



# **Aviva Life & Pensions UK Limited**

Registered office: 2 Rougier Street, York, YO90 1UU

**Annual PRA Insurance Returns for the year ended  
31 December 2014**



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Global Business

Financial year ended **31st December 2014****Contents***Forms* *Page***IPRU (INS) Appendix 9.1**

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Name of insurer **Aviva Life & Pensions UK Limited**

Global Business

Financial year ended **31st December 2014**

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## Statement of solvency - long-term insurance business

Form 2

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Solo solvency calculation

R2	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>
			As at end of this financial year		As at end of the previous year	
			<b>1</b>		<b>2</b>	

**Capital resources**

Capital resources arising within the long-term insurance fund	<b>11</b>	7283352	6932819
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>	2923344	2727237
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	10206696	9660056

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	2375392	1942236
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	7831304	7717820

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	2429963	2324496
Resilience capital requirement	<b>32</b>		
Base capital resources requirement	<b>33</b>	2902	3146
Individual minimum capital requirement	<b>34</b>	2429963	2324496
Capital requirements of regulated related undertakings	<b>35</b>	1565404	1167404
Minimum capital requirement (34+35)	<b>36</b>	3995367	3491900
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	8209012	7914106
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	7210171	7041131

**Enhanced capital requirement**

With-profits insurance capital component	<b>39</b>	2287523	2364288
Enhanced capital requirement	<b>40</b>	6282890	5856188

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	<b>41</b>	6282890	5856188
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	3923806	3803868

**Contingent liabilities**

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	<b>51</b>		
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Returns under the Accounts and Statements Rules

**Covering page to Form 2**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

.....  
**D B BARRAL**  
Chief Executive

.....  
**C J ABRAHAMS**  
Director

.....  
**A J DARLINGTON**  
Director

March 2015

**Components of capital resources**
**Form 3  
(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

	R3	Company registration number <b>3253947</b>	GL/UK/CM <b>GL</b>	Period ended			units <b>£000</b>
				day	month	year	
				<b>31</b>	<b>12</b>	<b>2014</b>	
		General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>		Total as at the end of the previous year <b>4</b>	

**Core tier one capital**

Permanent share capital	<b>11</b>		192000	192000	192000
Profit and loss account and other reserves	<b>12</b>		5173705	5173705	5111153
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>		5481134	5481134	4945379
Fund for future appropriations	<b>15</b>		1749647	1749647	1721243
Core tier one capital in related undertakings	<b>16</b>		(495755)	(495755)	(508525)
Core tier one capital (sum of 11 to 16)	<b>19</b>		12100731	12100731	11461250

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit items	<b>22</b>				
Tier one waivers in related undertakings	<b>23</b>				
Total tier one waivers as restricted (21+22+23)	<b>24</b>				

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	<b>25</b>				
Perpetual non-cumulative preference shares in related undertakings	<b>26</b>				
Innovative tier one capital as restricted	<b>27</b>				
Innovative tier one capital in related undertakings	<b>28</b>				

<b>Total tier one capital before deductions</b> (19+24+25+26+27+28)	<b>31</b>		12100731	12100731	11461250
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>		111549	111549	117002
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>				
Deductions in related undertakings	<b>36</b>		624855	624855	312444
Deductions from tier one (32 to 36)	<b>37</b>		736404	736404	429446
<b>Total tier one capital after deductions</b> (31-37)	<b>39</b>		11364327	11364327	11031804

**Components of capital resources**
**Form 3  
(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	3253947	GL	31	12	2014	£000
	General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year		
	1	2	3		4		

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>				
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>				
Innovative tier one capital excluded from line 27	<b>43</b>				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>				
Perpetual cumulative preference shares	<b>45</b>				
Perpetual subordinated debt and securities	<b>46</b>				
Upper tier two capital in related undertakings	<b>47</b>	200000	200000	200000	
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>	200000	200000	200000	

Fixed term preference shares	<b>51</b>				
Other tier two instruments	<b>52</b>				
Lower tier two capital in related undertakings	<b>53</b>				
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>				

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>	200000	200000	200000	
Excess tier two capital	<b>62</b>				
Further excess lower tier two capital	<b>63</b>				
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>	200000	200000	200000	



**Components of capital resources**
**Form 3  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	3253947	GL	31	12	2014	£000
	General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3		Total as at the end of the previous year 4		

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions</b> (39+69+71)	<b>72</b>		11564327	11564327	11231804
Inadmissible assets other than intangibles and own shares	<b>73</b>		1357631	1357631	1571748
Assets in excess of market risk and counterparty limits	<b>74</b>				
Deductions for related ancillary services undertakings	<b>75</b>				
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions</b> (72-73-74-75-76-77)	<b>79</b>		10206696	10206696	9660056

**Available capital resources for GENPRU/INSRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>		10206696	10206696	9660056
Available capital resources for 50% MCR requirement	<b>82</b>		10206696	10206696	9660056
Available capital resources for 75% MCR requirement	<b>83</b>		10206696	10206696	9660056

**Financial engineering adjustments**

Implicit items	<b>91</b>				
Financial reinsurance – ceded	<b>92</b>		472712	472712	531700
Financial reinsurance – accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>				
Any other charges on future profits	<b>95</b>				
<b>Sum of financial engineering adjustments</b> (91+92-93+94+95)	<b>96</b>		472712	472712	531700

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units
		R11	3253947	GL	day	month	year
					31	12	2014
							£000
				This financial year		Previous year	
				1		2	
Gross premiums written		11					
Premiums taxes and levies (included in line 11)		12					
Premiums written net of taxes and levies (11-12)		13					
Premiums for classes 11, 12 or 13 (included in line 13)		14					
Premiums for "actuarial health insurance" (included in line 13)		15					
<b>Sub-total A</b> (13 + 1/2 14 - 2/3 15)		16					
Gross premiums earned		21			109519		107971
Premium taxes and levies (included in line 21)		22					
Premiums earned net of taxes and levies (21-22)		23			109519		107971
Premiums for classes 11, 12 or 13 (included in line 23)		24					
Premiums for "actuarial health insurance" (included in line 23)		25					
<b>Sub-total H</b> (23 + 1/2 24 - 2/3 25)		26			109519		107971
<b>Sub-total I</b> (higher of sub-total A and sub-total H)		30			109519		107971
<b>Adjusted sub-total I</b> if financial year is not a 12 month period to produce an annual figure		31					
Division of gross adjusted premiums amount: sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32			19713		19435
	Excess (if any) over 61.3M EURO x 0.02	33			1229		1117
<b>Sub-total J</b> (32-33)		34			18484		18318
Claims paid in period of 3 financial years		41			151611		141403
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42					
	For insurance business accounted for on an accident year basis	43			235410		214148
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44					
	For insurance business accounted for on an accident year basis	45			203802		203190
<b>Sub-total C</b> (41+42+43-44-45)		46			183219		152361
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47			25424		13683
<b>Sub-total D</b> (46-47)		48			157795		138678
<b>Reinsurance ratio</b> (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)		49			0.86		0.91
<b>Premiums amount</b> (Sub-total J x <b>reinsurance ratio</b> )		50			15919		16673
Provisions for claims outstanding (before discounting and net of reinsurance)		51			203669		189514
Provisions for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero		52					
Brought forward amount (see instruction 4)		53			23832		23832
Greater of lines 50 and 53		54			23832		23832

**Calculation of general insurance capital requirement - claims amount and result**
**Form 12**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	3253947	GL	31 day	12 month	2014 year	£000
				This financial year 1		Previous year 2		
Reference period (No. of months) See <i>INSPRU</i> 1.1.63R			11	36		36		
Claims paid in reference period			21	151611		141403		
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22						
	For insurance business accounted for on an accident year basis	23	235410		214148			
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24						
	For insurance business accounted for on an accident year basis	25	203802		203190			
Claims incurred in reference period (21+22+23-24-25)			26	183219		152361		
Claims incurred for classes 11, 12 or 13 (included in 26)			27					
Claims incurred for "actuarial health insurance" (included in 26)			28					
Sub-total E (26 + 1/2 27 - 2/3 28)			29	183219		152361		
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)			31	61073		50787		
Division of sub-total F (gross adjusted claims amount)	X 0.26	32	15879		13205			
	Excess (if any) over 42.9M EURO x 0.03	33	823		429			
Sub-total G (32 - 33)			39	15056		12776		
Claims amount Sub-total G x reinsurance ratio (11.49)			41	12967		11629		
Higher of premiums amount and brought forward amount (11.54)			42	23832		23832		
General insurance capital requirement (higher of lines 41 and 42)			43	23832		23832		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Total other than Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	1
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11					

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>	855650	882923
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>	114431	
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>	65119	90390
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		83331
Participating interests	shares	<b>29</b>	3263	3268
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>	150	138
Other shares and other variable yield participations	<b>42</b>		
Holdings in collective investment schemes	<b>43</b>		
Rights under derivative contracts	<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	
	Other	<b>46</b>	
Variable interest securities	Approved	<b>47</b>	
	Other	<b>48</b>	14071 22475
Participation in investment pools	<b>49</b>		
Loans secured by mortgages	<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>		
Loans secured by policies of insurance issued by the company	<b>52</b>		
Other loans	<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	
	More than one month withdrawal	<b>55</b>	
Other financial investments	<b>56</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **Total other than Long-term insurance business assets**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets
					day	month	year		
R13			3253947	GL	31	12	2014	£000	1
						As at end of this financial year		As at end of the previous year	
						1		2	
Deposits with ceding undertakings					57				
Assets held to match linked liabilities	Index linked				58				
	Property linked				59				

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>		
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	16901	16443
	due in more than 12 months	<b>79</b>	11854	7678

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	653355	502417
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	126	153
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	1734920	1609216
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Total other than Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>1</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	1734920	1609216
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	156168	159868
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	1565404	1167404
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>	76232	79768
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	920598	620977
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>	(11855)	7
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	4441467	3637240
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	10
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	2137492		2002327		

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>	8944	177825
	debts and loans	<b>26</b>	227320	271209
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>	249835	315310
Participating interests	shares	<b>29</b>	3262	3268
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		41	5162338	6612226
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	6403502	7586536
Rights under derivative contracts		44	1683861	451712
Fixed interest securities	Approved	45	4842587	5544112
	Other	46	3405835	3867803
Variable interest securities	Approved	47	9279811	6630674
	Other	48	1657984	1274479
Participation in investment pools		49		
Loans secured by mortgages		50	451873	975463
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	18621	22202
Other loans		53	3027821	4172473
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	374218	925
	More than one month withdrawal	55	964204	480394
Other financial investments		56		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	day	month	year	£000	10
				As at end of this financial year			As at end of the previous year	
				1			2	
Deposits with ceding undertakings			57	8147949			3930455	
Assets held to match linked liabilities	Index linked		58	994			24210	
	Property linked		59	43625275			42700800	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	80525	143373
	Intermediaries	<b>72</b>	19705	17077
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	8650	71598
	Ceded	<b>75</b>	121701	114113
Dependants	due in 12 months or less	<b>76</b>	1	334
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	766638	677995
	due in more than 12 months	<b>79</b>		3725

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	3915190	4214686
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	527478	342496
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	1	34539

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	97113615	92664339
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**Analysis of admissible assets**
**Form 13**  
**(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>10</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	97113615	92664339
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	61857	61789
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	156447	53146
Deferred acquisition costs excluded from line 89	<b>99</b>	1163033	1166762
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	6379472	4770582
Other asset adjustments (may be negative)	<b>101</b>	1560619	709486
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	106435043	99426104

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		
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**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	11
				As at end of this financial year			As at end of the previous year	
				1			2	
Land and buildings			11	969908			869890	

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>	42583	39391
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>	161192	165552
Participating interests	shares	<b>29</b>	872	874
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		41	2461551	2987157
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	2352753	2828902
Rights under derivative contracts		44	910521	164837
Fixed interest securities	Approved	45	1760337	2693349
	Other	46	1109982	1054783
Variable interest securities	Approved	47	3567753	1907067
	Other	48	501199	380484
Participation in investment pools		49		
Loans secured by mortgages		50	106752	393629
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	13099	15311
Other loans		53	1000443	2143898
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	263449	
	More than one month withdrawal	55	427194	172933
Other financial investments		56		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **With-Profits Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets
					day	month	year		
R13			3253947	GL	31	12	2014	£000	11
						As at end of this financial year		As at end of the previous year	
						1		2	
Deposits with ceding undertakings					57				
Assets held to match linked liabilities	Index linked				58				
	Property linked				59				

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	8554	9122
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	374627	320416
	due in more than 12 months	<b>79</b>		(59333)

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	1496425	1970825
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	310394	191524
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	17839588	18250611
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>11</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	17839588	18250611
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	700	
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	43790	17762
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>	539631	10779
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	18423709	18279152
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **Provident Mutual Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	12
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11					

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		41	147744	75759
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	136825	189372
Rights under derivative contracts		44	178864	22565
Fixed interest securities	Approved	45	586423	564837
	Other	46	456646	317226
Variable interest securities	Approved	47	513060	470613
	Other	48	92104	15998
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52		
Other loans		53	9	9
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	5000	
	More than one month withdrawal	55	9081	41272
Other financial investments		56		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **Provident Mutual Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R13	3253947	GL	day	month	year	£000	12
						As at end of this financial year			As at end of the previous year	
						1			2	
Deposits with ceding undertakings						57				
Assets held to match linked liabilities	Index linked					58				
	Property linked					59				

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	2614	1190
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	(31746)	4139
	due in more than 12 months	<b>79</b>		(493)

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>		
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	29391	18020
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	2126015	1720507
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Provident Mutual Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>12</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	2126015	1720507
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		1213
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>	168573	976
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	2294588	1722696
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Belgian Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	13
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11					

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>		
Other shares and other variable yield participations		<b>42</b>		
Holdings in collective investment schemes		<b>43</b>		
Rights under derivative contracts		<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	24519	21630
	Other	<b>46</b>		
Variable interest securities	Approved	<b>47</b>		
	Other	<b>48</b>		
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>	1452	1549
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>		
	More than one month withdrawal	<b>55</b>	46620	49928
Other financial investments		<b>56</b>		



**Analysis of admissible assets**
**Form 13**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Belgian Sub-Fund**

				Company registration number	GL/UK/CM	Period ended			units	Category of assets	
				R13	3253947	GL	31	12	2014	£000	13
							As at end of this financial year			As at end of the previous year	
							1			2	
Deposits with ceding undertakings							57				
Assets held to match linked liabilities	Index linked						58				
	Property linked						59				

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	488	458
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>	108	116
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	341	
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	5668	6202
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	455	488
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	79651	80371
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Belgian Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>13</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	79651	80371
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	114118	124564
Other asset adjustments (may be negative)	<b>101</b>	(315)	(15)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	193454	204920
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Non-Profit Sub-Fund 1**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	14
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	2475		3581		

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		8574
Participating interests	shares	<b>29</b>	2390	2394
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		41	10282	18016
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	112638	128982
Rights under derivative contracts		44	37418	20067
Fixed interest securities	Approved	45	67136	329654
	Other	46	121504	49257
Variable interest securities	Approved	47	289215	153970
	Other	48	11909	202856
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	3025	3724
Other loans		53	33	(444172)
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		182
	More than one month withdrawal	55	4077	110059
Other financial investments		56		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Non-Profit Sub-Fund 1**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	day	month	year	£000	14
				As at end of this financial year			As at end of the previous year	
				1			2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58				23675	
	Property linked		59	9760553			10211300	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	19032	12402
	Intermediaries	<b>72</b>		5
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	8362	2499
	Ceded	<b>75</b>	51447	72651
Dependants	due in 12 months or less	<b>76</b>	1	334
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	8416	(128994)
	due in more than 12 months	<b>79</b>		283327

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	1702599	1165906
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	8679	4206
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	1	18057

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	12221192	12252512
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Non-Profit Sub-Fund 1**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>14</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	12221192	12252512
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	38097	50426
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		(1300)
Deferred acquisition costs excluded from line 89	<b>99</b>	303580	718060
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	996630	1796734
Other asset adjustments (may be negative)	<b>101</b>	88807	(147451)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	13648306	14668981
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Non-Profit Sub-Fund 2**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	15
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	2573		2330		

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>	88643	80168
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	31278	31923
Other shares and other variable yield participations		<b>42</b>		
Holdings in collective investment schemes		<b>43</b>	100842	97722
Rights under derivative contracts		<b>44</b>	48196	21507
Fixed interest securities	Approved	<b>45</b>	175912	16534
	Other	<b>46</b>	176065	183044
Variable interest securities	Approved	<b>47</b>	63336	60625
	Other	<b>48</b>	15046	21117
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>		192896
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>		
Other loans		<b>53</b>	503	890
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	508	743
	More than one month withdrawal	<b>55</b>	3703	9670
Other financial investments		<b>56</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Non-Profit Sub-Fund 2**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	31 day	12 month	2014 year	£000	15
				As at end of this financial year		As at end of the previous year		
				1		2		
Deposits with ceding undertakings				57	8147949		3930455	
Assets held to match linked liabilities	Index linked			58				
	Property linked			59	33810635		32426250	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	25844	48639
	Intermediaries	<b>72</b>	3162	3904
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		68916
	Ceded	<b>75</b>	30378	7276
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	37429	156156
	due in more than 12 months	<b>79</b>		(36829)

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	238427	225827
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	36200	8841
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		2194

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	43036629	37560798
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**Analysis of admissible assets**
**Form 13**  
**(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Non-Profit Sub-Fund 2**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>15</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	43036629	37560798
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	22276	9113
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	36251	(955)
Deferred acquisition costs excluded from line 89	<b>99</b>	381203	448702
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	4190472	2771897
Other asset adjustments (may be negative)	<b>101</b>	327989	810601
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	47994820	41600156
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		



**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **New With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	16
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	988767		969393		

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>	7544	151175
	debts and loans	<b>26</b>	184662	223365
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		52064
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	2080495	2971966
Other shares and other variable yield participations		<b>42</b>		
Holdings in collective investment schemes		<b>43</b>	3085312	3691642
Rights under derivative contracts		<b>44</b>	448591	196726
Fixed interest securities	Approved	<b>45</b>	1837255	1567389
	Other	<b>46</b>	1141287	1809738
Variable interest securities	Approved	<b>47</b>	4381147	3707224
	Other	<b>48</b>	891110	539887
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>	285829	330644
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>	867	1317
Other loans		<b>53</b>	2002753	2329660
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	91722	
	More than one month withdrawal	<b>55</b>	455498	85068
Other financial investments		<b>56</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **New With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	day	month	year	£000	16
				As at end of this financial year			As at end of the previous year	
				1			2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58	877			472	
	Property linked		59	47732			55818	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	17410	50069
	Intermediaries	<b>72</b>	14559	11589
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	253	161
	Ceded	<b>75</b>	33398	28585
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	303825	263515
	due in more than 12 months	<b>79</b>		(155949)

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	204981	594235
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	122945	101245
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		12609

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	18628819	19589607
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**Form 13**  
**(Sheet 3)**

## Global business

Category of assets	New With-Profits Sub-Fund
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**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		
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**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Old With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	17
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	173769		157133		

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>	1400	26650
	debts and loans	<b>26</b>	75	8453
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		8952
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	430988	527405
Other shares and other variable yield participations		<b>42</b>		
Holdings in collective investment schemes		<b>43</b>	615132	649916
Rights under derivative contracts		<b>44</b>	60271	26010
Fixed interest securities	Approved	<b>45</b>	391005	350719
	Other	<b>46</b>	400351	453755
Variable interest securities	Approved	<b>47</b>	465300	331175
	Other	<b>48</b>	146616	114137
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>	59292	58294
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>	178	301
Other loans		<b>53</b>	24080	142188
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	13539	
	More than one month withdrawal	<b>55</b>	18031	11464
Other financial investments		<b>56</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Old With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	day	month	year	£000	17
				As at end of this financial year			As at end of the previous year	
				1			2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58	117			63	
	Property linked		59	6355			7432	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	6583	21493
	Intermediaries	<b>72</b>	1984	1579
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	35	22
	Ceded	<b>75</b>	6370	5485
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	73735	62763
	due in more than 12 months	<b>79</b>		(26998)

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	265382	251153
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	19414	18172
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		1679

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	3180002	3209395
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **Old With-Profits Sub-Fund**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>17</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	3180002	3209395
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	54	122
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		(205)
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	7489	8154
Other asset adjustments (may be negative)	<b>101</b>	55008	5049
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	3242553	3222515
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **With-Profits Sub-Fund 5**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2014	£000	18
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11					

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>		
Other shares and other variable yield participations	<b>42</b>		
Holdings in collective investment schemes	<b>43</b>		
Rights under derivative contracts	<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	
	Other	<b>46</b>	
Variable interest securities	Approved	<b>47</b>	
	Other	<b>48</b>	
Participation in investment pools	<b>49</b>		
Loans secured by mortgages	<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>		
Loans secured by policies of insurance issued by the company	<b>52</b>		
Other loans	<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	
	More than one month withdrawal	<b>55</b>	
Other financial investments	<b>56</b>		

**Analysis of admissible assets**
**Form 13**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Category of assets **With-Profits Sub-Fund 5**

		Company registration number	GL/UK/CM	Period ended			units	Category of assets	
		R13	3253947	GL	31	12	2014	£000	18
					As at end of this financial year			As at end of the previous year	
					1			2	
Deposits with ceding undertakings				57					
Assets held to match linked liabilities	Index linked			58					
	Property linked			59					

**Reinsurers' share of technical provisions**

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

**Debtors and salvage**

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	11	
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	1708	538
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	1719	538
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **With-Profits Sub-Fund 5**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
<b>R13</b>	<b>3253947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</b>	<b>£000</b>	<b>18</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	1719	538
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	5874	5223
Other asset adjustments (may be negative)	<b>101</b>	(104)	
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	7489	5761
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Global business  
 Financial year ended **31st December 2014**  
 Fund **Total Long-term insurance business**  
 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	84772739	80599646
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>	22749	20332
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	84795488	80619978
Claims outstanding	Gross	<b>15</b>	562912
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	562912
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>	10983	12230
Creditors	Direct insurance business	<b>31</b>	376070
	Reinsurance accepted	<b>32</b>	4843
	Reinsurance ceded	<b>33</b>	77205
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	75737	95617
Creditors	Taxation	<b>37</b>	136493
	Other	<b>38</b>	3639346
Accruals and deferred income	<b>39</b>	173937	23840
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	5057526	5131464
Excess of the value of net admissible assets	<b>51</b>	7260601	6912897
Total liabilities and margins	<b>59</b>	97113615	92664339
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	11137	23438
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	43625275	42700800
Total liabilities (11+12+49)	<b>71</b>	89830265	85731110
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>	6379472	4770583
Other adjustments to liabilities (may be negative)	<b>74</b>	7186296	5487395
Capital and reserves and fund for future appropriations	<b>75</b>	3039010	3437016
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>	106435043	99426104

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **With-Profits Sub-Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	12311383	12696975
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	12311383	12696975
Claims outstanding	Gross	<b>15</b>	297867
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	297867
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	13950
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	4861	2969
Creditors	Taxation	<b>37</b>	159452
	Other	<b>38</b>	1198036
Accruals and deferred income	<b>39</b>	115020	9798
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	1789186	2370204
Excess of the value of net admissible assets	<b>51</b>	3739019	3183432
Total liabilities and margins	<b>59</b>	17839588	18250611
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	9317	(10383)
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		
Total liabilities (11+12+49)	<b>71</b>	14100569	15067179
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **Provident Mutual Sub-Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	1488118	1352771
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	1488118	1352771
Claims outstanding	Gross	<b>15</b>	29938
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	29938
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	19413
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	78	67
Creditors	Taxation	<b>37</b>	562
	Other	<b>38</b>	254541
Accruals and deferred income	<b>39</b>	9192	
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	313724	86337
Excess of the value of net admissible assets	<b>51</b>	324173	281399
Total liabilities and margins	<b>59</b>	2126015	1720507
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	997	12464
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		
Total liabilities (11+12+49)	<b>71</b>	1801842	1439108
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **Belgian Sub-Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>		
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>	10515	8098
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	10515	8098
Claims outstanding	Gross	<b>15</b>	
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>	10983	12230
Creditors	Direct insurance business	<b>31</b>	5350
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	2246
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	45824	49125
Creditors	Taxation	<b>37</b>	
	Other	<b>38</b>	4730
Accruals and deferred income	<b>39</b>	3	3
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	69136	72273
Excess of the value of net admissible assets	<b>51</b>		
Total liabilities and margins	<b>59</b>	79651	80371
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		

Total liabilities (11+12+49)	<b>71</b>	69136	72273
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **New With-Profits Sub-Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	14958632	15637925
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	14958632	15637925
Claims outstanding	Gross	<b>15</b>	116334
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	116334
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	146463
	Reinsurance accepted	<b>32</b>	4754
	Reinsurance ceded	<b>33</b>	31005
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	11967	7014
Creditors	Taxation	<b>37</b>	253410
	Other	<b>38</b>	2031506
Accruals and deferred income	<b>39</b>	31189	9645
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	2626628	2005185
Excess of the value of net admissible assets	<b>51</b>	350933	1257227
Total liabilities and margins	<b>59</b>	17936193	18900337
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	1347	13748
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	47732	55818
Total liabilities (11+12+49)	<b>71</b>	17585260	17643110
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Fund **Old With-Profits Sub-Fund**

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	2290129	2336870
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	2290129	2336870
Claims outstanding	Gross	<b>15</b>	11741
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	11741
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	25524
	Reinsurance accepted	<b>32</b>	89
	Reinsurance ceded	<b>33</b>	5470
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	1688	917
Creditors	Taxation	<b>37</b>	43378
	Other	<b>38</b>	30138
Accruals and deferred income	<b>39</b>	4353	1563
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	122381	150805
Excess of the value of net admissible assets	<b>51</b>	675273	629948
Total liabilities and margins	<b>59</b>	3087783	3117623
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	(5848)	(26143)
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	6355	7432
Total liabilities (11+12+49)	<b>71</b>	2412510	2487675
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Fund **Stakeholder With-Profits Sub-Fund**

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	784845	781042
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	784845	781042
Claims outstanding	Gross	<b>15</b>	
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	
	Other	<b>38</b>	
Accruals and deferred income	<b>39</b>		
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>		
Excess of the value of net admissible assets	<b>51</b>		
Total liabilities and margins	<b>59</b>	784845	781042
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		
Total liabilities (11+12+49)	<b>71</b>	784845	781042
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		



**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **With-Profits Sub-Fund 5**

Units **£000**

		As at the end of this financial year <b>1</b>	As at the end of the previous year <b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	185	134
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	185	134
Claims outstanding	Gross	<b>15</b>	
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	15
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	78	
Creditors	Taxation	<b>37</b>	
	Other	<b>38</b>	44
Accruals and deferred income	<b>39</b>		22
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	137	33
Excess of the value of net admissible assets	<b>51</b>	1397	371
Total liabilities and margins	<b>59</b>	1719	538
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	44	11
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		
Total liabilities (11+12+49)	<b>71</b>	322	167
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **Non-Profit Sub-Fund 1**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	10221705	10509341
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>	12234	12234
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	10233939	10521575
Claims outstanding	Gross	<b>15</b>	56925
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	56925
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	68589
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	29109
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	9239	33958
Creditors	Taxation	<b>37</b>	(377508)
	Other	<b>38</b>	86977
Accruals and deferred income	<b>39</b>	8785	2613
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	(117884)	227602
Excess of the value of net admissible assets	<b>51</b>	2105137	1503335
Total liabilities and margins	<b>59</b>	12221192	12252512
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	(10552)	39109
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	9760553	10211300
Total liabilities (11+12+49)	<b>71</b>	10103821	10736943
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

Fund **Non-Profit Sub-Fund 2**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	42717742	37284588
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	42717742	37284588
Claims outstanding	Gross	<b>15</b>	50107
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	50107
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	96781
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	9360
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>	2002	1567
Creditors	Taxation	<b>37</b>	57199
	Other	<b>38</b>	33374
Accruals and deferred income	<b>39</b>	5395	196
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	254218	219025
Excess of the value of net admissible assets	<b>51</b>	64669	57185
Total liabilities and margins	<b>59</b>	43036629	37560798
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	15832	(5368)
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	33810635	32426250
Total liabilities (11+12+49)	<b>71</b>	42971960	37503613
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Liabilities (other than long-term insurance business)**
**Form 15**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

R15	Company registration number 3253947	GL/UK/CM GL	Period ended			units £000
			day	month	year	
			31	12	2014	
			As at the end of this financial year			As at the end of the previous year
			1			2

