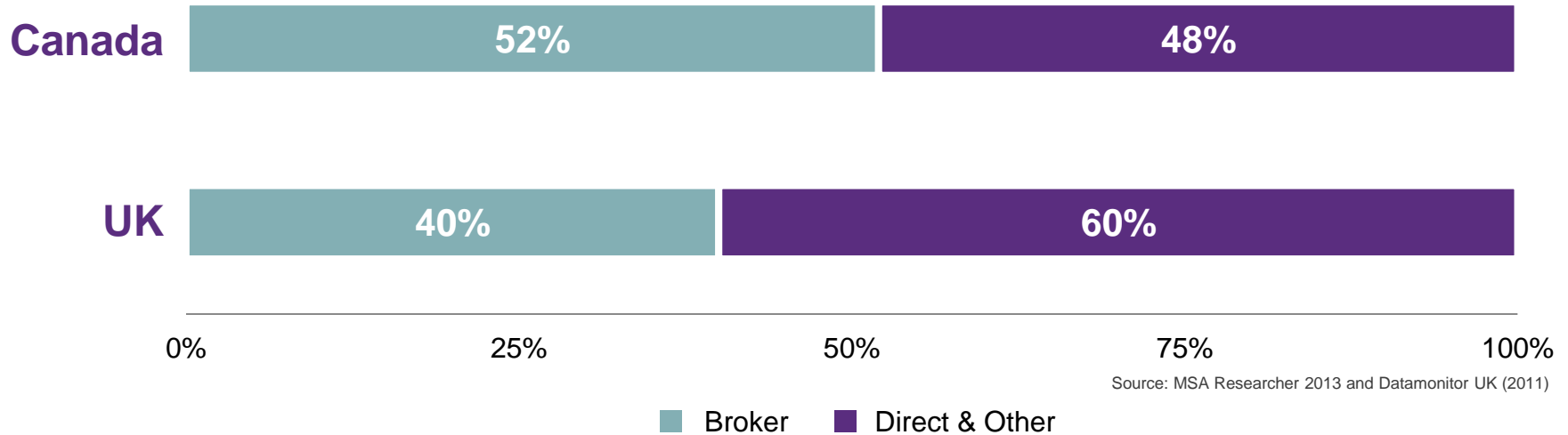
Source: MSA Researcher 2013. Excludes Genworth, Lloyd's and government insurers.

VARYING MARKET DYNAMICS REQUIRE A TAILORED APPROACH



CANADA P&C LANDSCAPE: DISTRIBUTION

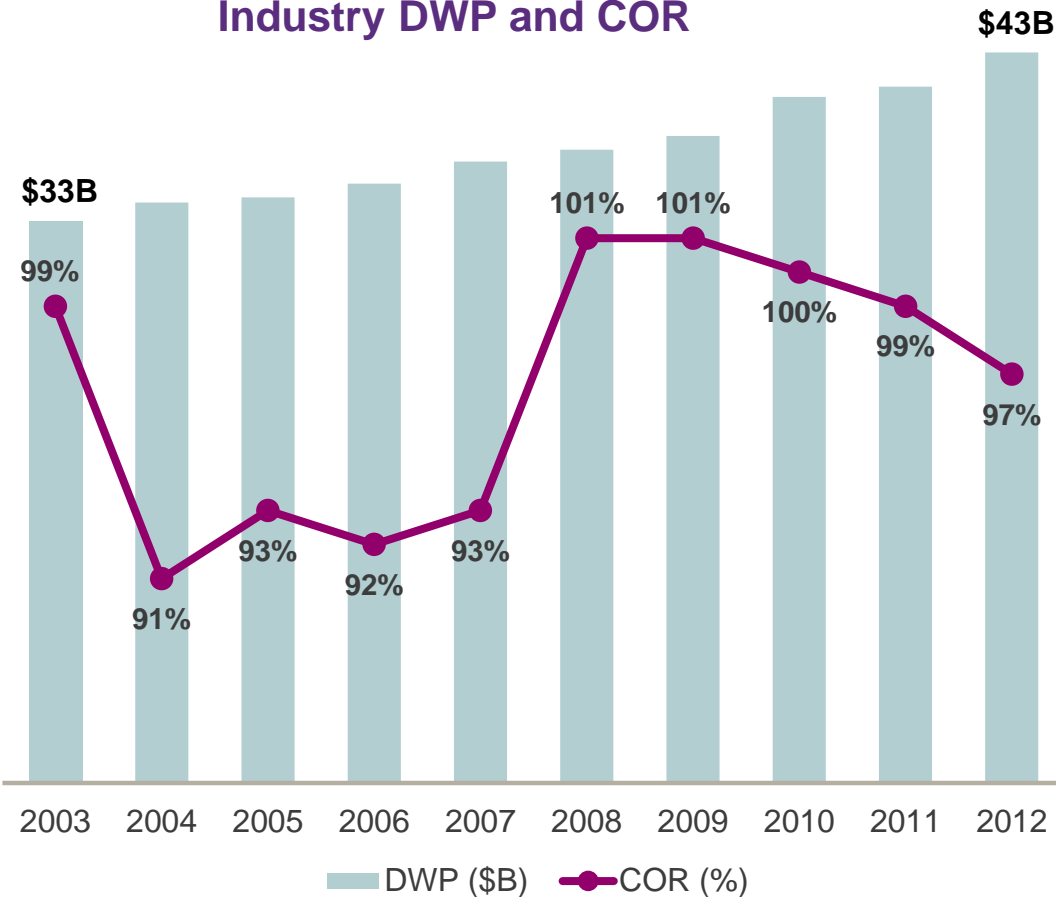
Personal Lines Market Share by Channel



- › Broker the predominant channel in both commercial and personal lines
- › Direct channel gained 3.3 pts of personal lines market share from 2008-2012
- › Online capabilities evolving across all channels

CANADA P&C PERFORMANCE

Industry DWP and COR



- › Stable consolidating industry
- › 10yr average COR: **96.6%**
- › 10yr average ROE: **11.8%**

2012 Top 10 Written Premiums (\$B)

Intact	\$7.1
Aviva	\$3.6
RSA	\$3.0
TD Insurance	\$2.7
Cooperators	\$2.2
Wawanesa	\$2.2
Desjardins	\$2.0
State Farm	\$1.9
Economical	\$1.8
Dominion	\$1.3
Top 10	\$27.8

Source: MSA Researcher 2013 Total Canadian P&C Industry. Excludes Genworth, Lloyd's and government insurers.
 Note: Results presented under Canadian IFRS. DWP = Direct Written Premiums, defined as gross written premiums less assumed premiums.

Source: MSA Researcher 2013. Excludes Genworth, Lloyd's, and government insurers. Note: Intact results include pro forma JEVCO for a full year. RSA results include pro forma L'Union Canadienne (UC) for a full year.

