2009
Interim Results

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Agenda

Review of the Business	Andrew Moss Chief Executive Officer
2009 Half Year results	Philip Scott Chief Financial Officer
Questions and Answers	

Building a Position of Strength in a Tough Market

Return to profit in a challenging economic environment

- IFRS profit after tax of £747 million, MCEV profit after tax of £1,084 million

Strategic action to create financial flexibility

- Plans for partial IPO of Delta Lloyd on Euronext Amsterdam Exchange
- Sale of Aviva Australia
- Reattribution of the inherited estate – overwhelming policyholder acceptance

IGD solvency materially improved to £3.2 billion from £2.0 billion at 31 December 2008

- Minimal loan and debt impairments

Lower dividend reflects strategy, earnings and outlook

Lower Dividend Reflects Strategy, Earnings and Uncertain Economic Outlook

Interim dividend reduced by 31% to 9 pence

IFRS operating profit down 14% to £1,049 million

Lower earnings due to

- Lower opening balance sheet
- Lower average return on investments
- Increased debt and pension costs

Increases pro-forma dividend cover to top end of 1.5 to 2x range

Dividend cover target of 1.5 – 2 x post tax IFRS operating profit remains the reference point

Decisive Action to Build a Position of Strength

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1. Focus on margins and profit vs sales volumes
2. Strong cost management and operational improvement
3. Investing in our customers and brand
4. Progress with strategic allocation of capital
5. Strengthening the balance sheet

1. Focus on Margins vs Sales
Life and Pensions margins maintained

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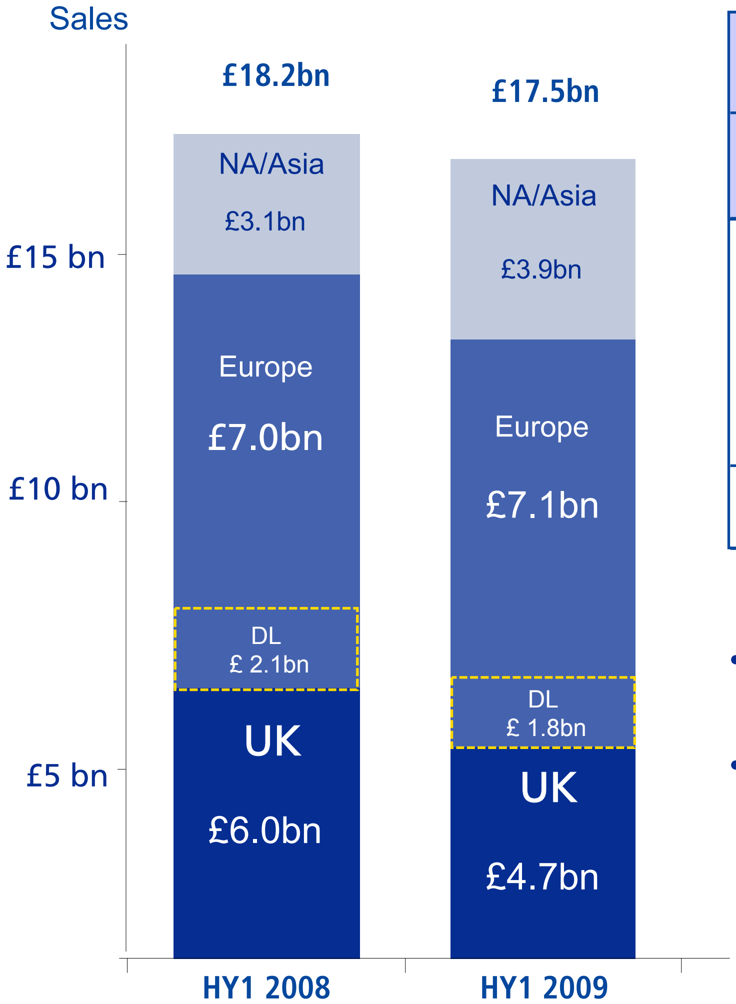

Life and Pensions Margins		
	12 months 2008 %	6 months 2009 %
UK	1.7%	2.1%
Europe	2.8%	2.6%
North America	1.0%	0.5%
Asia Pacific	2.5%	2.3%
Group Total	**2.1%**	**2.1%**

- 15% local currency reduction in sales due to a combination of market conditions and management action
- Pricing and commission action reduces impact of growing customer demand for lower margin guaranteed products

