

6 February 2008

Aviva plc
Worldwide long-term savings new business
12 months to 31 December 2007

- **Total worldwide sales¹ up 25%² to £38,583 million**
- **Worldwide life and pensions sales up 22% to £31,600 million**
- **UK; total sales up by 6% to £14,406 million**
- **Europe; total sales growth of 19% to £16,486 million**
- **North America; excellent performance with pro forma³ 39% increase in total sales to £3,602 million**
- **Asia Pacific; ahead of growth targets with total sales up 60% to £4,089 million**
- **Investment sales continue to deliver robust growth - up 41% to £6,983 million**
- **Update on UK adverse weather and group COR: estimated cost increased by £75 million to £475 million and COR of 100%, 95% before the impact of the exceptional adverse weather**

Andrew Moss, group chief executive, commented:

"In line with our priority of focusing on growing our existing businesses, I'm very pleased to report that Aviva has achieved total sales growth of 25% in 2007. In Europe, we've delivered impressive growth across our portfolio, and in the US we're on track to double our sales within three years of our acquisition of AmerUs. Asia Pacific has shown exceptionally strong growth and the region now accounts for around 11% of the group's sales. UK growth is in line with the market and our priority there remains to focus on profitability.

"Following the exceptional weather conditions in the UK in June and July last year, our general insurance business helped over 45,000 households and 6,000 businesses get back on their feet after the floods. The costs of these events will be higher than we first estimated and, as expected, the floods have had an impact on the group's full year COR. I'm pleased to say that without these exceptional claims we would have achieved a COR of 95%, some 3% better than our 'meet or beat' target.

"Aviva has a broad portfolio of products across the world. While our markets will be affected by the current economic uncertainty, I believe we will continue to grow both new business sales and profit in 2008 in line with our stated targets. We will do this by maintaining a strong focus on increasing our customer reach and delivering our 'One Aviva, twice the value' vision."

Financial highlights	12 months to 31 December 2007	12 months to 31 December 2006	Local currency growth²
Aviva UK			
Life and pensions new business sales	£11,655m	£11,146m	5%
Investment sales	£2,751m	£2,455m	12%
Total long-term savings new business sales	£14,406m	£13,601m	6%
Aviva Europe			
Life and pensions new business sales	£14,914m	£12,840m	15%
Investment sales	£1,572m	£891m	74%
Total long-term savings new business sales	£16,486m	£13,731m	19%
Aviva North America			
Life and pensions new business sales	£3,602m	£884m	343%
Investment sales	-	-	-
Total long-term savings new business sales	£3,602m	£884m	343%
Aviva Asia Pacific			
Life and pensions new business sales	£1,429m	£982m	49%
Investment sales	£2,660m	£1,564m	67%
Total long-term savings new business sales	£4,089m	£2,546m	60%
Aviva Group			
Life and pensions new business sales	£31,600m	£25,852m	22%
Investment sales	£6,983m	£4,910m	41%
Total long-term savings new business sales	£38,583m	£30,762m	25%

Footnotes to the worldwide long-term savings new business highlights:

- 1 All references to sales in this announcement refer to the present value of new business premiums (PVNBP) unless otherwise stated. PVNBP is the present value of new regular premiums plus 100% of single premiums, calculated using assumptions consistent with those used to determine new business contribution.
- 2 All growth rates are quoted in local currency.
- 3 Pro forma increases are based upon the combined sales for the former Aviva business based in Boston and the former AmerUs Group for the 2006 year and are stated on a local currency basis.

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There will be a conference call today for wire services at 7.45am (GMT) on +44 (0)20 7162 0125 (quoting "Aviva, Andrew Moss"). This conference call will be hosted by Andrew Moss, group chief executive, and attended by Philip Scott, group finance director, and Mark Hodges, chief executive, UK Life.

There will be a conference call today for analysts and investors at 09:30am (GMT) on +44 (0)20 7162 0126 (quoting "Aviva, Andrew Moss"). This conference call will be hosted by Andrew Moss, group chief executive, and attended by Philip Scott, group finance director, and Mark Hodges, chief executive, UK Life.

Replay will be available until 22 February 2008. The dial in number for replays is +44 (0)20 7031 4064 and the pass code is 655729.

Photographs are available on the Aviva media centre at www.aviva.com.

