



Aviva is the world's seventh-largest insurance group<sup>†</sup> and the biggest in the UK. It is one of the leading providers of life and pensions products to Europe and has substantial businesses elsewhere around the world. Its main activities are long-term savings, fund management and general insurance.

## Highlights

**24.15p**

Full year dividend

**£240bn**

Assets under management

**£14.4bn**

Worldwide long-term savings new business sales\*\*

**30m**

Customers worldwide

**£1,907m**

**€2,764m**

Operating profit before tax\*

**£30bn**

Premium income and investment sales from continuing operations\*\*

**56,000**

Employees worldwide

### Operating profit before tax\* £million

1999	1,608
2000	1,325
2001	1,935
2002	1,720
2003	1,907

### Shareholders' funds\*\*\* £billion

1999	15.7
2000	13.3
2001	11.8
2002	9.7
2003	11.2

### Net premium income and investment sales from continuing operations\*\* £billion

1999	23.1
2000	26.4
2001	27.8
2002	27.9
2003	29.8

#### 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 business than the modified statutory basis. Life modified statutory operating profit before tax amounted to £1,138 million. The basis used for reporting achieved profit is consistent with the guidance circulated by the Association of British Insurers.

\*From continuing operations, including life achieved operating profit, before amortisation of goodwill and exceptional items.

\*\*From continuing operations, including share of associates' premiums.

\*\*\*On an achieved profit basis.

†Based on gross worldwide premiums

All growth rates in this document are quoted at constant rates of exchange.

## Chairman's statement

"I believe that Aviva has emerged from tough times in good shape"

Aviva has come through a third year of adverse economic conditions. Some of our competitors have suffered severely. Others have undertaken massive capital raisings. We reduced dividends early to a sustainable level, and further increased our capital strength by raising subordinated debt in 2001 and 2003 totalling £2.8 billion. We have run and developed our business with undisturbed continuity and maintained a Standard & Poor's AA range of ratings for the group.

Our two main operational aims – to be the insurance industry's low-cost producer and provider of choice – are being reached gradually. We benchmark our performance continually to measure our progress.

In the UK, our long-term savings business is showing resilience in a slow market. We are making steady progress in France, and performed strongly in Spain and Italy. Our recent bancassurance agreement with ABN AMRO in the Netherlands is off to a promising start. In the United States we are growing profitably. Our start-up operations in India and China are growing well, above plan.

Our UK general insurance operation is turning in excellent results and good free cashflow. Worldwide, our general insurance business is improving steadily, and Canada is promising after a setback earlier in the year.

Our fund management results are more robust than in the previous year.

We continue to look for promising strategic opportunities, and will expand our business where we see the chance to be a market leader and grow the business profitably.

We propose a final dividend for 2003 of 15.15 pence net per share, which brings the total for the year to 24.15 pence, an increase of 5%. This will be payable on 17 May 2004 to shareholders on the register on 26 March 2004. Our policy remains that of growing the dividend by about 5% a year.

Aviva is a firm supporter of sensible corporate governance disciplines, and we already follow what has become regarded as best boardroom practice. From the 2004 financial year we shall be required to report the board's compliance with the revised Combined Code on Corporate Governance, which incorporates recommendations from the Higgs review of the role of non-executive directors and the Smith report on audit committees. We are ahead of the game reporting this year as if the Code had been in effect for 2003.

Two non-executive directors, Carole Piwnica and Anna Catalano, joined our board during the year, and are already making significant contributions. Sir Michael Partridge, a non-executive director, retired in May 2003. Executive director Tony Wyand retired in November, and Philip Twyman retires in March. I would like to thank all three for their invaluable contributions.

Group finance director Mike Biggs left at the end of December, and I thank him for what he accomplished. I am pleased that his successor, Andrew Moss, will join us from Lloyd's of London later in the year.

In the area of corporate social responsibility, Aviva has high ambitions and is making good progress. I feel that all business operations in our group now understand our mission and are eager to do their best.

Our staff have been under pressure through several years of adversity. Ambitious efforts are needed to encourage our dedicated employees. Management has done well under demanding circumstances and will continue to address these issues.

I believe that Aviva has emerged from tough times in good shape. We are strongly positioned as a leading European-based financial services group. That should benefit you as our shareholders.



**Pehr G Gyllenhammar**  
Chairman

**Pehr G Gyllenhammar**  
Chairman



## Group Chief Executive's review

"We took a number of tough but clear-sighted decisions to protect and grow our business during 2003"

### Overview

The Aviva group delivered a strong performance against a challenging commercial backdrop in 2003. We committed ourselves to applying our strategy clearly and consistently in the face of slow worldwide economic growth, stock market volatility and increasing pace of regulatory change.

In particular, we achieved the operational targets we set ourselves at the start of the year. We improved productivity, to keep our costs in line with revenues. We continued to apply rigorous financial management to maximise returns from our valuable capital resources. We generated cashflow from our general insurance business and from our focus on capital management disciplines and costs. We committed ourselves to improving customer service by sharing best practice groupwide.

Most importantly, our combination of strong and diversified long-term savings operations and cash-generative general insurance business delivered consistent and reliable financial results.

### Group results

Our pre-tax operating profit\* of £1,907 million (2002: £1,720 million) and an improved return on capital employed† of 12.7% (2002: 9.7%) reflects the continued strength of both our long-term savings and general insurance businesses.

Given the uncertain financial climate, we were pleased that our worldwide long-term savings new business sales\*\* were at £14.4 billion (2002: £14.6 billion). Sales in continental Europe improved by 5% to £6.9 billion (2002: £6.0 billion). We continue to benefit from our bancassurance distribution agreements as they develop across Europe and South East Asia, with worldwide total sales of £3.5 billion (2002: £3.0 billion). We are seeing signs that investment market conditions are improving and customer confidence is recovering in equity markets. Life achieved operating profit was £1,555 million (2002: £1,524 million).

We made an excellent operating profit† of £911 million (2002: £881 million) from our general insurance business, which reaped the benefits from strict underwriting and pricing disciplines for the third consecutive year, in addition to favourable weather conditions. We produced a combined operating ratio (COR)† of 100%.

This operational performance, combined with improvements in global investment markets and a strengthened euro, saw shareholders' funds^ increase to £11.2 billion (2002: £9.7 billion).

On a modified statutory basis, group operating profit before tax\*\*\* was £1,490 million (2002: £1,218 million). On an after-tax basis, this operating profit covers the proposed full year ordinary dividend of £545 million 1.82 times, in line with our dividend policy. The group delivered an overall profit before tax of £1,390 million (2002: £282 million loss).

"I thank our employees for their willingness and capability to embrace change in pursuit of our cost effectiveness and customer service ambitions."

### Cost management

We continue to improve our operational efficiency by reducing costs and capitalising on economies of scale. We endeavour to align costs to revenues across our businesses. We have continued to apply rigorous financial targets for new developments and internal projects.

The net pre-tax benefit to the profit and loss for full year was £65 million, which is in line with our indication at the half year.

"We achieved the operational targets we set ourselves at the start of the year"

\*From continuing operations, including life achieved operating profit, before amortisation of goodwill and exceptional items.

†From continuing operations.