Focus on Profit vs Premiums
General Insurance COR improved

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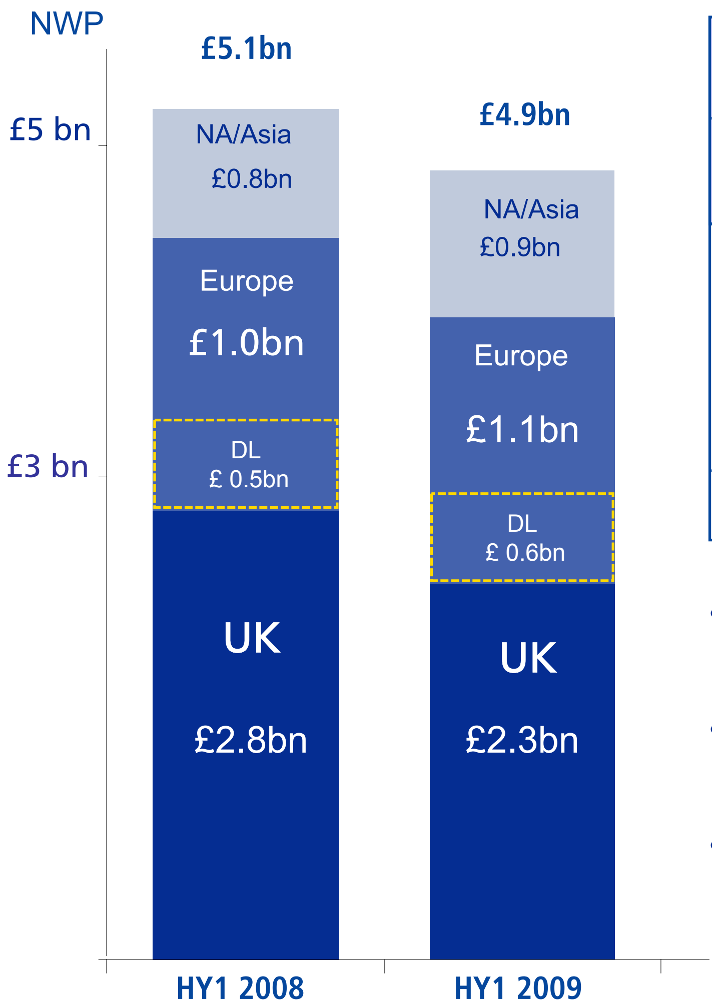
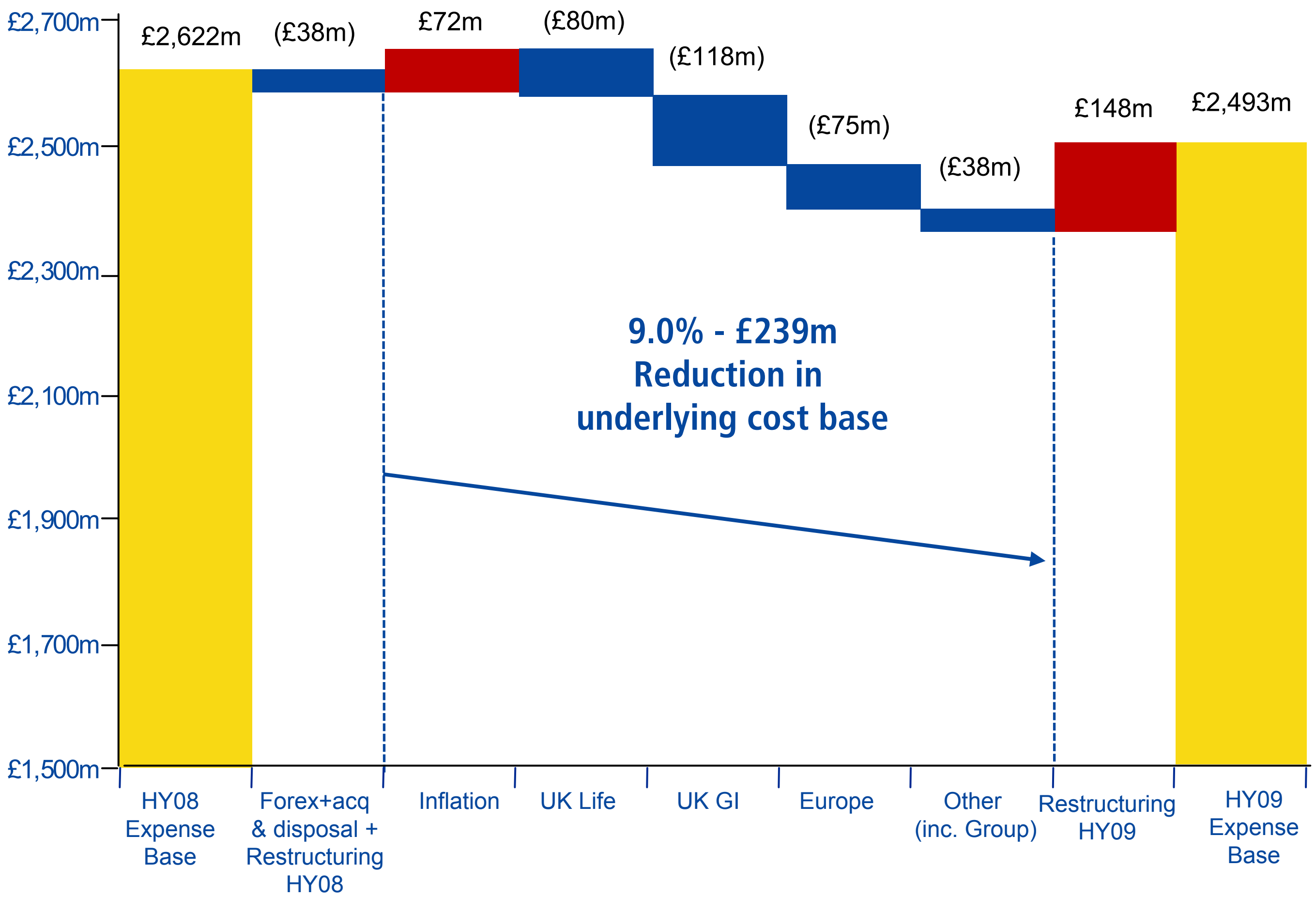


General Insurance CORs		
	12 months 2008 %	6 months 2009 %
UK	99%	99%
Europe	97%	96%
North America	99%	97%
Total General Insurance	**98%**	**97%**

- 10% local currency reduction in premiums, excluding 2008 Dutch Healthcare premiums of £0.7 billion
- Cost and commission action taken to build sustainable profitability
- Evidence of rating improvement in challenging markets

