



RSA SCANDINAVIA

12 November 2013

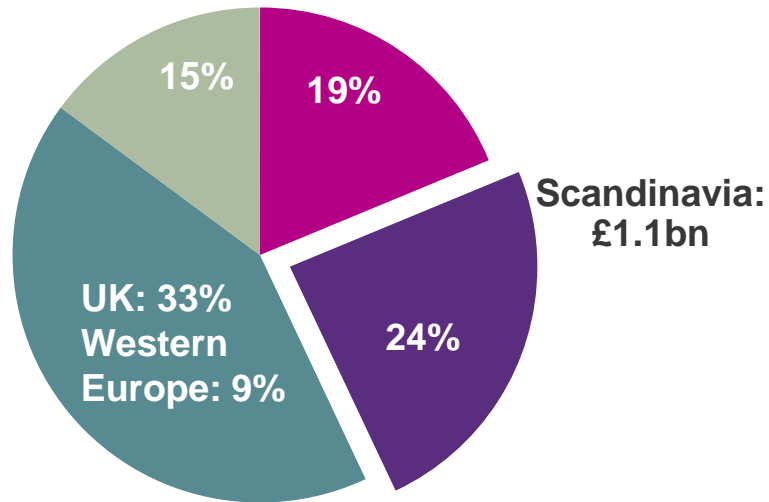
This presentation may contain 'forward-looking statements' with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives. Generally, words such as "may", "could", "will", "expect", "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 Scandinavian 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.

AGENDA

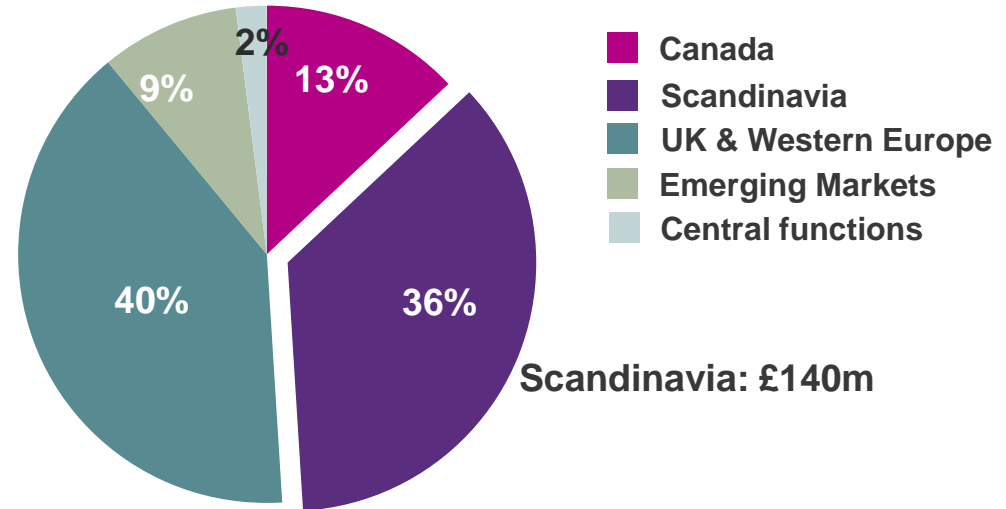
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| Opening remarks | Richard Houghton |
| Scandinavian market and RSA's position | Mike Holliday-Williams |
| RSA Scandinavia – Performance | Patrick Bergander |
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RSA SCANDINAVIA: SIGNIFICANT CONTRIBUTOR TO THE GROUP

Group H1 2013 NWP: £4.7bn



Group H1 2013 insurance result: £394m



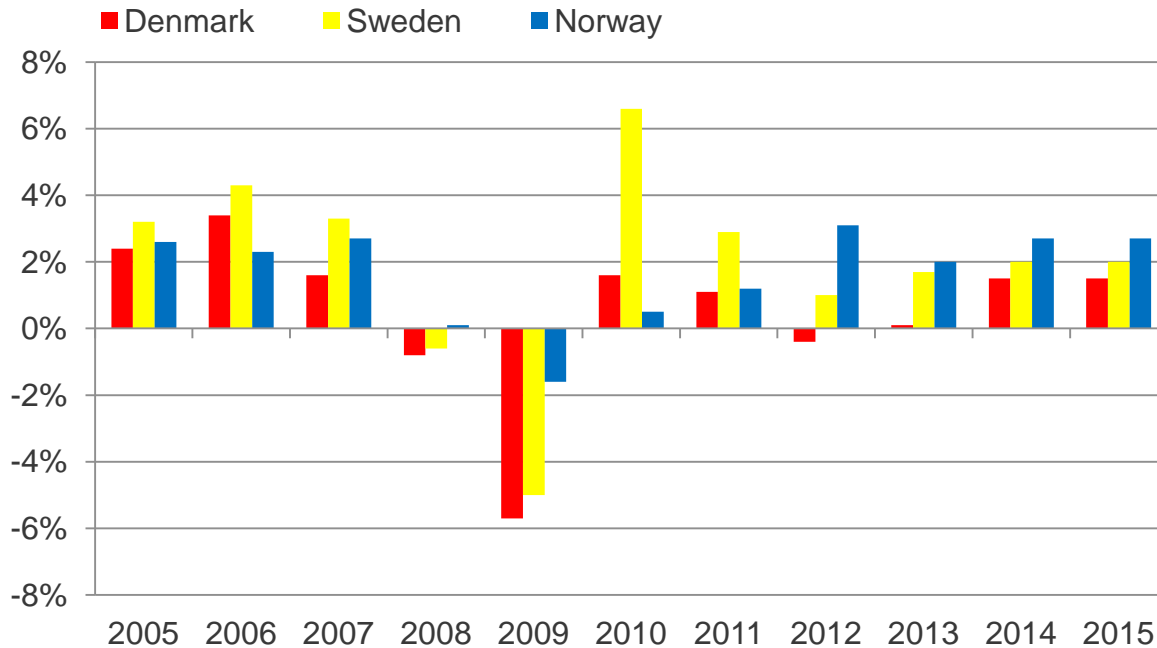
- Outlook: Continue to expect growth in line with local GDP and CORs in the mid-high 80s
- Targeting an improving balance of profitability across the region
- Consistent profitability with CORs in the mid 80s for the last 5 years
- Consistently strong return on capital
- Strong capital flows back to Group
- Well regarded management team

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SCANDINAVIA: PROMISING ECONOMIC OUTLOOK

Real GDP Growth at market prices



| 2005 - 2012 | |
|-------------|-----------------------|
| GDP CAGR | Insurance Market CAGR |
| +0.1% | +2.8% |
| +1.7% | +2.3% |
| +1.2% | +4.6% |