	<u>Present value of new business premiums ¹</u>		
	12 months 2007 £m	12 months 2006 £m	Local currency growth ²
Life and pensions business			
United Kingdom	11,655	11,146	5%
France	3,662	3,552	2%
Ireland	1,730	1,273	35%
Italy	2,924	2,768	5%
Netherlands (including Germany and Belgium)	2,944	2,346	25%
Poland	844	534	53%
Spain	2,392	2,059	15%
Other Europe ³	418	308	40%
Europe	14,914	12,840	15%
North America	3,602	884	343%
Asia	990	685	51%
Australia	439	297	44%
Asia Pacific	1,429	982	49%
Total life and pensions	31,600	25,852	22%
Investment sales ⁴			
United Kingdom	2,751	2,455	12%
Netherlands	811	285	183%
Poland	268	131	97%
Other Europe	493	475	3%
Europe	1,572	891	74%
Australia	1,961	1,303	47%
Singapore	699	261	175%
Asia Pacific	2,660	1,564	67%
Total investment sales	6,983	4,910	41%
Total long-term savings	38,583	30,762	25%
Navigator sales (included above)	2,465	1,371	77%

1 All references to sales in this announcement refer to the present value of new business premiums (PVNBP) unless otherwise stated. PVNBP is the present value of new regular premiums plus 100% of single premiums, calculated using assumptions consistent with those used to determine new business contribution.

2 All growth rates are quoted in local currency.

3 'Other Europe' is made up of the Czech Republic, Hungary, Romania, Russia and Turkey.

4 Investment sales are calculated as new single premium plus the annualised value of new regular premiums.

Overview

Aviva continued to deliver strong growth in the 12 months to 31 December 2007, with total long-term savings new business sales up 25% to £38,583 million (2006: £30,762 million), which on a pro forma basis (adjusting for the impact of the AmerUs acquisition), represents growth in total new business sales of 18%. This increase reflects 22% growth in life and pension sales to £31,600 million (2006: £25,852 million), and strong investment sales, up 41% to £6,983 million (2006: £4,910 million).

Aviva UK delivered record sales with total sales increasing by 6% to £14,406 million (2006: £13,601 million) supported by significant increases in bond, annuity and collective investment sales. Within the total, life and pension new business sales grew by 5% to £11,655 million (2006: £11,146 million).

Aviva Europe's total long-term savings new business sales increased by 19% to £16,486 million (2006: £13,731 million) reflecting strong growth from many of our businesses across the region. This overall increase includes 15% growth in life and pension sales to £14,914 million (2006: £12,840 million), and impressive growth in investment sales of 74% to £1,572 million (2006: £891 million).

Our North America business delivered full year sales of £3,602 million (2006: £884 million) up 39%¹ on a pro forma basis (pro forma 2006: £2,821 million). This is an excellent result and represents a record full year sales performance.

Aviva Asia Pacific continues to achieve a strong rate of growth in new business sales with total sales 60% higher at £4,089 million (2006: £2,546 million), driven primarily by strong Navigator sales across the region.

Aviva UK

Norwich Union generated record sales in 2007 despite tougher market conditions in the second half of the year. Total sales, including investments, were up by 6% to £14,406 million (2006: £13,601 million) benefiting from strong growth in bonds, annuities and collective investments. We successfully maintained our market share at 11.0% in the first nine months of 2007 (full year 2006: 10.9%)², in line with our stated aim of growing at least in line with the market.

Total pensions sales were £4,376 million (2006: £4,707 million) with individual pensions sales decreasing 10% to £3,305 million (2006: £3,682 million) as the A-Day effect tapered away. We believe that the individual pension market should offer a more differentiated service and we have enhanced our product range to provide three options: full-service SIPP³, 'SIPP-lite'⁴, which suits the needs of the majority of consumers at a more economical price, and stakeholder⁵ products. For the full-service SIPP marketplace, we continue to invest in our Lifetime proposition, sales of which increased 199% to £518 million (2006: £173 million)⁶. To enhance our proposition in the 'SIPP-lite' market, we recently announced that from April our individual personal pension product will include an income drawdown capability and an increased fund choice. Existing customers will be offered a wider fund range and improved e-commerce facilities free of charge and will be upgraded automatically without the need to re-broke any policies. Our 'SIPP-lite' proposition meets consumer demand for features they need without having to pay for additional functionality they are unlikely to use. In the stakeholder market, we have re-aligned our pricing to reflect the more price competitive proposition that this segment requires. As a result of these actions, we now have a more balanced and competitive pensions range, tailored to meet the requirements of consumer needs in all market segments.

Corporate pension sales increased by 4% to £1,071 million (2006: £1,025 million) as the trustee-based corporate pensions market remained active. We refreshed our defined benefit proposition at the end of the year and we therefore anticipate sales growth to continue into 2008.

Bond sales were up 17% to £4,192 million (2006: £3,588 million). In the second half of the year, as more cautious investors sought both secured and low risk funds at a time of market uncertainty, we were able to capitalise on this opportunity through our broad fund offering. As a result, with-profit sales increased by 38% to £1,208 million (2006: £878 million), unit-linked sales were up 4% to £2,468 million (2006: 2,368 million) and sales of unit-linked offshore bonds more than doubled, up 107%, to £280 million (2006: £135 million). We expect the bond market to slow as potential changes to capital gains tax (CGT) legislation create uncertainty around unit-linked bond sales, with 2008 sales growth dependent on the result of this review.

Collective investment sales increased by 12% to £2,751 million (2006: £2,455 million). Sales growth slowed in the second half of the year due to a decline in demand for UK commercial property funds. In response, we extended and diversified our fund offering and focused on improving the performance of our UK equity funds.

