Interim report 2003

AVIVA

We are the **world's seventh-largest insurer,** the biggest in the UK and one of the leading providers of life and pension products to Europe.

Highlights

Unaudited results – six months ended 30 June 2003

£828m
Operating profit* – continuing operations (2002: £955 million)

£1.9bn
Worldwide bancassurance sales (2002: £1.3 billion)

£7.5bn
Worldwide long-term savings new business sales (2002: £7.3 billion)

£10.2bn
Equity shareholders' funds (31 December 2002: £9.5 billion)

101%
Worldwide combined operating ratio** delivered by our general insurance business – continuing operations (2002: 101%)

Life profits reporting In reporting the Aviva plc headline operating profit, life profits have been included using the achieved profit basis. This is used throughout the Aviva group and by many in the investment community to assess performance. The modified statutory basis, which is used in our accounts, is also identified in the headline figures. We have focused on the achieved profit basis, as we believe life achieved operating profit is a more realistic measure of the performance of life businesses than the modified statutory basis. Life modified statutory operating profit before tax amounted to £515 million. The basis used for reporting achieved profit is consistent with the guidance circulated by the Association of British Insurers.

Basis of preparation The results for the six months to 30 June 2003 have been prepared on the basis of the accounting policies set out in Aviva plc's 2002 Annual Report and Accounts. Overseas currency results are retranslated at average exchange rates and all growth rates in this report are quoted in local currency.

*Including life achieved operating profit and stated before tax, amortisation of goodwill and exceptional items.

**Represents the total of claims costs, commission and expenses expressed as a percentage of premiums.

Our board is now one of the **most international** in Europe and sets an example of independence and diversity.

Management has taken determined action this year to counter the declining market in equities and the negative growth in savings in the UK. We have taken further action to reduce our operational costs in line with revenues.

We are making very good progress with our long-term savings operations in Spain and Italy, and continue to record excellent profits in general insurance. However, with interest rates at a record low and reduced investment returns, we must further improve our efficiency.

Our solvency is still healthy. In April, Standard & Poor's reviewed the group's ratings and confirmed that they remained in the AA range ("very strong"). Our UK life with-profit business is rated AA and our other main operational companies are rated AA-.

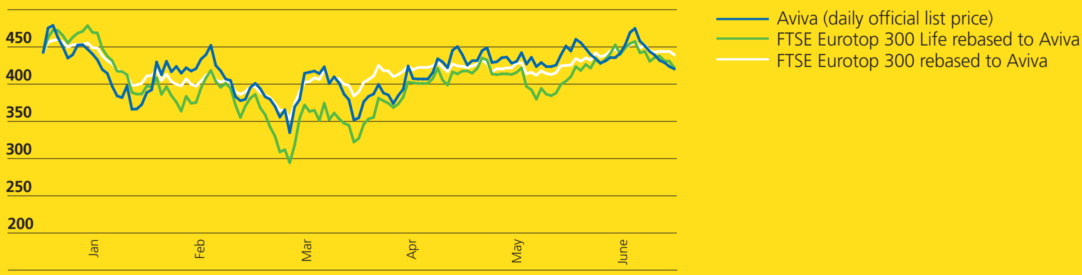
The board has declared an interim dividend up 2.9% to 9.0 pence net per share (2002 interim dividend: 8.75 pence) payable on 17 November 2003 to shareholders on the register on 26 September 2003.

Our share price has developed fairly well during the first six months of this year, albeit from a disappointingly low level. Compared with our peers we have outperformed the European life insurance sector but underperformed the FTSE Eurotop 300 index.

The Higgs report on the role of non-executive directors and the structure of company boards will result in new rules for corporate governance. We are generally positive and already comply with most of the recommendations. The same goes for the Smith report on audit committees, which sets out guidelines for the conduct of these important bodies.

Two new non-executive directors have joined the board: Anna Catalano, 43, group vice-president marketing at BP, and Carole Piwnica, 45, a barrister in both New York and Paris. I have participated in the preparation of the Tyson Report on how to widen the pool of non-executive director candidates, and feel that our board is now one of the most international in Europe and sets an example of independence and diversity. Our shareholders stand to benefit.

Aviva relative to FTSE Eurotop 300 Life Assurance and FTSE Eurotop 300



In July our executive directors assumed new responsibilities. Philip Scott has become group executive director for Life International, Patrick Snowball is group executive director for General Insurance, and, in addition to his responsibilities as group chief executive, Richard Harvey is now chairman of Norwich Union Life in the UK.

This new structure creates a stronger alignment between our organisation and strategy, and also takes account of the planned retirements of executive directors Tony Wyand, in November 2003, and Philip Twyman, in March 2004. Philip remains on the board with responsibility for our fund management operations. Since the merger Tony and Philip have led our successful growth outside the UK, and I am delighted that they will continue to be involved during the transition period. I would like to thank both of them for their exceptional contribution to the group over many years.

A further change to the board will take place at the end of December 2003 with the departure of group finance director Mike Biggs. He has been an extremely competent and accomplished finance director and I thank him for all he has done.

I am pleased that Richard Harvey has now taken on the chairmanship of the Association of British Insurers. I know he will provide leadership for the insurance industry in the UK.

The European Financial Services Round Table, which I chair, continues to push for a single market with a level playing field across Europe. The planned enlargement of the European Union in 2004 and further liberalisation of trade will create opportunities that should benefit companies and consumers alike.

To a large extent, we are the masters of our own fortunes. We strive to be the low-cost producer and provider of choice. There are still areas where we need to offer improved service. Only operational excellence will produce a competitive Aviva with superior returns.

Pehr G Gyllenhammar
Chairman

Highlights

	Unaudited 6 months to 30 June 2003 £m	Unaudited 6 months to 30 June 2002 £m
Worldwide long-term savings new business sales		
– life and pensions	**6,931**	6,674
– retail investments	**520**	622
Total premiums written (after reinsurance) and investment sales		
– continuing operations, including share of associates' premiums	**15,692**	14,160
– discontinued operations*	**–**	335
New business contribution (before effect of solvency margin)	**297**	289
Operating profit before tax (i)		
– continuing operations	**828**	955
– discontinued operations*	**–**	24
Operating profit before tax (modified statutory basis) (ii)		
– continuing operations	**638**	733
Modified statutory operating profit after tax, minorities and preference dividends†	**404**	468
Operating earnings per ordinary share† (i)	**22.5p**	26.7p
Operating earnings (modified statutory basis) per ordinary share† (ii)	**17.9p**	20.8p
Dividend per ordinary share	**9.0p**	8.75p
Equity shareholders' funds	**10,219**	9,469**
Total shareholders' funds	**10,419**	9,669**
Net asset value per ordinary share (iii)	**468p**	433p**
Assets under management	**£229bn**	£208bn**
Return on capital employed (iv)	**11.0%**	9.7%**

(i) Operating profit/earnings before tax shown above includes life achieved operating profit and excludes amortisation of goodwill of £52 million (30 June 2002: £46 million).

(ii) Modified statutory operating profit/earnings before tax shown above excludes amortisation of goodwill £52 million (30 June 2002: £46 million), amortisation of acquired additional value of in-force long-term business £40 million (30 June 2002: £34 million).

(iii) Based on equity shareholders' funds, adding back the equalisation provision of £342 million (30 June 2002: £283 million; 31 December 2002: £314 million).

(iv) The return on capital is calculated as the after-tax return on opening equity capital, based on operating profits, including life achieved profit, before amortisation of goodwill and exceptional items on continuing operations.

*Australia and New Zealand general insurance operations.

**As at 31 December 2002.

†From continuing operations.

Our long-term savings business had **good growth in continental Europe**, while our cash-generating general insurance operations continued their **impressive record of efficiency and profit**.

Overview

We made good progress in the first half of 2003. Our diversified and resilient portfolio of businesses has responded to the challenging market conditions that continue to test the insurance and investment industry.

In particular, our long-term savings business had good growth in continental Europe, while in the UK new business sales have stabilised at lower levels. Our cash-generating general insurance operations continued their impressive record of efficiency and profit through a focused strategy and benefited from good rating conditions.

Group results

Our pre-tax operating profit from continuing operations of £828 million (2002: £955 million) reflects the financial and operational strength of our business in these tough times, reduced, as expected, by the impact of lower investment returns. The group delivered a return on capital* in the first half of the year of 11.0% (full year 2002: 9.7%).

Worldwide long-term savings new business sales were £7.5 billion (2002: £7.3 billion). We continue to grow one of the leading bancassurance networks in the world, which accounted for new business sales of £1.9 billion (2002: £1.3 billion), a quarter of our group total. The continued development of our broad product range helped to offset lower customer demand for equity-linked savings. Life achieved operating profit was £705 million (2002: £796 million).

The efficiency of our general insurance operations was reflected in an excellent combined operating ratio (COR)* of 101% (2002: 101%), which includes the impact of a £70 million shortfall in claims case reserves relating to prior years in our Canadian subsidiary, Pilot Insurance Company. Our focus on personal and small commercial lines benefited from a favourable rating environment and better-than-expected weather claims experience. Interim operating profit* of £387 million (2002: £456 million) reflected lower investment returns.

On a modified statutory basis, group operating profit before tax* was £638 million (2002: £733 million). The group delivered overall profits before tax of £742 million (2002: £110 million).