COMBINED GDP OF £0.8 TRILLION

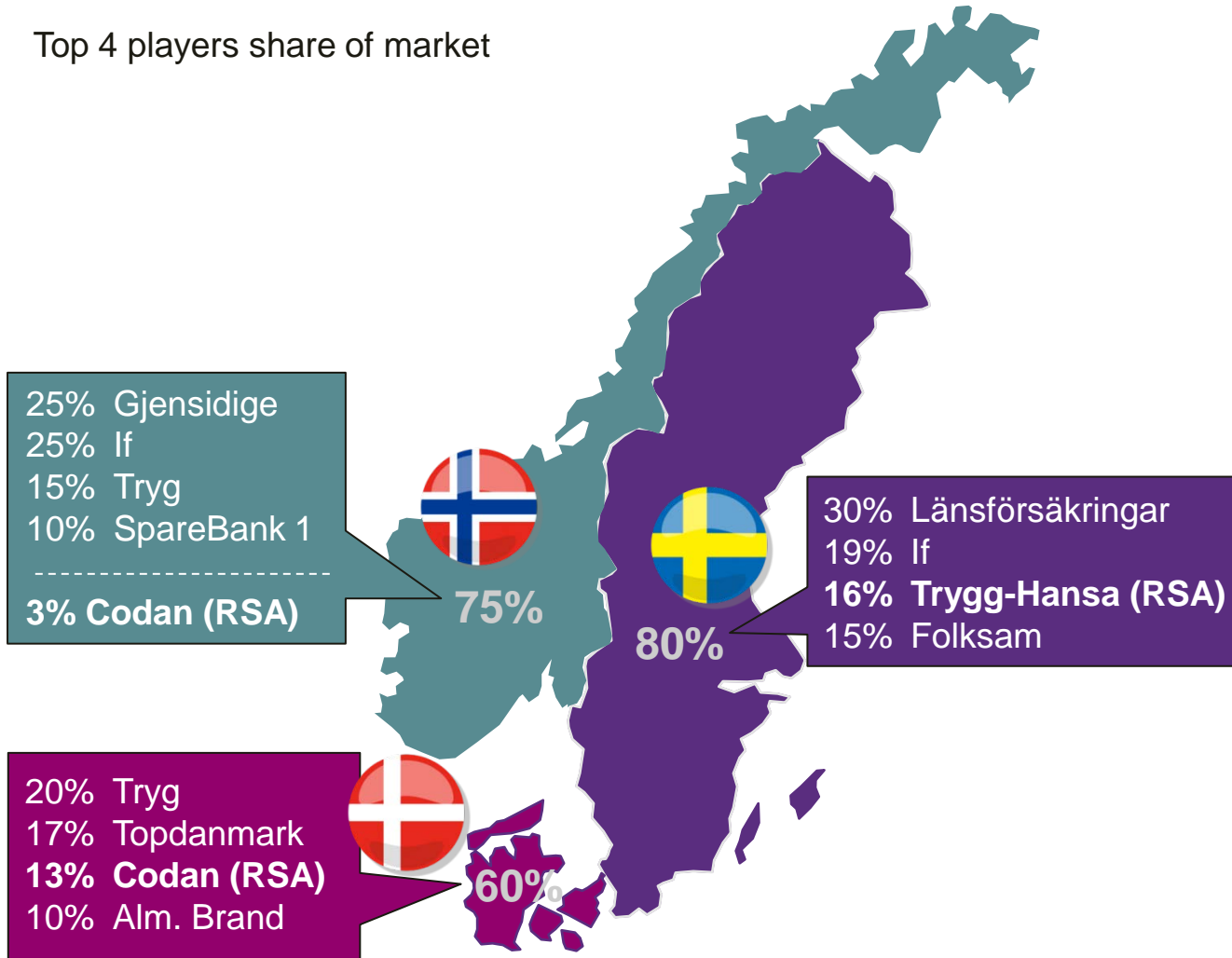
STABLE POLITICAL ENVIRONMENT

MARKET GROWTH DRIVEN BY GDP

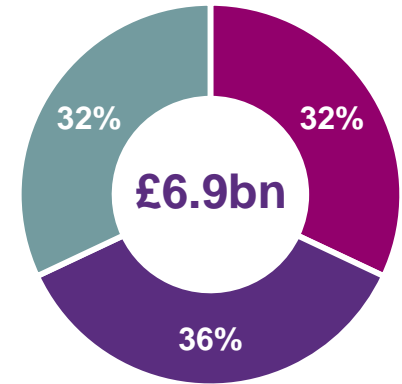
Source: Eurostat, Forsikring og Pension, Svensk Försäkring, Finans Norge

SCANDINAVIA P&C LANDSCAPE: GEOGRAPHY AND MIX

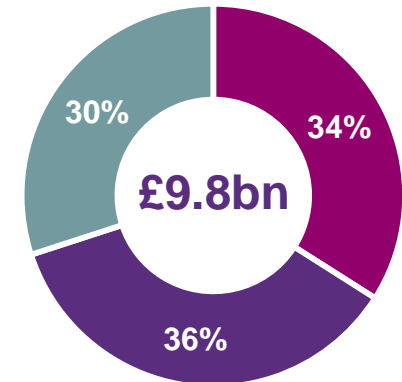
Top 4 players share of market



Commercial Market*



Personal Market*



- Denmark, based on GEP
- Sweden, based on GWP
- Norway, based on portfolio premium

* Estimated

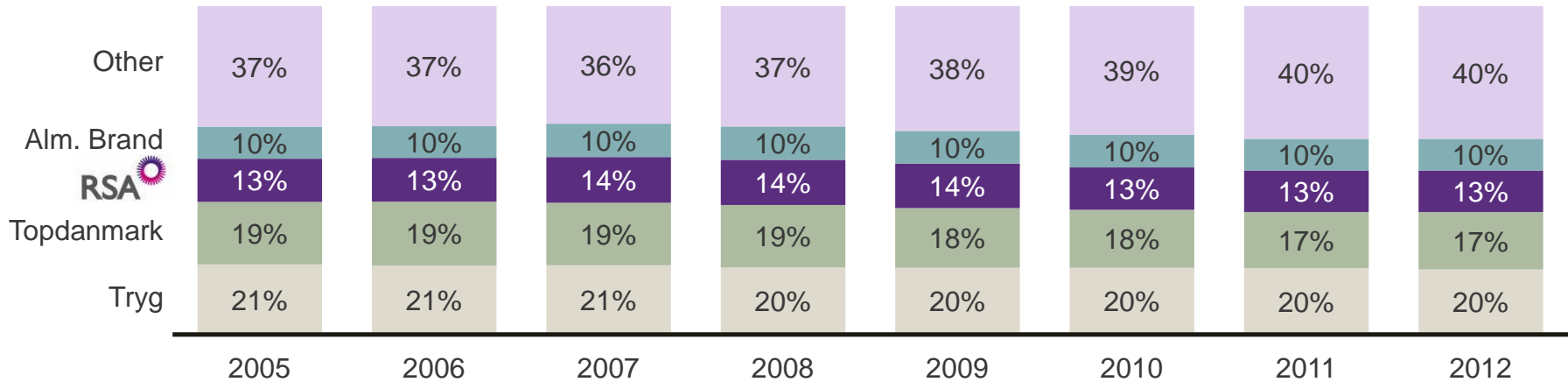
Source: Forsikring og Pension, Svensk Försäkring, Finans Norge, RSA Estimates

HIGHLY CONSOLIDATED MARKETS

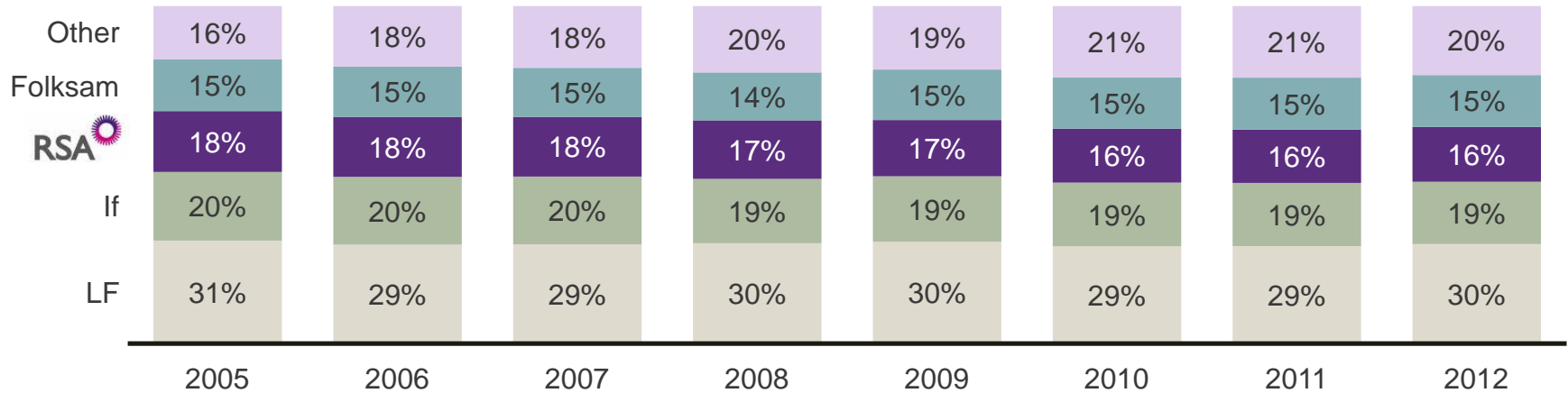


SCANDINAVIA P&C LANDSCAPE: MARKET SHARE HISTORY

Denmark



Sweden



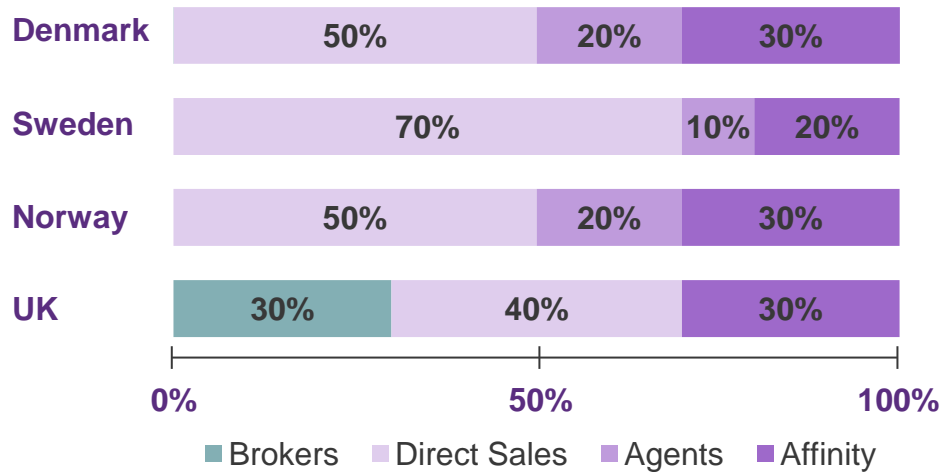
Source: Denmark: 2008-12(Q3) Forsikring og Pension available statistics, 2005-2007 from same source however slightly different definition, Sweden: Svensk Försäkring

