

Gary Withers
Chief Executive



**NORWICH
UNION**

an AVIVA company

Agenda

Norwich Union Life Strategy

Gary Withers

Product and Distribution Strategy

Peter Hales

Achieving Operational Excellence

Mike Kirsch

Q&A

Driving for Value

Mike Urmston

Jim Newman

Confident about continued success

Gary Withers

Q&A

1230 Lunch

Our Ambition: Clear market leader in savings and insurance

- Top 3 positions in Life, Pensions and Investments
- Value based management
 - increase new business IRR to 15% in 2007 (12% 1H 2004)
 - gross annualised cost savings of £130m pa by 2007 (based on 2003 cost base)
 - FTE reduction of 20% (2002-2005) as previously announced
- Growth on our terms
 - market growth of around 8% CAGR 2004-2007 expected
 - scope to increase market share to 15-20% in the medium term
- Customers: we aim to be the natural choice in helping secure peoples' financial futures

The world has changed... Old World

- The industry was focused on APE, NBAV growth and access to customers
- Capital was freely available: leveraged our with-profits advantage
- NBAV was the key product and sales metric
- High investment returns meant good value for customers and limited focus on costs
- Customers were broadly happy and service demands were low

... New World

- No 'easy wins' for customer or shareholder: value management is now key
- Focus on maximising new business IRR and returns on existing book: cost management is critical for both
- Capital model has changed and moving to more of a banking model
- Service demands are high and will remain so: operational model has to be improved
- Customers are too often unhappy and rebuilding trust is important

Well positioned for the New World

- Multi-product, multi-channel, brand strength
- Scale to drive cost economies and innovate
- Financial strength and market position to take the tough decisions
- Experienced management team

Making Progress towards our goal

Market Position

- Market leader for new business with 12.1% market share
- Most trusted and advocated life insurance brand

Scale & Innovation

- Achieved cost savings of £140m in 2003
- Established operating centre in Pune
- Innovating in market (POS underwriting, LifetimePortfolio)

Financial Flexibility

- With profit realistic position of £4.2bn
- Securitisation of equity release mortgages (£1.5bn) and protection new business (£200m)

But much remains to be done

Market Position

- Strengthen investment and group pensions position
- Develop Lifetime Portfolio wrap
- Build market share to 15-20%

