

Ready, steady, grow



Richard Harvey
Group Chief Executive

11 May 2005

Disclaimer

This presentation may contain certain “forward-looking statements” with respect to certain of Aviva’s plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Aviva’s control including among other things, UK 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, the impact of competition, 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 and other regulations in the jurisdictions in which Aviva and its affiliates operate. As a result, Aviva’s actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Aviva’s forward-looking statements.

Aviva undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements we may make.

Agenda

- The market – changing times
- Life – customer insight
- Property and casualty – adding value
- Summary

A strong set of results in 2004

- Operating profit* £2,344m + 25%
- Life & pensions sales** £20.7 bn + 12%
- New business contribution £706m +11%
- General insurance COR 96.7% (2003 100%)
- GI operating profit £1,326m + 47%
- Full year dividend 25.36p +5% Strongly covered
- ROCE 14.4% 2003 : 13.1%

* EEV basis, ** PVNBP basis

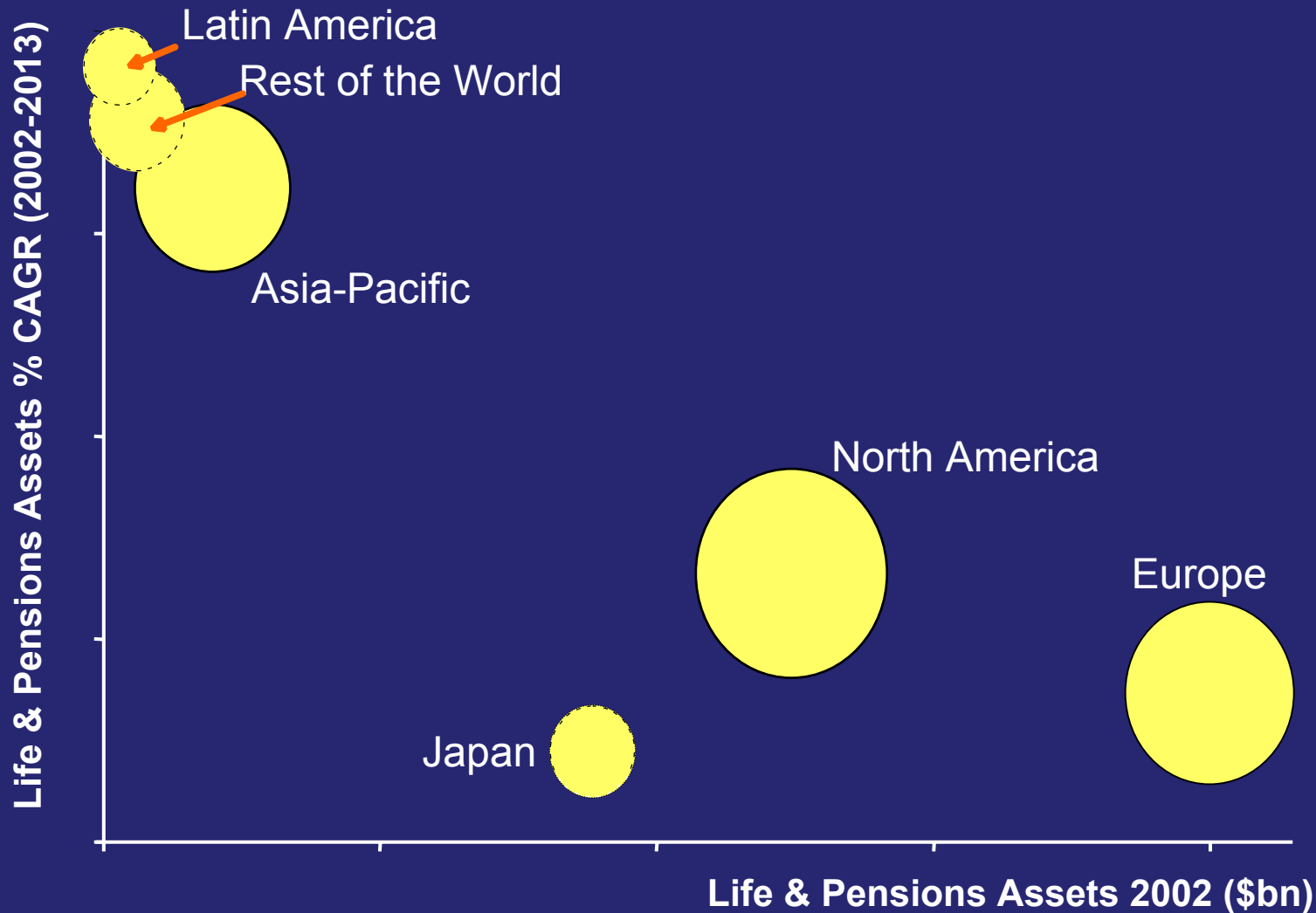
Market overview

- Confidence among savers gradually returning
- In-depth knowledge of customer needs is essential
- Increased competition for investors' money
- Power of brands: trust and reputation are key
- Change in personal lines to non-traditional distributors
- Need to go beyond the insurance offer
- Diversified approach differentiates us

Long-term savings



Where to compete?



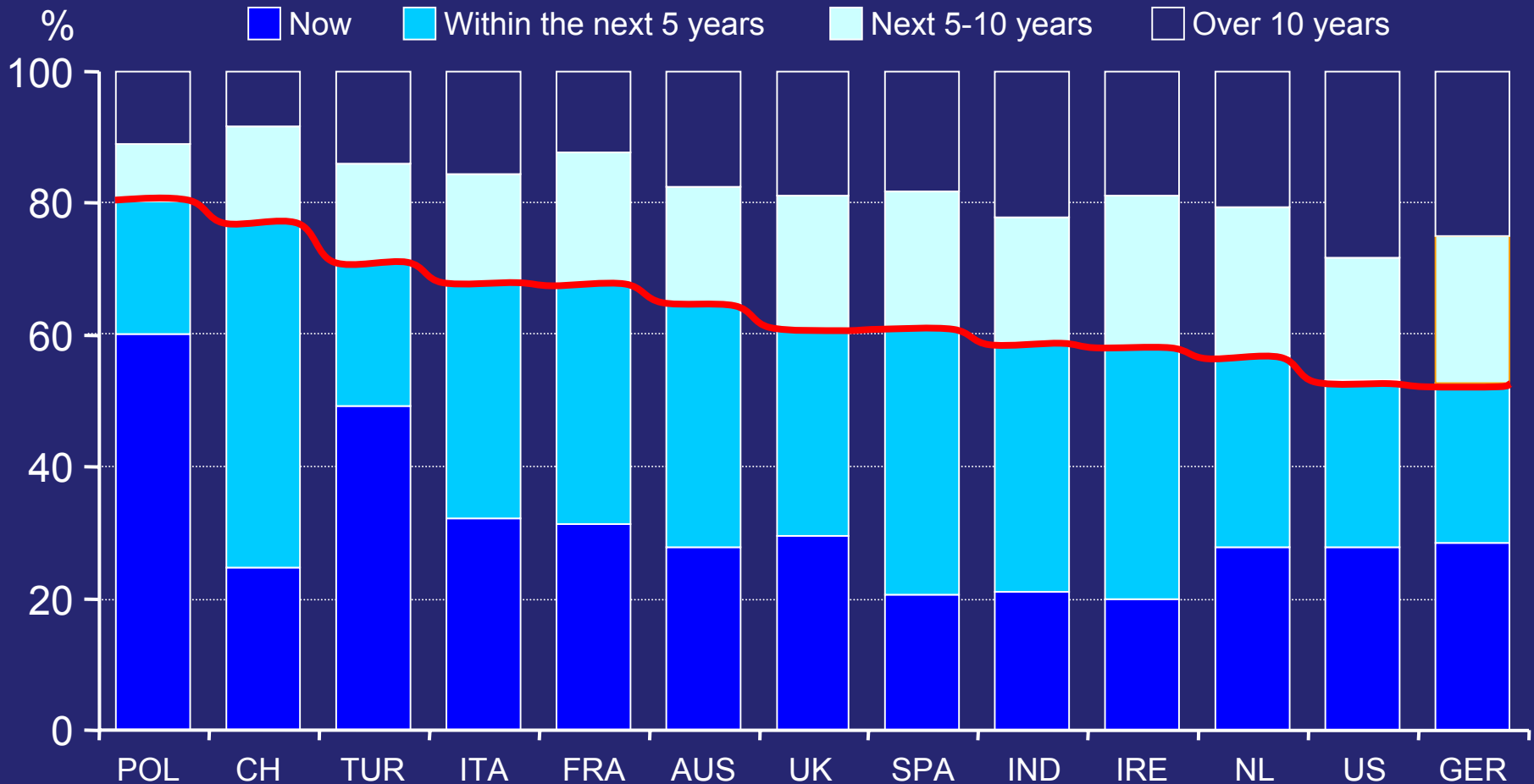
Area of bubble = Increase in Total L&P to 2013

