

# Growing in a Risky Environment



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**Düsseldorf**  
**4 May 2006**

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# Agenda

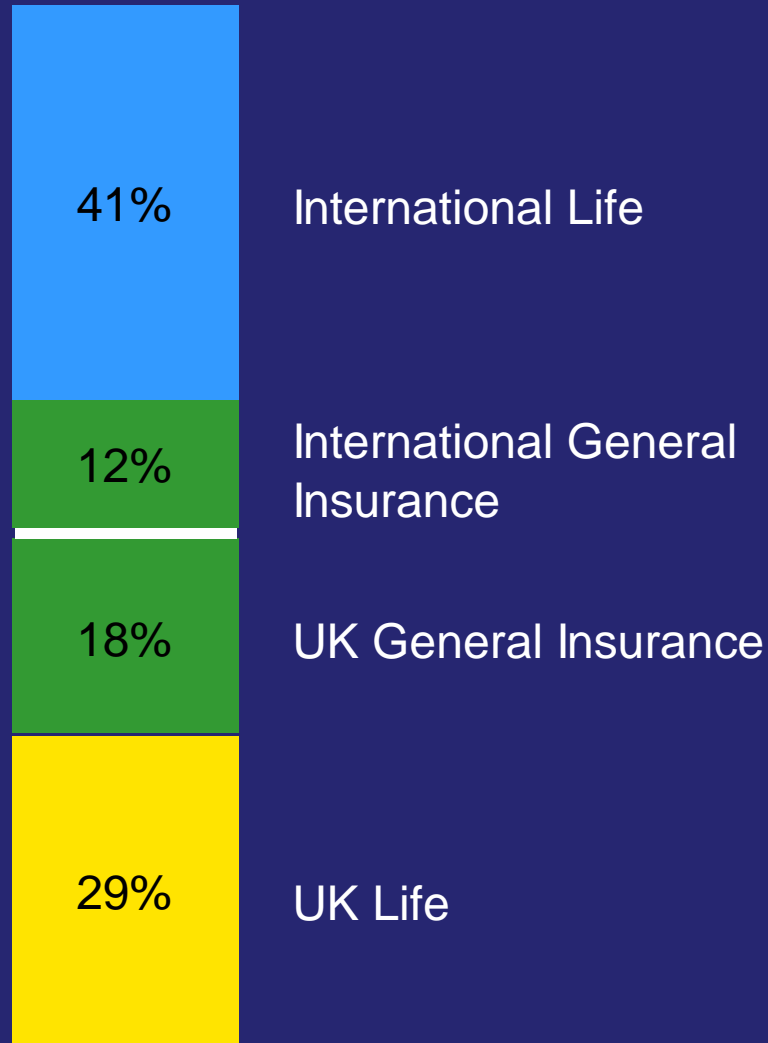
- Aviva strategy
- Growth in Europe, Asia, US and the UK
- Acquisition and capital disciplines