2. Strong Cost Management



- Ahead of run rate £500 million cost saving targets
- Eliminating cost over runs and reducing operational complexity in UK Life
- Closing 13 operational centres and simplifying product range in UK GI
- Cost reduction exercises across Europe
- 35% reduction in group centre costs
- Customer service maintained

UK Life

Significant improvement through operational excellence

	HY1 08	HY1 09	+/-
Life and Pension sales	£6,010m	£4,735m	-21%
Margin	1.2%	2.1%	+0.9pps
Expenses[1]	£450m	£370m	-18%
Distributor service rating	3 star	4 star	+I star
Customer recommendation	48%	68%	+20pps
IFRS operating profit	£428m	£368m	-14%

(1) After adjusting for acquisitions, restructuring and inflation

- Market share increased to 12% from 11% whilst also increasing margins
- Management action taken on product mix, increased pricing sophistication, reduced commissions and expenses
- Continuation of simplification programme, with more to come
- IFRS profits of £368 million reflecting lower investment returns and with-profit fund bonuses
- Inherited estate reattribution will generate excellent policyholder and shareholder value

UK General Insurance
Transforming the business

	HY1 08	HY1 09	+/-
Net written premium	£2,589m	£2,049m	-21%
COR	98%	99%	+1pps
Current year profit (1)	£142m	£159m	+12%
Current year claims ratio (1)	65.9%	69.6%	+3.7pps
Expense ratio	12.8%	11.7%	-1.1pps
Commission ratio	25.3%	21.9%	-3.4pps
Insurer of the year	1st	1st	1st – 6 years running
IFRS operating profit(2)	£314m	£282m	-10%

(1) Operating profit or claims ratio excluding prior year savings

(2) Includes Aviva Re

- Execution of strategy is improving the quality of earnings
- Actively exiting poor performing business
- Rating increases above inflation on all major classes
- Improving current year profits
- Driving down distribution costs – FY 2007 40%; FY 2008 37%; HY 2009 34%
- £200 million cost savings delivered - ahead of target for further £150 million

Europe Excluding Delta Lloyd

Strength from diversity

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	HY1 08	HY1 09	Local Currency Growth
Life and pension sales	£6,979m	£7,071m	-9%
Margin	4.0%(1)	3.8%	-0.2pps
GI and Health Volumes	£950m	£1,061m	-3%
GI COR	97%	96%	-1pps
Expenses(2)	£540m	£502m	-7%
IFRS operating profit	£418m	£414m	-11%

- Strong bancassurance performance limits fall in life and pension sales
- Margins:
  - Customer preference for lower margin products with guarantees (With Profits sales 61% in 2009 vs 34% in 2008)
  - Underlying margin improved due to focus on pricing and mix
- Improved GI result in a continuing competitive market
- Successful focus on cost control across the region
- Investor day planned for 22 October

(1) 3.7% Excluding one-off benefit of CajaMurcia transfer and Pillar II pension legislation change in Romania
(2) After adjusting for FX, acquisitions, restructuring and inflation

North America
Focus on greater capital efficiency

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	HY1 08	HY1 09	Local Currency Growth
Life and pension sales	£2,227m	£3,189m	+8%
Margin	(0.4)%	0.5%	+0.9pps
GI Volume	£771m	£889m	+4%
GI COR	98%	97%	-1pps
Expenses[(1)]	£291m	£289m	-1%
IFRS operating profit	£102m	£103m	-11%

(1) After adjusting for FX, acquisitions, restructuring and inflation

- Doubled business in 2 years, ahead of target
- Pricing and commission action to slow growth and improve profits
- Margin variance driven by timing of reinsurance deal
- Low margin due to MCEV methodology- with credit spread profits recognised as earned
- Canadian GI growth from increasing commercial market share and exchange movements

Asia Pacific and Aviva Investors

Progressing medium and long term objectives

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Asia Pacific

- IFRS profits of £70 million, includes one-off releases of £58 million in Singapore
- Sale of the Australian long term savings business for £452 million, 16x IFRS earnings
- Excellent long term growth opportunities in South Korea, India and China

Aviva Investors

- £222 billion funds under management and ranked top 20 institutional investor globally
- IFRS profits of £36 million reflects lower investment markets
- Net new business flows of £3 billion, with £2 billion from third party clients

3. Investing in Customers and Brand

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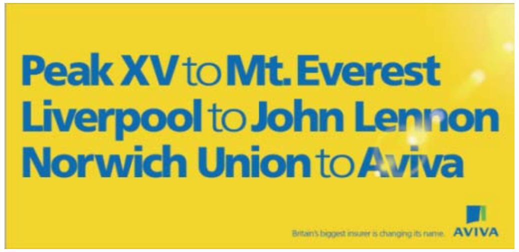

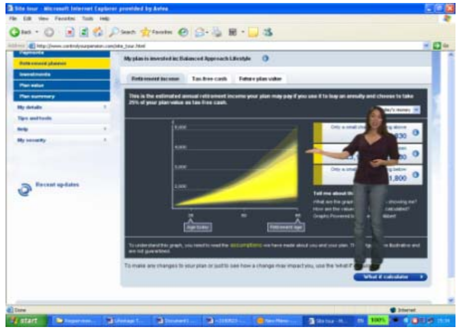

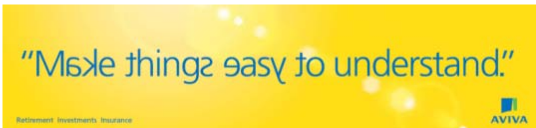

4. Progress with Strategic Allocation of Capital

Reattribution of the inherited estate

- Up to 1 million customers will benefit
- Provides £600 million of new business capital in the first 5 years with significant potential upside
- 70% response so far with 96% acceptance