**Technical provisions (gross amount)**

Provision for unearned premiums		11		
Claims outstanding		12		
Provision for unexpired risks		13		
Equalisation provisions	Credit business	14		
	Other than credit business	15		
Other technical provisions		16		
Total gross technical provisions (11 to 16)		19		

**Provisions and creditors**

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		
	Foreseeable dividend	48		
	Other	49	376978	49793
Accruals and deferred income		51		
Total (19 to 51)		59	376978	49793
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	376978	49793

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(11854)	67
Capital and reserves	84	4076343	3587380
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	4441467	3637240

**Profit and loss account (non-technical account)**
**Form 16**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	3253947	GL	31 day	12 month	2014 year	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11						
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13	690000		626841			
Investment income	Income	14	24307		26649			
	Value re-adjustments on investments	15	39		11472			
	Gains on the realisation of investments	16	196		227			
Investment charges	Investment management charges, including interest	17	16943		3050			
	Value re-adjustments on investments	18	24173		40126			
	Loss on the realisation of investments	19	71		168			
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21			(90400)			
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	673355		531445			
Tax on profit or loss on ordinary activities		31	(4159)		(7889)			
Profit or loss on ordinary activities after tax (29-31)		39	677514		539334			
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49	677514		539334			
Dividends (paid or foreseeable)		51	305000		299000			
Profit or loss retained for the financial year (49-51)		59	372514		240334			

## Analysis of derivative contracts

Form 17

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**Category of assets **Total Long-term insurance business assets**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	10
Derivative contracts			Value as at the end of this financial year			Notional amount as at the end of this financial year				
			Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11	16645	10018	1481524	466369				
	Interest rates	12	2092808	897595	16603054	8865119				
	Inflation	13	81554	520295	996700	12063524				
	Credit index / basket	14	219	183	3260	14109				
	Credit single name	15	1024	7452		366529				
	Equity index	16	71823	45422	3027091	676706				
	Equity stock	17	11132	4650	118	126				
	Land	18		29912		327300				
	Currencies	19	43935	40082	2310998	4274454				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	126456		15877516					
	Equity index calls	32	71348		1740286					
	Equity stock calls	33								
	Equity index puts	34	139063		4391864					
	Equity stock puts	35	588		120033					
	Other	36	7720	19080	509900	462732				
Out of the money options	Swaptions	41		25586		14173741				
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44	93531	10257	325094	1559976				
	Equity stock puts	45								
	Other	46	42164		1869934					
Total (11 to 46)		51	2800010	1610532	49257372	43250685				
Adjustment for variation margin		52	(1116149)	(716384)						
Total (51 + 52)		53	1683861	894148						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE. Please see instructions 11 and 12 to this Form for the meaning of these figures

## Analysis of derivative contracts

Form 17

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**Category of assets **With-Profits Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	11
						day	month	year		

## Analysis of derivative contracts

Form 17

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**Category of assets **Provident Mutual Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	12
Derivative contracts			Value as at the end of this financial year			Notional amount as at the end of this financial year				
			Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11	644	355	65832	1000				
	Interest rates	12	275430	368820	1767412	1819981				
	Inflation	13	31406	22263	211000	628257				
	Credit index / basket	14								
	Credit single name	15								
	Equity index	16	58		2238					
	Equity stock	17								
	Land	18								
	Currencies	19	3623	1775		82074				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	1556		280000					
	Equity index calls	32								
	Equity stock calls	33								
	Equity index puts	34								
	Equity stock puts	35								
	Other	36								
Out of the money options	Swaptions	41		630		140000				
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44								
	Equity stock puts	45								
	Other	46								
Total (11 to 46)		51	312717	393843	2326482	2671312				
Adjustment for variation margin		52	(133853)	(147556)						
Total (51 + 52)		53	178864	246287						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE. Please see instructions 11 and 12 to this Form for the meaning of these figures



**Analysis of derivative contracts**
**Form 17**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **Non-Profit Sub-Fund 1**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	14
Derivative contracts			Value as at the end of this financial year			Notional amount as at the end of this financial year				
			Assets	Liabilities	Bought / Long		Sold / Short			
			1	2	3		4			
Futures and contracts for differences	Fixed-interest securities	11								
	Interest rates	12	52432	93061	868650		989000			
	Inflation	13	951	7114			410525			
	Credit index / basket	14								
	Credit single name	15								
	Equity index	16								
	Equity stock	17								
	Land	18								
	Currencies	19		188			27181			
	Mortality	20								
	Other	21								
In the money options	Swaptions	31								
	Equity index calls	32								
	Equity stock calls	33								
	Equity index puts	34	2762		79365					
	Equity stock puts	35								
	Other	36								
Out of the money options	Swaptions	41								
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44		563			79365			
	Equity stock puts	45								
	Other	46								
Total (11 to 46)		51	56145	100926	948015		1506071			
Adjustment for variation margin		52	(18727)	(33434)						
Total (51 + 52)		53	37418	67492						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE. Please see instructions 11 and 12 to this Form for the meaning of these figures

**Analysis of derivative contracts**
**Form 17**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Category of assets **Non-Profit Sub-Fund 2**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	15
Derivative contracts			Value as at the end of this financial year			Notional amount as at the end of this financial year				
			Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11								
	Interest rates	12	50158	4205	88543	8381				
	Inflation	13								
	Credit index / basket	14								
	Credit single name	15								
	Equity index	16								
	Equity stock	17								
	Land	18								
	Currencies	19								
	Mortality	20								
	Other	21								
In the money options	Swaptions	31								
	Equity index calls	32								
	Equity stock calls	33								
	Equity index puts	34	14517		389925					
	Equity stock puts	35								
	Other	36								
Out of the money options	Swaptions	41								
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44		2913		389925				
	Equity stock puts	45								
	Other	46								
Total (11 to 46)		51	64675	7118	478468	398306				
Adjustment for variation margin		52	(16479)	(1373)						
Total (51 + 52)		53	48196	5745						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE. Please see instructions 11 and 12 to this Form for the meaning of these figures

## Analysis of derivative contracts

Form 17

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**Category of assets **New With-Profits Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	16
Derivative contracts			Value as at the end of this financial year			Notional amount as at the end of this financial year				
			Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11	5089	5034	753079	172164				
	Interest rates	12	458112	91395	7094965	2188210				
	Inflation	13	32769	271587	540000	6434931				
	Credit index / basket	14	100	183	1493	14109				
	Credit single name	15	1024	6536		321577				
	Equity index	16	40853	23948	1648303	412454				
	Equity stock	17	5168	2158	55	59				
	Land	18		25295		276874				
	Currencies	19	15441	22860	1128843	2131306				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	61551		9312839					
	Equity index calls	32	33437		816957					
	Equity stock calls	33								
	Equity index puts	34	65406		2445267					
	Equity stock puts	35								
	Other	36	3567	8934	236662	215514				
Out of the money options	Swaptions	41		12587		6813984				
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44	84330	3363	282084	540985				
	Equity stock puts	45								
	Other	46	18928		867449					
Total (11 to 46)		51	825775	473880	25127996	19522167				
Adjustment for variation margin		52	(377184)	(233954)						
Total (51 + 52)		53	448591	239926						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE. Please see instructions 11 and 12 to this Form for the meaning of these figures

## Analysis of derivative contracts

Form 17

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**Category of assets **Old With-Profits Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2014	£000	17
Derivative contracts			Value as at the end of this financial year			Notional amount as at the end of this financial year				
			Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11	798	662	100371	35711				
	Interest rates	12	50263	20277	854596	530026				
	Inflation	13	3669	20796	27000	699639				
	Credit index / basket	14	21		310					
	Credit single name	15		366		27735				
	Equity index	16	7902	4974	319573	85558				
	Equity stock	17	1072	448	11	12				
	Land	18		4617		50426				
	Currencies	19	3584	3639	203794	412170				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	12639		1902794					
	Equity index calls	32	6936		169514					
	Equity stock calls	33								
	Equity index puts	34	9276		272203					
	Equity stock puts	35	588		120033					
	Other	36	740	1853	49093	44706				
Out of the money options	Swaptions	41		2611		1413478				
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44	7015	698	31956	112238				
	Equity stock puts	45								
	Other	46	3926		179942					
Total (11 to 46)		51	108429	60941	4231190	3411699				
Adjustment for variation margin		52	(48158)	(34865)						
Total (51 + 52)		53	60271	26076						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE. Please see instructions 11 and 12 to this Form for the meaning of these figures

**With-profits insurance capital component for the fund**
**Form 18**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **With-Profits Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	17839588	18250611
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	783518	699499
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	31342	27982
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	17024728	17523130
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	<b>21</b>	11527865	11997476
	Regulatory current liabilities of the fund	<b>22</b>	1789186	2370204
	Total (21+22)	<b>29</b>	13317051	14367680
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	462159	481184
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	13779210	14848864
Regulatory excess capital (19-39)		<b>49</b>	3245518	2674266

**Realistic excess capital**

Realistic excess capital	<b>51</b>	1277847	1188292
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	1967671	1485974
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>	145808	156588
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	<b>66</b>	1821863	1329386

**With-profits insurance capital component for the fund**
**Form 18**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **Provident Mutual Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	2126015	1720507
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	182997	166068
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	38183	57717
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	1904835	1496722
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	<b>21</b>	1305122	1186703
	Regulatory current liabilities of the fund	<b>22</b>	313724	86337
	Total (21+22)	<b>29</b>	1618846	1273040
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	54716	49956
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	1673562	1322996
Regulatory excess capital (19-39)		<b>49</b>	231273	173726

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	231273	173726
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>	52547	28387
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	<b>66</b>	178726	145339

**With-profits insurance capital component for the fund**
**Form 18**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Global business  
 Financial year ended **31st December 2014**  
 With-profits fund **New With-Profits Sub-Fund**  
 Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	18628819	19589607
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	2761777	2592071
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	406798	145347
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	15460244	16852189
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	<b>21</b>	12889481	13735123
	Regulatory current liabilities of the fund	<b>22</b>	2626628	2005185
	Total (21+22)	<b>29</b>	15516109	15740308
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	517975	553065
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	16034084	16293373
Regulatory excess capital (19-39)		<b>49</b>	(573840)	558816

**Realistic excess capital**

Realistic excess capital	<b>51</b>	(245937)	(220108)
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	(327903)	778924
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		81772
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	<b>66</b>		697152

**With-profits insurance capital component for the fund**
**Form 18**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Global business  
 Financial year ended **31st December 2014**  
 With-profits fund **Old With-Profits Sub-Fund**  
 Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	3180002	3209395
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	376445	346771
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	19544	19933
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	2784013	2842691
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	<b>21</b>	2005904	2081871
	Regulatory current liabilities of the fund	<b>22</b>	122381	150805
	Total (21+22)	<b>29</b>	2128285	2232676
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	80737	83877
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	2209022	2316553
Regulatory excess capital (19-39)		<b>49</b>	574991	526138

**Realistic excess capital**

Realistic excess capital	<b>51</b>	202820	302525
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	372171	223613
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>	85237	31202
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	<b>66</b>	286934	192411



**Realistic balance sheet**
**Form 19**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **With-Profits Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	17024728	17523130
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in the fund (regulatory)	<b>13</b>		
Excess admissible assets	<b>21</b>		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	195129	206237
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>		
Value of shares in subsidiaries held in the fund (realistic)	<b>24</b>		
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	<b>26</b>	17219857	17729367
Support arrangement assets	<b>27</b>		
Assets available to the fund (26+27)	<b>29</b>	17219857	17729367

**Realistic value of liabilities of fund**

With-profits benefits reserve		<b>31</b>	11273573	11614130
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>		
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>		
	Planned enhancements to with-profits benefits reserve	<b>34</b>		
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>	8460	9950
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	1572756	1255651
	Future costs of non-contractual commitments	<b>42</b>	356133	391977
	Future costs of financial options	<b>43</b>	600985	504736
	Future costs of smoothing (possibly negative)	<b>44</b>	(101358)	(119035)
	Financing costs	<b>45</b>		
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>		
	Other long-term insurance liabilities	<b>47</b>	182395	251194
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	2602451	2274573
Realistic current liabilities of the fund		<b>51</b>	1787068	2364140
Realistic value of liabilities of the fund (31+49+51)		<b>59</b>	15663092	16252843

**Realistic balance sheet****Form 19  
(Sheet 2)**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**With-profits fund **With-Profits Sub-Fund**Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	<b>62</b>	15942010	16541075
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+ 63)	<b>64</b>	15942010	16541075
Risk capital margin for fund (62-59)	<b>65</b>	278918	288232
Realistic excess capital for fund (26-(59+65))	<b>66</b>	1277847	1188292
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	1277847	1188292
Working capital for for fund (29-59)	<b>68</b>	1556765	1476524
Working capital ratio for fund (68/29)	<b>69</b>	9.04	8.33

**Other assets potentially available if required to cover  
the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**
**Form 19**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **Provident Mutual Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	1904835	1496722
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in the fund (regulatory)	<b>13</b>		
Excess admissible assets	<b>21</b>		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	64090	90152
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>		
Value of shares in subsidiaries held in the fund (realistic)	<b>24</b>		
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	<b>26</b>	1968925	1586874
Support arrangement assets	<b>27</b>		
Assets available to the fund (26+27)	<b>29</b>	1968925	1586874

**Realistic value of liabilities of fund**

With-profits benefits reserve		<b>31</b>	982769	1087499
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>		
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>		
	Planned enhancements to with-profits benefits reserve	<b>34</b>	70205	14053
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>	7400	9261
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	143661	133210
	Future costs of non-contractual commitments	<b>42</b>		
	Future costs of financial options	<b>43</b>	358337	238592
	Future costs of smoothing (possibly negative)	<b>44</b>	(19737)	(16545)
	Financing costs	<b>45</b>		
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>		
	Other long-term insurance liabilities	<b>47</b>	127753	54616
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	672819	414665
Realistic current liabilities of the fund		<b>51</b>	313337	84710
Realistic value of liabilities of the fund (31+49+51)		<b>59</b>	1968925	1586874

**Realistic balance sheet****Form 19  
(Sheet 2)**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**With-profits fund **Provident Mutual Sub-Fund**Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	<b>62</b>	1968925	1586874
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+ 63)	<b>64</b>	1968925	1586874
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover  
the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**
**Form 19**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **New With-Profits Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	15460244	16852189
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in the fund (regulatory)	<b>13</b>		
Excess admissible assets	<b>21</b>		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	1962411	768520
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>		
Value of shares in subsidiaries held in the fund (realistic)	<b>24</b>		
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	<b>26</b>	17422655	17620709
Support arrangement assets	<b>27</b>	2172963	1044314
Assets available to the fund (26+27)	<b>29</b>	19595618	18665023

**Realistic value of liabilities of fund**

With-profits benefits reserve		<b>31</b>	14038309	14680131
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>		
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>		
	Planned enhancements to with-profits benefits reserve	<b>34</b>	22836	8421
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>	33093	40664
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>	10969	14880
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	1246528	1204948
	Future costs of non-contractual commitments	<b>42</b>		
	Future costs of financial options	<b>43</b>	196936	149015
	Future costs of smoothing (possibly negative)	<b>44</b>	9267	3739
	Financing costs	<b>45</b>		
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>		
	Other long-term insurance liabilities	<b>47</b>	(662151)	(354207)
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	769354	956372
Realistic current liabilities of the fund		<b>51</b>	2614992	1984206
Realistic value of liabilities of the fund (31+49+51)		<b>59</b>	17422655	17620709

**Realistic balance sheet**
**Form 19  
(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **New With-Profits Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	<b>62</b>	17668592	17840817
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+ 63)	<b>64</b>	17668592	17840817
Risk capital margin for fund (62-59)	<b>65</b>	245937	220108
Realistic excess capital for fund (26-(59+65))	<b>66</b>	(245937)	(220108)
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	1927026	824206
Working capital for for fund (29-59)	<b>68</b>	2172963	1044314
Working capital ratio for fund (68/29)	<b>69</b>	11.09	5.60

**Other assets potentially available if required to cover  
the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**
**Form 19**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

With-profits fund **Old With-Profits Sub-Fund**

Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	2784013	2842691
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in the fund (regulatory)	<b>13</b>		
Excess admissible assets	<b>21</b>		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	109553	103126
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>		
Value of shares in subsidiaries held in the fund (realistic)	<b>24</b>		
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	<b>26</b>	2893566	2945817
Support arrangement assets	<b>27</b>		
Assets available to the fund (26+27)	<b>29</b>	2893566	2945817

**Realistic value of liabilities of fund**

With-profits benefits reserve		<b>31</b>	2157089	2196879
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>		
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>		
	Planned enhancements to with-profits benefits reserve	<b>34</b>	83266	663
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>	4406	5414
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>	1743	2380
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	236256	219091
	Future costs of non-contractual commitments	<b>42</b>		
	Future costs of financial options	<b>43</b>	38130	27948
	Future costs of smoothing (possibly negative)	<b>44</b>	623	(25)
	Financing costs	<b>45</b>		
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>		
	Other long-term insurance liabilities	<b>47</b>	12632	1430
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	364758	241313
Realistic current liabilities of the fund		<b>51</b>	121342	148261
Realistic value of liabilities of the fund (31+49+51)		<b>59</b>	2643189	2586453

**Realistic balance sheet****Form 19  
(Sheet 2)**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**With-profits fund **Old With-Profits Sub-Fund**Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	<b>62</b>	2690746	2643292
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+ 63)	<b>64</b>	2690746	2643292
Risk capital margin for fund (62-59)	<b>65</b>	47557	56839
Realistic excess capital for fund (26-(59+65))	<b>66</b>	202820	302525
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	202820	302525
Working capital for for fund (29-59)	<b>68</b>	250377	359364
Working capital ratio for fund (68/29)	<b>69</b>	8.65	12.20

**Other assets potentially available if required to cover  
the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		



**Long-term insurance business: Revenue account**
**Form 40**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Name and number of fund/Summary **Total Long-term insurance business**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	7812513	9095154
Investment income receivable before deduction of tax	<b>12</b>	3418693	2428842
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	2459941	(820373)
Increase (decrease) in the value of linked assets	<b>14</b>	1290249	3960539
Other income	<b>15</b>	2188	2306
<b>Total income</b>	<b>19</b>	14983584	14666468

**Expenditure**

Claims incurred	<b>21</b>	8896018	9972428
Expenses payable	<b>22</b>	969077	1004247
Interest payable before deduction of tax	<b>23</b>	63682	71985
Taxation	<b>24</b>	189297	19994
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>	690000	626841
<b>Total expenditure</b>	<b>29</b>	10808074	11695495

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	4175510	2970973
Fund brought forward	<b>49</b>	80619978	77649005
Fund carried forward (39+49)	<b>59</b>	84795488	80619978

**Long-term insurance business: Revenue account**
**Form 40**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Name and number of fund/Summary **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	101927	134999
Investment income receivable before deduction of tax	<b>12</b>	436383	596499
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	831040	(366873)
Increase (decrease) in the value of linked assets	<b>14</b>		
Other income	<b>15</b>		
<b>Total income</b>	<b>19</b>	1369350	364625

**Expenditure**

Claims incurred	<b>21</b>	1534462	2003261
Expenses payable	<b>22</b>	46010	42603
Interest payable before deduction of tax	<b>23</b>	9617	11153
Taxation	<b>24</b>	105275	19110
Other expenditure	<b>25</b>	59578	58254
Transfer to (from) non technical account	<b>26</b>		3338
<b>Total expenditure</b>	<b>29</b>	1754942	2137719

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	(385592)	(1773094)
Fund brought forward	<b>49</b>	12696975	14470069
Fund carried forward (39+49)	<b>59</b>	12311383	12696975

**Long-term insurance business: Revenue account**
**Form 40**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Name and number of fund/Summary **Provident Mutual Sub-Fund**  
 Financial year ended **31st December 2014**  
 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	14795	18736
Investment income receivable before deduction of tax	<b>12</b>	(23207)	19306
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	294449	7550
Increase (decrease) in the value of linked assets	<b>14</b>		
Other income	<b>15</b>	1944	2697
<b>Total income</b>	<b>19</b>	287981	48289

**Expenditure**

Claims incurred	<b>21</b>	138574	233471
Expenses payable	<b>22</b>	13532	12511
Interest payable before deduction of tax	<b>23</b>	477	316
Taxation	<b>24</b>	51	93
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		3927
<b>Total expenditure</b>	<b>29</b>	152634	250318

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	135347	(202029)
Fund brought forward	<b>49</b>	1352771	1554800
Fund carried forward (39+49)	<b>59</b>	1488118	1352771

**Long-term insurance business: Revenue account**
**Form 40**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Name and number of fund/Summary **Belgian Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>		
Investment income receivable before deduction of tax	<b>12</b>	230	605
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	2306	(1464)
Increase (decrease) in the value of linked assets	<b>14</b>		
Other income	<b>15</b>	4	
<b>Total income</b>	<b>19</b>	2540	(859)

**Expenditure**

Claims incurred	<b>21</b>		
Expenses payable	<b>22</b>		510
Interest payable before deduction of tax	<b>23</b>	123	28
Taxation	<b>24</b>		
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		
<b>Total expenditure</b>	<b>29</b>	123	538

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	2417	(1397)
Fund brought forward	<b>49</b>	8098	9495
Fund carried forward (39+49)	<b>59</b>	10515	8098

**Long-term insurance business: Revenue account**
**Form 40**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Name and number of fund/Summary **New With-Profits Sub-Fund**  
 Financial year ended **31st December 2014**  
 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	419328	291546
Investment income receivable before deduction of tax	<b>12</b>	533675	520988
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	818253	(177258)
Increase (decrease) in the value of linked assets	<b>14</b>	(10211)	(6166)
Other income	<b>15</b>	21758	24144
<b>Total income</b>	<b>19</b>	1782803	653254

**Expenditure**

Claims incurred	<b>21</b>	1928139	2422341
Expenses payable	<b>22</b>	396513	97525
Interest payable before deduction of tax	<b>23</b>	10344	10487
Taxation	<b>24</b>	103602	96705
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		26222
<b>Total expenditure</b>	<b>29</b>	2438598	2653280

Business transfers-in	<b>31</b>	(23498)	
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	(679293)	(2000026)
Fund brought forward	<b>49</b>	15637925	17637951
Fund carried forward (39+49)	<b>59</b>	14958632	15637925

**Long-term insurance business: Revenue account**
**Form 40**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Name and number of fund/Summary **Old With-Profits Sub-Fund**  
 Financial year ended **31st December 2014**  
 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	34873	50433
Investment income receivable before deduction of tax	<b>12</b>	100148	88112
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	89003	(19173)
Increase (decrease) in the value of linked assets	<b>14</b>	(1360)	(821)
Other income	<b>15</b>	2864	3224
<b>Total income</b>	<b>19</b>	225528	121775

**Expenditure**

Claims incurred	<b>21</b>	234449	299238
Expenses payable	<b>22</b>	19752	18429
Interest payable before deduction of tax	<b>23</b>	591	1148
Taxation	<b>24</b>	17477	15978
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		3354
<b>Total expenditure</b>	<b>29</b>	272269	338147

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	(46741)	(216372)
Fund brought forward	<b>49</b>	2336870	2553242
Fund carried forward (39+49)	<b>59</b>	2290129	2336870

**Long-term insurance business: Revenue account**
**Form 40**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Name and number of fund/Summary **Stakeholder With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	24297	28430
Investment income receivable before deduction of tax	<b>12</b>	27943	25122
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	11623	8649
Increase (decrease) in the value of linked assets	<b>14</b>		
Other income	<b>15</b>		
<b>Total income</b>	<b>19</b>	63863	62201

**Expenditure**

Claims incurred	<b>21</b>	60060	74183
Expenses payable	<b>22</b>		
Interest payable before deduction of tax	<b>23</b>		
Taxation	<b>24</b>		
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		
<b>Total expenditure</b>	<b>29</b>	60060	74183

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	3803	(11982)
Fund brought forward	<b>49</b>	781042	793024
Fund carried forward (39+49)	<b>59</b>	784845	781042

**Long-term insurance business: Revenue account**
**Form 40**

Name of insurer **Aviva Life & Pensions UK Limited**

Name and number of fund/Summary **With-Profits Sub-Fund 5**

Financial year ended **31st December 2014**

Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	3	(3)
Investment income receivable before deduction of tax	<b>12</b>	3	3
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	375	(392)
Increase (decrease) in the value of linked assets	<b>14</b>		
Other income	<b>15</b>		
<b>Total income</b>	<b>19</b>	381	(392)

**Expenditure**

Claims incurred	<b>21</b>	295	13
Expenses payable	<b>22</b>	35	34
Interest payable before deduction of tax	<b>23</b>		
Taxation	<b>24</b>		
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		
<b>Total expenditure</b>	<b>29</b>	330	47

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	51	(439)
Fund brought forward	<b>49</b>	134	573
Fund carried forward (39+49)	<b>59</b>	185	134



**Long-term insurance business: Revenue account**
**Form 40**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Name and number of fund/Summary **Non-Profit Sub-Fund 1**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	511845	702193
Investment income receivable before deduction of tax	<b>12</b>	250033	312346
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	39947	(120890)
Increase (decrease) in the value of linked assets	<b>14</b>	371928	733161
Other income	<b>15</b>	7201	8214
<b>Total income</b>	<b>19</b>	1180954	1635024

**Expenditure**

Claims incurred	<b>21</b>	1323297	1594486
Expenses payable	<b>22</b>	230652	599135
Interest payable before deduction of tax	<b>23</b>	16878	23209
Taxation	<b>24</b>	(78739)	(197821)
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>		260000
<b>Total expenditure</b>	<b>29</b>	1492088	2279009

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>	(23498)	
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	(287636)	(643985)
Fund brought forward	<b>49</b>	10521575	11165560
Fund carried forward (39+49)	<b>59</b>	10233939	10521575

**Long-term insurance business: Revenue account**
**Form 40**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Name and number of fund/Summary **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	6705445	7868820
Investment income receivable before deduction of tax	<b>12</b>	2093485	865861
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	372945	(150522)
Increase (decrease) in the value of linked assets	<b>14</b>	929892	3234365
Other income	<b>15</b>	27995	22281
<b>Total income</b>	<b>19</b>	10129762	11840805

**Expenditure**

Claims incurred	<b>21</b>	3676742	3345435
Expenses payable	<b>22</b>	262583	233500
Interest payable before deduction of tax	<b>23</b>	25652	25644
Taxation	<b>24</b>	41631	85929
Other expenditure	<b>25</b>		
Transfer to (from) non technical account	<b>26</b>	690000	330000
<b>Total expenditure</b>	<b>29</b>	4696608	4020508

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	5433154	7820297
Fund brought forward	<b>49</b>	37284588	29464291
Fund carried forward (39+49)	<b>59</b>	42717742	37284588

**Long-term insurance business: Analysis of premiums**
**Form 41**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2014**  
 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	1188750	2710928	61301	3960979	3611546
Single premiums	12	229816	5047849	141868	5419533	6359105

**Reinsurance - external**

Regular premiums	13	560468	550170	18908	1129546	518678
Single premiums	14	1318	436344	791	438453	356819

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	628282	2160758	42393	2831433	3092868
Single premiums	18	228498	4611505	141077	4981080	6002286

**Total**

Gross	19	1418566	7758777	203169	9380512	9970651
Reinsurance	20	561786	986514	19699	1567999	875497
Net	21	856780	6772263	183470	7812513	9095154

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	54019	37679	6223	97921	121198
Single premiums	12	(1869)	5246	629	4006	13801

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	54019	37679	6223	97921	121198
Single premiums	18	(1869)	5246	629	4006	13801

**Total**

Gross	19	52150	42925	6852	101927	134999
Reinsurance	20					
Net	21	52150	42925	6852	101927	134999

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Provident Mutual Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	2301	7806		10107	10880
Single premiums	12	(7)	4695		4688	7856

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	2301	7806		10107	10880
Single premiums	18	(7)	4695		4688	7856

**Total**

Gross	19	2294	12501		14795	18736
Reinsurance	20					
Net	21	2294	12501		14795	18736

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Belgian Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11			18457	18457	22155
Single premiums	12			155	155	32

**Reinsurance - external**

Regular premiums	13			18457	18457	22155
Single premiums	14			155	155	32

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17					
Single premiums	18					

**Total**

Gross	19			18612	18612	22187
Reinsurance	20			18612	18612	22187
Net	21					

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **New With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	343901	103061	3525	450487	193041
Single premiums	12	15481	41185	349	57015	101592

**Reinsurance - external**

Regular premiums	13	87906	1658		89564	13834
Single premiums	14	(1390)			(1390)	(10747)

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	255995	101403	3525	360923	179207
Single premiums	18	16871	41185	349	58405	112339

