

#### Regional overviews

Global presence, local understanding

- 10 **UK** A leader in our home market
- 14 **Europe** Building a truly pan-European business with a broad and diverse portfolio
- 18 **North America** Poised to benefit from recovery in the world's wealthiest market
- 21 **Asia Pacific** Committed to building a high-growth and value-creating region
- 24 **Aviva investors** Focused on clients, focused on performance

# This is Aviva.



01	<b>Group structure</b>
02	<b>Financial summary</b>
03	<b>Chairman's introduction</b> In good shape for the new decade
04	<b>Group chief executive's review</b> A year of significant progress
06	<b>Group strategy</b> One Aviva, Twice the Value
07	<b>Key performance indicators</b> Delivering consistent performance
08	<b>Board and executive team</b>
10	<b>Regional overviews</b> Global presence, local understanding — UK — Europe — North America — Asia Pacific — Aviva investors
27	<b>Summary CR report</b>
30	<b>Summary financial statements</b>
36	<b>Shareholder information</b>

## Aviva today

In 2007 we set our strategy to grow and transform Aviva to compete on a global scale. Nearly three years on, despite difficult market conditions, every day around the world we continue working to realise our vision 'One Aviva, Twice the Value'. By working together closely, we are transforming our business, optimising our performance and maximising the value we generate for all our stakeholders.

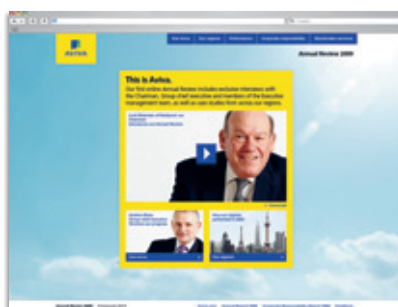
This year we have created a suite of three reporting channels which can be seen at [www.aviva.com/2009reports](http://www.aviva.com/2009reports). To help us minimise our paper usage and our impacts on the environment, if you haven't already done so, we would encourage all of our shareholders to opt to receive our reporting documents electronically.

Please sign up for electronic communications here  
[www.aviva.com/ecomms](http://www.aviva.com/ecomms)



Our Annual Report and accounts is available online and to download.

You can view our Annual Report here  
[www.aviva.com/2009ara](http://www.aviva.com/2009ara)



In our online Annual Review, you will see exclusive interviews of the Group chief executive and members of our Executive management team.

You can view our Annual Review here  
[www.aviva.com/2009review](http://www.aviva.com/2009review)

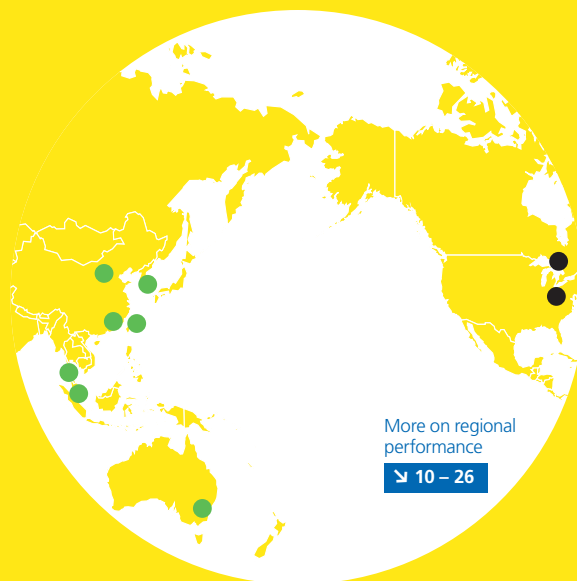
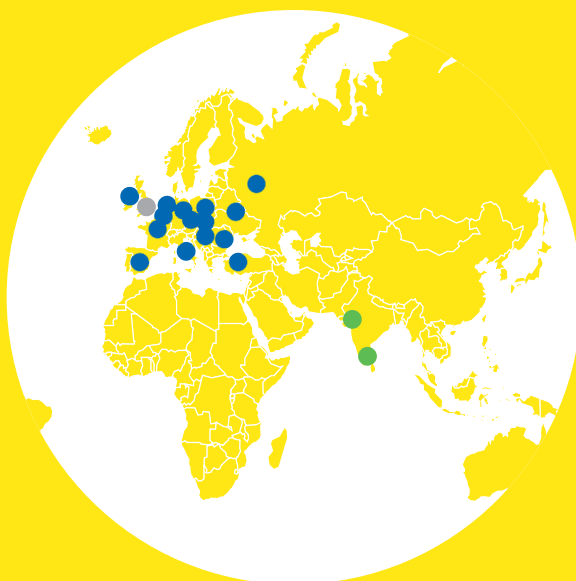


In our online Corporate Responsibility Report you can find out more about our commitment to acting as a responsible member of the international business community.

You can view our Corporate Responsibility Report here  
[www.aviva.com/2009cr](http://www.aviva.com/2009cr)

# Group structure

UK	Europe	North America	Asia Pacific	Aviva Investors
<b>Products</b> <ul style="list-style-type: none"> <li>— Long-term insurance and savings: pensions, annuities, protection, bonds and savings, equity release</li> <li>— General insurance: personal: motor, home, travel, breakdown (RAC), commercial: motor, property, liability</li> <li>— Health</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>— Long-term insurance and savings: protection, bonds and savings, pensions</li> <li>— General insurance: motor, home, travel, commercial, agricultural, construction, marine</li> <li>— Health</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>— Long-term insurance and savings: protection, annuity, savings, wellness</li> <li>— General insurance: personal: auto, home, niche products commercial: motor, property, liability</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>— Long-term insurance and savings: protection, bonds and savings, pensions</li> <li>— General insurance: personal and commercial motor and property</li> <li>— Health</li> </ul>	<b>Products</b> <p>Our investment capabilities, products and services comprise:</p> <ul style="list-style-type: none"> <li>— alternatives</li> <li>— equities</li> <li>— fixed income</li> <li>— global investment solutions</li> <li>— real estate</li> </ul>
<b>Distribution</b> <ul style="list-style-type: none"> <li>— Bancassurance</li> <li>— Corporate partnerships</li> <li>— IFAs/brokers</li> <li>— Direct (phone/online)</li> </ul>	<b>Distribution</b> <ul style="list-style-type: none"> <li>— Bancassurance</li> <li>— Corporate partnerships</li> <li>— IFAs/brokers/agents</li> <li>— Direct (phone/online)</li> <li>— Direct sales force</li> </ul>	<b>Distribution</b> <ul style="list-style-type: none"> <li>— Independent marketing organisations</li> <li>— Brokers/agents</li> </ul>	<b>Distribution</b> <ul style="list-style-type: none"> <li>— Bancassurance</li> <li>— IFAs</li> <li>— Direct (phone/online)</li> <li>— Direct sales force</li> </ul>	<b>Distribution</b> <ul style="list-style-type: none"> <li>— Business to business</li> <li>— Wholesale distributors</li> <li>— Asset allocators</li> <li>— IFAs/fund platforms</li> <li>— Institutional/pensions</li> </ul>
<b>Employees</b> <b>21,663</b> 2008: 28,424	<b>Employees</b> <b>16,038</b> 2008: 16,501	<b>Employees</b> <b>5,247</b> 2008: 5,627	<b>Employees</b> <b>1,599</b> 2008: 2,376	<b>Employees</b> <b>1,311</b> 2008: 1,298



More on regional performance

10 – 26



## UK

Our life and general insurance businesses are based in York and Norwich respectively, with operations spread across the UK. We also have overseas operations in India and Sri Lanka



## European Locations

Belgium\*  
Czech Republic  
France  
Germany\*  
Hungary  
Ireland  
Italy  
Lithuania  
Netherlands\*  
Poland  
Romania  
Russia  
Slovakia  
Spain  
Turkey



## North American Locations

Canada  
United States



## Asia Pacific Locations

Australia\*\*  
China  
Hong Kong  
India  
Malaysia  
Singapore  
South Korea  
Sri Lanka  
Taiwan

## Aviva Investors

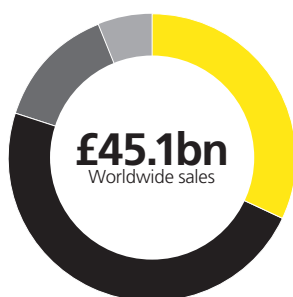
Australia  
Canada  
China  
France  
Germany  
Ireland  
Italy  
Luxembourg  
Poland  
Romania  
Singapore  
Spain  
Taiwan  
United Kingdom  
United States

\* Delta Lloyd operations

\*\* Australia business disposed of on 1 October 2009

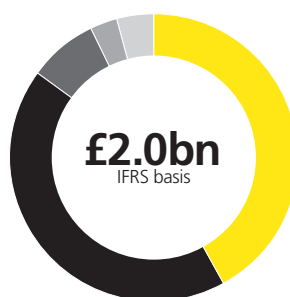
## Financial summary

Aviva is the world's fifth largest insurance group providing insurance, savings and investment products to 53 million customers across Europe, North America and Asia Pacific. We are the largest insurance services provider in the UK and one of the leading providers of life and pension products in Europe.



Sales %

● UK	32
● Europe	48
● North America	14
● Asia Pacific	6



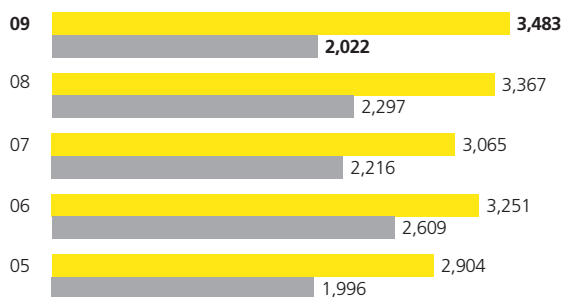
IFRS operating profits %

● UK	42
● Europe	43
● North America	8
● Asia Pacific	3
● Aviva Investors	4

Total sales £m



Operating profit £m



\* On a MCEV basis from 2007. Prior years presented on an EEV basis.

For full details of our financial results visit

[www.aviva.com/2009reports](http://www.aviva.com/2009reports)

Summary financial statements

30 – 35

Worldwide sales\*

**£45,068m**  
(12)%

MCEV operating profit\*\*

**£3,483m**  
3%

IFRS operating profit\*\*

**£2,022m**  
(12)%

IFRS total return after tax

**£1,315m**  
2008: £(885)m

Full year dividend

**24.00p**  
(27)%

Equity shareholders' funds\*\*\*

**£13,035m**  
(1)%

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

\*\* Before tax attributable to shareholders

\*\*\* On a MCEV basis



# Chairman's introduction



**Lord Sharman of Redlynch** OBE  
Chairman

## In good shape for the new decade

### Dear Shareholder

It is traditional for the Chairman to close his statement by formally thanking employees. This year, however, I think it's more appropriate to begin by saying that our strong results for 2009 are due to the extraordinary efforts made by the executive team and our people throughout the Aviva group.

A strong, single brand name is essential for us to compete effectively in the global insurance marketplace so the launch of the Aviva name worldwide in 2009 was fundamental. This was just one of a number of key deliverables during the year including: a successful partial sale of our Dutch business, Delta Lloyd, and the distribution of monies to our policyholders from the UK inherited estate.

In a year of 'business as usual', these would have been great achievements, so I am extremely proud that, through 2009's adverse conditions, at Aviva we have remained strong, resolute and on track. 2010 is unlikely to be any easier but we're now in an even better position to take advantage of new opportunities, and of achieving our vision for 'One Aviva, Twice the Value'.

### Dividend

I am pleased to announce that the final dividend for 2009 will be 15 pence, bringing the total dividend to 24 pence. This follows our decision last year to reduce the dividend to a sustainable level, from which Aviva can grow over time. Our dividend policy remains unchanged and the final dividend cover of 1.8 times remains within the 1.5 to 2.0 times target range, which is based on IFRS operating earnings after tax.

### Changes to the Board

I would like to thank Philip Scott, who retired from his role as chief financial officer (CFO) at the end of 2009 with an impressive 36 years' service with Aviva. With his knowledge of the insurance industry, he has successfully navigated us through some difficult market conditions. In February 2010, we welcomed Patrick Regan as our new CFO. He joined us from Willis Group Holdings in the US where he was group chief operating officer and CFO.

We further strengthened our Board with the appointment of Andrea Moneta, chief executive of Aviva Europe, Middle East and Africa, in September 2009. Other Board changes include: the retirement after nearly ten years of our senior independent non-executive director, Wim Dik; the resignation of Nikesh Arora, due to relocation to the United States; the appointment of new independent non-executive directors, Leslie Van de Walle, former chief executive officer of Rexam plc, who joined us in May 2009 and, from January 2010, Michael Hawker, who was previously chief executive and managing director of Insurance Australia Group.

### Looking forward

As a realist, I am sure that 2010 will not be an easy year for the financial markets but there may be some cause for optimism as the year progresses. I am particularly pleased at how well we have reorganised the business and are ready to take full advantage of the upturn when it arrives.

**Lord Sharman of Redlynch** OBE  
Chairman

[Read more on the inherited estate reattribution](#)

10 – 13

[Read more about our Dutch IPO](#)

14 – 17

[Read more about our Board members](#)

08 – 09

## Group chief executive's review



**Andrew Moss**  
Group chief executive

# A year of significant progress

### Progress

Creating a global brand has been the most visible sign of 'One Aviva' so far. We're working hard to ensure it's much more than a name change.

We're making progress towards delivering 'Twice the Value' – improving the way we serve our customers, increasing our efficiency, focusing on profitability, removing cost from the business and delivering strong results.

### Regions

- Successful rebrand to Aviva in the UK
- Integrating 12 of our businesses in Europe
- Life assurance portfolio outperforms market in North America
- Expanded customer reach in Asia Pacific through new bancassurance deals
- Improved investment and earnings performance for Aviva Investors

### Highlights

- Improved financial strength with IGD solvency more than doubled in 2009
- Successful partial sale of Delta Lloyd in the Netherlands for £1 billion
- Sale of Australian life business
- £471 million paid to policyholders from reattribution of inherited estate

Read more about our regional performance

➤ 10 – 26

I'm pleased with our progress this year. It has been a year of strong financial performance and delivery against our strategic plans. I'm proud of the way my team has performed and I'm confident that by remaining focused on our strategy we will make further progress in 2010.

Aviva has delivered a strong return to profit with IFRS total profit after tax at £1,315 million. On an MCEV basis, which takes into account the long-term nature of life insurance business, the total profit after tax was £2,935 million compared to a loss of £7,707 million in 2008. This rebound in total profits reflects the combined effects of a recovery in equity markets, together with our disciplined business management and cost control. Operating profit is 12% lower at £2,022 million on an IFRS basis and up 3% on an MCEV basis to £3,483 million.

We have strengthened Aviva's capital position substantially over the past year and IGD solvency surplus, the buffer we hold above our liabilities, has more than doubled to £4.5 billion reflecting some bold capital management initiatives and a recovery in investment markets.

We have made excellent progress in the delivery of our strategy, including our move to a single brand, the IPO of our Dutch business, the reattribution of the inherited estate in the UK and the restructuring of our cost base.

In driving Aviva forward, we will retain our disciplined approach. We expect the external environment to remain unpredictable for some time but are encouraged that we saw the first signs of an improved appetite to save among our customers in the final quarter of last year.