Annuity sales grew significantly by 30% to £1,965 million (2006: £1,511 million). We offer excellent service, remain competitively priced, and in November we refreshed our enhanced pension annuity proposition to meet the retirement needs of a wider range of customers. Enhanced annuity sales have exceeded expectations and the discrete fourth quarter sales were equivalent to those achieved in the whole of 2006. As part of our ambitions for the wider employee benefits market, we

¹ Pro forma increases are based upon the combined sales for the former Aviva business based in Boston and the former AmerUs Group for the 2006 year and are stated on a local currency basis.

² Total ABI market and latest available market share based on ABI total market data (including collective investments) on an APE basis.

³ Full-service SIPP products are typically suited for the 'high net worth' market and offer an extensive range of funds (including property and exotic funds), flexible e-commerce for consumer and advisers, and income drawdown features.

⁴ 'SIPP-lite' products are typically suited for the 'mass-affluent' market and offer a reasonable fund range, e-commerce and drawdown facilities to fit with the needs of this segment where the sophistication of the full SIPP is not needed.

⁵ Stakeholder products are typically suited for the 'lower end' market and offer a restricted fund range without e-enablement and income drawdown capability.

⁶ Included in collective investments sales.

continue to secure more bulk purchase annuity (BPA) schemes and, in 2007, wrote 32 schemes at a value of £118 million, £64 million of which was written in the fourth quarter. The market has been and will remain extremely competitive and significant business volumes are transacted on terms which we regard as being uneconomic. We price selectively and will only write BPA business where the returns meet our profitability targets and where we can secure wider corporate benefit sales.

Protection sales were 14% lower at £879 million (2006: £1,024 million) due to slowdowns in both the payment protection insurance and housing markets. As a result of our partnership with the Post Office and the launch of an over 50s life cover product, whole-of-life⁷ sales increased 69% against the third quarter of 2007. We continue to develop new and simpler customer propositions for the Post Office and launched a simplified life protection product in November. We anticipate the challenging protection market conditions experienced in 2007 to continue into 2008.

Equity Release sales were down 23% to £243 million (2006: £316 million). In 2007, we have created a smaller, more efficient sales force and expanded our distribution opportunities, including a partnership agreement in October 2007 with the Premier Mortgage club, one of the largest mortgage clubs in the UK with over 10,000 members. With these developments, we expect our sales to improve in 2008.

Our bancassurance partnership with RBSG continued to deliver record sales, especially through the successful bond and collective investments propositions, with our share of total sales up by 36% to £1,587 million (2006: £1,169 million). This strong performance benefited from the release of two tranches of our enhanced structured bond between May and October and the launch of the Capital Protected Investment product in October, both of which proved popular in unsettled market conditions. Achieving the target of 1,000 sales advisers by the end of 2007 (2006: 760) contributed to the success of the joint venture this year. With its wide product range and increasingly productive and established sales force, we expect the joint venture to deliver further strong sales growth in 2008.

In 2006, we gave a medium term growth outlook for the UK long-term savings market of 5-10% on an annual premium equivalent (APE) basis. In 2007 we achieved sales growth of 6%, in line with this forecast. We remain positive in our outlook for the UK and believe that we will continue to grow at least in line with the market in 2008, given our strong distribution footprint and broad product offering and strengthened by our enhanced pension product range. However, given the uncertainty over the performance of the UK economy, market growth in 2008 may be slightly lower than 2007.

UK Floods

At the interim announcement in August, the impact of the UK floods during June and July was estimated at £340m, bringing the total expected adverse weather costs in 2007 to £400 million. Our UK general insurance business has now reviewed the weather experience in the second half of the year and the estimate has risen by £75 million to £475 million.

As expected the adverse weather conditions have had an impact on Aviva's COR and we expect the group COR for the full year 2007 to be around 100%. Had the exceptional weather not occurred, then the group COR would have been 95%, 3% better than the "meet or beat" target of 98%.

Aviva Europe

Aviva Europe's sales of long-term savings products, including investment sales, grew by 19% to £16,486 million (2006: £13,731 million), good progress against the medium-term target we set in October of growing long-term savings new business sales by an average of at least 10% a year to 2010. Life and pension sales grew by 15% to £14,914 million (2006: £12,840 million), reflecting strong growth across the region. Investment sales grew by 74% to £1,572 million (2006: £891 million), driven by strong inflows in the Netherlands and Poland.

Our businesses in Northern Europe achieved impressive growth with total sales up 22% to £9,147 million (2006: £7,456 million). This growth reflects sales of group pensions in the Netherlands, the continued success of our business in Ireland and a resilient performance in France.

In the **Netherlands**, Delta Lloyd's life and pension sales have grown by 25% to £2,944 million (2006: £2,346 million), driven by group pension scheme sales, including £540 million from a single corporate client. Investment sales were 183% higher at £811 million (2006: £285 million), as a result of strong inflows into Delta Lloyd's highly performing equity fund, and into the recently launched Delta Lloyd *Europees Deelnemingen*⁸ and *Ohra New Energy Funds*.