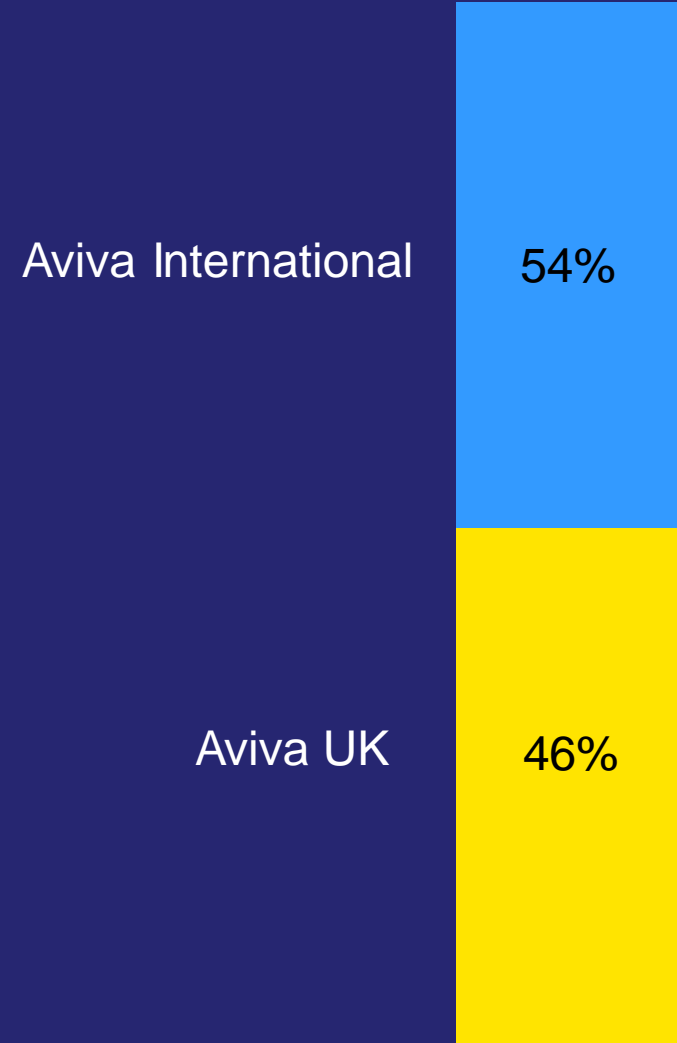
# Aviva strategy

# The Aviva portfolio

Sales £35bn <sup>(1)</sup>



EEV Operating Profits  
£3.5bn <sup>(2)</sup>



(1). FY05 Total long-term savings new business sales and GI and health new business premiums  
(2). FY05 EEV Operating Profits Excluding Corporate Costs and Unallocated Interest Charges

# Aviva – our strategy

To be a clear leader in helping our customers grow their wealth and protect their assets and their health...

## Long term savings and fund management

- by offering a superior range of
  - long-term savings
  - Investment, and
  - protection products
- in markets that offer significant opportunities for growth

## General insurance and related services

- by providing a broad range of competitive
  - motor
  - property, and
  - health insurance services
- to individuals and small to medium-sized enterprises in chosen markets

# Aviva – our strategy

## Aviva focuses on ...

- understanding customers
- building profitable market leading positions
- developing efficient and effective distribution channels
- using brands to widen leadership positions
- delivering growth
- using scale to deliver benefits
- attracting, motivating and retaining talented people

# Aviva / Prudential merger proposal

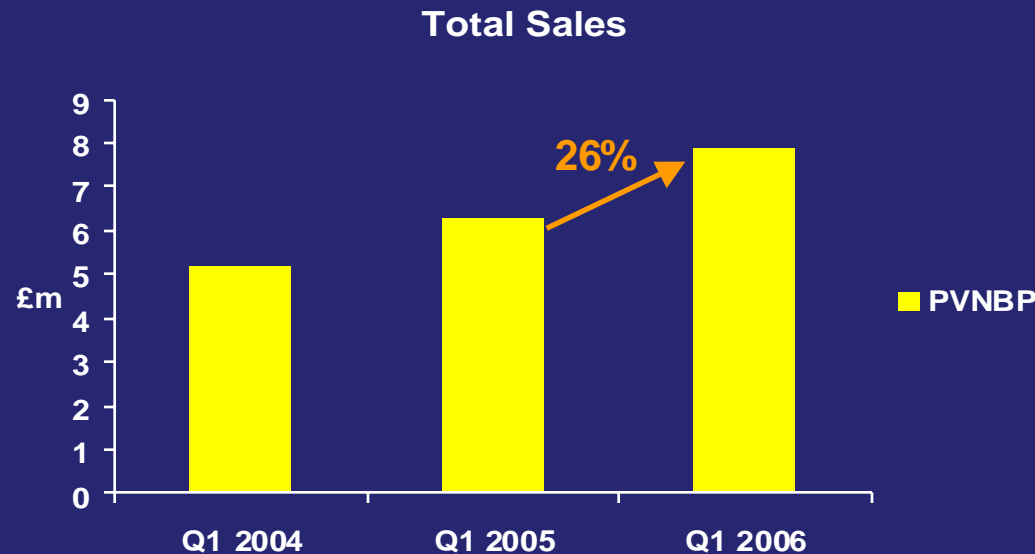
- Would have accelerated Aviva's existing strategy
- Strategic and financial logic broadly accepted
  - Broad portfolio across the UK, Europe, USA and Asia
  - Increased dividend for Prudential
  - Cost savings
  - Opportunity for increasing hybrid debt
- Merger proposal was rejected by Prudential management
- Back to business as usual