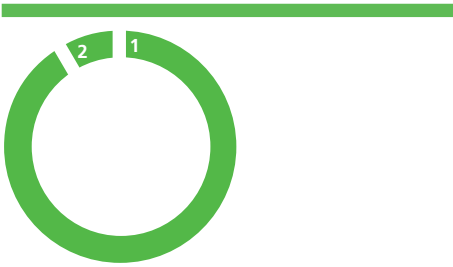
\*\*From continuing operations, including share of associates' premiums.

\*\*\*From continuing operations, before amortisation of goodwill, amortisation of acquired additional value of in-force long-term business and exceptional items.

^On an achieved profit basis.

‡With reference to net premium income from continuing operations.

#Including health premium income.



### Worldwide business mix<sup>‡</sup> by geography

1 Europe	91%
2 Rest of world	9%



### Worldwide business mix<sup>‡</sup> by sector

1 Long-term savings <sup>#</sup>	72%
2 General insurance	28%

### Senior management

Philip Scott will become non-executive chairman of Morley Investment Holdings, in addition to his existing responsibilities for Aviva's non-UK life businesses, following Philip Twyman's retirement on 31 March 2004.

### Outlook

Investment markets are showing signs of recovery and there is evidence that investors are regaining confidence. The group's longer term prospects remain excellent.

Having invested around £2 billion in strategic long-term businesses and savings partnerships since 2000, we are beginning to gain rewards in terms of sales volumes, profitability and market share. Many of our bancassurance partnerships worldwide are still at a relatively early stage of development and we expect further growth as these relationships mature. Furthermore, Aviva is well placed to capitalise on the

growing demand for private pensions and savings provision as ageing populations increase the burden on state welfare schemes and the European Union expands. We are one of the leading providers of life and pension products to Europe, with businesses established in the markets that are set to grow in the coming years.

Our powerful presence in our chosen markets is aided by the Aviva brand, which has been successfully launched in more than 20 countries worldwide. Our long-term savings business is focused on profitable growth, supported by well-managed general insurance operations where our investment in improved efficiency, claims handling and distribution is generating consistent and sustainable earnings.

Our employees continue to adapt as we face more challenging competition and market forces. I thank them for their willingness and capability to embrace change in the pursuit of our cost effectiveness and customer service ambitions.

We took a number of tough but clear-sighted decisions to protect and grow our business during 2003. We will continue with clarity of purpose and action to develop our distribution channels, improve standards of customer service, increase efficiency and maintain capital disciplines. We remain financially strong and we believe we are the best-positioned life company in Europe to benefit as consumer confidence returns.

**Richard Harvey**  
Group Chief Executive



## Long-term savings

“Growing our long-term savings business aggressively and profitably”

### Business strategy

We continue to make excellent progress and in many countries have strengthened our market position, despite 2003 being a difficult year for long-term savings markets. Aviva's long-term savings business including health insurance accounts for 72% of the group's total premiums. Our strategy is to grow this business aggressively and profitably.

We continue to see significant opportunities to develop our business. We have major positions in many markets where governments are encouraging individuals to save more for their retirement. We have established operations and are building our market position where we see good medium to longer-term growth opportunities in the large, relatively undeveloped markets of Eastern Europe and Asia. Our size, efficiency and international brand enable us to provide a choice of life insurance, pensions, savings and investment products through a variety of distribution channels to suit the needs of our customers.

### Market position

Aviva is one of the leading life and pensions providers to Europe. We are the largest company in the UK long-term savings market and the Spanish life market. We are also among the top five in the Netherlands, Ireland, Poland, Turkey and Singapore, among the top 10 in France, Italy, Belgium, Romania, Australia and India, and have significant operations in the United States and Germany. We have also established the foundation for businesses with great potential in India and China.

### Distribution

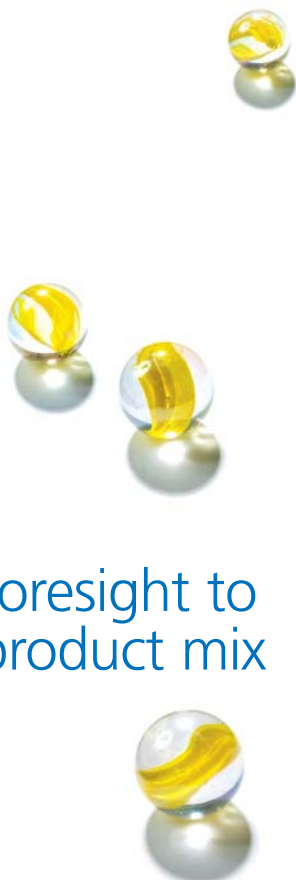
We sell our products and services using a combination of channels best suited to the preferences of our customers in their local markets.

In more developed markets, such as the UK, the Netherlands and France, we have a multi-distribution model which enables us to meet customer demand for a wider choice of products sold in a variety of ways, including advice through independent advisers.

The markets of Spain and Italy are dominated by bancassurance (selling through a bank), through which over two-thirds of new business is written. Bancassurance is also the main method of distribution in Singapore and Hong Kong.

We continue to develop our direct sales forces in Central and Eastern Europe. For our newer operations in South East Asia, new business comes through a combination of bancassurance and direct sales. Our distribution mix continues to evolve as these markets develop.

we had the foresight to expand our product mix



◀ We see the UK market consolidating towards the larger players such as ourselves who have the scale, brand and financial strength to develop new products and provide reassurance to customers whose confidence has been affected by prolonged equity market falls.

▶ We have developed a combination of sales methods to suit the needs of our customers, supported by improving standards of service. We sell through independent advisers, bancassurance, corporate partnerships and direct. Our distribution mix continues to evolve as our businesses develop.

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**£1,555m**

Life achieved operating profit before tax.

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**+8%**

Worldwide sales through bancassurance were up 8% at £3.5 billion.

new distribution channels  
have opened the door  
to more customers

**“There are excellent opportunities to develop our strong positions in Europe and emerging markets through our multi-distribution capability”**

Philip Scott, group executive director, Aviva life international



A young girl with curly hair, wearing a black and white checkered halter top, is looking up at a yellow height chart. Her right hand is raised to the 130 mark on the chart. The chart has numbers 80, 90, 100, 110, 120, 130, and 140. There are also some handwritten numbers and symbols on the chart, including a large '4' and '3' and some red symbols.

we recognise the benefit  
of investing in countries  
with long-term potential

◀ We see significant opportunities to develop our business as governments encourage individuals to save more for their retirement and demand increases from large emerging markets. Aviva is one of the leading life and pensions providers to Europe and has launched operations with great potential in South East Asia.



◀ In 2003 we regained our leadership position in the UK with a market share of over 12% in the third quarter and nearly seven million customers. We also became the biggest life insurer in the Spanish market, having grown considerably over the past few years through our success with our bancassurance partners.

## we lead in our chosen markets by setting tough targets

### Customer service

We believe that customer service is one of the key areas where we can distinguish our long-term savings offering. We recognise that recently in the UK we have not always done as well in this area as we need to. We are committed to raising our standards, and our service improved during the year. We are developing solutions tailored to individual customer preferences, making better use of technology, and are driving best practice across our business by sharing expertise groupwide.