In **Ireland** overall life and pension sales grew by 35% to £1,730 million (2006: £1,273 million). The bancassurance channel continued to develop rapidly with sales up 46% to £864 million (2006: £589 million). The broker channel increased 26% to £866 million (2006: £684 million), reflecting higher sales to corporate pension clients. The growth in both channels has been supported by several new product developments and expansion of the fund range, including the launch of the Secure Capital Fund.

In Aviva **France**, sales grew by 2% to £3,662 million (2006: £3,552 million) in a market which declined overall in 2007⁹ due to political and fiscal uncertainty in the first half of the year and equity market turbulence in the second half. Against this background, growth was achieved in the second half of the year through product innovation, including the modernisation of the AFER product, and successful marketing campaigns.

⁷ The whole-of-life market represents 6% of the total protection market (based on latest available ABI statistics) on an APE basis.

⁸ Delta Lloyd Europees Deelnemingen is a European equity fund.

⁹ In GWP terms, the FFSA states that the French market for life individual products has declined 4% in 2007 compared to the 12 months of 2006.

Sales in our businesses in Southern Europe grew by 9% to £5,316 million (2006: £4,827 million) in challenging market conditions in both Italy and Spain.

In Aviva **Italy**, total sales grew by 5% to £2,924 million (2006: £2,768 million), contrasting with the Italian market which declined by more than 5% during 2007¹⁰. This favourable performance was generated by marketing campaigns, concentrated in the first three quarters of the year, and the continued development of relationships with our bank partners.

Aviva **Spain's** life sales continued to show strong growth, up 15% to £2,392 million (2006: £2,059 million) despite sales of risk products affected by the slow down in the Spanish mortgage market. Sales of savings products were further boosted by the highly successful launch of the tax efficient PIAS¹¹ product, in which we are the market leader and pension sales were boosted by the efficient transfer of a portfolio of pension policies into the new joint venture with Cajamurcia.

Sales in our businesses in Central and Eastern Europe have continued to grow strongly. Total sales grew by 55% to £1,530 million (2006: £973 million).

The life and pensions business in **Poland** has grown by 53% to £844 million (2006: £534 million). Pension sales increased by 86% reflecting higher sales to individuals entering the market for the first time and also our success in the secondary pension transfer market. Increased life sales of 29% were primarily driven by development of the bancassurance channel and the growth of our direct sales force. Investment sales increased by 97% to £268 million (2006: £131 million), reflecting the strong equity market performance and the launch of umbrella funds at the end of 2006.

Life and pension sales in our other Central and Eastern European businesses, in the **Czech Republic, Hungary, Romania, Russia and Turkey**, increased by 39% to £418 million (2006: £308 million), which included strong sales of savings products in Hungary and Turkey. In November the merger of Aviva Turkey's life and pensions business with AK Emeklilik was completed, which will create a strong foundation for future growth.

Aviva North America

Our North America business delivered record full year sales up 39%¹² on a pro forma basis to £3,602 million (2006: £884 million, pro forma 2006: £2,821 million). This is an excellent result representing growth across all product lines. We continue to be optimistic in our outlook for growth in 2008 and remain on track to double the size of our business within three years of the acquisition of the former AmerUs Group completed in late 2006.

Aviva USA is number one in indexed life sales and number two in indexed annuity sales. Sales of annuities reached £2,600 million (2006: £744 million), a pro forma increase of 47%¹² over the prior period (pro forma 2006: £1,921 million), which is a terrific result. During the quarter we launched three new products which, along with the recent AM Best rating upgrade to A+, support our confidence on growth prospects notwithstanding recent volatility in equity markets and lower interest rates.

Life sales were £573 million (2006: £140 million) representing a pro forma 9%¹² increase (pro forma 2006: £570 million). Funding agreement sales for the year were strong at £429 million (2006: nil, pro forma 2006: £330 million), an increase of 42%¹² on a pro forma basis. Funding agreement sales, which are a core part of our product portfolio, are large corporate transactions and consequently vary quarter on quarter.

Aviva Asia Pacific

Aviva Asia Pacific continued to achieve a high rate of growth, with total sales 60% higher at £4,089 million (2006: £2,546 million), driven primarily by strong Navigator (wrap administration platform) sales across the region. This puts us well on the way to achieving our medium-term target of growing long-term savings new business sales by an average of at least 20% a year to 2010.

Australia:

Total sales for the year increased by 46% to £2,400 million (2006: £1,600 million), driven primarily by significantly higher investment sales through Navigator. Life and pension sales increased by 44% to £439 million (2006: £297 million) as a result of a £64 million one-off transfer of group pension business, growth in protection business and a strongly performing retail investment sector.