**Total**

Gross	19	359382	144246	3874	507502	294633
Reinsurance	20	86516	1658		88174	3087
Net	21	272866	142588	3874	419328	291546

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Old With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	21189	6672	613	28474	35712
Single premiums	12	2561	5298	211	8070	15132

**Reinsurance - external**

Regular premiums	13	1856			1856	1842
Single premiums	14	(185)			(185)	(1431)

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	19333	6672	613	26618	33870
Single premiums	18	2746	5298	211	8255	16563

**Total**

Gross	19	23750	11970	824	36544	50844
Reinsurance	20	1671			1671	411
Net	21	22079	11970	824	34873	50433



**Long-term insurance business: Analysis of premiums**
**Form 41**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Total business / subfund **Stakeholder With-Profits Sub-Fund**  
 Financial year ended **31st December 2014**  
 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	24954		24954	28815
Single premiums	12	(657)		(657)	(385)

**Reinsurance - external**

Regular premiums	13				
Single premiums	14				

**Reinsurance - intra-group**

Regular premiums	15				
Single premiums	16				

**Net of reinsurance**

Regular premiums	17	24954		24954	28815
Single premiums	18	(657)		(657)	(385)

**Total**

Gross	19	24297		24297	28430
Reinsurance	20				
Net	21	24297		24297	28430

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund 5**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	110	(9)	101	116
Single premiums	12				(151)

**Reinsurance - external**

Regular premiums	13	126	(28)	98	(32)
Single premiums	14				

**Reinsurance - intra-group**

Regular premiums	15				
Single premiums	16				

**Net of reinsurance**

Regular premiums	17	(16)	19	3	148
Single premiums	18				(151)

**Total**

Gross	19	110	(9)	101	(35)
Reinsurance	20	126	(28)	98	(32)
Net	21	(16)	19	3	(3)

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 1**

 Financial year ended **31st December 2014**

 Units **£000**

		UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
		1	2	3	4	5

**Gross**

Regular premiums	11	658059	82299	490	740848	1009566
Single premiums	12	167635	4888	62675	235198	182451

**Reinsurance - external**

Regular premiums	13	459432	1876		461308	507881
Single premiums	14	2893			2893	(18057)

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	198627	80423	490	279540	501685
Single premiums	18	164742	4888	62675	232305	200508

**Total**

Gross	19	825694	87187	63165	976046	1192017
Reinsurance	20	462325	1876		464201	489824
Net	21	363369	85311	63165	511845	702193

**Long-term insurance business: Analysis of premiums**
**Form 41**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	109171	2448466	31993	2589630	2190063
Single premiums	12	46015	4987194	77849	5111058	6038777

**Reinsurance - external**

Regular premiums	13	11148	546664	451	558263	(27002)
Single premiums	14		436344	636	436980	387022

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	98023	1901802	31542	2031367	2217065
Single premiums	18	46015	4550850	77213	4674078	5651755

**Total**

Gross	19	155186	7435660	109842	7700688	8228840
Reinsurance	20	11148	983008	1087	995243	360020
Net	21	144038	6452652	108755	6705445	7868820

**Long-term insurance business: Analysis of claims**
**Form 42**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2014**

Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	917045	211699	17995	1146739	1178406
Disability periodic payments	12	49345	244	7	49596	49028
Surrender or partial surrender	13	1869391	3353101	75236	5297728	5653818
Annuity payments	14	21917	811078	12047	845042	222028
Lump sums on maturity	15	1143118	1103562	44403	2291083	3429639
<b>Total</b>	<b>16</b>	<b>4000816</b>	<b>5479684</b>	<b>149688</b>	<b>9630188</b>	<b>10532919</b>

**Reinsurance - external**

Death or disability lump sums	21	317437	22543	14555	354535	374007
Disability periodic payments	22	22406	18		22424	25912
Surrender or partial surrender	23	1889	127576	1425	130890	100858
Annuity payments	24	2949	169521	27	172497	4454
Lump sums on maturity	25	1156	51739	929	53824	55260
<b>Total</b>	<b>26</b>	<b>345837</b>	<b>371397</b>	<b>16936</b>	<b>734170</b>	<b>560491</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	599608	189156	3440	792204	804399
Disability periodic payments	42	26939	226	7	27172	23116
Surrender or partial surrender	43	1867502	3225525	73811	5166838	5552960
Annuity payments	44	18968	641557	12020	672545	217574
Lump sums on maturity	45	1141962	1051823	43474	2237259	3374379
<b>Total</b>	<b>46</b>	<b>3654979</b>	<b>5108287</b>	<b>132752</b>	<b>8896018</b>	<b>9972428</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	54830	26173	1618	82621	78994
Disability periodic payments	12					
Surrender or partial surrender	13	99399	270211	17199	386809	412662
Annuity payments	14		16800		16800	16166
Lump sums on maturity	15	591385	430990	25857	1048232	1495439
<b>Total</b>	<b>16</b>	<b>745614</b>	<b>744174</b>	<b>44674</b>	<b>1534462</b>	<b>2003261</b>

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	54830	26173	1618	82621	78994
Disability periodic payments	42					
Surrender or partial surrender	43	99399	270211	17199	386809	412662
Annuity payments	44		16800		16800	16166
Lump sums on maturity	45	591385	430990	25857	1048232	1495439
<b>Total</b>	<b>46</b>	<b>745614</b>	<b>744174</b>	<b>44674</b>	<b>1534462</b>	<b>2003261</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Provident Mutual Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	4383	1196	5579	6360
Disability periodic payments	12	834	224	1058	1372
Surrender or partial surrender	13	322	12743	13065	16389
Annuity payments	14	1143	37203	38346	38908
Lump sums on maturity	15	5065	75461	80526	170442
<b>Total</b>	<b>16</b>	<b>11747</b>	<b>126827</b>	<b>138574</b>	<b>233471</b>

**Reinsurance - external**

Death or disability lump sums	21				
Disability periodic payments	22				
Surrender or partial surrender	23				
Annuity payments	24				
Lump sums on maturity	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Death or disability lump sums	41	4383	1196	5579	6360
Disability periodic payments	42	834	224	1058	1372
Surrender or partial surrender	43	322	12743	13065	16389
Annuity payments	44	1143	37203	38346	38908
Lump sums on maturity	45	5065	75461	80526	170442
<b>Total</b>	<b>46</b>	<b>11747</b>	<b>126827</b>	<b>138574</b>	<b>233471</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Belgian Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11		9076	9076	11307
Disability periodic payments	12				
Surrender or partial surrender	13		1143	1143	1282
Annuity payments	14		27	27	19
Lump sums on maturity	15		929	929	1175
<b>Total</b>	<b>16</b>		<b>11175</b>	<b>11175</b>	<b>13783</b>

**Reinsurance - external**

Death or disability lump sums	21		9076	9076	11307
Disability periodic payments	22				
Surrender or partial surrender	23		1143	1143	1282
Annuity payments	24		27	27	19
Lump sums on maturity	25		929	929	1175
<b>Total</b>	<b>26</b>		<b>11175</b>	<b>11175</b>	<b>13783</b>

**Reinsurance - intra-group**

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Death or disability lump sums	41				
Disability periodic payments	42				
Surrender or partial surrender	43				
Annuity payments	44				
Lump sums on maturity	45				
<b>Total</b>	<b>46</b>				



**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **New With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	305872	30073	1133	337078	260894
Disability periodic payments	12	113			113	262
Surrender or partial surrender	13	811974	146298	22983	981255	1310639
Annuity payments	14	7550	118179	2393	128122	124282
Lump sums on maturity	15	389612	142974	8528	541114	733023
<b>Total</b>	<b>16</b>	<b>1515121</b>	<b>437524</b>	<b>35037</b>	<b>1987682</b>	<b>2429100</b>

**Reinsurance - external**

Death or disability lump sums	21	58331	829		59160	7629
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24		383		383	(870)
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>58331</b>	<b>1212</b>		<b>59543</b>	<b>6759</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	247541	29244	1133	277918	253265
Disability periodic payments	42	113			113	262
Surrender or partial surrender	43	811974	146298	22983	981255	1310639
Annuity payments	44	7550	117796	2393	127739	125152
Lump sums on maturity	45	389612	142974	8528	541114	733023
<b>Total</b>	<b>46</b>	<b>1456790</b>	<b>436312</b>	<b>35037</b>	<b>1928139</b>	<b>2422341</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Old With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	26875	1594	99	28568	38976
Disability periodic payments	12	101	4		105	47
Surrender or partial surrender	13	97806	21498	5981	125285	165027
Annuity payments	14	1006	15153	319	16478	16321
Lump sums on maturity	15	48370	16172	1196	65738	79767
<b>Total</b>	<b>16</b>	<b>174158</b>	<b>54421</b>	<b>7595</b>	<b>236174</b>	<b>300138</b>

**Reinsurance - external**

Death or disability lump sums	21	1674			1674	1016
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24		51		51	(116)
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>1674</b>	<b>51</b>		<b>1725</b>	<b>900</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	25201	1594	99	26894	37960
Disability periodic payments	42	101	4		105	47
Surrender or partial surrender	43	97806	21498	5981	125285	165027
Annuity payments	44	1006	15102	319	16427	16437
Lump sums on maturity	45	48370	16172	1196	65738	79767
<b>Total</b>	<b>46</b>	<b>172484</b>	<b>54370</b>	<b>7595</b>	<b>234449</b>	<b>299238</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Stakeholder With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	1673		1673	1616
Disability periodic payments	12	3		3	
Surrender or partial surrender	13	40887		40887	45167
Annuity payments	14				
Lump sums on maturity	15	17497		17497	27400
<b>Total</b>	<b>16</b>	<b>60060</b>		<b>60060</b>	<b>74183</b>

**Reinsurance - external**

Death or disability lump sums	21				
Disability periodic payments	22				
Surrender or partial surrender	23				
Annuity payments	24				
Lump sums on maturity	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Death or disability lump sums	41	1673		1673	1616
Disability periodic payments	42	3		3	
Surrender or partial surrender	43	40887		40887	45167
Annuity payments	44				
Lump sums on maturity	45	17497		17497	27400
<b>Total</b>	<b>46</b>	<b>60060</b>		<b>60060</b>	<b>74183</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund 5**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	48		48	31
Disability periodic payments	12				
Surrender or partial surrender	13	423	238	661	568
Annuity payments	14				
Lump sums on maturity	15		150	150	11
<b>Total</b>	<b>16</b>	<b>471</b>	<b>388</b>	<b>859</b>	<b>610</b>

**Reinsurance - external**

Death or disability lump sums	21	22		22	18
Disability periodic payments	22				
Surrender or partial surrender	23	421	114	535	567
Annuity payments	24				
Lump sums on maturity	25		7	7	12
<b>Total</b>	<b>26</b>	<b>443</b>	<b>121</b>	<b>564</b>	<b>597</b>

**Reinsurance - intra-group**

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Death or disability lump sums	41	26		26	13
Disability periodic payments	42				
Surrender or partial surrender	43	2	124	126	1
Annuity payments	44				
Lump sums on maturity	45		143	143	(1)
<b>Total</b>	<b>46</b>	<b>28</b>	<b>267</b>	<b>295</b>	<b>13</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 1**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	521016	11810	5008	537834	629154
Disability periodic payments	12	1390	(2)	4	1392	787
Surrender or partial surrender	13	859467	88445		947912	1045594
Annuity payments	14	4592	1314	1420	7326	8602
Lump sums on maturity	15	106544	5515		112059	270104
<b>Total</b>	<b>16</b>	<b>1493009</b>	<b>107082</b>	<b>6432</b>	<b>1606523</b>	<b>1954241</b>

**Reinsurance - external**

Death or disability lump sums	21	255598	146	5404	261148	331769
Disability periodic payments	22	16487	18		16505	21595
Surrender or partial surrender	23	1468			1468	2173
Annuity payments	24	2949			2949	3032
Lump sums on maturity	25	1156			1156	1186
<b>Total</b>	<b>26</b>	<b>277658</b>	<b>164</b>	<b>5404</b>	<b>283226</b>	<b>359755</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	265418	11664	(396)	276686	297385
Disability periodic payments	42	(15097)	(20)	4	(15113)	(20808)
Surrender or partial surrender	43	857999	88445		946444	1043421
Annuity payments	44	1643	1314	1420	4377	5570
Lump sums on maturity	45	105388	5515		110903	268918
<b>Total</b>	<b>46</b>	<b>1215351</b>	<b>106918</b>	<b>1028</b>	<b>1323297</b>	<b>1594486</b>

**Long-term insurance business: Analysis of claims**
**Form 42**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	4021	139180	1061	144262	151074
Disability periodic payments	12	46907	15	3	46925	46560
Surrender or partial surrender	13		2772781	27930	2800711	2656490
Annuity payments	14	7626	622429	7888	637943	17730
Lump sums on maturity	15	2142	414803	7893	424838	652278
<b>Total</b>	<b>16</b>	<b>60696</b>	<b>3949208</b>	<b>44775</b>	<b>4054679</b>	<b>3524132</b>

**Reinsurance - external**

Death or disability lump sums	21	1812	21568	75	23455	22268
Disability periodic payments	22	5919			5919	4317
Surrender or partial surrender	23		127462	282	127744	96836
Annuity payments	24		169087		169087	2389
Lump sums on maturity	25		51732		51732	52887
<b>Total</b>	<b>26</b>	<b>7731</b>	<b>369849</b>	<b>357</b>	<b>377937</b>	<b>178697</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	2209	117612	986	120807	128806
Disability periodic payments	42	40988	15	3	41006	42243
Surrender or partial surrender	43		2645319	27648	2672967	2559654
Annuity payments	44	7626	453342	7888	468856	15341
Lump sums on maturity	45	2142	363071	7893	373106	599391
<b>Total</b>	<b>46</b>	<b>52965</b>	<b>3579359</b>	<b>44418</b>	<b>3676742</b>	<b>3345435</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2014**  
 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	153757	22670	667	177094	239965
Commission - other	12	3414	(10361)	4343	(2604)	45319
Management - acquisition	13	136617	110550		247167	242133
Management - maintenance	14	215521	274004	5255	494780	376480
Management - other	15	19006	37703	314	57023	107251
<b>Total</b>	<b>16</b>	<b>528315</b>	<b>434566</b>	<b>10579</b>	<b>973460</b>	<b>1011148</b>

**Reinsurance - external**

Commission - acquisition	21					2091
Commission - other	22			556	556	
Management - acquisition	23					
Management - maintenance	24			3828	3828	4989
Management - other	25			(1)	(1)	(179)
<b>Total</b>	<b>26</b>			<b>4383</b>	<b>4383</b>	<b>6901</b>

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	153757	22670	667	177094	237874
Commission - other	42	3414	(10361)	3787	(3160)	45319
Management - acquisition	43	136617	110550		247167	242133
Management - maintenance	44	215521	274004	1427	490952	371491
Management - other	45	19006	37703	315	57024	107430
<b>Total</b>	<b>46</b>	<b>528315</b>	<b>434566</b>	<b>6196</b>	<b>969077</b>	<b>1004247</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11		12	51	63	211
Commission - other	12	(3690)	(73)	(33)	(3796)	1586
Management - acquisition	13	(36)	295		259	(98)
Management - maintenance	14	15244	27125		42369	44878
Management - other	15	3629	3486		7115	(3974)
<b>Total</b>	<b>16</b>	<b>15147</b>	<b>30845</b>	<b>18</b>	<b>46010</b>	<b>42603</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41		12	51	63	211
Commission - other	42	(3690)	(73)	(33)	(3796)	1586
Management - acquisition	43	(36)	295		259	(98)
Management - maintenance	44	15244	27125		42369	44878
Management - other	45	3629	3486		7115	(3974)
<b>Total</b>	<b>46</b>	<b>15147</b>	<b>30845</b>	<b>18</b>	<b>46010</b>	<b>42603</b>



**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Provident Mutual Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	256	25	281	334
Commission - other	12	(28)	(593)	(621)	390
Management - acquisition	13	43	180	223	245
Management - maintenance	14	1167	7644	8811	10970
Management - other	15	138	4700	4838	572
<b>Total</b>	<b>16</b>	<b>1576</b>	<b>11956</b>	<b>13532</b>	<b>12511</b>

**Reinsurance - external**

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Commission - acquisition	41	256	25	281	334
Commission - other	42	(28)	(593)	(621)	390
Management - acquisition	43	43	180	223	245
Management - maintenance	44	1167	7644	8811	10970
Management - other	45	138	4700	4838	572
<b>Total</b>	<b>46</b>	<b>1576</b>	<b>11956</b>	<b>13532</b>	<b>12511</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Belgian Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11				2091
Commission - other	12		556	556	
Management - acquisition	13				
Management - maintenance	14		3828	3828	5499
Management - other	15		(1)	(1)	(179)
<b>Total</b>	<b>16</b>		<b>4383</b>	<b>4383</b>	<b>7411</b>

**Reinsurance - external**

Commission - acquisition	21				2091
Commission - other	22		556	556	
Management - acquisition	23				
Management - maintenance	24		3828	3828	4989
Management - other	25		(1)	(1)	(179)
<b>Total</b>	<b>26</b>		<b>4383</b>	<b>4383</b>	<b>6901</b>

**Reinsurance - intra-group**

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44				510
Management - other	45				
<b>Total</b>	<b>46</b>				<b>510</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **New With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	81235	8228	435	89898	5524
Commission - other	12	(1309)	(15100)	2012	(14397)	2574
Management - acquisition	13	78586	67239		145825	4594
Management - maintenance	14	116786	52357	786	169929	88071
Management - other	15	5246	(1)	13	5258	(3238)
<b>Total</b>	<b>16</b>	<b>280544</b>	<b>112723</b>	<b>3246</b>	<b>396513</b>	<b>97525</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	81235	8228	435	89898	5524
Commission - other	42	(1309)	(15100)	2012	(14397)	2574
Management - acquisition	43	78586	67239		145825	4594
Management - maintenance	44	116786	52357	786	169929	88071
Management - other	45	5246	(1)	13	5258	(3238)
<b>Total</b>	<b>46</b>	<b>280544</b>	<b>112723</b>	<b>3246</b>	<b>396513</b>	<b>97525</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Old With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	438	129	82	649	636
Commission - other	12	(379)	(3531)	797	(3113)	1129
Management - acquisition	13	266	235		501	638
Management - maintenance	14	8754	10591	128	19473	16379
Management - other	15	2007	235		2242	(353)
<b>Total</b>	<b>16</b>	<b>11086</b>	<b>7659</b>	<b>1007</b>	<b>19752</b>	<b>18429</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	438	129	82	649	636
Commission - other	42	(379)	(3531)	797	(3113)	1129
Management - acquisition	43	266	235		501	638
Management - maintenance	44	8754	10591	128	19473	16379
Management - other	45	2007	235		2242	(353)
<b>Total</b>	<b>46</b>	<b>11086</b>	<b>7659</b>	<b>1007</b>	<b>19752</b>	<b>18429</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund 5**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13				
Management - maintenance	14	28	5	33	33
Management - other	15	1	1	2	1
<b>Total</b>	<b>16</b>	<b>29</b>	<b>6</b>	<b>35</b>	<b>34</b>

**Reinsurance - external**

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
<b>Total</b>	<b>36</b>				

**Net of reinsurance**

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44	28	5	33	33
Management - other	45	1	1	2	1
<b>Total</b>	<b>46</b>	<b>29</b>	<b>6</b>	<b>35</b>	<b>34</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 1**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	66963	7627		74590	215318
Commission - other	12	5164	4368	8	9540	30501
Management - acquisition	13	53733	23067		76800	186657
Management - maintenance	14	56858	9677		66535	110680
Management - other	15	3817	(630)		3187	55979
<b>Total</b>	<b>16</b>	<b>186535</b>	<b>44109</b>	<b>8</b>	<b>230652</b>	<b>599135</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	66963	7627		74590	215318
Commission - other	42	5164	4368	8	9540	30501
Management - acquisition	43	53733	23067		76800	186657
Management - maintenance	44	56858	9677		66535	110680
Management - other	45	3817	(630)		3187	55979
<b>Total</b>	<b>46</b>	<b>186535</b>	<b>44109</b>	<b>8</b>	<b>230652</b>	<b>599135</b>

**Long-term insurance business: Analysis of expenses**
**Form 43**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	4865	6649	99	11613	15851
Commission - other	12	3656	4568	1003	9227	9139
Management - acquisition	13	4025	19534		23559	50097
Management - maintenance	14	16684	166605	513	183802	99970
Management - other	15	4168	29912	302	34382	58443
<b>Total</b>	<b>16</b>	<b>33398</b>	<b>227268</b>	<b>1917</b>	<b>262583</b>	<b>233500</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	4865	6649	99	11613	15851
Commission - other	42	3656	4568	1003	9227	9139
Management - acquisition	43	4025	19534		23559	50097
Management - maintenance	44	16684	166605	513	183802	99970
Management - other	45	4168	29912	302	34382	58443
<b>Total</b>	<b>46</b>	<b>33398</b>	<b>227268</b>	<b>1917</b>	<b>262583</b>	<b>233500</b>

**Long-term insurance business: Linked funds balance sheet**
**Form 44**

 Name of insurer **Aviva Life & Pensions UK Limited**

Total business

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Internal linked funds (excluding cross investment)**

Directly held assets (excluding collective investment schemes)	<b>11</b>	29491943	28450037
Directly held assets in collective investment schemes of connected companies	<b>12</b>	6251169	6534989
Directly held assets in other collective investment schemes	<b>13</b>	8160432	8057990
<b>Total assets (excluding cross investment) (11+12+13)</b>	<b>14</b>	43903544	43043016
Provision for tax on unrealised capital gains	<b>15</b>	64754	94377
Secured and unsecured loans	<b>16</b>		
Other liabilities	<b>17</b>	137680	149469
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	43701110	42799170

**Directly held linked assets**

Value of directly held linked assets	<b>21</b>	11702	11708
--------------------------------------	-----------	-------	-------

**Total**

Value of directly held linked assets and units held (18+21)	<b>31</b>	43712812	42810878
Surplus units	<b>32</b>	87537	110078
Deficit units	<b>33</b>		
<b>Net unit liability (31-32+33)</b>	<b>34</b>	43625275	42700800



**Long-term insurance business: revenue account for internal linked funds**
**Form 45**

 Name of insurer **Aviva Life & Pensions UK Limited**

Total business

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Value of total creation of units	<b>11</b>	1793273	2310392
Investment income attributable to the funds before deduction of tax	<b>12</b>	1153631	1176152
Increase (decrease) in the value of investments in the financial year	<b>13</b>	1193643	3881910
Other income	<b>14</b>	80450	87140
<b>Total income</b>	<b>19</b>	4220997	7455594

**Expenditure**

Value of total cancellation of units	<b>21</b>	3056399	3035854
Charges for management	<b>22</b>	117001	116880
Charges in respect of tax on investment income	<b>23</b>	39480	43277
Taxation on realised capital gains	<b>24</b>	43728	53222
Increase (decrease) in amount set aside for tax on capital gains not yet realised	<b>25</b>	(3026)	38015
Other expenditure	<b>26</b>	65475	67365
<b>Total expenditure</b>	<b>29</b>	3319057	3354613

Increase (decrease) in funds in financial year (19-29)	<b>39</b>	901940	4100981
Internal linked fund brought forward	<b>49</b>	42799170	38698189
Internal linked funds carried forward (39+49)	<b>59</b>	43701110	42799170

**Long-term insurance business: Summary of new business**
**Form 46**

 Name of insurer **Aviva Life & Pensions UK Limited**

Total business

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Number of new policyholders / scheme members for direct insurance business**

Regular premium business	11	243183	324646	624	568453	330417
Single premium business	12	2337	77080	222	79639	45589
<b>Total</b>	<b>13</b>	<b>245520</b>	<b>401726</b>	<b>846</b>	<b>648092</b>	<b>376006</b>

**Amount of new regular premiums**

Direct insurance business	21	89852	686089	8274	784215	773519
External reinsurance	22					
Intra-group reinsurance	23					
<b>Total</b>	<b>24</b>	<b>89852</b>	<b>686089</b>	<b>8274</b>	<b>784215</b>	<b>773519</b>

**Amount of new single premiums**

Direct insurance business	25	177426	1530604	18098	1726128	1991896
External reinsurance	26					
Intra-group reinsurance	27	47739	3456978	122801	3627518	4299925
<b>Total</b>	<b>28</b>	<b>225165</b>	<b>4987582</b>	<b>140899</b>	<b>5353646</b>	<b>6291821</b>

**Long-term insurance business: Analysis of new business**

**Form 47**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business

Financial year ended **31st December 2014**

Units **£000**

UK Life / Direct insurance business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
195	Annuity with-profits (PLA)			32	1790
300	Regular premium non-profit WL/EA OB	34901	8389		
325	Level term assurance	101904	34339		
330	Decreasing term assurance	49487	16425		
340	Accelerated critical illness (guaranteed premiums)	46577	25622		
345	Accelerated critical illness (reviewable premiums)	2966	1836		
360	Income protection non-profit (guaranteed premiums)	4552	2360		
365	Income protection non-profit (reviewable premiums)	2796	663		
395	Annuity non-profit (PLA)			5	340
400	Annuity non-profit (CPA)			60	2728
500	Life UWP single premium			498	31646
505	Life UWP whole life regular premium		62		
700	Life property linked single premium			1742	140922
710	Life property linked whole life regular premium		144		
780	Stand-alone critical illness rider		12		

**Long-term insurance business: Analysis of new business****Form 47  
(Sheet 2)**Name of insurer **Aviva Life & Pensions UK Limited**

Total business

Financial year ended **31st December 2014**Units **£000**

UK Life / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
395	Annuity non-profit (PLA)				47739

**Long-term insurance business: Analysis of new business**
**Form 47  
(Sheet 3)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Total business

 Financial year ended **31st December 2014**

 Units **£000**

UK Pension / Direct insurance business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
175	Group conventional deferred annuity with-profits		84		
185	Group conventional pensions endowment with-profits		150		
200	Annuity with-profits (CPA)			82	4917
390	Deferred annuity non-profit			8	675
395	Annuity non-profit (PLA)			5	211
400	Annuity non-profit (CPA)			1043	42727
410	Group Life	43188	56463		
420	Group income protection	32743	14581		
430	Group critical illness	4833	586		
525	Individual pensions UWP	1020	655	1198	3846
530	Individual pensions UWP - increments		2856		13632
535	Group money purchase pensions UWP	992	705	115	408
540	Group money purchase pensions UWP - increments		5631		8526
725	Individual pensions property linked	3611	8402	6197	72092
730	Individual pensions property linked - increments		33393		298376
735	Group money purchase pensions property linked	238259	216209	48856	221672
740	Group money purchase pensions property linked - increments		346374		444054
755	Trustee investment plan			19576	419468

**Long-term insurance business: Analysis of new business****Form 47  
(Sheet 4)**Name of insurer **Aviva Life & Pensions UK Limited**

Total business

Financial year ended **31st December 2014**Units **£000**

UK Pension / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
400	Annuity non-profit (CPA)				3456978

**Long-term insurance business: Analysis of new business**
**Form 47  
(Sheet 5)**

 Name of insurer **Aviva Life & Pensions UK Limited**

Total business

 Financial year ended **31st December 2014**

 Units **£000**

Overseas / Direct insurance business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
175	Group conventional deferred annuity with-profits		4		
300	Regular premium non-profit WL/EA OB		15		
525	Individual pensions UWP	26	13	51	122
530	Individual pensions UWP - increments		101		551
535	Group money purchase pensions UWP		8		
725	Individual pensions property linked	598	430	171	616
730	Individual pensions property linked - increments		7703		16809

**Long-term insurance business: Analysis of new business****Form 47**  
**(Sheet 6)**Name of insurer **Aviva Life & Pensions UK Limited**

Total business

Financial year ended **31st December 2014**Units **£000**

Overseas / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
400	Annuity non-profit (CPA)				122801



**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Financial year ended **31st December 2014**  
 Category of assets **Total Long-term insurance business assets**  
 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11	5048	10505	353	3.86	
Approved fixed interest securities	12	511638	514247	16931	1.62	
Other fixed interest securities	13	1097539	2305271	71996	1.83	
Variable interest securities	14	3459078	2501544	28181	1.70	
UK listed equity shares	15	41213	147156	4398	2.99	
Non-UK listed equity shares	16		17367	349	2.00	
Unlisted equity shares	17	347	2768	2	0.04	
Other assets	18	10951008	10567013	339955	3.22	
<b>Total</b>	<b>19</b>	<b>16065871</b>	<b>16065871</b>	<b>462165</b>	<b>2.73</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21	2132444	4040790	121774	3.01	12.05
Approved fixed interest securities	22	4387074	5461826	153753	1.16	8.22
Other fixed interest securities	23	2376968	22195321	788714	3.38	7.16
Variable interest securities	24	7503927	(7836931)	(464307)	5.92	
UK listed equity shares	25	2490164	5642704	94007	0.81	2.69
Non-UK listed equity shares	26	2624729	4848405	84516	1.05	6.80
Unlisted equity shares	27	14829	22425	325	0.04	10.91
Other assets	28	15891340	3046935	34226	1.12	14.47
<b>Total</b>	<b>29</b>	<b>37421475</b>	<b>37421475</b>	<b>813008</b>	<b>1.61</b>	<b>8.57</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					8.45
Return allocated to non taxable 'asset shares'	32					8.57
Return allocated to taxable 'asset shares'	33					7.13