# Growth in Europe, Asia, USA and the UK

# Growth across the portfolio – Q1 2006 life new business results

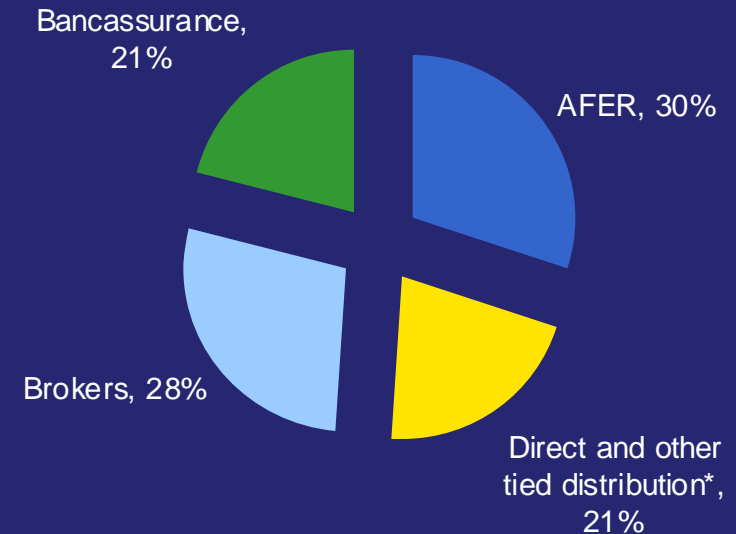


- Excellent worldwide total sales growth of 26% to £7.9 billion
- UK sales growth of 34% to £3.2 billion
- International total sales growth of 21% to £4.7 billion
- Life and pensions sales up 20% to £6.8 billion
- New business contribution growth of 20% to £235 million
- Investment sales growth of 72% to £1.1 billion

# Europe - France

- Total sales growth of 12% to £1,134m
- New business contribution up 28% to £45m
- Current focus on
  - Growing through both intermediary and bancassurance channels
  - Growing more profitable unit-linked product sales
  - Building comprehensive product offering based on best advice at point of sale
  - Maintaining strong emphasis on cost efficiency

Distribution of 2005 Sales



\*including agents and DSF

# Europe - Italy

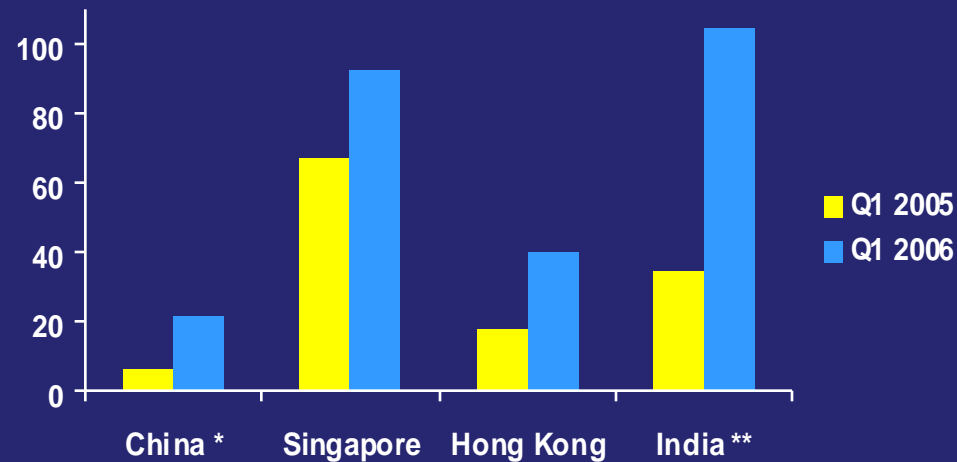
- Total sales growth of 43% to £845m
- New business contribution up 36% to £21m
- Strategy
  - Expand bancassurance relationships
  - Continue product innovation to support sales growth
  - Continue to develop agent business



# Asia and USA

- Asia
  - Total sales growth of 65% to £175m
  - Chinese operation growing with presence in 12 cities