Investment sales grew by 47% to £1,961 million (2006: £1,303 million). Within this, sales through Navigator increased by 55% to £1,766 million (2006: £1,110 million), due largely to strategic investment in key independent financial adviser (IFA) groups and favourable changes to superannuation legislation. The one-off impact of legislation changes on sales in the first half of the year was £227 million for Navigator and £21 million for life and pension sales. Other investment sales were £195 million (2006: £193 million).

¹⁰ ANIA quotes market decline of 5.5%, based on new business single premium plus regular premiums, at the end of November 2007 compared to the first 11 months of 2006

¹¹ PIAS are newly introduced savings contracts with tax benefits if they are in force for ten years and if an annuity is purchased at maturity.

¹² Pro forma increases are based upon the combined sales for the former Aviva business based in Boston and the former AmerUs Group for the 2006 year and are stated on a local currency rate basis.

Singapore:

Total sales increased by 73% to £980 million (2006: £580 million). Life and pension sales of £281 million (2006: £319 million), reflected customers' preference to invest directly in unit trusts rather than bancassurance investment-linked products during the favourable investment market conditions that prevailed for most of the year.

Sales through Navigator, increased 175% to £699 million (2006: £261 million) due to strong distribution relationships with key brokers, a comprehensive range of funds offered and a strong equity market encouraging direct investment by customers. We remain the market leader in the developing broker market as well as the employee benefits and healthcare segments.

Hong Kong:

Sales increased 83% to £363 million (2006: £216 million), primarily driven by IFA sales, which now account for 69% (2006: 55%) of total sales, and the continued good performance of the partnership with DBS Hong Kong.

China:

Sales through the joint venture life business, Aviva-COFCO, increased by 213% to £304 million (2006: £100 million) of which our 50% share was £152 million (2006: £50 million). We have increased our presence in the country to eight provinces, with a total of 25 city branches.

Malaysia:

In July 2007, we acquired a 49% stake in two of CIMB Group's subsidiaries and entered into exclusive bancassurance agreements with CIMB Bank. This bank has the largest branch network in Malaysia, with over 4 million customers and 383 branches. Total sales for the six-month period, of £114 million, benefited from the launch of a single premium unit-linked tranche product in the last quarter, with our share being £56 million.

India:

Total sales increased by 45% to £473 million (2006: £323 million) and our 26% share of new business was £123 million (2006: £84 million). Sales have increased through bancassurance partnerships, ongoing expansion of the direct sales force and the addition of new branches in the year.

Sri Lanka:

In Sri Lanka, Eagle is the third largest life insurer and has become the leader in the life bancassurance market. Total life sales were £15 million (eleven months in 2006: £16 million). On the whole, Sri Lanka, in local currency terms, has performed marginally better than 2006.

Notes to Editors

1. Aviva is the largest insurance services provider in the UK, one of the leading providers of life and pensions products in Europe, and has substantial positions in other markets around the world. This positions Aviva as the world's fifth largest insurance group based on gross worldwide premiums at 31 December 2006.

Aviva's principal business activities are long-term savings, fund management and general insurance, with worldwide total sales* of £41.5 billion and assets under management of £364 billion at 31 December 2006.

* Based on life and pensions PVNBP, total investment sales and general insurance and health net written premiums including share of associates' premiums.

The Aviva media centre at www.aviva.com/media includes images, company and product information and a news release archive.

2. All figures have been translated at average exchange rates applying for the period. The average rates employed in this announcement are 1 euro = £0.68 (12 months to 31 December 2006: 1 euro = £0.68) and £1 = US\$2.00 (12 months to 31 December 2006: £1 = US\$1.84).
3. All growth rates are quoted in local currency.
4. Definition: **Present value of new business premiums (PVNBP)** is the present value of new regular premiums plus 100% of single premiums, calculated using assumptions consistent with those used to determine new business contribution.
5. Cautionary statements:

This announcement may include oral and written "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. These forward-looking statements sometimes use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which may be beyond Aviva's control, including, among other things, UK domestic and global economic and 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, the possible effects of inflation or deflation, the timing impact and other uncertainties relating to acquisitions by the Aviva Group and relating to other future acquisitions or combinations within relevant industries, the impact of tax and other legislation and regulations in the jurisdictions in which Aviva and its affiliates operate, as well as the other risks and uncertainties set forth in our 2006 Annual Report to Shareholders. 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, and persons receiving this announcement should not place undue reliance on forward-looking statements.

Aviva undertakes no obligation to update the forward-looking statements made in this announcement or any other forward-looking statements we may make. Forward-looking statements made in this announcement are current only as of the date on which such statements are made.

Aviva plc is a company registered in England No. 2468686.

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Statistical Supplement

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Present value of life new business premiums

The present value of new business premiums (PVNBP) is derived from the single and regular premiums of the products sold during the financial period and is expressed at the point of sale. The PVNBP calculation is equal to total single premium sales received in the year plus the discounted value of regular premiums expected to be received over the term of the new contracts. The projection assumptions used to calculate PVNBP for each product are the same as those used to calculate new business contribution. The discounted value of regular premiums is also expressed as annualised regular premiums multiplied by a Weighted Average Capitalisation Factor (WACF). The WACF will vary over time depending on the mix of new products sold, the average outstanding term of the new contracts and the projection assumptions. The table below sets out the factors required to derive PVNBP by business units.