ATTRACTIVE MARKET THAT IS TRENDING FAVOURABLY

ONTARIO AUTO

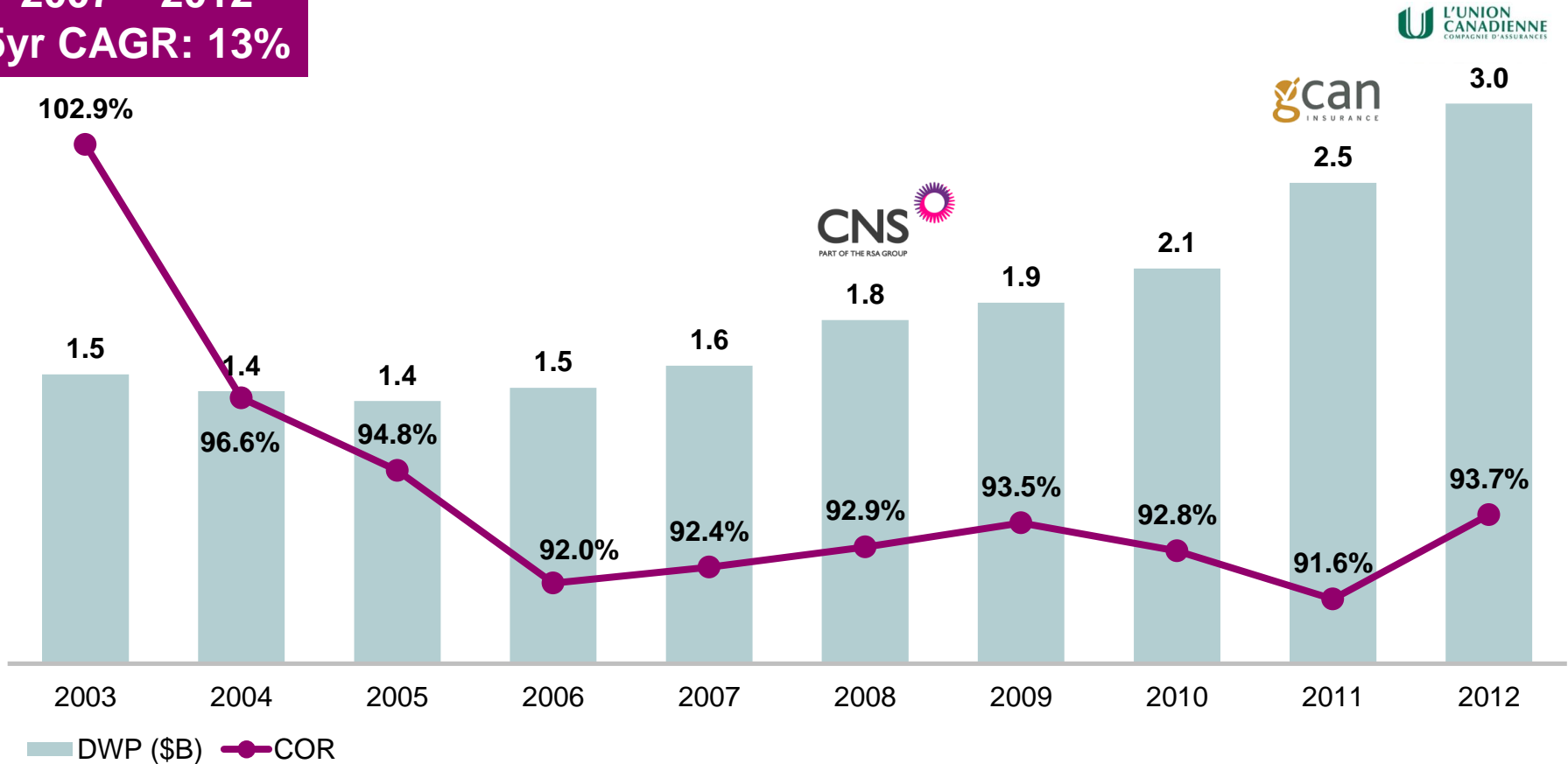
- › 25% of the Canadian P&C marketplace
- › Highly cyclical environment
- › 2010 reforms working well
- › Government proposed 15% average rate reduction and additional reforms should be margin-neutral
- › RSA has outperformed the Ontario auto industry by 5.4 pts over the past 5 years



RSA CANADA

RSA CANADA JOURNEY

2007 – 2012
5yr CAGR: 13%



Note: Results presented under UK IFRS. RSA DWP in 2012 includes pro forma UC for a full year.

**TRANSFORMATION FROM GENERALIST
 TO SEGMENTED SPECIALIST**

RSA CANADA: STRATEGIC ADVANTAGES

MULTI-CHANNEL DISTRIBUTION

PORTFOLIO COMPOSITION

ACQUISITION CAPABILITIES

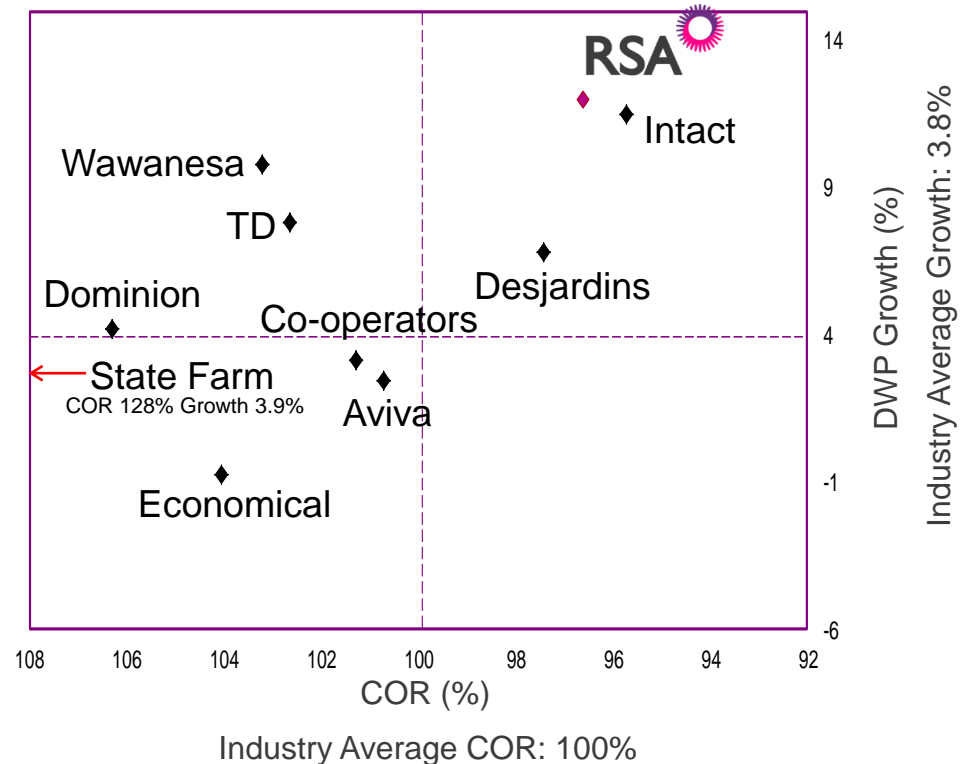
TECHNICAL EXPERTISE

BROKER RELATIONSHIPS

LOWEST COST
DIRECT WRITER

LEVERAGE
GROUP CAPABILITIES


Top 10 Insurers
5yr Average Performance



Note: RSA results presented on a consolidated basis. Intact results sourced from 2012 and 2011 annual reports. All other results sourced from MSA Researcher 2013. All results presented under Canadian IFRS.