STABLE MARKET POSITIONS

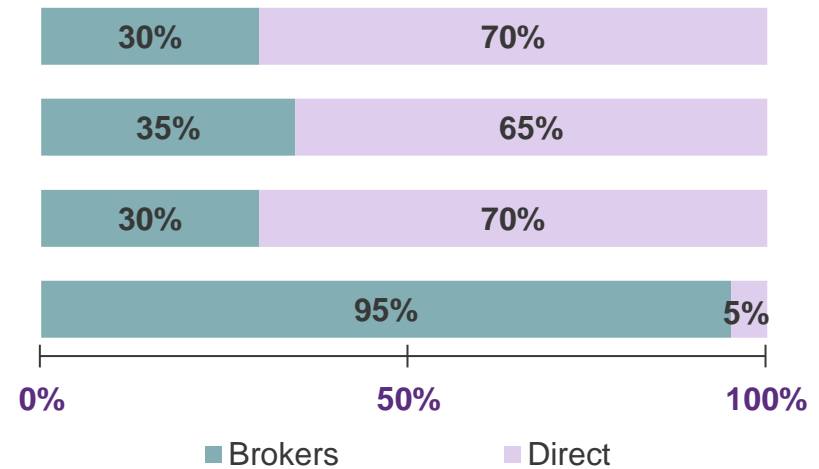


SCANDINAVIA P&C LANDSCAPE: DISTRIBUTION

Personal Lines Channel Mix



Commercial Lines Channel Mix



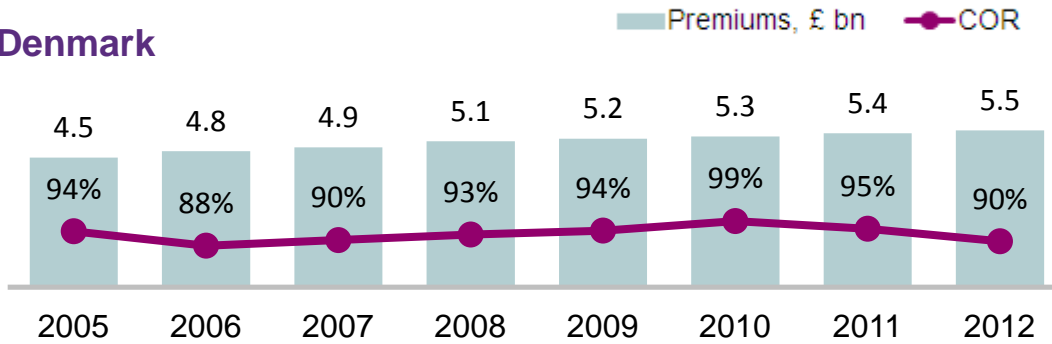
- › Low dependency on broker/aggregator distribution in Personal Lines
- › Bancassurance and online distribution is becoming more important
- › In Commercial Direct sales including agents and call centres are larger channels than brokers

Note: The Scandinavian numbers are RSA internal estimates on the markets. UK numbers are RSA's UK distribution mix which we believe are broadly indicative of the market

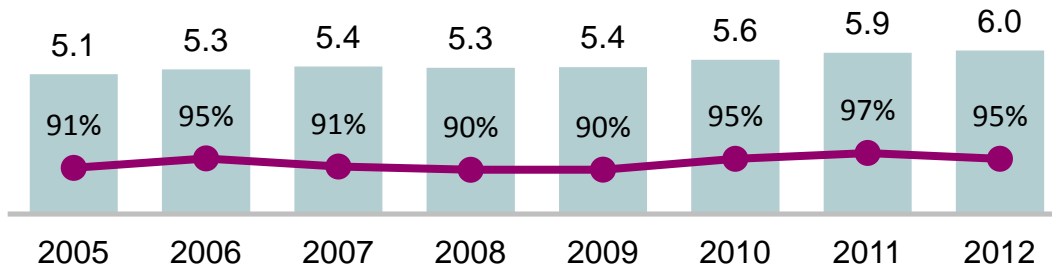
ACCESS TO OWN DISTRIBUTION IS KEY

SCANDINAVIAN PROFITABILITY BY COUNTRY

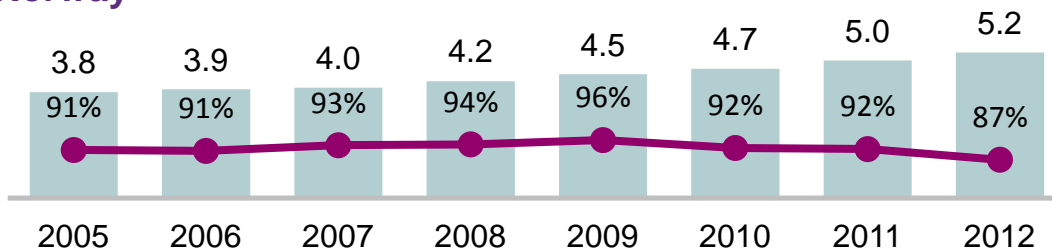
Denmark



Sweden



Norway



- › Stable consolidated industry
- › 5yr average Danish gross COR: **94.1%**
- › 5yr average Swedish net COR: **93.4%**
- › 5yr average Norwegian net COR: **92.1%**

2012 Top 10 by premiums (£m)¹

| | |
|------------------------|---------------|
| If... | 3,749 |
| Tryg | 2,213 |
| Gjensidige | 1,944 |
| RSA Scandinavia | 1,849 |
| Länsförsäkringar | 1,762 |
| TopDanmark | 954 |
| Folksam | 923 |
| Sparebank 1 | 532 |
| Alm. Brand | 527 |
| Sygeforsikringen DK | 294 |
| Top 10 | 14,747 |

Source: Forsikring & Pension (DK), Svensk Försäkring (SE), Finans Norge (NW)

¹ Numbers include consolidated Group financials for each Nordic parent company. GEP for RSA, Tryg, TopDanmark, Alm. Brand and Sygeforsikringen Danmark.

GWP for If, Gjensidige, Länsförsäkringar and Folksam. Portfolio Premium for Sparebank1

Note: Danish COR are on gross basis and Swedish and Norwegian on net basis. Norway premiums exclude off-shore business however this included in COR

CONSISTENT PROFITABILITY ACROSS SCANDINAVIA



MARKET STRUCTURE AND PROFITABILITY IS SUSTAINABLE

HISTORICAL STABILITY IS EXPECTED TO CONTINUE

- › Highly consolidated markets
- › Market history drives strong underwriting discipline
- › Access to own distribution is key
- › Strong brands with high loyalty and trust

