

# **CGNU plc** **Annual General Meeting**

23 April 2002



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Pehr Gyllenhammar

Chairman



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Richard Harvey

Group Chief Executive

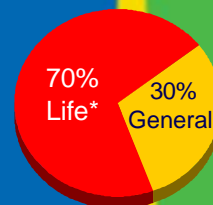


# Overview

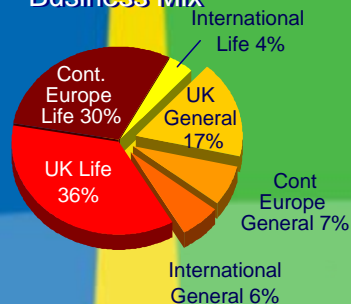
# Overview

- \_ 7th largest worldwide insurer
- \_ Top 5 European life assurer
- \_ UK's largest insurer
- \_ Strongest platform in continental Europe of any UK financial services company
- \_ Over £200 billion in assets under management

2001 premiums / sales\*



Business Mix



\* Ongoing businesses. Life includes retail investment sales and health premiums

# Results 2001

## 2001 results

– Operating profit <sup>1</sup> before tax	£2,004m	+41%
– Life achieved operating profit	£1,674m	+5%
– General insurance operating profit	£945m	+133%
– Post-tax return on capital (continuing operations 10.8%)		9.4%
– Dividend	38.0p	(2000: 38.0p)
– Dividend re-based for 2002	23.0p	

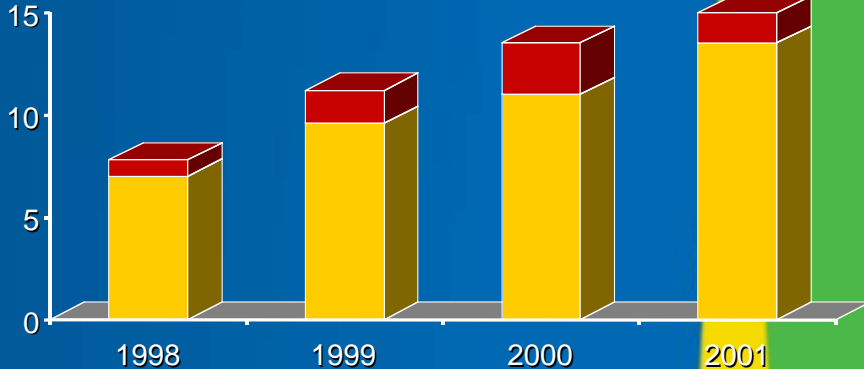
*1 From continuing operations including life achieved operating profit and stated before amortisation of goodwill and exceptional items*



# Life

# Strong growth in long-term new business sales

Total sales  
£ billion



■ Life & pension sales

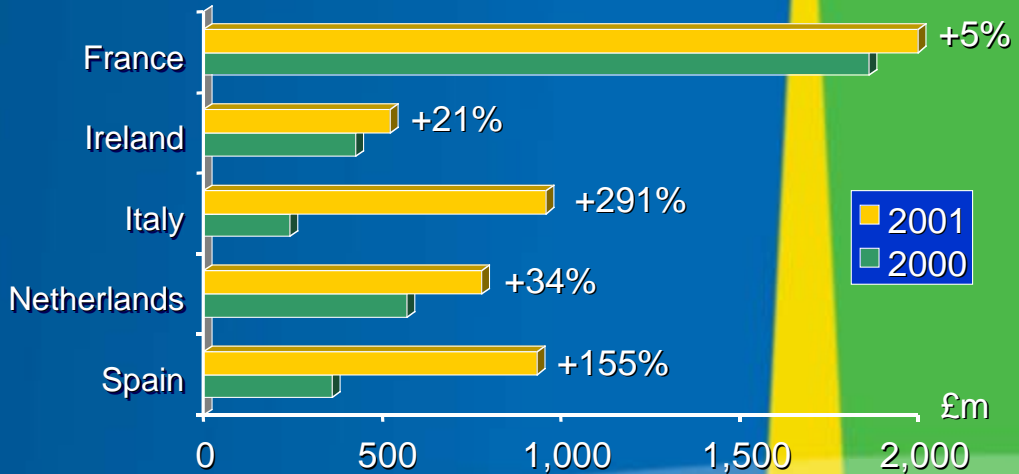
■ Investment sales

Compound growth of 24% per year

- \_ Sales outperformed in main markets
- \_ Major bancassurance initiatives in UK, Spain, Italy and Singapore