Sale of Australian business

- Realises value from a business where Aviva had limited organic growth opportunities
- £452 million selling price at 16 x IFRS earnings
- Adds £400 million to the IGD surplus

Planned IPO of Delta Lloyd

Planned IPO of Delta Lloyd

Subject to market conditions

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An opportunity for Aviva

- Monetise a minority of its shareholding in Delta Lloyd
- Enhanced value and liquidity of retained stake

An opportunity for Delta Lloyd

- Realising the value of the brand
- New shareholder base, supportive of growth in Benelux
- Publically traded share facilitates access to capital markets

Delta Lloyd is strong IPO candidate

- Top 5 market position in life and non-life in the Netherlands
- Independent board and management structure already in place
- Successfully managing through the economic crisis

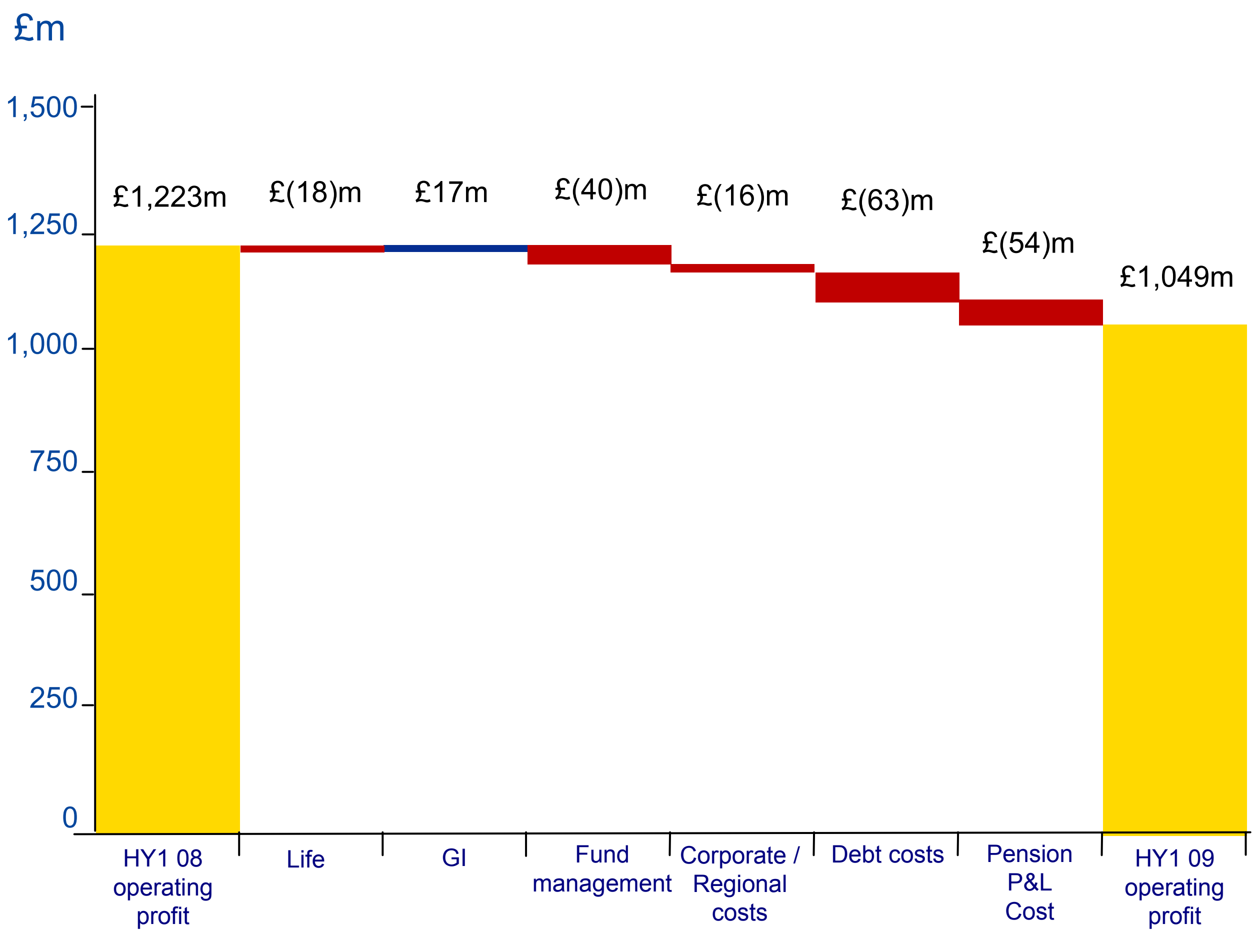
delta lloyd

Philip Scott

Chief Financial Officer

IFRS Operating Profit

A lower asset and earnings base



- Operating earnings of £1,049 million, down 14% on prior year
- Impact of debt costs and pension P&L costs
- Investment return for operating profit based on 10 year swap rate