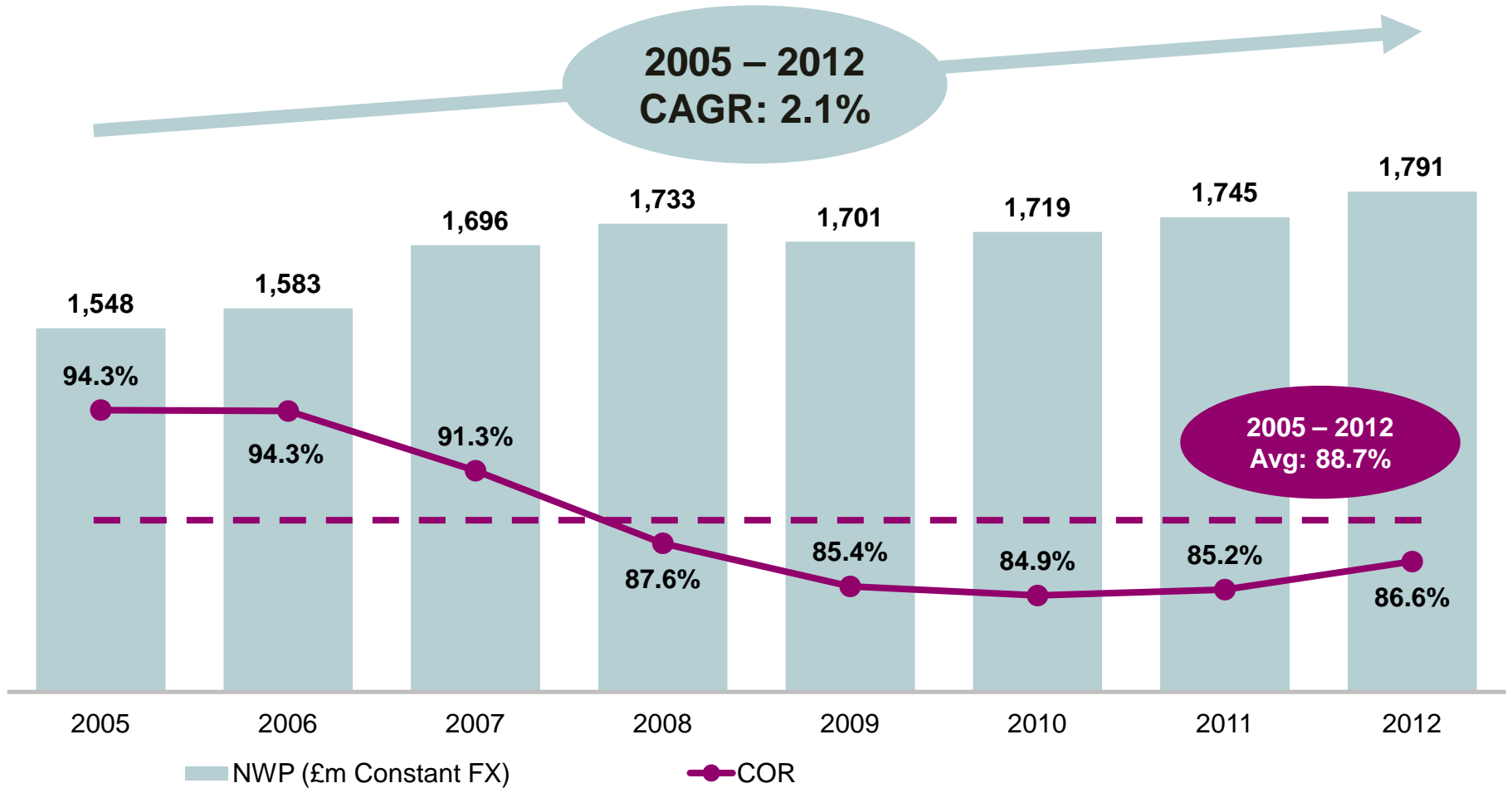
WITH GOOD PROSPECTS FOR FURTHER GROWTH

- › Continued growth in Sickness & Accident from demographic and social change
- › Growing Global Renewable Energy market at around 30% to 2020
- › More small business starting to trading direct
- › Bancassurance and online becoming increasingly important
- › Continued growth in Norway due to increasing insurance penetration

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RSA SCANDINAVIA: HISTORY OF SUSTAINABLE PROFIT



Note: Results presented under UK IFRS at constant FX

LOW AND STABLE COMBINED RATIO

COMMERCIAL FINANCIALS

| £m | 2010 | 2011 | 2012 | 2010-12 | HY13 |
|---------------------|-------|-------|-------|---------|--------|
| NWP | 782 | 802 | 818 | +2.3% | 555 |
| Underwriting result | 56 | 15 | 43 | 38 | (25) |
| COR | 93.5% | 98.2% | 94.6% | 95.4% | 102.3% |

2012 Net Written Premiums

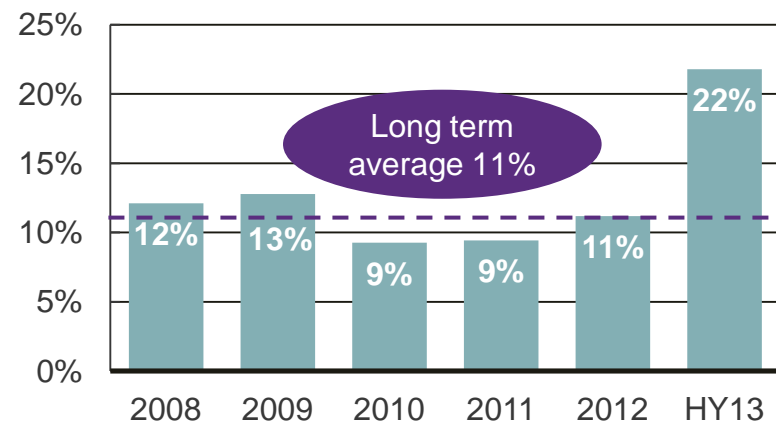
| £m | Denmark | Sweden | Norway | Total |
|--------------|------------|------------|-----------|------------|
| Motor | 69 | 131 | 18 | 218 |
| Property | 167 | 118 | 21 | 306 |
| Liability | 78 | 36 | 12 | 126 |
| Care | 32 | 34 | 26 | 92 |
| Marine | 56 | 18 | 2 | 76 |
| Total | 402 | 337 | 79 | 818 |

Based on UK IFRS at constant FX

Key drivers of historical performance

- › Rate driven growth
- › Growth in Norway, Renewable energy and Risk Managed
- › Disciplined risk selection
- › Recent large losses experience not a trend

Large Losses (% of NEP)



STABLE COR AND GROWTH

PERSONAL FINANCIALS

| £m | 2010 | 2011 | 2012 | 2010-12 | HY13 |
|---------------------|-------|-------|-------|---------|-------|
| NWP | 937 | 943 | 973 | +1.9% | 563 |
| Underwriting result | 208 | 241 | 194 | 214 | 123 |
| COR | 77.7% | 74.6% | 80.0% | 77.4% | 75.2% |

Key drivers of historical performance

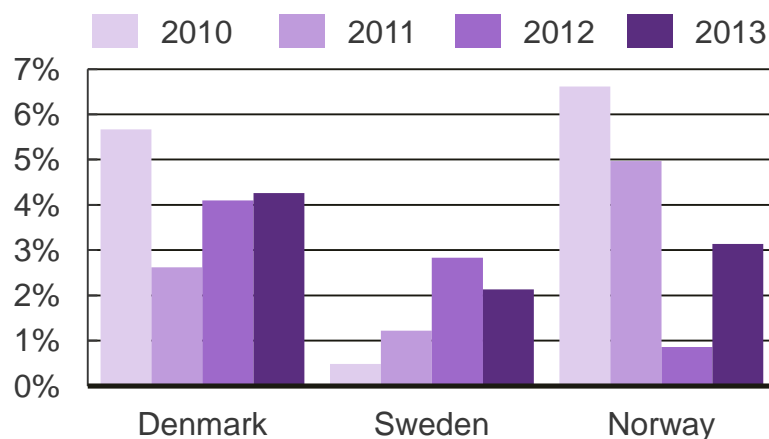
- › Rates ahead of claims inflation
- › Strong and improving retention
- › Balancing our portfolios
- › Danish turnaround progressing well

2012 Net Written Premiums

| £m | Denmark | Sweden | Norway | Total |
|---------------------|------------|------------|-----------|------------|
| Motor | 98 | 238 | 55 | 391 |
| House & Content | 122 | 152 | 24 | 298 |
| Sickness & Accident | 49 | 234 | 1 | 284 |
| Total | 269 | 624 | 80 | 973 |

