Aviva plc Preliminary Results 2009

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 registration statement on Form 20-F as filed with the SEC on 7 October 2009. 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.

Agenda

1. Business review	Andrew Moss
2. Financial Results	Patrick Regan
3. 2010 and beyond	Andrew Moss
4. Q & A	

Andrew Moss

Business Review

A significant rebound in total profits

Rebound in profits in a tough economic environment

- IFRS total profit after tax of £1.3 billion
- MCEV total profit after tax of £2.9 billion

Operating profits reflect disciplined and prudent management

- IFRS operating profit down 12% at £2.0 billion
- MCEV operating profit up 3% at £3.5 billion

Encouraging sales outlook

- 21% increase in Q4 2009 sales against Q3
- Indications of a return to top line growth in 2010

Structural change on track

- IGD solvency surplus of £4.5 billion (2008: £2 billion)
- Cost reduced by 13% in 2009
- Headcount reduced from 57,000 to 46,300, down 19% over 2 years

Tackling the crisis

AVIVA

Credit crisis and macro economic pressures

Maintaining strategic momentum

Entered the crisis risk aware

- Shareholder equity exposure reduced by £3.4 billion in 2007
- Minimal toxic assets
- Minimal high risk trading activities
- One Aviva strategy gathering momentum

Decisive further action to manage impact of the crisis

- IGD surplus raised from £2 billion to £4.5 billion
- £1.1 billion mortgage and debt provisions established – still unused
- Sales of higher risk/capital intensive products limited or stopped
- Action to improve new business margins
- Dividend reduction

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Total dividend 24p

Dividend 1.8x covered

Cautious response to economic crisis

Growth prospects

Tackling the crisis, delivering the strategy

AVIVA

Credit crisis and
macro economic pressures

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Significant measurable strategic delivery

Manage composite portfolio
- Transformational deal with Delta Lloyd
- Sold sub scale Australian business

Allocate capital rigorously
- Inherited estate reattribution
- Product mix changes

Multi-channel customer reach
- Bancassurance resilience proven
- Successful rebranding

Boost productivity
- Like for like costs down – businesses restructured

Build global asset management
- Strong investment performance

Significant & measurable strategic delivery

Manage composite portfolio

- Transformational deal with Delta Lloyd → £1 billion cash raised; IGD up £0.5 billion, new governance driving better performance
- Sold sub scale Australian business → 16 x IFRS profits realised; IGD up £0.5 billion

Allocate capital rigorously

- Inherited estate reattribution → Access to £650 million capital over 5 years
- Product mix changes → Margin up to 2.9% from 2.5% excluding Delta Lloyd

Multi-channel customer reach

- Bank distribution power → 2009 sales £9.3 billion at 3.8% margin – 30% of L&P sales
- Successful rebranding → Aviva is rated as one of the UK's top ten most valuable brands*

Boost productivity

- Like for like costs down → £500 million costs savings target exceeded and delivered a year early
- Businesses restructured → Headcount down 19% to 46,300 from 57,000 over 2 years

Build global asset management

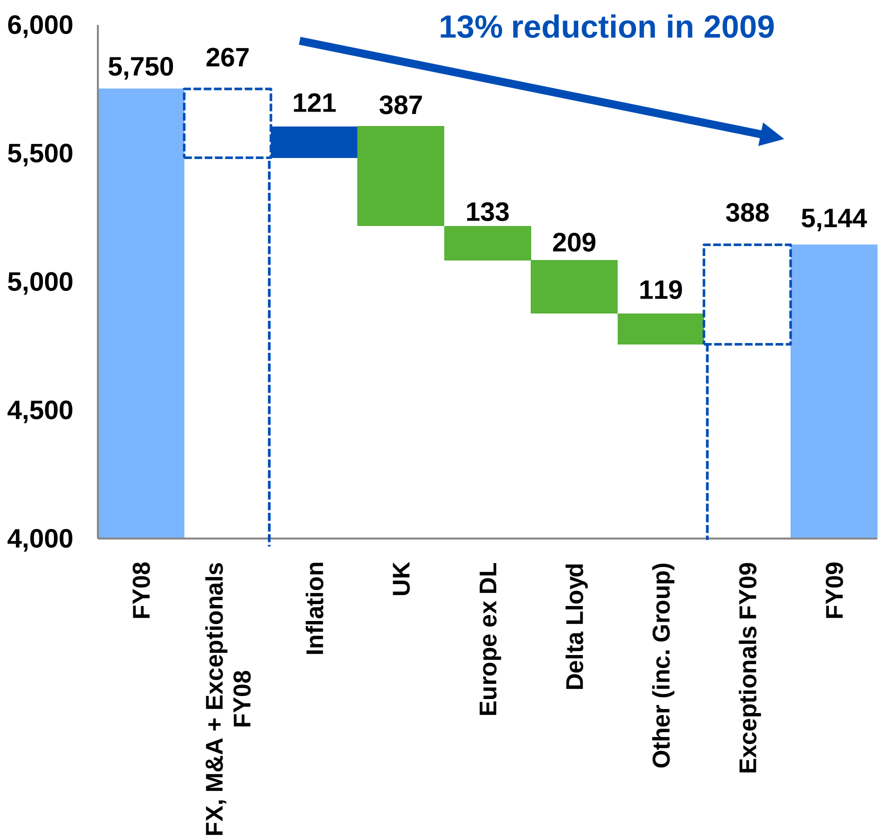
- Strong investment performance → Number of client performance targets exceeded has more than doubled to 83%

* 2010 Brand Finance report

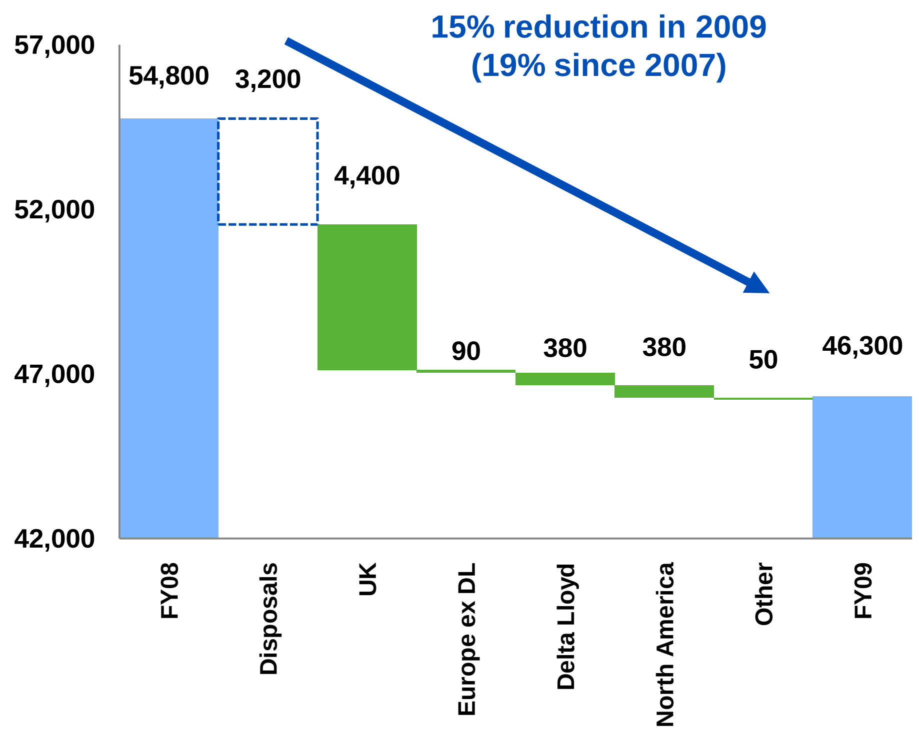
Transformed cost base demonstrates strategic change