MCEV Operating Profit

New business and in force book both generate strong earnings

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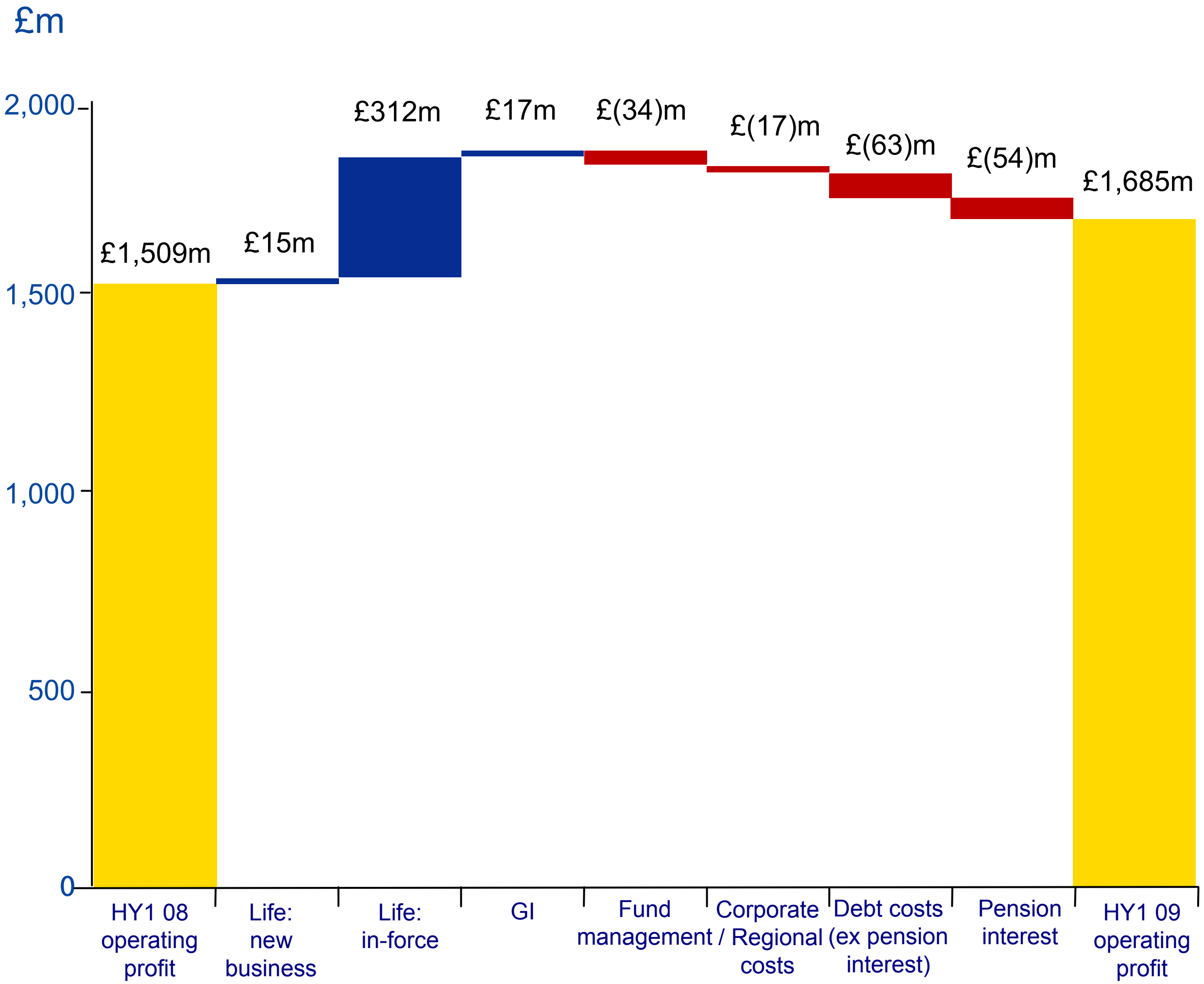

- Operating earnings up 12% to £1,685 million
- Life new business increase reflects lower volumes, offset by increased group margin
- Life in-force
  - Lapse experience good in the light of economic conditions
  - Credit spread narrowing and unwind of unrealised losses in France and US

IFRS Profit After Tax

Material decrease in investment losses and provisions

	IFRS		
	H1 2009 £m	H1 2008 £m	FY 2008 £m
Operating profit	**1,049**	1,223	2,297
Investment variances – Long term business	**155**	(636)	(1,631)
Investment variances – GI and other	**(73)**	(308)	(913)
Impairment / amortisation of goodwill and intangibles	**(63)**	(93)	(183)
Profit on disposals	**20**	9	7
Integration and restructuring costs	**(148)**	(132)	(326)
Exceptional items	**-**	(84)	(551)
Profit / (Loss) before tax	**940**	(21)	(1,300)
Tax	**(193)**	(63)	415
Profit / (Loss) after tax	**747**	(84)	(885)

- Profit after tax of £747 million
- No repeat of investment losses experienced in 2008
- Integration and restructuring costs includes brand spend in 2009
- No repeat of exceptional items in 2008
- No further increase in provisions

MCEV Profit After Tax

Material decrease in investment losses and provisions

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	MCEV		
	H1 2009 £m	H1 2008 £m	FY 2008 £m
Operating profit	**1,685**	1,509	3,367
Investment variances – Long term business	**(29)**	(4,086)	(12,058)
Investment variances – GI and other	**(73)**	(308)	(913)
Impairment / amortisation of goodwill and intangibles	**(57)**	(86)	(174)
Profit on disposals	**20**	9	7
Integration and restructuring costs	**(148)**	(132)	(326)
Exceptional items	**(218)**	(155)	(754)
Profit / (Loss) before tax	**1,180**	(3,249)	(10,851)
Tax	**(96)**	888	3, 411
Profit / (Loss) after tax	**1,084**	(2,361)	(7,440)

- Return to profit of £1,084 million in 2009
- No repeat of investment losses experienced in 2008
- £218 million exceptional reduction in the value of the in-force business from Polish pension regulatory change
- Credit spread narrowing offset by lower liquidity premium adjustment to swap rate
  - UK: 1.25% (FY08:1.5%)
  - Netherlands: 0.5%(FY08:1.5%)
  - US: immediate annuities 1.5% (FY08: 3%)