Group capital and financial strength

A good performance at operational level, supported by an improvement in investment markets and the exchange rate benefits from a strengthened euro, resulted in an increase in equity shareholders' funds to £10.2 billion (31 December 2002: £9.5 billion). This represents a net asset value per share of 468 pence.

The solvency position of our main trading operations remains robust, with the average free asset ratio† of our UK life business at 14.0% (31 December 2002: 11.8%) and orphan estate of £4.5 billion (31 December 2002: £4.3 billion), based on a realistic assumption of liabilities. The solvency capital of our combined general insurance and overseas life operations remains strong, with an estimated excess solvency margin of £2.7 billion (31 December 2002: £2.2 billion).

*From continuing operations.

†Calculated in accordance with FSA regulations, including implicit items but excluding the impact of the waivers granted by the FSA earlier in the year.

Long-term savings
Conditions for long-term savings business remain difficult, but markets have begun to stabilise as investor confidence slowly returns.

The progress of our long-term savings business in 2003 has been led by our operations in continental Europe, which now contribute 50% of the group's worldwide life and pensions new business premiums. Distribution through our European bancassurance partnerships and new operations in South East Asia continues to develop as the new arrangements come on stream, affording us access to over 35 million potential customers.

Worldwide life and pensions sales were up 1%** to £6.9 billion (2002: £6.7 billion), underpinned by the strength of our bancassurance partnerships in Spain and Italy. Margins were maintained at 24.5% (full year 2002: 24.4%). Retail investment sales were lower at £520 million (2002: £622 million), reflecting continuing investor caution towards equity-backed products.

We are writing bancassurance business with attractive margins, and will further develop the long-term potential of this business to provide new investment vehicles for bank deposits as equity markets recover. We have strong market positions where ageing populations are driving the demand for retirement savings products, and government reforms will encourage greater private provision.

UK
Norwich Union Life, our largest long-term savings operation, delivered a robust performance relative to its competitors. We are seeing the benefits of our ability to offer a broad range of products from multiple distribution channels while maintaining a focus on product margins, and expect to regain our position as market leader.

Total new business sales were lower at £3.3 billion (2002: £4.0 billion), having stabilised at this lower level as the stock market contraction slowed. Operating profit was £339 million (2002: £424 million).

Pension sales of £1.3 billion reflected good growth in our target sector of larger group and corporate schemes, and included £331 million (2002: £388 million) in sales of stakeholder pensions. Annuities continued to perform strongly, benefiting from the demand for guaranteed income products.

Total bond and savings sales were 47% lower at £862 million, reflecting the poor investment climate in which market demand for with-profit bonds has fallen by 75% over the past year. We relaunched our range of investment products in July in response to an increasing customer appetite for structured bonds offering a degree of capital and income protection.

Total sales through our joint venture with The Royal Bank of Scotland Group were £426 million (2002: £473 million), reflecting reduced with-profit bond sales partly offset by encouraging sales of collective investments introduced in February 2003.

Equity release business continued to grow, with sales rising to £253 million (2002: £121 million) fuelled by an ageing population, low investment returns and house price inflation. Norwich Union is the UK's largest equity release provider, with a market share of over 40%.

Independent financial advisers (IFAs) continue to represent our main distribution channel, providing 73% of overall sales in the first half of 2003. Our focus on these relationships, together with our bancassurance and other partnerships, has enabled us to develop a strong multi-distribution capability which positions us well to capitalise upon the opportunities that depolarisation of the IFA market will present.

We are making good progress towards improving our own service, following a period of unprecedented call levels arising from customer concern over the investment climate. This is reflected in our being voted best life product provider in the Life & Pensions Money Facts Awards in March 2003, and achieving gold in the protection, investment and pension provider category of the Financial Adviser IFA & Provider Awards in May.

We continue to play an active role in the Government's consultation process over pensions reform, which seeks to close the "savings gap" in the UK. However, we need a workable environment that delivers good value to the consumer while allowing for the costs of distribution and manufacture. If a price cap is to be set, it must be at a realistic level that generates a reasonable return for providers. We remain committed to working with the Government to identify an appropriate level and shape for the new pricing structure.

We have taken decisive action over the past year in response to the difficult trading environment, including reducing our cost base, adjusting our product mix, realigning product commissions for IFAs and leading the market in lowering bonus rates to protect the interests of policyholders. Consequently, Norwich Union is emerging from these difficult times in a very strong position.

France
Aviva France is the group's second-largest long-term savings business, with a top-10 market position and some 1.5 million customers.

Sales of fixed interest products were up at £581 million (2002: £501 million), reflecting customer preference in the current market conditions. We saw an increase in sales of unit-linked business to £376 million (2002: £319 million), benefiting from a series of limited offers. Operating profit was £90 million (2002: £111 million).

Our multi-distribution approach in France includes our partnership with the AFER savings association and a joint venture with Médéric which is due to begin generating sales in the second half of the year. This agreement involved the sale of our group protection business to Médéric.

**All growth rates quoted are at constant rates of exchange.

The longer-term **prospects for our business remain excellent**. Our resilient business model will give us the platform to **succeed in our chosen markets**.

Italy
Total new business premiums increased by 46% to £841 million (2002: £526 million), reflecting the continued development of our bancassurance partnerships and including £187 million of one-off single premium sales of direct business. Operating profit was £33 million (2002: £30 million).

Sales through our four bancassurance partnerships were higher at £654 million (2002: £504 million), including encouraging new sales from our most recent agreement with Banca Popolare Commercio e Industria.

Spain
Aviva is now the largest life insurer in Spain, based on gross premiums written in the first quarter. In addition to our existing bancassurance agreements with Bancaja, Caixa Galicia, Unicaja and Caja España, sales through Caja Granada, our most recent Spanish partnership, should begin in the second half of the year.

Total new business sales grew strongly by 102% to £839 million (2002: £379 million), reflecting an excellent performance from our bancassurance network. One-off premiums of £149 million included £40 million of bulk pension transfers. In addition, a large single transaction of pension and protection business generated £109 million of one-off sales. Operating profit increased by 69% to £71 million (2002: £38 million).

Ireland
Hibernian, a top-five provider of life and pensions products in Ireland, reported reduced total sales of £116 million (2002: £212 million). The fall in sales reflects the difficult market conditions and non-recurring sales of the Government's special savings incentive accounts. Operating profit was £31 million (2002: £37 million).

The launch of the Government's personal retirement savings accounts in April 2003 produced a slow initial response across the market, but sales are expected to increase once consumers become familiar with the choice of products on the market.

Netherlands, Belgium and Luxembourg
New business through Delta Lloyd, our top-five Dutch life insurer, rose 51% to £605 million (2002: £366 million). This includes sales from our new bancassurance partnership with ABN AMRO, which completed in May 2003. Under the terms of the agreement, new business sales have been included from 1 January 2003. Total sales in the period from this channel amounted to £134 million.

Total pension and annuity sales were £280 million (2002: £181 million). Single premium life sales were £183 million (2002: £109 million), including business through Bank Nagelmackers in Belgium, where sales momentum still continued to develop strongly. Operating profit was £69 million (2002: £87 million).

Other Europe

Total long-term savings new business sales from our other European operations were £219 million (2002: £222 million).

In Poland, mutual fund business launched in 2002 produced sales of £31 million, but total life sales were held back at £18 million (2002: £23 million) by the difficult economic conditions. Total sales in Germany increased slightly to £65 million (2002: £62 million) following strong first-quarter sales of a savings product featuring a special offer.

International

Life and pensions new business outside Europe grew by 21% to £528 million (2002: £461 million), and operating profit increased by 43% to £30 million (2002: £22 million).

In the United States, Aviva Life reported total life and pension sales up 75% at £374 million (2002: £237 million). Momentum has slowed in comparison with the last quarter of 2002 and we expect this to continue through the rest of 2003. We have introduced several initiatives to improve service standards, particularly in the call centres.

Total sales in Australia were down 25% to £96 million (2002: £124 million), where the economic downturn gave rise to difficult trading conditions.

Our bancassurance partnerships in Singapore and Hong Kong continue to develop. Our aim is to grow our operations in these highly attractive markets to their full potential. Total new business sales were £56 million (2002: £97 million).

In India, sales through bancassurance partnerships and our direct sales force made encouraging progress. Our bancassurance network now includes an agreement with the country's second largest bank, Canara Bank. In China, another market with enormous long-term potential, sales started to flow through our new joint venture life business with state-owned company COFCO.

Fund management

Difficult investment conditions persisted during the first half of 2003, notwithstanding the reduced turbulence in global equity markets which restored a degree of investor confidence.

Worldwide assets under management increased to £229 billion (31 December 2002: £208 billion), reflecting new business flows and improved investment market performance. Operating profit rose to £10 million (2002: £3 million), reflecting the impact of new business flows and improved investment performance.

UK

Morley Fund Management is a leading UK-based fund manager, with about 1,000 staff based in London, Singapore, Melbourne, Tokyo and an associate office in Boston. We opened a new representative office in Milan in February as part of our European strategy. Portfolio Partners, our Australian fund management business with over £3 billion of assets under management, successfully integrated into Morley at the start of 2003.

During the first half of 2003, the combined UK-based institutional and retail businesses of Morley secured almost £2 billion of new external mandates (2002: £1 billion). In current market conditions, the half-year operating profit of £6 million (2002: £6 million) was a good result and reflects strong management of the underlying cost base. Assets under management rose to over £102 billion (2002: £96 billion).

New products launched in 2003 included a European property fund and a high income property unit trust, both reflecting the growing demand for property-related investment vehicles. We have also introduced a fund of hedge funds.

