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**Aviva PLC**

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**WE MAP YOUR FINANCIAL GOALS**

## Overview

Aviva plc is a British multinational insurance company headquartered in London, United Kingdom. It has around 33 million customers<sup>1</sup> across 16 countries.<sup>[4]</sup> In the UK, Aviva is the largest general insurer and a leading life and pension's provider. In addition, Aviva has a focus on five markets in Europe and, in Asia, the company is focused on the growth markets of China and South East Asia. Aviva is also the second largest general insurer in Canada.

Aviva has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. It has a secondary listing on the New York Stock Exchange.

The name of the company upon its formation in May 2000 was CGNU plc. In April 2002 the company's shareholders voted to change the company name to "Aviva plc", an invented word derived from "viva", the Latin for 'alive' and designed to be short, memorable and work worldwide. In April 2008 Aviva announced that it would adopt the "Aviva" name as its worldwide consumer-facing brand, and that the Norwich Union brand would be phased out in the United Kingdom.

## Board of Directors

<b>Members</b>	<b>Position</b>
Sir Adrian Montague,CBE	Chairman
Mark Wilson	Group Chief Executive officer
Thomas Stoddard	Chief Financial Officer
Andy Briggs	Chief Executive officer Aviva UK Life and Chairman of Global Life.
Sir Malcolm Williamson	Senior independent non-executive director
Cludia Arney	Independent Non-Executive Director
Glyn Barker	Independent non-executive director
Patricia Cross	Independent non-executive director
Belen Romana Garcia	Independent non-executive director
Michael Hawker, AM	Independent non-executive director
Michael Mire	Independent non-executive director
Bob Stein	Independent non-executive director
Scott Whenway	Independent non-executive director
Keith Williams	Independent non-executive director

## **General Share Information**

Aviva PLC share information as of 25<sup>th</sup> of October 2016

- Stock Quote: AV.L
- Exchange: FTSE 100
- 52 Week's High: 522.50p
- 52 Week's low: 290.00p
- Stock Beta: 1.16
- Market Cap (Mil) : £ 18,201.19
- Shares Outstanding (Mil): 4,058.24
- Dividend: 7.42

## **Aviva Principal Subsidiaries**

The Company's principal subsidiaries are divided among the countries that the company operates in.

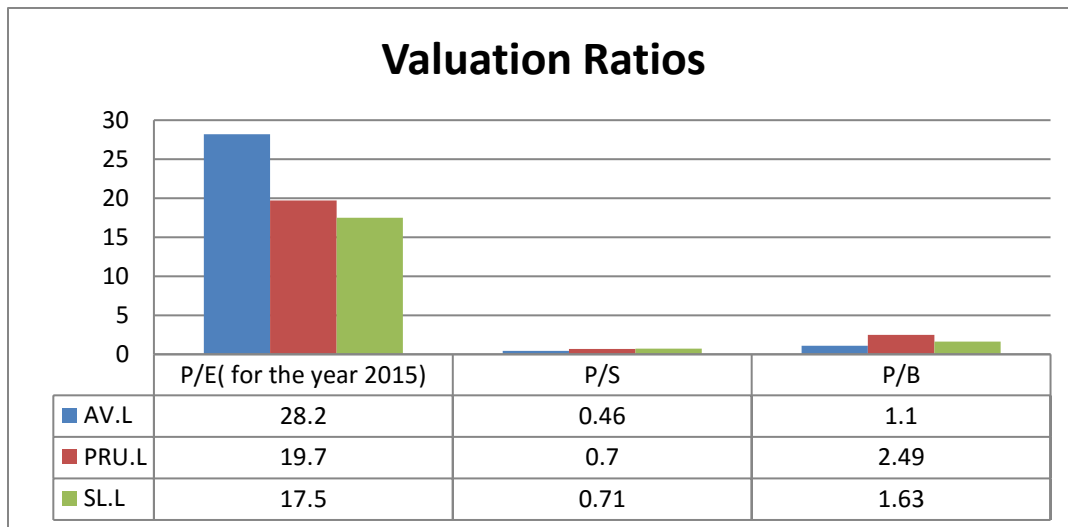
The company's principal subsidiaries are Aviva Life, Aviva Insurance, and Aviva Investors in the United Kingdom, Aviva Canada, Canada, Aviva-Cofco, China, Aviva France, France, Aviva India, India, Aviva Direct and Aviva Health, Ireland, Aviva Italia Holding S.p.A, Italy, Aviva, Poland, AvivaSA Emeklilik, Turkey, First Aviva, Taiwan. Moreover, the company has many more operations in Hong Kong, Indonesia, Lithuania, Singapore, Spain, and Vietnam.