Net Asset Value

Volatile markets continue to generate large fluctuations

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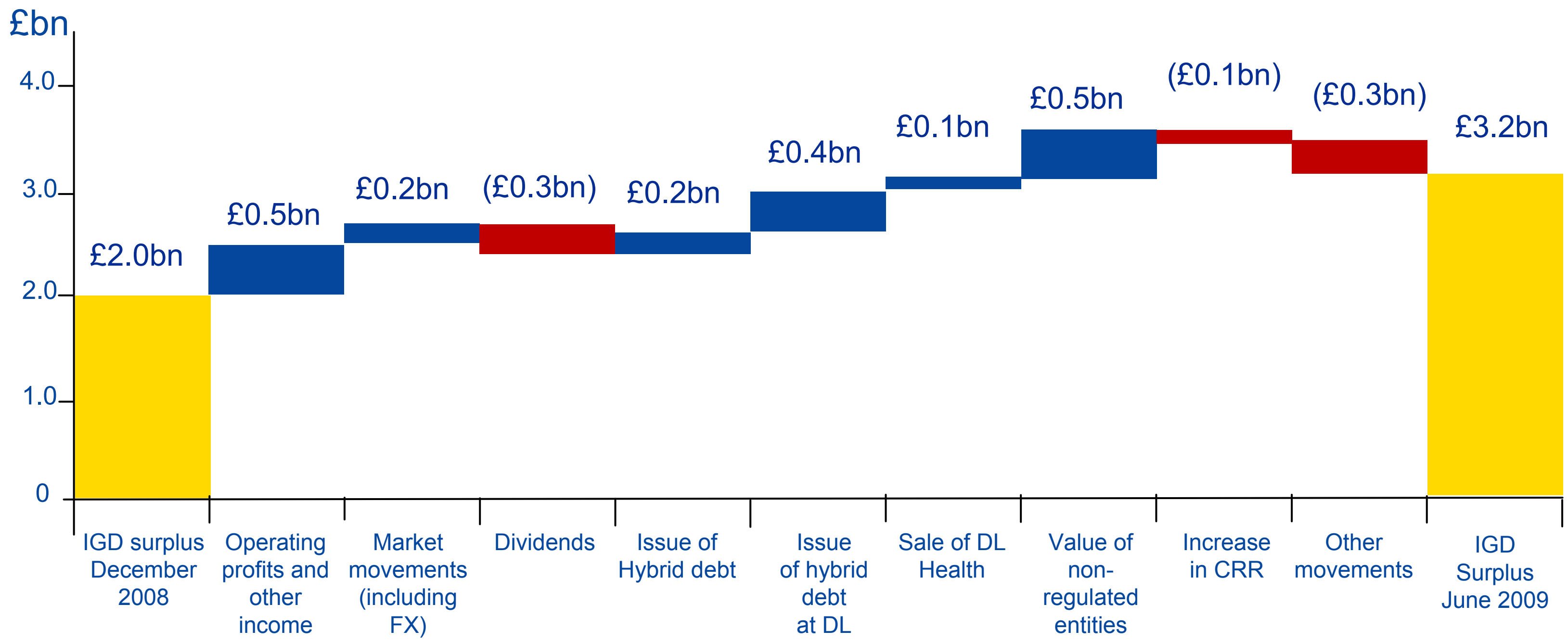
	MCEV	IFRS
	HY2009 Pence per share	HY2009 Pence per share
Opening NAV as at 31 December 2008	503p	416p
Retained profit after tax and MI	40	25
Fair value gains (losses) transferred to profit	(6)	27
Pension scheme	(46)	(46)
FX	(66)	(55)
2008 dividend net of scrip	(13)	(13)
Minority interest [1] and other	4	(5)
Closing NAV as at 30 June 2009	416p	349p
Return on equity shareholders funds	**17%**	**13%**

[1] Minority interest on items included in the statement of comprehensive income

- NAV per share of 416p under MCEV and 349p under IFRS
- Pension scheme reflects credit spreads narrowing combined with increase in long term inflation rate on 40 year duration of liabilities
- 58p increase for a 1% reduction in the real interest rate
- Own debt carried at book value, MCEV NAV would be 67p higher if marked to market
- 50bps decrease of credit spread would increase MCEV NAV by 54p

IGD Solvency Surplus Significantly Strengthened



Solvency ratio of 146%

IGD Solvency Surplus
Stress tests show resilience

Equity hedges protect IGD surplus

- 40% fall in equities reduces surplus by £300 million
- 40% rise in equities increases surplus by £700 million