Morley's pooled pension business and overseas operations reported a profit of £1 million (2002: £1 million). Assets under management were £13 billion (2002: £11 billion).

Our retail investment business marketed under the Norwich Union brand recorded an operating loss of £1 million (2002: £14 million loss).

France

The continued success of Aviva Gestion d'Actifs, which manages assets of £35 billion, was reflected in an operating profit maintained at £6 million.

Netherlands and Belgium

Strong demand for our investment products continued into the second quarter and was reflected in increased sales of £115 million (2002: £56 million).

Australia

New sales through Navigator, our investment portfolio service, were adversely affected by consumer caution in the light of poor equity market performance, falling to £291 million (2002: £493 million). In June, we launched a range of new investment options to meet the needs of customers across the spectrum of investment profiles.

Navigator is ranked among the top five master trusts in Australia for funds under administration, which stood at £3.2 billion (2002: £3.2 billion).

Singapore

We launched Navigator Asia in Singapore in October 2002, and the rollout of our online Navigator platform across the region has now begun.

General insurance

The outstanding underlying performance of our general insurance operations benefited from a favourable rating environment and better-than-expected weather-related claims experience in our major European businesses which contributed £40 million to the result.

Total operating profit* of £387 million (2002: £456 million) demonstrated the success of our clear and focused strategy on personal lines and small commercial business.

Our continuing drive to improve efficiency was reflected in an outstanding COR* of 101% (2002: 101%), with strong performances in the UK, Ireland and the Netherlands. Excluding the impact of the £70 million shortfall in reserves in Canada, the underlying group COR* was 99%. Our worldwide expense ratio* improved to 10.9% (2002: 11.1%). The underlying improvement reflects the cost efficiencies achieved in our business operations.

Worldwide net premiums written were £4.3 billion (2002: £4.4 billion), reflecting the sale of our general insurance businesses in Australia and New Zealand towards the end of 2002.

UK

Norwich Union Insurance is Aviva's biggest general insurance operation and the largest insurer in the UK, with 16% of the market based on 2001 figures, the latest data available. We achieve consistent and sustainable performance through our proven business model. Our focus is on customer satisfaction, disciplined underwriting and claims handling, rigorous cost control and innovative solutions to customer needs.

Our continued success is reflected in an improved COR of 99% (2002: 101%). Weather-related claims were lower than expected, producing an additional profit of £30 million. Operating profit was up at £313 million (2002: £303 million) from net premiums written of £2.5 billion (2002: £2.4 billion).

As expected, we saw continued pressure in personal lines, with marginal rating increases in personal motor and household insurance. The commercial motor market remained steady, and commercial property and liability lines were buoyant.

Continued improvements have taken us above industry benchmarks in most areas of service delivery. We remain committed to our investment in market-leading initiatives, such as digital flood mapping and Pay As You Drive™, which in the longer term will enable us to tailor prices even more closely to individual customer requirements. We are also expanding our business to include services that "wrap around" insurance, such as the launch of vehicle breakdown service Norwich Union Rescue.

We continue to review our cost base, and use our size to obtain purchasing economies of scale, creating greater freedom to invest in future projects. We also pass the benefits directly to our customers through initiatives such as car purchase and leasing through yournucar.com and the facility to buy electrical goods via norwichunion.com. A further development is our offshore operational capability, which launched on a small scale in India in early June.

France

In France, where we focus mostly on personal and small business insurance for 1.2 million clients, we achieved an underlying COR of 100%, among the best in the French market. Operating profit was £15 million (2002: £25 million) due to lower investment returns, while net premiums written were higher at £305 million (2002: £275 million).

Ireland

We saw a substantial improvement in Ireland, where operating profit for Hibernian was £43 million (2002: £21 million) and COR improved to 97%. We benefited from premium increases across the market, the absence of severe weather claims and lower motor claims. To encourage safer driving and reduce accidents, Hibernian will, from November, reduce motor premiums by 10% for customers without penalty points on their driving licence.

Netherlands

Cost-cutting measures, the introduction of a shared service centre and economies of scale arising from our new distribution partnership with ABN AMRO resulted in an excellent COR for Delta Lloyd of 98%.

Premium rate increases, lower claims costs and favourable weather contributed to an improved operating profit of £12 million (2002: £11 million) from net premiums written of £295 million (2002: £241 million).

We continue to review our general insurance operations outside the Netherlands.

Other Europe

Operating profit from our other European businesses was £16 million (2002: £28 million).

Canada

Our Canadian business reported an underwriting loss of £85 million (2002: £18 million loss), which includes the claims shortfall in prior years in Pilot and our share of increased losses from involuntary automobile pools. The COR was 115% (2002: 103%).

We continued to see strong ratings growth. Net premiums written rose 17% to £565 million (2002: £509 million).

Corporate costs

Corporate costs were lower at £56 million (2002: £96 million). With effect from 1 January 2003 the group is now formally allocating costs relating to bonus plans and staff share schemes to business operations. Accordingly, £38 million of such costs have been included in the business unit operating results that in the prior year were included in corporate costs.

*From continuing operations.

Costs from our global finance transformation programme (GFTP) increased to £12 million (2002: £10 million). There is considerable change expected over the next three years in corporate governance, capital and financial management, reporting and performance measurement as a result of changing Financial Services Authority and European Union regulation and the introduction of International Accounting Standards in 2005. This will require substantial investment in the group's underlying financial systems and processes. We have examined how best to make these mandatory changes in a way that brings longer-term cost benefits. This will be achieved through the implementation of a common platform for finance systems across the group. Total costs of this programme in the first half of 2003 amounted to £12 million, with a further £48 million to be expensed in the second half of the year. The total cost of the programme in 2004 is expected to be up to £100 million. We expect costs to be significantly lower in 2005 and 2006.

Cost savings

We continue to take action to improve our operational efficiency and ensure that costs are appropriately aligned to revenues. Tougher financial targets for new developments and internal projects, together with a reduction of 700 jobs in the UK in the first half of 2003, resulted in a net benefit of £30 million to the profit and loss account in the period. There was incremental development spend of £10 million in 2003 in respect of our GFTP programme and the development of our new offshore call centre and claims processing operation in India.

We estimate that the net benefit to the profit and loss account for the full year 2003 will be approximately £60 million, after bearing one-off costs of £30 million associated with the recently announced 900 job reductions in our UK life and general insurance businesses and after incremental development spend of £50 million in the full year.

The full realisation of the actions taken so far in 2003 will deliver an estimated benefit to the profit and loss account of £175 million in 2004 but excludes the impact of inflation, future growth in the business and a further incremental spend of £40 million on GFTP.

Outlook

Aviva is one of the leading providers of life and pensions products to Europe, supported by an efficient and profitable general insurance business. Although a degree of stability has returned to investment markets, we anticipate that conditions in long-term savings markets will remain challenging in the second half of 2003 as investor confidence slowly returns.

The longer-term prospects for our business remain excellent. The new executive team structure is in place. The Aviva brand has been launched in more than 20 countries around the world.

Improving efficiency will remain a focus of management as we continue to invest in our business to improve our competitive positioning. Our emphasis remains on developing our distribution power, particularly in bancassurance, while ensuring strict cost and capital management disciplines across our business. We believe that these measures combined with our resilient business model will give us the platform to succeed in our chosen markets.

Richard Harvey
Group Chief Executive

Our emphasis remains on **developing our distribution power**, particularly in bancassurance, while ensuring **strict cost and capital management disciplines** across our business.

Summarised consolidated profit and loss account

Achieved profit basis
For the six months ended 30 June 2003

Page	6 months 2003 €m		6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
		Operating profit			
11	**1,036**	Life achieved operating profit	**705**	796	1,524
23	**40**	Health	**27**	32	61
	15	Fund management	**10**	3	5
23	**569**	General insurance	**387**	456	881
	(69)	Non-insurance operations*	**(47)**	(28)	(99)
	(82)	Corporate costs	**(56)**	(96)	(218)
	(291)	Unallocated interest charges	**(198)**	(208)	(434)
	1,218	**Operating profit – continuing operations before tax, amortisation of goodwill and exceptional items**	**828**	955	1,720
23	**–**	Discontinued operations – Australia and New Zealand general insurance operations	**–**	24	78
	1,218	**Operating profit – before tax, amortisation of goodwill and exceptional items**	**828**	979	1,798
	(77)	Amortisation of goodwill	**(52)**	(46)	(135)
	1,141	Operating profit before tax	**776**	933	1,663
	507	Variation from longer-term investment return	**345**	(1,353)	(3,504)
	(319)	Effect of economic assumption changes	**(217)**	–	(561)
	(41)	Change in the equalisation provision	**(28)**	(26)	(57)
21	**(10)**	Loss on the disposal of subsidiary undertakings	**(7)**	(16)	(4)
	(28)	Costs for termination of Belgium general insurance operations	**(19)**	–	–
	1,250	**Profit/(loss) on ordinary activities before tax**	**850**	(462)	(2,463)
	(382)	Tax on operating profit – continuing operations before amortisation of goodwill and exceptional items	**(260)**	(297)	(531)
	(27)	Tax on profit/(loss) on other ordinary activities	**(18)**	423	982
	841	**Profit/(loss) on ordinary activities after tax**	**572**	(336)	(2,012)
	(59)	Minority interests	**(40)**	(39)	(33)
	782	**Profit/(loss) for the financial period**	**532**	(375)	(2,045)
24	**(13)**	Preference dividends	**(9)**	(9)	(17)
	769	**Profit/(loss) for the financial period attributable to equity shareholders**	**523**	(384)	(2,062)
24	**(298)**	Ordinary dividends	**(203)**	(197)	(519)
	471	**Retained profit/(loss) for the financial period**	**320**	(581)	(2,581)
		Earnings per share			
		Operating profit on an achieved profit basis before amortisation of goodwill and exceptional items, after tax, attributable to equity shareholders in respect of:			
	33.1c	Continuing operations	**22.5p**	26.7p	48.3p
	33.1c	Continuing and discontinued operations	**22.5p**	27.4p	51.5p
	34.1c	Profit/(loss) attributable to equity shareholders	**23.2p**	(17.0)p	(91.5)p
	34.0c	Profit/(loss) attributable to equity shareholders – diluted**	**23.1p**	(17.0)p	(91.5)p

*The wealth management result has been included within non-insurance in all periods.