					12 months 2007	12 months 2006
	Regular premiums £m	WACF	Present value of regular premiums £m	Single premiums £m	PVNBP £m	PVNBP £m
United Kingdom						
Individual pensions	389	4.1	1,588	1,717	3,305	3,682
Group pensions	83	5.5	456	615	1,071	1,025
Annuities	-	-	-	1,965	1,965	1,511
Bonds	-	-	-	4,192	4,192	3,588
Protection	131	5.1	666	213	879	1,024
Equity release	-	-	-	243	243	316
UNITED KINGDOM	603	4.5	2,710	8,945	11,655	11,146
France						
Euro funds ¹	17	5.9	101	1,930	2,031	1,854
Unit-linked funds	53	5.2	278	1,225	1,503	1,556
Protection business	20	6.3	125	3	128	142
Total life and pensions	90	5.6	504	3,158	3,662	3,552
Ireland						
Life and savings	40	4.8	190	627	817	626
Pensions	99	3.8	375	538	913	647
Total life and pensions	139	4.1	565	1,165	1,730	1,273
Italy						
Total life and pensions	107	5.2	557	2,367	2,924	2,768
Netherlands (including Belgium and Germany)						
Life	68	6.3	428	434	862	895
Pensions	92	8.3	761	1,321	2,082	1,451
Total life and pensions	160	7.4	1,189	1,755	2,944	2,346
Poland						
Life and savings	28	5.1	144	264	408	307
Pensions	35	8.2	287	149	436	227
Total life and pensions	63	6.8	431	413	844	534
Spain						
Life and savings	80	5.5	436	1,192	1,628	1,466
Pensions	34	5.7	195	569	764	593
Total life and pensions	114	5.5	631	1,761	2,392	2,059
Other Europe ²	73	3.8	283	135	418	308
EUROPE	746	5.6	4,160	10,754	14,914	12,840
North America						
Life	70	7.6	531	42	573	140
Annuities	1	4.0	4	2,596	2,600	744
Funding agreements	-	-	-	429	429	-
NORTH AMERICA	71	7.5	535	3,067	3,602	884
Asia	114	4.7	532	458	990	685
Australia	54	3.3	176	263	439	297
ASIA PACIFIC	168	4.2	708	721	1,429	982
Total life and pensions	1,588	5.1	8,113	23,487	31,600	25,852

1 Euro funds are savings that receive an annual bonus declaration, based on the investment performance of the underlying funds.

2 'Other Europe' is made up of the Czech Republic, Hungary, Romania, Russia and Turkey.

Analysis of sales via principal bancassurance channels

	Present value of new business premiums ²		
	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹
Life and pensions			
United Kingdom			
The Royal Bank of Scotland Group	1,145	991	16%
	1,145	991	16%
France			
Crédit du Nord	778	838	(8)%
	778	838	(8)%
Ireland			
Ark	864	589	46%
	864	589	46%
Italy			
UniCredit Group	1,597	1,381	15%
Banco Popolare	305	554	(45)%
Banca delle Marche	65	78	(17)%
Unione di Banche Italiane	787	682	15%
	2,754	2,695	2%
Netherlands			
ABN AMRO	359	425	(16)%
	359	425	(16)%
Spain			
Bancaja	757	794	(5)%
Caixa Galicia	409	389	4%
Unicaja	512	335	52%
Caja España	203	181	11%
Caja de Granada	112	133	(16)%
Caja Murcia	178	-	-
	2,171	1,832	18%
Asia			
DBS (Hong Kong and Singapore)	210	367	(40)%
	210	367	(40)%
Total life and pensions	8,281	7,737	7%
Investment sales³			
United Kingdom			
The Royal Bank of Scotland Group	442	178	148%
	442	178	148%
Total bancassurance sales	8,723	7,915	10%

1 All growth rates are quoted in local currency.

2 Present value of new business premiums (PVNBP) is the present value of new regular premiums plus 100% of single premiums, calculated using assumptions consistent with those used to determine new business contribution.