The substantial improvement in our performance in the UK is reflected in Norwich Union's achievement of a three-star rating at the Financial Services Awards in November 2003, compared with a one-star rating the previous year. In Ireland we earned the most improved company accolade in the Irish Brokers Association Service Excellence Awards. Our customer service was also recognised in Spain and Italy, where we are among the most efficient and lowest-cost providers.

### Performance

Worldwide long-term savings new business sales\* were stable at £14.4 billion (2002: £14.6 billion). This was a good overall performance by the group in difficult but improving market conditions.

Life and pension new business sales\* were £13.3 billion (2002: £13.6 billion), including a 3% increase in continental European sales to £6.6 billion, mostly driven through bancassurance. Continental Europe new business now accounts for almost half of our total life and pension sales and over half of life achieved operating profit. Our largest long-term savings business, Norwich Union in the UK, produced new business sales including investment products of £6.6 billion (2002: £7.4 billion).

Operational efficiency measures announced in 2003 resulted in a number of job reductions in the UK. Following a series of feasibility studies in 2003, our intention is to create about 700 call centre and administrative jobs in India during 2004.

### Outlook

We are building a successful, cost-effective long-term savings business that we believe will continue to prosper in an uncertain financial climate. There are excellent opportunities to develop our strong market positions in the UK, other European and emerging markets. We will continue to achieve profitable growth by providing a range of high-quality, value-for-money products and services through a choice of distribution channels, supported by high standards of customer service.

**“We made substantial progress on improving customer service through greater productivity in 2003”**

Gary Withers, chief executive, Norwich Union Life

\*From continuing operations, including share of associates' premiums.

## Fund management

“Building a world-class fund management business”

### Business strategy

Aviva's in-house fund management operations support our long-term savings businesses by investing funds on their behalf. We are developing our presence as a leading international fund manager and aim to generate superior investment performance through application of our investment and research expertise.

### Market position

We are the second-largest UK-based fund manager, among the top-five in Ireland through Hibernian, the Netherlands and a top-five master trust in Australia through Navigator. We also have a significant fund management business in France.

### Performance

Total investment sales rose 6% to £1,141 million (2002: £1,028 million), with increases in the UK, Netherlands and Poland.

Worldwide assets under management increased to £240 billion (2002: £208 billion) and operating profit rose to £10 million (2002: £5 million), reflecting the partial recovery across global equity markets during 2003.

► Morley Fund Management has one of the world's largest and most experienced socially responsible investment teams. We also recognise our responsibility as a major shareholder in the UK stock market and continue our commitment to take an active interest in the companies in which we invest, to protect the rights of shareholders.



a responsible investor  
aiming for high-class  
performance

## “As markets recover, our focus will be on the core investment classes where we have superior expertise”

Philip Twyman, group executive director, Aviva fund management

### Morley Fund Management

Morley, our leading UK-based institutional fund manager, secured £5.3 billion of new funded external mandates (2002: £4.5 billion). Morley's global operating profit of £9 million\* (2002: £8 million) was a good result in uncertain markets. Assets under management rose to £121 billion.

our leading position in the European equities market, and our team continues to outperform. We invested more than £13 billion in UK property, and offer investors market-leading access to specialist property sectors.

During 2003 we achieved greater success in the business through increased centralisation of our international equity fund management expertise. We are also setting up a ground-breaking investment administration service with JPMorgan Investor Services which allows us to focus on our core capabilities – the manufacture and distribution of investment products to our target European markets.

### France

Aviva Gestion d'Actifs has an enviable reputation for strong investment performance, with over 70% of our portfolio for returns over three years. We have £36 billion of assets under management, mostly invested on behalf of our own operations, and recorded an operating profit of £11 million (2002: £11 million).

### Netherlands and Belgium

Delta Lloyd is among the leading fund managers in the Netherlands, with assets under management of £34 billion (2002: £27 billion). Total investment sales increased 56% to £204 million (2002: £119 million).

### Navigator

Navigator is a top-five master trust and one of Australia's largest investment portfolio administration services. It has £3.5 billion of funds under administration, with new sales in 2003 of £617 million (2002: £797 million) reflecting investor sentiment in equity markets. Sales from our Navigator business in Singapore were £8 million (2002: nil).

### Outlook

We will build on the good progress made in 2003 by continuing to improve our investment performance and increasing our sales revenue as markets slowly recover. Our focus will be on those core investment classes where we have superior expertise and which satisfy the needs of our customers and partners.

£1,141m

Total retail investment sales.

£5.3bn

New funded external mandates secured by Morley Fund Management.

## throwing light on investment performance in France

▶ Awards won in 2003 included best asset manager over five years from monthly financial magazine *Mieux Vivre Votre Argent*, and best performance over three years among asset managers with a large range of funds from *La Tribune/Standard & Poor's*.

\*In 2003 Portfolio Partners, our Australian operation, was integrated within Morley Fund Management. The result of £9 million in 2003 includes £3 million from our UK fund management operations and £6 million from pooled pensions business and overseas operations.



## General insurance

“Taking a focused approach to general insurance, with disciplined underwriting and efficient claims handling”

### Business strategy

Rigorous cost control, disciplined underwriting and excellent customer service are at the core of our general insurance business. We aim to deliver high-quality earnings from our market-leading positions in personal insurance and selected commercial lines. Our sustainable profitability gives us a solid platform to deliver high-quality service, strengthen our relationships with our customers and broaden our range of propositions.

### Market position

Aviva is the leading general insurer in the UK and in Ireland. We are the second-largest insurer in Canada, and among the top-five in the Netherlands and Singapore. We also have a significant business in France.

### Multi-distribution capability

Our balanced distribution approach enables customers to conduct business with us however they choose.

In the UK we have strong positions across the broker, direct and corporate partner channels, including our new agreement to sell personal insurance products to ASDA customers. We have also announced the closure of our national broker subsidiary, Hill House Hammond, by the end of 2004 and the sale of its commercial business. Personal lines customers will be invited to transfer to Norwich Union Direct. We remain committed to the broker channel, which accounts for 59% of our sales, but this move will allow us to respond to the increasing preference of our personal lines customers to deal with us directly.

In France we sell through agencies, direct and the banking group Crédit du Nord. Our intermediary and direct business in the Netherlands has been augmented by bancassurance sales. While the Irish market remains dominated by traditional brokers, Hibernian is successfully expanding its direct capability. In Canada, where we sell mainly through independent brokers, we launched our first corporate partnership with Loblaw's, the country's largest supermarket chain.

### Customer offering

Customer satisfaction is key to our strategy. We continue to deliver high-quality service, fair prices and innovative solutions, increasingly tailored to individual customer requirements.

In 2003 we helped 1.6 million UK customers get their lives back to normal following an incident, and Norwich Union Insurance was named UK general insurer of the year at the *Insurance Times* Awards in December.

Our standards were put to the test in Canada when we responded to the fires in British Columbia in August 2003. We were the first insurer on the scene, and set up temporary claims offices to provide on-the-spot service.

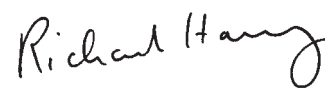
In Ireland, we offer reduced premiums to those who complete our Ignition driver training programme for inexperienced motorists, and introduced a 10% discount for drivers with no penalty points on their driving licences.