DISTRIBUTION AND PORTFOLIO DESIGN

MULTI-CHANNEL DISTRIBUTION

Direct	JOHNSON 	
Home	Auto	Plan Benefits

- › 2012 NWP: \$928M
- › Combines online, call center, and branch distribution
- › Top 3 affinity insurer in Canada

Personal Broker	RSA 	
Home	Auto	Personal Specialty

- › 2012 NWP: \$933M*
- › Select broker partners
- › Targeted customer and product segments

Commercial Broker	RSA 
Commercial	Global Specialty Lines

- › 2012 NWP: \$881M*
- › Focused global and national broker distribution
- › Expertise-led and specialty segments

Affiliated Broker	NORAXIS 
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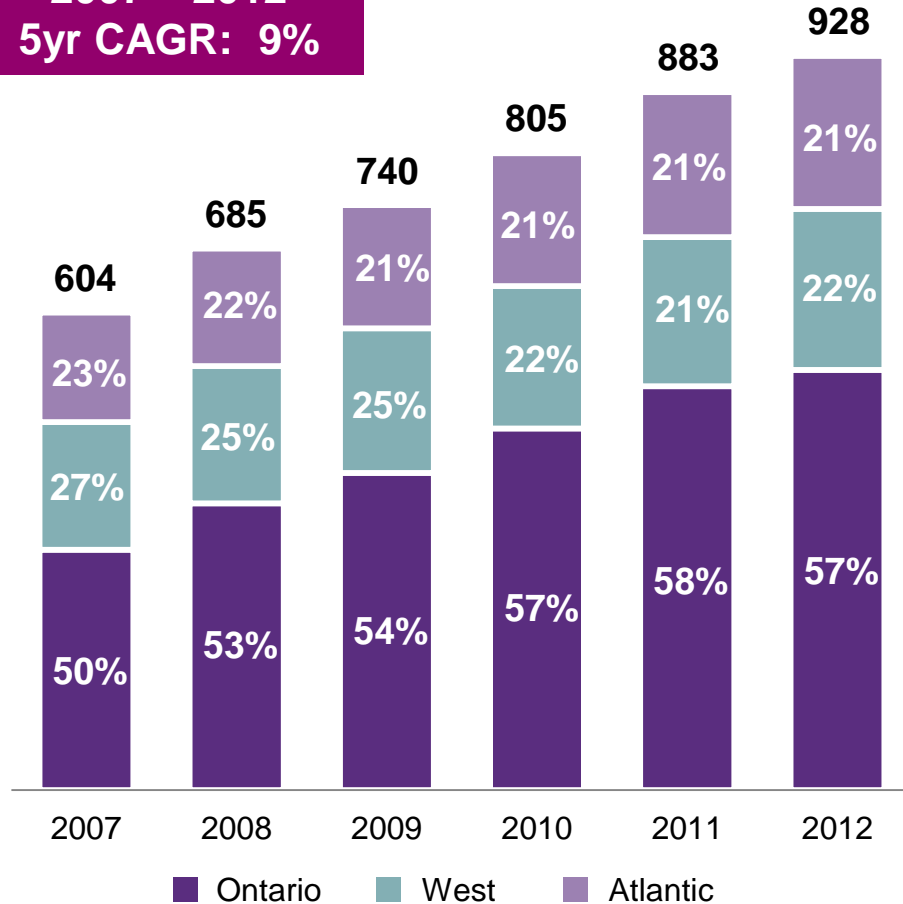
- › One of Canada's largest broker networks
- › Commercial lines focus

* Note: RSA NWP in 2012 includes pro forma UC for a full year.

**UNIQUE MULTI-CHANNEL, MULTI-BRAND STRATEGY
TO OUTPERFORM**

NWP by Region (\$M)

2007 – 2012
5yr CAGR: 9%



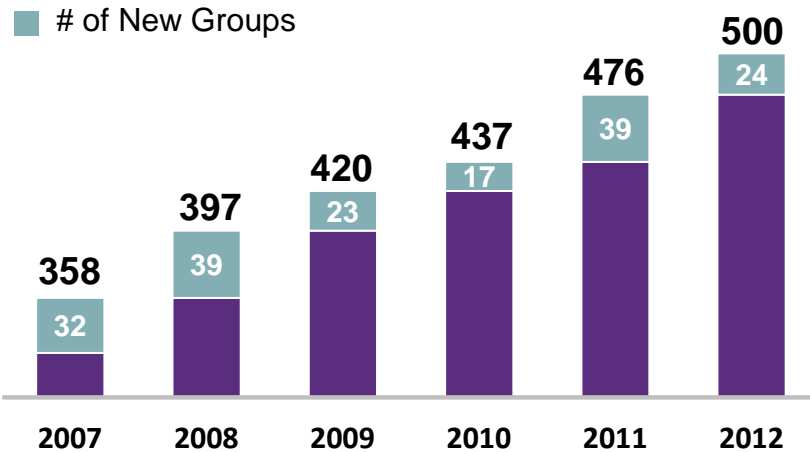
- › Top 3 affinity insurer in Canada
- › Strong track record of acquisitions
- › Highly scalable
- › Industry-leading low cost platform
- › Flexible and efficient operating model combining personalized service, branch network, call centers and online
- › Distributor of a broad product range drives growth, penetration and retention

Low Cost Platform	5yr Average Expense Ratio
Johnson	19.8%
Direct Peer Group*	26.1%
Total Personal Lines*	28.1%

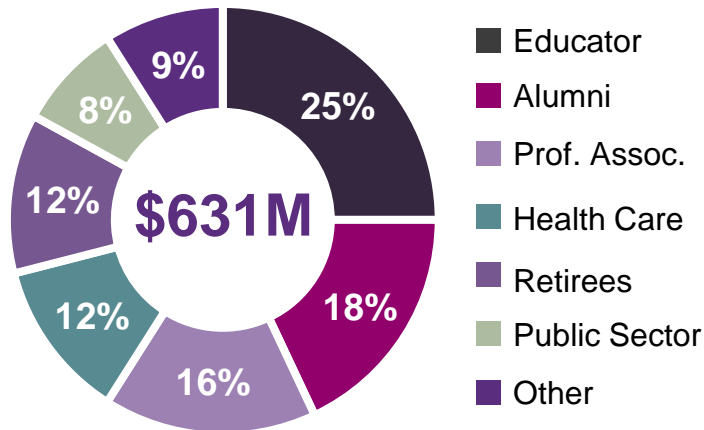
*Source: MSA Researcher 2013

JOHNSON: AFFINITY GROUPS

Number of Affinity Groups Added



Affinity Group Sectors



Affinity market:

- › Est. \$5B affinity market with 5yr CAGR of 6.5%

Johnson:

- › Affinity premium 5yr CAGR of 11%
- › 500+ groups with access to 4M+ members
- › 15% penetration with Top 20 groups
- › Plan benefits administration drives penetration and retention with core group sectors

› Efficient to target

› Higher retention

› Higher profitability

**PLATFORM FOR FURTHER PENETRATION
AND CORPORATE PARTNERSHIPS**

JOHNSON: ACQUISITIONS

Accelerated Growth

- › Completed 16 deals 2007 - 2012

Disciplined Process

- › Highly selective
- › Transition to direct model

Preferred Brokers

- › Portfolio quality
- › Targeted geographies

Comprehensive Integration

- › Dedicated integration teams
- › Expense and productivity synergies

2007 – 2012 CUMULATIVE
ACQUIRED PREMIUMS

\$204M

AVG. POLICIES PER
CUSTOMER SERVICE REP

Pre Acquisition

1,100

Post Acquisition

3,200

AVG. ACQUISITIONS IRR

18%

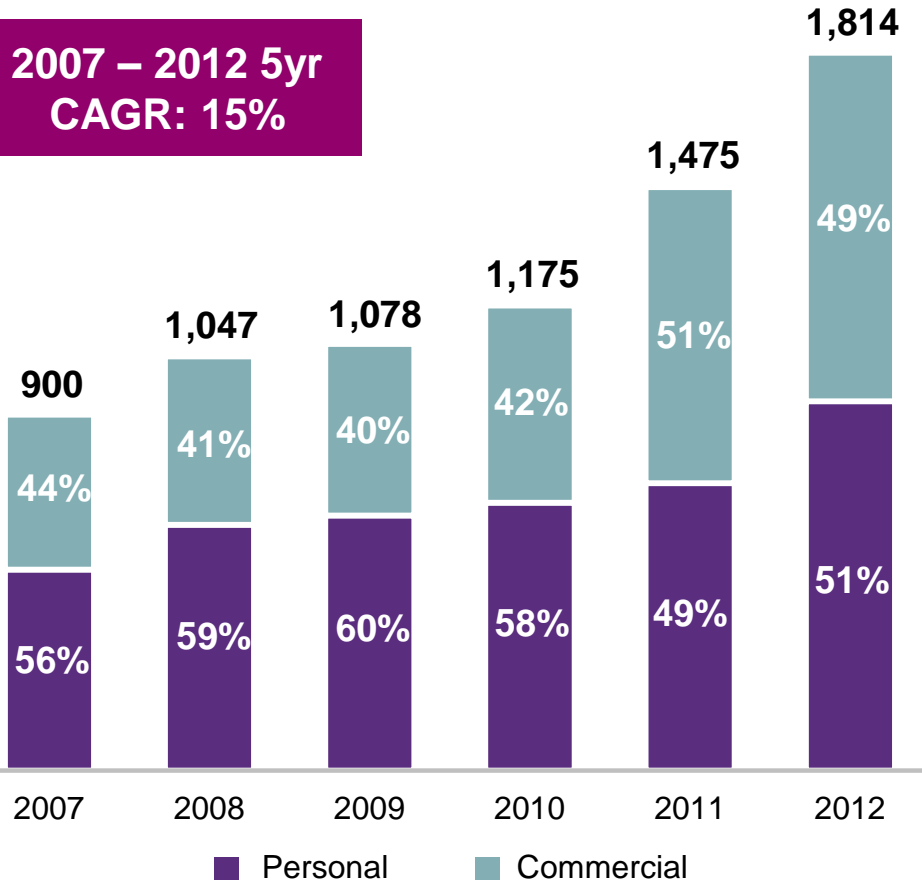
INDUSTRY LEADING CAPABILITY IN IDENTIFYING, CLOSING
AND INTEGRATING BROKER ACQUISITIONS



TOTAL BROKER BUSINESS

NWP by Line of Business (\$M)

2007 – 2012 5yr
CAGR: 15%



- › 4th largest intermediated player
- › Emphasis on specialty portfolios that produce higher margin:
 - › Global Specialty Lines (GSL)
 - › Personal Specialty Insurance
- › Deep broker relationships with a focus on tailored propositions by segment

RSA Growth With:	5yr CAGR
Global Brokers	28%
Preferred Partners	13%
Affiliated Network	12%

Note: RSA NWP in 2012 includes pro forma UC for a full year.

PORTFOLIO WEIGHTED TOWARDS CHOSEN SEGMENTS

AFFILIATED BROKER NETWORK: NORAXIS

- › One of Canada's largest broker networks
- › Strategy:
 - › Sustain long-term distribution
 - › Generate sustainable, predictable revenues
 - › Significant volume to RSA
- › National footprint with regional focus
- › Commercial lines specialization
- › Employee ownership promotes entrepreneurship