**As required by FRS14 "Earnings per share", the impact of the dilutive effect on the 2002 comparatives is not recognised as it would result in a smaller loss.

Information on the achieved profit basis

Basis of preparation – achieved profit basis
The achieved profit statement on page 10 includes the results of the Group's life operations reported under the achieved profit basis combined with the modified statutory basis results of the Group's non-life operations set out on pages 17 to 27. In the directors' opinion, the achieved profit basis provides a more accurate reflection of the performance of the Group's life operations year on year than results under the modified statutory basis. The achieved profit methodology used is in accordance with the guidance on "Supplementary reporting for long-term insurance business (the achieved profit method)" circulated by the Association of British Insurers in December 2001. Further details on the methodology and assumptions are set out on pages 14 to 16.

The results of the Group's life operations under the modified statutory basis, which is the basis used in the annual statutory accounts, can be found on pages 17 to 27.

The contribution from the Group's share of the alliance with The Royal Bank of Scotland Group (RBSG) is incorporated within the achieved operating profit. Goodwill amortised in the year in respect of the Group's holding in the associated company, RBS Life Investments Limited, is included within the `Amortisation of goodwill' on page 10.

The results for the six month periods to 30 June 2003 and 30 June 2002 are unaudited but have been reviewed by the auditors Ernst & Young LLP. Their report in respect of 30 June 2003 is included on page 28. The interim accounts do not constitute statutory accounts as defined by section 240 of the Companies Act 1985.

Components of total life achieved profit
Total life achieved profit, including the Group's share from the alliance with RBSG, comprises the following components, the first three of which in aggregate are referred to as life achieved operating profit:

- new business contribution written during the period including value added between the point of sale and end of the period;
- the profit from existing business equal to:
  – the expected return on the value of the in-force business at the beginning of the period,
  – experience variances caused by the differences between the actual experience during the period and expected experience based on the operating assumptions used to calculate the start of year value,
  – the impact of changes in operating assumptions including risk margins;
- the expected investment return on the shareholders' net worth, based upon assumptions applying at the start of the year;
- investment return variances caused by differences between the actual return in the period and the expected experience based on economic assumptions used to calculate the start of year value; and
- the impact of changes in economic assumptions in the period.

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
New business contribution (after the effect of solvency margin)	**211**	237	452
Profit from existing business – expected return	**376**	414	849
– experience variances	**(19)**	(17)	(110)
– operating assumption changes*	**(10)**	(3)	9
Expected return on shareholders' net worth	**147**	165	324
Life achieved operating profit before tax	**705**	796	1,524
Investment return variances	**208**	(854)	(2,320)
Effect of economic assumption changes	**(217)**	–	(561)
Total life achieved profit/(loss) before tax	**696**	(58)	(1,357)
Tax on operating profit	**(213)**	(241)	(460)
Tax on other ordinary activities	**9**	253	857
Total life achieved profit/(loss) after tax	**492**	(46)	(960)

*In 2002, operating assumption changes included the impact of reducing risk margins in the US in line with the directors' views of the risks associated with this in-force portfolio. The impact of this change was nil for the six months to 30 June 2002 and £13 million in the full year.

New business contribution

The following table sets out the contribution from new business written by the long-term business operations. The contribution generated by new business written during the period is the present value of the projected stream of after tax distributable profit from that business. Contribution before tax is calculated by grossing up the contribution after tax at the full corporation tax rate for UK business and at appropriate rates of tax for other countries.

	Annual premium equivalent*			New business contribution	
	6 months 2003 £m	6 months 2002 £m	Local currency growth %	6 months 2003 £m	6 months 2002 £m
United Kingdom	**531**	676	(21)	**117**	164
Europe (excluding UK)					
France	**120**	110	–	**35**	34
Ireland	**39**	66	(47)	**11**	17
Italy	**117**	69	55	**27**	16
Netherlands (including Belgium and Luxembourg)	**102**	63	47	**22**	10
Poland	**20**	27	(21)	**–**	6
Spain	**139**	63	100	**68**	33
Other	**44**	45	(8)	**(4)**	(3)
International	**100**	83	27	**21**	12
Total annualised premiums	**1,212**	1,202	(2)		
Total new business contribution before effect of solvency margin**				**297**	289
Effect of solvency margin				**(86)**	(52)
Total new business contribution including effect of solvency margin				**211**	237

*Annual premium equivalent represents regular premiums plus 10% of single premiums.

**New business contribution before effect of solvency margin includes minority interests in 2003 of £54 million (six months to 30 June 2002: £28 million). This comprises minority interests in France of £2 million (six months to 30 June 2002: £2 million), Italy £14 million (six months to 30 June 2002: £8 million), Netherlands £3 million (six months to 30 June 2002: nil), Poland nil (six months to 30 June 2002: £1 million) and Spain £35 million (six months to 30 June 2002: £17 million).

New business contributions have been calculated using the same economic assumptions as those used to determine the embedded values as at the beginning of each year and operating assumptions used to determine the embedded values as at the end of the period. The effect of solvency margin represents the impact of holding the minimum European Union (EU) solvency margin (or equivalent for non-EU operations) and discounting to present value the projected future releases from the solvency margin to shareholders.

Analysis of life achieved operating profit

Life achieved operating profit is calculated on an after-tax basis and then grossed up at the full rate of corporation tax for UK business and at appropriate rates of tax for other countries.

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
United Kingdom	**339**	424	699
Europe (excluding UK)			
France	**90**	111	228
Ireland	**31**	37	75
Italy	**33**	30	52
Netherlands (including Belgium and Luxembourg)	**69**	87	200
Poland	**40**	47	111
Spain	**71**	38	83
Other	**2**	–	(2)
International	**30**	22	78
Total life achieved operating profit before tax*	**705**	796	1,524

*Life achieved operating profit includes minority interests in the six months to 30 June 2003 of £65 million (six months to 30 June 2002: £43 million; full year 2002: £90 million). This comprises minority interests in France of £4 million (six months to 30 June 2002: £4 million; full year 2002: £7 million), Italy £17 million (six months to 30 June 2002: £14 million; full year 2002: £26 million), Netherlands £3 million (six months to 30 June 2002: nil; full year 2002: nil), Poland £6 million (six months to 30 June 2002: £7 million; full year 2002: £18 million) and Spain £35 million (six months to 30 June 2002: £18 million; full year 2002: £39 million).

Embedded value of life business

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Embedded value at the beginning of the year	**10,148**	11,063	11,063
Total life achieved profit/(loss) after tax	**492**	(46)	(960)
Exchange rate movements	**307**	209	220
Embedded value of businesses acquired*	**64**	13	13
Amounts injected into life operations	**88**	15	419
Amounts released from life operations	**(38)**	(467)	(607)
Embedded value at the end of the period**	**11,061**	10,787	10,148

*Embedded value of businesses acquired in 2003 represents the embedded value of Delta Lloyd ABN AMRO Verzekeringen Holding BV, the insurance company acquired as part of the bancassurance agreement entered into with ABN AMRO NV in the Netherlands of £64 million. Embedded value from businesses acquired in 2002 represents the life subsidiary of DBS Hong Kong of £13 million.

**Embedded value at the end of the period includes minority interests in 2003 of £504 million (30 June 2002: £366 million; 31 December 2002: £410 million). This comprises minority interests in France of £49 million (30 June 2002: £40 million; 31 December 2002: £42 million), Italy £204 million (30 June 2002: £150 million; 31 December 2002: £180 million), Netherlands £37 million (30 June 2002: nil; 31 December 2002: nil), Poland £50 million (30 June 2002: £57 million; 31 December 2002: £51 million), Spain £161 million (30 June 2002: £117 million; 31 December 2002: £134 million) and Other Europe £3 million (30 June 2002: £2 million; 31 December 2002: £3 million).

Segmental analysis of embedded value of life business

	Net worth at 30 June*		Value of in-force at 30 June**		Embedded value at 30 June	
	2003 £m	2002 £m	2003 £m	2002 £m	2003 £m	2002 £m
United Kingdom	**1,913**	1,600	**3,443**	3,931	**5,356**	5,531
Europe (excluding UK)						
France	**961**	891	**408**	417	**1,369**	1,308
Ireland	**247**	208	**284**	269	**531**	477
Italy	**291**	181	**102**	120	**393**	301
Netherlands (including Belgium and Luxembourg)	**967**	969	**1,021**	955	**1,988**	1,924
Poland	**120**	125	**216**	257	**336**	382
Spain	**182**	115	**226**	218	**408**	333
Other	**138**	60	**47**	58	**185**	118
International	**369**	311	**126**	102	**495**	413
	5,188	4,460	**5,873**	6,327	**11,061**	10,787

*The shareholders' net worth comprises the market value of the shareholders' funds and the shareholders' interest in the surplus held in the non-profit component of the long-term business funds determined on a statutory solvency basis and adjusted to add back any non-admissible assets.

