

# Aviva



**Morgan Stanley  
European Financials Conference**



# Disclaimer

## Cautionary statements:

This should be read in conjunction with the documents filed by Aviva plc (the “Company” or “Aviva”) with the United States Securities and Exchange Commission (“SEC”). This announcement contains, and we may make verbal statements containing, “forward-looking statements” with respect to certain of Aviva’s plans and current goals and expectations relating to future financial condition, performance, results, strategic initiatives and objectives. Statements containing the words “believes”, “intends”, “expects”, “plans”, “will,” “seeks”, “aims”, “may”, “could”, “outlook”, “estimates” and “anticipates”, and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. 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 difficult conditions in the global capital markets and the economy generally; the impact of new government initiatives related to the financial crisis; defaults and impairments in our bond, mortgage and structured credit portfolios; changes in general economic conditions, including foreign currency exchange rates, interest rates and other factors that could affect our profitability; the impact of volatility in the equity, capital and credit markets on our profitability and ability to access capital and credit; risks associated with arrangements with third parties, including joint ventures; inability of reinsurers to meet obligations or unavailability of reinsurance coverage; a decline in our ratings with Standard & Poor’s, Moody’s, Fitch and A.M. Best; increased competition in the U.K. and in other countries where we have significant operations; changes to our brands and reputation; changes in 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; changes in local political, regulatory and economic conditions, business risks and challenges which may impact demand for our products, our investment portfolio and credit quality of counterparties; the impact of actual experience differing from estimates on amortisation of deferred acquisition costs and acquired value of in-force business; 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 various legal proceedings and regulatory investigations; the impact of operational risks; the loss of key personnel; the impact of catastrophic events on our results; changes in government regulations or tax laws in jurisdictions where we conduct business; funding risks associated with our pension schemes; the effect of undisclosed liabilities, integration issues and other risks associated with our acquisitions; and the timing impact and other uncertainties relating to acquisitions and disposals and relating to other future acquisitions, combinations or disposals within relevant industries. For a more detailed description of these risks, uncertainties and other factors, please see Item 3, “Risk Factors”, and Item 5, “Operating and Financial Review and Prospects” in Aviva’s Annual Report Form 20-F as filed with the SEC on 24 March 2011. 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.

**Improving operating performance**

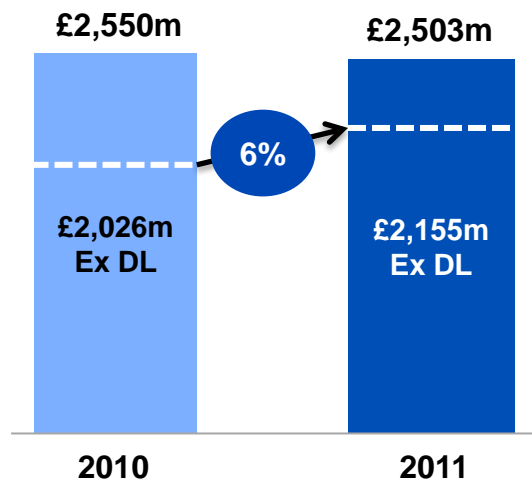
**Allocating capital to chosen markets  
where we can grow and earn the highest returns**