We will continue to deliver against the strategy that has helped us to navigate the global economic crisis so successfully. We will maximise the value of being a single, global group, as we aim to deliver a consistently positive experience for our 53 million customers around the world.

For more information on our strategy

➤ 06

**Q ■ How has Aviva performed throughout a difficult 2009?**

Like all financial services companies, we have been affected adversely, both by market volatility and understandable customer caution. However, the business has stood up well. This is due, in part, to our global diversity, having both life and general insurance operations and also because of the decisive action we have taken through the strategy put in place two years ago.

Several months into 2010, we have made great progress in transforming our UK business under one team. We are also starting to see positive results from the creation of our 'one Europe' operating model. In North America, the life market has been really challenged and it's good to see that coming back. In Asia Pacific, despite customers being cautious, we have continued to grow our business, particularly in China and South Korea. Aviva Investors' investment performance has radically improved along with solid earnings.

**Q ■ How financially strong is Aviva?**

We've seen a marked improvement in our capital position. Focusing on costs in order to improve margins has meant that, whilst we have seen volumes drop, we still reported a resilient operating profit and a strong balance sheet. We have worldwide sales of £45 billion and £379 billion of funds under management. We are managing our financial risks prudently and skilfully.

**Q ■ Why did you cut your dividend mid-year?**

In light of Aviva's lower IFRS operating earnings, the continuing economic uncertainty and our desire to retain flexibility, we felt it was the right decision to make. So in spite of it being a tough decision, we believe it was the right one.

**Q ■ Do you remain committed to your 'One Aviva, Twice the Value' strategy?**

We have made good progress towards our target this year. If you compare earnings per share of 37.8 pence in 2009 with those of 2008 (a loss of 36.8 pence), it's a great improvement.

In the past 12 months we've increased the pace of transformation and restructured our portfolio, giving us new opportunities to redeploy capital to support profitable growth.

Our senior management team is committed to this target and it remains our focus in 2010.

**Q ■ How is your business changing?**

In 2008 we initiated a programme to create a simplified and more modern way of doing business to improve efficiency and reflect customers' preference to do business online; we've invested in new technology and streamlined our processes.

This fundamental change in the way we operate means our business is now fit for the future, with improved capacity and productivity. We have reduced our costs by £500 million and Aviva has 19% fewer employees than two years ago.

What's really pleasing is that during this period our customer satisfaction has improved, with nearly 70% of our businesses at or above the local market benchmark and 50% are in the upper quartile.

**Q ■ What are you most proud of in 2009?**

I'm most proud of our people: their dedication and resilience over the past year has been incredible. They've remained focused on what we're here for – delivering prosperity and peace of mind to our customers – and have done a great job.

I've already talked about our financial strength and the strategically significant achievements in our business. However, none of this could have been done without the hard work of all of our people around the world.

**Q ■ Looking forward – how would you sum up your priorities for 2010?**

There's no question that the economic climate remains uncertain: 2010 is still challenging but I'm confident we have the right team, strategy and commitment to make it another successful year. We will continue to deliver our strategy, maintain our capital strength and focus on the profitable growth of our company.

53 million customers place their business with us. That's a great responsibility and we will be working harder than ever in 2010 to continue to earn their trust and attract new customers to Aviva.



**Andrew Moss**  
Group chief executive

**"We have made good progress towards our target this year"**



Listen to Andrew discuss our year in our new online review

[Watch video here](#)

[www.aviva.com/2009review](http://www.aviva.com/2009review)

Read about what our regions have been doing

[▶ 10 – 26](#)

See the financial summary statements

[▶ 30 – 35](#)

# Group strategy

Our purpose is to deliver prosperity and peace of mind to our customers. We will do this by realising our vision: 'One Aviva, Twice the Value'

- Outperforming
- On track
- Some slippage

## Our strategic priorities

### Manage composite portfolio

We are committed to maintaining the composite nature of the group: our business model creates long-term value – delivering prosperity and peace of mind to customers.

## Progress

- Active management of our composite model:
  - Focused on profitability above sales volume in our life and pensions and general insurance businesses
  - Robust performance in Europe benefiting from our strong bancassurance relationships
  - Strengthened position in Asia: growth in China [15%] and Korea [93%]; withdrawal of capital intensive products in Hong Kong and Taiwan
  - Brought UK life and general insurance businesses together under a single management team
  - Grew Aviva Investors worldwide (See below)

## What to expect in 2010

- Manage GI for value and cash flow
- Drive profitable growth and long-term value creation in the life and pensions business
- Strategically manage our investment in Delta Lloyd
- Successfully progress restructuring of our European division to create a single business benefiting from increased use of shared services and a simplified, more integrated corporate structure
- Grow Aviva Investors worldwide

### Build global asset management

Aviva Investors is a leading asset manager, with £250 billion of funds under management. We plan to continue to grow Aviva Investors and significantly increase its contribution to group profits.

- - Robust investment performance across all key manufacturing entities worldwide
  - Positive net flows of £2.4 billion from third party clients in difficult market conditions
  - Enhanced our global distribution and manufacturing capability
  - Made progress in building a global business development capability
  - Top quartile ranking in the most recent UK Greenwich Quality Index

- Continue to drive robust and consistent investment performance
- Further develop the global integration of our business across mature and emerging markets
- Focus on our client centric solutions driven investment approach
- Continue our focus on attracting third party business and cross border sales
- Further enhance business effectiveness and nurture high performance culture

### Allocate capital rigorously

Capital management remains a key focus with funds allocated to provide the highest sustainable returns. We continuously seek improvements in capital structure and efficiency.

- Strengthened our capital position through combination of successful strategic initiatives and capital management:
  - Robust underlying earnings rebuilding our capital base
  - IPO of Delta Lloyd in the Netherlands
  - Sale of Australian business
  - Reattribution of inherited estate in UK

- Maintain a strong balance sheet
- Continued focus on strong capital management and financial flexibility
- Monitor and manage market and operational risks
- Continue to allocate capital effectively
- Participate actively in all consultations with European regulators to develop an appropriate outcome for Solvency II regulations

### Multi-channel customer reach

We sell our products in 28 countries in the ways that our customers choose to buy them. We will continue looking for the right distribution in the right markets.

- - Implemented initiatives to improve the customer experience and support the Aviva brand promise and rebrand campaign in the UK
  - Invested in our e-commerce capabilities in the UK
  - Further value from bancassurance with sales growth of 14% in Aviva Europe
  - 50% of all participating business units ranked upper quartile by customers when compared to local market averages

- Continue to invest in our brand and improving customer experience to increase customer advocacy and consumer demand for our products
- Continue to focus on developing new products to suit our customers' changing needs
- Continue to increase customer access through our multi-channel distribution approach

### Boost productivity

We constantly look for ways to boost our productivity, to support sustainable growth, increase our competitiveness, improve our services and deliver higher value to our customers.

- - Achieved £510 million of cost savings against £500 million target
  - Developed a leaner operating model through increased regional shared services and implementation of centres of excellence
  - Outsourced a number of operations

- Focus on strong cost discipline through reducing operational complexity and simplifying product ranges
- Continued focus on expense management and customer retention
- Continue executing our tailored shared services strategy including:
  - regional service centres, centres of excellence and shared processes
  - globally consistent operating models for IT, HR, finance, risk, procurement and marketing
- Increased use of outsourcing where appropriate

Read more about risk management online at [www.aviva.com](http://www.aviva.com)

For more on regional strategies

➤ 10 – 26

In support of our purpose and vision, Aviva provides a composite portfolio of insurance, savings and investment products through a diverse distribution model which reduces reliance on any one channel, product, country or customer group.

Our strategy and priorities need to be responsive to changes in the external environment that may provide opportunities or cause strategic risks. We manage these risks and opportunities through disciplined risk management.



## Key performance indicators

In 2009, the group's strategy was underpinned by focusing on a number of key financial performance measures. The key measures that are used to assess performance at a group level are set out below:

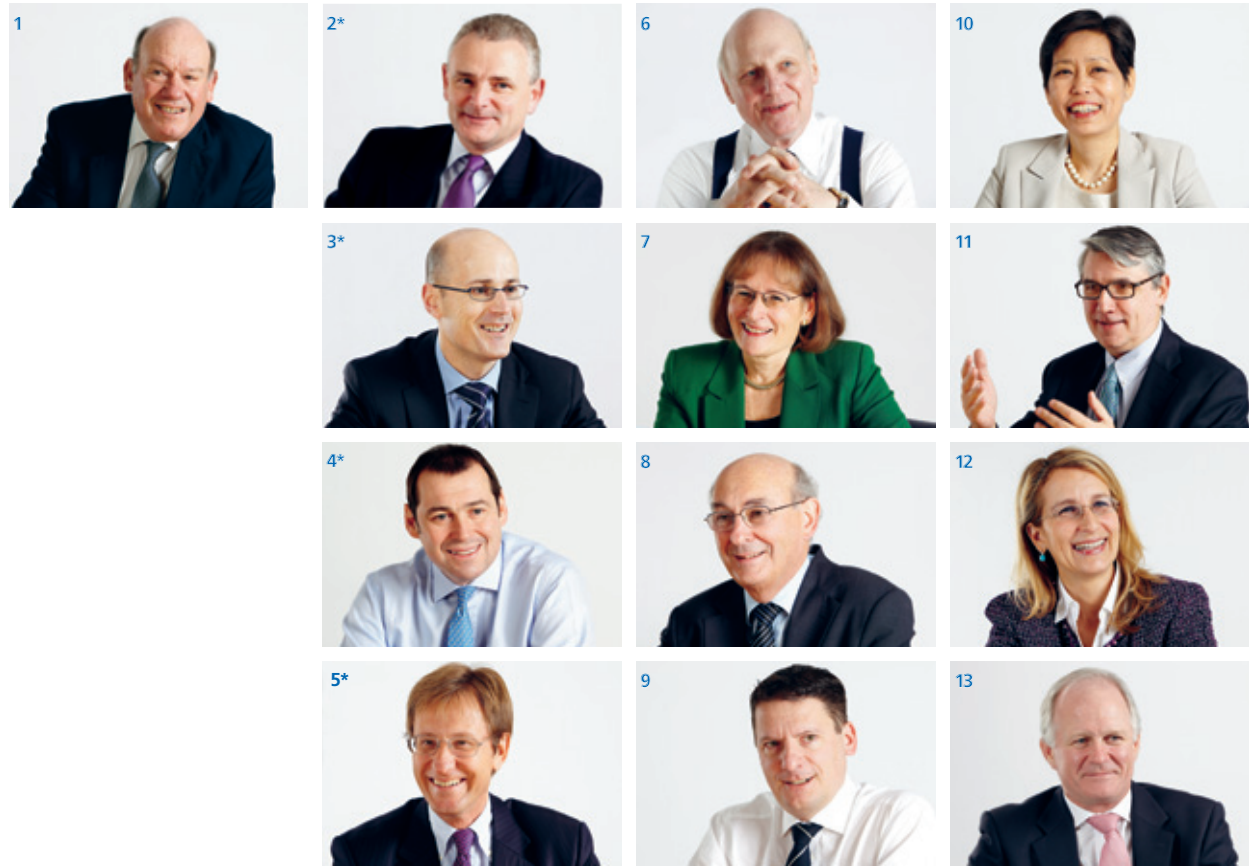
Our key performance indicators	Relevancy	Performance
<b>Earnings per share*</b> IFRS earnings per share for 2009 increased to 37.8 pence. This mainly reflects the improvement in financial markets in 2009 partly offset by lower IFRS operating profits.	To demonstrate our commitment to 'One Aviva, Twice the Value' we are aiming to double earnings per share by 2012.	<b>37.8p</b> (2008: (36.8)p) 
<b>Proposed ordinary dividend per share and dividend cover*</b> The total dividend for the year is 24.00 pence per share. This is in line with last year's decision to reduce the dividend to a sustainable level from which it can grow.	Our intention is to pay a dividend on a basis judged prudent using dividend cover of 1.5 – 2.0 times, while retaining capital to fund future growth.	<b>24.00p; 1.8 times</b> (2008: 33.00p; 1.9 times) 
<b>Group operating profit before tax*</b> 2009 operating profits reflect higher long-term and savings results (both IFRS and MCEV) offset by lower general insurance and health profits and increased group debt costs.	We aim to achieve steady sustainable growth in our operating profit, both on a MCEV and IFRS basis. In seeking to achieve this growth, we continue to adopt strict financial management disciplines underpinned by strong corporate governance.	<b>IFRS:</b> <b>£2,022m</b> (2008: £2,297m)  <b>MCEV:</b> <b>£3,483m</b> (2008: £3,367m) 
<b>Worldwide sales*</b> Sales were lower in both long-term and savings and general insurance mainly reflecting the tough economic environment and our focus on writing for profit rather than volume in general insurance.	While our focus is on capital efficiency and profit rather than volumes, sales remain an important indicator. Worldwide sales comprise the PVNBP of long-term savings new business sales and net written premiums from the general insurance and health businesses.	<b>£45,068m</b> (2008: £51,377m) 
<b>Return on equity shareholders' funds*</b> The improvement in return on equity reflects the increase in the post-tax MCEV operating profit and the impact of lower opening equity shareholder's funds following falls in asset values in 2008.	Return on equity shareholders' funds is calculated as after-tax operating return, before adjusting items, on opening equity shareholders' funds, including life profits on a market consistent embedded value (MCEV) basis.	<b>16.2%</b> (2008: 11.0%) 
<b>Employee engagement and leadership</b> Employee KPIs are now based on more robust scale and against stronger benchmarks. As we've changed our supplier, historical data is not comparable and has therefore been removed.	Employee engagement represents the degree to which people believe in Aviva being a great place to work and are contributing to help meet our collective goals and ambitions.	<b>Engagement:</b> <b>64%</b> (GFS norm: 72%)  <b>Leadership:</b> <b>64%</b> (GFS norm: 65%) 
<b>Customer advocacy</b> 24 businesses took part in our 2009 Net Promoter Score @ survey (2008: 12). 16 met or exceeded the benchmark with 12 in the upper quartile. The ratio beating benchmark is the same as 2008; however, more businesses are in the upper quartile rankings.	Customer advocacy gives us, in a single, simple measure, an accurate predictor of customer retention and cross-selling opportunity.	<b>67%</b> (2008: 67%) 

\* For full details of our financial results visit [www.aviva.com/reports](http://www.aviva.com/reports)

# Board and executive team

The Board is responsible to the shareholders for ensuring that the Company is appropriately managed and achieves its objectives. The Board determines strategic direction, reviews performance and provides support and expertise to the executive management team, responsible for the day to day management of the Company.