AVIVA

Analysis of Operational Cost Base (by Region)



Movement in Headcount (by Region)



£500m cost reduction target exceeded one year ahead of schedule

An experienced executive team fully committed to delivery

Andrew Moss
Chief Executive

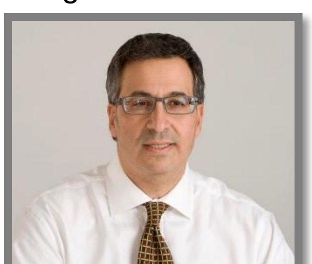
Mark Hodges
UK

Patrick Regan
Chief Financial Officer

Andrea Moneta
Europe

Amanda Mackenzie
Marketing & Comms

Simon Machell
Asia Pacific



Igal Mayer
North America

Alain Dromer
Aviva Investors

Robin Spencer
Risk

John Ainley
Human Resources

Patrick Regan

The Financial Results

Key performance metrics

1. Life MCEV operating profits

2. IFRS operating profits

3. Total profits

4. Capital generation and utilisation

5. Return on equity and net asset value

6. Solvency and balance sheet quality

Strong 2009 financial results

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1. MCEV operating profit

- MCEV operating profit of £3,483 million, up 3%
- Long term savings margin up 10bps at 2.2%, IRR in UK and Europe (ex DL) of 13-14%

2. IFRS operating profit

- IFRS operating profit of £2,022 million, down 12%
  - Long term savings operating profit of £1,887 million, up 11%
  - GI & health operating profit of £960 million, down 20%; GI COR of 99%
  - Fund management profits at £133 million, up 8%

3. Cash and capital generation

- £2.5 billion gross capital generated in 2009
- Group liquidity of £2.2 billion

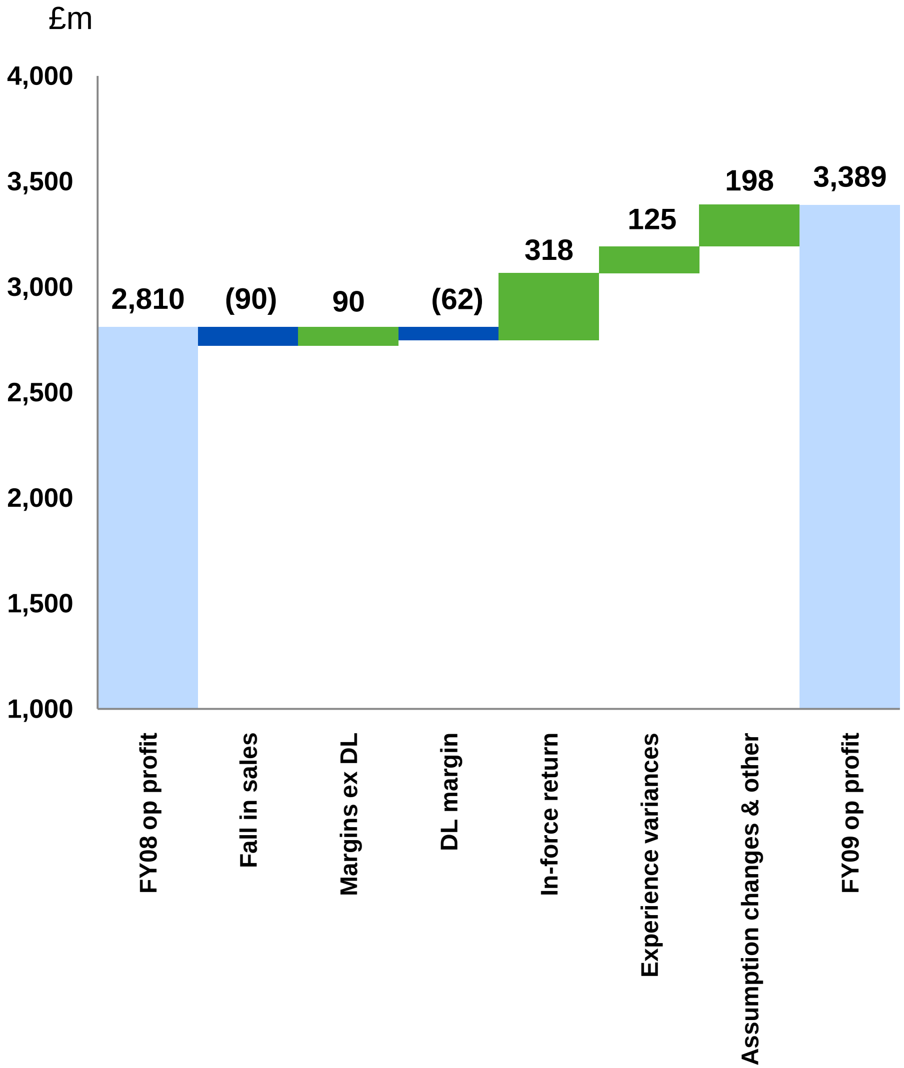
4. Return on equity

- Total Group ROE of 16.2% in 2009 (2008: 11.0%)

5. Solvency and balance sheet quality

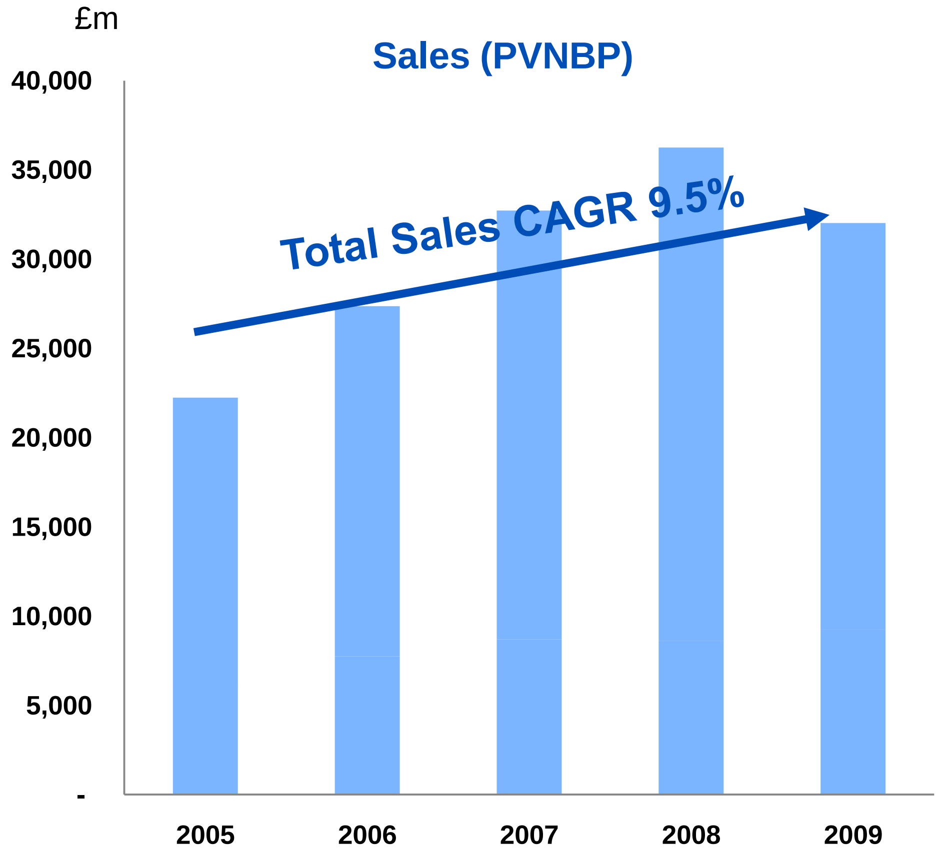
- IGD surplus of £4.5 billion

Significant growth in Life MCEV operating profit



£ million	2009	2008
New business profits	**710**	**772**
Profit from existing business		
In-force return	2,440	2,122
Experience variance	(99)	(224)
Assumption changes	44	(165)
Other operating variances	294	305
Existing business profits	**2,679**	**2,038**
Life MCEV operating profit	**3,389**	**2,810**