Source : Long term savings project:

Detailed internal analysis projecting future Personal Financial Assets (PFA) to 2013 (and 2020) for 6 key asset classes for 26 countries (covering 80% of world GDP)

Customer Franchise

Which one of the following timescales is most important to you when thinking about savings and investments?



The short term remains the primary savings horizon

Changes in the UK life market

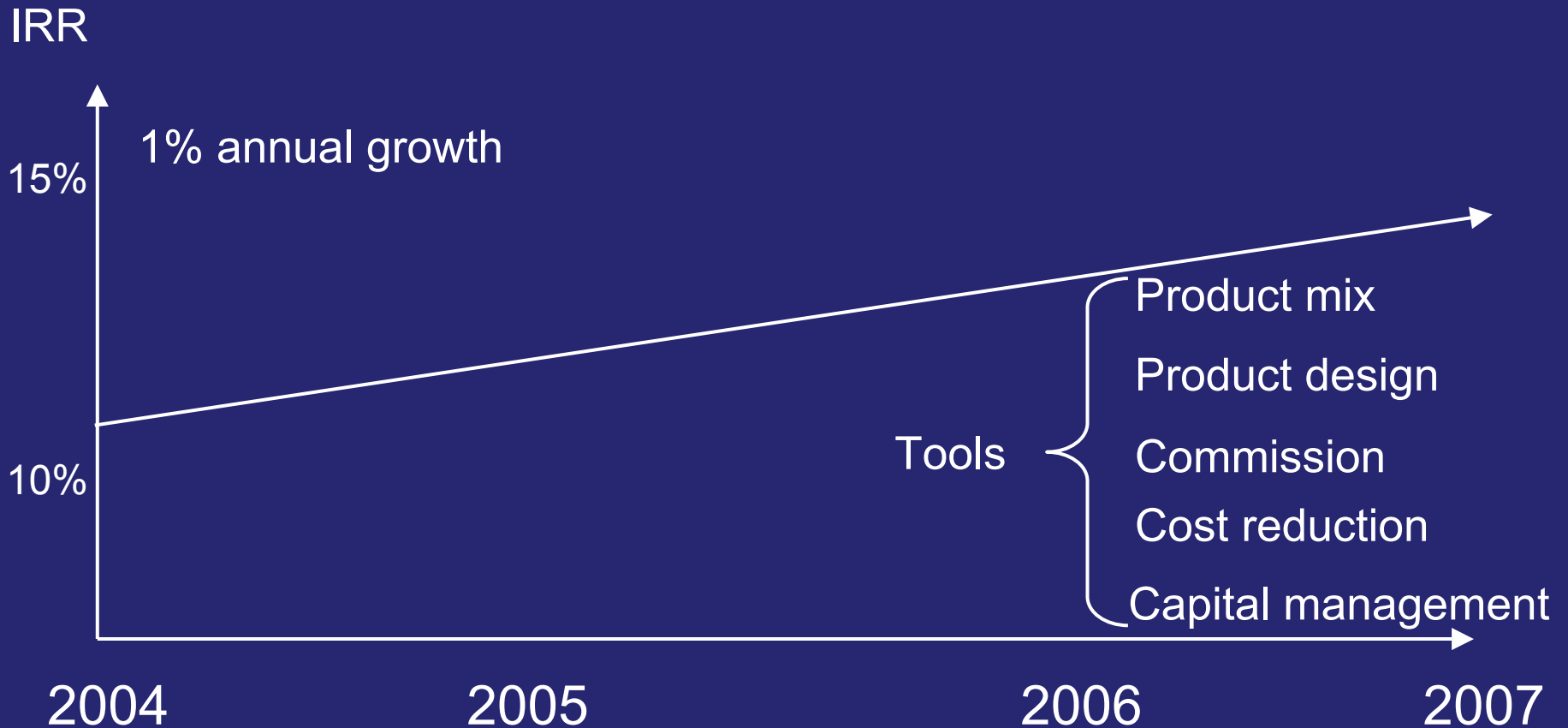
- Pension reform – Turner report
- Low interest rate environment/
stable equity markets
- Slowing housing market
- Changes in stakeholder pricing
- Reducing level of regulatory change
- Changes in distribution