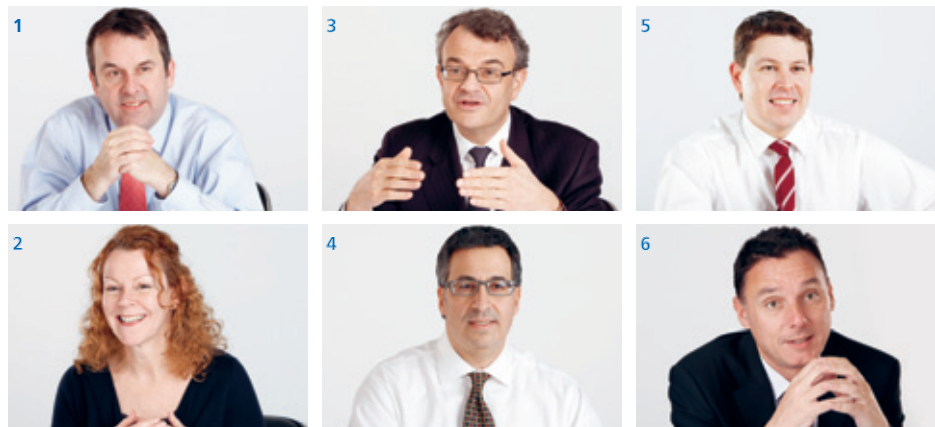
## Board of directors



\* Also members of the Executive management team

## Executive management team

- Andrew Moss**  
Group chief executive
- Patrick Regan**  
Chief financial officer
- Mark Hodges**  
Executive director,  
Chief executive Aviva UK
- Andrea Moneta**  
Executive director,  
Chief executive Aviva Europe,  
Middle East and Africa



- Chairman of the committee  
 ⊗ Member of the committee

- Corporate responsibility committee  
 ● Nomination committee  
 ● Remuneration committee  
 ● Risk and regulatory committees  
 ● Audit committee

**1. Lord Sharman of Redlynch** **08****Chairman (Age 67)** ● ○**Appointed** Jan 2006

Chairman since Jan 2006. Currently an independent non-executive director of BG Group plc (utility) and Reed Elsevier plc (publishing). Previously held non-executive positions in several other industries.

**Graham Jones****Group company secretary****2. Andrew Moss****Group chief executive (Age 52)** ○ ○**Appointed** May 2004

Group chief executive since July 2007. Previously group finance director and has held senior finance positions at Lloyd's of London (insurance) and HSBC (banking).

**3. Patrick Regan****Chief financial officer (Age 44)****Appointed** Feb 2010

Previously group chief financial officer and group chief operating officer at Willis Group Holdings Ltd (insurance broking). Has also held senior finance and management positions at RSA plc, Axa Insurance (insurance) and GE Capital (financial services).

**4. Mark Hodges****Executive director, Chief executive Aviva UK (Age 44)****Appointed** Jun 2008

Chief executive, United Kingdom. Previously chief executive, Aviva UK Life. Has also held senior finance roles within Norwich Union since joining in 1991.

**5. Andrea Moneta****Executive director, Chief executive Aviva Europe, Middle East and Africa (Age 44)****Appointed** Sep 2009

Chief executive Aviva Europe since July 2008 and currently chief executive officer, Aviva Europe, Middle East and Africa. Previously managing director of Dubai Financial Group (financial services) and formerly held senior executive positions with UniCredit, the European Central Bank (banking) and Accenture (consulting).

**6. Richard Karl Goeltz****Senior independent non-executive director (Age 67)** ○ ○**Appointed** May 2004

Currently non-executive director of the Warnaco Group Inc (clothing) and several investment trusts. Has held senior executive and finance positions at American Express Company (financial services) and NatWest Group plc (banking). Former member of the Accounting Standards Board (UK).

**7. Mary Francis CBE****Independent non-executive director (Age 61)** ● ○ ○**Appointed** Oct 2005

Currently senior independent director of Centrica plc (utilities) and non-executive director of Cable & Wireless plc (telecoms). Former Director General of the Association of British Insurers and non-executive director of the Bank of England.

**8. Russell Walls****Independent non-executive director (Age 66)** ● ○ ○**Appointed** May 2004

Currently non-executive director of Signet Jewelers Ltd (retail); treasurer and trustee of The British Red Cross. Former group finance director of BAA plc (transport), Wellcome plc (pharmaceuticals) and Coats Viyella plc (textiles). Held non-executive roles in several other industries.

**9. Scott Wheway****Independent non-executive director (Age 43)** ● ○**Appointed** Dec 2007

Currently chief executive of Best Buy Europe (retail services). Formerly held senior management positions at The Boots Company plc (pharmacy), Alliance Boots plc and Tesco plc (retail services).

**10. Euleen Goh****Independent non-executive director (Age 54)** ○ ○**Appointed** Jan 2009

Currently non-executive director of Singapore Airlines Limited (transport), DBS Bank Limited, DBS Group Holdings Ltd (banking) and the Singapore Exchange Limited. Former chief executive officer of Standard Chartered Bank in Singapore (banking).

**11. Leslie Van de Walle****Independent non-executive director (Age 53)** ○ ○**Appointed** May 2009

Former chief executive officer of Rexam plc (packaging). Has also held executive and non-executive positions at Royal Dutch Shell plc (oil) and Aegis Group plc (media services).

**12. Carole Piwnica****Independent non-executive director (Age 52)** ● ○**Appointed** May 2003

Member of the New York and Paris Bars. Currently director of Naxos UK (private equity) and non-executive director of Toepfer International GmbH (trading) and Dairy Crest Group plc (dairy foods). Member of biotech advisory board of Monsanto (biotechnology).

**13. Michael Hawker****Independent non-executive director (Age 50)** ○**Appointed** Jan 2010

Currently advisory board director at GEMS (private equity) and non-executive director of Australian Rugby Union. Former chief executive and managing director of Insurance Australia Group (insurance).

For full biographies visit Aviva at  
[www.aviva.com/2009ara](http://www.aviva.com/2009ara)

**1. John Ainley****Group human resources director (Age 53)****Appointed** Mar 2006

Joined the Group in 1999 and was previously Group HR Director for Norwich Union plc. Held senior HR positions with WH Smith plc, ICL plc, Priory Hospitals Group and General Electric plc.

**2. Amanda Mackenzie****Chief marketing officer (Age 46)****Appointed** Mar 2008

Joined the Group in 2008. Currently a member of the Government Strategic Marketing Advisory Board, a fellow of the Marketing Society and a governor of the National Youth Orchestra. Previously commercial and marketing director for British Gas.

**3. Alain Dromer****Chief executive Aviva Investors (Age 55)****Appointed** Sep 2007

Joined the Group in 2007. Has held senior management roles in several financial services companies. Formerly at the French Treasury in the Ministry of Finance and the French Institute for Statistics and Economic Studies.

**4. Igal Mayer****Chief executive Aviva North America (Age 48)****Appointed** Jul 2007

Joined the Group in 1989. Formerly chief executive of Aviva UK General Insurance (formerly Norwich Union Insurance) and chief executive officer Aviva Canada and has held several other senior roles within Norwich Union and CGU Insurance.

**5. Robin Spencer****Chief risk officer (Age 40)****Appointed** Jan 2010

Joined the Group in 1995. Formerly chief executive officer of Aviva Canada and has held various senior finance and management positions in the UK and Canada. Former chairman of Canada's Property and Casualty Insurance Compensation Corporation.

**6. Simon Machell****Chief executive Aviva Asia Pacific (Age 46)****Appointed** Jul 2007

Joined the Group in 1994. Formerly chief executive of Norwich Union Insurance and managing director of RAC. Previously held positions with Ernst & Young LLP and Legal & General.



# UK

From 2010 we have brought together our UK life and general insurance businesses. Following extensive programmes of transformation, we have made significant improvements to customer service, increased profitability and have delivered substantial cost savings.

## Regional highlight

- Successful rebrand to Aviva
- £450m cost savings delivered
- Reattribution of inherited estate
- Life: service excellence improves customer experience
- GI: transformation ahead of plan

## Total sales £m



## IFRS operating profit

£1,165m  
(15)% ↘

## Regional outlook

Financial discipline and a focus on profitability in our businesses remain key for 2010. However, markets are expected to remain challenging in the short term.



# A leader in our home market

From 1 January 2010 we have brought together the Aviva UK life and general insurance businesses, creating a new organisation led by one chief executive officer. In 2009, in addition to completing the rebranding to Aviva, both businesses have continued their extensive transformation programmes, which will make significant improvements to customer service, and they have delivered combined cost savings of £450 million, a year ahead of plan.

## Strategy

The core strategies for the UK business are:

- to leverage our extensive distribution network and customer base to increase profits in a mature but evolving marketplace;
- to maintain market leadership through balanced distribution and broad product mix, improved customer retention and the simplification of processes, services and costs.

## Aviva UK

Total sales were £14,261 million in 2009, down 24% on 2008. IFRS operating profit for the year decreased 15% to £1,165 million reflecting the impact of lower premiums and lower investment returns. For full details of our financial reporting visit [www.aviva.com/reports](http://www.aviva.com/reports). The rebrand to Aviva in the UK took place on 1 June 2009. Our successful advertising campaigns, highlighting Aviva's products and services and encouraging customers to 'get the Aviva deal', have increased recognition and awareness of the Aviva brand significantly.

## UK long-term and savings business

### Market environment

During 2009 the overall long-term savings market declined by 17%. This contraction, for the second consecutive year, was primarily driven by falls in the pension and bond markets as lower consumer confidence, limited salary increases and higher unemployment reduced customers' propensity to save and invest for the future. Specific regulatory events, such as the cessation of sales of single premium creditor business, also impacted the market. Despite this, we have maintained a disciplined focus on profitability, significantly improving our new business margin

### Peace of mind at a difficult time

Paul\* and his family have been through a really difficult time during the last year. In May his wife died of breast cancer, leaving him to look after their two young children on his own. After she was diagnosed as terminally-ill, her main concern was that the family she was leaving behind would be financially OK. Paul was determined to give her the peace of mind that she needed and also to make sure that, should anything subsequently happen to him, their children would be well provided for. He wrote to say thank you for the support that we gave him: "Your staff throughout that time were incredibly courteous and professional, and that really helped her. When we spoke to some other companies during that time you'd have thought she had just broken a nail – not had a critical illness. Thank you for everything."

\* Pseudonym



### Our commitment

To treat customers as human beings rather than policy holders

Visit Aviva at

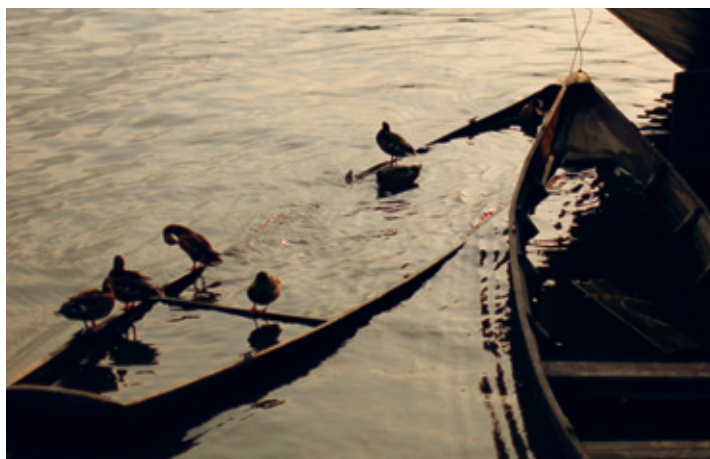
[www.aviva.com](http://www.aviva.com)



Listen to Mark Hodges discuss our year in our new online review

[View video here](#)

[www.aviva.com/2009review](http://www.aviva.com/2009review)



### UK floods

For information on how Aviva helped customers affected by the floods

To find out more visit

[www.aviva.com/2009review](http://www.aviva.com/2009review)



Performance

In the UK life market, Aviva has built a leading position across a broad product range. We have gained competitive advantage through our financial strength, product development and taking actions to simplify the business making it easier for customers.

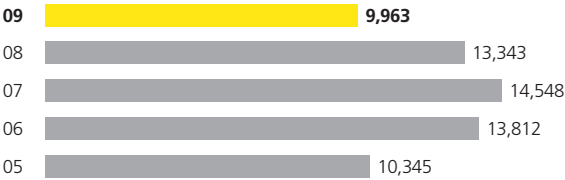
We delivered new propositions recognising consumer needs, including offering 12-months free life cover to new parents, the launch of a With-Profit Guaranteed bond and recently re-opening our Wrap and Sipp platforms to new business. Our innovative Simplified Life protection product continues to go from strength to strength with a 147% increase in new applications compared to 2008, whilst our market-leading individual annuity pricing capability attained record new business volumes for this product in the fourth quarter of 2009.

As a result of our major simplification and efficiency initiatives, designed to better meet customer needs, we have outsourced the administration of almost three million policies to industry experts: Swiss Re, Scottish Friendly and International Financial Data Services. We have decommissioned over 300 IT systems, delivered a more flexible cost base and made £100 million of annualised cost savings.

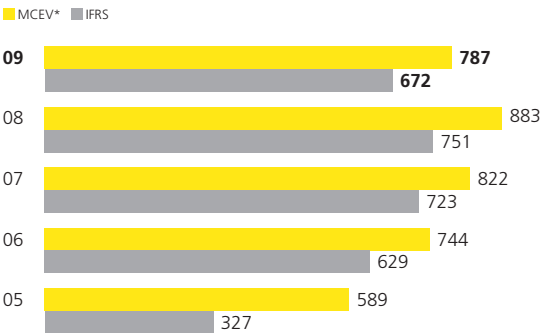
We have continued to invest in our e-commerce offerings with the launch of further new propositions to help our customers and distribution partners. ‘Customer Portal’ and ‘Aviva for Advisers’ provide secure on-line access to over 4.5 million policies, enabling customers and advisers to manage their Aviva Life products quickly and easily at a time convenient to them. We were also the first in the industry to offer a virtual online guide as part of our innovative ‘Pension Tracker’, making it possible for almost 1.5 million customers to manage their Aviva pension plans online. This approach contributed to Aviva winning the Personal Finance ‘Pension Provider of the Year’ award voted for by customers and judged on proposition quality, brand, service and sustainability.

Throughout 2009 our commitment to deliver service excellence has driven improved satisfaction and advocacy results. By listening to and understanding what matters most to our customers and distributors, we can ensure they have a better service experience.

Long-term and savings sales £m



Long-term and savings operating profit £m



\* On a MCEV basis from 2007. Prior years presented on an EEV basis.

Outlook

We expect the market to remain challenging in the short term as the impact of the recession continues to influence demand for investment and savings products. Longer term, major regulatory changes including the Retail Distribution Review and Solvency II will be implemented. Our strategies will enable us to exploit the opportunities emerging in our market as we continue to build on our e-commerce and service capability and product and distribution breadth.

Read more about the Retail Distribution Review and Solvency II  
[www.fsa.gov.uk](http://www.fsa.gov.uk)

1. Source: Association of British Insurers (ABI)



Fair play  
We are paying out £471 million to policyholders

Fair reattribution payments

Following the announcement in May 2009 of a new, more flexible offer – and the subsequent FSA and High Court approval in September – the reattribution of our inherited estate completed on 1 October. Our objective was always to create a reattribution that was fair to both shareholders and policyholders, making sure that customers had a choice of whether they wished to accept the offer, depending on their personal circumstances. As a result, over 87% of eligible policyholders voted during the election process, with 96% of these voting in favour of the offer. By the end of 2009, the majority of the £471 million reattribution payment had been distributed to those policyholders who accepted the offer.

## UK general insurance business

### Market environment

2009 has been a challenging year, with strong competition and the recession impacting all lines of business. More customers are searching for cheaper deals, while fewer are making discretionary purchases such as breakdown cover. A significant fall in creditor volumes, resulting from lower lending, was compounded by a sharp rise in creditor claims. Fewer start-ups, more business failures and reduced exposures have resulted in shrinking commercial markets. However, there have been some recent encouraging signs that more realistic pricing is emerging in the market, particularly in personal motor.