ANNUAL PREMIUM
VOLUME

>\$500M

5yr CAGR

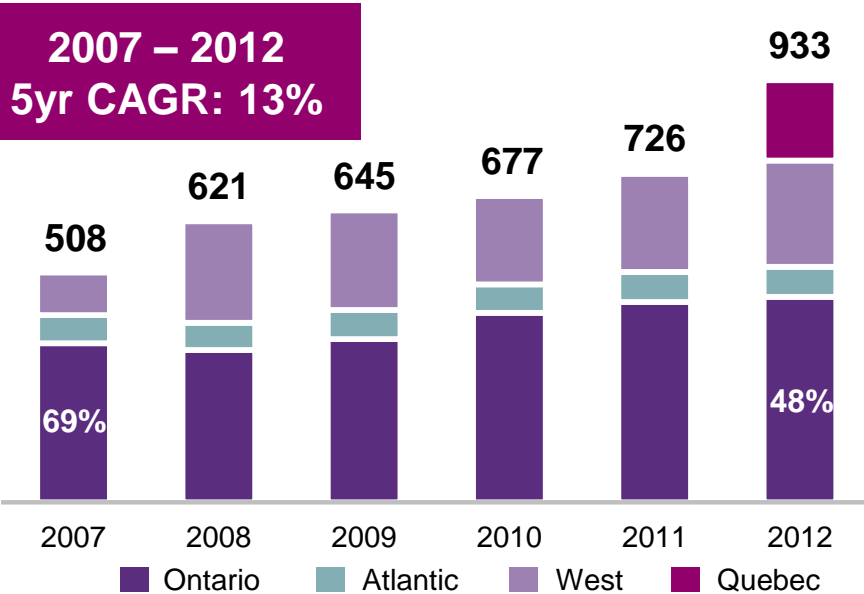
10%

EBITA MARGIN

c.28%

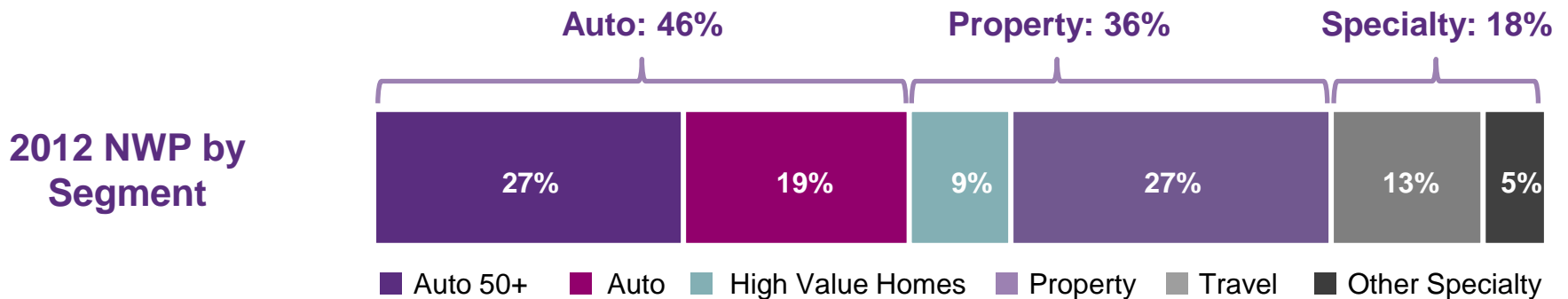
BROKER BUSINESS: PERSONAL

NWP by Region (\$M)



- > Segmented strategy that focuses on specific customers and products
- > Growing focus on high net worth product
- > Leverage global UW and pricing knowledge
- > Consumer product offering goes beyond home and auto to include travel, credit card, warranty and pet
- > Top 3 travel underwriter in Canada with affiliated distribution channel

Note: RSA NWP in 2012 includes pro forma UC for a full year.

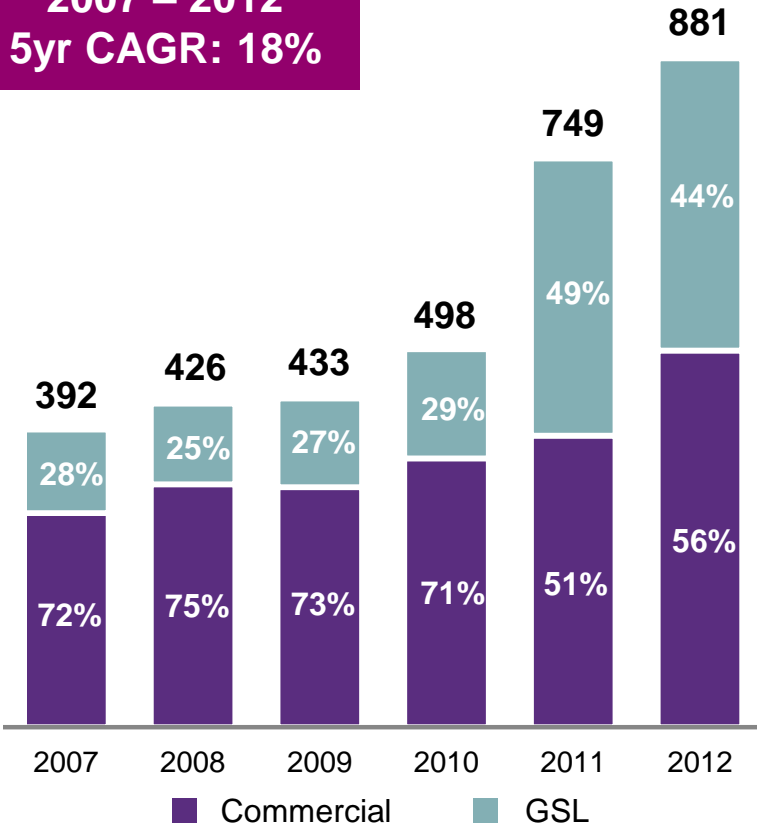


PORTFOLIO BENEFITING FROM DIVERSIFICATION

BROKER BUSINESS: COMMERCIAL

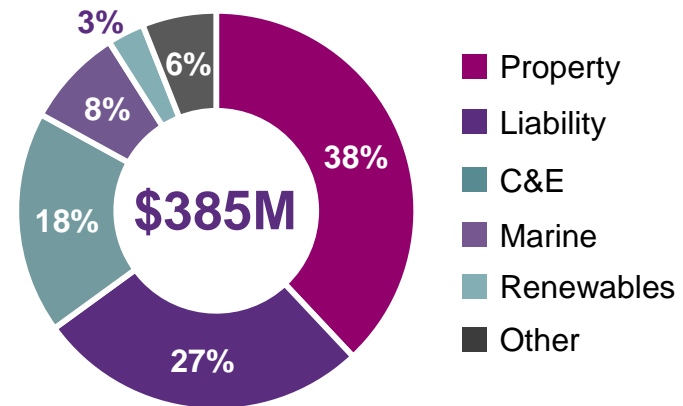
Commercial NWP (\$M)

2007 – 2012
5yr CAGR: 18%



- › Top 5 commercial player with the most comprehensive product offering in the market
- › Provides insurance to >50% of Top 100 TSX companies
- › Leading edge technology in SME segment to drive pricing and risk selection advantage
- › Strong positions in our chosen specialty portfolios
- › Leading underwriter in marine, equipment breakdown, construction, renewable energy, retail and realty
- › Leverage global capacity and expertise to enhance our proposition in the marketplace