**The value of in-force includes the effect of holding shareholders' capital to support the minimum statutory solvency margin requirements and allowing for projected future releases. This impact reduces the value of in-force by £840 million (30 June 2002: £740 million). The minimum statutory solvency margin requirements supported by shareholders' capital of £3,000 million (30 June 2002: £2,400 million) is included within the net worth.

Minority interest in life achieved profit

	6 months 2003			6 months 2002	Full year 2002
	Shareholders' interest £m	Minority interest £m	Group £m	Group £m	Group £m
New business contribution before effect of solvency margin	**243**	**54**	**297**	289	578
Effect of solvency margin	**(72)**	**(14)**	**(86)**	(52)	(126)
New business contribution including effect of solvency margin	**171**	**40**	**211**	237	452
Life achieved operating profit before tax and exceptional items	**640**	**65**	**705**	796	1,524
Total life achieved profit/(loss) before tax	**651**	**45**	**696**	(58)	(1,357)
Attributed tax	**(188)**	**(16)**	**(204)**	12	397
Total life achieved profit/(loss) after tax	**463**	**29**	**492**	(46)	(960)
Closing life embedded value	**10,557**	**504**	**11,061**	10,787	10,148

Methodology

(a) Life achieved profit

The achieved profit method of financial reporting is designed to recognise profit as it is earned over the life of an insurance policy. The total profit recognised over the lifetime of a policy is the same as under the modified statutory basis of reporting, but the timing of recognition is different.

Distributable profits from long-term businesses arise when they are released to shareholders following actuarial valuations. These are carried out in accordance with statutory requirements designed to ensure and demonstrate solvency in long-term business funds.

Future distributable profits will depend on experience in a number of areas such as investment return, discontinuance rates, mortality and administration costs. Using realistic assumptions of future experience, we can project releases to shareholders arising in future years from the business in-force and associated minimum statutory solvency margin.

The life achieved profit reflects current performance by measuring the movement, from the beginning to the end of the period, in the present value of projected releases to shareholders from the business in-force and associated minimum statutory margin, together with the movement in the net assets of the long-term operations, adjusted for any amounts released from or invested in life operations.

The present value of the projected releases to shareholders is calculated by discounting back to the current time using a risk discount rate. The risk discount rate is a combination of a discount rate to reflect the time value of money and a risk margin to make prudent allowance for the risk that experience in future years may differ from the assumptions referred to above.

Achieved profit reporting takes account of the cost of maintaining local provisions. In addition, a significant allowance for the expected cost of guarantees is implicitly allowed for in the risk margin inherent in the risk discount rate consistent with the principles of the achieved profit guidance.

The calculations are carried out on an after-tax basis and the profits are then grossed up for tax at the full rate of corporation tax for the United Kingdom and at an appropriate rate for each of the other countries.

(b) Embedded value

The shareholders' interest in the long-term business operations is represented by the embedded value. The embedded value is the total of the net assets of the long-term operations and the present value at risk discount rates (which incorporate a risk margin) of the projected releases to shareholders arising from the business in-force, less a deduction for the effect of holding the minimum statutory solvency margin. This effect of solvency margin is the difference between the nominal value of the solvency margin and the present value at risk discount rates of the projected release of the solvency margin and investment earnings on the assets deemed to back the solvency margin.

For with-profit funds in the United Kingdom and Ireland, for the purpose of recognising the value of the estate, it is assumed that terminal bonuses are increased to exhaust all of the free assets over the future lifetime of the in-force with-profit policies.

Principal economic assumptions

Economic assumptions are derived actively, based on market yields on risk-free fixed interest assets at each period end. Margins are applied on a consistent basis to risk-free yields to obtain investment return assumptions for ordinary shares and property and risk discount rates. The reduction in assumptions in the six months to 30 June 2003 reflects the fall in actual risk free yields in each respective territory. Risk margins remain unchanged in all our key businesses.

The principal economic assumptions used are as follows:

	United Kingdom				France			
	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %
Risk discount rate	**7.3**	7.3	7.7	7.7	**7.8**	8.1	8.6	8.6
Pre-tax investment returns:								
Base government fixed interest	**4.5**	4.5	5.0	5.0	**3.9**	4.3	5.1	5.1
Ordinary shares	**7.0**	7.0	7.5	7.5	**5.9**	6.3	7.1	7.1
Property	**6.0**	6.0	6.5	6.5	**5.4**	5.8	6.6	6.6
Future expense inflation	**3.6**	3.6	3.7	3.7	**2.5**	2.5	2.5	2.5
Tax rate	**30.0**	30.0	30.0	30.0	**35.4**	35.4	36.4	36.4

	Ireland				Italy			
	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %
Risk discount rate	**8.3**	8.7	9.3	9.3	**7.0**	7.3	7.6	7.6
Pre-tax investment returns:								
Base government fixed interest	**4.1**	4.6	5.3	5.3	**3.9**	4.4	5.3	5.3
Ordinary shares	**7.1**	7.6	8.3	8.3	**6.9**	7.4	8.3	8.3
Property	**5.6**	6.1	6.8	6.8	**5.4**	5.9	6.8	6.8
Future expense inflation	**4.0**	4.0	4.0	4.0	**3.3**	3.3	3.3	3.3
Tax rate	**12.5**	12.5	14.0	16.0	**39.3**	39.8	41.0	41.0

	Netherlands				Poland*			
	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %
Risk discount rate	**7.1**	7.4	8.0	8.0	**15.4**	15.4	18.5	18.5
Pre-tax investment returns:								
Base government fixed interest	**3.9**	4.2	5.1	5.1	**8.0**	8.0	12.5	12.5
Ordinary shares	**6.8**	7.2	8.1	8.1	**8.0**	8.0	12.5	12.5
Property	**5.3**	5.7	6.6	6.6	**n/a**	n/a	n/a	n/a
Future expense inflation	**2.5**	2.5	2.5	2.5	**5.4**	5.4	9.2	9.2
Tax rate	**25.0**	25.0	25.0	25.0	**27.0**	27.0	28.0	28.0

	Spain			
	30 June 2003 %	31 December 2002 %	30 June 2002 %	31 December 2001 %
Risk discount rate	**7.4**	7.7	8.3	8.3
Pre-tax investment returns:				
Base government fixed interest	**4.2**	4.6	5.3	5.3
Ordinary shares	**7.2**	7.6	8.3	8.3
Property	**5.7**	6.1	6.8	6.8
Future expense inflation	**3.0**	3.0	3.2	3.2
Tax rate	**35.0**	35.0	35.0	35.0

*The economic assumptions shown above are those in the calculations for the life business. The economic assumptions for the pension business are identical with the exception of the risk discount rate which is 13.8% (30 June 2002: 16.9%; full year 2002: 13.8%; full year 2001: 16.9%).

Other assumptions

- Current tax legislation and rates have been assumed to continue unaltered, except where changes in future tax rates have been announced.
- Assumed future mortality, morbidity and lapse rates have been derived from an analysis of Aviva's recent operating experience.
- The management expenses of Aviva attributable to long-term business operations have been split between expenses relating to the acquisition of new business and to the maintenance of business in-force. Certain expenses of an exceptional nature have been identified separately and the discounted value of projected exceptional costs has been deducted from the value of in-force business. A realistic estimate of future fund management expenses that will be charged to long-term businesses by Group companies not included in the long-term business covered by the achieved profits method has been included within the value of in-force business.
- It has been assumed that there will be no changes to the methods and bases used to calculate the statutory technical provisions and current surrender values.
- The value of in-force business allows for future premiums under recurring single premium business where collection of future single premiums is expected and where the receipt of further single premiums is not regarded as new business at the point of receipt. It does not allow for future premiums under non-contractual increments, or for future Department of Social Security (DSS) rebate premiums, and the value arising therefrom is included in the value of new business when the premiums are received.
- The value of the in-force business has been determined after allowing for the effect of holding solvency margins equal to the minimum EU solvency requirement (or equivalent for non-EU operations). Solvency margins relating to with-profit business are assumed to be covered by the surplus within the with-profit funds and no effect has been attributed to shareholders.
- Bonus rates on with-profit business have been set at levels consistent with the economic assumptions and Aviva's medium-term bonus plans. The distribution of profit between policyholders and shareholders within the with-profit funds assumes that the shareholder interest in conventional with-profit business in the United Kingdom and Ireland continues at the current rate of one-ninth of the cost of bonus.

Alternative assumptions

Economic assumptions

The table below shows the sensitivity to a one percentage point increase in interest rates and in the discount rate for new business contribution for the half year and embedded value.