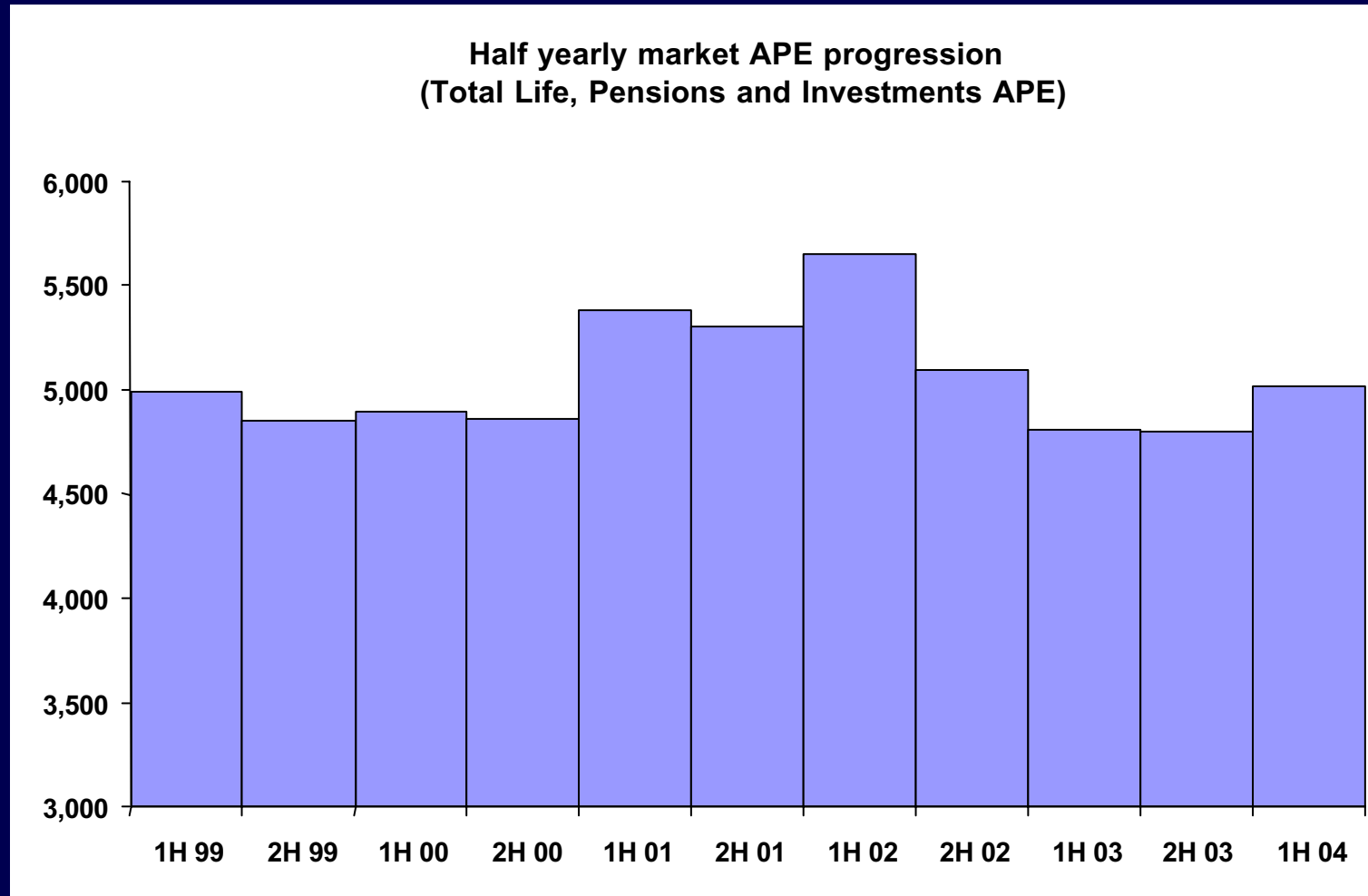
Scale & Innovation

- Further £130m annualised savings by 2007 through cost efficiency
- Business services improvement through co-operation with business partners

Financial Strength

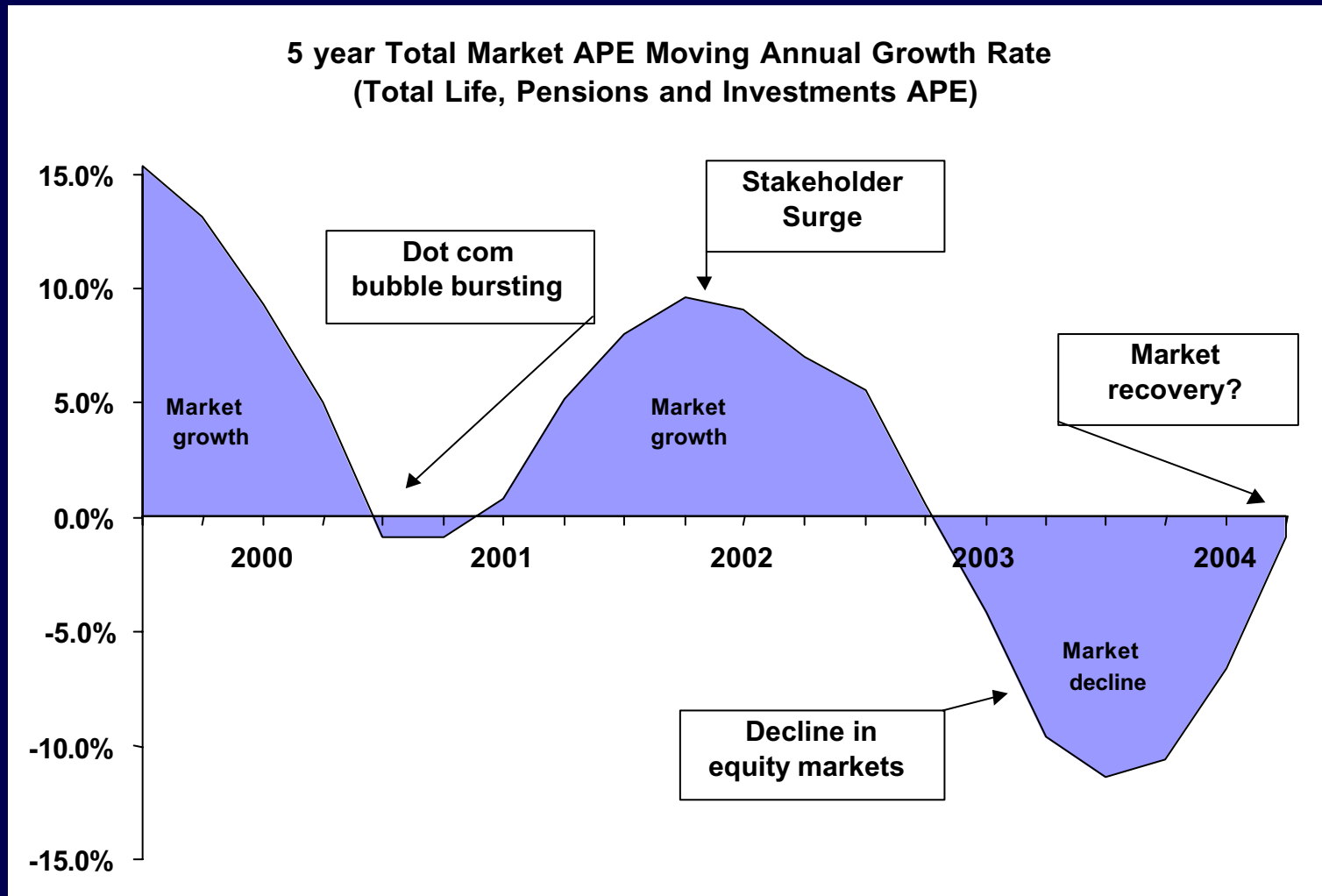
- Develop and broaden securitisation to create a flexible financing model
- Sophisticated risk management