3 Investment sales are calculated as new single premium plus annualised value of new regular premiums.

Detailed worldwide life and pension new business analysis

	Single			Regular			PVNBP	
	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	Local currency growth ¹	
United Kingdom								
Individual pensions	1,717	2,086	(17)%	389	372	5%	(10)%	
Group pensions	615	554	11%	83	85	(2)%	4%	
Annuities	1,965	1,511	30%	-	-	-	30%	
Bonds	4,192	3,588	17%	-	-	-	17%	
Protection	213	257	(17)%	131	151	(13)%	(14)%	
Equity release	243	316	(23)%	-	-	-	(23)%	
UNITED KINGDOM	8,945	8,312	8%	603	608	(1)%	5%	
France								
Euro funds ²	1,930	1,804	6%	17	10	70%	9%	
Unit-linked funds	1,225	1,283	(5)%	53	52	2%	(4)%	
Protection business	3	3	-	20	20	(5)%	(10)%	
	3,158	3,090	2%	90	82	8%	2%	
Ireland								
Life and savings	627	469	33%	40	32	25%	30%	
Pensions	538	340	57%	99	77	25%	40%	
	1,165	809	43%	139	109	25%	35%	
Italy								
Life and savings	2,367	2,216	6%	107	101	5%	5%	
	2,367	2,216	6%	107	101	5%	5%	
Netherlands (including Belgium and Germany)								
Life	434	403	7%	68	75	(11)%	(4)%	
Pensions	1,321	821	60%	92	73	24%	43%	
	1,755	1,224	42%	160	148	7%	25%	
Poland								
Life and savings	264	155	66%	28	28	(3)%	29%	
Pensions	149	83	73%	35	20	67%	86%	
	413	238	69%	63	48	26%	53%	
Spain								
Life and savings	1,192	1,044	13%	80	70	14%	10%	
Pensions	569	366	54%	34	37	(8)%	28%	
	1,761	1,410	24%	114	107	7%	15%	
Other Europe ³								
	135	83	61%	73	55	38%	39%	
EUROPE	10,754	9,070	18%	746	650	14%	15%	
North America								
Life	42	44	5%	70	15	438%	344%	
Annuity	2,596	723	290%	1	5	(80)%	280%	
Funding agreements	429	-	-	-	-	-	-	
NORTH AMERICA	3,067	767	334%	71	20	294%	343%	
Asia								
Asia	458	333	44%	114	74	61%	51%	
Australia	263	157	63%	54	42	26%	44%	
ASIA PACIFIC	721	490	50%	168	116	47%	49%	
Total life and pensions	23,487	18,639	26%	1,588	1,394	14%	22%	

1 All growth rates are quoted in local currency.

2 Euro funds are savings that receive an annual bonus declaration, based on the investment performance of the underlying funds.

3 'Other Europe' is made up of the Czech Republic, Hungary, Romania, Russia and Turkey.

Detailed worldwide investment sales analysis

	Single			Regular			PVNB
	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	Local currency growth ¹
United Kingdom							
Peps/Isas/UTs/Oeics/SIPPs	2,531	2,411	5%	81	44	84%	12%
UNITED KINGDOM	2,531	2,411	5%	81	44	84%	12%
Netherlands (including Belgium and Germany)							
Unit trusts	811	285	183%	-	-	-	183%
Poland							
Mutual funds	264	127	100%	4	4	-	97%
Other Europe							
UCITS	491	475	3%	-	-	-	3%
Romania	2	-	-	-	-	-	-
EUROPE	1,568	887	75%	4	4	-	74%
Asia Pacific							
Unit trusts	195	193	(2)%	-	-	-	(2)%
Navigator	2,465	1,371	77%	-	-	-	77%
ASIA PACIFIC	2,660	1,564	67%	-	-	-	67%
Total investment sales	6,759	4,862	38%	85	48	77%	41%

1 All growth rates are quoted in local currency.

Analysis of UK long-term savings by distribution channel

	Single			Regular			Annual premium equivalent ²	
	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	12 months 2007 £m	Local currency growth ¹
IFA								
- life & pension products	6,337	6,155	3%	518	489	6%	1,152	4%
- investment products	1,238	1,610	(23)%	9	2	350%	133	(18)%
	7,575	7,765	(2)%	527	491	7%	1,285	1%
Bancassurance partnership with RBSG								
- life & pension products	922	695	33%	48	59	(19)%	140	9%
- investment products	242	137	77%	72	41	76%	96	76%
	1,164	832	40%	120	100	20%	236	29%
Other partnerships and Direct								
- life & pension products	1,686	1,462	15%	37	61	(39)%	206	(1)%
- investment products	1,051	664	58%	-	-	-	105	58%
	2,737	2,126	29%	37	61	(39)%	311	14%
Total UK long-term savings	11,476	10,723	7%	684	652	5%	1,832	6%

1 All growth rates are quoted in local currency.

2 Annual premium equivalent (APE) is the UK industry's standard measure of new regular premiums plus 10% of single premiums.