UK Life and Pensions Total Sales

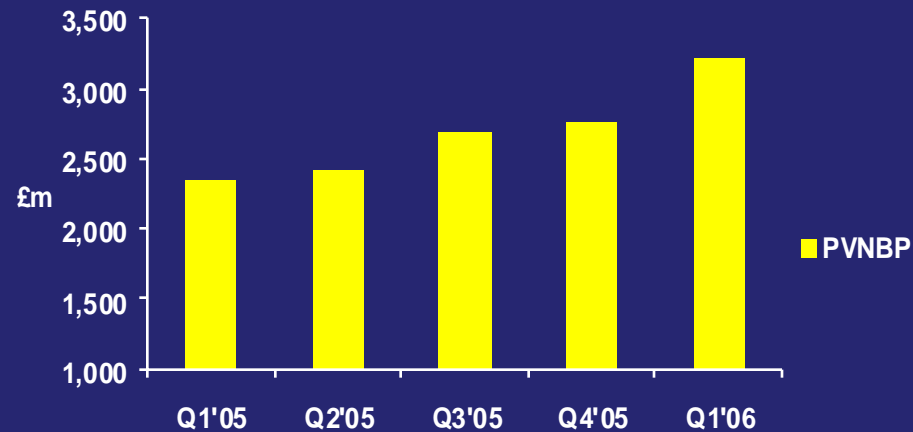


- USA – Total sales growth of 56% to £152m

\*Of which Aviva's share is 50%

\*\* Of which Aviva's share is 26%

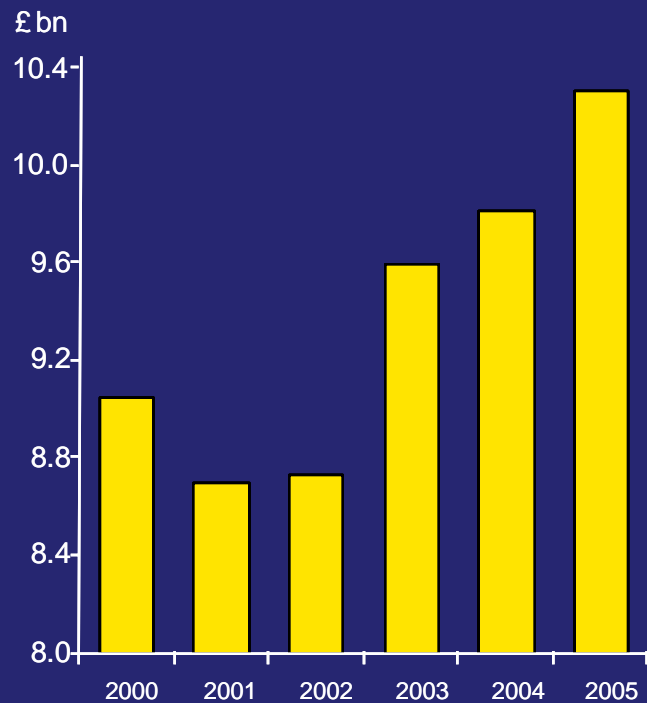
UK Life and Pensions Total Sales



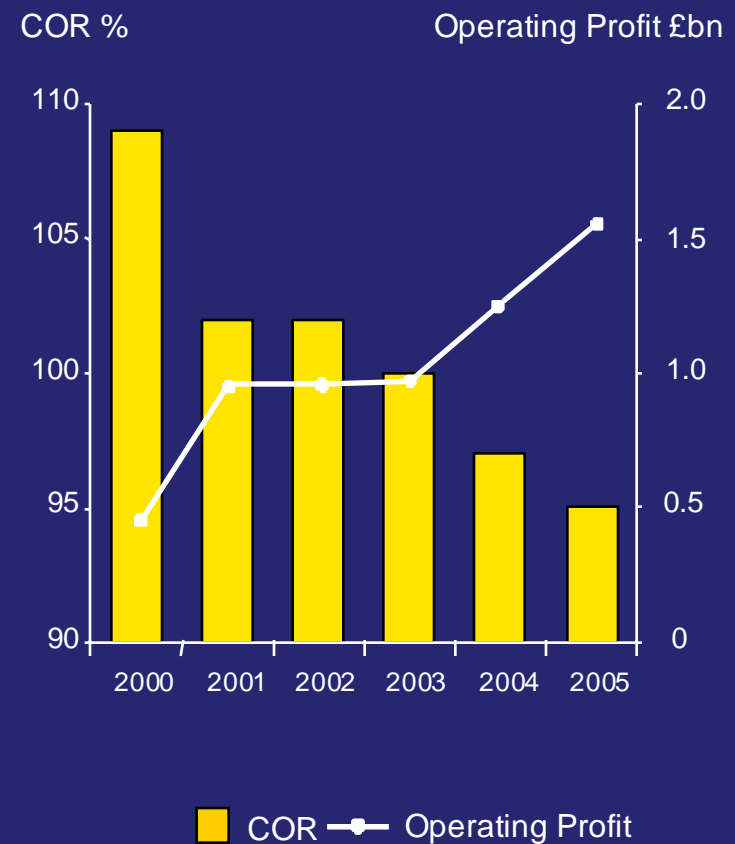
- Total sales growth of 27% to £2,763m
- New business contribution up 13% to £77m
- RBSG sales growth of 92% to £414m
- Ongoing strategic initiatives
  - Product development
  - A Day
  - Inherited Estate

# General insurance: sustainable results

Growing premium income ...