Strong medium term growth prospects

UK focus: Growing the return on capital

Indicative Return from New Business

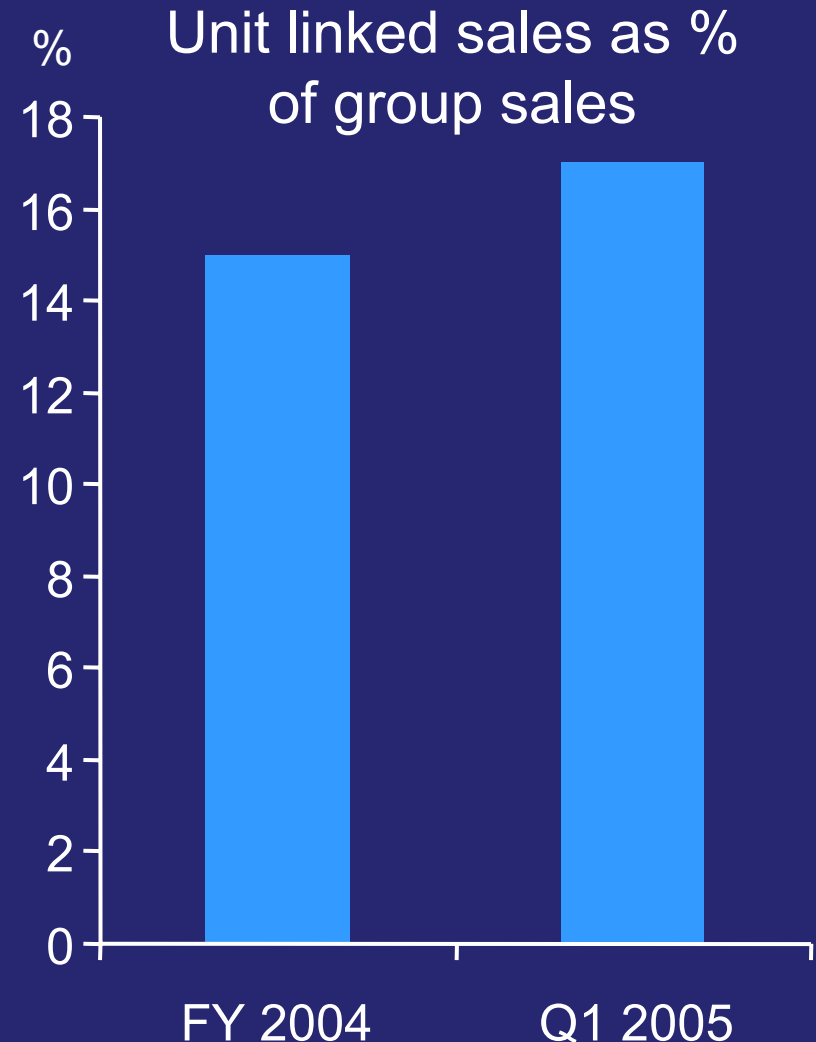


Trends occurring in Europe

- Ongoing pension reform in France and Italy
- Strong housing market in many markets
- Low interest rate environment
- Return to equity-backed products