Analysis of France long-term savings by fund

	Single			Regular			PVNBP
	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	12 months 2007 £m	12 months 2006 £m	Local currency growth ¹	Local currency growth ¹
AFER							
- Euro funds ²	1,286	1,170	9%	9	-	-	14%
- Unit-linked funds	431	482	(11)%	3	-	-	(7)%
	1,717	1,652	3%	12	-	-	8%
Bancassurance partnership with Crédit du Nord							
- Euro funds	450	412	8%	3	4	(25)%	8%
- Unit-linked funds	216	285	(25)%	15	18	(17)%	(24)%
- Protection	1	1	-	1	1	-	(38)%
	667	698	(5)%	19	23	(17)%	(8)%
Other							
- Euro funds	194	222	(13)%	5	6	(17)%	(15)%
- Unit-linked funds	578	516	11%	35	34	-	9%
- Protection	2	2	-	19	19	-	(7)%
	774	740	4%	59	59	-	1%
Total France long-term savings	3,158	3,090	2%	90	82	8%	2%

1 All growth rates are quoted in local currency.

2 Euro funds are savings that receive an annual bonus declaration, based on the investment performance of the underlying funds.

Present value of life and pensions new business premiums before and after minority interest

	Present value of new business premiums before minority interests		Present value of new business premiums after minority interests	
	12 months 2007	12 months 2006	12 months 2007	12 months 2006
	£m	£m	£m	£m
Analysed between:				
- Principal bancassurance channels	8,281	7,737	4,810	4,465
- Other distribution channels	23,319	18,115	22,674	17,607
Available to equity shareholders	31,600	25,852	27,484	22,072

Principal economic assumptions – deterministic calculations

Economic assumptions are derived actively, based on market yields on risk-free fixed interest assets at the end of each reporting period. The same margins are applied on a consistent basis across the Group to gross risk-free yields to obtain investment return assumptions for ordinary shares and property and to produce risk discount rates. Expense inflation is derived as a fixed margin above a local measure of long-term price inflation. Risk-free rates and price inflation have been harmonised across territories within the Euro currency zone, except for expense inflation in Ireland where significant differences remain. Required capital is shown as a multiple of the EU statutory minimum solvency margin.

Investment return assumptions are generally derived by major product class, based on hypothecating the assets at the valuation date. Assumptions about future investment mix are consistent with long-term plans. In most cases, the investment mix is assumed to continue unchanged throughout the projection period. The changes in assumptions between reporting dates reflect the actual movements in risk-free yields in the United Kingdom, the Eurozone and other territories. The principal economic assumptions used are as follows:

	United Kingdom		France	
	2006	2005	2006	2005
Risk discount rate	7.3%	6.8%	6.7%	6.0%
Pre-tax investment returns:				
Base government fixed interest	4.6%	4.1%	4.0%	3.3%
Ordinary shares	7.6%	7.1%	7.0%	6.3%
Property	6.6%	6.1%	6.0%	5.3%
Future expense inflation	3.4%	3.2%	2.5%	2.5%
Tax rate	30.0%	30.0%	34.4%	34.4%
Required capital (% EU minimum)	150% / 100%	150% / 100%	115%	115%
	Ireland		Italy	
	2006	2005	2006	2005
Risk discount rate	6.7%	6.0%	6.7%	6.0%
Pre-tax investment returns:				
Base government fixed interest	4.0%	3.3%	4.0%	3.3%
Ordinary shares	7.0%	6.3%	7.0%	6.3%
Property	6.0%	5.3%	6.0%	5.3%
Future expense inflation	4.0%	4.0%	2.5%	2.5%
Tax rate	12.5%	12.5%	38.3%	38.3%
Required capital (% EU minimum)	150%	150%	115%	115%
	Netherlands		Poland	
	2006	2005	2006	2005
Risk discount rate	6.7%	6.0%	8.7%	8.6%
Pre-tax investment returns:				
Base government fixed interest	4.0%	3.3%	5.0%	4.9%
Ordinary shares	7.0%	6.3%	8.0%	7.9%
Property	6.0%	5.3%	n/a	n/a
Future expense inflation	2.5%	2.5%	3.4%	3.3%
Tax rate	25.5%	29.1%	19.0%	19.0%
Required capital (% EU minimum)	150%	150%	150%	150%
	Spain		USA	
	2006	2005	2006	2005
Risk discount rate	6.7%	6.0%	7.4%	7.2%
Pre-tax investment returns:				
Base government fixed interest	4.0%	3.3%	4.7%	4.5%
Ordinary shares	7.0%	6.3%	n/a	n/a
Property	6.0%	5.3%	n/a	n/a
Future expense inflation	2.5%	2.5%	3.0%	3.0%
Tax rate	30.0%	35.0%	35.0%	35.0%
Required capital (% EU minimum or equivalent)	125% / 110%	125% / 110%	250%	200%

For service companies, expense inflation relates to the underlying expenses rather than the fees charged to the life company. Future returns on corporate fixed interest investments are calculated from prospective yields less an adjustment for credit risk. Following the change made to the required capital in Norwich Union Annuity Limited (NUA) in the third quarter of 2007, required capital in the United Kingdom is now 100% EU minimum for all life companies, the 150% shown in the table above refers to the start of year assumption for NUA. Required capital in Spain is 125% EU minimum for Aviva Vida y Pensiones and 110% for bancassurance companies. The level of required capital for the US business is 250% of the risk based capital, at the company action level, set by the National Association of Insurance Commissioners.

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