### Performance

We delivered a first-class operational performance for the third consecutive year. Our success was reflected in an combined operating ratio (COR)\* of 100% (2002: 102%) and an operating profit\* of £911 million (2002: £881 million). Worldwide net premiums written\* were £8.5 billion (2002: £7.8 billion).

### Outlook

We are demonstrating our ability to deliver consistent earnings in a rapidly changing market. We consistently keep our performance promises. Through our clear strategy we are creating opportunities to broaden our earnings through our core insurance offering and wider propositions. Our scale and trusted brand will deliver sustainable competitive advantage and long-term growth.



**Richard Harvey**  
Group Chief Executive

ready to help  
you 24/7

◀ Our Canadian claims operation uses total incident management systems devised by Norwich Union in the UK to streamline processes, reduce costs by using preferred supplier networks and improve customer service.



**“We have demonstrated our ability to deliver consistent earnings in a rapidly changing market”**

Patrick Snowball, group executive director,  
Aviva general insurance

we have taken the initiative to provide more tailored insurance

▶ Rather than adopt a one-size-fits-all approach, we continue to invest in the development of innovative solutions such as digital flood mapping, Pay As You Drive™ and Norwich Union Rescue which will enable us to understand underwriting risks better and match prices more closely to individual circumstances.

**1.6m**

In 2003 we helped 1.6 million UK customers get their lives back to normal following an incident.

**100%**

Our success was reflected in an excellent combined operating ratio (COR)\*\* of 100%.

\*From continuing operations.

\*\*COR is one of our key performance measures, broadly expressing the total of claims costs, commission and expenses as a percentage of premiums.

# Board of directors

### 1. Pehr Gyllenhammar (68)

#### Chairman

Appointed to the board in 1997, becoming chairman in 1998. Currently vice-chairman, Europe at Rothschild (*banking*), chairman of Reuters Founders Share Company Limited (*media*) and of Swedish Ships Mortgage Bank (*banking*) and a non-executive director of Lagardère SCA (*media and technology*). Former executive chairman of AB Volvo (*automotive*) and former senior adviser to Lazard Freres & Co. LLC (*banking*). *Chairman of the chairman's and nomination committees.*

### 2. Richard Harvey FIA (53)

#### Group Chief Executive

Appointed group chief executive in April 2001. Joined Norwich Union in 1992, holding senior positions in New Zealand and the United Kingdom before joining the Norwich Union board in 1995 and becoming group chief executive of Norwich Union in 1998. Chairman of the Association of British Insurers. *Member of the nomination committee.*

### 3. George Paul DL (64)

#### Deputy Chairman and senior independent non-executive director

Appointed to the board in May 2000 as deputy chairman. Joined the Norwich Union board as a non-executive director in 1990, becoming chairman in 1994. Currently a non-executive chairman of Agricola Group Limited (*agricultural*) and of JP Morgan Fleming Overseas Investment Trust plc (*asset management*) and a non-executive director of Notcutts Limited (*horticulture*). A former chairman and chief executive officer of Harrisons & Crosfield plc (*manufacturing*). *Chairman of the remuneration committee and member of the audit and chairman's committees.*

### 4. Anna Catalano (44)

#### Independent non-executive director

Appointed to the board in May 2003. Former group vice-president of marketing, BP plc (*oil*). *Member of the remuneration committee.*

### 5. Guillermo de la Dehesa (62)

#### Independent non-executive director

Appointed to the board in May 2000. Joined the board of Norwich Union as a non-executive director in 1999. Currently non-executive chairman of Aviva's operations in Spain, non-executive vice-chairman of Goldman Sachs Europe (*banking*) and a director of Campofrio (*consumer*), Unión Eléctrica Fenosa (*utility*), Bank Santander Central Hispano (*banking*) and Telepizza (*consumer*). Former chief executive and director of Banco Pastor (*banking*). A former deputy governor of the International Monetary Fund and the World Bank and a former deputy general manager of the Bank of Spain and former Secretary of State of Finance in Spain. *Member of the audit and nomination committees.*

### 6. Wim Dik (65)

#### Independent non-executive director

Appointed to the board in 1999, having served as a chairman of Nuts Ohra, a Dutch insurer acquired by the group in 1999. Currently chairman of NV Casema (*telecommunications*), a member of the Supervisory Board of ABN AMRO Bank (*banking*) and an advisory member of the boards of Unilever (*consumer*) and a non-executive director of LogicaCMG plc (*computer services*). A former chairman of Nederlandse Unilever Bedrijven BV (*consumer*) and former chairman and chief executive officer of KPN Royal Dutch Telecom (*telecommunications*). A former member of the advisory board of TNT Post Group (*mail services*) and former director of Vos Logistics (*transport*). Former Minister for Foreign Trade in The Netherlands. *Member of the remuneration committee.*

### 7. Carole Piwnica LLM (46)

#### Independent non-executive director

Appointed to the board in May 2003. Currently non-executive vice-chairman, governmental affairs, Tate & Lyle plc (*agriculture/industrial*) and non-executive director of SA Spadel NV (*mineral water*). A former chairman of Amylum Group (*agriculture/industrial*). A member of the New York and Paris bars, practicing law in Europe and the United States specialising in mergers and acquisitions, and EU regulatory matters. *Member of the audit committee.*



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**8. Philip Scott FIA (50)****Executive director**

Appointed to the board in May 2000. Joined Norwich Union in 1973, held a number of senior positions and was appointed to the board of Norwich Union in 1993. Former chief executive and executive chairman of Norwich Union Life (Aviva's life assurance and long-term savings business in the United Kingdom). Currently responsible for the group's continental European and international life assurance and long-term savings business.

**9. Patrick Snowball (53)****Executive director**

Appointed to the board in March 2001 as chief executive of Norwich Union Insurance (Aviva's general insurance operation in the United Kingdom). Previously a director of Norwich Union, appointed in October 1999, having joined that company in 1989. Currently responsible for the group's worldwide general insurance operations and the provision of shared services across the United Kingdom.



9

**10. Derek Stevens (65)****Independent non-executive director**

Appointed to the board in 1995. Currently non-executive chairman of The Airline Group Limited (*transport*), chairman of British Airways Pension Investment Management Limited, non-executive director of NATS Holdings Limited (*transport*), a member of the financial sector committee of the Accounting Standards Board, chairman of The Royal Academy of Arts Pension Scheme Board, a member of the Council of the Institute of Education at the University of London, a member of the Fundraising Advisory Board of VSO (*charity*) and chairman of The Travel Foundation (*charity*). A former director and chief financial officer of British Airways Plc (*transport*), a former finance director of TSB Group plc (*banking*) and a former chairman of the Trustees of British Airways Pension Schemes. *Chairman of the audit committee, member of the chairman's committee and chairman of Aviva Staff Pension Trustee Limited.*

**11. Philip Twyman FIA, FIAA (59)****Executive director**

Appointed to the board in June 1998. Joined the board of General Accident in 1996 as executive director responsible for finance, life and investment operations. Currently the director responsible for Aviva's finance and fund management operations. Mr Twyman will retire in March 2004.