Based on UK IFRS at constant FX

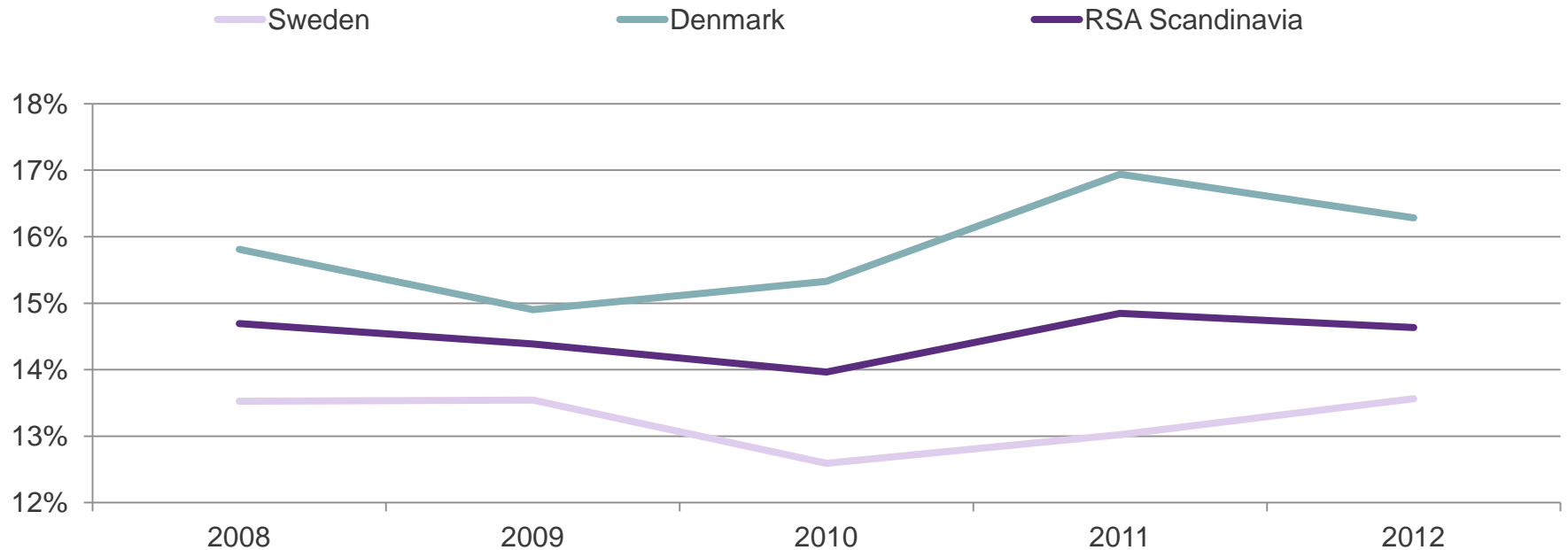
Rates minus claims inflation



FOCUSED ON BALANCING OUR PORTFOLIO

EXPENSE DEVELOPMENT

UW Expense Ratio excluding depreciation (%)

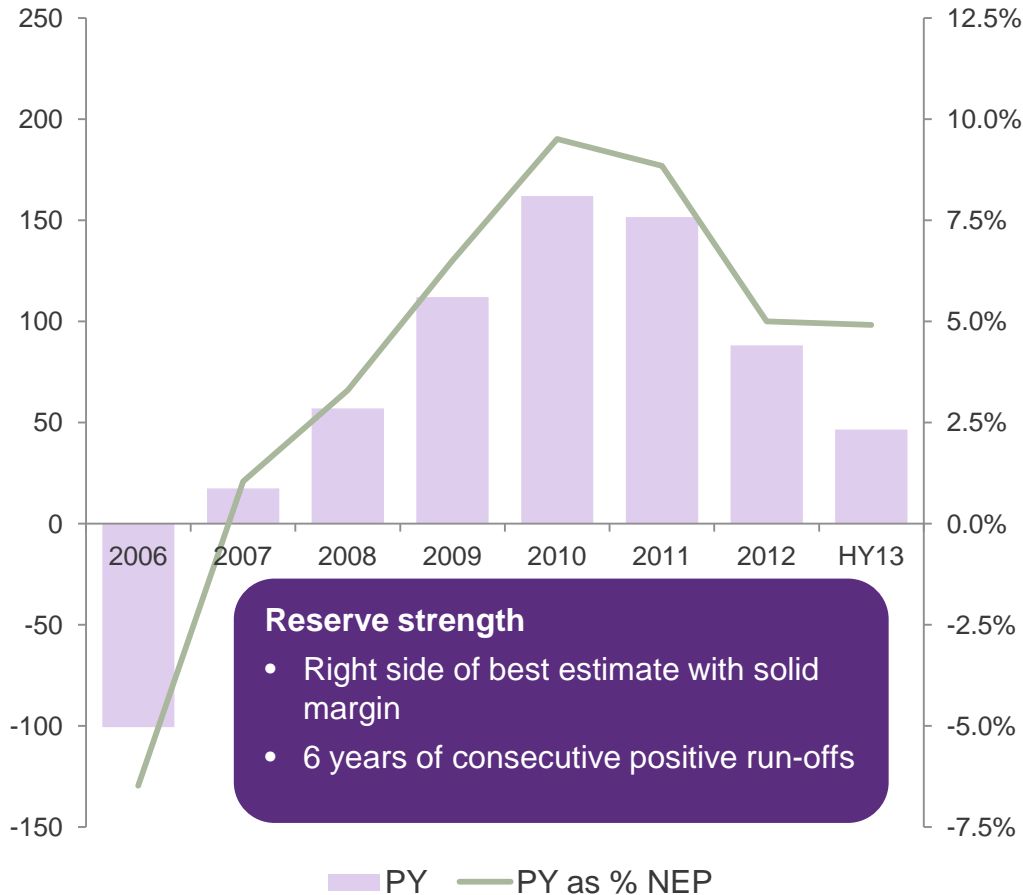


- › RSA expense levels in line with market
- › Focus on expense reduction in Denmark
- › We are currently investing in the business to maintain our strong market position
- › Programme to improve cost efficiency and competitive edge

EXPENSES FLAT WHILE MAKING INVESTMENTS

PRIOR YEAR PROFITS STARTING TO NORMALISE

Scandinavia prior year profits (£m)



› Material reserve strengthening in 2006

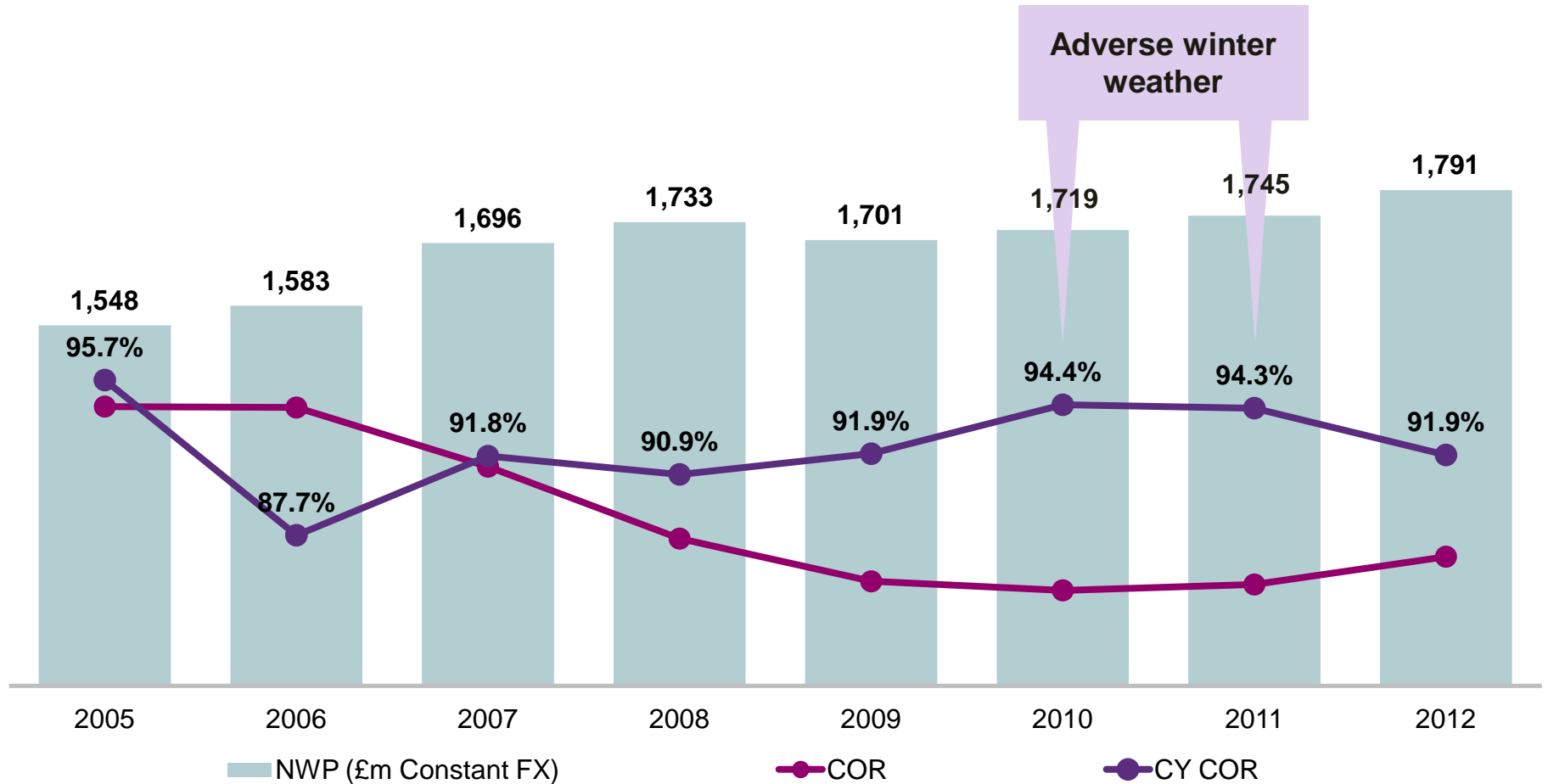
› Significant releases from:

- Swedish Motor and PA in 2009-11 in response to improving claims environment and experience
- 2010 and 2012 benefited from strong releases in Danish Workers Compensation

› Stable reserving methodology – significantly to the right side of best estimate

› Expect to continue to be a material contributor to the Group's prior year result

HISTORY OF STRONG CURRENT YEAR RESULTS



Based on UK IFRS at constant FX

QUALITY OF RESULTS IMPROVING



RSA SCANDINAVIA GENERATES STRONG RETURNS

| Scandinavia return on allocated equity | |
|--|------------|
| Allocation of total IFRS capital | £1,200m |
| Allocation of shareholders funds | £800m |
| ↓ | |
| H1 2013 Operating Result | £137m |
| Allocated profit after tax | £94m |
| ↓ | |
| Annualised H1 2013 ROE | 23% |
| FY 2012 ROE | 26% |

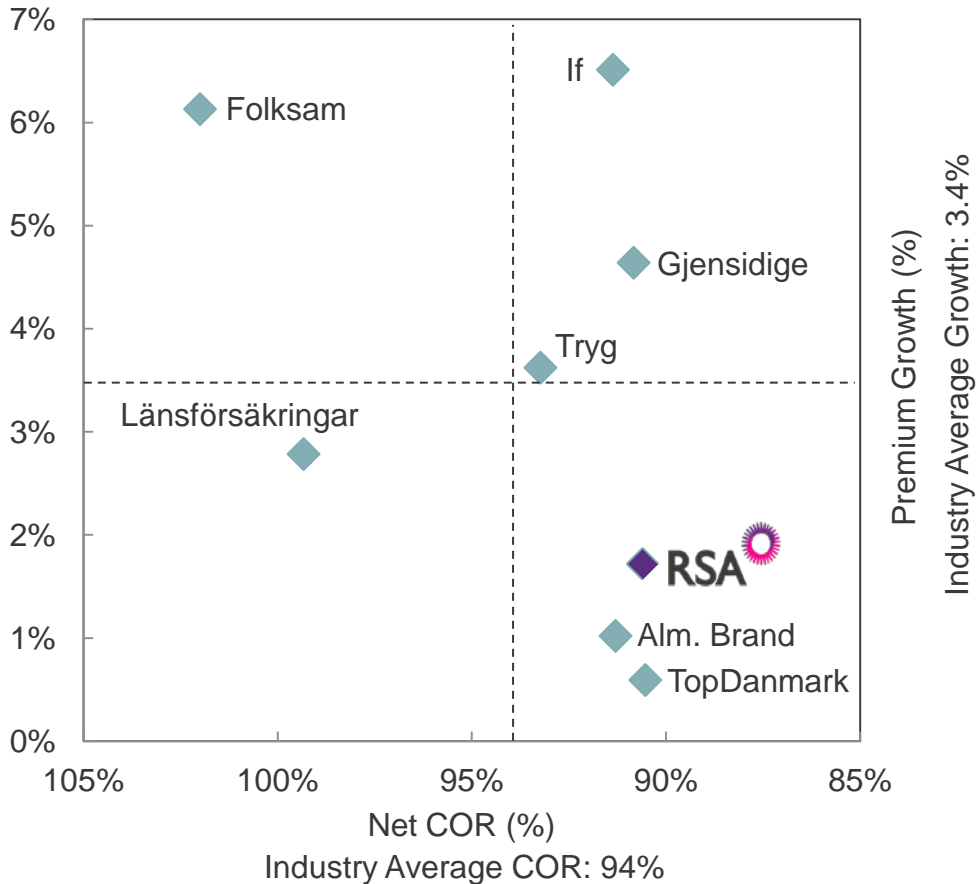
- › Strong and consistent returns on equity
- › Positive contribution to Group
- › We are investing in the Scandinavian business
- › Better balancing of the portfolio to safeguard future profitability
- › Positive value creation since minority buy-out in 2007

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RSA SCANDINAVIA: KEY PRIORITIES

Scandinavian Peers
2010-2012 Average Performance*

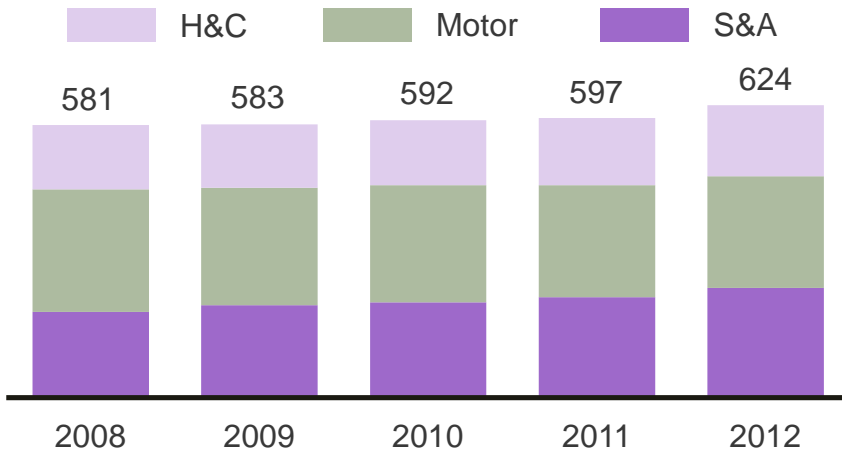


- Protect Swedish Profitability
- Improve PL Danish Performance
- Invest in CL Denmark
- Grow in Norway
- Exploit unique position in GSL
- Leverage Group Capabilities

* Numbers include consolidated Group financials for each Nordic parent company. Local GAAP (official local accounts). Slightly different approach to calculate net COR between countries and entities. Growth based on NWP for RSA, Tryg, TopDanmark and Folksam. GWP for If, Gjensidige and Alm. Brand. NEP for Länsförsäkringar

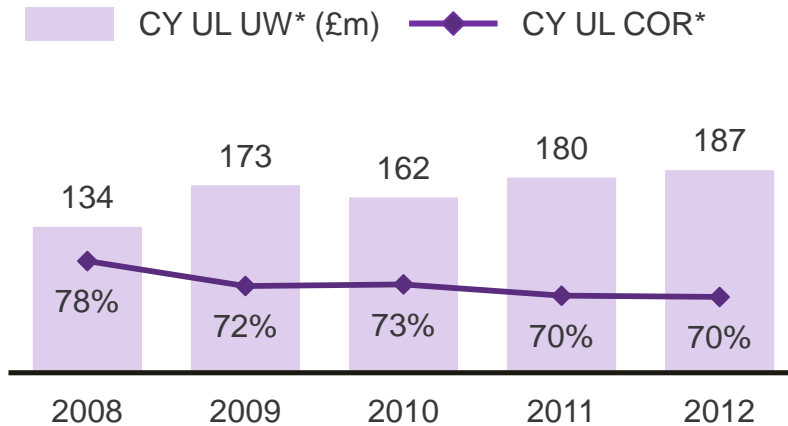
PROTECTING PROFITABILITY IN PERSONAL LINES SWEDEN

NWP (£m)



- › Attractive business mix with strong position in Sickness & Accident and Motor
- › Growth driven by Sickness & Accident and Household, improving retention and rates
- › Efficient call centre with strong x-sell and outbound operation
- › High level of customer service

Current Year UW result and CY underlying COR

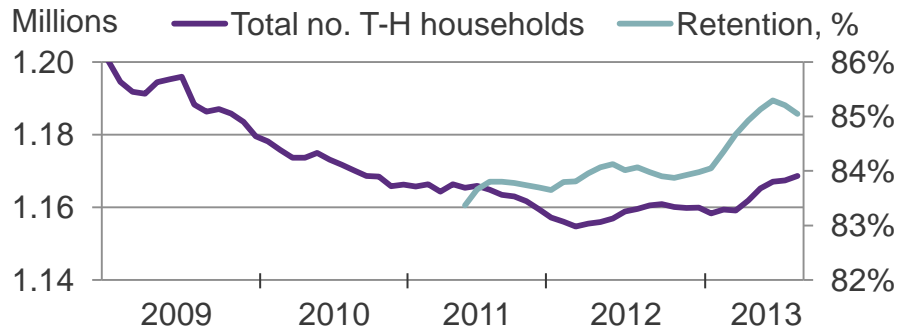


- › Historical actions taken on long tail business have generated strong prior year profits
- › Improving current year performance driven by better risk selection and turn around in Home & Content
- › Well placed to push rate when necessary given strong brand and reputation