Increase in Life new business margins



Region	NBV 2009 £m	Margin 2009 %	Margin 2008 %	IRR 2009 %
UK	247	2.8%	1.7%	14%
Europe ex DL	521	3.9%	4.0%	13%
Europe - DL	(103)	(2.8)%	(1.1)%	6%
North America	16	0.4%	1.0%	7%*
Asia Pacific	29	2.1%	2.5%	8%
Total	**710**	**2.2%**	**2.1%**	

Q4 sales of £8 billion, 21% up on Q3

Bancassurance margin of 3.8%

* 11% pro-forma IRR including AXXX capital initiative

Minimal net experience variances & assumption changes

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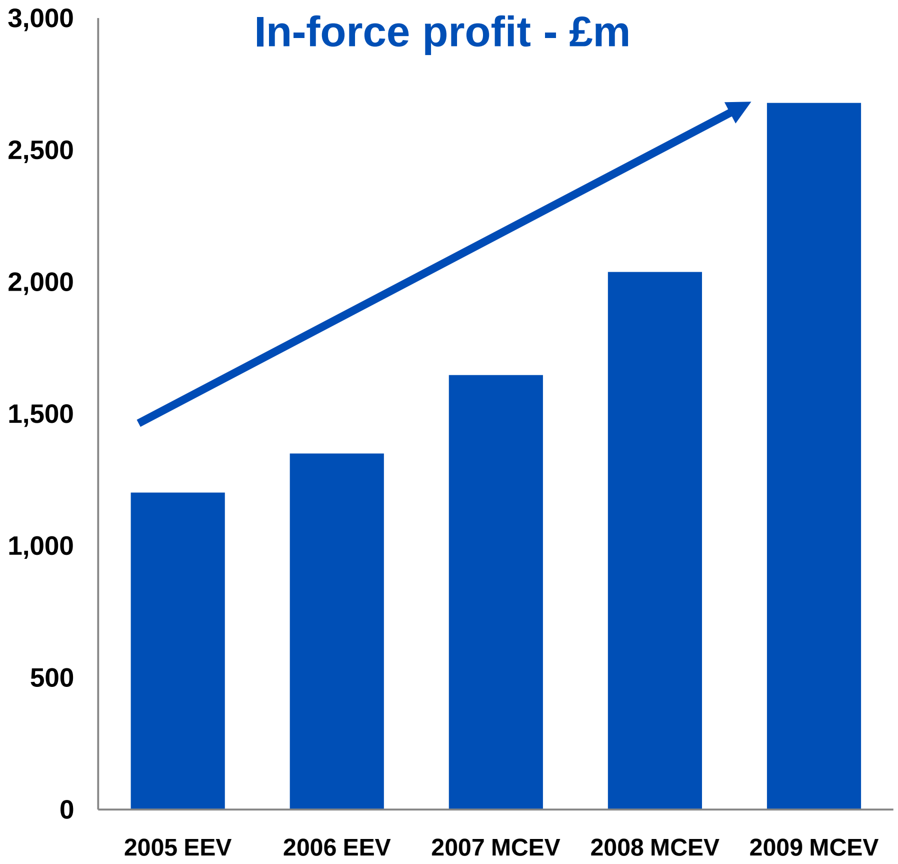
£ million	Total
Lapses	(140)
Mortality	76
Other	(35)
Total experience variances	**(99)**
Lapses	(262)
Mortality	116
DL expenses	275
Other	(85)
Total assumption changes	**44**

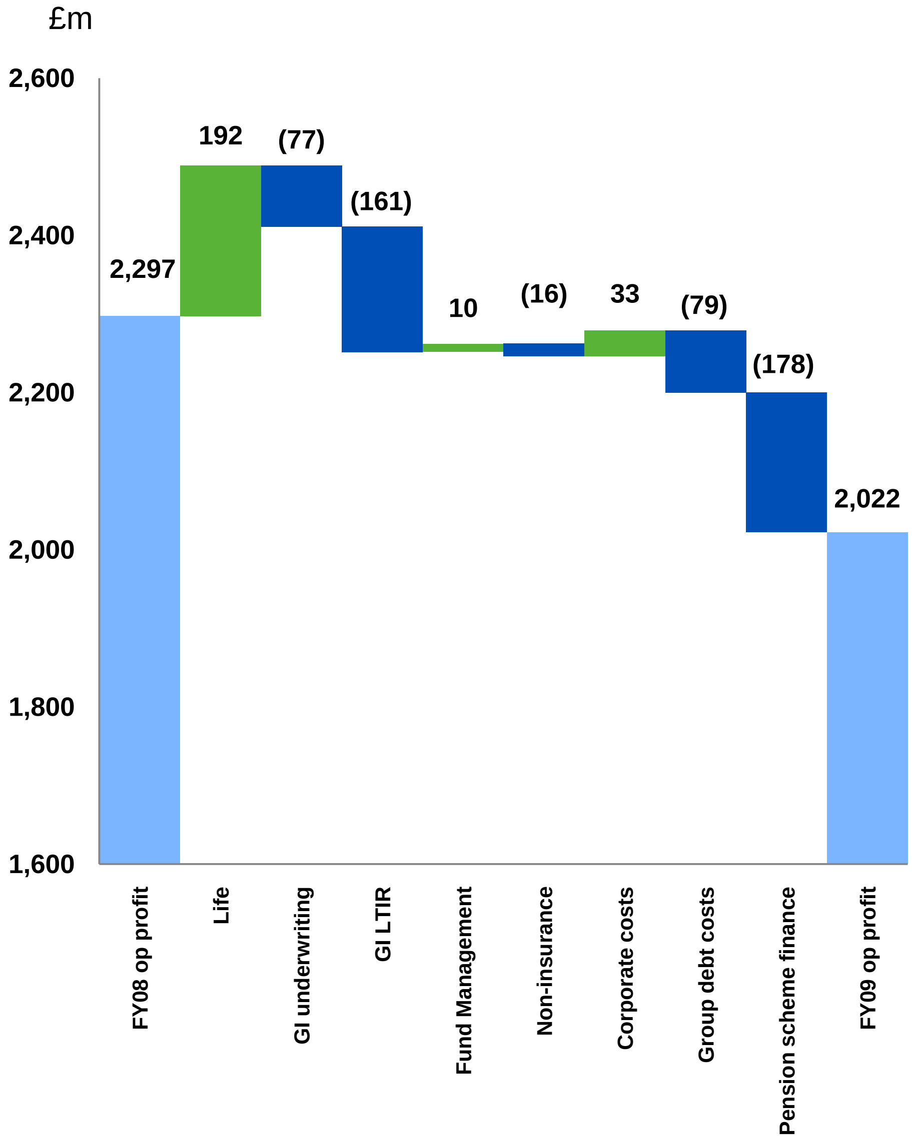
Experience variances and assumption changes just 2% of expected return