	New business contribution		Embedded value	
	Interest rates £m	Discount rates £m	Interest rates £m	Discount rates £m
United Kingdom	5	(25)	(225)	(250)
Europe (excluding UK)				
France	5	(4)	(50)	(75)
Ireland	–	–	(10)	(15)
Italy	–	(1)	–	(10)
Netherlands (including Belgium and Luxembourg)	3	(4)	(20)	(115)
Poland	–	–	–	(15)
Spain	1	(5)	(15)	(15)
Other	–	–	–	–
International	–	(4)	(5)	(15)
	14	(43)	(325)	(510)

Profits are affected by a change in underlying interest rates. When interest rates change, expected future investment returns will also change and this in turn will affect projected cash flows. A change in interest rates will also result in a change in the discount rate used to calculate the present value of the projected cash flows. The impact of an increase of one percentage point in interest rates incorporates all such changes. In addition, the impact on embedded value includes the impact of the reduction that would occur in the market value of fixed interest investments if interest rates increased by one percentage point. Market values of other asset classes are assumed to reduce in proportion to movements in the market value of fixed interest investments of an appropriate term.

The impact of an increase of one percentage point in the discount rate is calculated with all other assumptions remaining unchanged.

Non-economic assumptions

Sensitivity calculations have been performed to identify the non-economic assumptions to which new business contribution and the value of in-force business within embedded value are particularly sensitive. The calculations have been based on similar percentage movements in each assumption from the base assumption used to calculate the published new business contribution and value of in-force business. Based on this, the Group's new business contribution is most, and broadly equally, sensitive to changes in future maintenance expenses and discontinuance rates, whereas the value of in-force business is most sensitive to changes in levels of future maintenance expenses.

Summarised consolidated profit and loss account

Modified statutory basis
For the six months ended 30 June 2003

Page	6 months 2003 €m		6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
		Premium income (after reinsurance) and investment sales – continuing operations			
22	**15,070**	Life premiums, including share of associates' premiums	**10,248**	8,936	18,172
22	**765**	Investment sales	**520**	622	1,028
23	**950**	Health premiums	**646**	536	928
	16,785		**11,414**	10,094	20,128
23	**6,291**	General insurance premiums	**4,278**	4,066	7,805
	23,076	**Total continuing operations**	**15,692**	14,160	27,933
23	**–**	Discontinued operations – Australia and New Zealand general insurance operations	**–**	335	692
	23,076	**Total**	**15,692**	14,495	28,625
		Operating profit			
22	**756**	Modified statutory life profit	**515**	574	1,022
23	**40**	Health	**27**	32	61
	15	Fund management	**10**	3	5
23	**569**	General insurance	**387**	456	881
	(69)	Non-insurance operations*	**(47)**	(28)	(99)
	(82)	Corporate costs	**(56)**	(96)	(218)
	(291)	Unallocated interest charges	**(198)**	(208)	(434)
	938	**Operating profit – continuing operations before tax, amortisation of goodwill, amortisation of acquired additional value of in-force long-term business and exceptional items**	**638**	733	1,218
23	**–**	Discontinued operations – Australia and New Zealand general insurance operations	**–**	24	78
	938	**Operating profit – before tax, amortisation of goodwill and exceptional items**	**638**	757	1,296
	(77)	Amortisation of goodwill	**(52)**	(46)	(135)
	(58)	Amortisation of acquired additional value of in-force long-term business	**(40)**	(34)	(139)
	803	Operating profit before tax	**546**	677	1,022
	367	Short-term fluctuation in investment return	**250**	(525)	(1,243)
	(41)	Change in the equalisation provision	**(28)**	(26)	(57)
21	**(10)**	Loss on the disposal of subsidiary undertakings	**(7)**	(16)	(4)
	(28)	Costs for termination of Belgium general insurance operations	**(19)**	–	–
	1,091	**Profit/(loss) on ordinary activities before tax**	**742**	110	(282)
24	**(310)**	Tax on profit/(loss) on ordinary activities	**(211)**	(42)	(206)
	781	**Profit/(loss) on ordinary activities after tax**	**531**	68	(488)
	(44)	Minority interests	**(30)**	(30)	(46)
	737	**Profit/(loss) for the financial period**	**501**	38	(534)
24	**(13)**	Preference dividends	**(9)**	(9)	(17)
	724	**Profit/(loss) for the financial period attributable to equity shareholders**	**492**	29	(551)
24	**(298)**	Ordinary dividends	**(203)**	(197)	(519)
	426	**Retained profit/(loss) transferred to/(from) reserves**	**289**	(168)	(1,070)

*The wealth management result has been included within non-insurance in all periods.

Page			6 months 2003	6 months 2002	Full year 2002
		Earnings per share – modified statutory basis			
		Operating profit before amortisation of goodwill, amortisation of acquired additional value of in-force long-term business and exceptional items, after tax, attributable to equity shareholders in respect of:			
25		Continuing operations	**17.9p**	20.8p	34.8p
25		Continuing and discontinued operations	**17.9p**	21.5p	38.0p
25		Profit/(loss) attributable to equity shareholders	**21.8p**	1.3p	(24.4)p
25		Profit/(loss) attributable to equity shareholders – diluted**	**21.8p**	1.3p	(24.4)p
		Dividend per share	**9.0p**	8.75p	23.0p

**As required by FRS14 "Earnings per share", the impact of the dilutive effect on the full year 2002 comparative is not recognised as it would result in a smaller loss.

Consolidated statement of total recognised gains and losses

For the six months ended 30 June 2003

Page		6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
17	**Profit/(loss) for the financial period**	**501**	38	(534)
	Movement in internally-generated additional value of in-force long-term business*	**31**	(413)	(1,511)
	Foreign exchange gains	**429**	270	179
	Total recognised gains/(losses) arising in the period	**961**	(105)	(1,866)

*Stated before the effect of foreign exchange movements, which are reported within the foreign exchange gains line.

Reconciliation of movements in consolidated shareholders' funds

For the six months ended 30 June 2003

Page		6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
	Shareholders' funds at the beginning of the period	**9,669**	11,752	11,752
	Total recognised gains/(losses) arising in the period	**961**	(105)	(1,866)
24	Dividends	**(212)**	(206)	(536)
	Increase in share capital	**1**	11	11
	Goodwill written back and other movements	**–**	7	308
	Shareholders' funds at the end of the period	**10,419**	11,459	9,669

Summarised consolidated balance sheet
As at 30 June 2003

	30 June 2003 £m	30 June 2002 £m	31 December 2002 £m
Assets			
Goodwill	**1,139**	1,135	1,040
Investments			
Land and buildings	**684**	836	668
Investments in associated undertakings and participating interests	**289**	304	287
Variable yield securities	**2,700**	3,835	2,603
Fixed interest securities	**9,037**	8,302	7,737
Mortgages and loans, net of non-recourse funding	**1,129**	1,159	1,149
Deposits	**551**	910	550
Other investments	**55**	49	52
Additional value of in-force long-term business	**4,565**	5,603	4,422
	19,010	20,998	17,468
Reinsurers' share of technical provisions	**2,822**	3,304	2,882
Reinsurers' share of provision for linked liabilities	**651**	562	337
Assets of the long-term business	**132,562**	125,047	123,012
Assets held to cover linked liabilities	**35,640**	29,932	29,538
Other assets	**10,165**	10,298	10,646
Total assets	**201,989**	191,276	184,923
Liabilities			
Shareholders' funds			
Equity	**10,219**	11,259	9,469
Non-equity	**200**	200	200
Minority interests	**879**	681	743
	11,298	12,140	10,412
Subordinated debt	**1,225**	1,185	1,190
Total capital, reserves and subordinated debt	**12,523**	13,325	11,602
Liabilities of the long-term business	**120,323**	114,392	113,310
Fund for future appropriations	**5,519**	5,234	3,745
Technical provision for linked liabilities	**36,291**	30,494	29,875
General insurance liabilities	**17,203**	17,783	16,031
Borrowings	**2,337**	2,254	2,064
Other creditors and provisions	**7,793**	7,794	8,296
Total liabilities	**201,989**	191,276	184,923

Approved by the Board on 30 July 2003

Consolidated cash flow statement

For the six months ended 30 June 2003

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Net cash inflow from operating activities, excluding exceptional items and merger transaction costs*	**386**	586	1,005
Exceptional items and merger transaction costs paid*	**(503)**	(523)	(523)
Net cash outflow from servicing of finance	**(84)**	(91)	(265)
Corporation tax (paid)/received	**(90)**	48	175
Net purchases of tangible fixed assets	**(36)**	(32)	(102)
Acquisitions and disposals of subsidiary and associated undertakings**	**510**	114	241
Equity dividends paid	**(321)**	(535)	(732)
Net cash inflow/(outflow) from other financing activities:			
Issue of share capital	**1**	10	11
Net drawdown/(repayment) of loans	**221**	(151)	(68)
Net cash flows	**84**	(574)	(258)
Cash flows were invested as follows:			
(Decrease)/increase in cash holdings	**(155)**	135	719
Net purchases/(sales) of investments	**437**	(564)	(747)
Non-trading cash outflow to long-term business operations	**(198)**	(145)	(230)
Net investment of cash flows	**84**	(574)	(258)

The cash flows presented in this statement relate to non-long-term business transactions only. Long-term business profits are included as net cash inflows/(outflows) from operating activities only to the extent that they have been remitted to shareholders by way of dividends from life operations.

*Included within the exceptional items are payments to the Berkshire Hathaway Group for reinsurance purchased in December 2000 to secure protection against any adverse impact of the run-off of London Market claims reserves. The final instalment was paid on 2 January 2003.

**The six months to 30 June 2003 includes £651 million of consideration received in relation to the disposal of the Australia and New Zealand general insurance businesses.