The Market has still not taken off



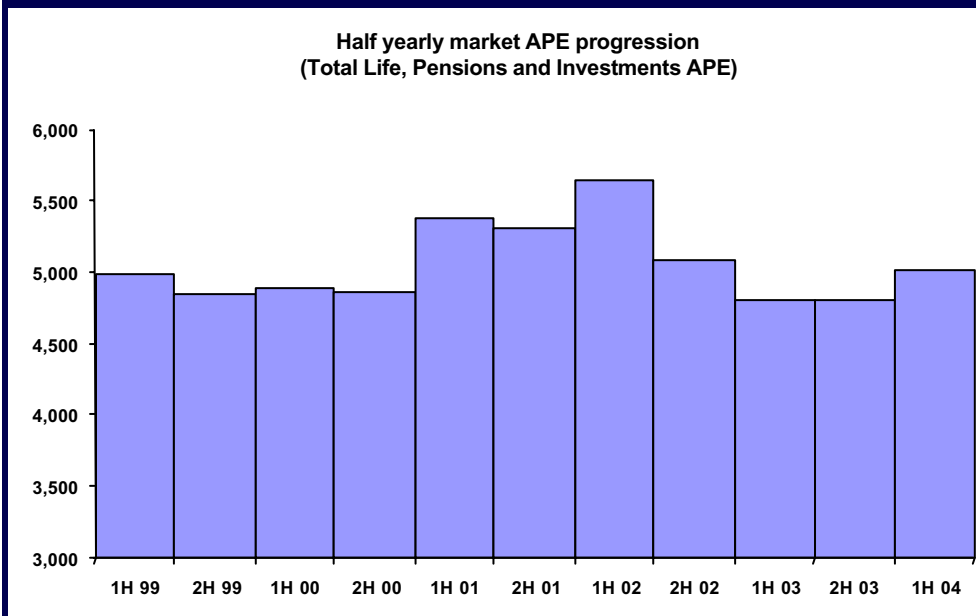
Source: ABI data

The Market has still not taken off

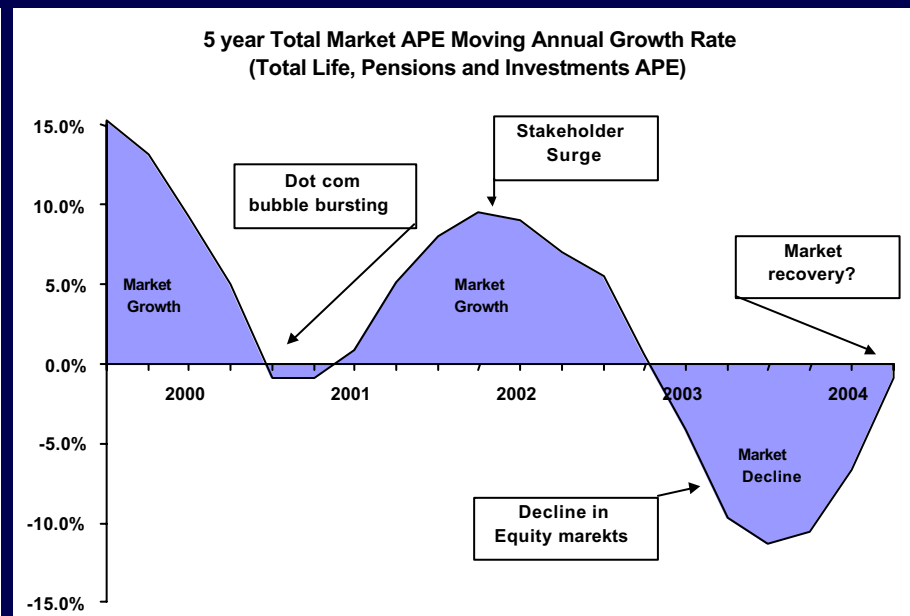


Source: ABI data

The Market has still not taken off



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Source: ABI data

- Slow return to market growth: on a 12 months basis we're only just there
- Consumer is still not convinced about the need to save

When the market turns...we will be ready

- Strong competitive position: product and distribution
- Efficient and scalable operating platform
- Financial strength and metrics

...and we will achieve growth on our terms