11

**12. Elizabeth Vallance (58)****Independent non-executive director**

Appointed to the board in May 2000. Joined the board of Norwich Union as a non-executive director in 1995. Currently Fellow of Queen Mary College University of London, chairman of the Council of the Institute of Education University of London, chairman of the Advisory Committee on Clinical Excellence, non-executive director of Charter Pan European Trust plc (*asset management*), a former non-executive director of HMV Group Limited (*music retail*) and former chairman of the NHS Advisory Committee on Distinction Awards. *Member of the remuneration, nomination and chairman's committees.*

**13. André Villeneuve (59)****Independent non-executive director**

Appointed to the board in 1996. Non-executive chairman of Euronext Liffe (*financial services*), a non-executive director of United Technologies Corporation (*aerospace*) and a director of the Institut Francais de Relations Internationales. A former executive chairman of Instinet Corporation (*securities broker*), a former executive director of Reuters plc (*media*) and a former chairman of Promethee. *Member of the remuneration and nomination committees.*

**Richard Whitaker LLB, FCI**  
**Group Company Secretary**



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# Summary financial statements

## year ended 31:12:03

### Summary financial statements

These statements are aimed at giving shareholders a summary of the progress being made by Aviva. They do not, however, contain all the information to allow as complete an understanding of the Group as would be provided by the full audited Annual report and accounts. A copy of the full Annual report and accounts, which contains an unqualified auditors' opinion, is available free of charge from the Aviva internet site at [www.aviva.com](http://www.aviva.com) or Lloyds TSB Registrars, at the address on the back cover of this document.

### 2003 accounts

The summary financial statements on page 15 have been prepared on the basis of accounting policies set out in the Group's 2003 Annual report and accounts. The Consolidated profit and loss account has been presented on both the achieved profit basis and the modified statutory solvency basis. The Group has continued to focus on the achieved profit basis in this year's accounts since it believes life achieved operating profit is a better measure of the performance of the life business than the modified statutory solvency basis. Results of an insurance business in any particular year can be affected by significant movements in investment values, which influence the reported profits before tax. Therefore, to measure the underlying business performance, operating profit before tax based on longer-term rates of investment return is used which eliminates the volatility caused by movements in investment values. As a result, managers are encouraged to focus on operational performance and aspects of the business which are under their control.

### Summarised directors' report Annual General Meeting

A separate document accompanying the Annual review contains the formal notice convening the Annual General Meeting and a description of the business to be conducted thereat. The Annual General Meeting will be held on 27 April 2004 at The Barbican Centre, Silk Street, London EC2Y 8DS at 11.00am.

### Review of operations

Aviva plc is the holding company of the Aviva Group of companies, which transacts life assurance (other than industrial life) and long-term savings business, fund management, and all classes of general insurance through its subsidiaries, associates and branches in the United Kingdom, continental Europe and Ireland, North America, Asia, Australia and other countries throughout the world. Details of the Group's operations for the accounting period, its current position and future prospects are contained in the Chairman's statement and Group Chief Executive's review set out on pages 1 to 11.

### Dividend

The directors are recommending a final dividend of 15.15 pence (2002: 14.25 pence) per share which, together with the interim dividend of 9.00 pence (2002: 8.75 pence) per share, produces a total dividend for the year of 24.15 pence (2002: 23.00 pence) per share. The total cost of dividends for 2003, including preference dividends, will amount to £562 million (2002: £536 million), leaving £387 million to be transferred to reserves (2002: £1,070 million transferred from reserves). The final dividend for 2003 will be paid on 17 May 2004 to all holders of ordinary shares on the Register of Members at the close of business on 26 March 2004. The Company's Dividend Reinvestment Plan will be available to shareholders in respect of the payment of the final dividend. In addition, a local currency payment service will be available to shareholders residing in certain participating countries outside the United Kingdom. Further details of these arrangements can be found within the shareholder information on page 18.

### Directors

The names of the present members of the Board and their biographical notes appear on pages 12 and 13. Sir Michael Partridge retired at the close of the Annual General Meeting on 7 May 2003. Tony Wyand retired as a director on 31 July 2003 and from service on 30 November 2003 upon reaching his normal retirement age. Mike Biggs resigned as a director on 31 December 2003. Philip Twyman will retire on 31 March 2004, after reaching his normal retirement age.

On 8 May 2003, two new directors joined the Board – Anna Catalano and Carole Piwnica. In accordance with the Company's articles of association, these directors will be standing for election by shareholders at the forthcoming Annual General Meeting. The directors retiring in accordance with the articles of association and, being eligible, offering themselves for re-election are George Paul, Philip Scott, Patrick Snowball and Elizabeth Vallance. Philip Scott and Patrick Snowball, being executive directors, each have a service contract with a Group company. Other than service contracts between executive directors and a Group company, no director had a material interest at any time during the year in any contract of significance with the Company or its subsidiaries.

### Directors' interests

The table below shows the interests held by directors in the ordinary shares of the Company at the beginning and at the end of the financial year and also at 24 February 2004 being the date that the report and accounts were signed. All interests disclosed are beneficial.

	1 Jan 2003	31 Dec 2003	24 Feb 2004
Mike Biggs	43,550	<b>44,404</b>	44,404
Anna Catalano*	–	–	–
Guillermo de la Dehesa	144	<b>144</b>	144
Wim Dik	200	<b>200</b>	200
Pehr Gyllenhammar	25,760	<b>27,056</b>	27,056
Richard Harvey	21,829	<b>23,151</b>	23,213
George Paul	30,593	<b>30,693</b>	30,727
Carole Piwnica*	–	–	–
Philip Scott	68,571	<b>73,274</b>	73,319
Patrick Snowball	3,447	<b>4,719</b>	4,764
Derek Stevens	2,005	<b>2,005</b>	2,005
Philip Twyman	24,286	<b>28,818</b>	28,818
Elizabeth Vallance	830	<b>830</b>	830
André Villeneuve	640	<b>640</b>	640

\*As at the date of appointment – 8 May 2003.

### Corporate governance

The Board of Directors of Aviva is committed to a system of sound corporate governance and to the principles of Good Governance and the Code of Best Practice published in June 1998 (the Combined Code). The directors have reviewed the Company's corporate governance with the Combined Code and confirm that the Company has complied fully throughout 2003 with the provisions set out in Section 1 of the Combined Code.

During the year, a revised Combined Code became effective taking into account reviews concerning the role and effectiveness of non-executive directors (Higgs Report) and audit committees (Smith Report). This revised Combined Code takes effect in respect of reporting years beginning on or after 1 November 2003 and accordingly, does not apply to the year under review. Had it been in force for the year, the Company would have complied with almost all of the provisions of the revised Combined Code. Full details are contained in the Board's Corporate governance report in the Annual report and accounts.

### Corporate Social Responsibility (CSR)

Aviva's CSR policy and programme continues to take firmer roots within the business and to generate support with staff, shareholders and customers. Aviva's CSR performance is also highly ranked by growing numbers of research agencies and investment houses. It provides one of the pathways by which the Company seeks to achieve its corporate resolve to be the financial services provider of choice. Full details of the progress achieved within the CSR programme during the year can be found in Aviva's CSR report. A copy of the printed summary CSR report is available from the Group Company Secretary and the full report may be viewed on [www.aviva.com/csr](http://www.aviva.com/csr)

### Independent auditors' statement to the members of Aviva plc

We have examined the Group's summary financial statements for the year ended 31 December 2003 which comprise the Summary consolidated profit and loss account and Summary consolidated balance sheet.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual review in accordance with applicable law.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Annual review with the full annual accounts, Directors' report, Directors' remuneration report and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

### Basis of opinion

We conducted our examination in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statement" issued by the Auditing Practices Board for use in the United Kingdom.