* Excludes large losses, weather and claims handling expenses
Note: at constant FX

4.5% GROWTH IN 2012 WITH IMPROVING PROFITABILITY

SWEDISH PERSONAL LINES PERFORMANCE IS SUSTAINABLE



Growing number of customers

- › Home & Content growing
- › Sickness & Accident loyalty strong with 95% retention
- › Customer motor renewal rate at 86%
- › Multi product holding also increasing

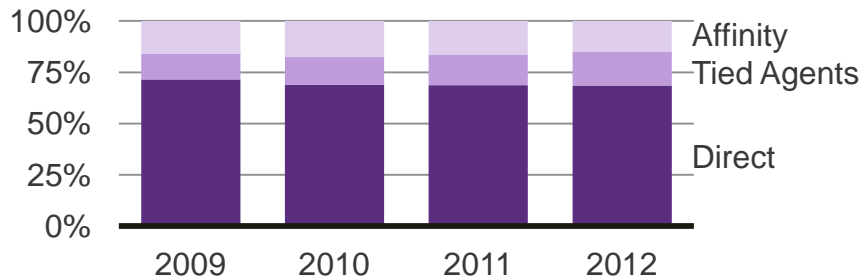


- 95% Brand awareness
- 75% Customer satisfaction
- Market leading consideration
- Brand refresh

Strong brand equity

- › High Trygg-Hansa brand reputation
- › Strong relations built over life time, 30% of children (0-17 years) in Sweden insured by Trygg-Hansa
- › Strong customer focus

Distribution mix



Efficient and customer focused distribution

- › Efficient call centre
- › Online growing at steady pace
- › 16% sold by tied agents (58% in Sickness & Accident)
- › No dependency on or immediate threat from aggregators

STRONG BRAND AND DISTRIBUTION

STRONG POSITION IN SWEDISH SICKNESS & ACCIDENT

S&A NWP (£m) and Market share (%) development



* Market share Individual Sickness & Accident Insurance

S&A products retention rate

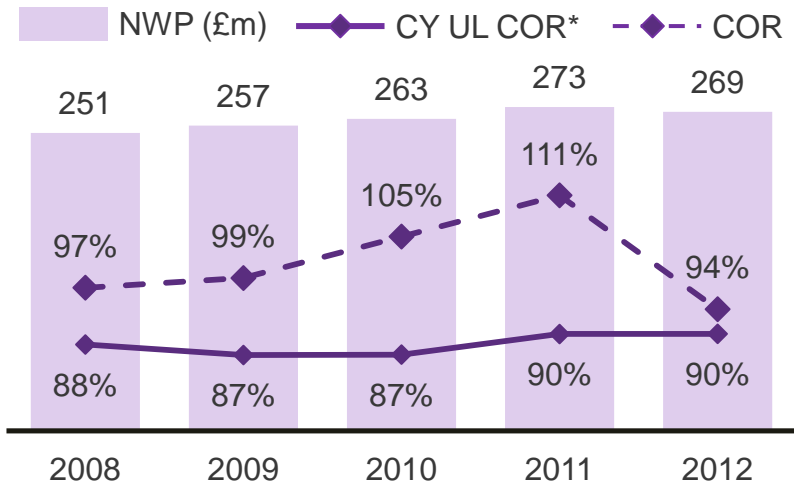


- › Trygg Hansa is synonymous with Child insurance
- › Premium product with strong brand reputation
- › Unique proactive distribution model
- › 70% conversion from Child to Adult S&A products
- › Large scale has allowed to build best in class
 - › Risk understanding
 - › Claims history
 - › Claims handling
- › High customer loyalty c.95% retention

S&A product:

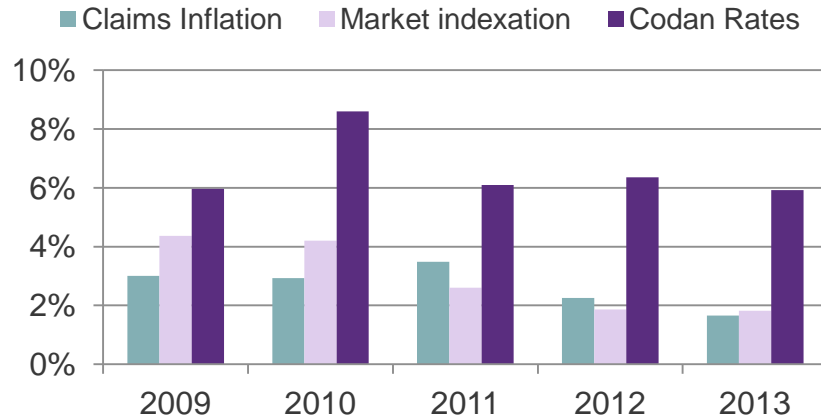
- Medical and disability
- Expenses for travel and hospitalisation
- Tooth and scar accidents
- Living expenses in critical illness
- Economic coverage for long term disability

IMPROVING PERFORMANCE IN PERSONAL LINES DENMARK



- › Attractive profitable market
- › Overall COR impacted by weather in 2010/11
- › Stable underlying COR
- › Lower level of growth with focus on improving profitability

Rates vs. Claims inflation heading

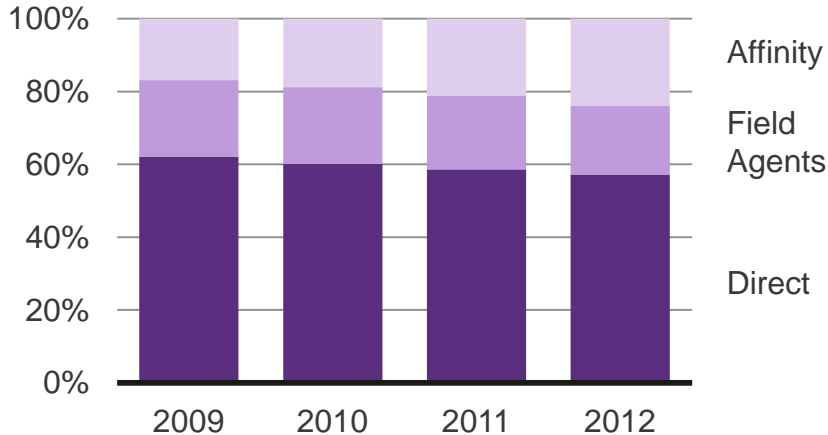


- › c.40% rate increase across 10% of the portfolio 2012-2013
- › Minimum premium for single policy S&A customers
- › Improve risk selection reducing non-standard risks

* Excludes large losses, weather and claims handling expenses
Note: at constant FX

IMPROVING PERFORMANCE IN PERSONAL LINES DENMARK

Distribution mix



- › Established distribution channels
- › Improved agent targeting
- › Strong Bancassurance platform
- › Best in class online process
- › Improved market pricing for new business and renewals

› Product development:

- Building the Sickness & Accident portfolio based on Swedish model
- Simplified contents proposition

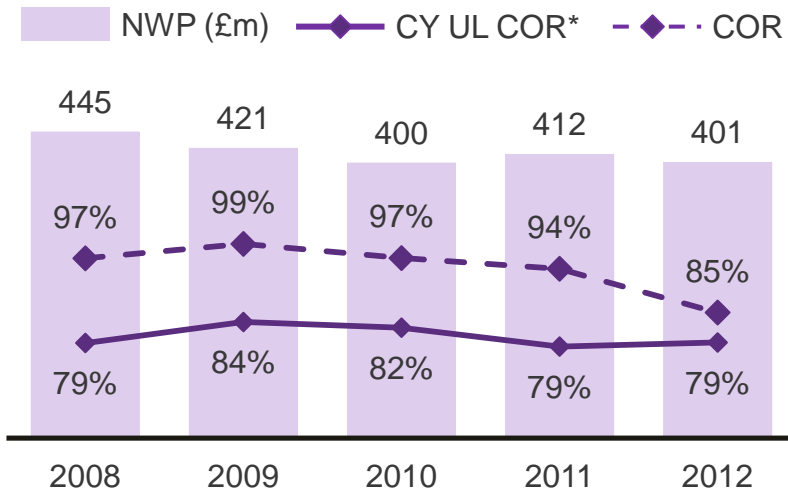
› Customer service improvements to increase cross-selling and retention