In-force profits - significant growth over five years

Region	2009 £m	2008 £m
UK	540	679
Europe ex DL	1,183	934
Europe - DL	634	243
North America	250	146
Asia Pacific	72	36
Total	**2,679**	**2,038**

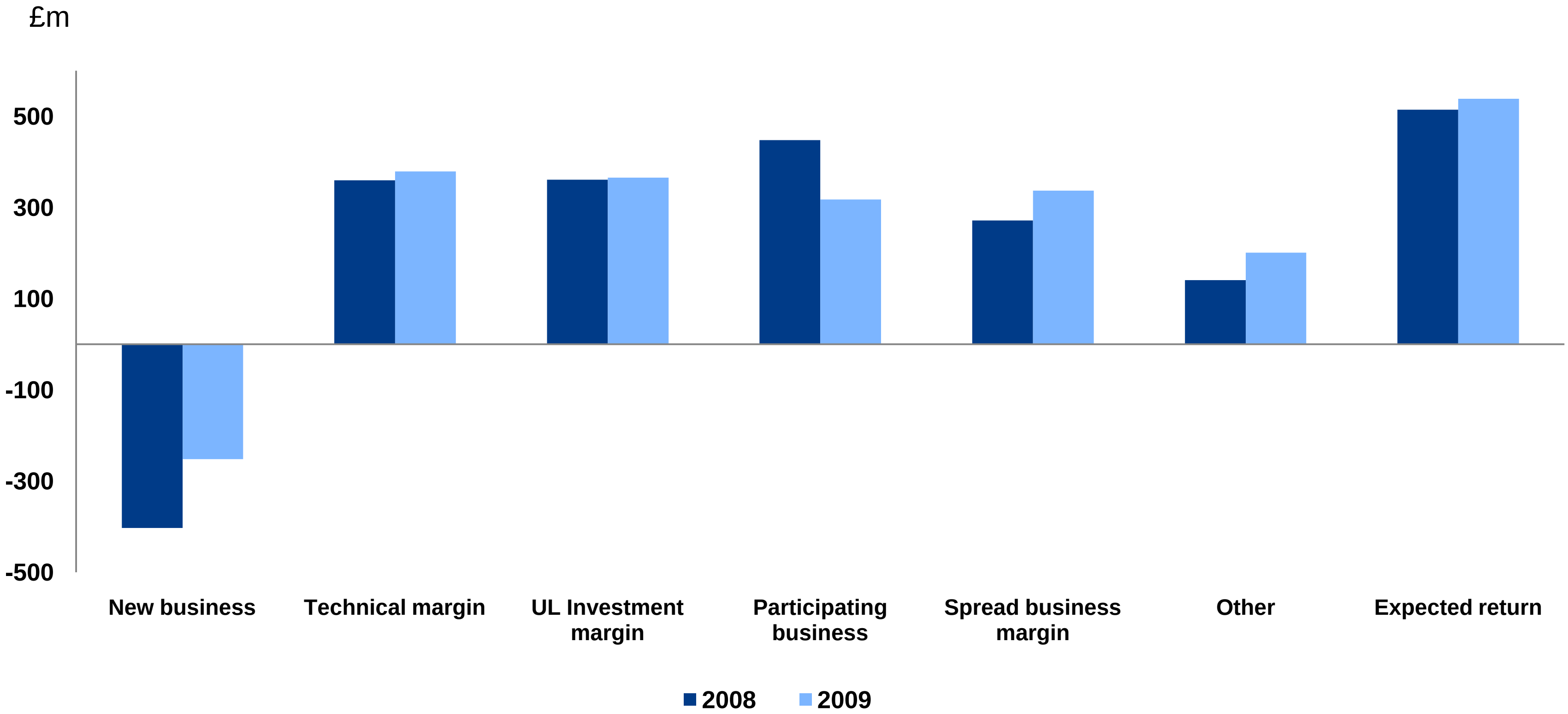


IFRS operating profits



	2009		2008	
	Life	GI	Life	GI
UK	672	535	751	656
Europe ex DL	761	132	685	220
Europe - DL	277	143	196	177
North America	85	144	16	145
Asia Pacific	92	6	46	-
Total Life / GI	**1,887**	**960**	**1,694**	**1,198**
Fund Management		133		123
Other, non insurance		(214)		(198)
Corporate costs		(108)		(141)
Group debt costs		(562)		(483)
Pension scheme finance (charge) / income		(74)		104
Operating profit		**2,022**		**2,297**

Life IFRS operating profit drivers



- Well balanced profile of profit drivers – technical, investment, participating & spread margins
- New business strain down significantly, related to management actions
- Strong recurring technical mortality margin

General Insurance operating profit by region

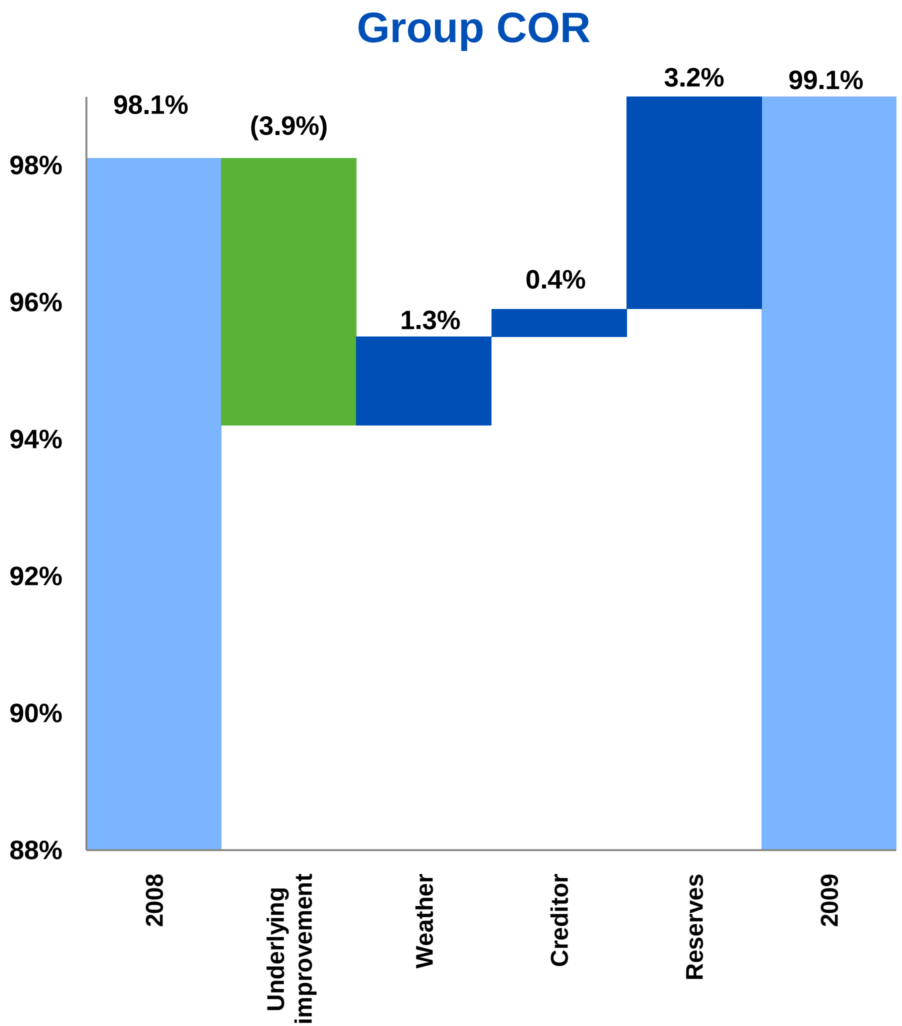
Region	Net written premiums 2009 £m	Net written premiums 2008 £m	GI & health operating profits 2009 £m	GI & health operating profits 2008 £m	GI only COR 2009 %	GI only COR 2008 %
UK	4,298	5,413	535	656	99%	99%
Europe ex DL	1,883	1,812	132	220	103%	99%
Europe – DL*	1,163	1,028	143	146	97%	94%
North America	1,800	1,601	144	145	100%	99%
Asia Pacific	49	33	6	-	-	-
Total*	**9,193**	**9,887**	**960**	**1,167**	**99%**	**98%**