**Simplifying the portfolio**

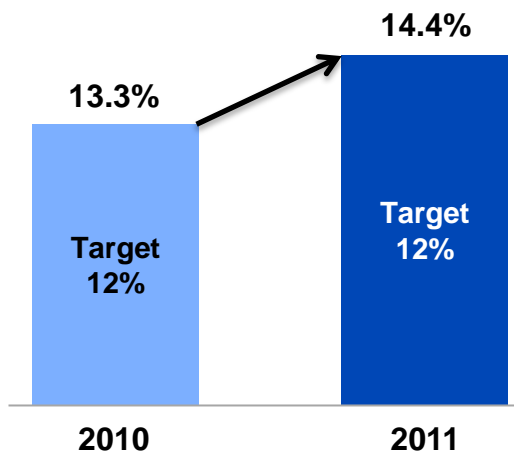
**Balance sheet strength**

# Focus on value and increasing profitability

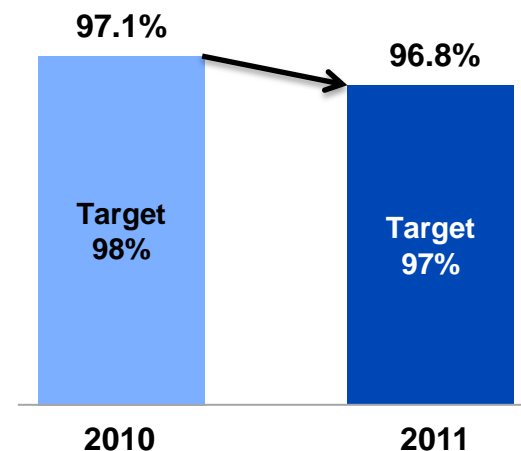
## IFRS operating profit



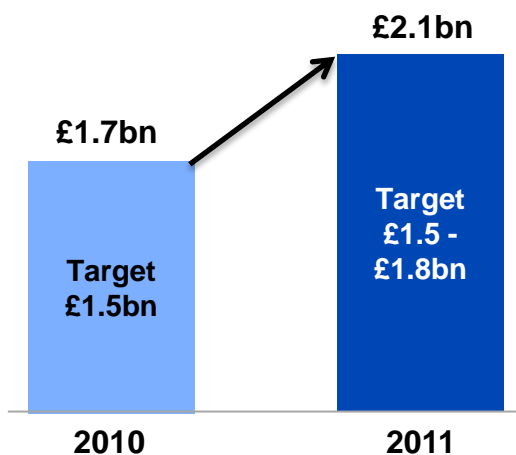
## Life IRR



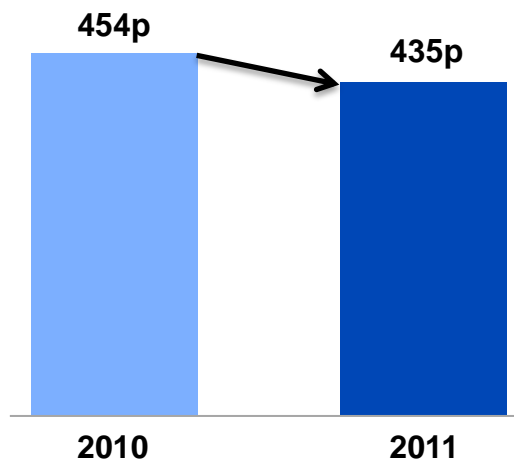
## GI COR



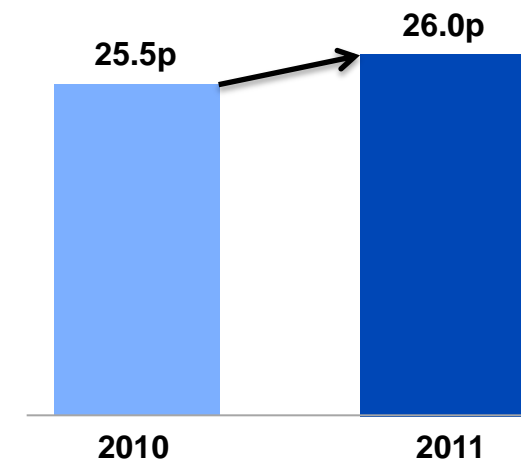
## Operating capital generation



## IFRS NAV



## Dividend



# A fitter and stronger Aviva

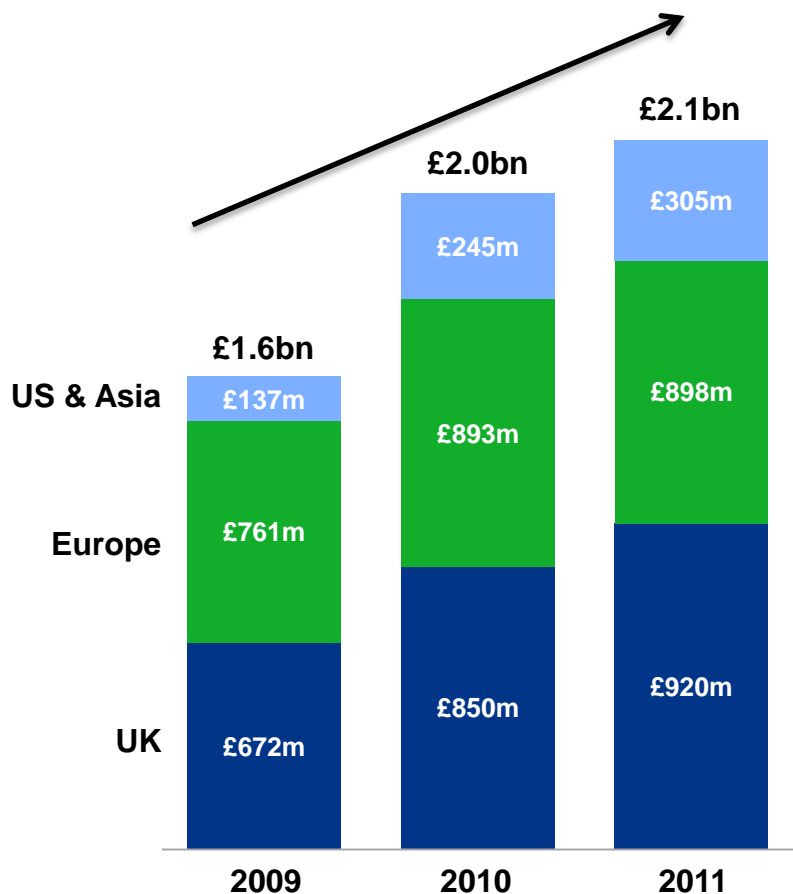
	2009	2011
<b>Profitability</b>	Life IRR 10.6% GI COR 99.4%	Life IRR 14.4% GI COR 96.8%
<b>Operating capital generation</b>	Capital generated £1.0 billion	Capital generated £2.1 billion
<b>Markets</b>	30 countries	21 countries
<b>Efficiency</b>	Cost base £5.1 billion Headcount 54,700	Cost base £4.1* billion Headcount 36,600
<b>Balance sheet</b>	Economic capital surplus 140%	Economic capital surplus** c.145 - 150%
<b>Operating profit</b>	£2.0 billion	£2.5 billion