› Brand refresh to improve appeal

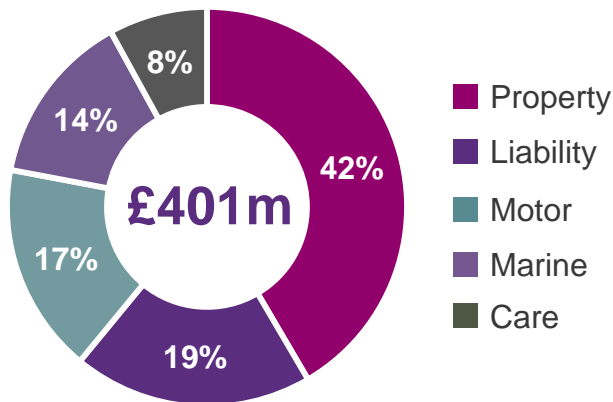


RETURNING TO PROFITABLE GROWTH

INVESTING IN COMMERCIAL LINES DENMARK



Commercial Denmark by Segment



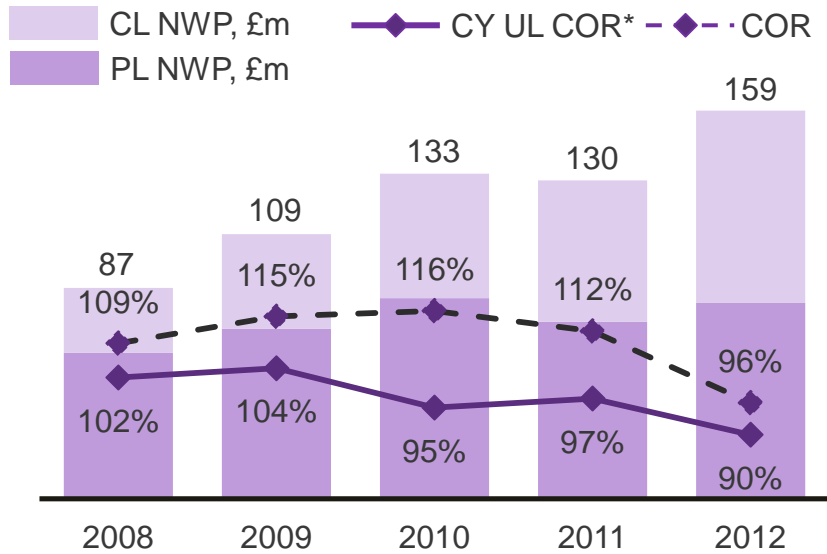
* Excludes large losses, weather and claims handling expenses
Note: at constant FX

- › Market leading position in Renewable Energy, Transportation, Profin and Marine
- › Financial downturn has had strong impact on market growth
- › Lower volumes also a consequence of active risk selection
- › Attractive historical market underwriting performance
- › Investments in new policy and administration platform (TIA)

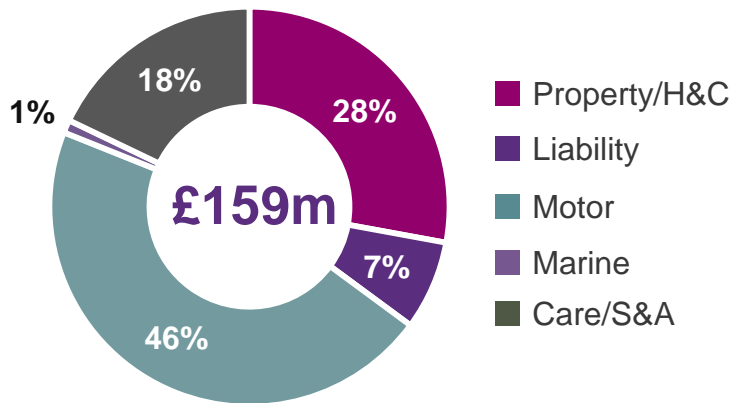
Key priority areas

- › Migrate portfolio to new TIA platform
- › Achieve benefits around agility, transparency and pricing sophistication
- › Grow in targeted industry segments
- › Grow in 'Small Business' segment

GROWING IN NORWAY



Norway by Segment



* Excludes large losses, weather and claims handling expenses
Note: at constant FX

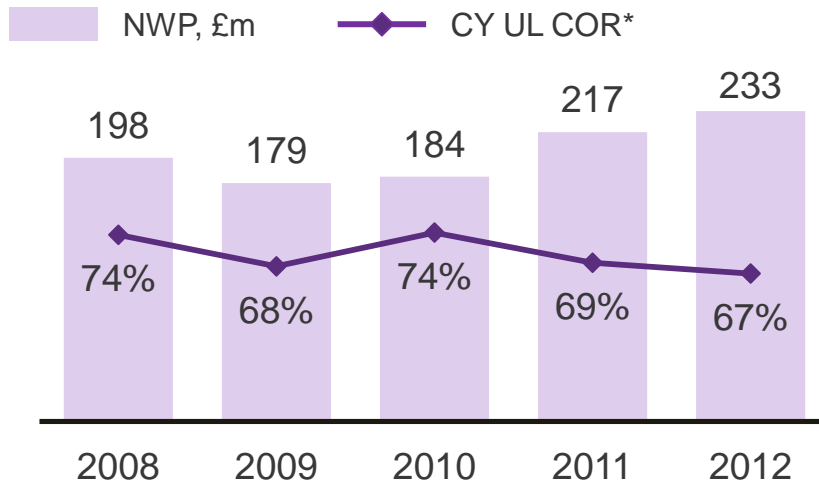
- › Good footprint in profitable growing market
- › Growth driven by Commercial and partnership
- › Distribution capacity built on agents, brokers, Care partner and direct capabilities
- › Focused on building scale but also profitability

Key priority areas

- › Improve system capability
- › Develop our Care business
- › Build on strong relationship with local and Global brokers
- › Grow small segment via direct channels
- › Take advantage of online growth and expand our agent network
- › Take advantage of our strength in Specialty

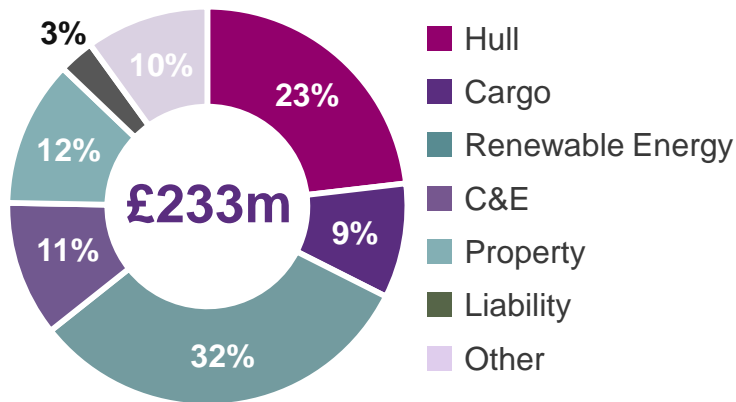
WELL POSITIONED TO INCREASE SHARE IN NORWAY

EXPLOIT UNIQUE POSITION IN GSL



- › Global leading position in Offshore wind, 55% share of Onshore wind in Denmark
- › Market leading in Denmark Marine with strong reputation for loss prevention and claims handling
- › Strong growth within Risk Managed, Marine and Renewable Energy

Global Specialty Lines by Segment



Key priority areas

- › Maintain leadership in Renewable Energy c.50 future projects, Europe and Asia expansion
- › Codan is RSA Global Offshore wind Centre of Excellence
- › Build capabilities in Risk Managed to support further growth in Sweden and Norway
- › Growth in Marine Hull targeting brown water and construction

* Excludes large losses, weather and claims handling expenses
Note: at constant FX

LEVERAGING THE RSA GLOBAL GROUP

- › Capital Management
- › Reinsurance
- › Underwriting, Pricing and Claims Expertise
- › Global Specialty Lines
- › On-line capabilities
- › Centers of Excellence / Best Practice Sharing
- › Risk Management
- › Talent Development and Performance Management

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SUMMARY

Scandinavian market

Mature, highly profitable markets with well established and stable structure

Our Scandinavian businesses

Sweden: strong and leading market positions

Denmark: expect to benefit from improving performance

Norway: growth opportunities in an attractive market

Strategic priorities

Protect Swedish profitability

Invest in Denmark Commercial

Exploit unique position in GSL

Improve Denmark Personal performance

Grow in Norway

Leverage Group capabilities

Stronger as part of the RSA Group

Ability to import expertise from around the wider Group drives opportunities to outperform local competitors

QUESTIONS