Interest rate guarantees

- Significant hedges where required – principally in Delta Lloyd

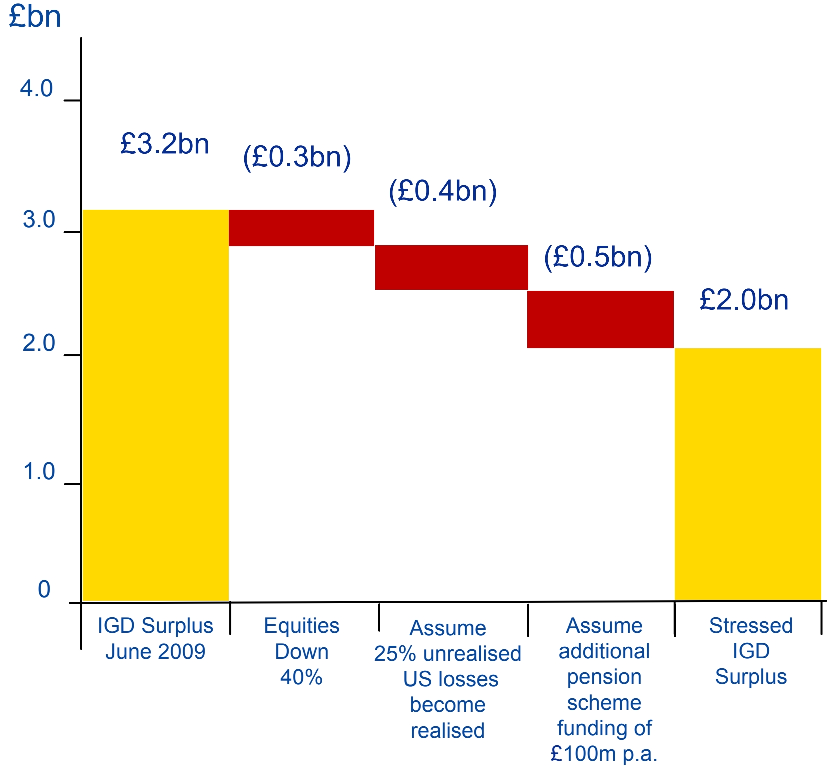
£1.1 billion provision against UK annuity book – unused in HY1 09

- Equivalent to 87bps across the duration of the portfolio

Debt securities valued at fair value in IFRS balance sheet

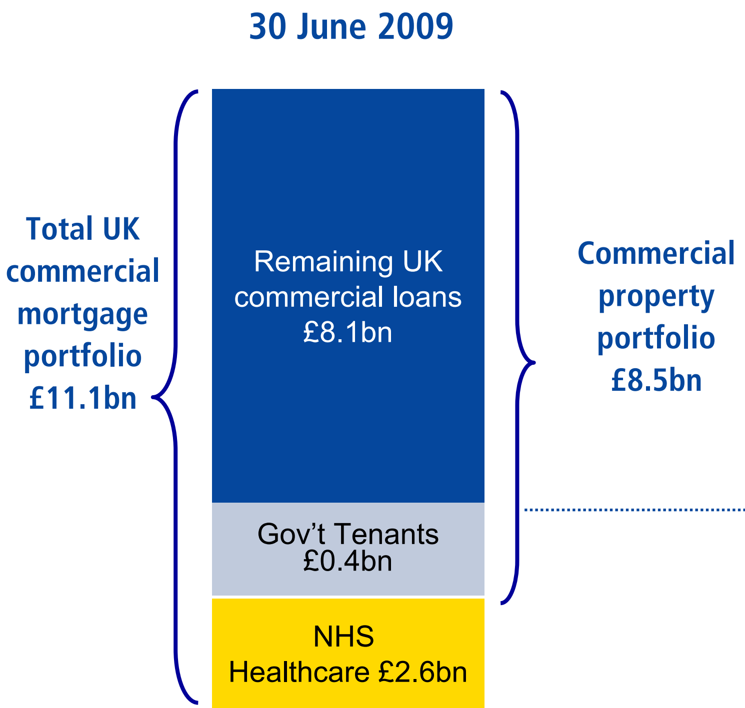
- US unrealised losses on AFS securities total £1.7 billion vs £2.9 billion at 31 December 2008

Illustrative impact of market stress on IGD Surplus



UK Commercial Mortgages

No defaults in H1 2009



	31 Dec 2008	30 June 2009
Interest service cover	1.30	1.32
Average loan to value	103%	106%
Vacancy rates	4.1%	4.7%
Rental income	£845m	£852m
Interest charged	£650m	£645m

- Interest service cover remains strong
- Minimal interest arrears of £5.8 million or 0.73% of annual interest across the whole portfolio

Corporate Debt - Shareholder
A high quality, diverse portfolio

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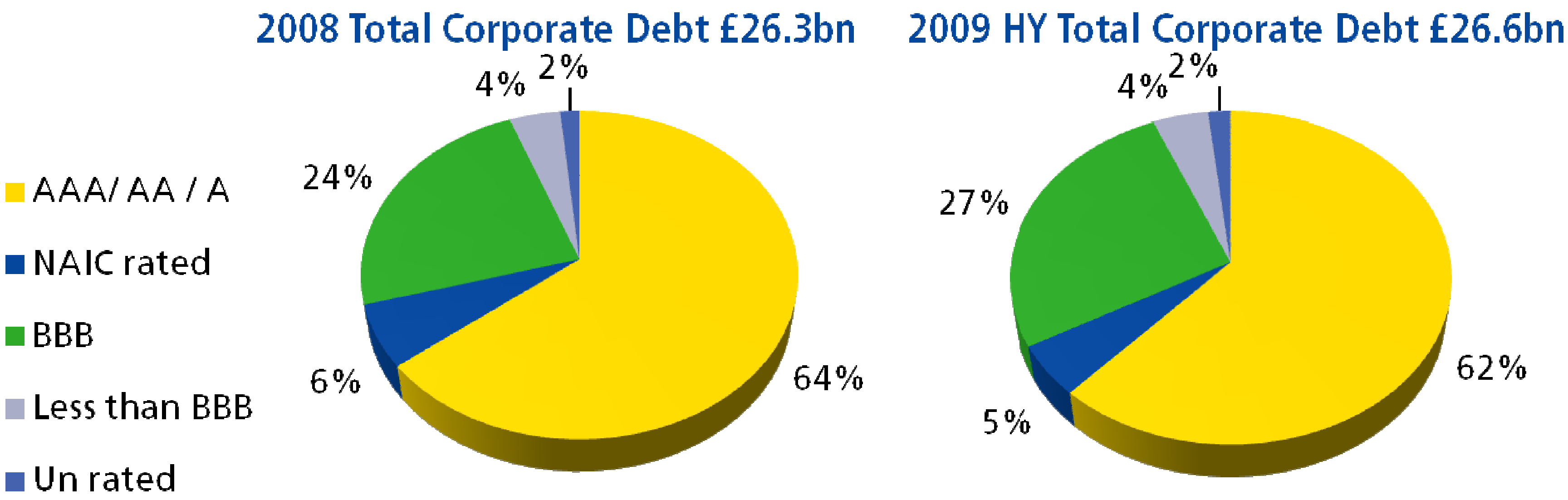