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **With-Profits Sub-Fund**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11				
Approved fixed interest securities	12	43499	43499	1.17	
Other fixed interest securities	13	10	10	3.63	
Variable interest securities	14	733706	733706	1.57	
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18	37645	37645	0.66	
<b>Total</b>	<b>19</b>	<b>814860</b>	<b>814860</b>	<b>1.51</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21	969908	1689894	60193	3.56	13.62
Approved fixed interest securities	22	1736899	2168178	63562	1.17	7.88
Other fixed interest securities	23	1132142	9072930	338550	3.63	6.96
Variable interest securities	24	3341337	(2183355)	(184402)	8.45	
UK listed equity shares	25	1366465	2484582	52345	0.16	2.57
Non-UK listed equity shares	26	1089462	1779770	34921	0.07	6.89
Unlisted equity shares	27	5624	10500	316		11.42
Other assets	28	7382891	2002229	13186	0.66	17.35
<b>Total</b>	<b>29</b>	<b>17024728</b>	<b>17024728</b>	<b>378671</b>	<b>1.46</b>	<b>9.08</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					8.97
Return allocated to non taxable 'asset shares'	32					9.08
Return allocated to taxable 'asset shares'	33					7.61

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Provident Mutual Sub-Fund**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11				
Approved fixed interest securities	12			1.21	
Other fixed interest securities	13	115275	115275	5083	4.11
Variable interest securities	14	105905	105905	1770	1.67
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18				
<b>Total</b>	<b>19</b>	<b>221180</b>	<b>221180</b>	<b>6853</b>	<b>2.94</b>

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21		46205	1088	2.35	9.45
Approved fixed interest securities	22	592477	646947	16526	1.21	11.09
Other fixed interest securities	23	350286	2446654	107891	4.11	11.14
Variable interest securities	24	502810	(1265253)	(67264)	5.32	
UK listed equity shares	25	126994	129145	3632	2.81	3.10
Non-UK listed equity shares	26	20489	71682	368	0.51	6.48
Unlisted equity shares	27	261	261		0.13	
Other assets	28	311518	(170806)	89	(0.05)	1.40
<b>Total</b>	<b>29</b>	<b>1904835</b>	<b>1904835</b>	<b>62330</b>	<b>2.43</b>	<b>9.63</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					9.52
Return allocated to non taxable 'asset shares'	32					9.63
Return allocated to taxable 'asset shares'	33					7.74

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Belgian Sub-Fund**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11					
Approved fixed interest securities	12	24960	24960	934	6.10	
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	54691	54691	131	0.42	
<b>Total</b>	<b>19</b>	<b>79651</b>	<b>79651</b>	<b>1065</b>	<b>2.20</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
<b>Total</b>	<b>29</b>					

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Non-Profit Sub-Fund 1**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11	2475	7307	160	2.90	
Approved fixed interest securities	12	67818	70427	2803	1.31	
Other fixed interest securities	13	124100	1063692	26195	0.46	
Variable interest securities	14	301405	(567652)	(16274)	0.39	
UK listed equity shares	15	9935	71398	2302	3.22	
Non-UK listed equity shares	16		486			
Unlisted equity shares	17	347	2742	1	0.02	
Other assets	18	1708622	1566302	4513	0.48	
<b>Total</b>	<b>19</b>	<b>2214702</b>	<b>2214702</b>	<b>19700</b>	<b>0.62</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28	245937	245937	615	0.25	
<b>Total</b>	<b>29</b>	<b>245937</b>	<b>245937</b>	<b>615</b>	<b>0.25</b>	

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Non-Profit Sub-Fund 2**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11	2573	3198	193	6.04	
Approved fixed interest securities	12	177862	177862	6457	1.76	
Other fixed interest securities	13	180168	448308	18106	2.64	
Variable interest securities	14	78747	(9730)	(697)	3.94	
UK listed equity shares	15	31278	75758	2096	2.77	
Non-UK listed equity shares	16		16881	349	2.06	
Unlisted equity shares	17		26	1	2.54	
Other assets	18	8755366	8513691	325984	3.79	
<b>Total</b>	<b>19</b>	<b>9225994</b>	<b>9225994</b>	<b>352489</b>	<b>3.68</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
<b>Total</b>	<b>29</b>					

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **New With-Profits Sub-Fund**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11					
Approved fixed interest securities	12	197499	197499	5462	1.15	
Other fixed interest securities	13	433000	433000	13619	2.98	
Variable interest securities	14	2157779	2157779	30708	1.42	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	331689	331689	6752	2.04	
<b>Total</b>	<b>19</b>	<b>3119967</b>	<b>3119967</b>	<b>56541</b>	<b>1.69</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21	988767	1960135	53366	2.72	10.95
Approved fixed interest securities	22	1662456	2169012	59986	1.15	7.80
Other fixed interest securities	23	730765	9439458	296890	2.98	6.42
Variable interest securities	24	3128116	(4066590)	(189538)	4.66	
UK listed equity shares	25	825659	2535911	31541	1.24	2.78
Non-UK listed equity shares	26	1254836	2482851	40839	1.64	6.75
Unlisted equity shares	27	7544	9655	7	0.08	10.70
Other assets	28	6862100	929811	18927	2.04	9.90
<b>Total</b>	<b>29</b>	<b>15460243</b>	<b>15460243</b>	<b>312018</b>	<b>1.69</b>	<b>8.09</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					7.97
Return allocated to non taxable 'asset shares'	32					8.09
Return allocated to taxable 'asset shares'	33					6.72

**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Old With-Profits Sub-Fund**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11					
Approved fixed interest securities	12					
Other fixed interest securities	13	244986	244986	8993	3.18	
Variable interest securities	14	81536	81536	1131	1.39	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	62995	62995	2327	3.69	
<b>Total</b>	<b>19</b>	<b>389517</b>	<b>389517</b>	<b>12451</b>	<b>2.89</b>	

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21	173769	344556	7127	2.07	10.95
Approved fixed interest securities	22	395242	477689	13679	1.15	7.80
Other fixed interest securities	23	163775	1236279	45383	3.18	6.42
Variable interest securities	24	531664	(321733)	(23103)	7.18	
UK listed equity shares	25	171046	493066	6489	1.32	2.78
Non-UK listed equity shares	26	259942	514102	8388	1.63	6.75
Unlisted equity shares	27	1400	2009	2	0.08	10.70
Other assets	28	1087175	38045	1405	3.69	9.90
<b>Total</b>	<b>29</b>	<b>2784013</b>	<b>2784013</b>	<b>59370</b>	<b>1.62</b>	<b>8.09</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					7.97
Return allocated to non taxable 'asset shares'	32					8.09
Return allocated to taxable 'asset shares'	33					6.72



**Long-term insurance business: Assets not held to match linked liabilities**
**Form 48**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **With-Profits Sub-Fund 5**

 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11					
Approved fixed interest securities	12					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>					

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28	1719	1719	4	0.41	
<b>Total</b>	<b>29</b>	<b>1719</b>	<b>1719</b>	<b>4</b>	<b>0.41</b>	

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Financial year ended **31st December 2014**  
 Category of assets **Total Long-term insurance business assets**  
 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	2964908	5.29	1.00	1.00
<b>Other approved fixed interest securities</b>	<b>21</b>	2986205	6.16	1.36	1.36
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	439548	6.35	1.98	1.72
AA/Aa	<b>32</b>	472223	6.16	1.88	1.70
A/A	<b>33</b>	1791988	5.65	2.26	1.90
BBB/Baa	<b>34</b>	2026552	4.65	2.25	1.46
BB/Ba	<b>35</b>	199366	4.96	3.28	1.05
B/B	<b>36</b>	18484	2.61	4.38	0.07
CCC/Caa	<b>37</b>	375	0.06	123.78	0.22
Other (including unrated)	<b>38</b>	19552056	19.16	3.49	1.85
<b>Total other fixed interest securities</b>	<b>39</b>	24500592	16.36	3.24	1.81
<b>Approved variable interest securities</b>	<b>41</b>	9712466	4.31	1.46	1.46
<b>Other variable interest securities</b>	<b>51</b>	(15047853)	20.15	3.53	2.00
<b>Total (11+21+39+41+51)</b>	<b>61</b>	25116318	6.91	1.89	1.41

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **With-Profits Sub-Fund**

 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	819573	3.20	0.76	0.76
<b>Other approved fixed interest securities</b>	<b>21</b>	1392104	7.07	1.40	1.40
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	153801	6.93	2.05	1.67
AA/Aa	<b>32</b>	191340	4.50	1.51	1.34
A/A	<b>33</b>	554041	5.02	1.87	1.55
BBB/Baa	<b>34</b>	825957	4.50	2.16	1.39
BB/Ba	<b>35</b>	83368	3.54	2.63	0.82
B/B	<b>36</b>	6218	2.06	3.54	
CCC/Caa	<b>37</b>	375	0.06	123.78	0.22
Other (including unrated)	<b>38</b>	7257840	23.50	4.03	1.92
<b>Total other fixed interest securities</b>	<b>39</b>	9072940	19.76	3.63	1.82
<b>Approved variable interest securities</b>	<b>41</b>	3745811	3.98	1.59	1.59
<b>Other variable interest securities</b>	<b>51</b>	(5195460)	24.75	4.11	2.09
<b>Total (11+21+39+41+51)</b>	<b>61</b>	9834968	7.94	2.04	1.44

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Provident Mutual Sub-Fund**

 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	58808	5.14	0.77	0.77
<b>Other approved fixed interest securities</b>	<b>21</b>	588139	4.86	1.26	1.25
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	51020	7.10	2.38	2.26
AA/Aa	<b>32</b>	66728	9.37	3.23	3.00
A/A	<b>33</b>	200598	7.14	3.49	2.96
BBB/Baa	<b>34</b>	130062	5.09	3.41	2.26
BB/Ba	<b>35</b>	19122	7.61	4.91	1.89
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	2094399	24.70	4.28	3.37
<b>Total other fixed interest securities</b>	<b>39</b>	2561929	21.45	4.11	3.24
<b>Approved variable interest securities</b>	<b>41</b>	586318	5.11	1.69	1.69
<b>Other variable interest securities</b>	<b>51</b>	(1745666)	23.79	4.35	3.43
<b>Total (11+21+39+41+51)</b>	<b>61</b>	2049528	9.55	2.30	1.99

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Non-Profit Sub-Fund 1**

 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	35818	5.25	1.33	1.33
<b>Other approved fixed interest securities</b>	<b>21</b>	34609	12.44	1.29	1.29
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	37617	7.03	2.36	2.24
AA/Aa	<b>32</b>	15145	10.23	2.33	2.09
A/A	<b>33</b>	30302	9.59	2.69	2.16
BBB/Baa	<b>34</b>	53646	5.80	2.83	1.97
BB/Ba	<b>35</b>	3424	6.19	4.94	2.14
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	923558	33.09	0.13	0.08
<b>Total other fixed interest securities</b>	<b>39</b>	1063692	29.71	0.46	0.35
<b>Approved variable interest securities</b>	<b>41</b>	289449	8.89	(0.83)	(0.83)
<b>Other variable interest securities</b>	<b>51</b>	(857101)	33.53	(0.02)	(0.02)
<b>Total (11+21+39+41+51)</b>	<b>61</b>	566467	10.69	0.63	0.43

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Non-Profit Sub-Fund 2**

 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	176647	8.44	1.75	1.75
<b>Other approved fixed interest securities</b>	<b>21</b>	1215	10.02	3.05	3.05
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	1250	9.13	3.88	3.76
AA/Aa	<b>32</b>	19331	10.12	3.09	2.85
A/A	<b>33</b>	170098	9.40	3.81	3.28
BBB/Baa	<b>34</b>	63228	9.29	3.37	2.51
BB/Ba	<b>35</b>	13875	15.47	3.67	0.68
B/B	<b>36</b>	995	8.29	7.36	
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	179531	24.86	1.12	0.72
<b>Total other fixed interest securities</b>	<b>39</b>	448308	15.79	2.64	2.04
<b>Approved variable interest securities</b>	<b>41</b>	62578	5.63	(0.75)	(0.75)
<b>Other variable interest securities</b>	<b>51</b>	(72308)	29.60	(0.12)	(0.12)
<b>Total (11+21+39+41+51)</b>	<b>61</b>	616440	11.02	2.37	1.93

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **New With-Profits Sub-Fund**

 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	1574926	5.80	1.03	1.03
<b>Other approved fixed interest securities</b>	<b>21</b>	791585	5.36	1.37	1.37
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	143674	5.02	1.59	1.38
AA/Aa	<b>32</b>	136488	5.86	1.51	1.37
A/A	<b>33</b>	642144	4.78	1.84	1.53
BBB/Baa	<b>34</b>	734989	4.35	2.01	1.29
BB/Ba	<b>35</b>	65578	3.77	3.44	1.10
B/B	<b>36</b>	9562	2.42	4.48	0.11
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	8140023	13.08	3.20	1.59
<b>Total other fixed interest securities</b>	<b>39</b>	9872458	11.60	2.98	1.55
<b>Approved variable interest securities</b>	<b>41</b>	4533957	4.20	1.50	1.50
<b>Other variable interest securities</b>	<b>51</b>	(6442768)	14.39	3.31	1.76
<b>Total (11+21+39+41+51)</b>	<b>61</b>	10330158	5.25	1.70	1.30

**Long-term insurance business: Fixed and variable interest assets**
**Form 49**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Financial year ended **31st December 2014**

 Category of assets **Old With-Profits Sub-Fund**

 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	299136	6.49	1.07	1.07
<b>Other approved fixed interest securities</b>	<b>21</b>	178553	5.63	1.29	1.28
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	52186	7.01	2.15	1.84
AA/Aa	<b>32</b>	43191	6.26	1.88	1.70
A/A	<b>33</b>	194805	4.92	2.11	1.79
BBB/Baa	<b>34</b>	218670	4.31	2.24	1.41
BB/Ba	<b>35</b>	13999	4.70	3.35	1.11
B/B	<b>36</b>	1709	2.42	5.11	0.12
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	956705	11.41	3.72	2.14
<b>Total other fixed interest securities</b>	<b>39</b>	1481265	9.13	3.18	1.95
<b>Approved variable interest securities</b>	<b>41</b>	494353	4.01	1.45	1.45
<b>Other variable interest securities</b>	<b>51</b>	(734550)	12.95	3.87	2.58
<b>Total (11+21+39+41+51)</b>	<b>61</b>	1718757	5.20	1.82	1.31



**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2014**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	4368407	4396226	238943	9003576	9375507
Form 51 - non-profit	<b>12</b>	3166747	11200562	426502	14793811	10685853
Form 52	<b>13</b>	8755267	9227612	389603	18372482	19325902
Form 53 - linked	<b>14</b>	8386474	37996041	560116	46942631	44730136
Form 53 - non-linked	<b>15</b>	79922	452897	6368	539187	519390
Form 54 - linked	<b>16</b>	2730	994		3724	26616
Form 54 - non-linked	<b>17</b>	116722	1470768	9203	1596693	599109
<b>Total</b>	<b>18</b>	24876269	64745100	1630735	91252104	85262513

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>			84282	84282	89808
Form 51 - non-profit	<b>22</b>	2203890	886656	50390	3140936	2844519
Form 52	<b>23</b>	3431	2442		5873	5238
Form 53 - linked	<b>24</b>	38062	3279294		3317356	2029336
Form 53 - non-linked	<b>25</b>	1053			1053	1680
Form 54 - linked	<b>26</b>	2730			2730	2466
Form 54 - non-linked	<b>27</b>	15031	254878		269909	10
<b>Total</b>	<b>28</b>	2264197	4423270	134672	6822139	4973057

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>	4792		117569	122361	107718
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>			6413	6413	5331
<b>Total</b>	<b>38</b>	4792		123982	128774	113049

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	4368407	4396226	154661	8919294	9285699
Form 51 - non-profit	<b>42</b>	958065	10313906	258543	11530514	7733616
Form 52	<b>43</b>	8751836	9225170	389603	18366609	19320664
Form 53 - linked	<b>44</b>	8348412	34716747	560116	43625275	42700800
Form 53 - non-linked	<b>45</b>	78869	452897	6368	538134	517710
Form 54 - linked	<b>46</b>		994		994	24150
Form 54 - non-linked	<b>47</b>	101691	1215890	2790	1320371	593768
<b>Total</b>	<b>48</b>	22607280	60321830	1372081	84301191	80176407

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	1799640	3402076	133512	5335228	5630550
Form 51 - non-profit	<b>12</b>		762212	21306	783518	699498
Form 52	<b>13</b>	926643	4904796	203442	6034881	6215041
Form 53 - linked	<b>14</b>					
Form 53 - non-linked	<b>15</b>					
Form 54 - linked	<b>16</b>					
Form 54 - non-linked	<b>17</b>					
<b>Total</b>	<b>18</b>	2726283	9069084	358260	12153627	12545089

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>					
Form 51 - non-profit	<b>22</b>					
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>					

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>					
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	1799640	3402076	133512	5335228	5630550
Form 51 - non-profit	<b>42</b>		762212	21306	783518	699498
Form 52	<b>43</b>	926643	4904796	203442	6034881	6215041
Form 53 - linked	<b>44</b>					
Form 53 - non-linked	<b>45</b>					
Form 54 - linked	<b>46</b>					
Form 54 - non-linked	<b>47</b>					
<b>Total</b>	<b>48</b>	2726283	9069084	358260	12153627	12545089

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Provident Mutual Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	34538	504687		539225	469280
Form 51 - non-profit	<b>12</b>	17724	165273		182997	166068
Form 52	<b>13</b>		758258		758258	713247
Form 53 - linked	<b>14</b>					
Form 53 - non-linked	<b>15</b>					
Form 54 - linked	<b>16</b>					
Form 54 - non-linked	<b>17</b>					
<b>Total</b>	<b>18</b>	52262	1428218		1480480	1348595

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>					
Form 51 - non-profit	<b>22</b>					
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>					

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>					
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	34538	504687		539225	469280
Form 51 - non-profit	<b>42</b>	17724	165273		182997	166068
Form 52	<b>43</b>		758258		758258	713247
Form 53 - linked	<b>44</b>					
Form 53 - non-linked	<b>45</b>					
Form 54 - linked	<b>46</b>					
Form 54 - non-linked	<b>47</b>					
<b>Total</b>	<b>48</b>	52262	1428218		1480480	1348595

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Belgian Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>			84282	84282	89808
Form 51 - non-profit	<b>12</b>			29836	29836	34755
Form 52	<b>13</b>					
Form 53 - linked	<b>14</b>					
Form 53 - non-linked	<b>15</b>					
Form 54 - linked	<b>16</b>					
Form 54 - non-linked	<b>17</b>					
<b>Total</b>	<b>18</b>			114118	114118	124563

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>			84282	84282	89808
Form 51 - non-profit	<b>22</b>			29836	29836	34755
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>			114118	114118	124563

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>					
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>					
Form 51 - non-profit	<b>42</b>					
Form 52	<b>43</b>					
Form 53 - linked	<b>44</b>					
Form 53 - non-linked	<b>45</b>					
Form 54 - linked	<b>46</b>					
Form 54 - non-linked	<b>47</b>					
<b>Total</b>	<b>48</b>					

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **New With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	2109324	392192	17600	2519116	2658589
Form 51 - non-profit	<b>12</b>	1249531	2344202	26057	3619790	2549634
Form 52	<b>13</b>	7011024	2276477	145370	9432871	10171340
Form 53 - linked	<b>14</b>		7529	40202	47731	55818
Form 53 - non-linked	<b>15</b>	(6458)	169790	3053	166385	49895
Form 54 - linked	<b>16</b>		877		877	472
Form 54 - non-linked	<b>17</b>		146		146	120
<b>Total</b>	<b>18</b>	10363421	5191213	232282	15786916	15485868

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>					
Form 51 - non-profit	<b>22</b>	1060823	1342	10987	1073152	63870
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>	1060823	1342	10987	1073152	63870

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>					
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	2109324	392192	17600	2519116	2658589
Form 51 - non-profit	<b>42</b>	188708	2342860	15070	2546638	2485764
Form 52	<b>43</b>	7011024	2276477	145370	9432871	10171340
Form 53 - linked	<b>44</b>		7529	40202	47731	55818
Form 53 - non-linked	<b>45</b>	(6458)	169790	3053	166385	49895
Form 54 - linked	<b>46</b>		877		877	472
Form 54 - non-linked	<b>47</b>		146		146	120
<b>Total</b>	<b>48</b>	9302598	5189871	221295	14713764	15421998

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Old With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	424905	97271	3549	525725	527280
Form 51 - non-profit	<b>12</b>	64449	305398	2442	372289	340749
Form 52	<b>13</b>	811921	502376	40054	1354351	1433554
Form 53 - linked	<b>14</b>		1003	5353	6356	7432
Form 53 - non-linked	<b>15</b>	471	4316	366	5153	6643
Form 54 - linked	<b>16</b>		117		117	63
Form 54 - non-linked	<b>17</b>		19		19	16
<b>Total</b>	<b>18</b>	1301746	910500	51764	2264010	2315737

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>					
Form 51 - non-profit	<b>22</b>	7307	100	82	7489	8132
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>	7307	100	82	7489	8132

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>					
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	424905	97271	3549	525725	527280
Form 51 - non-profit	<b>42</b>	57142	305298	2360	364800	332617
Form 52	<b>43</b>	811921	502376	40054	1354351	1433554
Form 53 - linked	<b>44</b>		1003	5353	6356	7432
Form 53 - non-linked	<b>45</b>	471	4316	366	5153	6643
Form 54 - linked	<b>46</b>		117		117	63
Form 54 - non-linked	<b>47</b>		19		19	16
<b>Total</b>	<b>48</b>	1294439	910400	51682	2256521	2307605

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Stakeholder With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>				
Form 51 - non-profit	<b>12</b>				
Form 52	<b>13</b>		757167	757167	759057
Form 53 - linked	<b>14</b>				
Form 53 - non-linked	<b>15</b>				
Form 54 - linked	<b>16</b>				
Form 54 - non-linked	<b>17</b>				
<b>Total</b>	<b>18</b>		757167	757167	759057

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>				
Form 52	<b>23</b>				
Form 53 - linked	<b>24</b>				
Form 53 - non-linked	<b>25</b>				
Form 54 - linked	<b>26</b>				
Form 54 - non-linked	<b>27</b>				
<b>Total</b>	<b>28</b>				

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>				
Form 51 - non-profit	<b>32</b>				
Form 52	<b>33</b>				
Form 53 - linked	<b>34</b>				
Form 53 - non-linked	<b>35</b>				
Form 54 - linked	<b>36</b>				
Form 54 - non-linked	<b>37</b>				
<b>Total</b>	<b>38</b>				

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>				
Form 52	<b>43</b>		757167	757167	759057
Form 53 - linked	<b>44</b>				
Form 53 - non-linked	<b>45</b>				
Form 54 - linked	<b>46</b>				
Form 54 - non-linked	<b>47</b>				
<b>Total</b>	<b>48</b>		757167	757167	759057

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund 5**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>				
Form 51 - non-profit	<b>12</b>				
Form 52	<b>13</b>	3540	2518	6058	5372
Form 53 - linked	<b>14</b>				
Form 53 - non-linked	<b>15</b>				
Form 54 - linked	<b>16</b>				
Form 54 - non-linked	<b>17</b>				
<b>Total</b>	<b>18</b>	3540	2518	6058	5372

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>				
Form 52	<b>23</b>	3431	2442	5873	5238
Form 53 - linked	<b>24</b>				
Form 53 - non-linked	<b>25</b>				
Form 54 - linked	<b>26</b>				
Form 54 - non-linked	<b>27</b>				
<b>Total</b>	<b>28</b>	3431	2442	5873	5238

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>				
Form 51 - non-profit	<b>32</b>				
Form 52	<b>33</b>				
Form 53 - linked	<b>34</b>				
Form 53 - non-linked	<b>35</b>				
Form 54 - linked	<b>36</b>				
Form 54 - non-linked	<b>37</b>				
<b>Total</b>	<b>38</b>				

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>				
Form 52	<b>43</b>	109	76	185	134
Form 53 - linked	<b>44</b>				
Form 53 - non-linked	<b>45</b>				
Form 54 - linked	<b>46</b>				
Form 54 - non-linked	<b>47</b>				
<b>Total</b>	<b>48</b>	109	76	185	134



**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 1**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>				
Form 51 - non-profit	<b>12</b>	1381685	145948	1606711	2179479
Form 52	<b>13</b>	2139		2139	1816
Form 53 - linked	<b>14</b>	8386474	1411237	9798615	10249205
Form 53 - non-linked	<b>15</b>	85909	3957	89866	149568
Form 54 - linked	<b>16</b>	2730		2730	26081
Form 54 - non-linked	<b>17</b>	18452		18452	15520
<b>Total</b>	<b>18</b>	9877389	1561142	11518513	12621669

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>	1103746	146413	1250159	2065675
Form 52	<b>23</b>				
Form 53 - linked	<b>24</b>	38062		38062	37905
Form 53 - non-linked	<b>25</b>	1053		1053	1680
Form 54 - linked	<b>26</b>	2730		2730	2466
Form 54 - non-linked	<b>27</b>	12		12	10
<b>Total</b>	<b>28</b>	1145603	146413	1292016	2107736

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>				
Form 51 - non-profit	<b>32</b>	4792		4792	4460
Form 52	<b>33</b>				
Form 53 - linked	<b>34</b>				
Form 53 - non-linked	<b>35</b>				
Form 54 - linked	<b>36</b>				
Form 54 - non-linked	<b>37</b>				132
<b>Total</b>	<b>38</b>	4792		4792	4592

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>	273147	(465)	79078	109344
Form 52	<b>43</b>	2139		2139	1816
Form 53 - linked	<b>44</b>	8348412	1411237	9760553	10211300
Form 53 - non-linked	<b>45</b>	84856	3957	88813	147888
Form 54 - linked	<b>46</b>				23615
Form 54 - non-linked	<b>47</b>	18440		18440	15378
<b>Total</b>	<b>48</b>	8726994	1414729	10221705	10509341

**Long-term insurance business: Summary of mathematical reserves**
**Form 50**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	11					
Form 51 - non-profit	12	453358	7477529	267783	8198670	4715670
Form 52	13		26020	737	26757	26475
Form 53 - linked	14		36576272	513657	37089929	34417681
Form 53 - non-linked	15		274834	2949	277783	313284
Form 54 - linked	16					
Form 54 - non-linked	17	98270	1470603	9203	1578076	583453
Total	18	551628	45825258	794329	47171215	40056563

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>					
Form 51 - non-profit	<b>22</b>	32014	738801	9485	780300	672087
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>		3279294		3279294	1991431
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>	15019	254878		269897	
<b>Total</b>	<b>28</b>	47033	4272973	9485	4329491	2663518

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>			117569	117569	103258
Form 52	<b>33</b>					
Form 53 - linked	<b>34</b>					
Form 53 - non-linked	<b>35</b>					
Form 54 - linked	<b>36</b>					
Form 54 - non-linked	<b>37</b>			6413	6413	5199
<b>Total</b>	<b>38</b>			123982	123982	108457

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>					
Form 51 - non-profit	<b>42</b>	421344	6738728	140729	7300801	3940325
Form 52	<b>43</b>		26020	737	26757	26475
Form 53 - linked	<b>44</b>		33296978	513657	33810635	32426250
Form 53 - non-linked	<b>45</b>		274834	2949	277783	313284
Form 54 - linked	<b>46</b>					
Form 54 - non-linked	<b>47</b>	83251	1215725	2790	1301766	578254
<b>Total</b>	<b>48</b>	504595	41552285	660862	42717742	37284588

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	16960	723012	8229	n/a	n/a	n/a	474350
120	Conventional endowment with-profits OB savings	12544	172708	4109	n/a	n/a	n/a	137609
125	Conventional endowment with-profits OB target cash	55235	930114	27560	n/a	n/a	n/a	1124611
165	Conventional deferred annuity with-profits	4	1		n/a	n/a	n/a	11
210	Additional reserves with-profits OB				n/a	n/a	n/a	63059