\* on a continuing basis

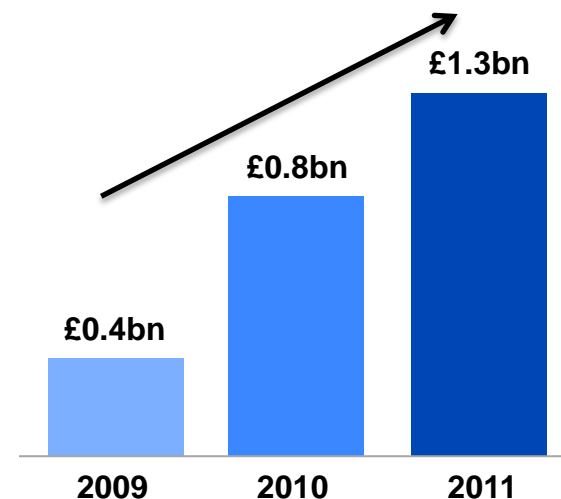
\*\* on 29 February 2012

# Track record of growth in Life

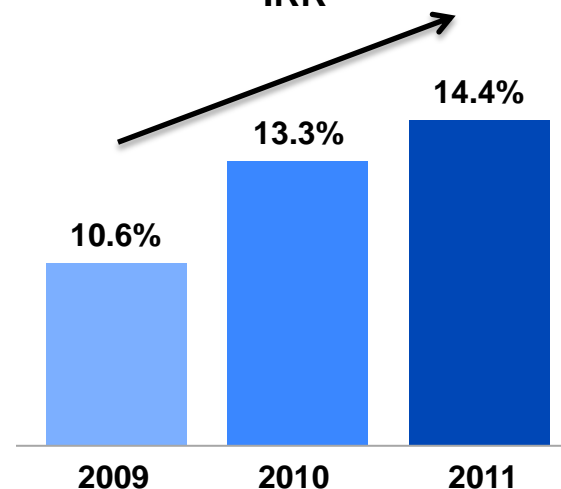
## Operating profit



## Net operating capital generation

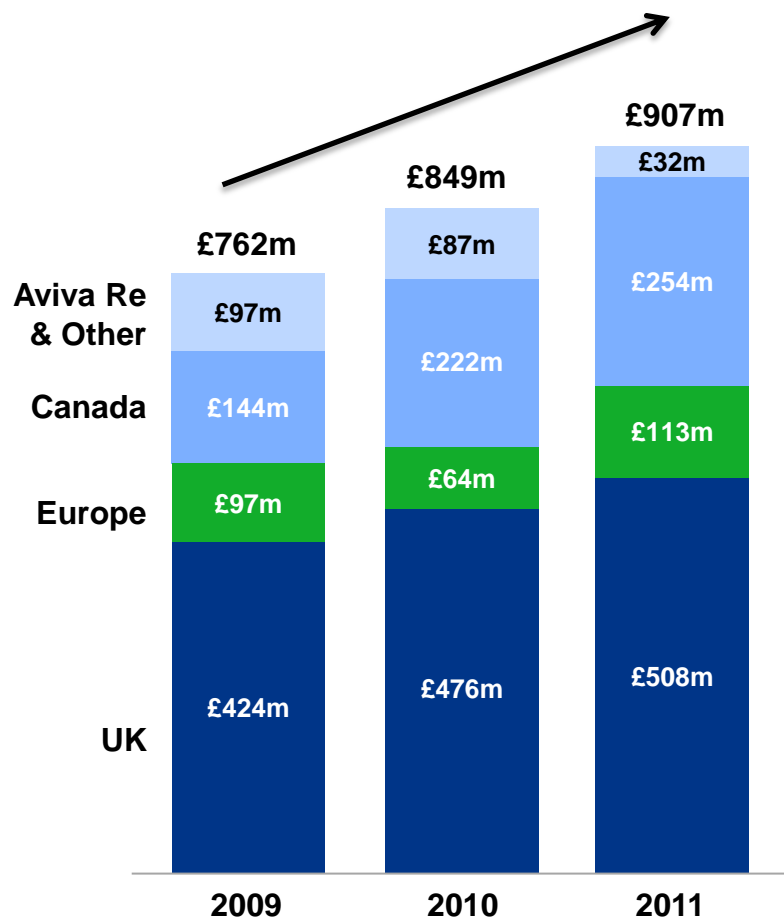


## IRR

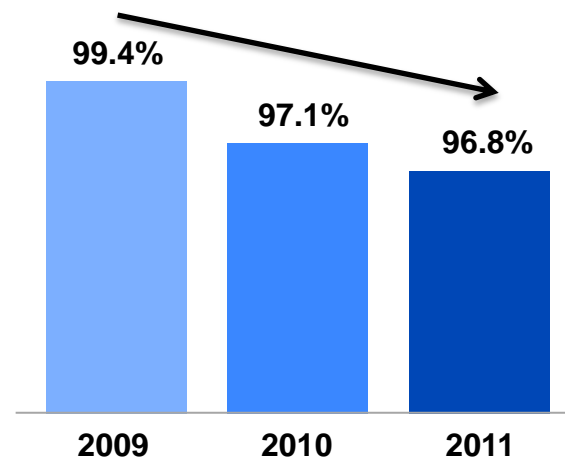


# Track record of growth in GI

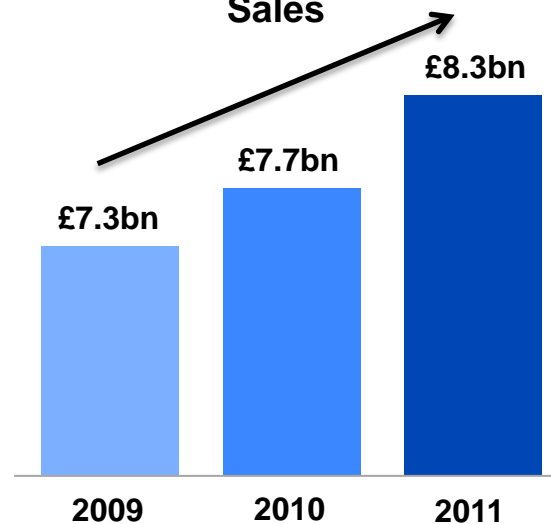
Operating profit



COR



Sales



# Progress in the UK



**Market leading brand recognition**

**400,000 new motor customers**

**25% market share individual annuities**

**15% market share in protection**



**Quote me happy.com**



**Unparalleled customer reach through intermediaries, corporate partners and direct**



**9,000 IFA firms**



**UK General