### Opinion

In our opinion the summary financial statements are consistent with the full annual accounts, Directors' report and Directors' remuneration report of Aviva plc for the year ended 31 December 2003 and comply with the applicable requirements of Section 251 of the Companies Act 1985, and regulations made thereunder.

Ernst & Young LLP  
Registered Auditor  
London  
24 February 2004

Summarised consolidated profit and loss account		
	2003 £m	2002 £m
<b>Premium income (after reinsurance) and investment sales</b>		
Life premiums including share of associates' premiums	19,035	18,172
Investment sales	1,141	1,028
Health premiums	1,066	928
	<b>21,242</b>	20,128
General insurance premiums	8,524	7,805
Total continuing operations	29,766	27,933
Discontinued operations	–	692
	<b>29,766</b>	28,625
<b>Pre-tax operating profit before amortisation of goodwill and exceptional items</b>		
Life achieved operating profit	1,555	1,524
Health	61	61
Fund management and non-insurance operations*	(54)	(94)
General insurance	911	881
Corporate costs and unallocated interest charges	(566)	(652)
<b>Operating profit on continuing operations – achieved profit basis</b>	1,907	1,720
Discontinued operations	–	78
<b>Operating profit on continuing and discontinued operations – achieved profit basis**</b>	1,907	1,798
Adjustment to report life profits on the modified statutory basis	(417)	(502)
<b>Operating profit on continuing and discontinued operations – modified statutory basis***</b>	1,490	1,296
Amortisation of goodwill and acquired additional value of in-force long-term business	(238)	(274)
Short-term fluctuation in investment return	212	(1,243)
Change in the equalisation provision	(49)	(57)
Net loss on the disposal of subsidiary undertakings	(6)	(4)
Exceptional costs for termination of operations	(19)	–
<b>Profit/(loss) on ordinary activities before tax – statutory basis</b>	1,390	(282)
Tax	(367)	(206)
Minority interests	(74)	(46)
<b>Profit/(loss) for the year</b>	949	(534)
Preference dividends	(17)	(17)
Ordinary dividends	(545)	(519)
<b>Retained loss transferred to/(from) reserves</b>	387	(1,070)
Operating earnings per share†	53.2p	48.3p
Total earnings per share§	41.4p	(24.4)p
Net asset value per ordinary share#	502p	433p

Summarised consolidated balance sheet		
	2003 £m	Restated 2002 £m
<b>Assets</b>		
Goodwill	1,105	1,040
Investments and unit-linked assets	180,828	154,923
Acquired additional value of in-force long-term business†	488	505
Reinsurers' share of technical provisions	6,883	6,154
Other assets^	19,376	18,383
<b>Total assets</b>	<b>208,680</b>	181,005
<b>Liabilities</b>		
<b>Shareholders' capital and reserves</b>		
Ordinary share capital, share premium account and shares held by employee trusts^	1,659	1,657
Other reserves†	4,695	3,979
<b>Equity shareholders' funds</b>	<b>6,354</b>	5,636
Preference shares	200	200
Minority interests‡	811	658
<b>Total shareholders' funds including minority interests</b>	<b>7,365</b>	6,494
Subordinated debt	2,814	1,190
<b>Total capital, reserves and subordinated debt</b>	<b>10,179</b>	7,684
<b>Other liabilities</b>		
Fund for future appropriations	8,443	3,745
Technical provisions	175,304	155,179
Other liabilities	14,754	14,397
<b>Total other liabilities</b>	<b>198,501</b>	173,321
<b>Total liabilities</b>	<b>208,680</b>	181,005
<b>Supplemental balance sheet information on achieved profit basis</b>		
	2003 £m	Restated 2002 £m
<b>Equity shareholders' funds – modified statutory basis</b>	<b>6,354</b>	5,636
Additional value of internally-generated in-force long-term business	4,611	3,832
<b>Equity shareholders' funds – achieved profit basis</b>	<b>10,965</b>	9,468
Preference shares	200	200
Minority interests	944	743
<b>Total shareholders' funds including minority interests – achieved profit basis</b>	<b>12,109</b>	10,411
Subordinated debt	2,814	1,190
<b>Total capital, reserves and subordinated debt – achieved profit basis</b>	<b>14,923</b>	11,601

Approved by the Board on 24 February 2004

Philip Twyman, Group Executive Director

\*The wealth management result has been included within fund management and non-insurance operations in both years.

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

\*\*\*Before tax, amortisation of goodwill, amortisation of acquired additional value of in-force long-term business and exceptional items.

†Operating earnings per share is based on the achieved profit basis operating profit after tax, minority interests and preference dividends from continuing operations. The equivalent earnings per share using the modified statutory life profit is 44.0 pence per share (2002: 34.8 pence per share).

§Total earnings per share is based on the modified statutory solvency basis profit/(loss) for the year, attributable to equity shareholders.

#Net asset value per ordinary share is calculated based on equity shareholders' funds on an achieved profit basis, adding back the equalisation provision of £364 million (31 December 2002: £314 million).

^Restated for the effect of deducting shares held by employee share trusts from capital rather than being held as assets.

‡Restated for the effect of a change in accounting policy in connection with insurance companies no longer being allowed to recognise the internally-generated value of in-force long-term business on the modified statutory basis consolidated balance sheet.

# Summary financial statements

## continued

### Summary directors' remuneration report

Below is a summary of the information contained in the Directors' remuneration report which shareholders will be asked to approve at the Annual General Meeting. The report, which is contained in the Company's Annual report and accounts for 2003, contains full details of the Company's remuneration policy, practices, pension arrangements and incentive plans including a description of the performance conditions which apply to the incentive plans. The report also provides details of all the awards and options held by the directors. A copy of the Annual report and accounts is available from the Group Company Secretary.

#### Remuneration policy

The Company's remuneration policy seeks to provide remuneration packages appropriate for each particular market in which the Company operates, to attract and retain high calibre employees and encourage and reward superior performance in a manner which is consistent with the interests of shareholders. The policy is aimed at ensuring senior executives are rewarded fairly for their individual and collective contributions to the Company's performance.

The Company seeks advice from a range of external sources regarding current market trends, practices and appropriate levels of remuneration. In 2002, the Remuneration Committee commissioned New Bridge Street Consultants to undertake an independent review of the remuneration policy to ensure that it reflected good practice and that the packages remained competitive. No material changes were made to the remuneration policy or packages in 2003 and none are planned for 2004. However, from 1 April 2004 those employees, including executive directors, who currently do not make any contribution towards their pension entitlement will be required to pay 2.5% of their gross pensionable salary, rising to 5% in 2005. In 2004, the Committee will be undertaking a full review of executive remuneration and in connection with this the Committee will seek a further independent review. Any changes made to the remuneration policy or packages will become effective from April 2005.