# Strong Continental European growth

Total Life & Pensions sales



European long-term savings is our main priority for development

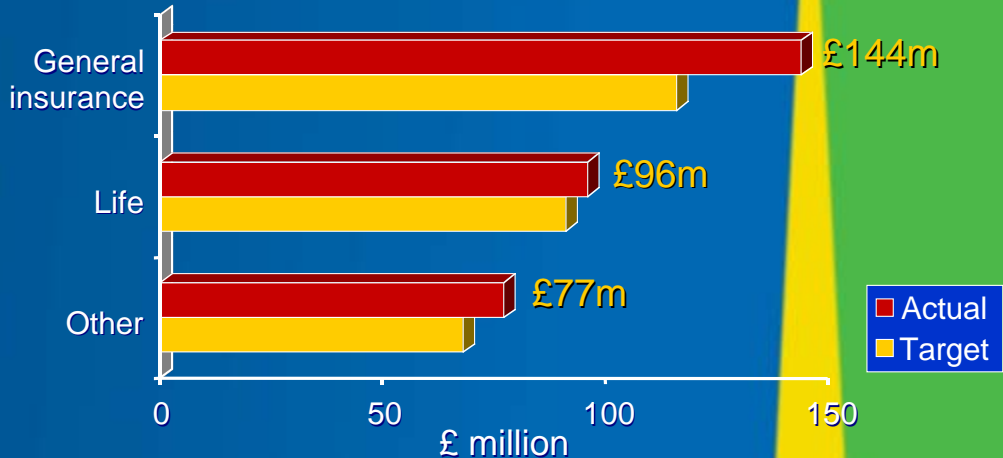
# General insurance

- General insurance business more focused and more profitable
- Operating profit up £533 million to £945 million
- Combined operating ratio of 102% achieved

- Focus on personal (motor, household) and small commercial
- Withdrawn from US and London Market
- Sold sub-scale or poorly performing businesses

# Merger

# Integration savings exceeded



Annualised integration savings of £317 million

Completed on time, to budget, cost savings exceeded



**UK market leader**



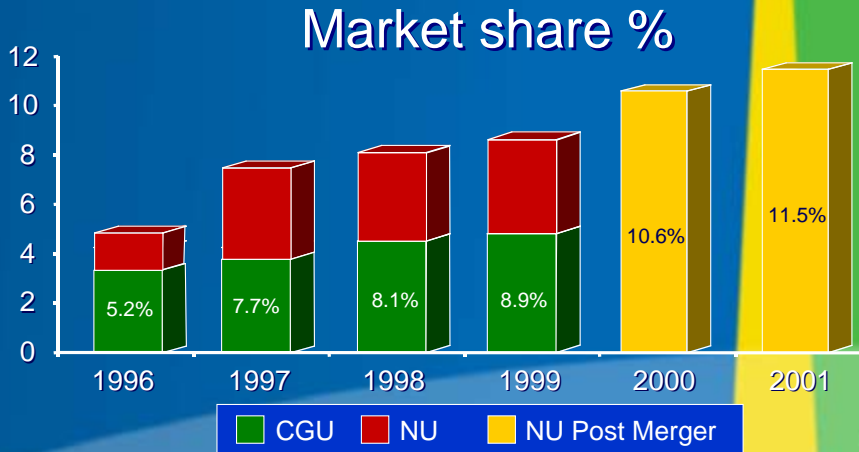
# UK Life

- No.1 in the UK, with 11% market share
- Record new business sales beating expectations
- Life and pensions up 10% to £7.3 billion
- Broad product offering

# UK Life - gaining market share

\_ Target market share of 15% by end 2005

\_ Strong life funds



# UK General Insurance

- No.1 in the UK, with 19% market share
- We insure
  - 1 in 5 UK households
  - 1 in 5 cars
  - 700,000 businesses
- One of the lowest cost operators in the UK

# Pay as you drive

Daily Telegraph  
23 February 2002

Independent  
21 February 2002

## An invitation to join the mile low club

**NORWICH Union is launching a scheme to let drivers pay for motor insurance by the mile, rather than by the year.**

## Black box could lower premiums

MOTORISTS who rarely use their cars could pay lower insurance premiums if a high-tech pay-as-you-drive scheme catches on.

Norwich Union wants to trial a tracking device that will relay data on

when their devices already fitted to some cars.

Using global positioning system (GPS) satellite technology, they send data on car location down mobile phone lines.