- Just over 94% of corporate debt is investment grade or NAIC rated
- Minimal movement in rating grades

5. Strengthening the balance sheet
Summary

Equities marked to market and additional hedging provides significant protection

A high quality debt portfolio, valued at fair value

- Unrealised losses lower at £8.7 billion (FY 2008: £13.1 billion) on total debt securities of £147 billion or 6% of total portfolio (FY 2008: 8%)
- 2009 actual defaults of £15 million and other impairments of c.£50m

£1.1 billion provision against assets backing UK Life annuity book – unused at HY1 09

Andrew Moss

Chief Executive Officer

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Building a Position of Strength
Taking decisive action

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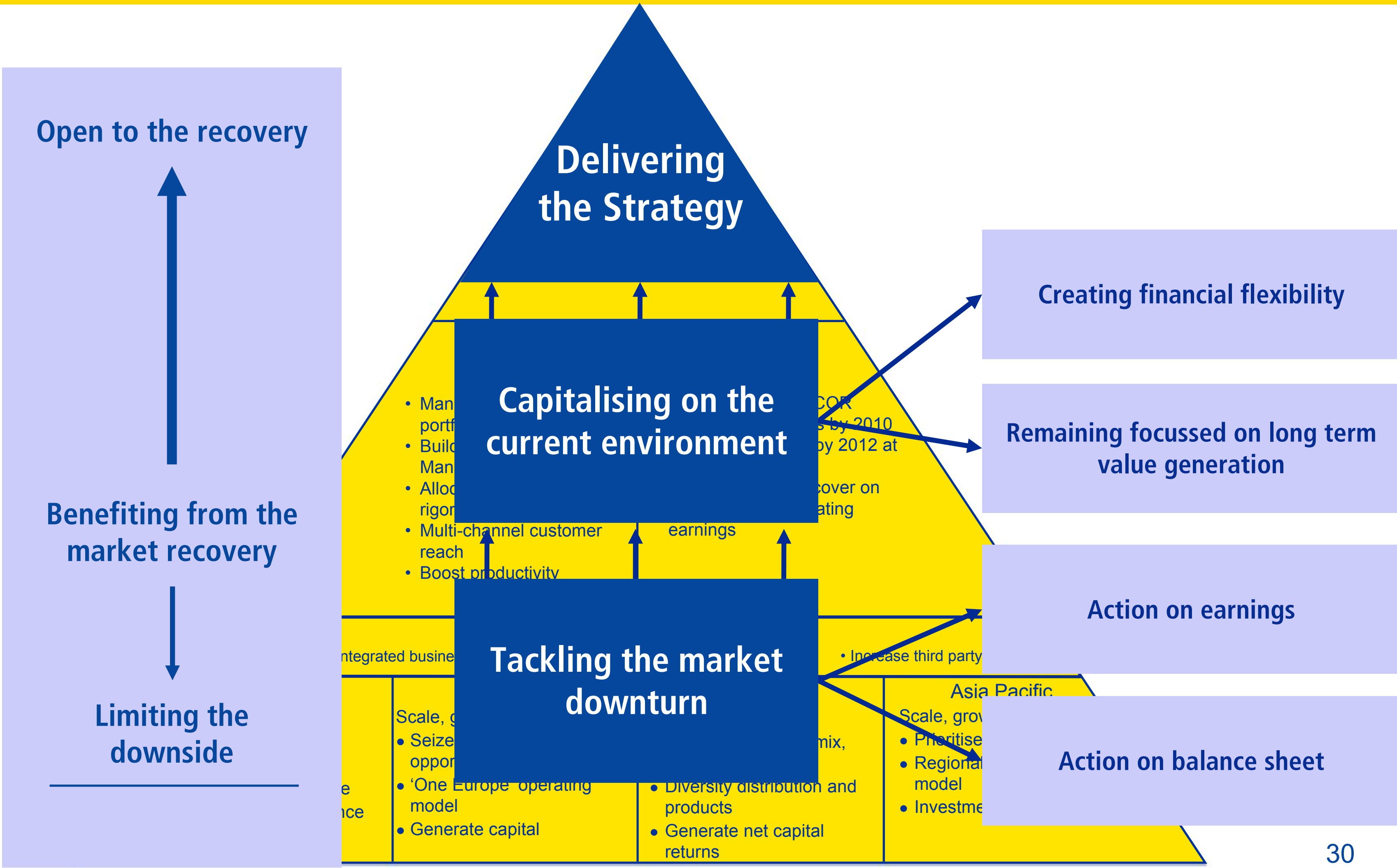

Questions


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BOLT
MET-TRACK


"Give me the
full picture
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Aviva and Sachin
Insuring hopes of a billion Indians
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