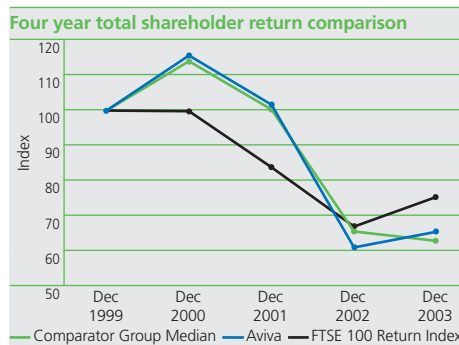
#### The remuneration package

The Company believes that senior executives should align their own interests with those of the Company's shareholders. It therefore believes that whilst paying a competitive basic salary, the majority of the remuneration package should be closely linked to the performance of the business and delivered in the form of shares. The remuneration package for the Company's executive directors comprises the following elements:

- A basic salary.
- An annual bonus plan – to encourage executives to meet annual targets relating to business and agreed personal performance targets. Under the plan, directors earn a cash bonus of 35% of their basic salary provided the Group, or that part for which they are responsible, meets predetermined financial performance targets and the directors meet their personal performance targets. The maximum cash bonus which can be awarded under this plan is 50% of salary.
- A deferred bonus plan – linked to the annual bonus plan to encourage executives to take their entire bonus in the form of shares and retain them for three years. Under the plan, 50% of any cash arising from the annual bonus plan is automatically deferred and the director is awarded an entitlement to shares of equal value. The directors are encouraged to defer the other 50%. The Company matches the number of shares deferred. The deferred and matching shares are delivered to the director at the end of the three year deferral period.

- A long-term incentive plan – to align executives' longer-term interests with those of shareholders. Executive directors are eligible to receive an award of shares each year equal to 100% of their basic salary. The directors will only begin to benefit from these awards if the Company's performance, measured on a Total Shareholder Return basis over a three year period, is at the median level when compared with 19 major European financial services companies or if the Company achieves a given return on capital employed.
- A defined benefit pension entitlement, a car allowance, private medical insurance and participation in the All-Employee Share Plans.

As stated above, the awards granted under the long-term incentive plan are subject to a performance condition based on the Company's Total Shareholder Return (TSR) ranked against the TSR of the major European financial services companies in the Company's comparator group over a three year period. The following graph shows the Company's TSR, over the four year period since CGU merged with Norwich Union to form Aviva, against the average TSR of the companies in the FTSE 100 and the comparator group.



All executive directors have a service contract which can be terminated by the Company upon giving 12 months' notice.

## Directors' remuneration 2003

The remuneration payable, in respect of 2003 to directors who held office for any part of the financial year, including amounts paid to them as directors of subsidiary undertakings, was as follows:

	Basic salary		Bonuses <sup>1</sup>		Benefits <sup>2</sup>		Incentive plans <sup>3</sup>		Total	
	2003 £000	2002 £000	2003 £000	2002 £000	2003 £000	2002 £000	2003 £000	2002 £000	2003 £000	2002 £000
<b>Chairman</b>										
Pehr Gyllenhammar <sup>4</sup>	<b>288</b>	275	–	–	<b>21</b>	22	–	–	<b>309</b>	297
<b>Executive directors</b>										
Mike Biggs <sup>5</sup>	<b>459</b>	437	<b>191</b>	163	<b>84</b>	147	–	257	<b>734</b>	1,004
Richard Harvey	<b>718</b>	691	<b>312</b>	258	<b>67</b>	70	–	402	<b>1,097</b>	1,421
Philip Scott	<b>459</b>	437	<b>183</b>	163	<b>43</b>	136	–	262	<b>685</b>	998
Patrick Snowball	<b>420</b>	376	<b>212</b>	145	<b>21</b>	17	–	207	<b>653</b>	745
Philip Twyman	<b>466</b>	451	<b>192</b>	178	<b>53</b>	16	–	143	<b>711</b>	788
Tony Wyand* <sup>7</sup>	<b>285</b>	476	<b>124</b>	181	<b>13</b>	21	–	195	<b>422</b>	873
<b>Non-executive directors<sup>4</sup></b>										
Anna Catalano**	<b>27</b>	–	–	–	–	–	–	–	<b>27</b>	–
Guillermo de la Dehesa	<b>64</b>	68	–	–	–	–	–	–	<b>64</b>	68
Wim Dik	<b>40</b>	38	–	–	–	–	–	–	<b>40</b>	38
Sir Michael Partridge*	<b>13</b>	38	–	–	–	–	–	–	<b>13</b>	38
George Paul	<b>160</b>	160	–	–	–	–	–	–	<b>160</b>	160
Carole Pivnica**	<b>27</b>	–	–	–	–	–	–	–	<b>27</b>	–
Derek Stevens	<b>70</b>	63	–	–	–	–	–	–	<b>70</b>	63
Elizabeth Vallance	<b>40</b>	38	–	–	–	–	–	–	<b>40</b>	38
André Villeneuve	<b>40</b>	38	–	–	–	–	–	–	<b>40</b>	38
Total emoluments of directors <sup>6</sup>	<b>3,576</b>	3,586	<b>1,214</b>	1,088	<b>302</b>	429	–	1,466	<b>5,092</b>	6,569

\*To the date of ceasing to be a director: Sir Michael Partridge – 7 May 2003; Tony Wyand – 31 July 2003.

\*\*From the date of appointment: Anna Catalano and Carole Pivnica – 8 May 2003.

### Notes

(1) "Bonuses" include amounts earned under the Annual Bonus Plan (including amounts deferred under the Aviva Deferred Bonus Plan) in respect of performance in 2003, and the value of shares granted under the free share part of the Aviva All-Employee Share Ownership Plan in respect of 2003 performance.

(2) "Benefits". All the executive directors received the benefit of private medical insurance and, along with the Chairman, a car allowance. The disclosure also includes, in respect of Mike Biggs, Richard Harvey and Philip Twyman, charges relating to the cost of insuring their pension entitlements which cannot be provided from the pension scheme as a result of the "earnings cap", and in the case of Mike Biggs, the cost of providing accommodation in London and the payments for holiday entitlements not taken by his date of leaving.

(3) "Incentive Plans". In 2002, awards were made to participants in the CGNU Integration Incentive Plan and the Norwich Union Restricted Share Plan. Full details were disclosed in the Remuneration report of the Annual report and accounts for that year. These were one-off awards and the plans have now closed.

(4) Non-executive directors. The benefits disclosed for Pehr Gyllenhammar refer to a car allowance. The fee for George Paul reflects his duties as Deputy Chairman, which includes chairing the Remuneration Committee and acting as the senior independent non-executive director. The fee for Derek Stevens includes an additional amount for serving as the chairman of the Board's Audit Committee and of the trustee of the Aviva Staff Pension Scheme. The fee for Guillermo de la Dehesa includes an amount for serving as the non-executive Chairman of the Group's operations in Spain. No non-executive director accrued retirement benefits during the year.

(5) No compensation for loss of office was made to any director, or former director, during the year and no compensation for such will be paid to Mr Biggs who resigned with effect from 31 December 2003.

(6) For the purposes of the disclosure required by Schedule 6 of the Companies Act 1985 the total aggregate emoluments of the directors in respect of 2003 was £5.1 million (2002: £6.6 million).