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
155	Conventional pensions endowment with-profits	56833	1759958	2610	n/a	n/a	n/a	2924645
165	Conventional deferred annuity with-profits	3893	14301	326	n/a	n/a	n/a	231795
175	Group conventional deferred annuity with-profits	4			n/a	n/a	n/a	8256
185	Group conventional pensions endowment with-profits	1744	96345	999	n/a	n/a	n/a	76196
200	Annuity with-profits (CPA)	4375	17752	8	n/a	n/a	n/a	154128
210	Additional reserves with-profits OB				n/a	n/a	n/a	7056
305	Single premium non-profit WL/EA OB	1803	99142		n/a	n/a	n/a	98382
390	Deferred annuity non-profit	6675	24267		n/a	n/a	n/a	594967
400	Annuity non-profit (CPA)		11614		n/a	n/a	n/a	68863

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	89	13509	120	n/a	n/a	n/a	8466
120	Conventional endowment with-profits OB savings	141	2891	61	n/a	n/a	n/a	2381
125	Conventional endowment with-profits OB target cash	503	11628	329	n/a	n/a	n/a	14822
155	Conventional pensions endowment with-profits	2020	51802	273	n/a	n/a	n/a	75640
165	Conventional deferred annuity with-profits	295	1632	121	n/a	n/a	n/a	24214
185	Group conventional pensions endowment with-profits	439	14172	357	n/a	n/a	n/a	7989
305	Single premium non-profit WL/EA OB	19	333		n/a	n/a	n/a	321
390	Deferred annuity non-profit	241	1700		n/a	n/a	n/a	19405
395	Annuity non-profit (PLA)		261		n/a	n/a	n/a	1580

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 4)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Provident Mutual Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	1719	5784	27	n/a	n/a	n/a	5081
120	Conventional endowment with-profits OB savings	1359	2988	48	n/a	n/a	n/a	2834
125	Conventional endowment with-profits OB target cash	779	6263	192	n/a	n/a	n/a	5768
165	Conventional deferred annuity with-profits	241	44		n/a	n/a	n/a	817
195	Annuity with-profits (PLA)	169	775		n/a	n/a	n/a	10193
205	Miscellaneous conventional with-profits	20819	59616	1052	n/a	n/a	n/a	7474
210	Additional reserves with-profits OB				n/a	n/a	n/a	2371
300	Regular premium non-profit WL/EA OB	1959	4482	44	n/a	n/a	n/a	3828
365	Income protection non-profit (reviewable premiums)	784	5715	112	n/a	n/a	n/a	(89)
385	Income protection claims in payment	43	407		n/a	n/a	n/a	2510
390	Deferred annuity non-profit	396	54		n/a	n/a	n/a	(282)
395	Annuity non-profit (PLA)	507	614		n/a	n/a	n/a	8521
420	Group income protection	111	1175	21	n/a	n/a	n/a	91
425	Group income protection claims in payment	45	433		n/a	n/a	n/a	2551
435	Miscellaneous non-profit	2259	34600	105	n/a	n/a	n/a	594

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 5)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Provident Mutual Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
420	Group income protection		100		n/a	n/a	n/a	

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 6)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Provident Mutual Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
165	Conventional deferred annuity with-profits	415	252		n/a	n/a	n/a	84468
200	Annuity with-profits (CPA)	9048	47896		n/a	n/a	n/a	420219
390	Deferred annuity non-profit	85209	14982		n/a	n/a	n/a	164761
435	Miscellaneous non-profit	1352	28914	89	n/a	n/a	n/a	442
440	Additional reserves non-profit OB				n/a	n/a	n/a	70



**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 7)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Belgian Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	60004	198727	11830	n/a	n/a	n/a	71491
120	Conventional endowment with-profits OB savings	1384	7817	69	n/a	n/a	n/a	5071
175	Group conventional deferred annuity with-profits	168	7095	291	n/a	n/a	n/a	2993
195	Annuity with-profits (PLA)	15	21		n/a	n/a	n/a	224
210	Additional reserves with-profits OB				n/a	n/a	n/a	4503
300	Regular premium non-profit WL/EA OB		198705	415	n/a	n/a	n/a	187
325	Level term assurance	73591	2494395	5348	n/a	n/a	n/a	29649
435	Miscellaneous non-profit			48	n/a	n/a	n/a	

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 8)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Belgian Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB		198727	11830	n/a	n/a	n/a	71491
120	Conventional endowment with-profits OB savings		7817	69	n/a	n/a	n/a	5071
175	Group conventional deferred annuity with-profits		7095	291	n/a	n/a	n/a	2993
195	Annuity with-profits (PLA)		21		n/a	n/a	n/a	224
210	Additional reserves with-profits OB				n/a	n/a	n/a	4503
300	Regular premium non-profit WL/EA OB		198705	415	n/a	n/a	n/a	187
325	Level term assurance		2494395	5348	n/a	n/a	n/a	29649
435	Miscellaneous non-profit			48	n/a	n/a	n/a	

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 9)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	23913	683846	14537	n/a	n/a	n/a	335471
120	Conventional endowment with-profits OB savings	6302	120692	2781	n/a	n/a	n/a	96046
125	Conventional endowment with-profits OB target cash	83072	1602709	54430	n/a	n/a	n/a	1603032
175	Group conventional deferred annuity with-profits	9	1757	24	n/a	n/a	n/a	2104
205	Miscellaneous conventional with-profits	104	6685	64	n/a	n/a	n/a	1897
210	Additional reserves with-profits OB				n/a	n/a	n/a	70774
300	Regular premium non-profit WL/EA OB	148958	492674	30867	n/a	n/a	n/a	175634
305	Single premium non-profit WL/EA OB	283	697		n/a	n/a	n/a	1279
325	Level term assurance	499829	86325957	168502	n/a	n/a	n/a	429418
330	Decreasing term assurance	168375	25131747	60629	n/a	n/a	n/a	43629
340	Accelerated critical illness (guaranteed premiums)	388279	21491956	114038	n/a	n/a	n/a	304003
345	Accelerated critical illness (reviewable premiums)	44070	2599062	13537	n/a	n/a	n/a	4900
350	Stand-alone critical illness (guaranteed premiums)	12266	53417	3398	n/a	n/a	n/a	10510
360	Income protection non-profit (guaranteed premiums)	1652	27401	195	n/a	n/a	n/a	(3)
390	Deferred annuity non-profit	10059	8593	28	n/a	n/a	n/a	25316
395	Annuity non-profit (PLA)	740	796		n/a	n/a	n/a	12744
400	Annuity non-profit (CPA)	5479	10376		n/a	n/a	n/a	184552
410	Group Life	36501	4719783	5431	n/a	n/a	n/a	1975
435	Miscellaneous non-profit	2	97139	318	n/a	n/a	n/a	514
440	Additional reserves non-profit OB			162	n/a	n/a	n/a	55060

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 10)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
300	Regular premium non-profit WL/EA OB		60144	2	n/a	n/a	n/a	9672
325	Level term assurance		85250108	83328	n/a	n/a	n/a	540404
330	Decreasing term assurance		23065599	23128	n/a	n/a	n/a	70090
340	Accelerated critical illness (guaranteed premiums)		18644188	47154	n/a	n/a	n/a	427735
345	Accelerated critical illness (reviewable premiums)		2133754	5719	n/a	n/a	n/a	9026
440	Additional reserves non-profit OB			3898	n/a	n/a	n/a	3896

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 11)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
155	Conventional pensions endowment with-profits	4913	175080	618	n/a	n/a	n/a	261473
175	Group conventional deferred annuity with-profits	895	4427	30	n/a	n/a	n/a	63187
185	Group conventional pensions endowment with-profits	317	20161	91	n/a	n/a	n/a	30140
200	Annuity with-profits (CPA)	677	2583		n/a	n/a	n/a	15598
205	Miscellaneous conventional with-profits	1037	10958	20	n/a	n/a	n/a	1617
210	Additional reserves with-profits OB				n/a	n/a	n/a	20177
300	Regular premium non-profit WL/EA OB	2952	6724		n/a	n/a	n/a	17545
325	Level term assurance	5327	184195	581	n/a	n/a	n/a	8100
330	Decreasing term assurance	6	45		n/a	n/a	n/a	
390	Deferred annuity non-profit	19629	77248	2	n/a	n/a	n/a	423810
395	Annuity non-profit (PLA)	930	13802		n/a	n/a	n/a	4464
400	Annuity non-profit (CPA)	66391	136157		n/a	n/a	n/a	1863769
410	Group Life	373409	34028130	41896	n/a	n/a	n/a	19105
411	Group death in service dependants' annuities		318049	11953	n/a	n/a	n/a	5103
435	Miscellaneous non-profit	2146	55551	111	n/a	n/a	n/a	2306

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 12)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **New With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		125026	415	n/a	n/a	n/a	748
410	Group Life		2272187	1369	n/a	n/a	n/a	594

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 13)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	67	2685	112	n/a	n/a	n/a	822
120	Conventional endowment with-profits OB savings	39	969	32	n/a	n/a	n/a	738
125	Conventional endowment with-profits OB target cash	304	11248	370	n/a	n/a	n/a	11331
175	Group conventional deferred annuity with-profits	39	311	49	n/a	n/a	n/a	4781
205	Miscellaneous conventional with-profits	12	10	1	n/a	n/a	n/a	(72)
300	Regular premium non-profit WL/EA OB	29	127	1	n/a	n/a	n/a	105
325	Level term assurance	2255	655581	1574	n/a	n/a	n/a	3996
330	Decreasing term assurance	2284	470608	953	n/a	n/a	n/a	584
340	Accelerated critical illness (guaranteed premiums)	3769	284054	1616	n/a	n/a	n/a	3941
345	Accelerated critical illness (reviewable premiums)	8291	22019	65	n/a	n/a	n/a	49
360	Income protection non-profit (guaranteed premiums)	2	16		n/a	n/a	n/a	
390	Deferred annuity non-profit	1	1		n/a	n/a	n/a	26
400	Annuity non-profit (CPA)	210	1265		n/a	n/a	n/a	17172
410	Group Life	1334	236076	268	n/a	n/a	n/a	108
411	Group death in service dependants' annuities		1934	96	n/a	n/a	n/a	58
435	Miscellaneous non-profit		1758	4	n/a	n/a	n/a	15
440	Additional reserves non-profit OB			3	n/a	n/a	n/a	3

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 14)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **New With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****Overseas / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		633868	823	n/a	n/a	n/a	4849
330	Decreasing term assurance		442103	407	n/a	n/a	n/a	823
340	Accelerated critical illness (guaranteed premiums)		242911	710	n/a	n/a	n/a	5244
345	Accelerated critical illness (reviewable premiums)		17792	42	n/a	n/a	n/a	68
440	Additional reserves non-profit OB			3	n/a	n/a	n/a	3



**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 15)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	3318	92668	1590	n/a	n/a	n/a	39205
120	Conventional endowment with-profits OB savings	1717	29885	729	n/a	n/a	n/a	23100
125	Conventional endowment with-profits OB target cash	19251	358795	12497	n/a	n/a	n/a	352068
175	Group conventional deferred annuity with-profits	10	681	3	n/a	n/a	n/a	830
205	Miscellaneous conventional with-profits	31	1080	8	n/a	n/a	n/a	314
210	Additional reserves with-profits OB				n/a	n/a	n/a	9388
300	Regular premium non-profit WL/EA OB	3309	13351	142	n/a	n/a	n/a	11311
305	Single premium non-profit WL/EA OB	38	93		n/a	n/a	n/a	170
325	Level term assurance	4807	374330	990	n/a	n/a	n/a	5019
330	Decreasing term assurance	2472	464586	1990	n/a	n/a	n/a	8475
340	Accelerated critical illness (guaranteed premiums)	6385	300722	1145	n/a	n/a	n/a	9596
360	Income protection non-profit (guaranteed premiums)	227	3645	26	n/a	n/a	n/a	
390	Deferred annuity non-profit	1369	1177	4	n/a	n/a	n/a	3522
395	Annuity non-profit (PLA)	99	106		n/a	n/a	n/a	1697
400	Annuity non-profit (CPA)	748	1382		n/a	n/a	n/a	24572
410	Group Life	34	54		n/a	n/a	n/a	6
435	Miscellaneous non-profit		13248	44	n/a	n/a	n/a	81

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 16)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Old With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		252250	624	n/a	n/a	n/a	1096
330	Decreasing term assurance		85927	648	n/a	n/a	n/a	3545
340	Accelerated critical illness (guaranteed premiums)		94320	459	n/a	n/a	n/a	2666

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 17)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
155	Conventional pensions endowment with-profits	1672	42232	138	n/a	n/a	n/a	63655
175	Group conventional deferred annuity with-profits	635	814	3	n/a	n/a	n/a	11442
185	Group conventional pensions endowment with-profits	390	11934	67	n/a	n/a	n/a	17484
200	Annuity with-profits (CPA)	41	130		n/a	n/a	n/a	867
205	Miscellaneous conventional with-profits	229	2574	5	n/a	n/a	n/a	294
210	Additional reserves with-profits OB				n/a	n/a	n/a	3529
300	Regular premium non-profit WL/EA OB	402	895		n/a	n/a	n/a	2336
325	Level term assurance	718	24525	77	n/a	n/a	n/a	1078
330	Decreasing term assurance	1	6		n/a	n/a	n/a	
390	Deferred annuity non-profit	3801	2081		n/a	n/a	n/a	53519
400	Annuity non-profit (CPA)	9034	18129		n/a	n/a	n/a	248151
410	Group Life	60	2025	8	n/a	n/a	n/a	7
435	Miscellaneous non-profit	293	9314	15	n/a	n/a	n/a	307

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 18)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Old With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		16646	55	n/a	n/a	n/a	100

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 19)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB	14	126	4	n/a	n/a	n/a	60
120	Conventional endowment with-profits OB savings	14	390	15	n/a	n/a	n/a	258
125	Conventional endowment with-profits OB target cash	75	2246	73	n/a	n/a	n/a	2188
175	Group conventional deferred annuity with-profits	12	62	5	n/a	n/a	n/a	1052
205	Miscellaneous conventional with-profits	2	1		n/a	n/a	n/a	(9)
300	Regular premium non-profit WL/EA OB	4	17		n/a	n/a	n/a	14
325	Level term assurance	55	7075	21	n/a	n/a	n/a	26
330	Decreasing term assurance	58	4863	20	n/a	n/a	n/a	35
340	Accelerated critical illness (guaranteed premiums)	68	4388	24	n/a	n/a	n/a	74
360	Income protection non-profit (guaranteed premiums)		2		n/a	n/a	n/a	
390	Deferred annuity non-profit				n/a	n/a	n/a	4
400	Annuity non-profit (CPA)	29	168		n/a	n/a	n/a	2286
410	Group Life	10	78		n/a	n/a	n/a	
435	Miscellaneous non-profit		132		n/a	n/a	n/a	3

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 20)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Old With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****Overseas / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		4396	9	n/a	n/a	n/a	15
330	Decreasing term assurance		1173	7	n/a	n/a	n/a	21
340	Accelerated critical illness (guaranteed premiums)		1912	9	n/a	n/a	n/a	46

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 21)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	163524	645384	29652	n/a	n/a	n/a	202658
305	Single premium non-profit WL/EA OB	109	2944		n/a	n/a	n/a	2944
325	Level term assurance	605078	90102234	190465	n/a	n/a	n/a	526553
330	Decreasing term assurance	309944	23892789	70060	n/a	n/a	n/a	(33709)
340	Accelerated critical illness (guaranteed premiums)	258494	19079059	114981	n/a	n/a	n/a	219720
345	Accelerated critical illness (reviewable premiums)	92013	8217281	54988	n/a	n/a	n/a	32862
350	Stand-alone critical illness (guaranteed premiums)	2326	156474	810	n/a	n/a	n/a	24061
355	Stand-alone critical illness (reviewable premiums)	701	25753	198	n/a	n/a	n/a	333
360	Income protection non-profit (guaranteed premiums)	1541	55588	376	n/a	n/a	n/a	805
390	Deferred annuity non-profit	617	977	506	n/a	n/a	n/a	20652
395	Annuity non-profit (PLA)	1544	1307	1	n/a	n/a	n/a	52254
400	Annuity non-profit (CPA)	488	191		n/a	n/a	n/a	1857
410	Group Life	32008	6298108	7702	n/a	n/a	n/a	2898
415	Collective Life		424658		n/a	n/a	n/a	14507
435	Miscellaneous non-profit	155	14343	16	n/a	n/a	n/a	40484
440	Additional reserves non-profit OB		2057735	110	n/a	n/a	n/a	272806

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 22)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
300	Regular premium non-profit WL/EA OB		403360	7527	n/a	n/a	n/a	224036
325	Level term assurance		83316510	155731	n/a	n/a	n/a	548240
330	Decreasing term assurance		21166108	44796	n/a	n/a	n/a	(5975)
340	Accelerated critical illness (guaranteed premiums)		15234972	81727	n/a	n/a	n/a	197040
345	Accelerated critical illness (reviewable premiums)		7053349	47203	n/a	n/a	n/a	46700
350	Stand-alone critical illness (guaranteed premiums)		139692	485	n/a	n/a	n/a	4188
355	Stand-alone critical illness (reviewable premiums)		25753	198	n/a	n/a	n/a	412
360	Income protection non-profit (guaranteed premiums)		4435	138	n/a	n/a	n/a	746
395	Annuity non-profit (PLA)				n/a	n/a	n/a	2138
410	Group Life				n/a	n/a	n/a	2898
415	Collective Life		98336		n/a	n/a	n/a	14507
435	Miscellaneous non-profit				n/a	n/a	n/a	5949
440	Additional reserves non-profit OB			375	n/a	n/a	n/a	62867



**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 23)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****UK Life / Reinsurance ceded intra-group**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
395	Annuity non-profit (PLA)		287		n/a	n/a	n/a	2935
400	Annuity non-profit (CPA)		191		n/a	n/a	n/a	1857

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 24)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance	1823	334594	2048	n/a	n/a	n/a	762
330	Decreasing term assurance	796	94987	360	n/a	n/a	n/a	(190)
400	Annuity non-profit (CPA)	12957	7991		n/a	n/a	n/a	145376

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 25)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		334594	528	n/a	n/a	n/a	1046
330	Decreasing term assurance		94987	174	n/a	n/a	n/a	(9)
400	Annuity non-profit (CPA)		7991		n/a	n/a	n/a	145376

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 26)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
400	Annuity non-profit (CPA)	665	3062		n/a	n/a	n/a	79078

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 27)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****Overseas / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
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**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 28)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
350	Stand-alone critical illness (guaranteed premiums)	7660	595343	2807	n/a	n/a	n/a	33920
355	Stand-alone critical illness (reviewable premiums)	1024	81453	412	n/a	n/a	n/a	(2637)
360	Income protection non-profit (guaranteed premiums)	23557	474381	12985	n/a	n/a	n/a	(11109)
365	Income protection non-profit (reviewable premiums)	70847	888079	22782	n/a	n/a	n/a	(13981)
370	Long-term care policy	6743	42408	4440	n/a	n/a	n/a	111721
385	Income protection claims in payment				n/a	n/a	n/a	24579
395	Annuity non-profit (PLA)		6935		n/a	n/a	n/a	118778
400	Annuity non-profit (CPA)		198		n/a	n/a	n/a	1632
415	Collective Life	828	30272		n/a	n/a	n/a	6813
420	Group income protection	254783	8368028	62356	n/a	n/a	n/a	35871
425	Group income protection claims in payment				n/a	n/a	n/a	95586
430	Group critical illness				n/a	n/a	n/a	1043
435	Miscellaneous non-profit	448	3481	2	n/a	n/a	n/a	
440	Additional reserves non-profit OB				n/a	n/a	n/a	51142

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 29)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
350	Stand-alone critical illness (guaranteed premiums)		373566	1781	n/a	n/a	n/a	17058
355	Stand-alone critical illness (reviewable premiums)		60071	222	n/a	n/a	n/a	2252
360	Income protection non-profit (guaranteed premiums)		179231	2127	n/a	n/a	n/a	14255
365	Income protection non-profit (reviewable premiums)		229651	5314	n/a	n/a	n/a	(11632)
385	Income protection claims in payment				n/a	n/a	n/a	2451
415	Collective Life				n/a	n/a	n/a	491
420	Group income protection		16400	308	n/a	n/a	n/a	101
425	Group income protection claims in payment				n/a	n/a	n/a	6516
430	Group critical illness				n/a	n/a	n/a	522

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 30)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	7	4		n/a	n/a	n/a	4
325	Level term assurance	23936	3793806	6853	n/a	n/a	n/a	17741
330	Decreasing term assurance	598	76782	197	n/a	n/a	n/a	(330)
390	Deferred annuity non-profit	20403	47209	3	n/a	n/a	n/a	781100
400	Annuity non-profit (CPA)	663	387003		n/a	n/a	n/a	5952841
405	Annuity non-profit (CPA impaired life)		13396		n/a	n/a	n/a	466283
410	Group Life	797985	76924164	97389	n/a	n/a	n/a	40153
411	Group death in service dependants' annuities		644987	23619	n/a	n/a	n/a	9765
435	Miscellaneous non-profit	95	4312	20	n/a	n/a	n/a	9133
440	Additional reserves non-profit OB				n/a	n/a	n/a	200839



**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 31)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 2**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		3218540	5669	n/a	n/a	n/a	16732
330	Decreasing term assurance		67400	123	n/a	n/a	n/a	(80)
390	Deferred annuity non-profit		43825		n/a	n/a	n/a	711756
400	Annuity non-profit (CPA)		356		n/a	n/a	n/a	9122
410	Group Life		4864029	2930	n/a	n/a	n/a	1271

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 32)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
300	Regular premium non-profit WL/EA OB	27	124	1	n/a	n/a	n/a	104
325	Level term assurance	4917	1108277	2432	n/a	n/a	n/a	8022
330	Decreasing term assurance	5269	690424	1783	n/a	n/a	n/a	(543)
340	Accelerated critical illness (guaranteed premiums)	4634	445664	2756	n/a	n/a	n/a	4082
345	Accelerated critical illness (reviewable premiums)	355	49322	282	n/a	n/a	n/a	324
390	Deferred annuity non-profit	40	176		n/a	n/a	n/a	2757
395	Annuity non-profit (PLA)		3089		n/a	n/a	n/a	50062
400	Annuity non-profit (CPA)	3528	12591		n/a	n/a	n/a	200695
405	Annuity non-profit (CPA impaired life)		40		n/a	n/a	n/a	734
410	Group Life	16581	1356620	2102	n/a	n/a	n/a	40
411	Group death in service dependants' annuities		23146	1012	n/a	n/a	n/a	792
435	Miscellaneous non-profit		2852		n/a	n/a	n/a	497
440	Additional reserves non-profit OB			9	n/a	n/a	n/a	217

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 33)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 2**Financial year ended **31st December 2014**Units **£000****Overseas / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
325	Level term assurance		995720	2176	n/a	n/a	n/a	6641
330	Decreasing term assurance		600957	1337	n/a	n/a	n/a	(214)
340	Accelerated critical illness (guaranteed premiums)		352486	1954	n/a	n/a	n/a	2933
345	Accelerated critical illness (reviewable premiums)		36065	203	n/a	n/a	n/a	116
440	Additional reserves non-profit OB			9	n/a	n/a	n/a	9

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)**Form 51**  
**(Sheet 34)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 2**Financial year ended **31st December 2014**Units **£000****Overseas / Reinsurance ceded intra-group**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
400	Annuity non-profit (CPA)		7476		n/a	n/a	n/a	117569

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52**  
**(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
500	Life UWP single premium	24460	725606		716800	748263		748263
505	Life UWP whole life regular premium	8558	30349	4495	30349	31152		31152
510	Life UWP endowment regular premium - savings	782	12341	497	12341	12478		12478
515	Life UWP endowment regular premium – target cash	7923	133878	6649	133878	134750		134750

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP	204074	3630673	19423	3630656	4022450		4022450
535	Group money purchase pensions UWP	85119	721156	12037	720789	836474		836474
570	Income drawdown UWP	1	201		201	202		202
575	Miscellaneous UWP						45670	45670

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP	6754	131843	2052	131843	140306		140306
535	Group money purchase pensions UWP	3117	60521	2514	60521	63136		63136

**Long-term insurance business: Valuation summary of accumulating with-profits contracts****Form 52  
(Sheet 4)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Provident Mutual Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
555	Group deposit administration with-profits		76621	3197	76621	76621	48540	125161
575	Miscellaneous UWP	31393	294231	1803	389635	340235	292862	633097



**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 5)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
500	Life UWP single premium	177385	6579715		6461537	6650122	23	6650145
505	Life UWP whole life regular premium	2059	9311	1618	9311	9447	(2)	9445
515	Life UWP endowment regular premium – target cash	2689	48715	3137	48715	48714	(10)	48704
575	Miscellaneous UWP	2884	304548		301533	302730		302730

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 6)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP	38555	1119338	14421	1119338	1149144	50611	1199755
535	Group money purchase pensions UWP	22689	489754	22059	489754	496492	(6)	496486
571	Trustee investment plan UWP	278	27179		25601	26190		26190
575	Miscellaneous UWP	6181	132634	1222	451156	451156	93414	544570
610	Additional reserves UWP						9476	9476

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 7)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
500	Life UWP single premium	959	59688		59164	59228		59228
505	Life UWP whole life regular premium	25	782	67	775	774		774
510	Life UWP endowment regular premium - savings	89	3693	184	1716	1716		1716
525	Individual pensions UWP	1227	73725	1465	73725	76064	622	76686
571	Trustee investment plan UWP	13	1081		1081	1156		1156
575	Miscellaneous UWP	33	1868	44	5709	5709	101	5810

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 8)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
500	Life UWP single premium	21743	716028		712979	736578		736578
505	Life UWP whole life regular premium	493	2480	400	2480	2523	(1)	2522
515	Life UWP endowment regular premium – target cash	917	18985	1162	18985	18993	(4)	18989
575	Miscellaneous UWP	561	54196		53659	53832		53832

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 9)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP	17276	299660	3283	299660	311462	6502	317965
535	Group money purchase pensions UWP	5341	111103	4070	111103	114624	(2)	114622
571	Trustee investment plan UWP	58	6387		6387	6496		6496
575	Miscellaneous UWP	2190	19127	103	55487	55487	6544	62031
610	Additional reserves UWP						1262	1262

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 10)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
500	Life UWP single premium	267	12538		12443	12451		12451
505	Life UWP whole life regular premium	26	166	14	164	164		164
510	Life UWP endowment regular premium - savings	82	2307	115	1027	1027		1027
525	Individual pensions UWP	582	24212	448	24212	25572	253	25825
571	Trustee investment plan UWP	1	36		36	36		36
575	Miscellaneous UWP	8	109	1	546	546	4	551

**Long-term insurance business: Valuation summary of accumulating with-profits contracts****Form 52  
(Sheet 11)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Stakeholder With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP	48784	591454	20618	591454	591359		591359
535	Group money purchase pensions UWP	9439	166420	12003	165828	165808		165808

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 12)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund 5**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
515	Life UWP endowment regular premium – target cash	326	5796	105	3123	3123	309	3432
610	Additional reserves UWP						108	108



**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 13)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund 5**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
515	Life UWP endowment regular premium – target cash		5761	105	3123	3123	308	3431

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52**  
**(Sheet 14)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **With-Profits Sub-Fund 5**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP	243	2107	1	2107	2078	421	2499
610	Additional reserves UWP						19	19

**Long-term insurance business: Valuation summary of accumulating with-profits contracts****Form 52  
(Sheet 15)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **With-Profits Sub-Fund 5**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP		2107	1	2107	2078	365	2442

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 16)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
500	Life UWP single premium		20580				895	895
505	Life UWP whole life regular premium		1030492	237			1091	1091
510	Life UWP endowment regular premium - savings		135	26			1	1
515	Life UWP endowment regular premium – target cash		361410	350			152	152

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 17)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
505	Life UWP whole life regular premium		101945	23				
515	Life UWP endowment regular premium – target cash		62994	140				

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 18)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP		56764	1022			8902	8902
535	Group money purchase pensions UWP		24231	299			17117	17117
570	Income drawdown UWP		24				1	1
605	Miscellaneous protection rider		2994	116				

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 19)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP		6323	108			256	256
535	Group money purchase pensions UWP		568	7			481	481
605	Miscellaneous protection rider		338	8				