Insurer of the Year**  
**Best Pension Provider of the Year**  
**UK Health Insurer of the Year**





# Europe: resilience in a tough environment

## IFRS operating profits

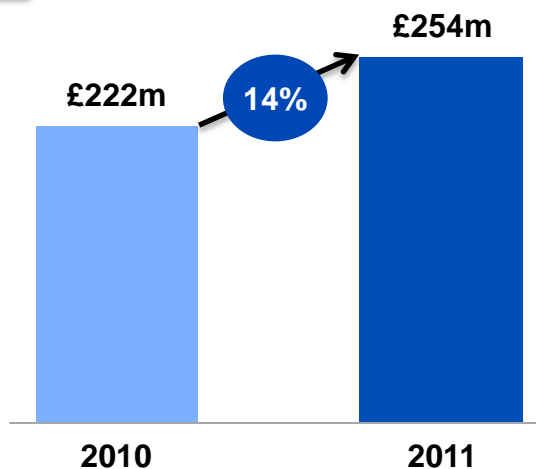
France	£467m	<b>Resilient life result</b> 13% growth in bancassurance sales IRR up to 11.4% (2010: 9.4%) Strong GI result	Tied agency network AFER Bancassurance
Spain	£216m	IRR of 23.3% (2010: 21.6%) Record operating profits	Bancassurance
Poland*	£167m	IRR of 24.3% (2010: 25.3%) Consistently strong results	Direct & Bancassurance
Italy*	£140m	Sharply decreased volumes to improve margins	Bancassurance
Ireland	£91m	Combining with the UK to improve profitability	Direct & Brokers
Russia & Turkey*	£5m	Growth potential	Direct & Bancassurance