### Performance

The UK general insurance operation has significantly improved the profitability of business written in 2009. By simplifying the business, reducing costs, achieving scale benefits and taking a disciplined approach to underwriting and distribution, we have created a platform for future growth.

Progress on our transformation programme remains ahead of plan, with all business now being undertaken in our new 'centres of excellence'. We are on track to deliver annualised savings of more than our £150 million target from this phase by 2010, in addition to savings of £200 million already delivered.

We have refocused our brands to offer our customers the best price when they buy direct from Aviva supported by our 'Get the Aviva Deal' marketing campaign, complimented by the RAC panel which is available on all major online price comparison sites and supported by 17 insurers. The impact has been extremely positive: we sold more Direct personal motor policies in the fourth quarter than in the same period in the previous three years and the RAC panel had gained a share of around 3.5% of new business in the UK personal motor market by the end of 2009.

Overall business volumes have fallen reflecting the action we have taken to exit unprofitable business and the challenging market conditions. We continue to support independent brokers through a range of initiatives including customised networks (such as the Broker Independence Group and Club 110) as well as providing easy and fast access to our best prices. In addition, we were delighted to renew the Barclays homeowner account.

### Outlook

In the general insurance market, quality of earnings remains our priority and we aim to increase profitability through enhanced risk selection and tightly controlling our costs. Whilst there are some encouraging signs in personal motor, we continue to see intense competition in many segments of the market and we await the significant shift in attitude that the market requires. This is particularly true in the case of Commercial lines and there is little evidence that the market is hardening significantly.

## RAC insurance

RAC continues from strength to strength as a leading UK service brand, coming fifth in the Institute of Customer Service's 2009 survey, comparable with John Lewis, Waitrose and M&S. In its core breakdown category it won the JD Power survey for an unprecedented fourth consecutive year. The service culture is not just delivered by our patrol staff either: RAC's membership call centre entered the Times Top 50 UK call centres at 14th.

In January 2009 we launched our car insurance panel under the iconic RAC brand to complement our existing direct offering from Aviva. This ensures that almost every customer that calls us can be provided cover at competitive prices. The panel is on all the major online price comparison sites and it is writing growing volumes of business through this channel of distribution.



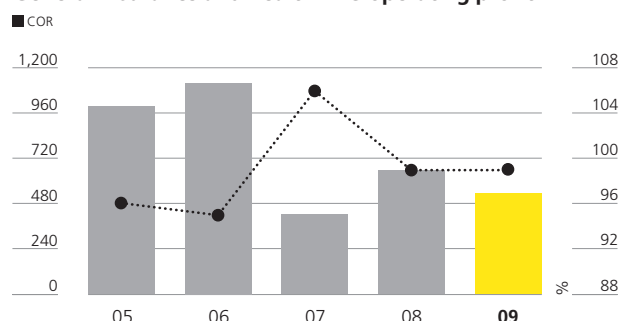
To find out more about the RAC and what we offer customers, visit

[www.rac.co.uk](http://www.rac.co.uk)

### General insurance and health net written premiums £m



### General insurance and health IFRS operating profit £m



# Europe

We're making a Quantum Leap, integrating operations across Europe. There are significant growth opportunities in the region and with our ability to operate across distribution channels we will be able to respond favourably to market developments as customer confidence begins to return.

## Regional highlight

- Increased customer reach through new bancassurance partnerships
- Innovative product development
- Successful IPO of Delta Lloyd

## Total sales £m

09	<div></div>	21,750
08	<div></div>	21,806
07	<div></div>	20,488

## IFRS operating profit

£1,196m  
+5% 

## Regional outlook

By balancing profit generation and investment opportunities across our portfolio, we are confident that we can benefit from the growth potential within Europe.





# Building a truly pan-European business with a broad and diverse portfolio

We have a clear strategy to exploit the considerable opportunities in Europe. There is significant growth potential in the region, in both under-penetrated Western markets and developing markets in Eastern Europe. With our proven ability to operate across distribution channels, we will be able to respond favourably to market developments as customer confidence begins to return.

## Strategy

Our strategy is to capitalise on the significant opportunities within Europe through:

- Aviva Europe's Quantum Leap transformation plan, creating one market leading pan-European business from 12 federated businesses,
- the strategic development of our 58% investment in Delta Lloyd following the IPO in November 2009.

Our principal financial objective is long-term, sustainable, profitable growth.



## Poland: Investment TV

To find out more visit

[www.aviva.com/2009review](http://www.aviva.com/2009review)

## Market environment

Europe is already the largest insurance market in the world with an affluent population of over 800 million people, generating 31% of global insurance premiums<sup>1</sup> and accounting for over 30% of global personal financial assets<sup>2</sup>. Europe offers significant growth opportunities in both under-penetrated Western markets and developing markets in Eastern Europe.

As elsewhere, the slowdown in economic growth has impacted customer behaviour in the majority of the region with customers favouring deposit bank accounts or guaranteed insurance products. Customer confidence is beginning to return particularly in France, Italy and Poland where customers are starting to re-invest in more attractive insurance products such as unit-linked bonds.



**Looking out for you**  
Better and faster access  
to healthcare in Ireland

## Ireland: Hibernian Aviva promotes better healthcare for less

It was Hibernian Aviva's television advertising that first caught Anne's\* eye. The campaign slogan 'Looking out for you' made her realise that moving her health insurer could be easier than switching her electricity or phone supplier – and the promise that with just one phone call you could be covered immediately also appealed to her. When she did phone, the simplicity and clarity of what was covered by the plan made it easy to make a decision. With a young family, Anne always worried about how they would manage if she or her husband became ill. The Aviva Hibernian

Health plan meant that they would even be covered for cancer care and cardiac procedures – she hoped they would never have to use them but it made her feel safer; the maternity benefits were great too (just in case) and, with her daughter growing up, the cervical cancer vaccination would mean one less thing to worry about. And by just knowing that the plan gave them fast access, if they needed it, to hospitals and treatment centres close to home, she would certainly sleep better now.

\* Pseudonym

Visit Aviva at

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

### Aviva Europe performance

Aviva Europe operates in 12 businesses across Europe (excluding the UK) with substantial operations in France, Italy, Ireland, Poland and Spain. We also have a presence in the developing markets in Central and Eastern Europe of Czech Republic, Hungary, Lithuania, Romania, Russia, Turkey and Slovakia. As part of our strategy, we are transforming our 12 federated businesses through our 'Quantum Leap' programme into one market leading pan-European business.

Since January 2010, Aviva Europe has assumed responsibility for developing Aviva's business interests in the Middle East, based in the United Arab Emirates. We expect this high-potential market to grow, benefiting from Aviva Europe's experience and resources.

We achieved total sales of £16,258 million during 2009, up 8% on 2008. IFRS operating profit for the year decreased 4% to £797 million, reflecting exceptional weather losses in France and Ireland. For full details of our financial reporting visit [www.aviva.com/reports](http://www.aviva.com/reports)

We have made significant progress in our migration to a single Aviva brand. Having operated as Hibernian Aviva in 2009, we adopted the Aviva name in Ireland at the start of 2010 and we will complete our brand migration programme in June when we will operate as Aviva in Poland. Recognition of the Aviva brand continues to grow in both markets, with Ireland recording prompted awareness rates in excess of 90%.<sup>3</sup>

Our bancassurance franchise is the largest in Europe with 50 bank agreements and our retail<sup>4</sup> channel accesses nine million customers through 18,000 financial advisers. With this proven ability to operate across distribution channels, we are able to meet different customer preferences and respond favourably to market developments.

Our business is performing strongly in both distribution channels. In retail, our partnership with AFER, a leading savings association in France, continues to be extremely successful with customer numbers growing by 5% to 712,000 in 2009. In bancassurance, our Italian partnership with Banco Popolare that commenced in 2008 performed strongly in highly profitable protection products, one of our key strategic objectives.

### Making a 'Quantum Leap' in performance

In 2009, we announced our new strategy to make a 'Quantum Leap' in performance by integrating the operations of our 12 separate Aviva Europe businesses. We are creating a single pan-European organisation which will create significant value for Aviva's customers and shareholders.

By moving to a pan-European operating model, we are simplifying our product range, shortening the time to launch new products for our customers and making significant efficiency gains by centralising our operations, enabling us to improve cost management, grow net profits and enhance dividends remitted to the Group.

As part of our transformation, we are also establishing a single holding company for our European operations in Ireland. This new structure will deliver economic, operational and regulatory benefits, especially with the anticipated introduction of Solvency II in 2012.

Our two pan-European distribution channels, bancassurance and retail, supported by pan-European product development, operations and governance will enable us to take full advantage of the significant growth potential and opportunities in Europe and contribute fully to the 'One Aviva, Twice the Value' target.

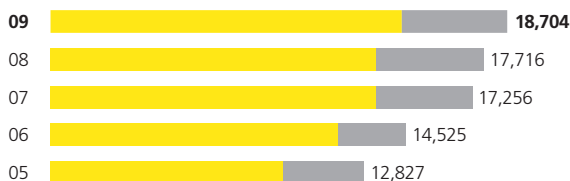
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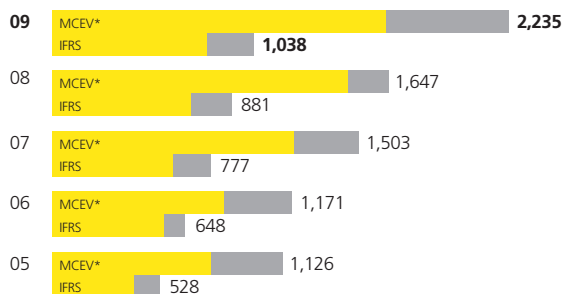
### Long-term and savings sales £m

■ Europe ■ Delta Lloyd



### Long-term and savings operating profit £m

■ Europe ■ Delta Lloyd



\* On a MCEV basis from 2007. Prior years presented on an EEV basis.

1. Sigma (2008) – UK is excluded

2. Aviva/Oliver Wyman research (2007) – UK is excluded

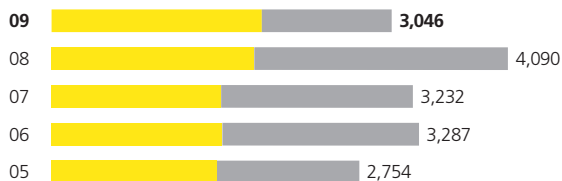
3. Millward Brown Lansdowne study, Q3 2009

4. Retail refers to the sale of insurance products outside of the bancassurance channel through our direct sales force, IFAs, brokers or internet sales.

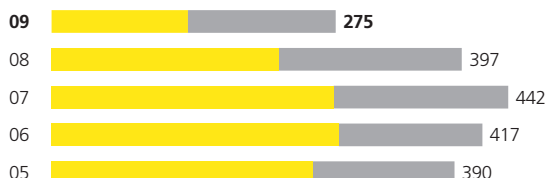


**General insurance and health net written premiums £m**

■ Europe ■ Delta Lloyd

**General insurance and health IFRS operating profit £m**

■ Europe ■ Delta Lloyd



In 2009, we developed our suite of guaranteed products which have proved attractive particularly in France, Spain and Italy.

Being there for customers in times of need is crucial: following flooding and storms in France during 2009, we paid out 90% of claims in the year. And to reinforce this, 94% of our customers in France who were hit by Hurricane Klaus were happy with the way we handled their claims.

**Delta Lloyd performance**

Our Delta Lloyd business is one of the top five financial services providers in the Netherlands and also operates in Belgium and Germany. In 2009, we completed the successful IPO and partial sale of Delta Lloyd on Euronext Amsterdam with gross proceeds of £1 billion for a 42% stake. This was a significant strategic milestone in our management of Delta Lloyd and gives us further opportunity to reallocate capital within the group.

The market environment in the Netherlands remained challenging, with weak asset values constraining activity in the corporate pensions market, before improving in the latter part of the year when Delta Lloyd secured two large group contracts. Total sales in 2009 of £5,492 million were down 18% reflecting the sale of the health business. IFRS operating profit for the year increased 29% to £399 million. These results are discussed in more detail on page 45 of this report.

Delta Lloyd continues to offer innovative, high quality products backed by strong fund management performance. In June, in collaboration with Rabobank, Delta Lloyd launched a €200 million fund, which offers an alternative source of capital for this promising Dutch venture.

In 2009, we successfully integrated the Swiss Life Belgium operation with our existing Belgian life operations. Belgium extended the ABN AMRO distribution arrangement to include Fortis branches when they are rebranded in 2010.



Listen to Andrea Moneta discuss our year in our new online review  
View video here

[www.aviva.com/2009review](http://www.aviva.com/2009review)

**Delta Lloyd IPO**

For more information on the Delta Lloyd IPO, visit

[www.aviva.com/2009review](http://www.aviva.com/2009review)

**Outlook**

Market conditions will continue to vary considerably between countries: the recession is still challenging in Ireland, Spain and Hungary but we are seeing signs of recovery in France, Italy and Poland. By continuing to carefully balance profit generation and investment opportunities across our broad and diverse portfolio and by enhancing innovative customer focused offerings, we are confident that we can benefit from the growth potential within Europe.

# North America

North America has a strategically attractive population with a growing demand for products which offer prosperity and peace of mind in both the general insurance and life and annuities marketplaces.

## Regional highlight

- Focus on capital and improving margins
- Grown life portfolio in a contracting market
- Improved pricing and underwriting effectiveness

## Total sales £m



## IFRS operating profit

£213m  
+43% 

## Regional outlook

A steady market recovery expected in 2010. Continue to grow life insurance portfolio and our contribution to total Aviva profits. Further enhance general insurance underwriting processes in Canada.





# Poised to benefit from recovery in the world's wealthiest market

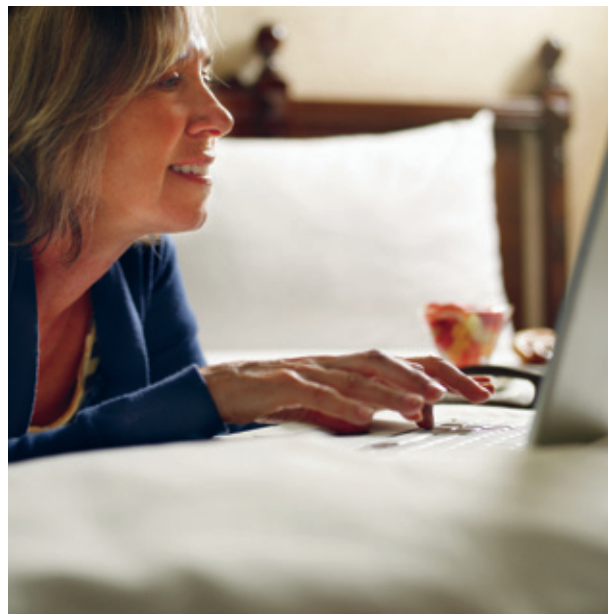
The North American marketplace provides us with access to a strategically attractive population with a growing demand for products that offer prosperity and peace of mind in both the general insurance and life and annuities marketplaces.

## Strategy

We will continue to grow our existing businesses and raise our profile in North America on the back of the strength of the global brand, communicating with financial analysts, key financial and business media, consumers and distributors.