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 1)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	87725	1060721				(12431)	(12431)
710	Life property linked whole life regular premium	2056	31556	284			77	77
715	Life property linked endowment regular premium - savings	273	1137				1	1
720	Life property linked endowment regular premium – target cash	2638	23966	103			117	117
800	Additional reserves property linked						5778	5778



**Long-term insurance business: Valuation summary of property linked contracts****Form 53  
(Sheet 2)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **New With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked	252419	2978033	88821			34711	34711
735	Group money purchase pensions property linked	634042	7060640	1483588	7529	7529	135034	142564
750	Income drawdown property linked	4131	160112				5	5
755	Trustee investment plan	53					40	40

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	1028	40217		39810	39810	39	39849
710	Life property linked whole life regular premium	37	396	33	392	392		392
715	Life property linked endowment regular premium - savings	174	3	5			1807	1807
725	Individual pensions property linked	4222	45836	9722			1207	1207

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 4)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	4392	22608				445	445
710	Life property linked whole life regular premium	310	4201	38			10	10
715	Life property linked endowment regular premium - savings	37	151					
720	Life property linked endowment regular premium – target cash	663	3191	14			16	16

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 5)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked	38574	7744	152			4080	4080
735	Group money purchase pensions property linked	6674	1802	11	1003	1003	231	1234
755	Trustee investment plan	7					5	5

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 6)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	139	5355		5301	5301	5	5306
710	Life property linked whole life regular premium	5	53	4	52	52		52
715	Life property linked endowment regular premium - savings	25		1			241	241
725	Individual pensions property linked	370		7			120	120

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 7)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	145925	6825472		7682056	7682056	2401	7684457
710	Life property linked whole life regular premium	32529	2302779	14287	186412	185828	8359	194187
715	Life property linked endowment regular premium - savings	8194	387669	3659	95632	95631	208	95839
720	Life property linked endowment regular premium – target cash	19582	822632	14688	410531	410133	(492)	409641
780	Stand-alone critical illness rider	4743	302090	1924	8126	8126	6	8132
790	Miscellaneous protection rider		11796	65			5	5
795	Miscellaneous property linked	300	17983	261	4700	4700	50955	55655
800	Additional reserves property linked						24467	24467

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 8)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium		38443		38062	38062		38062
710	Life property linked whole life regular premium		732710	1980			13	13
720	Life property linked endowment regular premium – target cash		136971	709			34	34
780	Stand-alone critical illness rider		202137	216			215	215
795	Miscellaneous property linked						791	791

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 9)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked	82395	1500099	31413	1409577	1408958	3957	1412915
755	Trustee investment plan	6	2279		2279	2279		2279



**Long-term insurance business: Valuation summary of property linked contracts****Form 53  
(Sheet 10)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
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**Long-term insurance business: Valuation summary of property linked contracts****Form 53  
(Sheet 11)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium		680		680	680		680
715	Life property linked endowment regular premium - savings		224	6	224	224		224

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 12)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked	663046	15724181	248831	18402661	18396757	79061	18475819
735	Group money purchase pensions property linked	492091	10505548	654902	17622641	17621753	77846	17699598
745	DWP National Insurance rebates property linked	4552	84906		84906	84906	19	84925
750	Income drawdown property linked	2542	81444		347574	347574	112	347686
755	Trustee investment plan	1044	126024		125282	125282	93	125376
790	Miscellaneous protection rider		6704	281			12	12
800	Additional reserves property linked						117691	117691

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 13)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked		32590		32590	32590		32590
735	Group money purchase pensions property linked		3246704		3246704	3246704		3246704
790	Miscellaneous protection rider		617	8				

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 14)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	217	4340		4340	4340		4340
715	Life property linked endowment regular premium - savings	365	7447	216	5498	5498	854	6352
725	Individual pensions property linked	15081	453068	21365	498905	498905	2084	500989
735	Group money purchase pensions property linked	89	3822	145	3822	3822	11	3833
755	Trustee investment plan	7	1092		1092	1092		1092
790	Miscellaneous protection rider		1742	35				

**Long-term insurance business: Valuation summary of index linked contracts****Form 54  
(Sheet 1)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **New With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000****UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity (CPA)	270	60		877	877	146	1023

**Long-term insurance business: Valuation summary of index linked contracts**

**Form 54  
(Sheet 2)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Old With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity (CPA)	36	8		117	117	19	136

**Long-term insurance business: Valuation summary of index linked contracts**

**Form 54  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
901	Index linked income protection claims in payment	2073	33089	886	2730	2730	12	2742
905	Index linked annuity (CPA)	13	436				18440	18440



**Long-term insurance business: Valuation summary of index linked contracts**

**Form 54  
(Sheet 4)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 1**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
901	Index linked income protection claims in payment		33089	886	2730	2730	12	2742

**Long-term insurance business: Valuation summary of index linked contracts****Form 54  
(Sheet 5)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 1**Financial year ended **31st December 2014**Units **£000****UK Life / Reinsurance ceded intra-group**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9

**Long-term insurance business: Valuation summary of index linked contracts**

**Form 54  
(Sheet 6)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
901	Index linked income protection claims in payment						50768	50768
902	Group index linked income protection claims in payment						45865	45865
905	Index linked annuity (CPA)		162				1637	1637

**Long-term insurance business: Valuation summary of index linked contracts****Form 54  
(Sheet 7)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 2**Financial year ended **31st December 2014**Units **£000****UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
901	Index linked income protection claims in payment						15019	15019

**Long-term insurance business: Valuation summary of index linked contracts**

**Form 54  
(Sheet 8)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity (CPA)	18437	48466				1357814	1357814
907	Index linked deferred annuity		3237				110968	110968
915	Additional reserves index linked						1821	1821

**Long-term insurance business: Valuation summary of index linked contracts****Form 54  
(Sheet 9)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 2**Financial year ended **31st December 2014**Units **£000****UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity (CPA)		9937				254878	254878

**Long-term insurance business: Valuation summary of index linked contracts**

**Form 54  
(Sheet 10)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Non-Profit Sub-Fund 2**

Financial year ended **31st December 2014**

Units **£000**

**Overseas / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity (CPA)	142	331				9153	9153
907	Index linked deferred annuity		2				46	46
915	Additional reserves index linked						4	4

**Long-term insurance business: Valuation summary of index linked contracts****Form 54  
(Sheet 11)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Non-Profit Sub-Fund 2**Financial year ended **31st December 2014**Units **£000****Overseas / Reinsurance ceded intra-group**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity (CPA)		228				6413	6413



**Long-term insurance business: Unit prices for internal linked funds**
**Form 55**

 Name of insurer **Aviva Life & Pensions UK Limited**

Total business

 Financial year ended **31st December 2014**

 Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Aviva Pensions Mixed Investment (40-85% Shares)	12 - Individual Pension - Balanced Managed Fund	18099583769	Aviva Pensions Mixed Investment (40-85% Shares) S2	0.60	8.3433	8.8644	6.25
Aviva Pensions Property	17 - Individual Pension - Property	2021042197	Aviva Pensions Property S2	0.60	6.7187	7.8532	16.89
Aviva Life Mixed Investment (40-85% Shares)	02 - Life - Balanced Managed Fund	1782994172	Aviva Life Mixed Investment (40-85% Shares) S4	1.00	4.1702	4.4036	5.60
Aviva Pensions Mixed Investment (0-35% Shares)	13 - Individual Pension - Defensive Managed Fund	1762463239	Aviva Pensions Mixed Investment (0-35%) S6	0.60	1.4300	1.5605	9.13
Aviva Life UK Equity	05 - Life - UK Equity	1081922945	Aviva Life UK Equity GA	1.00	7.6354	7.7130	1.02
Aviva Pensions Global Equity	16 - Individual Pension - Overseas Equity	1041049360	Aviva Pensions Global Equity S2	0.60	7.5651	8.2206	8.66
Aviva Life Property	07 - Life - Property	1017837750	Aviva Life Property S4	1.25	3.4151	3.9440	15.49
Aviva Life Balanced Distribution	02 - Life - Balanced Managed Fund	785269860	Aviva Life Balanced Distribution S4	1.15	1.3373	1.3676	2.27
Aviva SPS Diversified Growth Portfolio	14 - Individual Pension - Other Managed Fund	758934659	Aviva SPS Diversified Growth Portfolio	0.45	1.5978	1.6956	6.12
Aviva Pensions Mixed Investment (20-60% Shares)	14 - Individual Pension - Other Managed Fund	747789543	Aviva Pensions Mixed Investment (20-60% Shares) S6	0.60	1.3922	1.4909	7.09
Aviva Life Mixed Investment (0-35% Shares)	03 - Life - Defensive Managed Fund	406526167	Aviva Life Mixed Investment (0-35% Shares) S4	1.00	3.0093	3.2393	7.64
Aviva Pensions Alliance Trust Sustainable Future Managed	14 - Individual Pension - Other Managed Fund	389509475	Aviva Pensions Alliance Trust Sustainable Future Managed S2	0.60	1.9035	2.0351	6.91
Aviva Life Mixed Investment (20-60% Shares)	04 - Life - Other Managed Fund	372743364	Aviva Life Mixed Investment (20-60% Shares) S4	1.00	3.3982	3.6086	6.19
Aviva Pensions Pacific Equity	16 - Individual Pension - Overseas Equity	265776131	Aviva Pensions Pacific Equity S2	0.60	4.8613	5.1191	5.30
Aviva Pensions Alliance Trust UK Ethical	14 - Individual Pension - Other Managed Fund	223402416	Aviva Pensions Alliance Trust UK Ethical S2	0.60	2.6108	2.6855	2.86
Aviva Pension Flexible Investment	14 - Individual Pension - Other Managed Fund	154871320	Aviva Pension Flexible Investment S12	1.00	3.6745	3.8774	5.52
Aviva Pensions Multi-asset Fund III	14 - Individual Pension - Other Managed Fund	136065016	Aviva Pensions Multi-asset Fund III S6	0.85	1.1891	1.3073	9.94
Aviva Pensions UK Equity Income	15 - Individual Pension - UK Equity	130328696	Aviva Pensions UK Equity Income S6	0.95	1.6586	1.7151	3.41
Aviva Pensions Alliance Trust Sustainable Future UK Growth	14 - Individual Pension - Other Managed Fund	112913415	Aviva Pensions Alliance Trust Sustainable Future UK Growth S2	0.60	2.1224	2.1811	2.77

**Long-term insurance business - analysis of valuation interest rate**
**Form 57  
(Sheet 1)**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK Life WP Form 51	1788157	2.15	2.40	2.65
UK Pens WP Form 51 With Profit Annuity	152903		3.10	3.52
UK Pens WP Form 51 Other Pensions	3228769		2.45	2.65
UK Pens NP Form 51	740730		1.85	2.19
OS Life WP Form 51	25766	2.15	2.40	2.65
OS Pens WP Form 51	107445		2.45	2.65
OS NP Form 51	20756		1.85	2.19
Misc Form 51	59370			2.65
UK Life WP Form 52 (Other)	941340	1.65	1.86	2.09
UK Pens WP Form 52	5037326		1.90	2.09
OS WP Form 52	208821		1.90	2.09
TOTAL	12311383	n/a	n/a	n/a

**Long-term insurance business - analysis of valuation interest rate**
**Form 57  
(Sheet 2)**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Provident Mutual Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK Life WP Form 51 Assurances	23529	1.80	2.10	2.51
UK Life NP Form 51 Assurances	3820	1.30	1.63	2.52
UK Life WP Form 51 Annuities	10237		2.00	2.22
UK Life NP Form 51 Annuities	8521	2.05	2.56	3.19
UK Pens WP Form 51 With Profit Annuity	417813		2.00	2.22
UK Pens NP Form 51 Deferred Annuity	165201		2.25	2.77
UK Pens WP Form 51 Deferred Annuity	20285		2.00	2.51
UK Pens WP Form 52 Compact	25157		1.85	2.26
UK Pens WP Form 52 (DAF valued at 0%)	75532			2.03
UK Pens WP Form 52 (Other)	657259		2.00	2.51
Misc	80764			2.77
<b>TOTAL</b>	<b>1488118</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**Long-term insurance business - analysis of valuation interest rate**
**Form 57  
(Sheet 3)**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **New With-Profits Sub-Fund**

Financial year ended **31st December 2014**

Units **£000**

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK Life WP Form 51	2119602	2.70	2.93	3.03
OS Life WP Form 51	12865	2.70	2.93	3.03
UK Life NP Form 51	(93412)	1.05	1.31	1.37
UK Life NP Form 51 (valued at 0%)	56855			1.37
OS Life NP Form 51	362	1.05	1.31	1.37
OS Life NP Form 51 (valued at 0%)	166			1.37
UK Life NP Form 51 Immediate Annuities	197297		1.75	1.96
OS Life NP Form 51 Immediate Annuities	17172		1.75	1.96
UK Pens WP Form 51	378781		2.70	2.96
OS Pens WP Form 51	4781		2.70	2.96
UK Pens WP Form 51 Immediate Annuities	16033		3.20	3.49
UK Pens NP Form 51	467406		1.05	1.37
UK Pens NP Form 51 (valued at 0%)	23579			1.37
OS Pens NP Form 51	26		1.05	1.37
UK Pens NP Form 51 Immediate Annuities	1877190		1.75	1.96
UK Life WP Form 52 (Other)	6872291	1.15	1.33	1.55
UK Life WP Form 52 Aviva International	313752		1.35	1.55
UK Pens WP Form 52	1925080		1.35	1.55
UK Pens WP Form 52 SEDA & GAO	405687		2.70	2.96
OS Pens WP Form 52 SEDA	5810		2.70	2.96
OS WP Form 52	142172		1.35	1.55
UK Life NP Form 53	(4655)	1.70	2.13	2.75
UK Pens NP Form 53	172060		2.10	2.75
TOTAL	14910900	n/a	n/a	n/a

**Long-term insurance business - analysis of valuation interest rate**
**Form 57  
(Sheet 4)**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Old With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

Product Group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK Life WP Form 51	425306	2.70	2.98	3.15
OS Life WP Form 51	2505	2.70	2.98	3.15
UK Life NP Form 51	27350	1.05	1.31	2.19
OS Life NP Form 51	70	1.05	1.31	2.19
UK Life NP Form 51 Immediate Annuities	26269		1.75	2.02
OS Life NP Form 51 Immediate Annuities	2286		1.75	2.02
UK Pens WP Form 51	97250		2.70	2.96
OS Pens WP Form 51	1052		2.70	2.96
UK Pens WP Form 51 Immediate Annuities	888		3.20	3.62
UK Pens NP Form 51	60670		1.05	2.19
OS Pens NP Form 51	4		1.05	2.19
UK Pens NP Form 51 Immediate Annuities	248150		1.75	2.02
UK Life WP Form 52 (Other)	777642	1.15	1.30	1.97
UK Life WP Form 52 Aviva International	55740		1.35	1.97
UK Pens WP Form 52	455577		1.35	1.97
UK Pens WP Form 52 SEDA & GAO	57119		2.70	2.96
OS Pens WP Form 52 SEDA	551		2.70	2.96
OS WP Form 52	40054		1.35	1.97
UK Life NP Form 53	712	1.70	2.13	3.58
UK Pens NP Form 53	4579		2.10	3.58
TOTAL	2283774	n/a	n/a	n/a

**Long-term insurance business - analysis of valuation interest rate****Form 57  
(Sheet 5)**Name of insurer **Aviva Life & Pensions UK Limited**Total business / subfund **Stakeholder With-Profits Sub-Fund**Financial year ended **31st December 2014**Units **£000**

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK Pens WP Form 52 Stakeholder	784845		1.35	1.60
TOTAL	784845	n/a	n/a	n/a

**Long-term insurance business - analysis of valuation interest rate**
**Form 57**  
**(Sheet 6)**

Name of insurer                    **Aviva Life & Pensions UK Limited**

Total business / subfund    **Non-Profit Sub-Fund 1**

Financial year ended            **31st December 2014**

Units                                **£000**

Product Group  1	Net mathematical reserves  2	Net valuation interest rate  3	Gross valuation interest rate  4	Risk adjusted yield on matching assets  5
FORM 51 - ADDITIONAL RESERVES - LIFE	172082			
FORM 51 - ADDITIONAL RESERVES - LIFE	71295	1.70	2.10	2.18
FORM 51 - NP ASSURANCE UK LIFE	(40868)	1.70	2.10	2.18
FORM 51 - DEFERRED ANNUITIES UK LIFE	19518		2.10	2.17
FORM 51 - IMMEDIATE ANNUITIES UK LIFE	47301		2.10	2.17
FORM 51 - IMMEDIATE ANNUITIES OVERSEAS	79078		0.95	0.97
FORM 53 - ADDITIONAL RESERVES - LIFE	63945			
FORM 54 - IMMEDIATE ANNUITIES UK LIFE	18440		2.10	2.17
MISCELLANEOUS RESERVE	30351			
TOTAL	461142	n/a	n/a	n/a

**Long-term insurance business - analysis of valuation interest rate**
**Form 57  
(Sheet 7)**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
FORM 51 - ADDITIONAL RESERVES - PENS	102464			
FORM 51 - INCOME PROTECTION	115580		1.80	1.87
FORM 51 - IMMEDIATE ANNUITIES UK PENS	230802		2.10	2.17
UK L&GA NP Form 51	120409		3.49	3.60
UK Pens NP Form 51	6209824		3.49	3.60
OS L&GA NP Form 51	133919		3.49	3.60
FORM 51 - NP LONG TERM CARE	111721		2.10	2.17
FORM 53 - ADDITIONAL RESERVES - PENS	131953			
FORM 53 - NP UK PENS	112144		2.10	2.17
FORM 54 - INCOME PROTECTION	81613		(0.90)	(0.57)
UK L&GA NP Form 54	1637		(0.49)	(0.40)
UK Pens NP Form 54	1213904		(0.49)	(0.40)
OS L&GA NP Form 54	2785		(0.49)	(0.40)
MISCELLANEOUS RESERVE	338352			
TOTAL	8907107	n/a	n/a	n/a



**Long-term insurance business: distribution of surplus****Form 58**

Name of insurer **Aviva Life & Pensions UK Limited**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2014**

Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	84795488	80619978
Bonus payments in anticipation of a surplus	<b>12</b>	699436	608700
Transfer to non-technical account	<b>13</b>	690000	626841
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	86184924	81855519
Mathematical reserves	<b>21</b>	84301191	80176407
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	1883733	1679112

**Composition of surplus**

Balance brought forward	<b>31</b>	20332	446936
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	1863401	1232176
Total	<b>39</b>	1883733	1679112

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	699436	608700
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	471548	423239
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	1170984	1031939
Net transfer out of fund / part of fund	<b>47</b>	690000	626841
Total distributed surplus (46+47)	<b>48</b>	1860984	1658780
Surplus carried forward	<b>49</b>	22749	20332
Total (48+49)	<b>59</b>	1883733	1679112

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>		
Current year - 1	<b>62</b>		
Current year - 2	<b>63</b>		
Current year - 3	<b>64</b>		

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	12311383	12696975
Bonus payments in anticipation of a surplus	<b>12</b>	326808	326622
Transfer to non-technical account	<b>13</b>		3338
Transfer to other funds / parts of funds	<b>14</b>	27554	27571
Subtotal (11 to 14)	<b>15</b>	12665745	13054506
Mathematical reserves	<b>21</b>	12153627	12545089
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	512118	509417

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	512118	509417
Total	<b>39</b>	512118	509417

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	326808	326622
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	157756	151886
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	484564	478508
Net transfer out of fund / part of fund	<b>47</b>	27554	30909
Total distributed surplus (46+47)	<b>48</b>	512118	509417
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	512118	509417

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	94.62	93.93
Current year - 1	<b>62</b>	93.93	94.14
Current year - 2	<b>63</b>	94.14	97.81
Current year - 3	<b>64</b>	97.81	95.11

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Provident Mutual Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	1488118	1352771
Bonus payments in anticipation of a surplus	<b>12</b>	23728	32711
Transfer to non-technical account	<b>13</b>		3927
Transfer to other funds / parts of funds	<b>14</b>	3330	
Subtotal (11 to 14)	<b>15</b>	1515176	1389409
Mathematical reserves	<b>21</b>	1480480	1348595
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	34696	40814

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	34696	40814
Total	<b>39</b>	34696	40814

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	23728	32711
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	7638	4176
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	31366	36887
Net transfer out of fund / part of fund	<b>47</b>	3330	3927
Total distributed surplus (46+47)	<b>48</b>	34696	40814
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	34696	40814

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	90.40	90.38
Current year - 1	<b>62</b>	90.38	90.20
Current year - 2	<b>63</b>	90.20	90.13
Current year - 3	<b>64</b>	90.13	90.19

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Belgian Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	10515	8098
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>		
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	10515	8098
Mathematical reserves	<b>21</b>		
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	10515	8098

**Composition of surplus**

Balance brought forward	<b>31</b>	8098	9495
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	2417	(1397)
Total	<b>39</b>	10515	8098

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>		
Total distributed surplus (46+47)	<b>48</b>		
Surplus carried forward	<b>49</b>	10515	8098
Total (48+49)	<b>59</b>	10515	8098

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>		
Current year - 1	<b>62</b>		
Current year - 2	<b>63</b>		
Current year - 3	<b>64</b>		

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **New With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	14958632	15637925
Bonus payments in anticipation of a surplus	<b>12</b>	279218	219966
Transfer to non-technical account	<b>13</b>		26222
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	15237850	15884113
Mathematical reserves	<b>21</b>	14713764	15421998
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	524086	462115

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>	11334	
Surplus arising since the last valuation	<b>34</b>	512752	462115
Total	<b>39</b>	524086	462115

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	279218	219966
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	244868	215927
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	524086	435893
Net transfer out of fund / part of fund	<b>47</b>		26222
Total distributed surplus (46+47)	<b>48</b>	524086	462115
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	524086	462115

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	100.00	94.33
Current year - 1	<b>62</b>	94.33	95.16
Current year - 2	<b>63</b>	95.16	94.08
Current year - 3	<b>64</b>	94.08	92.39

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Old With-Profits Sub-Fund**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	2290129	2336870
Bonus payments in anticipation of a surplus	<b>12</b>	35175	27474
Transfer to non-technical account	<b>13</b>		3354
Transfer to other funds / parts of funds	<b>14</b>	4689	
Subtotal (11 to 14)	<b>15</b>	2329993	2367698
Mathematical reserves	<b>21</b>	2256521	2307605
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	73472	60093

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	73472	60093
Total	<b>39</b>	73472	60093

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	35175	27474
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	33608	29265
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	68783	56739
Net transfer out of fund / part of fund	<b>47</b>	4689	3354
Total distributed surplus (46+47)	<b>48</b>	73472	60093
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	73472	60093

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	93.62	94.42
Current year - 1	<b>62</b>	94.42	95.10
Current year - 2	<b>63</b>	95.10	94.49
Current year - 3	<b>64</b>	94.49	92.41

**Long-term insurance business: distribution of surplus**
**Form 58**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Total business / subfund **Stakeholder With-Profits Sub-Fund**  
 Financial year ended **31st December 2014**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	784845	781042
Bonus payments in anticipation of a surplus	<b>12</b>	34507	1927
Transfer to non-technical account	<b>13</b>		
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	819352	782969
Mathematical reserves	<b>21</b>	757167	759057
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	62185	23912

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	62185	23912
Total	<b>39</b>	62185	23912

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	34507	1927
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	27678	21985
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	62185	23912
Net transfer out of fund / part of fund	<b>47</b>		
Total distributed surplus (46+47)	<b>48</b>	62185	23912
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	62185	23912

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	100.00	100.00
Current year - 1	<b>62</b>	100.00	100.00
Current year - 2	<b>63</b>	100.00	100.00
Current year - 3	<b>64</b>	100.00	100.00

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **With-Profits Sub-Fund 5**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	185	134
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>		
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	185	134
Mathematical reserves	<b>21</b>	185	134
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>		

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>		
Total	<b>39</b>		

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>		
Total distributed surplus (46+47)	<b>48</b>		
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>		

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>		
Current year - 1	<b>62</b>		
Current year - 2	<b>63</b>		
Current year - 3	<b>64</b>		



**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 1**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	10233939	10521575
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>		260000
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	10233939	10781575
Mathematical reserves	<b>21</b>	10221705	10509341
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	12234	272234

**Composition of surplus**

Balance brought forward	<b>31</b>	12234	272236
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>	24239	27571
Surplus arising since the last valuation	<b>34</b>	(24239)	(27573)
Total	<b>39</b>	12234	272234

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>		260000
Total distributed surplus (46+47)	<b>48</b>		260000
Surplus carried forward	<b>49</b>	12234	12234
Total (48+49)	<b>59</b>	12234	272234

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>		
Current year - 1	<b>62</b>		
Current year - 2	<b>63</b>		
Current year - 3	<b>64</b>		

**Long-term insurance business: distribution of surplus**
**Form 58**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Total business / subfund **Non-Profit Sub-Fund 2**

 Financial year ended **31st December 2014**

 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	42717742	37284588
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>	690000	330000
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	43407742	37614588
Mathematical reserves	<b>21</b>	42717742	37284588
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	690000	330000

**Composition of surplus**

Balance brought forward	<b>31</b>		165205
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	690000	164795
Total	<b>39</b>	690000	330000

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>	690000	330000
Total distributed surplus (46+47)	<b>48</b>	690000	330000
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	690000	330000

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>		
Current year - 1	<b>62</b>		
Current year - 2	<b>63</b>		
Current year - 3	<b>64</b>		

**Long-term insurance business: With-profits payouts on maturity (normal retirement)**
**Form 59A**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **Norwich Union Life & Pensions Limited**

 Date of maturity value/open market option **1st March 2015**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	16460	3227		CWP	N	16460
Endowment assurance	25	25898	5167		CWP	N	25898
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	49568	9781		UWP	N	49568
Regular premium pension	20	74438	15732		UWP	N	74438
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	17456	2311		UWP	N	17456
Single premium pension	20	32533	11045		UWP	N	32533

**Long-term insurance business: With-profits payouts on maturity (normal retirement)**
**Form 59A**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **Provident Mutual Sub-Fund**

 Date of maturity value/open market option **1st March 2015**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	16986	3397		CWP	N	16986
Endowment assurance	25	28203	6998		CWP	N	28203
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	103389	28849		CWP	N	103389
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	53807	32239		CWP	N	53807

**Long-term insurance business: With-profits payouts on maturity (normal retirement)**
**Form 59A**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **Commercial Union Life Assurance Company Limited**

 Date of maturity value/open market option **1st March 2015**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	16306	1747		CWP	N	16306
Endowment assurance	25	27188	2913		CWP	N	27188
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	83469	10220		UWP	N	83469
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	37434	7853		UWP	N	37434

**Long-term insurance business: With-profits payouts on maturity (normal retirement)**
**Form 59A**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **CGNU Life Assurance Company Limited**

 Date of maturity value/open market option **1st March 2015**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	12605	3268		CWP	N	12605
Endowment assurance	20	18166	3153		CWP	N	18166
Endowment assurance	25	28212	1846		CWP	N	28212
Regular premium pension	5	14167	1322		UWP	N	14167
Regular premium pension	10	33609	3808		UWP	N	33609
Regular premium pension	15	52308	7438		UWP	N	52308
Regular premium pension	20	84545	11623		UWP	N	84545
Single premium pension	5	13249	2044		UWP	N	13249
Single premium pension	10	18300	3050		UWP	N	18300
Single premium pension	15	17893	1013		UWP	N	17893
Single premium pension	20	40115	7241		UWP	N	40115

**Long-term insurance business: With-profits payouts on surrender**
**Form 59B**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **Norwich Union Life & Pensions Limited**

 Date of surrender value **1st March 2015**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	15008			CWP	N	20865
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business: With-profits payouts on surrender**
**Form 59B**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **Provident Mutual Sub-Fund**

 Date of surrender value **1st March 2015**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	15265			CWP	N	21847
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a



**Long-term insurance business: With-profits payouts on surrender**
**Form 59B**

Name of insurer **Aviva Life & Pensions UK Limited**  
 Original insurer **Commercial Union Life Assurance Company Limited**  
 Date of surrender value **1st March 2015**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	15932			CWP	N	20392
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business: With-profits payouts on surrender**
**Form 59B**

 Name of insurer **Aviva Life & Pensions UK Limited**

 Original insurer **CGNU Life Assurance Company Limited**

 Date of surrender value **1st March 2015**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	13027			CWP	N	21019
Endowment assurance	20	17432			CWP	N	23048
With-profits bond	2	10824	425		UWP	Y	10834
With-profits bond	3	11278	1156		UWP	Y	11519
With-profits bond	5	12214	1612		UWP	Y	12224
With-profits bond	10	16210	2262		UWP	Y	16349
Single premium pension	2	11144	642		UWP	Y	11144
Single premium pension	3	12127	1413		UWP	Y	12127
Single premium pension	5	13249	2044		UWP	Y	13249
Single premium pension	10	18300	3050		UWP	Y	18300

**Long-term insurance capital requirement**
**Form 60**

 Name of insurer **Aviva Life & Pensions UK Limited**

Global business

 Financial year ended **31st December 2014**

 Units **£000**

	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
	1	2	3	4	5	6

**Insurance death risk capital component**

Insurance claim risk capital component							
Life protection reinsurance	11	0.0%					
Classes I (other), II and IX	12	0.1%	152796399	145232253	0.50	76398	76164
Classes I (other), II and IX	13	0.15%	5428913	167989		4072	3813
Classes I (other), II and IX	14	0.3%	281345205	36286398		422018	424509
Classes III, VII and VIII	15	0.3%	4024903	3597374	0.89	10792	11571
Total	16		443595420	185284014		513280	516057

**Insurance health risk and life protection reinsurance capital component**

Class IV, supplementary classes 1 and 2 and life protection reinsurance	21					23832	23832
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**Insurance expense risk capital component**

Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	26243110	22607020	0.86	226070	192516
Classes III, VII and VIII (investment risk)	33	1%	20548126	20526414	1.00	205264	215161
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	12399458	12399458	1.00	123995	121396
Classes III, VII and VIII (other)	35	25%				28798	19054
Class IV (other)	36	1%	418236	364648	0.87	3646	3316
Class V	37	1%					
Class VI	38	1%	3409	3409	1.00	34	46
<b>Total</b>	<b>39</b>					587807	551489

**Insurance market risk capital component**

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	26243110	22607020	0.86	678211	577548
Classes III, VII and VIII (investment risk)	43	3%	20548126	20526414	1.00	615792	645484
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	12399458	12399458			
Classes III, VII and VIII (other)	45	0%	32189775	28871790			
Class IV (other)	46	3%	418236	364648	0.87	10939	9947
Class V	47	0%					
Class VI	48	3%	3409	3409	1.00	102	139
<b>Total</b>	<b>49</b>		91802114	84772739		1305044	1233118

<b>Long term insurance capital requirement</b>	<b>51</b>					2429963	2324496
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**Supplementary notes**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global business  
Financial year ended **31st December 2014**

**Code****0201 Section 148 Waivers****Rate of interest 1706019**

The PRA, on the application of the firm, made a direction under section 138A of the Financial Services and Markets Act 2000 in December 2013. The effect of the direction is to modify the provisions of INSPRU 3.1.35R and IPRU(INS) Appendix 9.3 so that a more appropriate rate of interest will be used for assets taken in combination.