Following the completion of Friends Life Group Limited in April 2015, Friends Provident International Limited is now part of the Aviva Group. Aviva's main activities are the provision of general and life insurance, long-term savings products and fund management services. The group has around 29,600 employees, 33 million customers and Aviva Investors has £289.9 billion assets under management.



## Fundamental Ration Analysis

Since Aviva PLC. Is an insurance company, and in order to fully understand its performance, we shall compare it to others companies in the same sector such as Prudential PLC and Standard life.



The Graph above represents the Valuation ratios, which are used to compare companies or a certain company with the industry or others to determine which one is better or which one is more attractive. Valuation ratios measure how cheap or expensive the business is, or we can say the investors opportunities in one company or security compare with others.

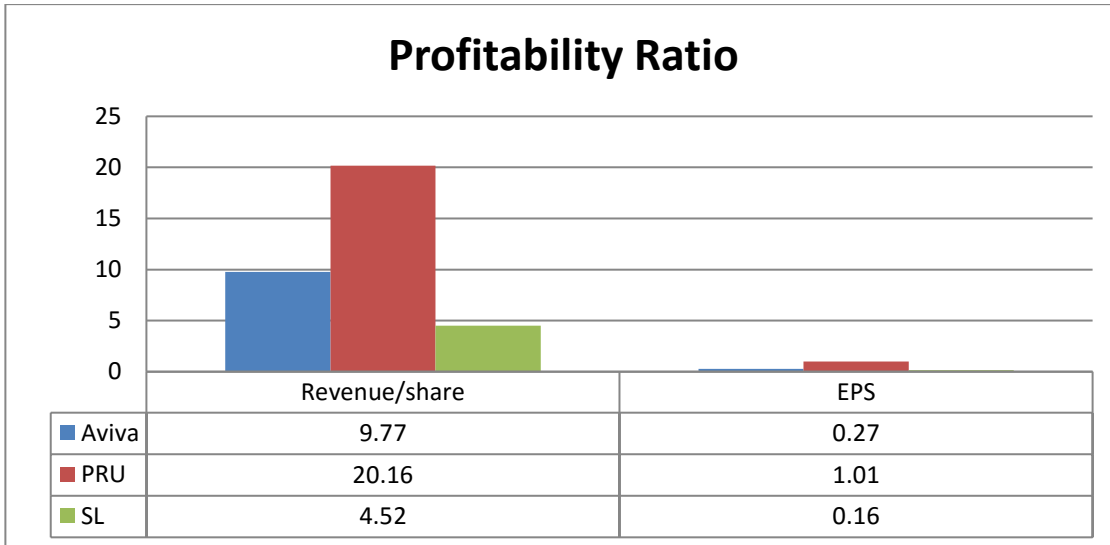
The P/E ratio, stock price/ earnings per share, taken for the fiscal year 2015, indicates how much investor are willing to pay for a stock or invest in a company in order to receive one dollar of earnings. P/E also reflects the market/investors company growth expectations. We could see that Aviva has the highest P/E with 28.3 in comparison to Prudential with 19.7 P/E and standard life with 17.5.

P/S or price to sales ratio indicates how much investors are willing to pay for \$1 of sale. Aviva stands with a P/S of 0.46 when compared with Prudential P/S with 0.7.

What we can conclude from this is that Aviva Investors are paying 0,46 for each \$1 of sales while Prudential investors pay 0.7 and Standard Life Investors pay 0.71 for each \$1 of sales.