GSL by Segment



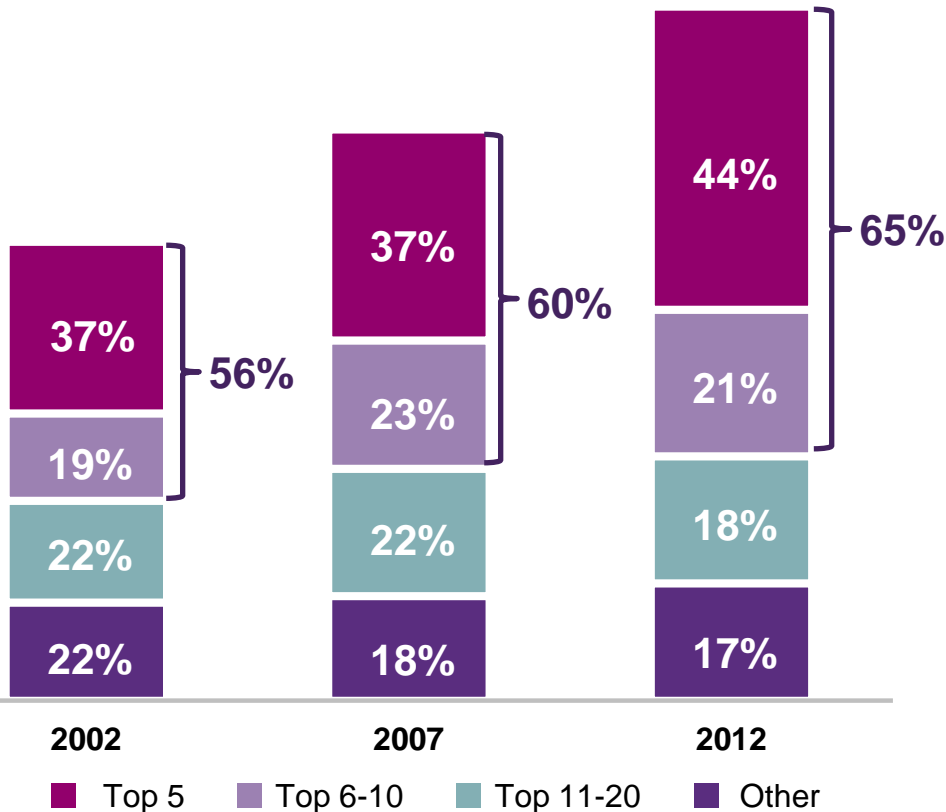
Note: RSA NWP in 2012 includes pro forma UC for a full year.

UNIQUE PROPOSITION IN THE CANADIAN MARKETPLACE

ACQUISITIONS

CANADIAN P&C LANDSCAPE: CONSOLIDATION

Market Share by Industry Rank



- › Industry leaders driving consolidation
- › 100+ P&C groups in the market
- › Wide variance in performance
- › Regulatory roadmap for demutualization in progress

Source: MSA Researcher 2013. Excludes Genworth, Lloyd's and public insurers.
Note: Market share based on DWP.

CONSOLIDATION ACCELERATING

ACQUISITION TRACK RECORD SINCE 2007

3

Company

ACQUISITIONS

32

Broker

c.\$1B
IN ACQUIRED
PREMIUM VOLUME

AVERAGE
IRR OF 15%

INCREASED PRESENCE IN

**TARGETED
MARKETS**

CAPABILITIES
IN COMMERCIAL
SPECIALTY

**GEOGRAPHIC
DIVERSIFICATION**

- › Focus on bolt-on acquisitions
- › A proven market consolidator

ACQUISITION EXECUTION

- › Aligned to business strategy
- › Expertise in due diligence, execution and integration
- › Dedicated corporate development team



- › Leadership positions
- › Geographic diversification
- › Specialty lines
- › Optimize portfolio shape



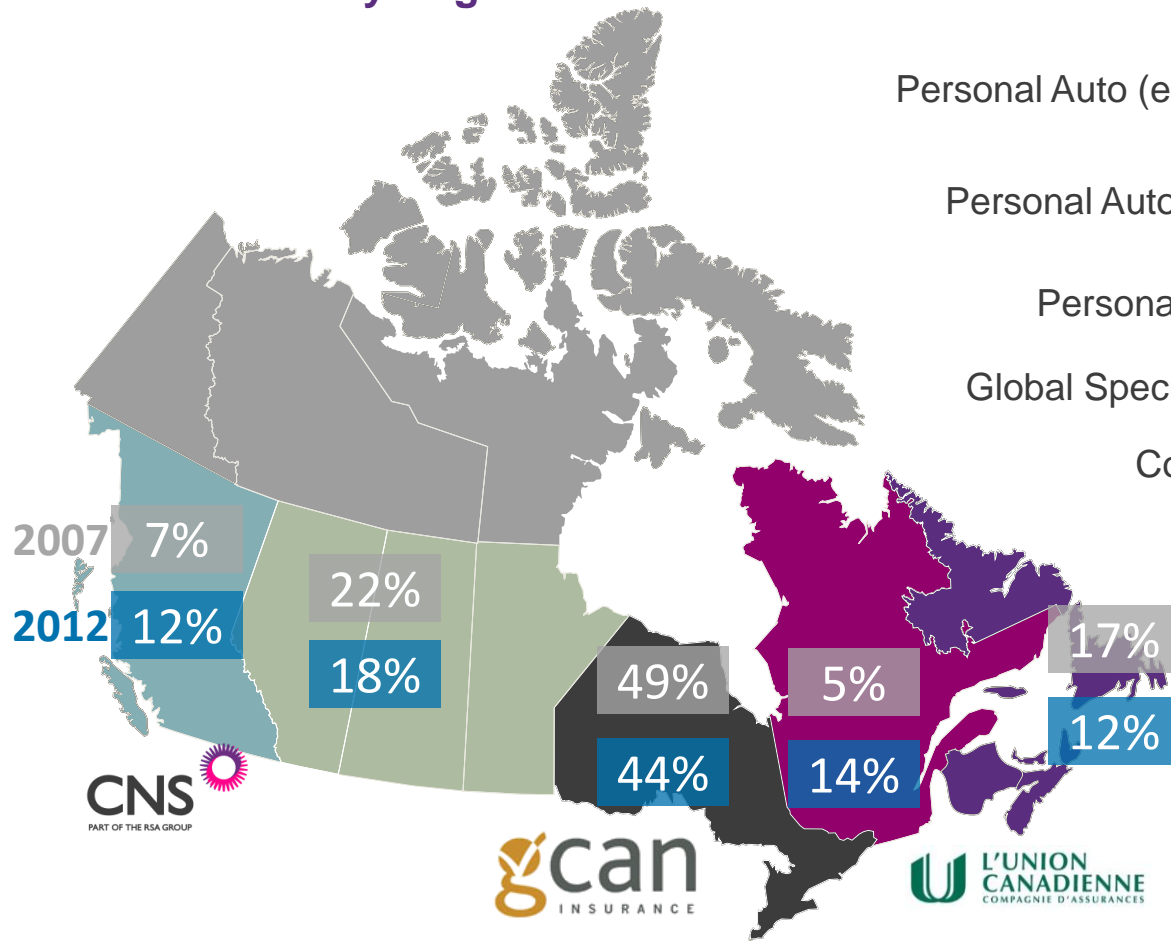
- › Targeted territories
- › Low risk
- › Leverages low cost platform