Actions taken in 2009 to improve COR

- Restructuring book away from lower margin business
- Returning to growth – Q4 sales higher than Q3
- UK distribution costs reduced
- Action on ratings

* Excluding Delta Lloyd Health, sold on 1 January 2009

Improved underlying General Insurance combined operating ratio



Expense ratio

- UK: Cost savings target of £350 million achieved
- 27 operational sites reduced to 9
- Europe: Further cost savings to come through Quantum Leap

Claims ratio

- Rate increases across the group
- UK: enhanced risk selection
- Europe: pan-European claims programme
- North America: improvements to motor pricing model

Rebound in IFRS profit after tax

	2009 £m	2008 £m	2009 EPS*
Operating profit	**2,022**	**2,297**	**45.1 p**
Investment variances & assumption changes	77	(2,544)	
Restructuring & integration costs	(286)	(326)	
Profit on disposals	153	7	
Exceptional items	45	(551)	
Goodwill and intangibles amortisation	(206)	(183)	
Profit/(loss) before tax	**1,805**	**(1,300)**	
Tax	(490)	415	
Profit/(loss) after tax	**1,315**	**(885)**	**37.8 p**

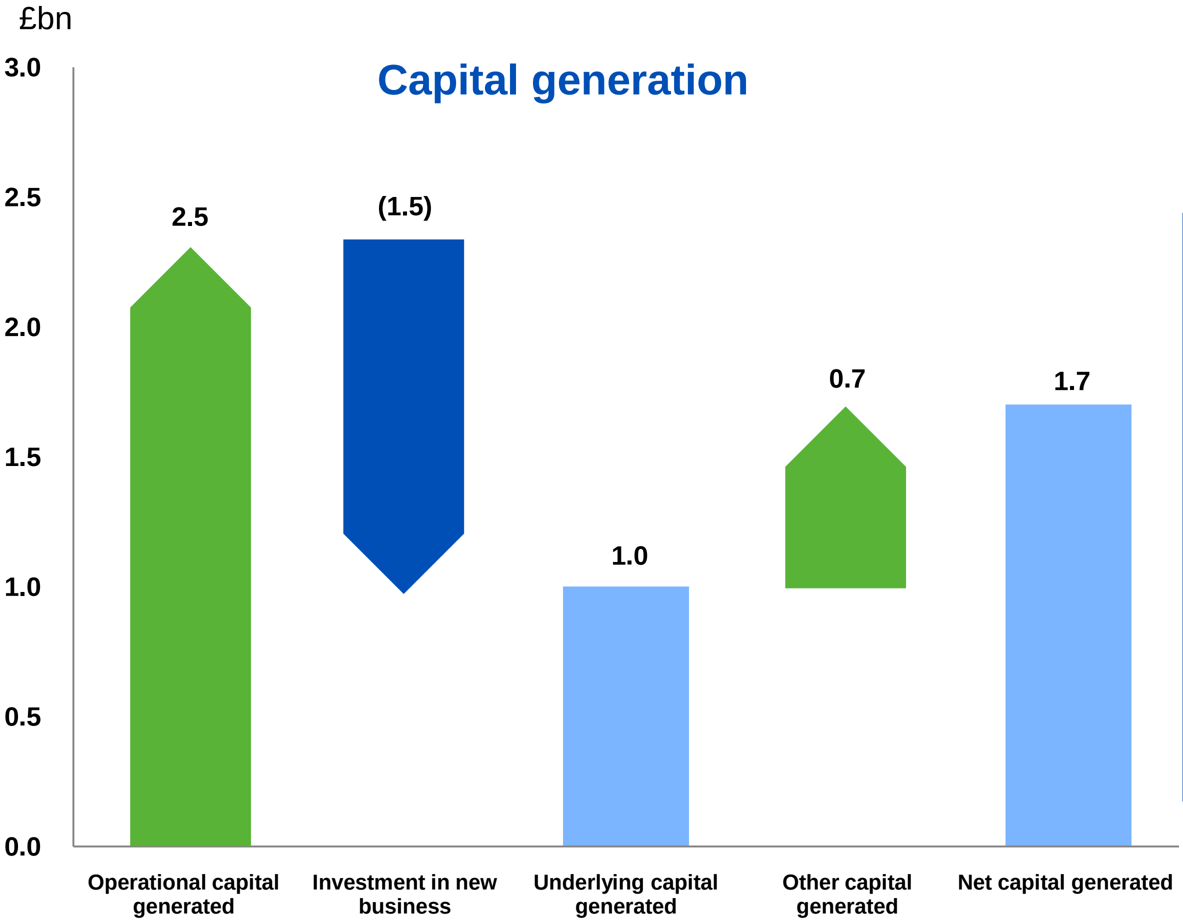
Total dividend per share 24.0p (2008: 33p)

Dividend cover 1.8 times

Total estimated cost of £470 million (net of scrip)

* Earnings per share - stated after tax, minority interest, preference dividend and DCI