**0203 Quota Share Reinsurance**

On 31 December 2013, the company entered into a Quota Share reinsurance arrangement with its fully owned insurance subsidiary undertaking Aviva Annuity UK Limited (UKA). Under the terms of the Quota Share Reinsurance 12.5% of the Long Term Fund of UKA was reinsured to the company. On the 1 January 2014, the percentage of the quota share was increased from 12.5% to 22.5%.

As a result of the additional 10% Quota Share arrangement, the Company received a further reinsurance premium from UKA of £3,130 million, with the full amount of this being immediately deposited back with UKA as collateral and included as an asset in Form 13 at line 57.

During the year, a proportionate share of new business premiums, claims, investment returns and expenses of UKA have been ceded to the company. The same position will apply going forwards.

Included within this reinsurance are index linked liabilities of £1,220.1m which have been included in mathematical reserves of the company and accordingly within index linked liabilities on Form 54. As the assets backing the reinsurance are effectively covered by the deposit with UKA, no index linked assets have been shown for this reinsurance on Form 13 Line 58 and accordingly no Form 56 is presented..

**0301 Reconciliation of net admissible assets to total capital resources after deductions**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
i) Net admissible assets		
Form 13 Line 89 (Long term business)	97,113,615	92,664,339
Form 13 Line 89 (Other than long term business)	1,734,920	1,609,216
Form 14 Lines 11, 12 and 49	(89,830,265)	(85,731,110)
Form 15 Line 69	(376,978)	(49,793)
	<u>8,641,292</u>	<u>8,492,652</u>
iv) Capital resources requirement of regulated related undertakings	1,565,404	1,167,404
Form 3, Line 79	<u>10,206,696</u>	<u>9,660,056</u>

**0306 Financial Reinsurance – ceded**

The impact of the financial reinsurance arrangements included in line 92 is to reduce mathematical reserves by £301.1m.

The contingent liability repayable to the reinsurers under the arrangements totals £472.7m.

The commutation value for those arrangements where it is possible to derive an amount repayable totalled £472.7m at the end of the financial year.

**Supplementary notes**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global business  
Financial year ended **31st December 2014**

**Code****0310 Calculation of valuation differences as required by instruction 9 to Form 3**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Positive valuation differences in respect of liabilities where valuation in GENPRU and INSPRU is lower than the valuation that the firm uses for external financial reporting purposes		
Deferred taxation provision (Form 14 Line 74)	310,254	355,094
Difference in technical provisions (Form 14 Line 74)	4,954,034	4,367,272
Deferred income reserve (Form 14 Line 74)	61,733	68,345
Financial reinsurance (Form 14 Line 74)	171,572	207,670
IFRS Provision included in PRA Maths Reserves	139,962	(53,146)
Other (Form 14 Line 74)	(25)	144
Negative valuation differences in respect of assets where valuation in GENPRU and INSPRU is lower than the valuation that the firm uses for external financial reporting purposes.		
FV of loans held at amortised costs (Form 13 Line 98)	(120,194)	-
IFRS to PRA revaluation of deposit withheld by ceding undertaking (Form 13 Line 98)	(36,202)	-
<b>Net positive valuation difference included in Form 3, Line 14</b>	<b>5,481,134</b>	<b>4,945,379</b>

**0313 Reconciliation of profit and loss account and other reserves**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Profit and loss account and other reserves at the end of the previous financial year (Form 3 Line 12 Column 4)	5,111,153	3,904,119
Profit/(loss) retained for the financial year (Form 16 Line 59)	372,514	240,334
Profit/(loss) arising in long-term insurance funds that has not been transferred to the shareholder fund	(309,962)	966,700
Profit and loss account and other reserves at the end of this financial year (Form 3 Line 12 Column 3)	<b>5,173,705</b>	<b>5,111,153</b>

**1104 Provision for claims outstanding**

Discounting has been used at Form 11 line 51 for income replacement policy claims in payment, where the projected amounts constitute a form of annuity.

## Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**  
 Global business  
 Financial year ended **31st December 2014**

### Code

#### 1301 Aggregate value of assets

1308

The aggregate values of types of assets specified in instruction 5 to Form 13 are:-

- (i) Unlisted investments on lines 41 and 46 are £180.7m (Long term business) and £nil (Other than long term business).
- (ii) Listed investments on lines 41, 46 and 48, which are not readily realisable £nil.
- (iii) Units in collective investment schemes that are not schemes falling within the UCITS Directive or are not authorised unit trust schemes or recognised schemes within the meaning of Part XVII of the Act are £2,895.1m (all Long term business).
- (iv) Reversionary interests or remainders in property other than land or buildings £nil.

#### 1302 Aggregate value of hybrid securities – long term insurance business

1309

The company held hybrid securities of £208.2m.

#### 1304 Statement of amounts set off

1310

Amounts have been set off to the extent permitted by generally accepted accounting principles.

#### 1305 Counterparty limits during the year

1319

The maximum permitted exposure to counterparties is set out in the Investment Management Agreement with Aviva Investors Global Services Limited and approved by Aviva Life Investment Committee, as follows:

##### Deposits

The total UK Life Group credit risk exposure to any single institution limit for a particular counterparty holding at the end of the financial year was £400m for Tier 1, £300m for Tier 2 and £150m for Tier 3.

Each product cannot hold more than 2% of funds under management (but subject to minimum of £20m and a maximum of £150m) with individual 'Tier 1' counterparties, 1.5% of funds under management (but subject to a minimum of £15m and a maximum of £100m) with individual 'Tier 2' counterparties and 0.5% of funds under management (but subject to a minimum of £10m and a maximum of £75m) with individual 'Tier 3' counterparties. Tier 1 represents AAA rated institutions, Tier 2 represents institutions rated AA- or better whilst Tier 3 represents institutions rated A- or better.

##### Equities

The maximum of a company's equity held by any fund is limited to 19.99% within the UK and and 10% overseas. Unquoted holdings do not exceed 10% of any fund.

##### Fixed

Exposure to non-government bonds is limited to holdings which are deemed to be of a suitable quality determined by financial management. The maximum holding across all funds of a single issue is limited to 25% of the issue. Private placements are limited to 5% of the non-government bond portfolio.

##### Derivatives

Exposure to derivatives is considered in the management of the funds within the overall risk limits. Where appropriate, constraints are in place over the nature of derivative instruments and the duration..

#### 1306 Counterparty exposure at the year end

1312

Exposure to any one counterparty at the end of the financial year did not exceed 5% of the sum of the insurer's base capital resources requirement and its long-term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded.

**Supplementary notes**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global business  
Financial year ended **31st December 2014**

**Code****1318 Other asset adjustments**

<b>2014</b>	<b>Category 1 £'000</b>	<b>Category 10 £'000</b>
Disclosure of unit-linked credits as liabilities in statutory accounts	-	471,021
Current tax gross up	(11,854)	-
Variation margin gross up on futures	-	1,089,743
Other adjustments	(1)	(145)
Other asset adjustments included in Form 13 line 101	(11,855)	1,560,619

<b>2013</b>	<b>Category 1 £'000</b>	<b>Category 10 £'000</b>
Disclosure of unit-linked credits as liabilities in statutory accounts	-	663,001
Current tax gross up	-	-
Variation margin gross up on futures	-	46,350
Other adjustments	7	135
Other asset adjustments included in Form 13 line 101	7	709,486

**1401 Provision for reasonably foreseeable adverse variations****1501**

The methods and assumptions disclosed in the valuation report, under IPRU (INS) Appendix 9.4, appropriately allow for the determination of any provision for reasonably foreseeable adverse variations. It has been determined that no provision for reasonably foreseeable adverse variations is required.

Senior management performed a review of asset positions that are valued at marked to market and marked to model to determine whether valuation adjustments should be made pursuant to GENPRU 1.3.30R to GENPRU 1.3.33R. The review concluded that no such adjustments were required.

**1402 Contingent liabilities, etc****1502**

The Company has provided guarantees to UKA totalling £250m and £130m to support two proposed infrastructure investments by Aviva Annuity UK Limited. If called upon, the guarantees would be met from, and the purchased infrastructure assets recognised in, the Non-profit funds of the Company. The guarantees are subject to the approval by the Board of Aviva plc. No liability has been recognised in respect of the guarantees.

There are no charges over any assets of the Company.

There are no deferred tax liabilities on capital gains included on the form.

There are no contingent liabilities not included on the Form.

The Company has indemnified the overdrafts of certain other group companies.

Other than noted above there are no guarantees, indemnities, or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of the existing or future liabilities of related companies.

There are no other fundamental uncertainties.

**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code****1404 Implicit Provision****1506**

No implicit provision is required by INSPRU 3.2.17R(3) as all derivatives that impose an obligation on the firm are strictly covered.

**1405 Other adjustments to Liabilities**

	<b>2014 £'000</b>	<b>2013 £'000</b>
Adjustment to FSA mathematical reserves	4,954,034	4,367,272
Reversal of IFRS Accounting Provision (Included with Mathematical Reserves for PRA)	139,962	
Disclosure of unit-linked credits as liabilities in statutory accounts	471,021	663,001
Deferred Tax – Valuation element	310,254	355,094
Deferred Tax – Inadmissible element	(11,888)	(220,562)
Deferred income reserve	61,733	68,345
Financial reinsurance	171,572	207,670
Variation margin gross up on futures	1,089,743	46,350
Other liabilities	(135)	225
Other adjustments to liabilities included in Form 14 line 74	<u>7,186,296</u>	<u>5,487,395</u>

**1507 Other adjustments to Liabilities (Other than Long-term Business)**

	<b>2014 £'000</b>	<b>2013 £'000</b>
Current Tax Gross Up	(11,854)	-
Other Liabilities	-	67
Other adjustments to liabilities included in Form 15 line 83	<u>(11,854)</u>	<u>67</u>

**1601 Basis of conversion of foreign currency****4005**

Assets and liabilities in currencies other than sterling have been translated into sterling at rates of exchange ruling at 31 December 2014. Revenue transactions of those operations, which are traded in currencies other than sterling, are translated at average rates of exchange for the financial year.

**1700 Form omitted**

No Category 1, Category 13 or Category 18 Form 17 has been prepared on the basis that there are no derivative contracts for these categories of assets.

**1701 Variation Margin**

The aggregate amount of variation margin received by the company totalled £1,791.9m. This includes £675.0m of non-cash collateral which has not been included on forms 13, 14 and 17 in line with local GAAP. Of the aggregate amount received, £1,116.1m has been allocated to Form 13 Line 44.

No amounts on form 13 reflect the liability to repay any excess.



**Supplementary notes**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global business  
Financial year ended **31st December 2014**

**Code****1800 Forms omitted**  
**1900**

Forms 18 and 19 have not been included for WPSF5 and Stakeholder. Reasons for this are as follows:

WPSF5 does not fit the FSA definition of a With-Profits fund – policyholders are not eligible to participate in any established surplus from Aviva. Whilst there is With-Profits business within the fund the policyholders are only eligible to participate in surplus from the counterparty to the reinsurance. In the event of reinsurer default there is not a defined link with Aviva's surplus.

Stakeholder does not form a fund in itself – it is written into New and Old With profit sub fund (88.25% and 11.75% respectively) and participates in the same assets. Whilst it has a separate smoothing account and is “ring-fenced” to some extent the rest of the fund has no recourse to stakeholder profits. Therefore, this does not fit the FSA definition of a separate “With-profits fund” as it does not have a separate pool of surplus.

**1901 Support arrangement assets**

The amount included in line 27 (and within lines 29, 67, 68 and 69) comprises the support arrangement assets as defined by the firm's reorganisation scheme dated 1 October 2009. The assets described below are included within Form 13 line 89 of Non Profit Sub Fund 1 (NPSF1).

Shown below are the movements in the Reattributed Inherited Estate External Support Account (RIEESA) during the year, plus the reconciliation of the RIEESA to the figure shown in line 27 of Form 19

*From 1 April 2014, all policyholder business was transferred to NWPSF and reported within that fund. The impact of this is shown below. The LTICR in relation to this business was also transferred.*

<b>Movements in the RIEESA</b>	<b>£'000</b>
Balance brought forward at 1 January 2014	1,044,314
Investment income and gains	21,813
Premiums less claims and expenses on non-profit business in which the RIEESA has invested, (less increase/plus decrease) in liabilities on that business.	81,569
Repayment of capital support arrangement from New With Profits Sub Fund	1,058,904
Transfer out of PH business to NWPSF	(23,498)
Taxation attributable to the RIEESA	(10,139)
Balance carried forward at 31 December 2014	2,172,963
<b>Support arrangement assets</b>	<b>£'000</b>
RIEESA	2,172,963
Capital requirements of business to be retained by the RIEESA	-
Support arrangement assets	2,172,963

**4002 Other income and expenditure**

Lines 15 and 25 have been used for transfers of annual management charges between sub funds. These amounts have been shown net in the summary form.

**Supplementary notes**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

**Code**

**4006 Apportionment of items between different long-term insurance business funds**

**Investment Income**

Where linked assets are not individually designated to a particular fund the assets and investment income are allocated by reference to the unit holdings of the respective funds. For all other invested assets investment income is allocated by reference to the designated asset.

**Increase or decrease in the value of assets brought into account**

The value of non-linked assets brought into account is determined by reference to the liabilities of the relevant fund. The assets available are individually designated to the relevant fund.

In respect of linked assets, where the assets are not individually designated to a particular fund the value brought into account is allocated by reference to the unit holdings of the respective funds.

**Expenses**

Expenses incurred in respect of a specific fund of business are attributed to the relevant fund. Expenses not so incurred are allocated to the relevant funds on an incurred basis in accordance with the arrangement for the provision of management services by Aviva Life Services UK Limited.

**Taxation**

The taxation of each fund is computed in accordance with the taxation regulations applicable to that class of business.

**4008 Provision of management services**

Under a management agreement Aviva Life Services UK Limited supplies and makes a charge for the provision of management services to the Company.

Investment management services have been provided to the Company by Aviva Investors Global Services Ltd.

**4009 Material connected party transactions**

There were no related party transactions during the year which exceeded 5% of the long-term insurance liabilities net of reinsurance ceded.

**4300 Form omitted**

Form 43 in respect of the Stakeholder Fund has been omitted as all entries (including comparatives) would be blank.

**4401 Basis of valuation in internal linked funds**

Investments are stated at current value, listed investments are stated at Bid market value.

**4402 Aggregate value of rights under derivative contracts**

The aggregate values of rights and liabilities under derivative contracts (gross of variation margin) as at 31 December 2014 are £66.9m and £0.5m respectively. There is no variation margin payable.

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**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code****4502 Other income and expenditure**

Other Income comprises the following balances:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Rebates	80,450	87,140
	<u>80,450</u>	<u>87,140</u>

Other Expenditure comprises the following balances:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Custody and Other Management Fees	4,454	4,522
Payment of Distributions to Policyholders	33,773	40,248
Interest Paid	112	215
Property Expenses	23,253	21,822
Compensation/Misc Inv Expenses	3,883	558
	<u>65,475</u>	<u>67,365</u>

**4802 Treatment of expected income**

There is a reduction of income where payment of interest is in default. The amount of interest involved is £1.4m.

**4803 Redemption assumption**

Where securities may be redeemed over a period at the option of the guarantor or the issuer it has been assumed within the yield calculation that they will be redeemed at the earliest callable date.

**4804 Yield for assets lines 18 or 28**

The yield shown in column 4 for the following assets is significantly different from the weighted average of the yields for each asset of that type determined in accordance with INSPRU 3.1.34R before any allowance for tax required by INSPRU 3.1.29R.

	<b>Yield</b>
Shares in non-insurance dependants (Form 13 Line 25)	Nil
Mortgage loans (Form 13 line 50)	6.02%
Policy Loans (Form 13 line 52)	2.97%
Cash balances (Form 13 Line 81)	0.25%
Direct insurance debtors (Form 13 line 71)	Nil
Reinsurance debtors (Form 13 line 74)	Nil
Other debtors (Form 13 line 78)	Nil

**4806 Assets used to calculate investment return**

For With-Profits Sub-Fund and Provident Mutual Sub-Fund the investment returns shown in lines 21-29 column 5 are based on the portfolio of assets hypothecated to back asset shares.

For New With-Profits Sub-Fund and Old With-Profits Sub-Fund the investment returns shown in lines 21-29 column 5 are based on the portfolio of assets backing asset shares on UK business (the largest portfolio).

**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code****4900 Fixed and variable interest securities**

No form 49 has been prepared for the NPSF1 Fund as non-linked fixed interest securities (which are not approved securities) do not exceed £100m.

No form 49 has been prepared for the Belgian Sub-Fund as non-linked fixed interest securities (which are not approved securities) do not exceed £100m.

**4901 Rating agency used**

The credit rating analysis on Form 49 lines 31 to 37 has been prepared using externally published ratings provided by Standard & Poor's and Fitch and Moody's. If no external rating exists Aviva Investors Global Services Ltd have provided a rating. Any remaining unrated securities and those falling below CCC/Caa have been included on line 38.

**5101 Group schemes for which there is no record of benefits at member level**

The number of group schemes for which there is no record of benefits at member level is as follows

Sub-fund	Business Type	Product Code	Scheme Count
NPSF1	UKL	300	9
NPSF2	UKP	415	46
WPSF	UKP	390	3
WPSF	OS	390	1

**5103 The following products have been classified under the miscellaneous product code in Form 51 where the £10m threshold has been exceeded**

Sub-fund	Business Type	Product Code	Description of Product	Reserve (£000)
NPSF1	UKL GR	435	Miscellaneous business – Hamilton Life	30,065

**5201 Group schemes for which there is no record of benefits at member level**

The number of group schemes for which there is no record of benefits at member level is as follows

Sub-fund	Business Type	Product Code	Scheme Count
PMSF	UKP	555	37
NWPSF / OWPSF	UKP	571	350

**5203 Miscellaneous product codes**

Business classified under the miscellaneous product code where the £10m threshold is exceeded is as follows

Sub-fund	Business Type	Product Code	Description	Reserve (£000)
PMSF	UKP GR	575	AWP Self Employed Retirement Annuity	242,182
PMSF	UKP GR	575	AWP Personal Pension Plan	157,873
PMSF	UKP GR	575	AWP Executive Pension Plan	81,062
PMSF	UKP GR	575	AWP Individual Pension Arrangement	75,424
PMSF	UKP GR	575	AWP COMPACT	25,157
PMSF	UKP GR	575	AWP Additional Voluntary Contributions	34,328

**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code**

PMSF	UKP GR	575	Additional expense reserve	15,598
WPSF	UKP GR	575	Product Governance	41,220
NWPSF	UKL GR	575	UKIL With Profit Bond and Core Funds Bond	302,730
NWPSF	UKP GR	575	Group Defined Benefit (Red Plan)	226,104
NWPSF	UKP GR	575	Retirement Annuity	318,466
OWPSF	UKL GR	575	UKIL With Profit Bond and Core Funds Bond	53,832
OWPSF	UKP GR	575	Retirement Annuity	52,106

**5301 The number of group schemes for which there is no record of benefits at member level is as follows**

Sub-fund	Business Type	Product Code	Scheme Count
NWPSF / OWPSF	UKP	755	37

**5303 Use of Miscellaneous product code**

Business classified under the miscellaneous product code where the £10m threshold is exceeded is as follows

Sub-fund	Business Type	Product Code	Description of Product	Reserve (£000)
NPSF1	UKL GR	795	External fund rebate reserve	50,050

**5600 Forms Omitted**

The total value of index-linked assets is below £100m and therefore this form has not been included

**5701 Non-Profit sub-fund**

Negative and positive mathematical reserves offset each other for certain lines in Form 57, as detailed below.

**NPSF1**

FORM 51 - ADDITIONAL RESERVES - LIFE NET 0%		
Product code	Product description	Net reserve (£000)
305	Single premium non-profit WL/EA OB	2,944
325	Level term assurance	159
330	Decreasing term assurance	(6)
340	Accelerated critical illness (guaranteed premiums)	2
360	Income protection non-profit (guaranteed premiums)	9
415	Collective Life	(853)
440	Additional reserves non-profit OB	169,827
	<b>Total</b>	<b>172,082</b>

**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code**

<b>FORM 51 - NP ASSURANCE UK LIFE NET 1.7%</b>		
Product code	Product description	Net reserve (£000)
300	Regular premium non-profit WL/EA OB	(51,673)
325	Level term assurance	(2,321)
330	Decreasing term assurance	(43,457)
340	Accelerated critical illness (guaranteed premiums)	44,888
345	Accelerated critical illness (reviewable premiums)	7,225
435	Miscellaneous non-profit	4,470
	<b>Total</b>	<b>(40,868)</b>

**NPSF2**

<b>FORM 51 - INCOME PROTECTION GROSS 1.8%</b>		
Product code	Product description	Net reserve (£000)
360	Income protection non-profit (guaranteed premiums)	(25,364)
365	Income protection non-profit (reviewable premiums)	(2,348)
385	Income protection claims in payment	22,873
420	Group income protection	32,095
425	Group income protection claims in payment	88,325
	<b>Total</b>	<b>115,580</b>

**New With-Profit Sub-Fund**

<b>FORM 51 - NP ASSURANCE UK LIFE NET 1.05%</b>		
Product code	Product description	Net reserve (£000)
330	Decreasing term assurance	(26,342)
360	Income protection non-profit (guaranteed premiums)	(3)
435	Miscellaneous non-profit	514
340	Accelerated critical illness (guaranteed premiums)	(126,169)
300	Regular premium non-profit WL/EA OB	118,204
325	Level term assurance	(55,736)
305	Single premium non-profit WL/EA OB	1,279
410	Group Life	20
440	Additional reserves non-profit OB	(663)
345	Accelerated critical illness (reviewable premiums)	(4,516)
	<b>Total</b>	<b>(93,412)</b>

**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code****FORM 53 - NP ASSURANCE UK LIFE NET 1.70%**

Product code	Product description	Net reserve (£000)
700	Life property linked single premium	(12,435)
710	Life property linked whole life regular premium	77
715	Life property linked endowment regular premium - savings	1,808
800	Additional reserves property linked	5,778
720	Life property linked endowment regular premium - target cash	117
	<b>Total</b>	<b>(4,655)</b>

**5705 Yields to which risk adjustment is applied**

Form 57 Column 5 includes yields after risk adjustment, in accordance with INSPRU 3.1.35R. The following table shows the yields to which the risk adjustment was applied (after the deduction of investment expense allowances).

	Risk adjusted yield on matching assets (Form 57 Column 5)	Yield before risk adjustment
UK L&GA NP Form 51	3.60	4.32
UK Pens NP Form 51	3.60	4.32
OS L&GA NP Form 51	3.60	4.32
UK L&GA NP Form 54	-0.40	0.34
UK Pens NP Form 54	-0.40	0.34
OS L&GA NP Form 54	-0.40	0.34

**Supplementary notes**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global business  
Financial year ended **31st December 2014**

**Code****5803 Distribution of Surplus**

The table below shows the breakdown of the change in the percentage of distributed surplus allocated to policyholders as shown in Form 58. This demonstrates that the change in percentage from 31/12/13 to 31/12/14 is due to changes in the relative proportion of business between different categories of WP policyholder, and the change in pace of refunding past subsidies in respect of new business. The proportion of surplus distributed to each category of policyholders remains unchanged.

**New With-Profits Sub-Fund**

	FSA Ref.	90:10	91:9	92:8	New business subsidy	Total
Bonus payments made to policyholders in anticipation of a	58.41	277,827	696	695		279,218
Reversionary bonus	58.43	236,439	3,510	4,919		244,868
Total allocated to policyholders	58.46	514,266	4,206	5,614		524,086
Net transfer out of fund	58.47	57,141	416	488	-58,045	0
Total distributed surplus	58.48	571,406	4,622	6,103	-58,045	524,086
Percentage of surplus allocated to policyholders		90.00%	91.00%	92.00%		100.00%
Percentage of surplus allocated to policyholders (previous year)		90.00%	91.00%	92.00%		94.33%

**Old With-Profits Sub-Fund**

	FSA Ref.	90:10	91:9	92:8	New business subsidy	Total
Bonus payments made to policyholders in anticipation of a	58.41	35,084	45	46		35,175
Reversionary bonus	58.43	32,875	307	425		33,608
Total allocated to policyholders	58.46	67,960	352	471		68,783
Net transfer out of fund	58.47	7,551	35	41	-2,938	4,689
Total distributed surplus	58.48	75,511	387	512	-2,938	73,472
Percentage of surplus allocated to policyholders		90.00%	91.00%	92.00%		93.62%
Percentage of surplus allocated to policyholders (previous year)		90.00%	91.00%	92.00%		94.42%



**Supplementary notes**Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014****Code****With-Profits Sub-Fund**

	FSA Ref.	Conventional With Profits	With Profits Annuity	Unitised With Profits	Belgium	Total
Bonus payments made to policyholders in anticipation of a surplus	58.41	241,518	1,247	84,043	-	326,808
Reversionary bonus	58.43	3,251	1,899	152,606	-	157,756
Total allocated to policyholders	58.46	244,769	3,146	236,649	-	484,564
Net Transfer out of fund	58.47	27,197	357	-	-	27,554
Total Distributed Surplus	58.48	271,966	3,503	236,649	-	512,118
Percentage of surplus allocated to policyholders		90.00%	89.80%	100.00%		94.62%
Percentage of surplus allocated to policyholders (previous year)		90.00%	89.57%	100.00%	-	93.93%

**Provident Mutual Sub-Fund**

	FSA Ref.	Conventional With Profits	Scheme of Transfer adjustment	Total
Bonus payments made to policyholders in anticipation of a surplus	58.41	23,728		23,728
Reversionary bonus	58.43	7,638		7,638
Total allocated to policyholders	58.46	31,366	-	31,366
Net Transfer out of fund	58.47	3,485	- 155	3,330
Total Distributed Surplus	58.48	34,851	- 155	34,696
Percentage of surplus allocated to policyholders		90.0%	0.0%	90.40%
Percentage of surplus allocated to policyholders (previous year)		90.0%	0.0%	90.38%

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended **31 December 2014****1. Introduction**

- (1) The **valuation date** is 31 December 2014.
- (2) The previous valuation was completed with an effective date of 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of rule 9.3A.