Continental Europe – operational priorities

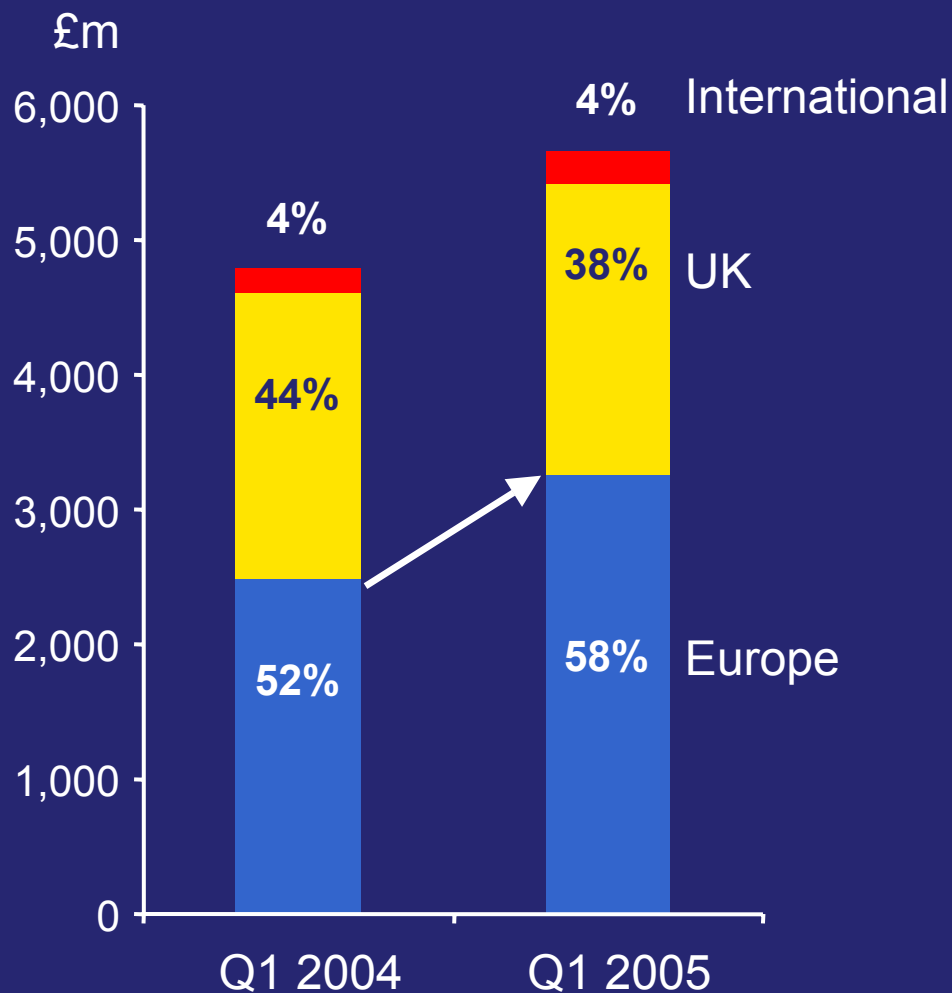
- Embedding bancassurance relationships to complement our distribution:
 - ABN AMRO in the Netherlands
 - Crédit du Nord in France
- Focus on driving efficiencies in these businesses by using common platforms
- Focus on unit linked business



Asia –priorities for growth

- In China to achieve 10% of market share in each city where licensed by 2010
- To cement and further develop our distribution capabilities in India
- To maintain and build on our strong positions in Singapore and Hong Kong
- To examine the possibilities to enter other markets

Worldwide Q1 new business strong



- Total worldwide life and pension sales up 17% to £5,659m
- Worldwide life and pension new business contribution up 18% at £197m – margins up to 3.5%
- Sales in continental Europe up 31% to 3,270m – 58% of total life and pension new business sales
- Worldwide bancassurance sales up 35% to £1,544m

Customer confidence is returning gradually

Property and casualty




Excellent P&C results: ahead of target

% of total P&C premiums		Combined operating ratios	
		2004	2003
62	UK	97%	99%
6	France	101%	102%
6	Ireland	87%	97%
8	Netherlands	95%	101%
14	Canada	97%	108%
	Group	<u>97%</u>	<u>100%</u>