\* Life profits only

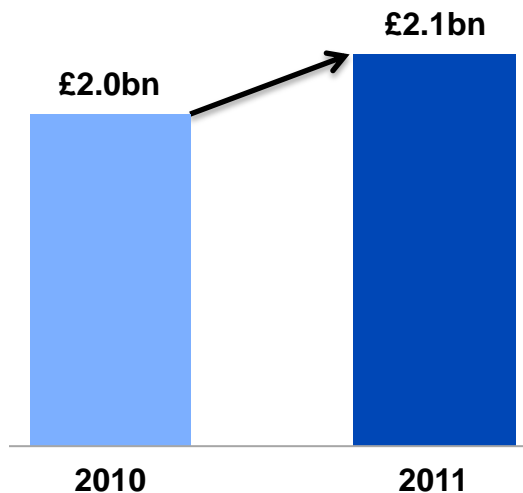
# Canada & USA: record profits

## Canada

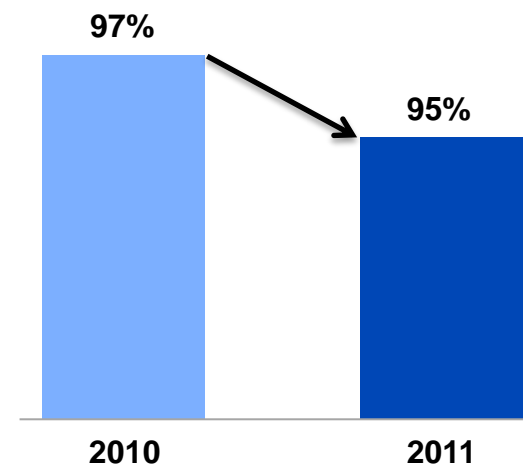
### IFRS operating profits



### NWP

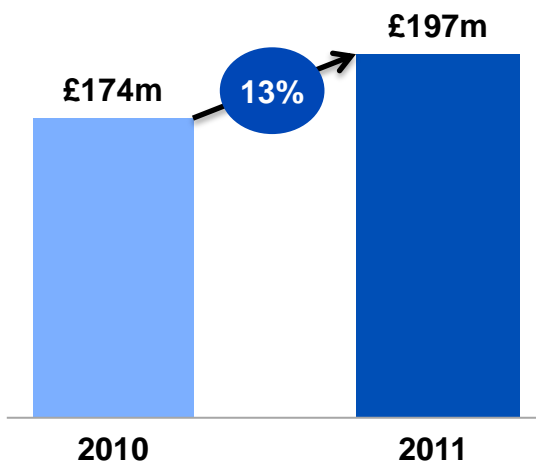


### COR

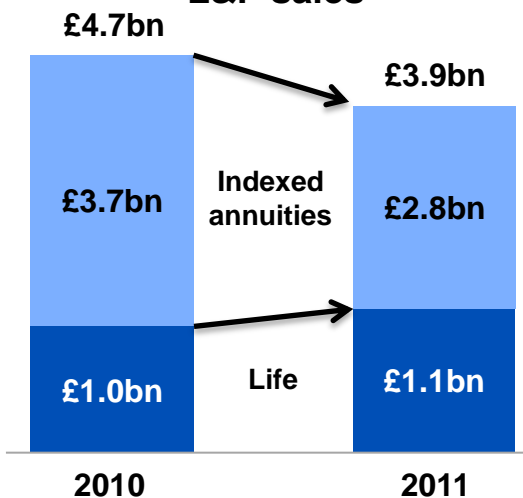


## USA

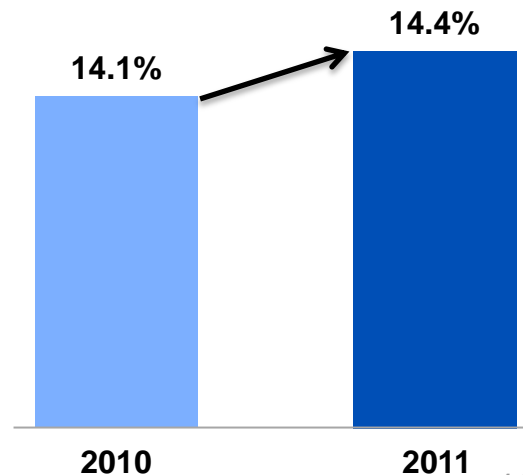
### IFRS operating profits



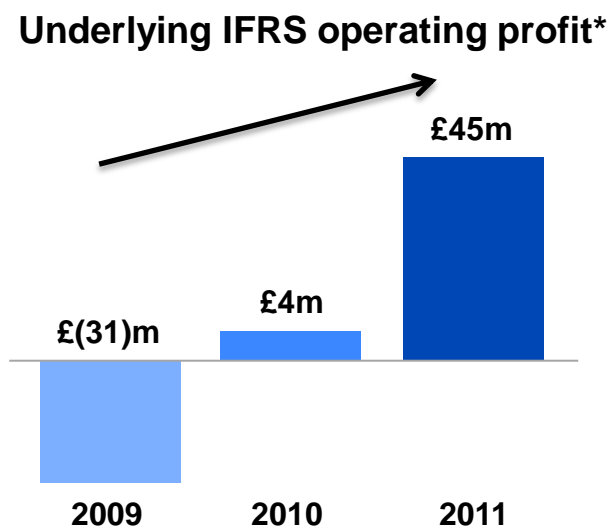
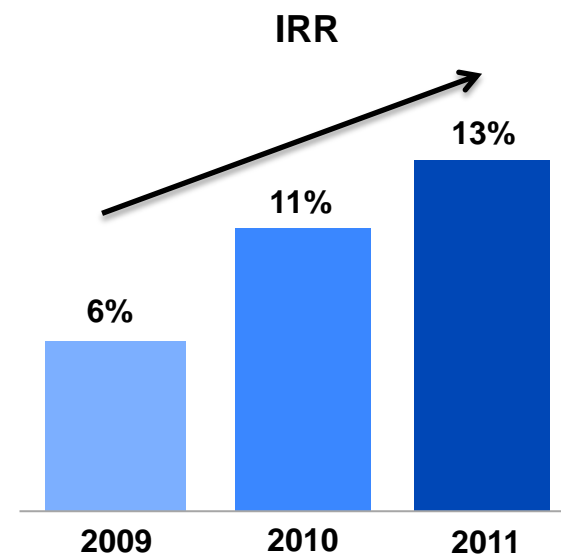
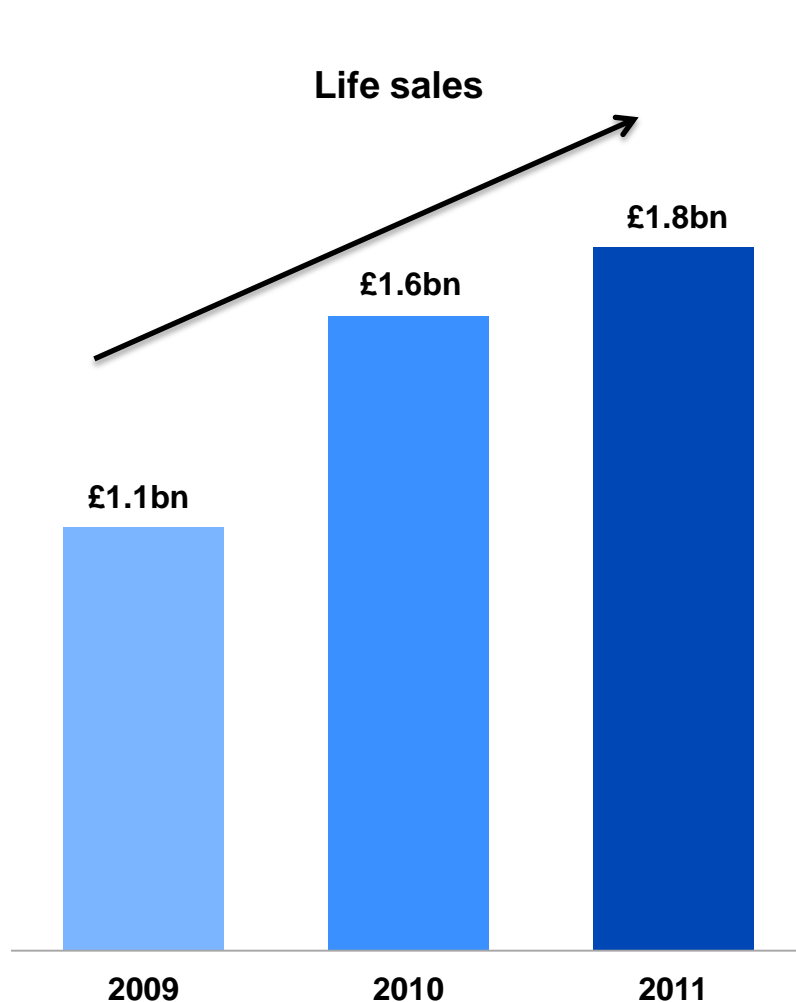
### L&P sales



### IRR



# Continuing profit growth in Asia Pacific



2009 excludes Australia.

\* Underlying operating profit excludes Singapore reserve release in FY09, FY10 excludes China GAAP adjustment, FY11 excludes HK reserve release

## **A changing world**

**Eurozone outlook improved,  
but still tough**

**Low interest rate environment**

**Regulatory uncertainty**

**RDR & auto-enrolment  
in the UK**

**Consumer behaviour in a  
digital world**

## **We're well positioned**

**Sharply improved operational  
capital generation**

**Competitive and profitable in  
our chosen markets**

**Benefits of a  
diversified portfolio**

**Beating profitability targets**

**Continuing strong  
credit track record**

**Improving operating performance**

**Allocating capital to chosen markets  
where we can grow and earn the highest returns**

**Simplifying the portfolio**

**Balance sheet strength**

# Increasing the targets for 2012

**13% Life new business IRR with a payback period of less than 10 years**

**97% Group COR**

**£1.6 billion - £1.9 billion net operating capital generation**

**£400 million cost and efficiency savings by end 2012**

# Q&A