But NU will not cut out a part of drivers'

## Car insurance

Norwich Union has an exclusive agreement with US insurer, Progressive, to operate the scheme and says nine out of ten people in its re-

## Insurer plans to record driving habits with black boxes in cars

MOTORISTS ARE to have their mileage tracked on electronic black box data recorders, which will relay information to the insurer.

By ANITA ARBON

Other insurers, policy which will include reducing premiums.

with the opportunity to study in the driving area, when it means to retransmit their information.

Some insurers have already tried to do so for months, but failed because they had not made the system as long as

Eastern Daily Press  
20 February 2002

## NU looks at 'pay as you drive' insurance

Daily Express  
20 February 2002

## 'Fewer miles, cheaper cover' plan launched

Norwich Union has launched its 'pay as you drive' scheme of its personalising insurance payments by using a 'black box' computer by which records exactly how individuals use their car. The black box device,

By PAUL HELL

Motorists could pay for insurance premiums based on when and where they travel with a new policy being developed by Norwich Union.

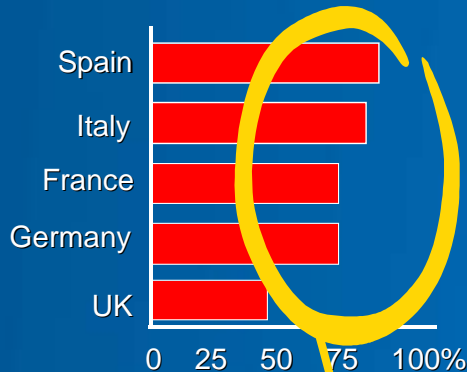
that 'pay as you drive' would be an optional service - and there is no indication that it will be

Guardian  
23 February 2002

# Growing your business

# Move to private retirement savings underpins European growth

State pension for average worker as % of final salary (i)



Worker to pensioner ratios (ii)

2000	2040e
2.7	1.4
2.4	1.1
2.7	1.5
2.5	1.2
2.6	1.5

**Undeliverable state pensions**

Sources : (i) Goldman Sachs  
: (ii) CES ifo: (ages 20-59 / over 60s)

# Why a growing life company needs to invest

- \_ Every new policy we sell costs us – in selling and administration charges – much more than the customer pays us
- \_ Over the life of the policy, we recoup these costs and the policy turns into a profit for the company
- \_ The more policies we sell, the higher our initial costs are
- \_ That is why we need to invest to fund growth

- Sustained growth requires investment
- We need to invest some profit to take advantage of growth trends
- This will maximise the long term value of the Company

# Brand

**47% of business now  
coming from outside UK**

# Currently CGNU promotes over 50 trading names



**delta lloyd**



- No existing name suitable as global brand
- New name needed to:
  - be fitting
  - have impact
  - be international
  - be protectable



## AVIVA tested very positively

- \_ Tested with 15,000 consumers in 15 countries
- \_ Associated with life, growth and vitality
- \_ Opportunity for an international brand

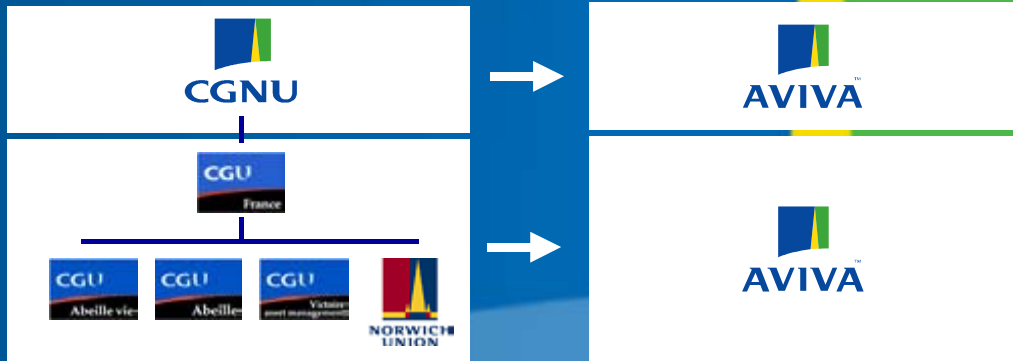
The logo for 'Les Echos' is displayed in a bold, black, serif font. The text is contained within a white rectangular box with a thin black border.