Confident of meeting COR target of 100% in 2005 and 2006

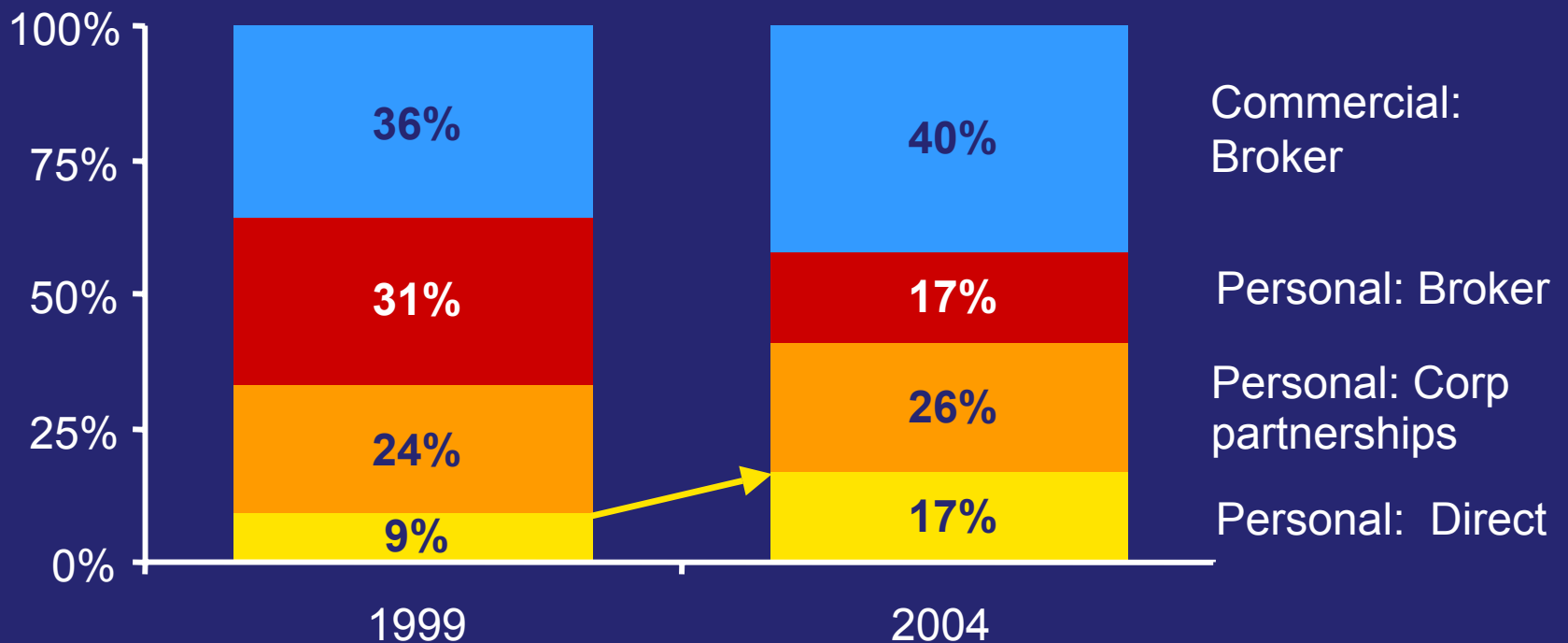
Property & casualty priorities

- Disciplined underwriting as the underwriting cycle slowly turns
- Meet or beat 100% COR target in 2005 & 2006
- Substantial savings from supply chain (claims) & off-shoring
- Technical innovation
- Growing direct  sell related services
- Adding value to the insurance offer

UK P&C: multi-channel

- Growing direct personal lines business
- Over 40% of book is “direct”
- Converting 500,000 policies from HHH to NU Direct in 2004/5

Net written premium % by channel



Aviva: a thriving business

- Strong growth in profits
- Brighter outlook for long-term savings
- Strong and sustainable outlook for property & casualty
- Underpinned by a value-creating brand portfolio
- Healthy dividend growth and cover

Aviva is financially fit and strongly positioned for profitable growth



AVIVA

Questions and Discussion