Notes to the accounts

1 – Basis of preparation – modified statutory solvency basis

(a) The results for the six months to 30 June 2003 have been prepared on the basis of the accounting policies set out in Aviva plc's 2002 Annual Report and Accounts. The results for the six months to 30 June 2003 and 2002 are unaudited but have been reviewed by the auditor. The interim accounts do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The results for the full year 2002 have been taken from the Group's 2002 Annual Report and Accounts. The auditor has reported on the 2002 accounts and their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The Group's 2002 Annual Report and Accounts have been filed with the Registrar of Companies.

(b) `Discontinued operations' disclosures in 2002 relate to the disposal of the general insurance businesses in Australia and New Zealand. The results of all other operations are entitled `Continuing operations'.

(c) The contribution from the Group's share of the alliance with The Royal Bank of Scotland Group (RBSG) is incorporated within the modified statutory life profit. Goodwill amortised in the year in respect of the Group's holding in the associated company, RBS Life Investments Limited, is included within `Amortisation of goodwill' on page 17.

(d) In November 2000, the Accounting Standards Board issued Financial Reporting Standard (`FRS') 17 Retirement Benefits, the accounting provisions, which are not required to be adopted by the Group until 2005. FRS17 requires certain transitional disclosures to be made in the statutory accounts. The Group has continued to account for pension costs in accordance with SSAP24.

2 – Exchange rates

The euro rates employed in this report are an average rate of 1 euro = £0.68 (six months to 30 June 2002: 1 euro = £0.62; full year 2002: 1 euro = £0.63) and a closing rate of 1 euro = £0.70 (30 June 2002: 1 euro = £0.65; 31 December 2002: 1 euro = £0.65).

3 – Acquisitions

On 8 May 2003 the Group's Dutch subsidiary, Delta Lloyd Group ("Delta Lloyd") entered into a bancassurance agreement with ABN AMRO Bank NV (ABN AMRO) for life and general insurance. As part of this agreement, the Group purchased 51% of the issued share capital of Delta Lloyd ABN AMRO Verzekeringen Holdings BV (DL ABN AMRO), the company established by ABN AMRO on 30 December 2002, into which the insurance businesses were transferred. Total cash consideration, before completion adjustments, was £158 million, including transaction costs, with a further maximum amount payable over the next five years of £16 million if DL ABN AMRO meets certain performance criteria. The Group's share of DL ABN AMRO embedded value and net assets was £57 million, giving rise to goodwill of £117 million after taking into account the estimated value of the deferred consideration. The goodwill arising on consolidation has been calculated on a provisional basis and is subject to agreeing a final completion balance sheet. The results of DL ABN AMRO have been consolidated in the Group accounts with effect from 1 January 2003.

4 – Disposals

The net loss on the disposal of subsidiary undertakings comprises:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
General insurance businesses			
United Kingdom	**–**	(20)	(20)
France	**–**	6	6
Australia and New Zealand	**–**	–	(66)
Spain	**–**	–	94
Other businesses			
France	**–**	1	1
Other small operations	**(7)**	(3)	(19)
	(7)	(16)	(4)

No disposals were sufficiently material to warrant separate disclosure.

5 – Geographical analysis of life and pensions and investment sales – new business and total income

	New business sales				Premium income (after reinsurance) and investment sales		
	New single premiums		New regular premiums				
	6 months 2003 £m	6 months 2002 £m	6 months 2003 £m	6 months 2002 £m	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Life and pensions sales							
United Kingdom – group*	**2,618**	3,294	**251**	332	**4,828**	4,525	8,800
– associates	**82**	75	**10**	7	**141**	139	299
	2,700	3,369	**261**	339	**4,969**	4,664	9,099
Europe (excluding UK)							
France	**966**	888	**23**	21	**1,141**	1,027	2,081
Ireland	**86**	162	**30**	50	**217**	292	469
Italy	**804**	508	**37**	18	**913**	630	1,382
Netherlands (including Belgium and Luxembourg)	**431**	274	**59**	36	**970**	651	1,300
Poland – life	**10**	8	**8**	15	**132**	147	284
– pensions	**4**	4	**11**	11	**212**	242	446
Spain	**778**	351	**61**	28	**834**	453	1,489
Other	**100**	96	**34**	35	**258**	266	548
International	**476**	420	**52**	41	**602**	564	1,074
Total life and pension sales (including share of associates)	**6,355**	6,080	**576**	594	**10,248**	8,936	18,172
Investment sales							
United Kingdom	**313**	302	**6**	11	**319**	313	556
Netherlands	**115**	56	**–**	–	**115**	56	119
Poland	**30**	–	**1**	–	**31**	–	16
Other Europe	**21**	53	**–**	–	**21**	53	70
International	**34**	200	**–**	–	**34**	200	267
Total investment sales	**513**	611	**7**	11	**520**	622	1,028
Total long-term savings (including share of associates)	**6,868**	6,691	**583**	605	**10,768**	9,558	19,200

Single premiums are those relating to products issued by the Group, which provide for the payment of one premium only.

Regular premiums are those where there is a contractual obligation to pay on an ongoing basis.

*Included within premium income (after reinsurance) and investment sales of £4,828 million (six months to 30 June 2002: £4,525 million; full year 2002: £8,800 million) are transfers of institutional business into Morley Pooled Pensions of £1,247 million (six months to 30 June 2002: nil; full year 2002: £34 million) which, since they are institutional in nature, are excluded from new business sales.

6 – Geographical analysis of modified statutory life operating profit

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
United Kingdom			
With-profit	**64**	122	190
Non-profit	**229**	245	436
Europe (excluding UK)			
France	**80**	71	142
Ireland	**18**	17	36
Italy	**14**	19	24
Netherlands (including Belgium and Luxembourg)	**29**	70	111
Poland	**41**	28	66
Spain	**24**	13	27
Other	**(7)**	(6)	(19)
International	**23**	(5)	9
Total modified statutory life operating profit	**515**	574	1,022

7 – Geographical analysis of health premiums after reinsurance and operating result

(a) Premiums after reinsurance:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
United Kingdom	**136**	142	264
France	**71**	55	107
Netherlands	**439**	339	557
	646	536	928

(b) Operating result:

	Operating profit			Underwriting result		
	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
United Kingdom	**4**	2	9	**2**	–	5
France	**3**	4	10	**(2)**	(1)	(2)
Netherlands	**20**	26	42	**(9)**	(6)	(27)
	27	32	61	**(9)**	(7)	(24)

8 – Geographical analysis of general insurance premiums after reinsurance and operating result

(a) General insurance premiums after reinsurance:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
United Kingdom	**2,496**	2,376	4,740
Europe (excluding UK)			
France	**305**	275	478
Ireland	**319**	255	377
Netherlands	**295**	241	412
Other	**116**	244	408
International			
Canada	**565**	509	1,009
Other	**182**	166	381
Continuing operations	**4,278**	4,066	7,805
Discontinued operations – Australia and New Zealand	**–**	335	692
	4,278	4,401	8,497

(b) Operating result:

	Operating profit*			Underwriting result*		
	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
United Kingdom	**313**	303	611	**10**	(35)	(52)
Europe (excluding UK)						
France	**15**	25	47	**(7)**	(5)	(14)
Ireland	**43**	21	44	**14**	(7)	(15)
Netherlands	**12**	11	13	**(3)**	(7)	(21)
Other	**16**	28	49	**(4)**	(3)	(10)
International						
Canada	**(33)**	39	80	**(85)**	(18)	(28)
Other	**21**	29	37	**4**	8	(5)
Continuing operations	**387**	456	881	**(71)**	(67)	(145)
Discontinued operations – Australia and New Zealand	**–**	24	78	**–**	(11)	7
	387	480	959	**(71)**	(78)	(138)

*The general insurance operating profit and underwriting result are stated before the change in the equalisation provision of £28 million (six months to 30 June 2002: £26 million; full year to 31 December 2002: £57 million).

9 – Tax

The tax charge in the profit and loss account comprises:

(a) Tax on profit/(loss) on ordinary activities:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Current tax			
UK corporation tax – current year	**1**	63	1
– prior year	**(9)**	23	(4)
Overseas tax – current year	**(18)**	(32)	(66)
– prior year	**3**	(1)	6
Tax attributable to balance on technical account	**(147)**	(171)	(299)
	(170)	(118)	(362)
Deferred tax			
Origination and reversal of timing differences	**(6)**	69	177
Changes in tax rates or law	**–**	1	5
(Decrease)/increase in discount	**(6)**	6	(26)
Prior year adjustments	**(29)**	–	–
	(41)	76	156
Total tax charged in the profit and loss account	**(211)**	(42)	(206)

(b) Tax charge analysed between:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Operating profit before tax, amortisation of goodwill, amortisation of acquired additional value of in-force long-term business and exceptional items			
Continuing operations	**(194)**	(227)	(370)
Discontinued operations	**–**	(8)	(6)
Profit/(loss) on other ordinary activities	**(17)**	193	170
	(211)	(42)	(206)

10 – Dividends

(a) The preference dividends in the profit and loss account comprise:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Preference dividends	**9**	9	17

The preference dividends are in respect of the cumulative irredeemable preference shares of £1 each in issue.

(b) The ordinary dividends in the profit and loss account comprise:

	6 months 2003 £m	6 months 2002 £m	Full year 2002 £m
Ordinary dividends			
Interim – 9 pence (2002: 8.75 pence)	**203**	197	197
Final – (2002: 14.25 pence)	**–**	–	322
Total ordinary dividends	**203**	197	519

Irish shareholders who are due to be paid a dividend denominated in euros will receive a payment at the exchange rate prevailing on 30 July 2003.

