

Overview
Business review
Governance
Financial statements IFRS
Financial statements MCEV
Other information

Chairman's introduction



Lord Sharman of Redlynch OBE
Chairman

Dear Shareholder,

In my experience, the situation in which we find ourselves as we enter 2009 is unprecedented. The recent period will long be remembered as one of the most turbulent for financial markets, and indeed the world economy, since records began. Banks have been nationalised, global insurance businesses have failed, interest rates and share prices have plunged, mortgage lending has been reduced to a trickle, and no one can accurately forecast where and when the current situation will be resolved.

Aviva is well placed to weather this crisis, and for both our life and general insurance operations it is business as usual. We have made sensible decisions in the past, greatly reducing our exposure to equities and introducing a robust risk management strategy. We have good liquidity and a strong balance sheet. Our vision, "one Aviva, twice the value", is proving its worth and during the past year we have continued to attract and retain customers wherever we do business.

We are not immune to the effects of the current situation. No one is. Our 2008 results demonstrate our resilience and our ability to focus on what we are good at, namely providing prosperity and peace of mind for our customers, as well as maintaining the strength of our balance sheet.

Dividend

Our dividend policy remains unchanged. As a guide we use dividend cover in the 1.5 to 2.0 times range, based on IFRS operating earnings after tax and I am pleased to announce that our recommended final ordinary dividend for 2008 is 19.91 pence per share, bringing the total dividend for the year to 33.00 pence, in line with last year (2007: 33.00 pence).

Board developments

Our thanks are due to Guillermo de la Dehesa who retired from the board at the end of 2008 after a long period of service. His experience of international financial and economic matters has been invaluable to us and we wish him well.

Mark Hodges, chief executive officer of Norwich Union Life, joined the board in June 2008 and brings with him a rare mix of operational and strategic expertise. We also welcome Euleen Goh who joined us in January 2009. Most recently chief executive of Standard Chartered Bank in Singapore (2001-2006), Euleen has a wealth of experience both as an executive and non-executive and will bring fresh insight into important areas of activity in South East Asia.

I would also like to thank all our Aviva people, led by Andrew Moss and his team, for their skill and dedication during what has undoubtedly been a challenging year for everyone.

Lord Sharman of Redlynch OBE
Chairman

04 – 11 More on the events of 2008

84 – 85 More on our Board

70 – 79 More on our people