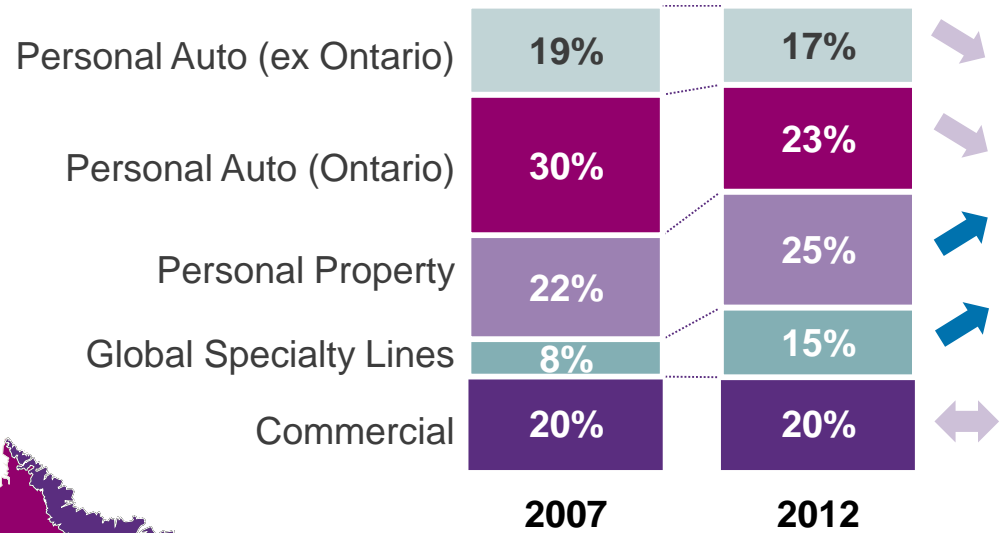
- › Commercial lines focus
- › Supports RSA broker proposition
- › Provides solution for broker succession

RSA CANADA: 2007 vs. 2012

Premium by Region



Premium by Line of Business



	2007	2012
Market Share	4.4%	7.0%
Rank	7th	3rd

Note: RSA in 2012 includes pro forma UC for a full year.

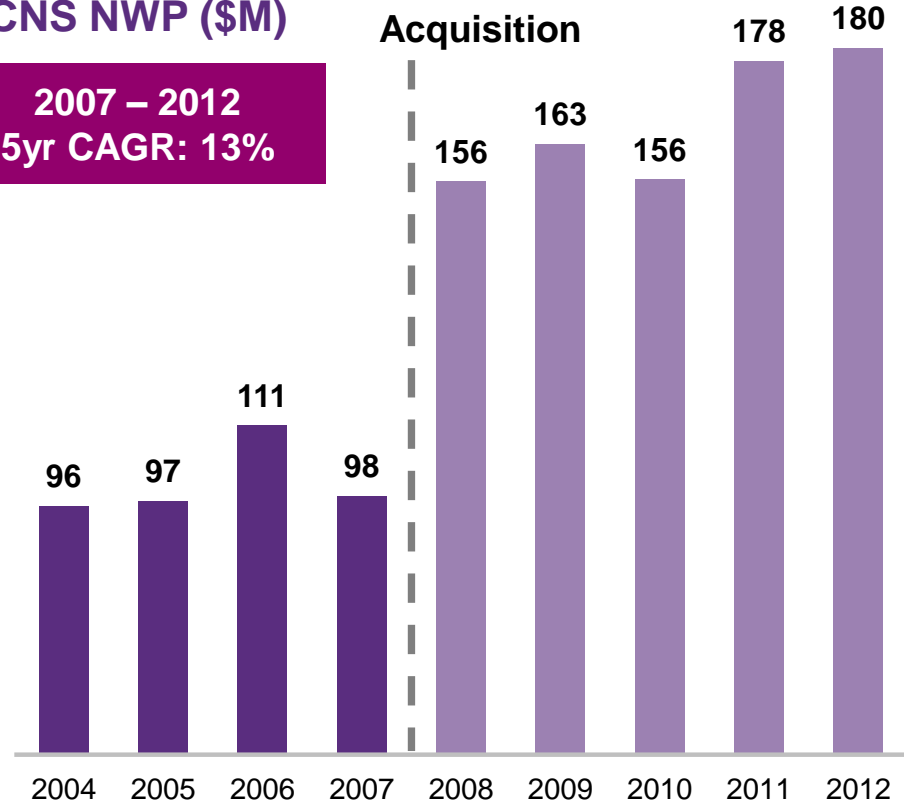
**UNDERWEIGHT IN ONTARIO,
TOP 3 IN B.C., TOP 5 IN QUEBEC AND COMMERCIAL**

CANADIAN NORTHERN SHIELD

- › Fastest growing region
- › Top 3 player in British Columbia
- › Better products and broker management
- › Leveraged Group reinsurance programs to create margin
- › Technical expertise to bring COR down
- › Utilizing global capacity to win new business
- › IRR: 17%

CNS NWP (\$M)

2007 – 2012
5yr CAGR: 13%



3PT COR IMPROVEMENT

**DOUBLED BUSINESS AND INCREASED
PROFITABILITY POST-ACQUISITION**

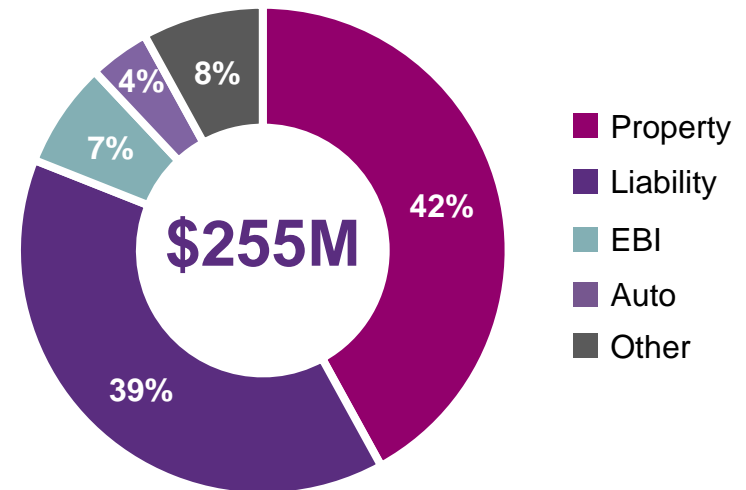
GCAN

- › Exceptional historic operating performance
- › 9th to 5th commercial market share
- › Deeper expertise in chosen segments
- › Broadened segment offering:
 - › Risk Managed
 - › Energy
 - › Profin
 - › Excess Liability
- › Doubled volume with global brokers
- › IRR: 15%