Our strategic priorities for the region are:

- to enhance capital efficiency and optimise margins
- to selectively expand and grow our core life insurance and annuity distribution and product capabilities
- to operate as a great underwriting company
- to make best use of the synergies created within the regional operating model
- to enhance strong and valuable relationships with our customers and distributors.



## Telling it like it is

For more information visit

[www.aviva.com/2009review](http://www.aviva.com/2009review)

## Market environment

The US economy, and its financial sector in particular, suffered a severe contraction as a result of the financial crisis. The recession also had a major impact on Canada, the US's largest trading partner. There are now increasing signs of economic recovery and, despite the recession, North America's economies remain among the world's largest and its population among the world's wealthiest.



## Helping hand

Supporting a customer through the bad times

## Exceptional customer service

Jane\* has been an Aviva customer since 1999. Recently divorced and on her own for the first time in a long time, she returned home one day to find she had been robbed. The break-in left her "scared to death".

Sherri of Aviva's London, Ontario, office was assigned as Jane's adjuster. She herself had been a victim of a home robbery and understood the shock and fear that Jane was experiencing. Sherri listened and consoled Jane, who was afraid to stay in her home because she no longer felt safe or protected. Sherri arranged for a contractor to

not only fix the doors but also change the locks.

Jane knew that she could count on Sherri to encourage her to move forward: "I have never had a claim before, I didn't know what to do and I wasn't sure where to go. Sherri turned this around for me, she gave me strength, human kindness and dispelled any previous concepts I had about insurance companies." She's now planning a trip to meet Sherri in person and give her a thank-you hug.

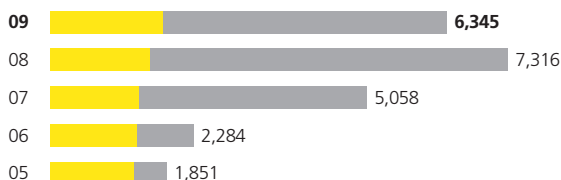
\* Pseudonym

Visit Aviva at

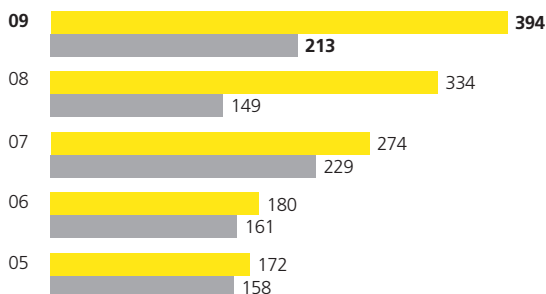
[www.aviva.com](http://www.aviva.com)

**Total sales £m**

■ General insurance ■ Long-term savings

**Operating profit £m**

■ MCEV\* ■ IFRS



\* On a MCEV basis from 2007. Prior years presented on an EEV basis.

**Innovative pricing**

In the Canadian business we have successfully implemented an innovative approach to the pricing of personal property business known as 'Rate by Peril'. We have used a detailed and sophisticated mapping approach combined with proprietary and public information to deconstruct the blended approach to pricing used for multi-peril household policies. Using this approach we are able to determine a unique rate for each individual property reflecting its unique exposure to the perils covered by the policy including fire, water damage, wind-storm, sewer back-up, theft and liability. The increased pricing precision that we are able to apply enables us to 'right-price' each property.

**Right-price**Individual property ratings  
for Canadian households

Visit Aviva at

[www.aviva.com](http://www.aviva.com)**Performance**

Total sales were £6,345 million in 2009, down 13% on 2008. IFRS operating profit for the year improved 43% to £213 million reflecting the improved long-term and savings result. For full details of our financial reporting visit [www.aviva.com/reports](http://www.aviva.com/reports)

In our US business we have deliberately moderated annuity sales in comparison to the prior year and centred on capital management. We have grown our life insurance portfolio, outperforming in a market that contracted by 19% in the first nine months of the year.

In the Canadian business we have focused on initiatives that improve our operational and underwriting effectiveness. Examples include the implementation of our three-company model, enabling us to price the auto business in the heavily regulated Ontario market more accurately, and enhanced underwriting through the use of more standardised and automated processes. Elsewhere the Canadian business has seen an unusually high frequency of large losses through a combination of commercial fires and Ontario personal auto claims.

**'Life assurance outperforms in contracting market'**

As part of the 'One Aviva, Twice the Value' strategy, we are consolidating each of our non-market-facing functions into single North American business areas giving us improved capability at lower cost.

**Outlook**

A number of economic indicators are starting to point to a steady recovery in 2010. We will continue to grow our life insurance portfolio in the US, building on 2009 successes. We await the outcome of the SEC 151A debate concerning the future regulation of annuity products and will respond appropriately. In Canada we will further enhance our underwriting processes to improve risk selection, profitability and capital efficiency.



Listen to Igal Mayer  
discuss our year in  
our new online review  
[View video here](#)

[www.aviva.com/2009review](http://www.aviva.com/2009review)

# Asia Pacific

We've identified India and China as our 'must-win' markets, expected to generate a significant proportion of our future expansion within Asia. Throughout the rest of the region, our focus is on developing the strength of our bancassurance business with joint venture partners.

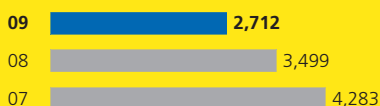
## Regional highlight

- Developed products to address customer needs
- Sale of Australia business
- Expanded customer reach in local markets

## Operating profit

£77m  
+114% 

## Total sales £m



## Regional outlook

We expect recovery in Asia Pacific to be ahead of other regions. Prospects for 2010 are optimistic with GDP growth of 6.6% forecast for emerging Asia





# Committed to building a high-growth and value-creating region

We operate in eight countries across the Asia Pacific region through both joint ventures and wholly-owned operations. India and China, both with large populations and relatively high economic growth, are 'must-win' markets capable of generating a significant proportion of our future expansion within Asia. Throughout the rest of the region, our focus is on developing the strength of our bancassurance business with joint venture partners.

## Strategy

Our ambition is to build a high-growth and value-creating region driven by the 'must-win' markets of China and India. We will achieve this by:

- securing strong organic growth across all our markets
- leveraging our multi-distribution platforms and core capabilities in bancassurance
- exploring new growth opportunities, in particular health and general insurance
- expanding our regional footprint in fast-growing, high potential insurance markets
- investing in the Aviva brand.



## Market environment

Trading conditions were difficult in 2009. Long-term savings sales were affected by the economic climate as investors turned to low volatility investments such as bank deposits. The industry also experienced an increase in lapses and clients exercising their premium holiday options.

## Aviva Young Scholar

To read more  
please visit

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



## Health angels

Innovative approach to healthcare claims in China

## China: Health angels lend a helping hand

Jessica\* admits that she had been very sceptical about making an insurance claim when a minor operation last year meant that she was unable to work for some weeks. With very little savings to fall back on, she was naturally anxious about how she would find the money to cover her everyday expenses. So she was pleasantly surprised when Aviva China sent their 'health angels' to visit her in hospital to provide a face-to-face medical consultation and to assist with her claim. Jessica's reaction is indicative of a

widely held belief in China that insurance generally is 'easy to buy, but hard to claim' and is one that Aviva has been working hard to overcome. Since starting this project over five years ago, Aviva's health angels have not only made a positive impact in changing people's views about the insurance industry but have also improved customer loyalty, retention rates and helped to trigger repurchasing of products by customers.

\* Pseudonym

Visit Aviva at

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

## Performance

Total sales were £2,712 million in 2009, down 22% on 2008. IFRS operating profit for the year improved 114% to £77 million reflecting the improved long-term and savings result. For full details of our financial reporting, please visit [www.aviva.com/reports](http://www.aviva.com/reports)

During 2009, customers' increased caution has led to a growing demand for protection and health products and those savings products with guarantee features. We have strengthened our proposition in these areas which, together with our investment product capabilities, will enable us to harness the expected economic rebound.

We made substantial efforts to conserve capital and control costs, reducing the sale of capital intensive products in Hong Kong, Malaysia and Taiwan and implementing a region-wide cost-reduction programme. The sale of our Australian business in October also realised a £0.4 billion contribution to capital.

As part of our commitment to achieving 'One Aviva, Twice the Value', we launched a number of new initiatives in the region. These included our wrap platform in Hong Kong and new protection, savings and investment products, both conventional and takaful (Islamic insurance), in Malaysia through our shared services platform.

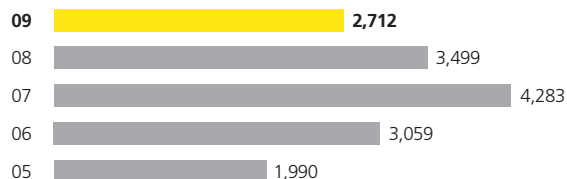
## 'Opening up in new markets across the region'

We expanded our customer reach in local markets during the year with a particular focus on bancassurance, we renewed our partnership with DBS Bank in Singapore and Hong Kong until 2015, extended to additional markets in India, China and Taiwan, and also agreed extended terms with key partners in India. We opened our tenth provincial branch in China, ahead of our 2010 target; achieved encouraging sales through Woori Bank in South Korea and opened 13 new branches around the Seoul area.

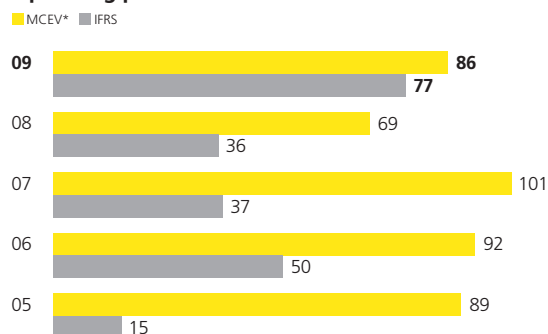
## Outlook

Looking forward, we expect recovery in Asia Pacific to be ahead of other regions. Prospects for 2010 are more optimistic with the Asia Development Bank predicting GDP growth of 6.6% for emerging Asia versus 4.3% in 2009. We are committed to building a high-growth and value-creating region and establishing Aviva as a leading international player in Asia.

## Total sales £m



## Operating profit £m



\* On a MCEV basis from 2007. Prior years presented on an EEV basis.

## Joint venture in Malaysia

We signed a joint venture partner deal with CIMB, the second largest bank in Malaysia in 2007, to capitalise on its distribution network by providing market leading insurance products and excellent servicing capability. To achieve this we drew on our regional shared services capability and technical infrastructure in Singapore to deliver and administer the product set. We successfully launched a portfolio (EasyLife Solutions) of ten investment-linked products within a six-month timeframe. Sales of EasyLife Solutions have gone from strength to strength, contributing to our position as fourth in the industry for single premium business in 2009. This has also strengthened our partnership with CIMB at all levels.



**In partnership**  
Successful launch of new  
bancassurance products



Listen to Simon Machell  
discuss our year in our  
new online review

View video at

[www.aviva.com/2009review](http://www.aviva.com/2009review)

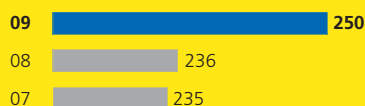
# Aviva Investors

Aviva Investors manage funds for Aviva's insurance operations as well as for a growing range of external clients. With our new business model coming together in 2009 we saw a number of positive trends emerging to support our strategic objectives.

## Regional highlight

- Focus on client service recognised
- Improved investment performance and revenues
- Strong third party inflows
- Progress in developing global distribution capability

## Funds under management £bn



## IFRS operating profit

£115m  
+1% 

## Regional outlook

The loss of confidence in financial markets has meant that clients are increasingly looking for risk-aware investment options and we are well placed to capitalise on that trend.





# Focused on clients, focused on performance

Aviva Investors combines the group's asset management components into a single, globally-integrated business. We manage internal funds for Aviva, as well as for a growing range of institutional and retail third party clients. Our focus on client service has brought external recognition and contributed to a strong performance in 2009.

## Strategy

Our core strategic objective is to build our presence as a globally-integrated asset manager and establish Aviva Investors as a leading player in the market for retirement solutions. We aim to increase revenues and profitability by delivering significant growth in higher-margin assets under management from external clients.

The key strategic imperatives central to our success are:

- our commitment to client focus, delivering investment solutions that fully meet their requirements
- delivering strong investment performance to underpin product sales activity
- finalising the roll-out of a global business development function with a footprint in mature and emerging markets
- a high performance culture that rewards those who make the strongest contribution to the achievement of our goals
- further increases in business effectiveness and efficiency through the adoption of global core processes.



**Aviva Investors gains recognition  
in latest client surveys**

To read more visit

[www.aviva.com/2009review](http://www.aviva.com/2009review)

## Market environment

Following a turbulent start to 2009, market conditions improved with some markets registering their best annual performance in over 20 years. The pace of any further rally across markets is likely to be more modest with the uncertainty around central banks removing stimulus measures. Although some economies remain in recession, we remain optimistic that recovery will gather pace.



## Impressive pitch

We go the extra mile to win over our customers

## Global credit – addressing customer needs

The pensions director of a FTSE 100 company pension scheme was happy to endorse his experience of working with Aviva Investors: "A tangible example is how they helped us analyse our investment requirements when we were considering going from UK to global credit. Our investment consultant was not that comfortable with using Aviva Investors on global credits.

However, Aviva Investors were not put off by this and really worked at it, coming up with a specific global credit mandate and setting out how it would be implemented. They really convinced our consultant and the trustees were also persuaded."

– Pensions Director, FTSE 100 company pension scheme.

Visit Aviva at

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

## Performance

IFRS operating profit was in line with the prior year at £115 million while funds under management increased 6% to £250 billion as markets recovered. For full details of our financial reporting please visit [www.aviva.com/reports](http://www.aviva.com/reports)

A number of positive trends emerged to support our strategic objectives in 2009. Our focus on client service gained us improved rankings in UK-focused independent client service/investment performance surveys for investment quality. Investment performance was also an area of strength. Where clients have specified performance benchmarks, Aviva Investors has met or exceeded 83% of these over one year and 68% over three years, with particularly strong performance in France, Australia and Poland. We also generated record levels of performance fees.

Our liquidity funds attracted strong inflows in France and the UK and from our continental European distribution channel through our SICAV range. In the UK, our Sterling Government Liquidity and Sterling Liquidity Funds gained Standard & Poor's highest possible 'AAAm' stability rating.

We have made significant progress in developing a global marketing, sales and distribution capability, re-engineering our global business development function to facilitate sales to external clients and underpin our client-centric approach. This was enhanced by group-led PR and advertising for the global rebrand, which helped to cement trust in, and recognition of, the Aviva name in both established and new markets and by our own marketing efforts which helped to raise Aviva Investors' profile in a competitive market.

Aviva Investors also received a number of external accolades in Austria, Singapore, Australia and the UK. In November we were proud to work alongside the United Nations for the launch of their report on 'sustainable stock exchanges', a programme that is continuing in 2010.

## 'New business model comes together in 2009'

### Outlook

Since Aviva Investors launched in September 2008 we have made strong progress. The loss of confidence in financial markets has meant that clients are increasingly looking for risk-aware investment options and, as an insurance-owned asset manager, we are well placed to capitalise on that trend. We look forward to 2010 with confidence and anticipation.