£1 billion underlying capital generated with plans for further improvement

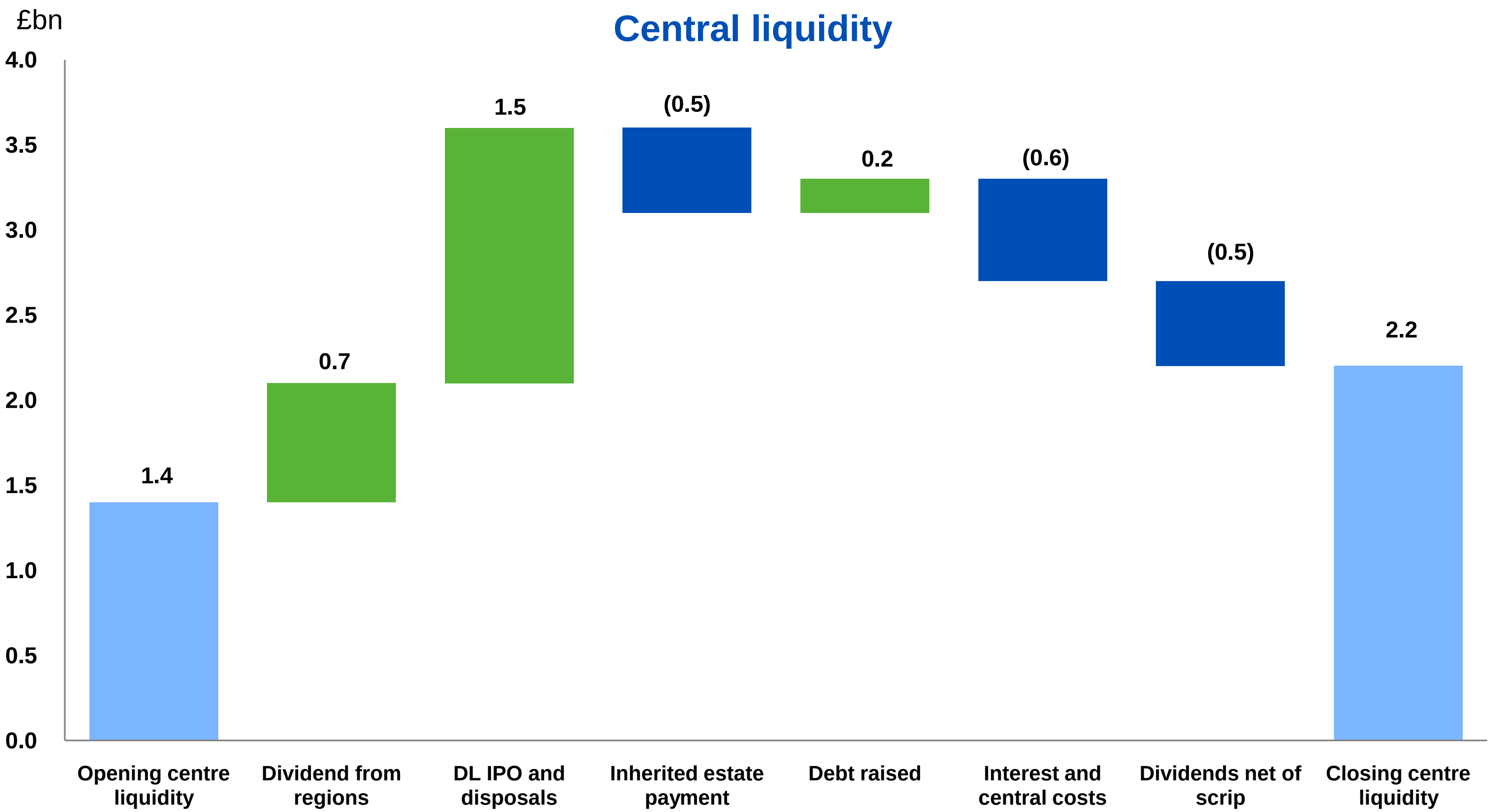


Other capital generated	£bn
• Interest and Dividends	(1.1)
• Disposals, DL IPO and estate reattribution payment	0.5
• Investment variances and economic assumption changes	0.9
• Other	0.4
	0.7

Drivers for further improvement – GI growth, product mix changes & improving in-force

MCEV | IFRS | Total | **Capital** | RoE | Solvency

Materially improved £2.2 billion central liquidity



Financial leverage of 31.8% (2008: 34.0%) Net of £2.2 billion central liquidity would be 19.0%

High quality asset portfolio

Balance sheet assets	31 Dec 2009 £m	31 Dec 2008 £m
Equity securities	5,027	5,754
Mortgages	28,204	27,046
Debt securities	56,450	51,437
Other	44,024	55,737
Shareholder assets	133,705	140,004
Participating fund assets	138,000	134,665
Policyholder assets	82,686	79,893
Total assets	**354,391**	**354,562**

Equities

- Limited equity backing the GI book
- Exposure principally in Delta Lloyd & Italy
- Equity hedges remain in place

Mortgages

- No material losses,
- UK LTV recovery to 94%
- UK Rental/interest cover remains at 1.30x

Participating fund assets

- Mainly in UK, France and Delta Lloyd
- Shareholder exposure limited to 10%

Policyholder assets

- All investment risk rests with policyholder

Debt securities - a high quality, diverse portfolio

Shareholder debt securities £56.4bn

Direct shareholder exposure to debt securities of £56.4bn						
£m	**AAA/ AA / A**	**Insurance rated**	**BBB**	**Less than BBB**	**Unrated**	**Total**
Corporate debt	18,023	1,612	9,164	1,297	138	30,234
Other debt:						
Certificate of deposits	995	-	3	-	8	1,006
Structured	6,929	-	357	289	712	8,287
Government debt	15,183	-	1,004	125	611	16,923
Total	**41,130**	**1,612**	**10,528**	**1,711**	**1,469**	**56,450**

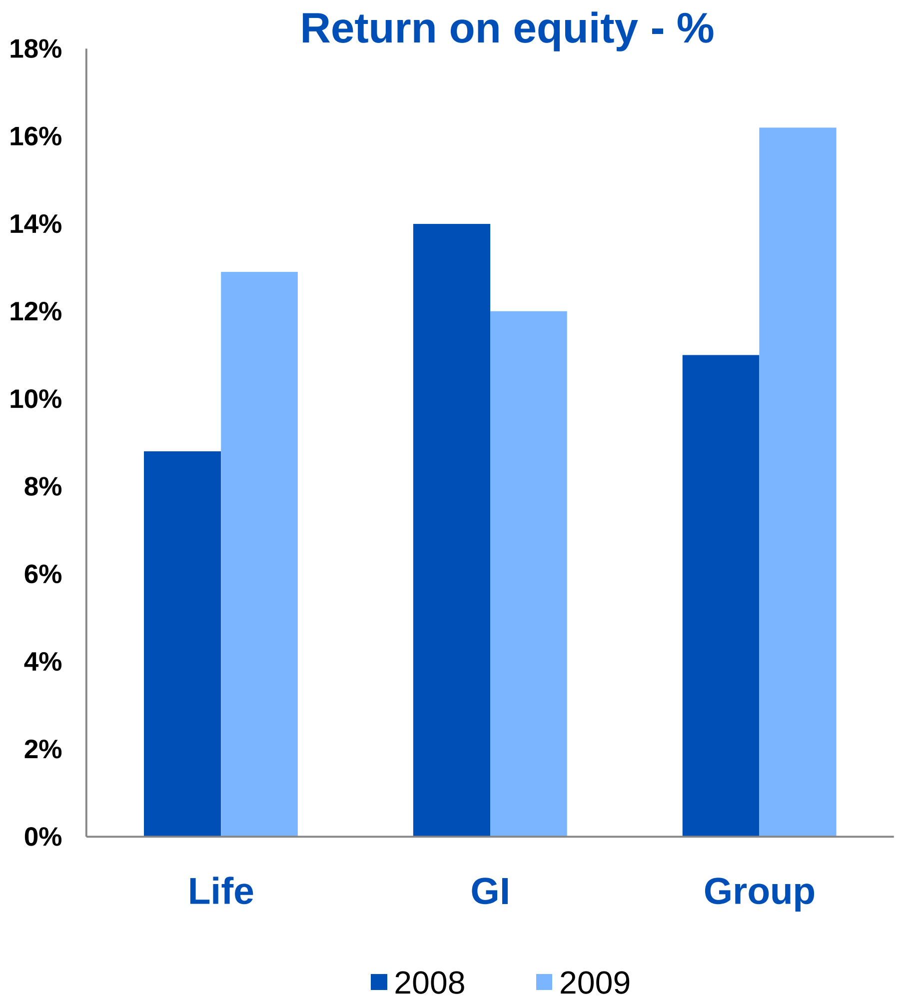
- 94% of debt securities are investment grade or NAIC rated
- Minimal losses on debt securities, minimal movement in rating grades
- Current holding of £500 million Greek sovereign debt.
- Insurance rated assets are predominantly equivalent to A to BBB credit ratings