“CGNU is not the most understandable nor easiest to pronounce ..... (AVIVA) reflects the group’s increasingly international position.”



a new international brand

\_ France rebranding example:



## Benefits

- \_ Value for money in marketing spend
- \_ New name for new markets
- \_ Group name supports business units around the world
- \_ Strong sense of belonging for 64,000 employees



# NORWICH UNION

an AVIVA company



CGNU

## In summary

- \_ Strong trading performance
- \_ Successful integration
- \_ Investing for future growth
- \_ New international brand to improve marketing efficiency

# **CGNU plc Annual General Meeting**

**23 April 2002**



# **CGNU plc** **Annual General Meeting**

## **Resolutions**

## Resolution 1

To receive and consider the  
Report and Accounts for the  
year ended 31 December 2001

# Resolution 1

## Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.60%	0.13%	1.27%

---

Total votes cast represents  
42% of issued share capital

## Resolution 2

To declare a final dividend  
on the ordinary shares of  
the Company for the year  
ended 31 December 2001



## Resolution 2

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
97.76%	0.87%	1.37%

---

Total votes cast represents  
42% of issued share capital



# Resolutions 3-7



## Resolution 3

To reappoint Wim Dik as  
a Director

## Resolution 3

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.82%	0.65%	0.53%

---

Total votes cast represents  
42% of issued share capital

## Resolution 4

To reappoint Derek Stevens  
as a Director



## Resolution 4

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.11%	1.35%	0.54%

---

Total votes cast represents  
42% of issued share capital

## Resolution 5

To reappoint Philip Twyman  
as a Director

## Resolution 5

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
91.94%	1.99%	6.07%

---

Total votes cast represents  
42% of issued share capital

## Resolution 6

To reappoint André  
Villeneuve as a Director



## Resolution 6

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.81%	0.66%	0.53%

---

Total votes cast represents  
42% of issued share capital

## Resolution 7

To reappoint Tony Wyand  
as a Director

## Resolution 7

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
92.02%	1.95%	6.03%

---

Total votes cast represents  
42% of issued share capital

## Resolution 8

To reappoint Ernst & Young  
LLP as auditor of  
the Company

## Resolution 8

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
96.04%	0.87%	3.09%

---

Total votes cast represents  
42% of issued share capital

## Resolution 9

To authorise the Directors to determine the auditor's remuneration



## Resolution 9

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
99.24%	0.24%	0.52%

---

Total votes cast represents  
42% of issued share capital

## Resolution 10

To authorise the Directors to  
allot unissued shares



## Resolution 10

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
99.11%	0.37%	0.52%

---

Total votes cast represents  
42% of issued share capital



## Special Resolution 11

To authorise the Directors to  
make non pre-emptive share  
allotments

# Special Resolution 11

## Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.89%	1.05%	0.06%

---

Total votes cast represents  
42% of issued share capital

## Resolution 12

To approve the  
Remuneration Report for the year  
ended 31 December 2001

## Resolution 12

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
89.50%	7.48%	3.02%

---

Total votes cast represents  
42% of issued share capital

## Resolution 13

To approve the increase of  
the aggregate amount of  
directors' remuneration

## Resolution 13

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
96.07%	3.05%	0.88%

---

Total votes cast represents  
42% of issued share capital

## Resolution 14

To authorise the Company to  
make EU political donations up  
to specified limits



## Resolution 14

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
87.57%	5.22%	7.21%

---

Total votes cast represents  
42% of issued share capital

## Special Resolution 15

To authorise the change of  
the Company name to  
AVIVA plc

## Special Resolution 15

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
94.46%	3.74%	1.80%

---

Total votes cast represents  
42% of issued share capital

## Special Resolution 16

To approve the adoption of  
new articles of association of  
the Company



## Special Resolution 16

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.92%	0.55%	0.53%

---

Total votes cast represents  
42% of issued share capital

## Special Resolution 17

To authorise the Company to purchase its ordinary shares up to specified limits



## Special Resolution 17

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.90%	0.23%	0.87%

---

Total votes cast represents  
42% of issued share capital



# Resolutions 18-19



## Special Resolution 18

To authorise the Company to purchase its 8 <sup>3</sup>/<sub>4</sub> % preference shares up to specified limits

## Special Resolution 18

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.90%	0.23%	0.87%

---

Total votes cast represents  
42% of issued share capital

## Special Resolution 19

To authorise the Company to purchase its 8  $\frac{3}{8}$ % preference shares up to specified limits



CGNU

## Special Resolution 19

### Proxy Votes cast

---

For (inc. discretionary)	Against	Abstained
98.90%	0.23%	0.87%

---

Total votes cast represents  
42% of issued share capital

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**Annual General Meeting**

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