2007-2011
5yr AVG. COR

82%

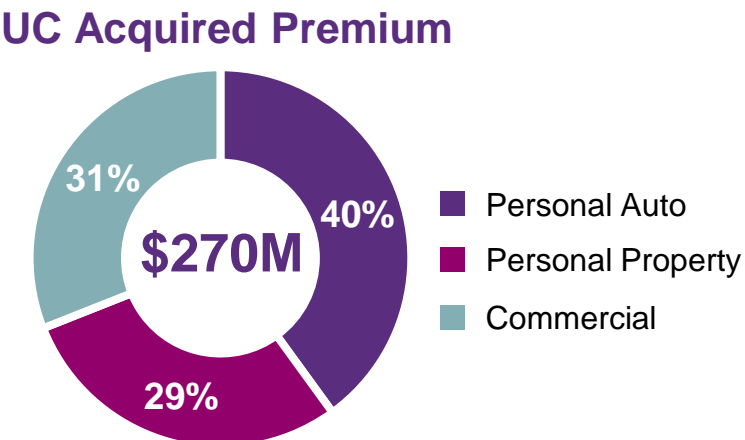
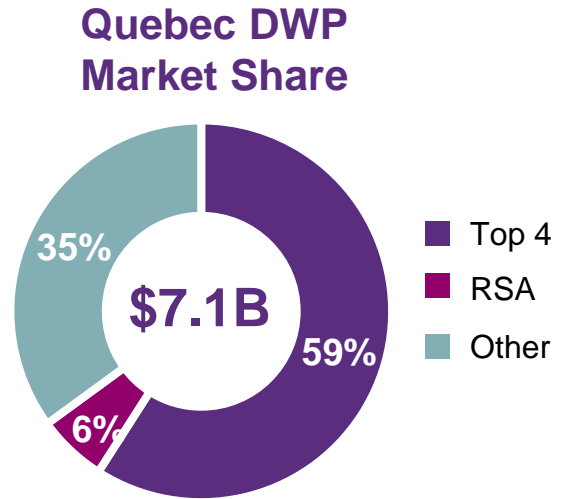
GCAN Acquired Premium



A COMPLEMENTARY ASSET THAT
ACCELERATED COMMERCIAL STRATEGY

L'UNION CANADIENNE

- › Second largest and most profitable P&C market
- › Immediate presence as a Top 5 Quebec insurer
- › Increased market share from 2 – 6%
- › Completes national proposition
- › Taking advantage of market disruption
- › Diversifies personal lines portfolio
- › Projected IRR: 15%



Industry 5yr Average Loss Ratio			
	Quebec	Total Canada	Variance
Auto	60%	76%	-16 pts
Overall	60%	68%	-8 pts

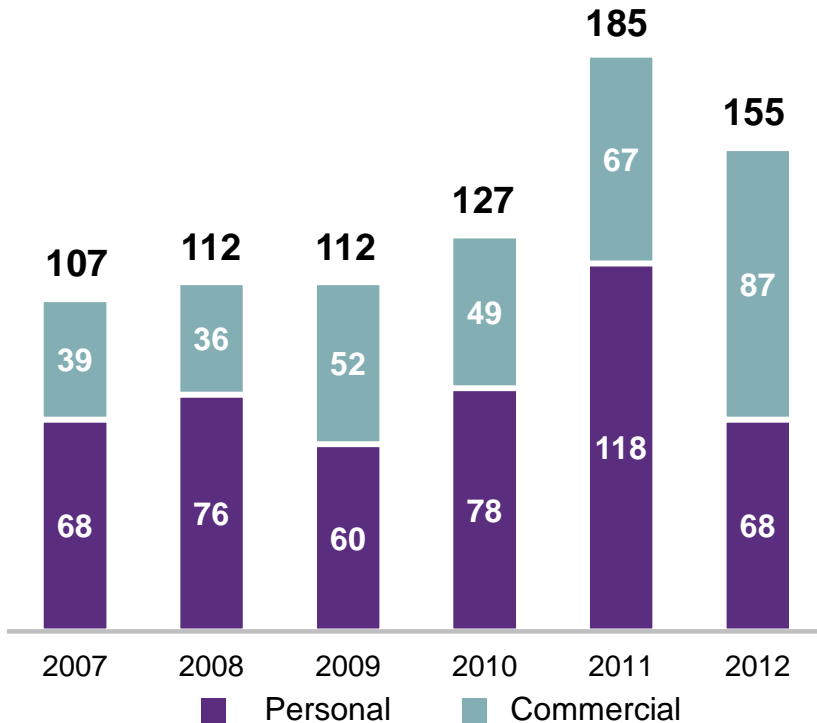
**RARE OPPORTUNITY TO ACQUIRE SCALE
IN THE PROVINCE OF QUEBEC**



OUTPERFORMANCE

OUTPERFORMANCE

RSA Canada UW Result (\$M)



Note: Results presented under UK IFRS.

RSA Outperformance vs. Industry

DWP Growth	5yr CAGR
RSA	13%
Industry	4%
	9 pts

COR	5yr Average
RSA	96.6%
Industry	99.9%
	3.3 pts

Note: RSA results presented on a consolidated basis. RSA DWP in 2012 includes pro forma UC for a full year. Industry results sourced from MSA Researcher 2013, and exclude Genworth, Lloyds and public insurers. All results presented under Canadian IFRS.

2008 – 2012

RETURNED CAPITAL / DIVIDENDS OF \$620M TO RSA GROUP

CONTINUED STRONG UNDERWRITING PERFORMANCE

RESERVING APPROACH

- › Canada adopts a prudent initial reserving approach
- › Reserves significantly to the right side of best estimate
- › Strong and consistent margin
- › Canada has delivered positive prior year development for 8 consecutive years
- › Positive prior year reserve development despite specific strengthening of prior year reserves in Ontario Auto
- › Underpins confidence for continued positive prior year development in Canada going forward

LEVERAGING THE RSA GLOBAL GROUP

- › Capital Management
- › Reinsurance
- › Underwriting and Claims Expertise
- › Centers of Excellence / Best Practice Sharing
- › Risk Management
- › Brand and Customer Strategy
- › Talent Development and Performance Management

OUTLOOK

OUTLOOK

	INDUSTRY	RSA CANADA
Personal	<ul style="list-style-type: none"> - Low single digit growth - Ontario auto - Shift towards direct channel - E-trading - Evolving demographic trends 	<p>Johnson:</p> <ul style="list-style-type: none"> - Penetrate further in affinity - Leverage platform to execute corporate partnerships - Refine e-business capabilities <p>Personal Broker:</p> <ul style="list-style-type: none"> - Continue Advice Based Customer strategy - Greater emphasis on high net worth product - Grow travel, pet and lifestyle offerings - Further advancement in Quebec
Commercial	<ul style="list-style-type: none"> - Rates firming over time 	<ul style="list-style-type: none"> - Selectively deploy capacity - Expand Global Specialty Lines - Enhance transactional sophistication in SME - Advance strategic broker partnerships
Market Consolidation	<ul style="list-style-type: none"> - Insurers accelerating - Brokers continuing 	<ul style="list-style-type: none"> - Targeted bolt-on acquisitions that advance our strategy - Continued broker acquisitions in Johnson and Noraxis

CONTINUE TO EXPECT STRONG ORGANIC GROWTH IN MID-HIGH SINGLE DIGITS, WITH CORs IN THE LOW 90's

Q&A