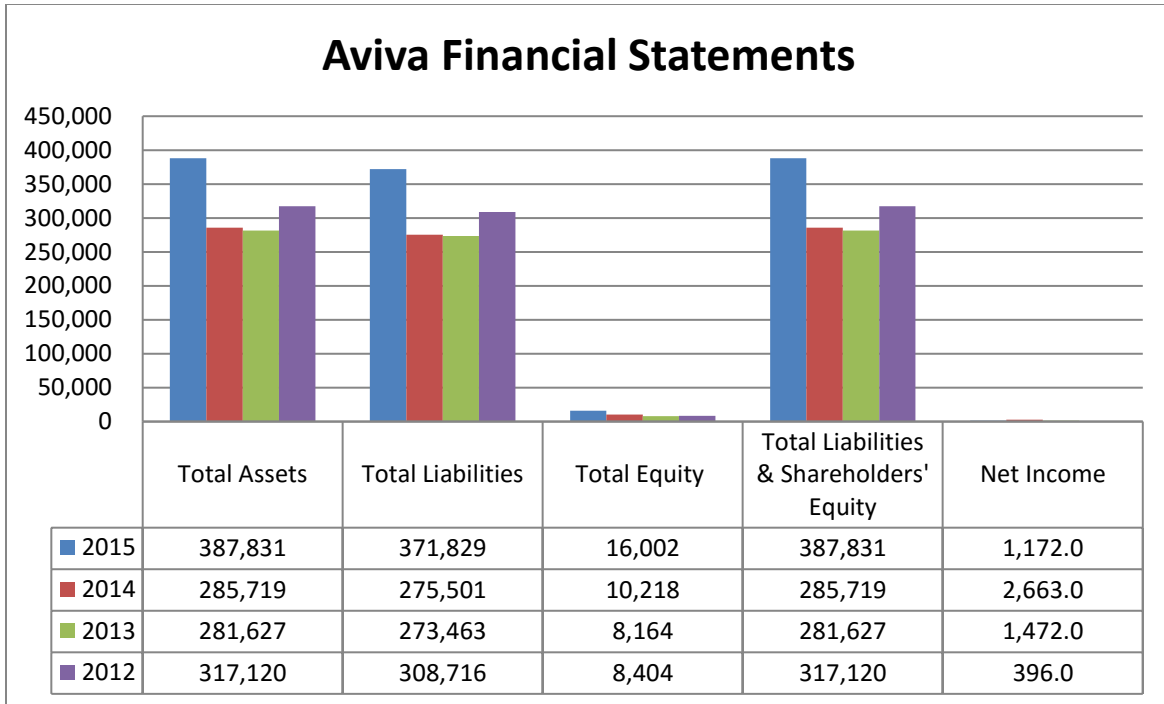
The P/B or Price to book value ratio is used to measure a company's market price in relative to its book value. The ratio indicates how much equity investors are paying for each dollar in net assets. As we can see, Aviva stands with 1.1 in comparison with Prudential at 2.49 and Standard

Life at 1.63. We can also see that Prudential is the leading in this aspect knowing that a ratio below 1 could be a bad sign for investors as it probably means that the market believes the assets are overstates or earnings are low.



The Profitability ratio can be explained as the company’s ability to generate profit and to measure the company’s performance. Revenue/share ratio measures the revenue earned per share while the sales-per share ratio is used to estimate a company's business activities in comparison to share price. We can see from the information and graph that Aviva ranks second after Prudential, with Prudential being the highest ratio and Standard Life ranking last. With the knowledge of higher ratio is more preferred for investors, this makes the company more attractive for investors.

Earnings per share or EPS are the amount of a company's profit distributed to each outstanding shares of common stock. Earnings per share usually serve as an indicator of a company’s profitability and show how profitable a company is on shareholders basis. When we compare Aviva to Prudential and standard life, we note that Aviva EPS stands at 0.27 with prudential at 1.01 and standard life at 0.16, knowing that a higher ratio is more attractive to shareholders.