**Feedback follow-up**  
Creates a stronger business relationship

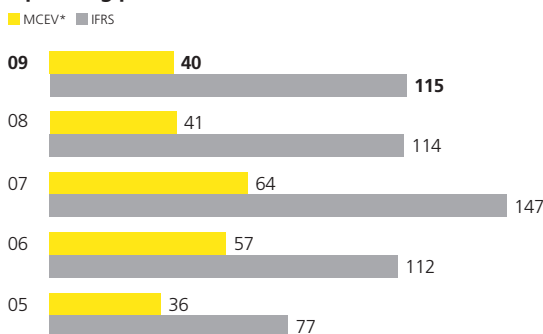
### Listening to our clients

First Securities Investment Trust (FSITC) is a leading asset manager, marketing investment products to customers in Taiwan. In 2009, we won a mandate to handle a new global high yield product through our high yield investment team in North America. We supported the local Aviva Investors team in Taiwan and managed FSITC's successful initial offering.

As a follow-up, we initiated a customer survey to ensure that issues and insights from FSITC were captured and acted upon. Despite the significant commercial success of the new launch the survey uncovered some concerns and a need for improvement on operations and communications.

We were able to act quickly and decisively to resolve these concerns. FSITC's response was very positive: our actions had shown that we had listened to their feedback at a senior level, creating a much stronger relationship.

### Operating profit £m



\* On a MCEV basis from 2007. Prior years presented on an EEV basis.

### Funds under management £bn



Listen to Alain Dromer  
discuss our year in our  
new online review

[View video here](#)

[www.aviva.com/2009review](http://www.aviva.com/2009review)



# Summary corporate responsibility

Below is a summary of the corporate responsibility (CR) report which shareholders will be asked to approve at the forthcoming Annual General Meeting (AGM). The CR report, contained in the Company's Annual Report and Accounts 2009, includes more information on our CR strategy, progress and performance during 2009.

For full details of our CR activities, including an independent assurance statement, please see our online CR report

[www.aviva.com/corporate-responsibility/reports](http://www.aviva.com/corporate-responsibility/reports)

## Highlights from 2009 include:

- Executive directors' remuneration based on financial outcomes and targets related to customer advocacy and employee leadership and engagement
- Extended our reporting of key performance indicators using Accounting for Sustainability's connected reporting framework
- Established long-term carbon reduction target
- Launched 'Street to School' global community programme
- Included in some of the world's leading indices and benchmarks

## Governance and strategy

"By acting responsibly for the long term in how we do business we will meet our ambition to provide prosperity and peace of mind to our customers." This is our core purpose. Our people and CR strategies play an important part in meeting this, in maintaining our reputation as a preferred employer and responsible corporate citizen, and in managing our resources and in reducing costs.

The Aviva CR programme encompasses our business ethics and values, our customers, our people and suppliers, our community investment and the environment. Our Board CR committee reviews group CR strategy, policy and assesses regional performance against group key performance indicators. Our CR advisory group supports and advises on the management and implementation of the global CR programme. The Aviva plc Board receives an annual update on CR strategy, activities and progress. Executive directors' remuneration is based on a combination of financial outcomes along with targets related to customers, employees and personal objectives.

We report our performance using the HRH Prince of Wales' Accounting for Sustainability (A4S) connected reporting framework and for the first time we are putting our CR report to a separate shareholder vote at the 2010 AGM. We are the first company in the UK and the first financial institution in the world to take this proactive step.



## Community investment

To read our Corporate Responsibility Report in full visit

[www.aviva.com/2009cr](http://www.aviva.com/2009cr)

## Business ethics and financial crime

We aspire to the highest standards of conduct and set out our principles in our business ethics code. This stipulates fairness, honesty and transparency in all we do. Our financial crime policy reinforces our zero tolerance approach and ensures that risks relating to fraud, money laundering, market abuse and bribery and corruption are adequately controlled.

## People

Delivering on our strategic plans and commitments requires strong leadership and the energy, dedication and belief of all our employees. Over the past three years, we have built a strong global human resources function to lead our culture transformation. We have a clear purpose: to drive a talent leadership and culture-led transformation to deliver exceptional business performance.

## Diversity, equality and human rights

Aviva's principles and policies embody the key tenets of respect, valuing differences and inclusion and are aligned with the United Nations Universal Declaration of Human Rights (UNUDHR) and International Labour Organisation's core labour standards.

## Community

In 2009 we invested £8.0 million (2008: £9.6 million) in line with our strategic focus to support community and charitable initiatives in education, life trauma and financial literacy. We launched 'Street to School', our five-year global charitable initiative which aims to get children and young people off the street and into education.

Employee volunteering in support of these areas is encouraged as part of their personal development. Our people can apply for up to three days' paid leave per year, as well joining company-led programmes.

## Environment

Our established and proven strategy focuses on controlling our own impacts and resources, including gas, water, electricity and waste – and by pursuing this long-term policy we have reduced our carbon emissions by a further 5.2% this year, on a like-for-like basis, compared to a 6.6% reduction in 2008. Overall, we achieved a group-wide reduction in carbon emissions of 15% (2008: 3.3%)

### Customers

With the effects of the global economic downturn continuing to affect customers' confidence in financial institutions, it was as important as ever to remain true to our purpose of providing prosperity and peace of mind.

### Suppliers

In 2009 we agreed a global approach and targets for our regional procurement teams. We helped to develop a set of industry-leading questions in collaboration with the UK-based Financial Services CR forum. A CR weighting is now included in our sourcing decisions.

### Affiliations and engagements

Here are some of the leading organisations with which we collaborated in 2009 to share good practice, identify emerging issues and improve our performance:

- CBI Climate Change Board
- HRH Prince of Wales Accounting for Sustainability
- ClimateWise
- UNEP Finance Initiative
- UN Global Compact (UNGC) and represented on UNGC Principles for Responsible Investment and Caring for Climate working groups
- Business in the Community

### External benchmarking and recognition

Our achievements in 2009 were recognised by our inclusion in some of the world's leading external benchmarks:

- Dow Jones Sustainability World and STOXX Indices
- SAM Sustainability year book
- FTSE4GOOD Index Series
- FTSE KLD Europe, Asia Pacific and Global Sustainability indices (excluding the US Index)
- ECPI Ethical Index Euro and Ethical Index Global indices
- Building Public Trust award for clear and transparent reporting of our executive remuneration policy
- Gold status in Business in the Community's Corporate Responsibility Index (2008) and Most Improved Company in our sector
- Carbon Disclosure Project Leadership Index – score: 80/100
- Carbon Trust Standard – first insurer to receive the standard for our year-on-year efforts to reduce our carbon footprint



### Key indicators







In 2009 Aviva's Group CR strategy was underpinned by focusing on a number of key performance measures. The measures that are used to assess performance at a group level are set out below:

CR Indicator	2007	2008	2009	2009 target	Change over year	2010 target
<b>Business ethics</b>						
% of employees signing of receipt, understanding and acceptance of our Business Ethics Code annually	—	—	90%	100% of employees	● n/a	100% of employees
<b>Customers</b>						
% of businesses that met/exceeded performance against local market average	—	67%	67%	Continue to embed customer metrics across Aviva. UK life and general insurance and Canadian business to adopt NPS metrics in 2009	● 0%	Develop and test Transactional NPS guidelines. Pilot Distributor NPS metric.
% of employees who rate us favourably on customer index	—	—	67%	Meet /exceed GFS benchmark (2009: 69%)	● New KPI	Increase the percentage of favourable ratings from employees in customer index.
<b>Environment</b>						
% of remaining CO <sub>2</sub> emissions offset annually	100%	100%	100%	Offset remaining emissions CO <sub>2</sub> at group level	● 0%	Offset remaining CO <sub>2</sub> emissions at group level
CO <sub>2</sub> emissions (tonnes) – actual	127,002*	122,791	104,351	Reduce CO <sub>2</sub> emissions by 5%	● (15)%	Reduce CO <sub>2</sub> emissions by 5%
Existing CO <sub>2</sub> emissions (tonnes) – based on 2009 ownership	n/a	110,051	104,351	Reduce CO <sub>2</sub> emissions by 5%	● (5)%	Reduce CO <sub>2</sub> emissions by 5%
Water consumption (m <sup>3</sup> ) – absolute	851,070	843,750	751,750	Reduce water use by 4%	● (11)%	Reduce water use by 4%
Waste generated (tonnes) – absolute	18,877	19,311	14,592	Reduce waste generated by 4%	● (24)%	Reduce waste generated by 4%
Proportion of recycled waste	88%	84%	69%	80% or above	● (15)%	80% or above

● Met/exceeded 2009 target  
● Missed 2009 target

## Summary corporate responsibility continued

 Met/exceeded 2009 target  
 Missed 2009 target

CR Indicator	2007	2008	2009	2009 target	Change over year	2010 target
<b>People</b>						
% of women in senior management	22%	22%	22%	Increase percentage of women in senior management group	 0%	Increase percentage of women in senior management group
<b>Suppliers</b>						
Number of business unit suppliers, with material spend, signing Aviva's Supplier Code of Conduct	—	233 adjusted from 983	438	1,750 adjusted from 2,500	 +205	1,000
Number of detailed CR assessments of Aviva's major suppliers	—	30 in the UK	138 globally	100 globally	 +108	200 globally
Number of business units that have implemented and embedded use of 'Supplier Hospitality register' and 'Register of Interests'	—	5	11	10	 +6	18
<b>Community</b>						
Amount of community investment	£6.8m	£9.6m	£8.0m	Establish and report in line with group community strategy	 (17)%	At/above previous year
% of employees participating in volunteering	—	—	16%		New KPI	Increase the % of employee participation in volunteering
Number of employee hours spent volunteering	—	67,700	79,900	Increase the % of employee participation in volunteering	 +18%	Increase the % of employee participation in volunteering
% of investment in Aviva Street to School	—	—	—		New KPI	50%

## Notes on KPIs

- Business ethics: This KPI covers 98% of our employees.
- Customers: Using our NPS methodology, 67% of businesses met or exceed performance last year against a local market average (2008: 67%). However, within that percentage, 24 markets are participating in NPS compared to 12 in 2008 and 58% are exceeding the benchmark, compared to 33% in 2008.
- Last year we reported the percentage of businesses that met/exceeded performance against local market average where no local benchmark was available (2009: 75%). Businesses that were covered by this metric are now all rated against a local market average. This metric has therefore been removed. Also in 2009, we replaced an employee survey question relating to the percentage of employees who consider that their business is customer focused with a new customer index KPI. This gives an average favourable employee response against five customer indicators.
- Environment: We want to show clearly that we have reduced our emissions as a result of energy management and behavioural change and not merely due to divestments. The KPI for 'Actual emissions' are absolute emissions for total Aviva operations in each year stated while the KPI with 'emissions based on 2009 ownership' show our emissions over the last two years based on operations that we have in 2009 allowing for a like-for-like comparison. Water has been restated following an independent review of Aviva Canada's water consumption between 2006 and 2008. This has increased the overall Group consumption figures.
- People: Current and historical data for women in senior management excludes Delta Lloyd group. We also report KPIs relating to employee engagement. These can be found in our on-line CR Report: [www.aviva.com/corporate-responsibility/reports](http://www.aviva.com/corporate-responsibility/reports)
- Suppliers: We adjusted our 2009 target and 2008 return for the number of business unit suppliers signing Aviva's Supplier Code of Conduct due to a statement of compliance from our business in North America which could not be validated by Group Procurement.
- Community: These KPIs cover all Aviva employees and Aviva joint venture employees.



# Summary financial statements

These statements are aimed at giving shareholders a summary of the position and performance of 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.

The auditor has issued unqualified reports on the full annual financial statements, the auditable part of the directors' remuneration report and on the consistency of the directors' report with those annual financial statements. Their report on the full annual financial statements and the auditable part of the directors' remuneration report contained no statement under sections 498(2) or 498(3) of the Companies Act 2006.

A copy of the full Annual Report and Accounts is available on the Aviva internet site at [www.aviva.com/reports](http://www.aviva.com/reports) or free of charge from Equiniti, at the address at the end of this document.

## 2009 financial statements

The summary financial statements on page 32 and 33 have been prepared on the basis of accounting policies set out in the Aviva Group's (the Group) 2009 Annual Report and Accounts. The consolidated income statement has been presented on both a Market Consistent Embedded Value (MCEV) basis and an International Financial Reporting Standards (IFRS) basis. The Group continues to believe that the MCEV basis provides a useful measure of the performance of the life business alongside the statutory IFRS 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, eliminating the volatility caused by movements in investment values. As a result, managers are encouraged to focus on operational performance and aspects of the business that are under their control.

## Summarised directors' report

### Annual general meeting

The 2010 Annual General Meeting of the Company will be held on Wednesday 28 April 2010 at The Barbican Centre, Silk Street, London EC2Y 8DS at 11am. A separate document accompanying this Annual Review contains the Notice convening the Annual General Meeting and a description of the business to be conducted thereat.

### Review of operations

Aviva plc is the holding company of the Aviva Group of companies. The principal activities of the Group are life insurance, long-term savings, fund management and all classes of general insurance carried out through its subsidiaries, associates and branches in the United Kingdom, continental Europe and Ireland, North America, Asia and Australia. The Group also undertakes motoring services in the UK and Ireland. Details of the Group's operations for the accounting period, its current position and future prospects are contained in the Chairman's introduction and Group Chief Executive's review and business segment overviews on pages 3 to 26.

### Dividend

The directors are recommending a final dividend of 15.00 pence per share (2008: 19.91 pence), which together with the interim dividend of 9.00 pence paid on 17 November 2009 (2008: 13.09 pence), produces a total dividend for the year of 24.00 pence per share (2008: 33.00 pence). The total cost of ordinary dividends paid in 2009, was £775 million (2008: £902 million). The final dividend for 2009 will be paid on 17 May 2010 to all holders of ordinary shares on the Register of Members at the close of business on 26 March 2010 (and approximately five business days later for holders of American Depositary Receipts).

### Directors

The following persons served as directors of the Company during the year:

Nikesh Arora (resigned 5 August 2009)  
Wim Dik (retired 29 April 2009)  
Mary Francis  
Richard Karl Goeltz  
Euleen Goh (appointed 1 January 2009)  
Mark Hodges  
Andrea Moneta (appointed 29 September 2009)  
Andrew Moss  
Carole Piwnica  
Philip Scott (retired 26 January 2010)  
Lord Sharman of Redlynch  
Leslie Van de Walle (appointed 6 May 2009)  
Russell Walls  
Scott Wheway

The biographical details of the persons currently serving as directors appear on page 9.

The Company's Articles of Association require one-third of the directors to retire by rotation each year and also require each director to retire at intervals of not more than three years. At the forthcoming Annual General Meeting, Lord Sharman, the Chairman, and Scott Wheway, a non-executive director, will retire and, being eligible, will offer themselves for re-election. Andrew Moss, the Group Chief Executive will also retire and offer himself for re-election. Leslie Van de Walle, Andrea Moneta, Michael Hawker and Patrick Regan will offer themselves for election by shareholders at this year's Annual General Meeting being the first such meeting after their appointment to the Board. Leslie Van de Walle and Michael Hawker are non-executive directors and were appointed to the Board on 6 May 2009 and 1 January 2010 respectively. Andrea Moneta and Patrick Regan are executive directors (EDs) and have service contracts with a Group company, details of which can be found in the Directors' Remuneration Report. Wim Dik retired from the Board at last year's Annual General Meeting in line with the Board's plans to renew and refresh its composition, while Philip Scott retired from the Board on 26 January 2010 following a 36 year career with the Group, which began with Norwich Union.

