

# One Aviva, twice the value



**Andrew Moss**

*Group Chief Executive*

*“Accelerating  
transformational change  
to deliver a unified and  
more profitable company”*



Investor and analyst briefing on Aviva Investors and UKGI, 9 October 2008

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# 9 October Investor and Analyst Briefing

## UKGI and Aviva Investors



**Introduction & overview of  
the current environment**

**Andrew Moss**  
CEO

**Aviva Investors**

**Alain Dromer**  
CEO, Aviva Investors

Coffee break

**UK General Insurance**

**Igal Mayer**  
CEO, UK GI

Lunch

Aviva in the current environment:

## A strong company with great potential



- **Aviva remains focussed on achieving its targets and plans**
- **The hygiene factors**
  - Aviva has a diversified and strong asset base
  - Confident position with regard to capital and cash flow
  - Exposure to Lehmans, AIG, higher risk companies is within our risk appetite
  - Recessionary pressures in UK and parts of Europe, but
    - Majority of our profits and capital is derived from our in force book and GI earnings
    - A significant part of Aviva's portfolio has strong growth characteristics
- **The current environment might offer up opportunities**
  - Organic growth opportunities where other companies are in turmoil?
  - Selective opportunities where assets are valued at distressed prices?

# Sound capital position - IGD Solvency surplus



- H108 IGD surplus of £1.8 billion
- Q308 IGD surplus of £1.9 billion

Equity movement	30 June 2008 IGD surplus of £1.8bn £bn	30 Sept 2008 IGD surplus of £1.9bn £bn
-10%	(0.4)	(0.2)
-20%	(0.7)	(0.4)
-30%	(1.0)	(0.5)
-40%	(1.3)	(0.7)

## Events since 30 June 2008

- Downside protection further increased
- Additional £200m hybrid raised in August
- £115m from WNS for sale of Aviva's Indian offshoring operation

# Aviva's balance sheet is strong and of a high quality



Equities are principally held to back policyholder liabilities

- The largest single asset class is Debt Securities, of which 94% are investment grade (with 1% below investment grade, and 5% not rated).
- The Group continues to have very limited exposure to Subprime MBS/ABS, Alt-A, Wrapped Credit, CDOs and CLOs

## Fair Values at 30 June 08

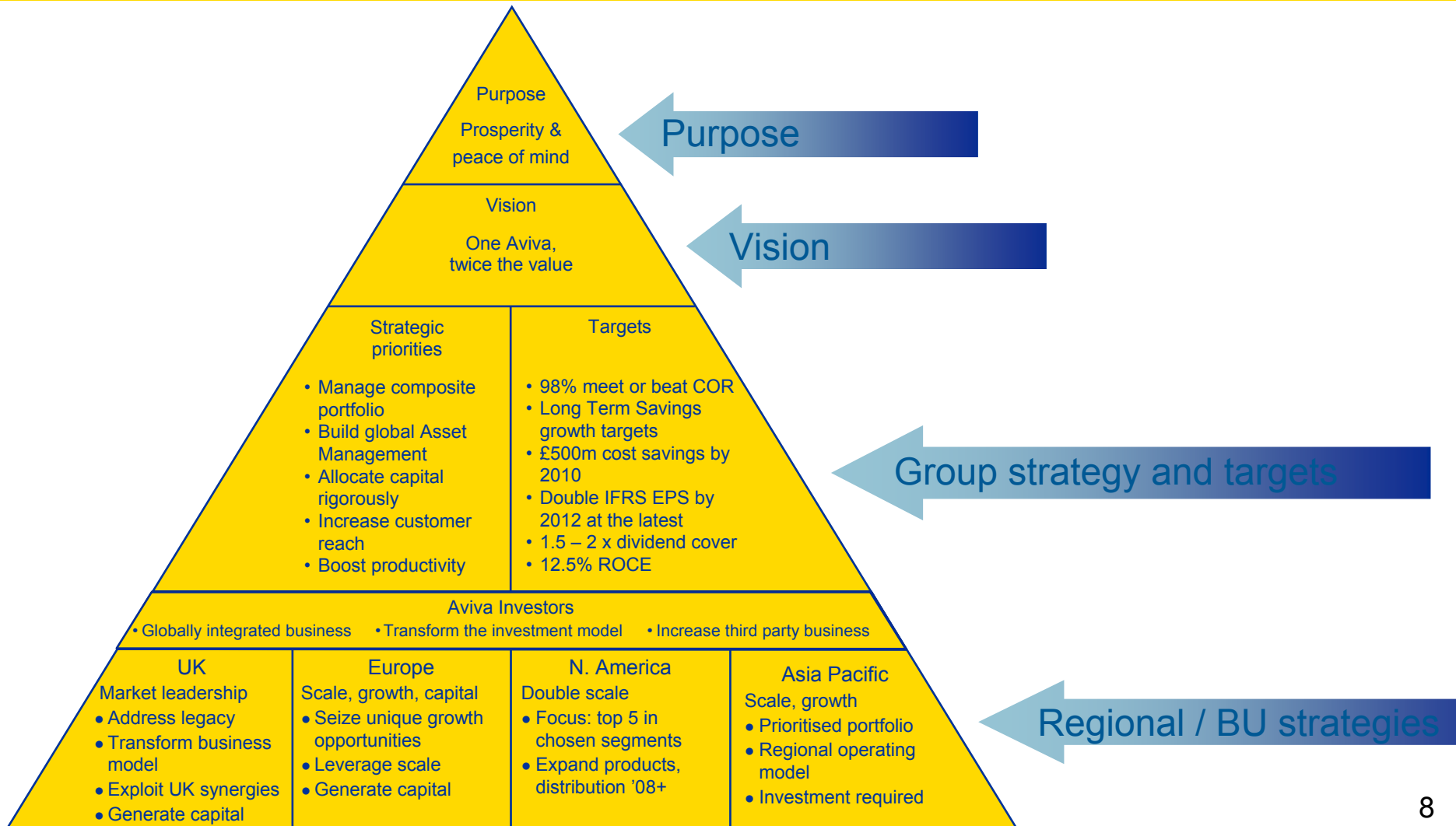
£m	Policyholder Assets	Participating Fund Assets	Shareholder Assets	Total	% of Asset Base
Sub-prime	33	14	79	126	0.04%
Alt-A	0	4	185	189	0.06%
CDO/CLOs	48	11	466	525	0.16%
Wrapped Credit	36	141	492	669	0.20%
Total	117	170	1,222	1,509	0.46%

# Growing profits and a transformational agenda



- **Growing operating profits and a sound capital position**
  - EEV operating profit up 12% to £1,719m
  - IFRS operating profit up 7% to £1,233m
  - Interim dividend up 10% to 13.09p
  - 2008 HY IGD surplus of £1.8bn with increased downside protection
  
- **One Aviva, twice the value – an agenda for change**
  - Range of senior management appointments
  - Uniting under one brand
  - Dealing with underperformance

# One Aviva, twice the value



## Aviva Investors

- Globally integrated business
  - Transform the investment model
  - Increase third party business
- The third pillar of Aviva's composite model
  - Changing the business model to win in a fast-changing competitive landscape
  - Alain Dromer joined from HSBC in September 2007
  - Alain and the team are beginning the transformation process that will result in Aviva Investors playing a much more significant role and accelerating its profit contribution within Aviva