(7) Mr Wyand was the only executive director to serve on the board of an external company in a personal capacity during the year. He was a director of Grosvenor Estate Limited and during the year to his retirement from the Board on 31 July 2003 he received fees totalling £17,500.

Shares were awarded to executive directors during the year under the Company's incentive plans described above as follows:

	Long-Term Incentive Plan Shares	Deferred Bonus Plan Shares
Mike Biggs*	111,250	80,100
Richard Harvey	175,000	127,750
Philip Scott	111,250	80,100
Patrick Snowball	96,250	35,612
Philip Twyman	113,750	87,586
Tony Wyand**	120,000	44,400

\*Awards granted to Mike Biggs under the Long-Term Incentive Plan lapsed on 1 January 2004 following his resignation taking effect on 31 December 2003. Based on the performance of Mr Biggs during his notice period, the Committee exercised its discretion to allow him to retain the benefits of his matched awards which will vest at the end of their deferral period.

\*\*As at the date of ceasing to be a director – 31 July 2003.

In addition to the above, directors have interests in awards and options granted in previous years. No directors made any gains on the exercise of share options during the year.

# Shareholder information

## 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 opposite to obtain full details and a mandate form. Shareholders who have previously elected to join the Plan need take no further action. At the Annual General Meeting the Board will be seeking authority to offer shareholders the choice of receiving scrip dividends as an alternative to cash dividends. If this proposal is approved by shareholders and is introduced, it would replace the Company's current dividend reinvestment plan and accordingly the Company would write to all shareholders setting out full details of the scrip dividend scheme and its implications.

## Dividend payments direct to your bank account

If you wish, you can have your dividend payments credited directly into your bank or building society account on the dividend payment date. For overseas shareholders, the Company has introduced the Transcontinental Account 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 please contact the Company's registrar at the address opposite.

## Consolidated Tax Vouchers

For those shareholders who currently receive dividends paid directly into their bank/building society account, it is now the Company's intention to issue one tax voucher each year instead of two. This we hope will prove to be more convenient for shareholders and will also result in cost and environmental savings. The new practice does not alter the dividend payments or when they are paid and will come into operation in the 2004/05 tax year. You will not receive a tax voucher for the May and November 2004 dividends, you will instead receive a consolidated tax voucher relating to these payments in 2005. The voucher will be issued prior to any tax return from the Inland Revenue. Any shareholders who do not wish to receive this service and wish to continue to receive tax vouchers with each dividend may elect to do so by contacting the Company's registrar at the address opposite. Please note that we are unable to offer the service to institutional shareholders or those participating in the Dividend Reinvestment Plan.

## 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](http://www.shareview.co.uk) where you will also find more details of the service, practical help and extensive information on other share registration matters.

## Share price

You can access the current share price of Aviva shares at [www.aviva.com](http://www.aviva.com) or alternatively, you can call 0906 843 2197\*.

## Share dealing Facilities

The Company has arranged the following services that can be used to buy or sell Aviva shares. Alternatively, if you hold a share certificate you can also use any bank, building society or stockbroker offering share dealing facilities. If you are in any doubt about buying or selling your shares you should seek professional financial advice.

## Share dealing facilities for UK shareholders/Share Account Members

- Shareview Dealing is a telephone and internet service arranged through Lloyds TSB Registrars and provides a simple and convenient way of selling Aviva shares. For telephone sales call 0870 850 0852 between 8:30am and 4:30pm, Monday to Friday and for internet sales log on to [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing)
- To buy or sell your shares over the telephone, you can contact Barclays Stockbrokers on 0870 549 3002 (if you hold a share certificate) or 0870 549 3001 (if you hold a share account statement). Barclays Stockbrokers Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority.
- NatWest Stockbrokers provide a Share Dealing Service at certain branches for Aviva Share Account holders only. For more information contact NatWest Stockbrokers on 0845 122 0689.

## Share dealing facilities for overseas shareholders

To sell your shares over the telephone, you can contact Barclays Stockbrokers on 00 44 141 352 3959. They will be able to sell your shares and send you a sterling cheque for the proceeds. Barclays Stockbrokers Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority.

## Amalgamating your shares

If you were mailed more than one copy of this Annual Review, it may be because Aviva has more than one record of shareholdings in your name. To ensure that you do not receive duplicate mailings in future, you can have all your shares amalgamated into one account by contacting Lloyds TSB Registrars at the address opposite.

## ShareGift

The Orr Mackintosh Foundation operates a purely voluntary, charity share donation scheme for shareholders who wish to dispose of small numbers of shares whose value makes it uneconomical to sell them. Details of the scheme are available from Share Gift at [www.sharegift.org](http://www.sharegift.org) or telephone 020 7337 0501 or can be obtained from the Company's registrar.

## Shareholders with disabilities

Alternative versions of this publication (including braille, large print and audio-tape) are available on request from the Company's registrar.

## Useful contact details

### General shareholding administration queries and Aviva share account queries:

Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA.  
Tel: 0870 600 3952

### Corporate and single company Peps:

Barclays Stockbrokers Limited, Tay House, 300 Bath Street, Glasgow G2 4LH.  
Tel: 0870 514 3263

### Individual Savings Accounts ("Isas"):

Lloyds TSB Registrars (Isa Manager), The Causeway, Worthing, West Sussex BN99 6DA. Tel: 0870 242 4244

## Internet sites

Aviva owns various internet sites, most of which interlink with each other.

Aviva group	<a href="http://www.aviva.com">www.aviva.com</a>
UK long-term savings and general insurance	<a href="http://www.norwichunion.com">www.norwichunion.com</a>
Fund management	<a href="http://www.morleyfm.com">www.morleyfm.com</a>
Aviva worldwide internet sites	<a href="http://www.aviva.com/customers/global.cfm">www.aviva.com/customers/global.cfm</a>

## Group financial calendar for 2004

24 Mar	Ex-dividend date (ordinary shares)
26 Mar	Record date (ordinary shares)
01 Apr	First dividend payment for 8 $\frac{3}{8}$ % cumulative irredeemable preference shares
23 Apr	Dividend Reinvestment Plan election date
27 Apr	Annual General Meeting
05 May	Announcement of first quarter long-term savings new business figures
17 May	Dividend payment date (ordinary shares)
01 Jul	First dividend payment for 8 $\frac{3}{4}$ % cumulative irredeemable preference shares
04 Aug	Announcement of unaudited six months' interim results
30 Sept	Second dividend payment for 8 $\frac{3}{8}$ % cumulative irredeemable preference shares
02 Nov	Announcement of third quarter long-term savings new business figures
31 Dec	Second dividend payment for 8 $\frac{3}{4}$ % cumulative irredeemable preference shares

## Corporate social responsibility

Aviva continues to develop its CSR programme with vigour. These activities cover the environment, community, employees, health and safety, human rights, standards of business conduct, suppliers and customers. For the second consecutive year, Innovest has placed Aviva first for CSR performance among the world's leading insurers. More details can be found on our website at [www.aviva.com/csr](http://www.aviva.com/csr)



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\*Calls are currently charged at 60 pence per minute at all times. The average time to access the share price is approximately one minute.