Second half increase in MCEV net asset value

Pence per share	HY 2009	Movement in 2H09	FY 2009
Opening NAV excluding pension deficit as at 31 December 2008	518p		518p
Retained profit after tax	40p	67p	107p
FX	(52)p	24p	(28)p
Dividend net of scrip	(13)p	(6)p	(19)p
Delta Lloyd IPO	-	(20)p	(20)p
New shares issued	(13)p	(5)p	(18)p
Minority interest [1] and other	-	(7)p	(7)p
Closing NAV excluding pension deficit as at 30 June / 31 December 2009	**480p**	**53p**	**533p**

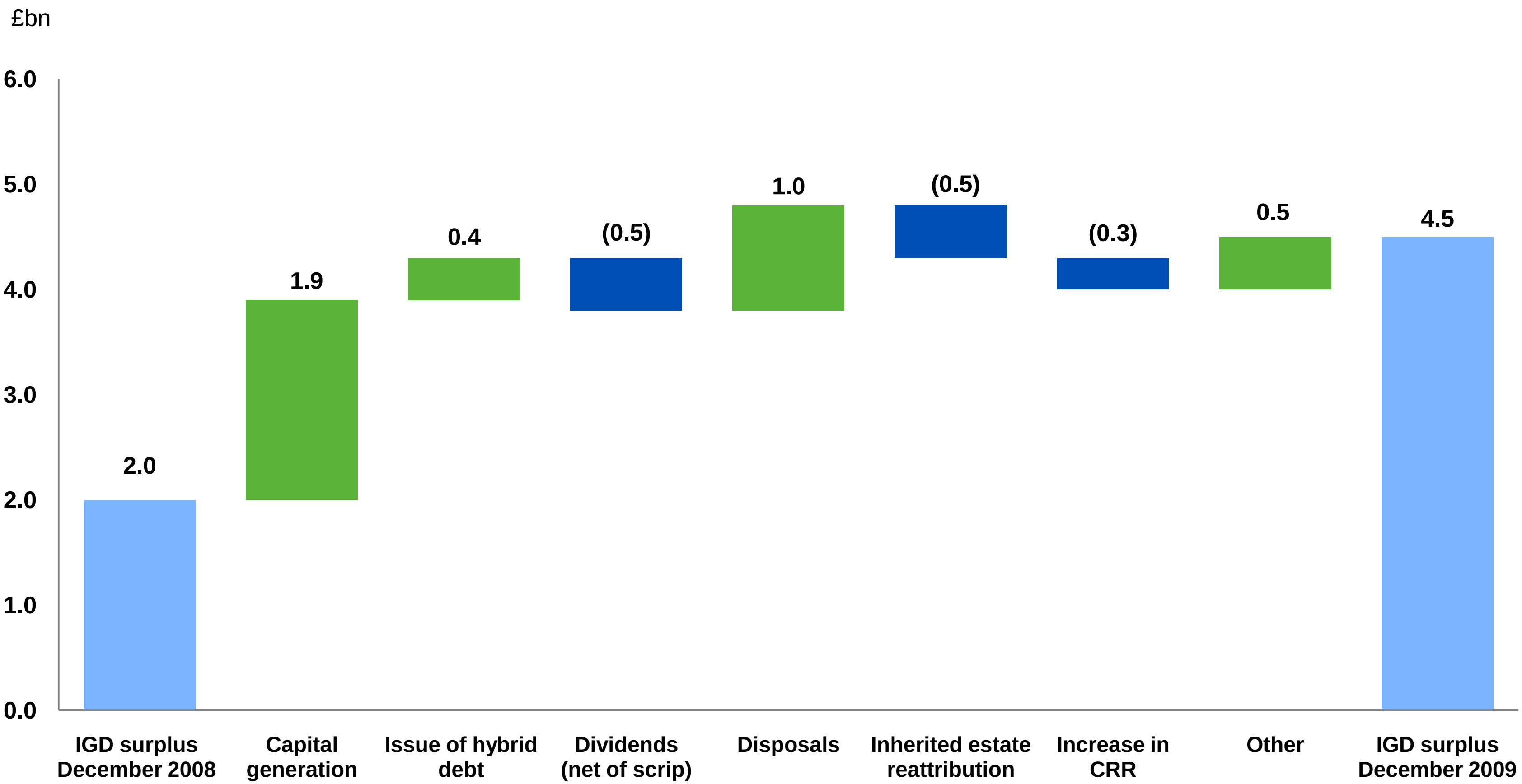
[1] Minority interest on items included in the statement of comprehensive income

Significantly improved return on equity



- Return on equity of 16.2% (2008: 11.0%)
- Higher operating profit and lower effective tax rate drives top line
- Group opening capital £7 billion lower at £13.2 billion
- Group return on equity benefits from low cost of debt and minority interest

Solvency I - IGD surplus significantly strengthened



- Combination of a 40% fall in equity markets and a £500 million US debt write off would still leave an IGD surplus of £3.3 billion

Andrew Moss

2010 and beyond

AVIVA

Strong today, with a clear vision for the future

Strong today

A single global brand
- 53 million customers
- A unique bancassurance franchise
- Top 4 in Europe and a market leader in the UK

A 16% return on equity
- Delivering 13% minimum Life IRR in Europe and the UK
- Writing General Insurance business at an ROE of 12% at a low point in the cycle

Generating £1.9 billion of capital from the global in-force book

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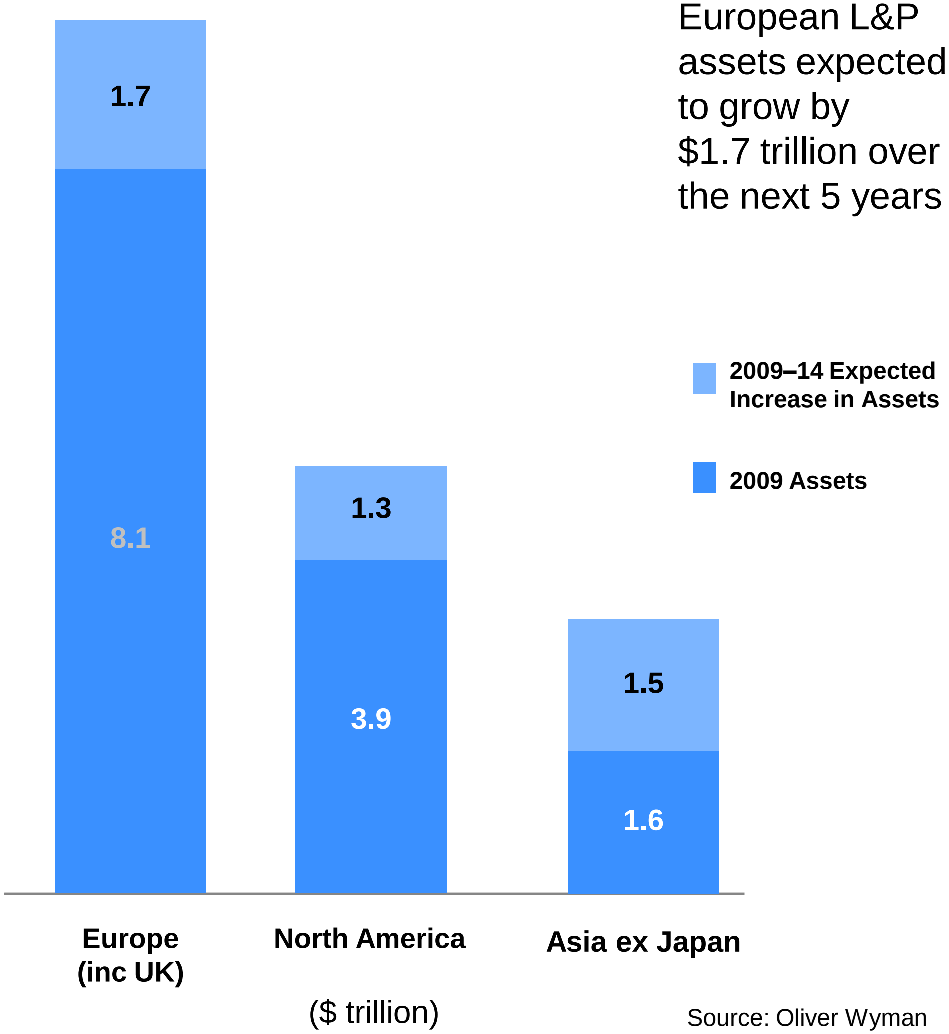
Well positioned for growth