... whilst increasing profitability





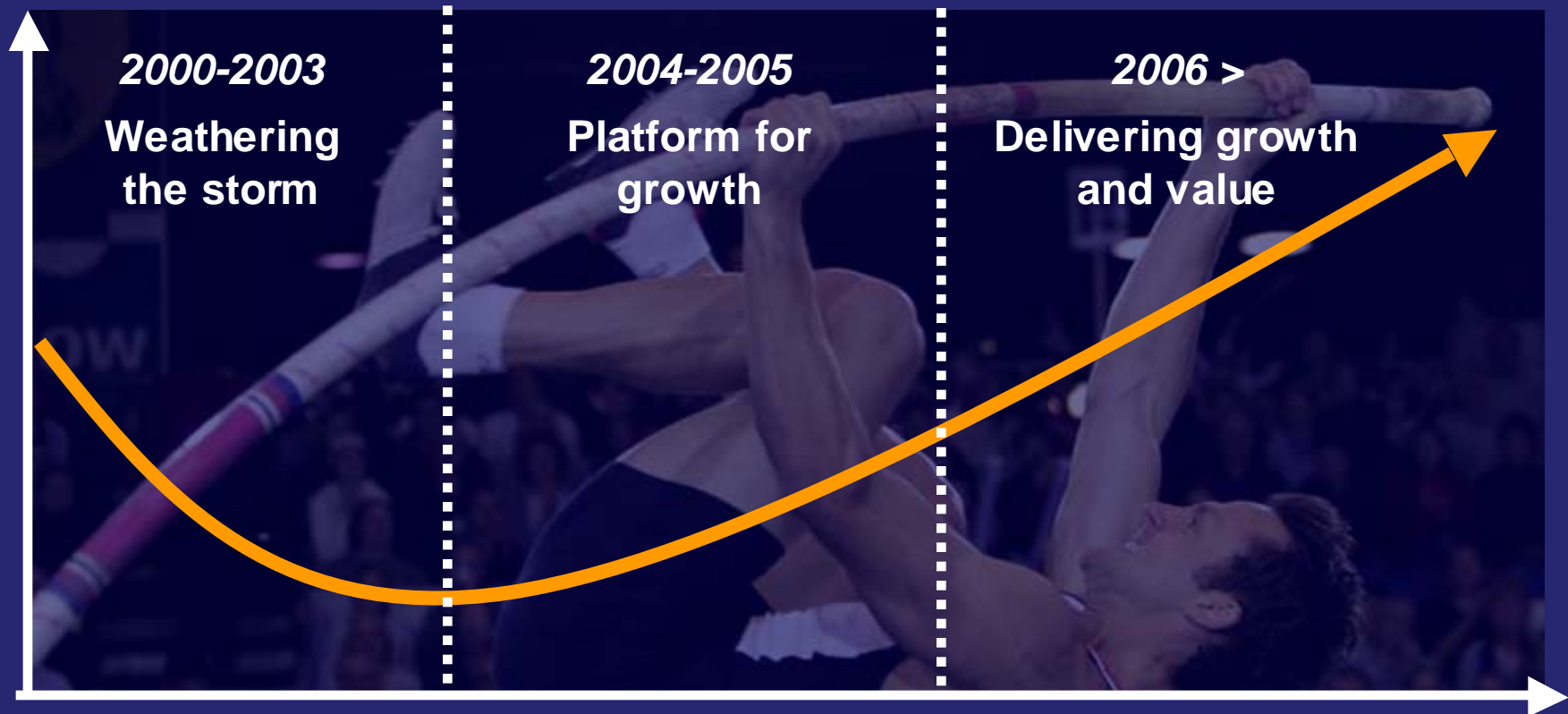
# Acquisitions and capital disciplines

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- Acquisitions
  - Growth opportunities across UK Europe, Asia and USA
  - Expertise in life and GI
- Capital Disciplines
  - The RAC experience
  - Strong focus on shareholder value



# Foundation for sustainable growth



- Cost reduction
- Operational excellence
- Bancassurance development
- Major disposal programme
- Asia LTS entry

- Capital structure
- Expansion of bancassurance model
- China / India acceleration
- Russian office
- Sustainable GI profits
- RAC acquisition

- Continued international growth in mature and new markets
- Leverage bancassurance advantages
- Further growth from GI / RAC
- Driving excellence in UK Life



# Questions and Discussion