11 – Earnings per share

(a) Basic earnings per share

	6 months 2003			6 months 2002		Full year 2002	
	Before tax £m	Net of tax, minorities and preference dividend £m	Per share p	Net of tax, minorities and preference dividend £m	Per share p	Net of tax, minorities and preference dividend £m	Per share p
Operating profit							
– continuing operations	**638**	**404**	**17.9**	468	20.8	784	34.8
– discontinued operations	**–**	**–**	**–**	16	0.7	72	3.2
	638	**404**	**17.9**	484	21.5	856	38.0
Adjusted for the following items:							
– Amortisation of goodwill	**(52)**	**(52)**	**(2.3)**	(46)	(2.0)	(135)	(6.0)
– Amortisation of acquired additional value of in-force long-term business	**(40)**	**(30)**	**(1.3)**	(27)	(1.2)	(100)	(4.4)
– Cost for termination of Belgium general insurance operations	**(19)**	**(16)**	**(0.7)**	–	–	–	–
– Short-term fluctuation in investment return	**250**	**207**	**9.1**	(349)	(15.6)	(1,071)	(47.5)
– Change in the equalisation provision	**(28)**	**(20)**	**(0.9)**	(19)	(0.8)	(40)	(1.8)
– Net loss arising on disposal of subsidiary undertakings	**(7)**	**(1)**	**–**	(14)	(0.6)	(61)	(2.7)
Profit/(loss) attributable to equity shareholders	**742**	**492**	**21.8**	29	1.3	(551)	(24.4)

Earnings per share has been calculated based on the operating profit before amortisation of goodwill, amortisation of acquired additional value of in-force long-term business and exceptional items, after tax, attributable to equity shareholders, for continuing and for total operations, as well as on the profit attributable to equity shareholders. The directors believe the former two earnings per share figures provide a better indication of operating performance. The calculation of basic earnings per share uses a weighted average of 2,252 million (six months to 30 June 2002: 2,253 million; full year 2002: 2,254 million) ordinary shares in issue, after deducting shares owned by the employee share trusts as required by FRS14 `Earnings per share'.

The actual number of shares in issue at 30 June 2003 was 2,257 million (30 June 2002: 2,257 million; 31 December 2002: 2,257 million).

(b) Diluted earnings per share:

	6 months 2003			6 months 2002			Full year 2002		
	Total £m	Weighted average number of shares m	Per share p	Total £m	Weighted average number of shares m	Per share p	Total £m	Weighted average number of shares m	Per share p
Profit/(loss) attributable to equity shareholders	**492**	**2,252**	**21.8**	29	2,253	1.3	(551)	2,254	(24.4)
Dilutive effect of share awards and options	**–**	**8**	**–**	–	6	–	–	4	–
Diluted earnings per share	**492**	**2,260**	**21.8**	29	2,259	1.3	(551)	2,258	(24.4)

12 – Longer-term investment return

The longer-term investment return is calculated separately for each principal general insurance business and certain long-term business operations. In respect of equities and properties, the return is calculated by multiplying the opening market value of the investments, adjusted for sales and purchases during the year, by the longer-term rate of investment return. The longer-term rate of investment return is determined using consistent assumptions between operations, having regard to local economic and market forecasts of investment return. The allocated longer-term return for other investments is the actual income receivable for the year.

The principal assumptions underlying the calculation of the longer-term investment return are:

	Longer-term rates of return			
	Equities		Properties	
	2003 %	2002 %	2003 %	2002 %
United Kingdom	**8.1**	8.1	**6.6**	6.6
France	**7.5**	7.5	**6.5**	6.5
Ireland	**8.7**	8.7	**6.7**	6.7
Netherlands	**8.4**	8.4	**6.5**	6.5
Canada	**9.3**	9.3	**7.3**	7.3

(b) The table below shows the sensitivity of the half year 2003 operating profit to changes in the longer-term rates of return:

Movement in investment return	By	Change in	By
Equities	1% higher/lower	Group operating profit before tax	£19m
Properties	1% higher/lower	Group operating profit before tax	£5m

13 – Group capital structure

The Group maintains an efficient structure from a combination of equity shareholders' funds, preference capital, subordinated debt and borrowings, consistent with the Group's risk profile and the regulatory and market requirements of its business.

The Group's capital, from all funding sources, has been allocated such that the capital employed by trading operations is greater than the capital provided by its shareholders and its subordinated debtholders. As a result, the Group is able to enhance the returns earned on its equity capital.

Shareholders' funds

Equity shareholders' funds grew to £10.2 billion, (31 December 2002: £9.5 billion), reflecting the benefit of exchange movements and an improvement in investment markets. Net asset value per ordinary share, based on equity shareholders' funds was 468 pence per share (31 December 2002: 433 pence per share) after adding back the equalisation provision of £342 million (31 December 2002: £314 million).

Capital employed by segment

	6 months 2003 £m	Full year 2002 £m
Long-term savings	**11,285**	10,379
General insurance and health	**4,014**	3,917
Other business	**661**	554
Corporate	**2,547**	2,476
Total capital employed	**18,507**	17,326
Financed by		
Internal debt	**3,658**	3,671
External debt	**2,326**	2,053
Subordinated debt	**1,225**	1,190
Shareholders' funds and minority interests	**11,298**	10,412
	18,507	17,326

13 – Group capital structure (continued)

Deployment of equity shareholders' funds

	6 months 2003					Full year 2002
	Equities £m	Fixed income securities £m	Other investments £m	Other net assets £m	Total £m	Total £m
Assets						
Long-term savings	**543**	**3,846**	**924**	**1,183**	**6,496**	5,726
General insurance, health, corporate and other business	**2,700**	**2,322**	**1,049**	**12**	**6,083**	5,907
	3,243	**6,168**	**1,973**	**1,195**	**12,579**	11,633
Goodwill					**1,363**	1,271
Additional value of in-force long-term business					**4,565**	4,422
Assets backing total capital employed in continuing operations					**18,507**	17,326
External debt					**(2,326)**	(2,053)
Internal debt					**(3,658)**	(3,671)
Subordinated debt					**(1,225)**	(1,190)
					11,298	10,412
Minority interests					**(879)**	(743)
Preference capital					**(200)**	(200)
Equity shareholders' funds					**10,219**	9,469

Independent review report to Aviva plc

We have been instructed by the Company to review the financial information set out on pages 10 to 27 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the above financial information. The financial information on pages 10 to 16 has been prepared in accordance with the achieved profit basis as set out under the methodology and principal economic assumptions sections on pages 14 to 16. The financial information on pages 17 to 27 has been prepared on the modified statutory solvency basis, which is the basis of accounting adopted in the annual audited accounts.

Directors' responsibilities
The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed
We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the above financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2003.

Ernst & Young LLP
London
30 July 2003

Shareholder information

Financial Calendar 2003/2004

Ex-dividend date for 2003 interim dividend	24 September 2003
Record date for 2003 interim dividend	26 September 2003
Payment of 2003 interim dividend	17 November 2003
Announcement of long-term savings new business for 9 months to 30 September	23 October 2003
Preliminary announcement of 2003 results	26 February 2004

Dividend reinvestment plan
Aviva's Dividend Reinvestment Plan (the `Plan') enables cash dividends to be reinvested in the Company's shares at reduced dealing costs. Shareholders who have not already joined the Plan and wish to do so should contact the Company's Registrar (at the address below) to obtain full details and a mandate form. Completed mandate forms must be returned to the Registrar by no later than 27 October 2003 in order to participate in the Plan for the 2003 interim dividend. Shareholders who have previously elected to join the Plan need take no further action.

Dividend payments direct to your bank account
If you wish, you can have your dividend payments credited to your bank or building society account on the dividend payment date – a tax voucher will still be posted to your home address to confirm the payment. The Company has also introduced a service – the Transcontinental Accounts Payment Service ("TAPS") – which allows shareholders in many countries to have dividends credited direct to bank accounts in local currencies. To obtain further details and a mandate form for either service please contact the Company's Registrars (at the address below).

Shareview
Shareview is the internet based service that allows you to view your shareholding online and, if you wish, to receive shareholder communications (e.g. Notice of Meeting, Report and Accounts, etc) via e-mail rather than by post.

To register, please go to www.shareview.co.uk where you will also find more details of the service, practical help and extensive information on other share registration matters.

Useful contact details
Detailed below are various addresses that may prove useful in the event that you have a query in respect of your shareholding. Please quote Aviva plc, as well as the name and address in which your shares are held, in all correspondence.

General shareholding administration queries and Aviva share account queries	Lloyds TSB Registrars	The Causeway Worthing West Sussex BN99 6DA	0870 600 3952
Corporate and single company PEPS	Barclays Stockbrokers Limited	Tay House 300 Bath Street Glasgow G2 4LH	0870 514 3263
Individual Savings Accounts ("Isas")	Lloyds TSB Registrars (Isa Manager)	The Causeway Worthing West Sussex BN99 6DA	0870 242 4244

Internet sites
Aviva owns various internet sites, most of which interlink with each other. For a list of all our websites, please go to: http://www.aviva.com/customers/global.cfm

Aviva group	www.aviva.com
UK long-term savings and general insurance	www.norwichunion.com
Fund management	www.morleyfm.com
Buying a home	www.your-move.co.uk

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