European L&P assets expected to grow by $1.7 trillion over the next 5 years

Source: Oliver Wyman

Strong today, with a clear vision for the future

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Generating £1.9 billion of capital from the global in-force book

A clear vision for the future

Purpose

Prosperity & peace of mind

Vision

One Aviva, twice the value

Strategic priorities
- Manage composite portfolio
- Build global Asset Management
- Allocate capital rigorously
- Multi-channel customer reach
- Boost productivity

Targets
- 98% meet or beat COR
- £500m cost savings by 2010
- Double IFRS EPS by 2012 at the latest
- 1.5 – 2 x dividend cover on IFRS post tax operating earnings

Aviva Investors
- Globally integrated business
- Transform the investment model
- Increase third party business

UK

Market leadership
- Drive up profitability
- Generate capital
- Insurance excellence
- Operational excellence

Europe

Scale, growth, capital
- Seize unique growth opportunities
- 'One Europe' operating model
- Generate capital

N. America

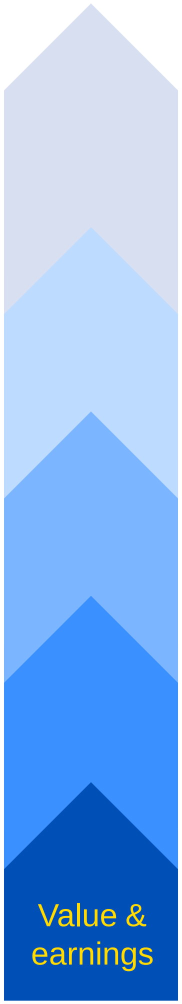
Profitable growth
- Optimise business mix, growth & margin
- Diversify distribution and products
- Generate net capital returns

Asia Pacific

Scale, growth
- Prioritised portfolio
- Regional operating model
- Investment required

Specific plans to drive value, earnings & dividend growth – Plans for 2010

Europe	▶ Increase penetration of bancassurance protection business ▶ Targeting a further shift towards higher margin unit linked products ▶ Centralise asset & liability management and reinsurance in Dublin ▶ Further GI market penetration and lower claims ratio
UK	▶ Grow RAC panel proposition and direct business ▶ Expand risk appetite to build mid-size Corporate GI ▶ Build Wraps and SIPP market share ▶ Grow the protection business
North America	▶ Drive further increase in profits and improve IRRs ▶ Maintain GI market position whilst increasing earnings
Asia Pacific	▶ Expand market share in chosen markets and re-enter GI in selected countries
Aviva Investors	▶ Significantly increase third party mandates and investment outperformance



IFRS EPS growth eg: Quantum Leap at least 13p; eliminate restructuring costs 10p

Conclusion

Strong set of financial results	▶ Significant turnaround in profits ▶ Strong capital position ▶ Delivering value from our in-force book ▶ Group ROE 16.2% and IRR of at least 13% in our main markets
Significant strategic progress	▶ Reshaping of the business ▶ Cost base transformed ▶ Successful rebranding
Well positioned to drive further value and earnings	▶ Market leadership positions in key markets ▶ Leaner organisational structure ▶ Clear focus on execution ▶ A refreshed team fully committed to delivery

Q&A

Appendix

Non-GAAP financial measures

Financial measures

In this presentation, management has included and discussed certain “non-GAAP financial measures”, as such term is defined in Regulation G, pertaining to the Company’s results. These measures are ““PVNBP” (Present Value of New Business Premiums), “Sales,” “IFRS operating profit,” “Equity attributable to ordinary shareholders” and “MCEV earnings.” Management believes that these non-GAAP measures, which may be defined differently by other companies, explain the Company’s results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company’s business. However, these measures differ from the most directly comparable measures determined in accordance with International Financial Reporting Standards (“IFRS”), which are “net written premiums” in the case of PVNBP, “net written premiums” in the case of Sales, “profit/(loss) before tax attributable to shareholders’ profits” in the case of IFRS operating profit and “profit/(loss) before tax” in the case of MCEV earnings. A discussion of the differences between these non-GAAP financial measures and their respective most directly comparable IFRS financial measures is included in the following tables and following notes included in the Company’s preliminary announcement of results for the 12 months ended 31 December 2009 released on 4 March 2010 available on www.aviva.com/investor-relations: “Reconciliation of shareholders’ equity on IFRS and MCEV bases;” “Reconciliation of IFRS total equity to MCEV net worth;” note “B5 - Segmentation of condensed consolidated statement of financial position;” and “pro forma reconciliation of group operating profit to profit after tax – IFRS basis”.

Reconciliations of non-GAAP financial measures

Reconciliation of IFRS operating profit to MCEV operating profit

£ million	2009	2008
IFRS operating profit[1]	**2,022**	**2,297**
New business impact	962	1,175
Existing business earnings[2]	671	(72)
Expected return on shareholders' net worth/funds	(27)	186
Other items in operating profit	(104)	(173)
Fund management and other operations and regional costs	(41)	(46)
MCEV operating profit	**3,483**	**3,367**

Reconciliation of sales to net written premiums under IFRS

£ million	2009	2008
Long-term insurance and savings new business sales	**35,875**	**40,240**
Less: Effect of capitalisation factor on regular premium long-term business	(8,612)	(9,893)
Share of long-term new business sales from JV's and associates	(1,277)	(1,062)
Annualisation impact of regular premium long-term business	(446)	(731)
Deposits taken on non-participating investment contracts	(4,181)	(7,523)
Retail sales of mutual fund type products (investment sales)	(3,872)	(3,995)
Add: IFRS gross written premiums from existing long-term business	7,164	7,236
Less: long-term insurance and savings business premiums ceded to reinsurers	(1,730)	(1,044)
Long-term insurance and savings net written premiums	**22,921**	**23,228**

All gross of tax and minority interests
1 IFRS operating profit is termed "adjusted operating profit" within Aviva's 20-F.
2 including operating experience variances and assumption changes