**Directors' interests and indemnity arrangements**

At no time during the year did any director hold a material interest in any contract of significance with the Company or any of its subsidiary undertakings other than an indemnity provision between each director and the Company and service contracts between each executive director and a Group company.

The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors. The directors also have the benefit of the indemnity provision contained in the Company's Articles of Association. The Company has executed deeds of indemnity for the benefit of each director of the Company, and each person who was a director of the Company during the year, in respect of liabilities that may attach to them in their capacity as directors of the Company or of associated companies. These indemnities were granted at different times according to the law in place at the time and where relevant are qualifying third-party indemnity provisions as defined by Section 234 of the Companies Act 2006. These indemnities were in force throughout the year and are currently in force.

**Corporate responsibility (CR)**

The Group has a well established corporate responsibility programme and continues to use its position to influence other companies to engage in sustainable business practices and to be open and transparent in the information they publicly report.

In November 2009 the Company announced its intention to put its Corporate Responsibility Report to an advisory vote of shareholders at the 2010 Annual General Meeting as a means of obtaining feedback on the report and the Company's performance in this area.

A summary CR report is set out on pages 27 to 29 and the full report can be viewed online at [www.aviva.com/2009cr](http://www.aviva.com/2009cr). Further details of the resolution are set out in the Notice of Annual General Meeting.

**Directors' interests in Aviva shares**

The interests held by each person who was a director at the end of the financial year in the ordinary shares of 25 pence each in the Company are shown below. All the disclosed interests are beneficial. The table also summarises the interests in shares held through the Company's various all-employee and executive share schemes.

	Shares <sup>1</sup>		ABP awards <sup>2</sup>		LTIP awards <sup>3</sup>		OATTV Plan awards <sup>4</sup>		Options <sup>5</sup>	
	1 January 2009	31 December 2009	1 January 2009	31 December 2009	1 January 2009	31 December 2009	1 January 2009	31 December 2009	1 January 2009	31 December 2009
Mary Francis	1,800	1,800	—	—	—	—	—	—	—	—
Richard Karl Goeltz	2,500	2,500	—	—	—	—	—	—	—	—
Mark Hodges	100,086	139,028	125,876	231,712	198,549	459,029	41,838	145,759	1,705	1,705
Andrea Moneta <sup>7</sup>	73	394	—	159,375	—	249,023	—	119,531	—	—
Andrew Moss	176,067	239,848	205,488	353,716	477,633	1,022,153	93,567	289,443	3,279	3,279
Carole Pivnicka	2,500	2,500	—	—	—	—	—	—	—	—
Philip Scott	400,973	512,652	176,097	256,013	343,028	599,469	52,734	148,025	2,341	2,341
Lord Sharman	20,000	33,531	—	—	—	—	—	—	—	—
Leslie Van de Walle	—	2,485	—	—	—	—	—	—	—	—
Russell Walls	4,000	4,000	—	—	—	—	—	—	—	—
Scott Wheway	1,677	13,579	—	—	—	—	—	—	—	—

**Notes**

- 'Shares' are the directors' beneficial holdings in the ordinary shares of the Company and in respect of the EDs include shares held in trust under the Company's All Employee Share Ownership Plan (AESOP) being shares purchased by them under the partnership element and shares granted under the free share element of the AESOP.
- ABP awards relate to entitlements to shares arising through the Aviva Annual Bonus Plan 2005. Under this plan, some of the earned bonuses are paid in the form of shares and deferred for three years. The transfer of the shares to the director at the end of the period is not subject to the attainment of performance conditions but a proportion of the shares can be forfeited if the director leaves service before the end of the period.
- Awards granted under the LTIP which vest only if the performance conditions are achieved.
- OATTV Plan awards are granted as a match to the bonus plan awards under the ABP and vest only if the performance conditions are achieved.
- 'Options' are options over shares granted under the SAYE.
- The interests of connected persons to the directors are included in the directors' interests above.
- Andrea Moneta was appointed as a director on 29 September 2009. On this date, he held 394 shares, 159,375 ABP awards, 249,023 LTIP awards, 119,531 OATTV Plan awards and 0 options.

## Independent auditor's statement to the members of Aviva plc

We have examined the summary financial statements for the year ended 31 December 2009 which comprise the summarised consolidated income statement, the summarised consolidated statement of comprehensive income – IFRS basis, summarised consolidated statement of changes in equity, summarised consolidated statement of financial position – IFRS basis, and the supplemental statement of financial position information – MCEV basis.

This statement is made solely to the company's members, as a body, in accordance with Section 428(4) of the Companies Act 2006. 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 auditor's statement 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 statement, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Review in accordance with applicable United Kingdom law.

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 financial statements, the Directors' Remuneration Report and the Directors' Report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 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 statement. The other information comprises only the Group structure, Financial summary, Chairman's introduction, Group chief executive's review, Group strategy, Key performance indicators, Board and executive team, Regional overviews, Summary corporate responsibility report and Shareholder information.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinions on those financial statements, the Directors' Remuneration Report, and the Directors' Report.

### Opinion

In our opinion the summary financial statements are consistent with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report of Aviva plc for the year ended 31 December 2009 and comply with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

## Summarised consolidated income statement

	2009 £m	2008 £m
<b>Total sales for the year</b>		
Life and pension businesses	32,003	36,245
Investment sales	3,872	3,995
General insurance	9,193	11,137
	<b>45,068</b>	<b>51,377</b>
<b>Premiums written net of reinsurance and other investment sales</b>		
Long-term business	22,921	23,228
General insurance and health premiums	9,193	11,137
	<b>32,114</b>	<b>34,365</b>
<b>Pre-tax operating profit</b>		
Long-term business MCEV operating return	3,389	2,810
Fund management operating profit	51	42
General insurance and health operating profit	960	1,198
Other operations	(173)	(163)
Regional operating profit	4,227	3,887
Corporate centre, group debt costs and other interest	(744)	(520)
<b>Operating profit – MCEV basis<sup>1</sup></b>	<b>3,483</b>	<b>3,367</b>
Adjustment to report the profits of our long-term insurance, fund management and other operations on an IFRS basis	(1,461)	(1,070)
<b>IFRS operating profit before tax attributable to shareholders' profits</b>	<b>2,022</b>	<b>2,297</b>
Investment return variances and economic assumption changes on long-term business	(75)	(1,631)
Short-term fluctuation in return on investments backing non-long-term business	95	(819)
Economic assumption changes on general insurance and health business	57	(94)
Impairment of goodwill and other amounts expensed	(62)	(66)
Amortisation and impairment of intangibles	(144)	(117)
Profit on the disposal of subsidiaries and associates	153	7
Integration and restructuring costs	(286)	(326)
Exceptional items	45	(551)
<b>Profit/(loss) before tax attributable to shareholders' profits – IFRS basis</b>	<b>1,805</b>	<b>(1,300)</b>
Tax	(490)	415
<b>Profit/(loss) for the year</b>	<b>1,315</b>	<b>(885)</b>

## Summarised consolidated statement of comprehensive income – IFRS basis

	2009 £m	2008 £m
<b>Profit/(loss) after tax attributable to shareholders</b>	<b>1,315</b>	<b>(885)</b>
<b>Other comprehensive income</b>		
Fair value losses, net of transfers to income statement	1,280	(1,770)
Actuarial (losses)/gains on pension schemes	(1,116)	(851)
Foreign exchange rate and other movements	(951)	2,684
Aggregate tax effect	(196)	219
<b>Other comprehensive income, net of tax</b>	<b>(983)</b>	<b>282</b>
<b>Total comprehensive income for the year</b>	<b>332</b>	<b>(603)</b>



## Summarised consolidated statement of changes in equity

	2009 £m	2008 £m
<b>Balance at 1 January</b> as reported	<b>14,573</b>	15,931
Prior year adjustment	—	96
<b>Balance at 1 January</b> restated	<b>14,573</b>	16,027
Total comprehensive income for the year	<b>332</b>	(603)
Dividends and appropriations	<b>(853)</b>	(975)
Issue of share capital	<b>1</b>	20
Shares issued in lieu of dividends	<b>299</b>	170
Capital contributions from minority shareholders	<b>6</b>	36
Transfers to minority interests following Delta Lloyd IPO	<b>930</b>	—
Minority share of dividends declared in the year	<b>(109)</b>	(106)
Minority interest in acquired subsidiaries	<b>(2)</b>	43
Changes in minority interest in existing subsidiaries	<b>(111)</b>	(65)
Shares acquired by employee trusts	<b>(53)</b>	(29)
Reserves credit for equity compensation plans	<b>56</b>	39
Aggregate shareholder tax effect	<b>17</b>	16
<b>Balance at 31 December</b>	<b>15,086</b>	14,573

	2009 £m	2008 £m
Operating earnings per share – Basic MCEV basis <sup>2</sup>	<b>78.8p</b>	83.4p
Operating earnings per share – Diluted MCEV basis <sup>2</sup>	<b>78.1p</b>	82.7p
Total earnings per share – Basic MCEV basis <sup>3</sup>	<b>101.7p</b>	(282.6)p
Total earnings per share – Diluted MCEV basis <sup>3</sup>	<b>100.8p</b>	(282.6)p
Operating earnings per share – Basic IFRS basis <sup>2</sup>	<b>45.1p</b>	62.9p
Operating earnings per share – Diluted IFRS basis <sup>2</sup>	<b>44.8p</b>	62.3p
Total earnings per share – Basic IFRS basis <sup>3</sup>	<b>37.8p</b>	(36.8)p
Total earnings per share – Diluted IFRS basis <sup>3</sup>	<b>37.5p</b>	(36.8)p
Net asset value per ordinary share – IFRS basis <sup>4</sup>	<b>374p</b>	421p
Net asset value per ordinary share – MCEV basis <sup>4</sup>	<b>471p</b>	495p

## Summarised consolidated statement of financial position – IFRS basis

	2009 £m	2008 £m
<b>Assets</b>		
Goodwill	<b>3,381</b>	3,578
Additional value of in-force business and intangible assets	<b>2,860</b>	4,038
Interest in, and loans to, joint ventures and associates	<b>2,982</b>	2,983
Investment properties, property and equipment	<b>13,175</b>	15,390
Financial investments	<b>238,679</b>	230,260
Other assets	<b>68,138</b>	74,670
Cash and cash equivalents	<b>25,176</b>	23,643
<b>Total assets</b>	<b>354,391</b>	354,562
<b>Capital and reserves</b>		
Equity attributable to ordinary shareholders of Aviva plc	<b>10,356</b>	11,179
Preference share capital	<b>200</b>	200
Direct capital instrument	<b>990</b>	990
Minority interests	<b>3,540</b>	2,204
<b>Total equity</b>	<b>15,086</b>	14,573
<b>Liabilities</b>		
Gross liability for insurance and investment contracts	<b>281,107</b>	282,409
Unallocated divisible surplus	<b>3,866</b>	2,325
Net asset value attributable to unitholders	<b>9,894</b>	6,918
Borrowings	<b>15,000</b>	15,201
Other liabilities	<b>29,438</b>	33,136
<b>Total liabilities</b>	<b>339,305</b>	339,989
<b>Total equity and liabilities</b>	<b>354,391</b>	354,562

## Supplemental statement of financial position information – MCEV basis

	2009 £m	2008 £m
<b>Equity attributable to ordinary shareholders of Aviva plc – IFRS basis</b>	<b>10,356</b>	11,179
Adjustment to other reserves	<b>213</b>	1,429
Additional retained profit on an MCEV basis	<b>2,466</b>	554
<b>Equity attributable to ordinary shareholders of Aviva plc – MCEV basis</b>	<b>13,035</b>	13,162
Preference share capital and direct capital instrument	<b>1,190</b>	1,190
Minority interests	<b>4,237</b>	3,080
<b>Total equity – MCEV basis</b>	<b>18,462</b>	17,432

Approved by the Board on 3 March 2010

**Patrick Regan**  
Chief Financial Officer

### Notes

1. Before tax and adjusting items.
2. Operating earnings per share is based on the operating profit on either an MCEV or IFRS basis, after tax, minority interests and preference dividends.
3. Total earnings per share is based on the MCEV or IFRS profit for the year attributable to equity shareholders.
4. Net asset value per ordinary share is calculated based on equity shareholders' funds.

## 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 forthcoming Annual General Meeting (AGM). The Directors' remuneration report, contained in the Company's Annual Report and Accounts 2009, provides full details of the Company's remuneration policy, practices, pension arrangements and share incentive plans, including a description of the performance conditions which apply to the share incentive plans and details of all the awards and options held by the directors.

## Highlights

- The Remuneration Committee (the Committee) approved the Executive Directors' (EDs) request to freeze their basic salaries for 2009 and to take a 10% reduction on the personal element of their annual bonus. In 2010, the EDs requested that their basic salaries should not be subject to annual review and the Committee has endorsed this proposal.
- The demanding financial and non-financial targets set for the 2009 annual bonus were met in part during the year. The combination of financial outcomes, along with those targets relating to employees, customers, and personal objectives mean that the Group Chief Executive received a 2009 bonus of 74% of his maximum opportunity (2008: 54%).
- The Committee entered the 2010 reward period conscious of the challenging economic background and widespread comment on over generous executive remuneration. The Committee believes Aviva's 2009 business results are strong and that Aviva's remuneration practices already closely link pay to performance and also align with current governance guidelines. The Committee has, however, continued to ensure prudent and proportionate reward outcomes.

# Summary remuneration report

- Andrea Moneta, Chief Executive Officer, Aviva Europe, Middle East and Africa, was appointed an ED of Aviva plc on 29 September 2009. Information on his remuneration therefore appears in this report for the first time.
- On 1 January 2010, Mark Hodges was appointed Chief Executive Officer of the whole of Aviva's UK insurance operations, which brought together Aviva's life and general insurance businesses. As a result of this significant expansion of his managerial responsibilities, his basic salary was increased.
- On 26 January 2010, Philip Scott retired from the Board. He continues to be employed by the Group and will retire on 31 July 2010. Further details of his leaving arrangements are disclosed in the full Annual Report and Accounts.
- Patrick Regan joined Aviva as the new Chief Financial Officer on 22 February 2010. His joining arrangements and on-going annual remuneration are disclosed in the full Annual Report and Accounts.

## Remuneration policy

The Committee's key objectives are to:

- Establish a competitive remuneration package to attract, retain and motivate high quality leaders;
- Promote the achievement of both the Company's annual plans and its strategic objectives by providing a remuneration package that contains appropriately motivating targets that are within the Group's risk appetite; and
- Align senior executives' remuneration with the interests of shareholders and other stakeholders, including customers and employees.