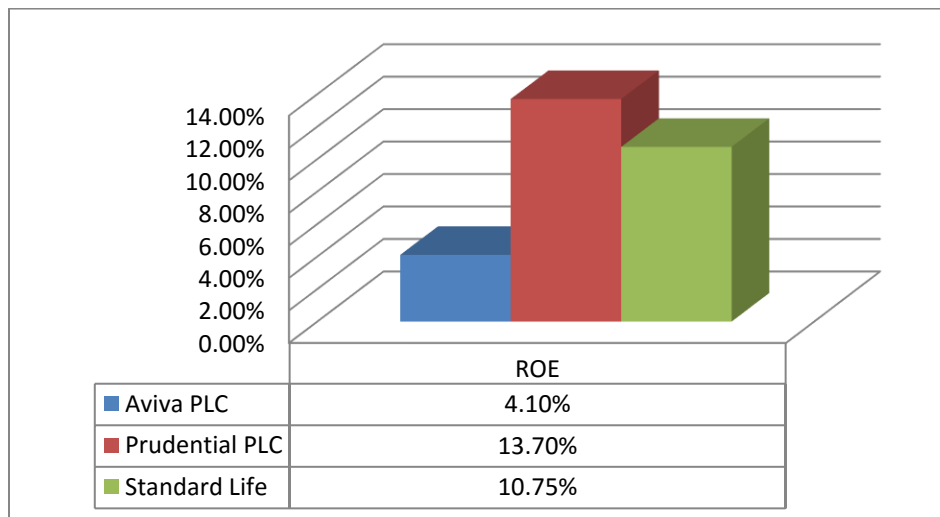


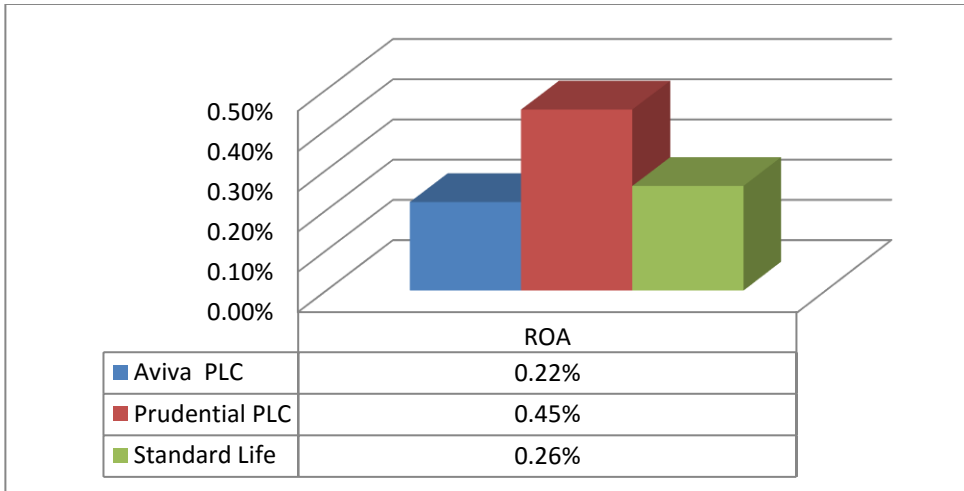
**All Figures are Annual in Millions of British Pound Sterling**

Aviva total assets increased significantly by the year 2015 in comparison to the previous year's 2014, 2013. Total liabilities also increased in the year 2015 to 371,829 from the previous year 2014, which was at 285,719 and 2013 at 281,627.

Total Equity was also on the increase for the year 2015 to 16,002 from the previous year 2014, which was at 10,218.

**Management Effectiveness between Aviva, PRU, and SL**



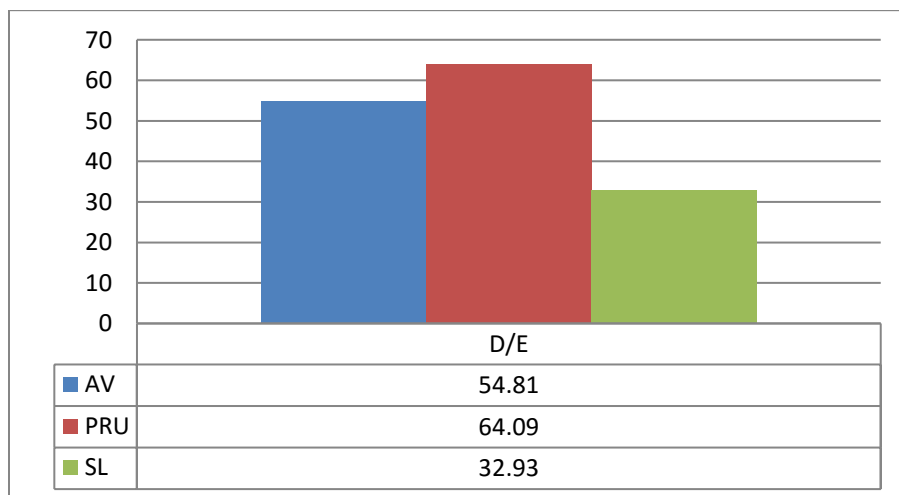


We use Management Effectiveness ratios as simply means to evaluate the management performance; like how well they are using their assets and equity.

The Return on equity or ROE is used to measure a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. The higher the ratio percentage, the more efficient management is in utilizing its equity and the better return is to investors. Aviva has an ROE of 4.10%, the lowest amongst the three while Prudential has ROE of 13.7%, which is higher, and standard life has ROE of 10.75%.

Return on assets or ROA is used as a pointer of how profitable a company is relative to its total assets. ROA gives the investor an idea of how efficient managements are utilizing its assets to generate earnings. Aviva has an ROA of 0.22% while Prudential has an ROA of 0.45% and standard life has an ROA at 0.26%

### Debt to Equity



The Debt/Equity Ratio is a debt ratio used to measure a company's financial leverage. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. Aviva has a D/E ratio of 54.81 while Prudential has D/E ratio of 64.09 and Standard life 32.93.

### Aviva and FTSE100 and Brexit



The UK's Brexit vote has foremost effects for the Financial and insurance sectors, bearing in mind their income as well as investment yields among many other, are likely to fall. Aviva fell more than 15% amid the vote but have since recovered ground. On the same note, Both Prudential and standard life fell 7% and 15% respectively, amid the Brexit vote, keeping in mind that the Insurance sector received the worst hit.

### Conclusion

In conclusion, after reviewing and analyzing major important ratios and the Financial Statements for Aviva PLC, investors need to keep in mind the movements of the economy at all times and their effect on the assets as well as keep an eye on the GDP for the UK along with the inflation rate and unemployment rate, along with keeping an eye on all the developments going on with the Brexit and the price of the GBP being faced with many problems





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## Resources

Reuters Platform

Aviva Website ( [www.aviva.com](http://www.aviva.com) )

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