## The remuneration package

Against this background, the Committee seeks to ensure that whilst a competitive basic salary is paid, a substantial element of the remuneration package should be closely linked to the performance of the business and delivered in the form of shares. During 2009, the remuneration package for the Company's EDs comprised the following elements:

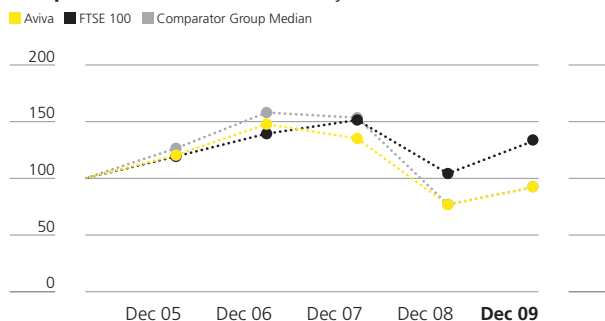
- A basic salary.
- An annual bonus plan (ABP) to encourage executives to meet annual targets relating to business and agreed personal performance targets. Two-thirds of any bonus is paid in the form of shares and deferred for three years.
- A One Aviva Twice The Value (OATTV) Plan to align senior executives with the Group Chief Executive's clear strategic imperative of doubling earnings per share by the end of 2012. The plan matches 100% of the deferred ABP shares for the Group Chief Executive (75% for other EDs). For the 2009 awards, the vesting of these matched shares is dependent on the achievement of 49.2 pence per share and then compounded annual growth targets.
- A Long Term Incentive Plan (LTIP) to align executives' longer term interests with those of shareholders.
- A pension entitlement, although no ED is currently accruing service based benefits in the Aviva Staff Pension Scheme.

- A long term discretionary savings plan called the Aviva Capital Accumulation Plan (ACAP), used primarily for employees who can no longer accrue pension benefits or whose benefits are restricted under the Aviva Staff Pension Scheme.
- A car allowance, private medical insurance and participation in the Company's all employee share plans.

Annual bonuses have targets set against a range of financial, customer and employee metrics, accounting for 70% of the bonus opportunity, with personal objectives accounting for the remaining 30%.

Awards granted under the LTIP are subject to meeting performance conditions based on relative Total Shareholder Return (TSR) and Return on Capital Employed (RoCE) targets. The TSR performance conditions require Aviva to achieve median or better performance against the TSR of a peer group of major European financial services companies over the three year performance period for that element to vest. RoCE targets are set taking account of the Company's three year business plan and are set on a Market Consistent Embedded Value basis.

## TSR performance chart Financial year end



All EDs have a service contract which can be terminated by the Company upon giving 12 months' notice. Non executive appointments can be terminated by either party at any time upon giving one month's written notice.

## Future actions and changes

The Company does not anticipate any significant changes to the structure of EDs' remuneration packages in 2010, compared with that outlined below. There are, however, three points to note:

- 2009 has seen a series of regulatory and governance guidelines issued by organisations such as the Financial Services Authority and the Financial Stability Board of the G20. Whilst many of the issued guidelines do not yet formally apply to Aviva, the Company has already reviewed its existing remuneration arrangements against these provisions.

## Summary remuneration report continued

- UK personal tax changes, effective April 2010, will create a significantly different tax position for some employees. Due to the relatively large deferral of senior manager remuneration, it is the Company's view that they will be penalised more than their industry counterparts. The Company, therefore, has made available the option for these employees to receive deferred ABP awards as restricted stock. Any potential cost to the Company is judged to be minimal. In addition, the 2010 LTIP grant will be underpinned by an approved share option grant. This will have no additional cost to the Company. These changes have been discussed with Her Majesty's Revenue and Customs before being implemented.
- The Company is required every five years to seek shareholder approval for the operation of its share based incentive plans. It was agreed in 2008 that the review would be delayed by 12 months from 2009 to 2010 to enable Aviva to reflect on the new regulatory and governance requirements that emerge from the global financial crisis and to put new proposals to shareholders in 2011.

## 2009 awards

In addition to the remuneration set out in the table below, the following shares were awarded to EDs in 2009 under the Company's share incentive plans. The shares granted under the LTIP will only vest if certain conditions relating to the Company's performance over the three financial years commencing 1 January 2009 are met, as explained previously.

	ABP Deferred Shares	OATTV Plan Shares	LTIP Shares
Andrew Moss	195,876	195,876	632,324
Philip Scott	127,054	95,291	351,562
Mark Hodges	138,561	103,921	304,687
Andrea Moneta	159,375	119,531	249,023

\* The aggregate net value of share awards granted to the directors in the period was £5.256 million (2008: £4.319 million). The net value has been calculated by reference to the market price at the date of grant.

In addition to the above, directors have interests in awards and options granted in previous years. During the year, no share options were exercised by directors.

## Directors' remuneration 2009

	Basic salary/fees		Bonuses <sup>1</sup>		ACAP		Benefits <sup>2</sup>		Total	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
<b>Chairman</b>										
Lord Sharman	495	490	—	—	—	—	15	—	495	505
<b>Executive directors</b>										
Andrew Moss	925	914	1,029	752	463	463	74	91	2,491	2,220
Philip Scott	600	593	578	488	—	—	34	35	1,212	1,116
Mark Hodges	520	463	503	532	260	208	66	99	1,349	1,302
Andrea Moneta <sup>3</sup>	629	—	756	—	82	—	142	—	1,609	—
<b>Non-executive directors</b>										
Nikesh Arora	44	69	—	—	—	—	—	—	44	69
Wim Dik	24	95	—	—	—	—	—	—	24	95
Mary Francis	103	99	—	—	—	—	—	—	103	99
Richard Goeltz	98	94	—	—	—	—	—	—	98	94
Euleen Goh	78	—	—	—	—	—	—	—	78	—
Carole Pivnicka	83	87	—	—	—	—	—	—	83	87
Leslie Van de Walle	45	—	—	—	—	—	—	—	45	—
Russell Walls	108	107	—	—	—	—	—	—	108	107
Scott Whewey	88	77	—	—	—	—	—	—	88	77
<b>Total emoluments of directors</b>	<b>3,840</b>	<b>3,088</b>	<b>2,866</b>	<b>1,772</b>	<b>805</b>	<b>671</b>	<b>316</b>	<b>240</b>	<b>7,827</b>	<b>5,771</b>

## Notes

1. Bonuses show the value at the date of award inclusive of the two-thirds of bonus which Aviva requires its EDs to defer into Aviva shares for three years.
2. 'Benefits'. All the EDs received life assurance benefits during the year that relate to the cost incurred by the Company of insuring the directors' life and relevant spouses' benefits which, had the director died during the year, could not have been wholly paid by the pension scheme and would therefore have been met by the Company had the insurance not been in place. The disclosure also includes the cost of private medical insurance and, where appropriate, accompanied travel, accommodation and car benefits. All the numbers disclosed include the tax charged on the benefits. No directors received an expense allowance during the year.
3. Figures shown for Mr Moneta have been converted from Euro to Pound Sterling at the average exchange rate for 2009 of €1.12297 : £1.00. Further details of Mr Moneta's benefits are contained in the full Annual Report and Accounts. The grossed element for schooling and housing as outlined in the full Annual Report and Accounts will be delivered in 2010.
4. For the purposes of the disclosure required by Schedule 5 to the Companies Act 2006, the total aggregate emoluments of the directors in respect of 2009 was £6.7 million (2008: £5.2 million).
5. No compensation payment for loss of office was made to any director, or former director, during the year.
6. Annual bonuses are one-third paid in cash and two-thirds deferred into shares for three years.



# Shareholder services

## Shareholder profile

The categories of shareholders and the range and size of shareholding as at 31 December 2009 are set out below:

Analysis of shareholders	No. of shareholders	%	No. of shares	%
Individual	590,483	97.34	252,515,052	9.13
Banks and nominee companies	12,461	2.05	2,451,903,945	88.62
Pension fund managers and insurance companies	94	0.02	125,276	0.01
Other corporate bodies	3,586	0.59	62,067,101	2.24
<b>Total</b>	<b>606,624</b>	<b>100</b>	<b>2,766,611,374</b>	<b>100</b>

Range of shareholdings	No. of shareholders	%	No. of shares	%
1–1,000	556,054	91.66	152,958,583	5.53
1,001–5,000	45,597	7.52	84,171,156	3.04
5,001–10,000	2,496	0.41	17,206,332	0.62
10,001–250,000	1,803	0.30	90,026,034	3.26
250,001–500,000	189	0.03	69,482,343	2.51
500,001 and above	484	0.08	2,350,241,926	84.95
ADRs	1	0.00	2,525,000*	0.09
<b>Total</b>	<b>606,624</b>	<b>100</b>	<b>2,766,611,374</b>	<b>100</b>

\* The number of registered ordinary shares represented by American Depositary Receipts (ADRs). Please note that each Aviva ADR represents two (2) ordinary Aviva plc shares.

## Group financial calendar for 2010

Annual General Meeting	28 April 2010
Announcement of first quarter Interim Management Statement	11 May 2010
Announcement of unaudited half-year results	05 August 2010
Announcement of third quarter Interim Management Statement	04 November 2010

## Annual General Meeting

Aviva's Annual General Meeting will be held at:

The Barbican Centre  
Silk Street  
London  
EC2Y 8DS  
on: Wednesday  
28 April 2010  
at 11.00am

The Notice of Meeting, together with details of the business to be conducted at the meeting, is available on the Company's website at [www.aviva.com/agm](http://www.aviva.com/agm)

If you are unable to attend the meeting but would like to ask the Board of Directors a question regarding the business of the meeting, please do so via our website at [www.aviva.com/agm](http://www.aviva.com/agm). Alternatively, you can write to us directly either by email to [agm.faq@aviva.com](mailto:agm.faq@aviva.com) or by post to the Group Company Secretary, Freepost RLTE-RBXX-RBHB, Group Secretarial Department, Aviva plc, St Helen's, 1 Undershaft, London EC3P 3DQ. Answers to the most frequently asked questions will be available at the meeting and published on our website shortly after.

The voting results for the 2010 AGM, including proxy votes and votes withheld, will be accessible on our website at [www.aviva.com/agm](http://www.aviva.com/agm), shortly after the meeting.

## Dividends

Dividends on our ordinary shares are normally paid in May and November; please see the following table for 2009 final dividend dates. Dividends paid on our preference shares are normally paid in March, June, September and December; please visit [www.aviva.com/preferenceshares](http://www.aviva.com/preferenceshares) for the latest dividend payment dates.

Holders of ordinary and preference shares receive their dividends in sterling and holders of ADRs will receive any dividends paid by the Company in US dollars.

### Ordinary shares – 2009 final dividend

Ex-dividend date	24 March 2010
Record date	26 March 2010
Scrip dividend price setting period	24, 25, 26, 29, 30 March 2010
Scrip dividend price announcement date	31 March 2010
Last date for receipt of Scrip elections	16 April 2010
Dividend payment date*	17 May 2010

\* Please note that the ADR local payment date will be approximately five business days after the proposed dividend date for ordinary shareholders.

## Share price

You can access the current share price of Aviva plc ordinary shares and ADRs at [www.aviva.com/shareprice](http://www.aviva.com/shareprice)

If you would like to find out the price of Aviva preference shares, please visit the London Stock Exchange website via [www.aviva.com/preferenceshares](http://www.aviva.com/preferenceshares) for a direct link.

## Be on your guard – beware of fraudsters

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'.

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting [www.fsa.gov.uk/register/](http://www.fsa.gov.uk/register/)
- Report the matter to the FSA either by calling 0300 500 5000 (calls should cost no more than 01 or 02 UK-wide calls, and are included in inclusive mobile and landline minutes). If calling from overseas, please dial +44 20 7066 1000 or visit [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)
- If the calls persist, hang up.

More detailed information on this can be found on the FSA website [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

## Managing your shareholding

If you have any queries regarding your shareholding in Aviva please contact our Registrar, Equiniti. Please quote Aviva plc, as well as the name and address in which the shares are held, and your Shareholder Reference Number, which you will find on your latest dividend stationery.

Equiniti  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

**Email**  
[aviva@equiniti.com](mailto:aviva@equiniti.com)

**Telephone**  
0871 384 2953\*  
+ 44 (0)121 415 7046 (for callers outside of the UK)

## Online Shareholder Services Centre – [www.aviva.com/shareholderservices](http://www.aviva.com/shareholderservices)

The online shareholder services centre has been designed to meet the specific needs of our shareholders, preference shareholders and our American Depositary Receipt (ADR) holders and includes features to allow you to manage your holding in Aviva easily and efficiently.

Within the online centre you will be able to find our current and historic ordinary and ADR share prices, sharedealing information, news, updates, and when available, presentations from the Group Chief Executive. You will also be able to download an electronic copy of any current and past reports. There is also a range of frequently asked questions on holding ordinary shares, preference shares and ADRs in Aviva, which include practical help on transferring shares, dealing facilities and updating personal details.

## Alternative format

If you would like to request a copy of our reports in an alternative format, for example, braille or audio, please contact our Registrar, Equiniti, by calling 0871 384 2953\*

## Form 20-F

Aviva is a foreign private issuer in the US and as such is subject to the reporting requirements of the US Securities and Exchange Commission (SEC). Aviva files its Form 20-F with the SEC, copies of which can be found at [www.aviva.com/reports](http://www.aviva.com/reports)

## American Depositary Receipts (ADRs)

Aviva's ADRs are listed on the New York Stock Exchange and our stock is traded as American Depositary Shares (ADS). Aviva maintains a Level II ADR facility in the US, with each ADS representing two (2) Aviva plc ordinary shares. Aviva has a sponsored ADR facility administered by Citibank, NA. Any queries regarding Aviva ADRs can be directed to Citibank by post, telephone or email.

Citibank Shareholder Services  
PO Box 43077  
Providence, Rhode Island  
USA 02940-5000

**Email** [Citibank@shareholders-online.com](mailto:Citibank@shareholders-online.com)

**Telephone** + (1) 877 248 4237  
(toll free for callers within the US)

**Telephone** + (1) 781 575 4555  
(for callers outside of the US)

**Fax inquiries** + (1) 201 324 3284

For information about Aviva's ADR program, please go to [www.citi.com/dr](http://www.citi.com/dr) for additional reference.

## Internet sites

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

Aviva Group  
[www.aviva.com](http://www.aviva.com)  
UK Long-term savings and general insurance  
[www.aviva.co.uk](http://www.aviva.co.uk)  
Asset management  
[www.avivainvestors.com](http://www.avivainvestors.com)  
Aviva worldwide internet sites  
[www.aviva.com/websites](http://www.aviva.com/websites)

Other useful links for shareholders:  
Aviva Shareholder Services Centre  
[www.aviva.com/shareholderservices](http://www.aviva.com/shareholderservices)  
American Depositary Receipt holders  
[www.aviva.com/adr](http://www.aviva.com/adr)  
Aviva preference shareholders  
[www.aviva.com/preferenceshares](http://www.aviva.com/preferenceshares)

Dividend information  
[www.aviva.com/dividends](http://www.aviva.com/dividends)  
Annual General Meeting information  
[www.aviva.com/agm](http://www.aviva.com/agm)  
Electronic voting for Annual General Meeting†  
[www.aviva.com/agm](http://www.aviva.com/agm)  
Aviva Share Price  
[www.aviva.com/shareprice](http://www.aviva.com/shareprice)

\* Calls to 0871 numbers are charged at 8p per minute from a BT landline. Charges from other telephone providers may vary. Lines are open from 8.30am to 5.30pm, Monday to Friday.  
† This service will only be available until 48 hours before the 2010 Annual General Meeting.



### Online Annual Review

In our online Annual Review, you will see exclusive interviews of the Group chief executive and members of our Executive management team.

You can view our Annual review here

[www.aviva.com/2009review](http://www.aviva.com/2009review)



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