**2. Product Range**

There have not been any significant changes to products during the financial year. The fund is open to new with-profit business.

**3. Discretionary charges and benefits**

- (1) The table below shows the period during which a market value reduction (MVR) applied during 2014. The table is separated by class of business and by year of unit purchase. Only entry years where MVRs applied are shown. For all other entry years, no MVR applied.

Product	UWP Life products (not Bond 2000) Without Guarantee	UWP Life products (not Bond 2000) With Guarantee	UWP Life (Bond 2000)	UWP Pensions Products with guaranteed bonus	UWP Pensions Products without guaranteed bonus	UWP Group Defined Benefits
1998	N/A	N/A	N/A	01.01.14 -31.12.14	N/A	01.01.14 - 31.12.14

- (2) There have been no changes to premiums on reviewable protection policies.
- (3) The fund does not have any non-profit deposit administration benefits.
- (4) **Service charges:**  

For Unitised Ordinary Business and Post 1/1/95 Unitised Pensions, including 98 Series products Plan fees were reviewed with effect from 1st January 2014 and were based on the change in a RPI index.

Pre 1/1/95 unitised pension products were reviewed with effect from 1st April 2014.

Personal Pension Plans (including AVCs, Jersey Investment Plan) changes were based on the change in a RPI index in January.

Group Money Purchase plans changes were based on the change in an AWEI in April.
- (5) There have been no changes to benefit charges on linked policies.
- (6) There have been no changes to unit management charges or notional charges to accumulating with profits policies.
- (7) There are no internal linked funds in the With-Profit sub-fund of Aviva Life & Pensions UK Ltd (the Company).
- (8) There are no internal linked funds in the With-Profit sub-fund of the Company.
- (9) There are no internal linked funds in the With-Profit sub-fund of the Company.
- (10) There are no internal linked funds in the With-Profit sub-fund of the Company.

**4. Valuation basis (other than for special reserves)****(1) Valuation methodology**

For the Company, 1% of gross mathematical reserves exceed £10m. A limit of £10m will be applied to all subfunds of the Company when considering whether a group of products is material.

All regular and single premium business is now valued on a Gross Premium basis.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended

**31 December 2014**

For pensions business continued beyond the normal pension age, the cash value available at the normal pension age has been accumulated with interest.

Unitised with-profits business is valued initially by determining the lower of the current non-guaranteed surrender value and the bid value of units. This result is then compared with a prospective valuation and the higher result taken.

The prospective valuation projects future benefits to the next guarantee date. For Pensions business (and Life business with a set maturity date) this is the maturity date that the policyholder has selected. For Life business without a set maturity date it is the next date that the policyholder has a guaranteed surrender value (see section 5(2)).

The projection assumes future premiums cease and future bonuses are zero, except for policies with a guaranteed minimum bonus rate, where this guaranteed bonus is allowed for. Allowance is made for mortality, with assumptions as shown in the Non-Profit Sub-fund Appendix 9.4. Allowance is made for lapses, with assumptions as shown in 4(9) below. The prospective valuation also explicitly allows for the transfer of the annual management charges from the With Profits Fund to the Non Profit Fund to meet future maintenance expenses.

Any death or critical illness risk is valued on an unexpired premium reserve basis with an allowance for incurred but not reported claims.

**(2) Valuation interest rates:**

A table of all valuation interest rates used is given below.

<b>Product Group</b>	<b>Interest Rate 31 Dec 2014</b>	<b>Interest Rate 31 Dec 2013</b>
<b><u>Life Assurances</u></b>		
Conventional business WP	2.15%	2.60%
UWP business	1.65%	2.10%
<b><u>Pensions and General Annuities</u></b>		
Deferred Annuity With Profit		
In payment	2.45%	3.00%
In deferment – Single Premium	2.45%	3.00%
In deferment – Regular Premium	2.45%	3.00%
Deferred Annuity Non Profit		
In Payment	1.85%	2.60%
In deferment – Single Premium	1.85%	2.60%
In deferment – Regular Premium	1.85%	2.60%
Non-profit policies	1.85%	2.60%
Regular Premium With Profit policies	2.45%	3.00%
Single Premium With Profit policies	2.45%	3.00%
Group Defined Benefits	2.45%	3.00%
UWP business	1.90%	2.45%
With Profit Annuity	3.10%	3.50%

**(3) Risk adjusted yield****Equity assets**

The allowance for credit risk on equities is two-fold. Firstly, a deduction is applied, which is determined as 25% of the excess of the equity yield over the Long Term Gilt Yield. The equity yield is then capped at a maximum of 10%.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

For the purposes of the valuation the average deduction from the yield on equities held at 31 December 2014 was:

<b>Deduction from Yield</b>	<b>WPSF</b>
Impact of 25% Spread	0.34%
Impact of 10% Cap	0.12%
Total Deduction	0.46%

**Property assets**

The property assets have been ordered by yield and divided into different categories. Firstly, a deduction is applied to the grouped yields, which is determined as 25% of the excess of the yield over the Long Term Gilt Yield. The property yield in each category is then capped at a maximum of 10%. This means that very low-yielding assets retain the low rate but high-yielding assets are capped.

The reduction on the average yield on property assets is as follows:

<b>Deduction from Yield</b>	<b>WPSF</b>
Impact of 25% Spread	0.88%
Impact of 10% Cap	0.25%
Total Deduction	1.13%

**Fixed interest securities**

The allowance for credit risk on bonds is two-fold. For 31 December 2014 a deduction equivalent to 51% of the spread over gilts where the spread has been calculated after capping the bond yield at a maximum of 200% of the yield on a representative iBoxx index.

For the purposes of the valuation the average deduction from the yield on fixed interest securities (excluding Approved fixed interest i.e. gilts and other bonds issued by approved UK and international public sector bodies) held at 31 December 2014 was:

<b>Deduction from Yield</b>	<b>WPSF</b>
Impact of Cap	0.29%
Impact of 51% Spread	0.83%
Total Deduction	1.12%

For Mortgages, a deduction of 0.33% was used, while for Deposits, the equivalent deduction was 0.10%.

**(4) Mortality assumptions**

The table below shows the mortality basis for Conventional business written by the fund.

<b>Product</b>	<b>Mortality basis 31 December 2014</b>	<b>Mortality basis 31 December 2013</b>
<b>UKL&amp;P WP Life Assurances</b>		
Whole Life	104.9% AM00/AF00 sel	104.9% AM00/AF00 sel
Endowments	87.4% AM00/AF00 sel	93.3% AM00/AF00 sel
<b>UKL&amp;P WP Pensions &amp; General Annuities</b>		

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**31 December 2014**

Whole Life	104.9% AM00/AF00 sel	104.9% AM00/AF00 sel
Endowments	87.4% AM00/AF00 sel	93.3% AM00/AF00 sel
Pure Endowment	60% AM00/AF00 ult	60% AM00/AF00 ult
Deferred Annuity		
In deferment	60% AM00/AF00 ult	60% AM00/AF00 ult
Post vesting	99.5% PCMA00 / 94.5% PCFA00	100% PCMA00 / 95.5% PCFA00
Group Defined Benefits		
In deferment	60% AM00/AF00 ult	60% AM00/AF00 ult
Post vesting	a(55) ult	a(55) ult
With Profit Annuity	99.5% PCMA00 / 94.5% PCFA00	100% PCMA00 / 95.5% PCFA00

**Unitised with-profit business**

Mortality assumptions are shown in the Non-Profit Sub-fund Appendix 9.4.

Notes on tables:

- M tables apply to male lives, F tables to female lives.
- Smoker / Non-Smoker table used where smoker status data is available, otherwise Combined table used
- Annuitant mortality: allowance has been made for future improvements to mortality. The base tables (% of PCXA00) are assumed to apply as at 31 December 2000 from that date improvements are expected. The allowance for improvements is as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Males	CMI_2013_M [1.75%], applicable from 2001 to 2013 CMI_2013_M[1.75%] plus 0.5% p.a., applicable from 2014	CMI_2012_M [1.75%], applicable from 2001 to 2012 CMI_2012_M[1.75%] plus 0.5% p.a., applicable from 2013
Females	CMI_2013_F [1.5%], applicable from 2001 to 2013 CMI_2013_F[1.5%] plus 0.5% p.a., applicable from 2014	CMI_2012_F [1.5%], applicable from 2001 to 2012 CMI_2012_F[1.5%] plus 0.5% p.a., applicable from 2013

- There are no products where the assurance mortality basis is expressed as 'modified table'.

**Expectation of Life**

The table below shows the required examples for expectation of life using the base mortality tables, percentage adjustments and improvement factors quoted above.

Table Description	Expectation of Life for annuitant aged 65 on 1/1/2015	Expectation of Life for annuitant aged 75 on 1/1/2015	Expectation of Life from age 65 for annuitant aged 45 on 1/1/2015	Expectation of Life from age 65 for annuitant aged 55 on 1/1/2015
99.5% of PCMA00 plus CMI_2013_M[1.75%] applied from 2001, plus 0.5% p.a. from 2014	24.9	15.2	28.8	26.8
94.5% of PCFA00 plus CMI_2013_F[1.5%] applied from 2001, plus 0.5% p.a. from 2014	27.1	17.1	30.4	28.8

**Allowance for future changes in mortality where not implicit in the basis:**

There are no explicit reserves for alterations to mortality. All future changes are made to the tables used to calculate base mathematical reserves.

The remaining margins in the published mortality and morbidity bases are considered sufficient to provide for adverse deviations in experience arising from other causes. No additional reserves are therefore held.

**(5) Morbidity assumptions:**

There are no liabilities within the With Profits Sub-Fund that require morbidity assumptions.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended **31 December 2014****(6) Expense assumptions:**

Expense assumptions are taken as 120% of the amounts detailed in the Management Services Agreement (MSA). The loadings are used to set a long-term assumption for additional costs arising within the business (e.g. project costs, regulatory fees, audit fees) and to give a margin for adverse deviation.

Non-unit reserves on UWP business are held in the Non-Profit Subfunds, expense assumptions for this business are shown in the Non-Profit Sub-fund Appendix 9.4.

Expense levels are assumed the same for premium-paying and paid-up policies.

The table below shows the per-policy expenses for 2013 and 2014 (including loadings).

Product	Product code	Renewal admin (£ per policy)	
		2014	2013
CWP savings endowment	120	38.44	37.43
CWP target cash endowment	125	38.44	37.43
CWP Pensions	155/165	51.24	49.90
Annuity (reversionary)	400	0	0

**Assumed future expense inflation**

2.99% per annum (RPI as set out by the MSA agreement)

**Zillmer adjustments**

No Zillmer adjustments were made to net premium reserves (as the valuation was done on a gross premium basis).

**Investment expenses**

The yield on the asset classes backing the liabilities was reduced for investment expenses. This reduced the upper bound on the interest rates used in the valuation. The adjustment made was 0.165%.

The adjustment reflects the charging structure agreed with the Company's fund managers, Aviva Investors UK.

**Tax Relief**

Tax relief on expenses on BLAGAB business has been assumed using a rate of 20.00%.

No allowance has been made for tax relief in respect of GRB (Gross Roll Up) business.

(7) There are no internal linked funds in the With-Profit sub-fund of the Company.

**(8) Bonus Assumptions:****Conventional with-profit business**

The Company is a realistic basis life firm. Accordingly, no allowance has been made for future annual or final bonus on Conventional with-profit business. This is consistent with INSPRU1.2.31G. There are no guarantees relating to future annual or final bonus on this business.

**Unitised with-profit business**

Certain classes of business have guaranteed annual bonus rates. These have been used in the projection of liabilities. No allowance has been made for discretionary annual or final bonus.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended

**31 December 2014**Guaranteed regular bonus by product:

Product	Guaranteed Annual Bonus Rate	Valuation assumption	Applies to...
Unitised With Profits Life	2.50%	2.50%	Units purchased pre 1/1/1999 on policies written before 1/1/1995
Unitised With Profits Pensions	4.00%	4.00%	Units purchased pre 1/1/1999 on policies written before 1/1/1995

In practice there are a small number of cases that do not satisfy the conditions given in the fourth column of the table but do receive the guaranteed bonus rates shown. These units are identified and the guaranteed bonus rate is incorporated into the valuation.

**(9) Persistency assumptions:**

For Conventional Business, we have assumed 100% persistency until maturity.

For UWP business, we have allowed for surrender rates consistent with the table below. Furthermore, for UWP policies with a no-MVR/money-back guarantee option available, we have assumed an exit rate of 100% at the next guarantee date. The exception to this is the Norwich Capital Plan, where a guaranteed minimum annual bonus rate of 2.5% may mean that a 0% no-MVR take-up will produce a bigger reserve. Accordingly, the reserves for this product are based on the most onerous of the 100% and 0% no-MVR take-up.

We have also assumed that policyholders that are able to take regular withdrawals without incurring an MVR take 5% of their units in this way (per annum).

Product		Average lapse/surrender/PUP rate for the policy years			
		1-5	6-10	11-15	16-20
Life CWP endowment - savings	Surrender	0%	0%	0%	0%
Life CWP endowment - target cash	Surrender	0%	0%	0%	0%
Life UWP endowment - savings	Surrender	4.55%	4.55%	4.55%	4.55%
Life UWP endowment - target cash	Surrender	4.55%	4.55%	4.55%	4.55%
Life UWP single premium - no guarantee	Surrender	2.47%	6.50%	4.55%	4.55%
Life UWP single premium - moneyback guarantee	Surrender	2.47%	6.50%	4.55%	4.55%
Life UWP single premium - no-MVR guarantee	Surrender	2.47%	8.06%	5.59%	5.20%
Life UWP single premium	Automatic withdrawals	100% of current withdrawal			
Pension CWP regular premium	PUP	0%	0%	0%	0%
Pension CWP regular premium	Surrender	0%	0%	0%	0%
Pension CWP single premium	Surrender	0%	0%	0%	0%
Individual Pension UWP regular premium	PUP	Peak 1 valuation assumes no future premiums on UWP business			
Individual Pension UWP regular premium	Surrender	2.28%	2.28%	2.28%	2.28%
Individual Pension UWP single premium	Surrender	2.28%	2.28%	2.28%	2.28%
Group Pension UWP regular premium	PUP	Peak 1 valuation assumes no future premiums on UWP business			
Group Pension UWP regular premium	Surrender	2.28%	2.28%	2.28%	2.28%
Group Pension UWP single premium	Surrender	2.28%	2.28%	2.28%	2.28%

**(10) Other basis items:**

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Name of insurer

**Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended

**31 December 2014**

**Option take-up rates**

- **Guaranteed Annuity Rate Options:**

We have assumed that current option take-up is 93%. These include a margin over current experience of 10%.

These rates are assumed to increase by 1% per annum to 95%.

- **Guaranteed Minimum Pensions (GMP) on Section 32 policies:**

We have assumed 100% 'option take-up' of the minimum pension. In practice, policyholders do not have an option (if the maximum pension bought by their policy is below the Guaranteed Minimum then they will be paid the GMP).

**Taxation**

Valuation interest rates on Life business include an allowance for taxation. This allowance has been arrived at using the following assumption:

- A tax rate of 20% has been assumed in respect of income on Fixed Interest and Property assets (for BLAGAB business). No allowance has been made for taxation on equity income.

(11) We allow for Equity and Fixed Interest Futures in the matching assets used to hypothecate against reserves.

(12) During the reporting period, the fund has made no changes to valuation methodology in respect of the following changes in INSPRU valuation rules:

- (a) Allowance for lapses on valuation of protection business
- (b) Allowance for negative reserves on valuation of protection business
- (c) Allowance for lapses on valuation of unit-linked business
- (d) Allowance for attributable expenses on valuation of unit-linked business

**5. Options and Guarantees**

**(1) Guaranteed Annuity Rate Options:**

**(a) Method:**

For policies with a cash benefit that can be used to buy an annuity on guaranteed terms, the methodology is as follows:

- Calculate the amount of the cash benefit that we have assumed will be converted into an annuity (using the option take-up rates given in section 4(10)).
- Determine the amount of annuity that this cash would buy if it were to be converted on guaranteed terms.
- Calculate the present value of the resulting annuity using the annuitant mortality basis given in section 4(4) and in-payment interest rate basis given in 4(2).
- If the total is greater than the total policy benefit at retirement then add on the difference. Discount the result to valuation date at the discount rate given in section 4(2).
- Add on the reserve for the expenses of administering the annuity.

For policies where the benefit is in the form of an annuity with a guaranteed cash-conversion option, the annuity benefit is converted to cash on the guaranteed terms. The methodology above (for cash contracts) is then applied.

The Regulatory-peak reserve for Guaranteed Annuity Options is compared with the reserve calculated using the following basis:

- Regulatory-peak annuitant mortality assumptions are used (as given in 4(4))
- Regulatory-peak option take-up rates are used (as given in 4(10))



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- Regulatory -peak annuity interest rates and discounting are used
- Realistic-peak assumptions for persistency are used
- Realistic-peak Final Bonus allowance removed

Realistic-peak assumptions are discussed in more detail in Appendix 9.4A.

If this second reserve is larger than the base Regulatory-peak figure, an allowance for stochastic variation is added to the Regulatory-peak reserve. The allowance at 31 December 2014 is zero.

(b)

(i) Product	Conventional pensions endowment with-profits	Conventional deferred annuity with-profits	Deferred annuity non-profit
(ii) Basic Reserve (£m)	585.6	219.8	282.9
(iii) Spread of outstanding durations:			
0-5 years	38%	45%	23%
6-10 years	34%	34%	29%
11-20 years	28%	19%	45%
over 20 years	0%	2%	4%
(iv) Guarantee Reserve (£m)	588.6	39.3	353.1

Notes on all products shown:

(v)/(vii): There are two main types of guaranteed annuity:

- Payable monthly in arrears, single life, no escalation, guaranteed for five years
- Payable monthly in arrears, single life, no escalation, no guaranteed period.

The Guaranteed Annuity Rate for the business with the guaranteed period is 11.25%. The Guaranteed Annuity Rate for the business without is 11.61%. These rates differ by less than 1% and so no split is shown.

vi) Increments (where permitted) do not receive the option.

viii) On retirement before Normal Retirement Date (NRD) Guaranteed Annuity Rates are lost. The exceptions are where retirement occurs between 60 and 75, on ill-health grounds before age 60 or when an early NRD was agreed at outset for S226 contracts.

**(2) Guaranteed surrender and unit-linked maturity values:**

The With-Profit fund has no unit-linked business.

The non-unit-linked policies with a guaranteed surrender value are certain Unitised With-Profit Life contracts.

No Conventional policies have a guaranteed surrender value. Unitised With-Profit Pensions contracts cannot be surrendered, only transferred or switched; in either case, an MVR would apply if this were to be done before Normal Retirement Date. Retirement under such policies can happen on more than one date without incurring an MVR. Retirement is a contractual exit (not a surrender of the policy) and is explicitly valued.

There are three types of guaranteed surrender value under UWP Life contracts:

- The option to surrender the policy on a certain set of dates without an MVR being applied (a no-MVR guarantee).
- The option to surrender the policy on a certain set of dates with the total benefit being underpinned by the initial premium paid into the policy (a money-back guarantee)
- The option to take a certain level of regular withdrawals without an MVR being applied.

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Global business

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**31 December 2014****(a) Methodology:**

In all three cases above the overall reserve for a policy has been calculated as:

Max([Accumulated Benefit + adjustment], [Prospective reserve for future benefit]).

- The [Accumulated Benefit + adjustment] item is calculated in accordance with INSPRU 1.2.71R(1).
- The [Prospective reserve for future benefit] is calculated as the present value of the benefit paid to the policyholder after allowing for lapses. The basis of the calculation includes assumptions for surrender before the guarantee date(s), an assumption about the percentage of remaining policyholders who choose to surrender on their guarantee date(s) and an assumption for the level of MVR-free regular withdrawals taken by policyholders.

Persistency assumptions are given in item 4(9), along with assumptions about guarantee take-up. The interest rates used in the calculation are given in 4(2).

The guarantee is explicitly valued as part of the main calculation – there is no explicit reserve for it.

The tables show the unit value in force as the guaranteed amount. This represents the amount that would be paid if the policyholder surrendered with a no-MVR guarantee. It is also a proxy for the amount payable under the regular withdrawal guarantee, as a policyholder could ultimately redeem all of their units through regular withdrawals.

Where a spread of duration is shown, duration refers to the next date at which the policyholder could fully surrender with a guarantee (either no-MVR or money-back).

**(b)**

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions			(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) regular withdrawal guarantee		
Norwich Capital Plan (10/89 onwards)	210,236,825	26.4% with no-MVR date in 2015; 73.6% with no-MVR date in 2016-2019	0	203,898,781	No MVR on 10th anniversary and subsequent 5 yearly anniversaries for continuous investment in the With Profits Fund	None	Aviva reserves the right to apply an MVR on regular withdrawals.	0	Yes but no-MVR guarantee does not apply to increments
Norwich With-Profits Bond; Norwich Bond 2000; Norwich Flexibond (pre 2/10/00); Bicentenary Bond	523,857,277	100% with MBG expired	0	521,249,628	None	Money-back guarantee applies in the 8-week period centred on the 10th policy anniversary. Does not apply if any part of policy has already been cashed in.	All regular withdrawals are MVR-free. Restrictions are made on the amount of regular withdrawals that can be taken. 5% of original investment is current practice.	0	Yes but they do not receive the money-back guarantee

**(3) Guaranteed Insurability Options**

- For convertible term or increasing sum insured options, a reserve is held equal to one year's option premium.
- The total sum assured for conversion and renewal options is less than £10million and is therefore not included here in accordance with rule 9.3(b).

**(4) Other guarantees and options****(a) Guaranteed Minimum Pensions on Section 32 policies**

Section 32 policyholders have a guarantee that the maximum annuity that can be bought with their policy at State Pension Age will not be less than the (revalued) Guaranteed Minimum Pension.

Method/basis:

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- The Guaranteed Minimum Pension is valued at retirement using the annuitant mortality/in-payment interest rate assumptions shown in sections 4(4)/4(2) respectively.
- This value of benefits is added to a reserve for paying the expenses of administering the GMP.
- The total is compared with the value of the Sum Assured / Regular Bonus to date. If larger, an additional reserve is established (equal to the difference).

The Regulatory-peak reserve for the GMP guarantee is compared with the reserve calculated using the following basis:

- Regulatory-peak annuitant mortality assumptions are used (as given in 4(4))
- Regulatory -peak (statutory valuation) annuity interest rates and discounting are used
- Realistic-peak assumptions for persistency are used
- Realistic-peak Final Bonus allowance removed

Realistic-peak assumptions are discussed in more detail in Appendix 9.4A.

If this second reserve is larger than the base Regulatory-peak figure, an allowance for stochastic variation is added to the Regulatory-peak reserve. The allowance at 31 December 2014 is zero.

The base reserve for the business affected is: £839m

The additional regulatory peak reserve for the GMP guarantee is: £897m

- (b) Some group business contains premium rate guarantees for a limited period. No specific reserve for these is considered necessary.

**6. Expense reserves**

- (1) The aggregate amount for expense allowances during 2015 arising from explicit reserves is £18,600,000.

The main sources are:

- The explicit annual maintenance expense charge for conventional business valued on a gross premium basis.
- Investment expenses as provided for by a deduction from the yield on conventional business
- Additional explicit 10% margin on the annual maintenance expense

For details about expense loadings for UWP business see Appendix 9.4 for the Non-Profit Sub Funds.

- (2) Gross Premium Valuation has been used for all business. All allowances for expenses are explicit.
- (3) The 2014 figure for expenses in line 14 of Form 43 includes amounts for prior year adjustments, one-off items and exceptional expenses that are reserved for explicitly elsewhere. Excluding these items, the allowance for 2015 maintenance expenses in 6(1) above is lower than the adjusted Form 43 expense by £1,880,000. Lower expenses are expected to be incurred in 2015 due to significant run-off of the business, in particular endowment policies.
- (4) No reserve is deemed necessary to cover the costs of transacting new business in the year following the valuation date.
- (5) No explicit reserve for maintenance expense overrun has been made because existing provisions for expenses exceed their current levels.

INSPRU 1.2.50R(2) requires us to make prudent provision for expenses allowing for:

- (a) tax
- (b) expenses in the last twelve months and expected future expenses
- (c) impact of expense inflation
- (d) cost of closure to new business 12 months after valuation date.

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Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**  
 Global business  
 Financial year ended **31 December 2014**

We have taken the following action to comply with INSPRU 1.2.50R(2):

- (a) All expenses provisions allow for taxation.
- (b) Our expense provision exceeds expected future expenses levels.
- (c) Expense inflation has been allowed for in the valuation at the rates dictated by the Management Services Agreement. The parameter used for RPI inflation (2.99%) was a best-estimate. By using a best-estimate assumption we are incorporating a margin for prudence into the valuation of expenses (since the gap between the valuation discount rate and expense inflation is far smaller than best-estimate).
- (d) An assessment was made of the cost of closure of the Company to new business at the end of 2014 using the following method and basis of calculation:
  - All sales, marketing and new business administration operations were assumed to cease three months after the date of closure.
  - Allowance was made for statutory redundancy costs.
  - Allowance was made for costs arising from the delay in re-letting properties occupied by the new business areas.
  - Allowance was made for the additional cost that would be incurred through outsourcing existing business administration
  - Allowance was made for other costs incurred on closure to new business such as write-offs on fixed assets.

Allowance was made for the proportion of closure expenses that would be borne by the other sub-funds of the Company and Aviva Annuity UK Limited.

No allowance was made for terminating the existing Management Services Agreement charging structure for existing business, as this would be expected to remain in force after closure to new business.

A provision of £1.3m is held to cover the cost of closure.

- (6) The UKL&P WP Fund does not hold any reserves for non-attributable expenses.

**7. Mismatching Reserves**

- (1) The mathematical reserves and matching assets, analysed by currency, are as follows.

Currency	Mathematical Reserves (£000)	Matching Assets (£000)	Matched %
Sterling	12,311,383	12,311,383	100%

- (2) No such grouping of liabilities has been needed.
- (3) The fund does not hold a reserve for currency mismatching. The fund has sufficient sterling assets to cover its mathematical reserves.
- (4) The Company is a realistic-basis firm and a resilience capital requirement is no longer required.
- (5) The Company is a realistic-basis firm and a resilience capital requirement is no longer required.
- (6) The Company is a realistic-basis firm and a resilience capital requirement is no longer required.
- (7) INSPRU 1.1.34R(1): "The assets *[held by a firm to cover its technical provisions]*...must...be of a sufficient amount, and of an appropriate currency and term, to ensure that the cash inflows from those assets will meet the expected cash outflows from the firm's insurance liabilities as they become due."

No further reserve has arisen following consideration of this rule.

Currency mismatching is considered in sections 7(1)-7(3).

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Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**  
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The assets backing the liabilities do not precisely match them by term. The fund has significant holdings in equity and property assets that have no set maturity date. These assets are held to provide strong performance for policyholders.

Instead, the fund aims to ensure that cash outflows can be met through:

- Incoming premiums
- Income from its assets (dividends, rental income, coupon payments)
- Receipts on redemption from matched fixed interest stocks
- Holding appropriate volumes of cash and liquid assets
- Sales of assets.

There is a risk that the fund may have to sell assets at an unfavourable time, e.g. when prices are temporarily depressed. If the fund has to sell unmarketable assets it may also depress the price through the sale itself. The risk will be very short term; if our liquidity was genuinely an issue then we could sell illiquid assets for cash over the period of a year without distorting the price we would receive (and have used in our asset valuation).

The risk only impacts business where it cannot be passed on to policyholders. For example, the risk is negligible on assets backing Unit Linked business because any reduction in price arising on sale would be passed onto the remaining policyholders through the unit price. On with-profit business, high levels of surrender may lead to higher MVR rates being applied.

To mitigate this risk the fund holds liquid assets (cash, certificates of deposit). It also ensures that a significant proportion of its other assets are invested in highly marketable stocks, in particular government bonds (but also shares issued by large companies).

An estimate of the UKL&P WP Fund's claims amounts for 2015 is £1,866m. Expected income, in 2015, from assets currently held in the fund is £392m and £2,187m is held in deposit-style assets. Premium income for 2014 was around £102m and there is no reason to expect it to fall significantly. The fund also holds an additional £5,855m in approved fixed and variable interest securities some of which we expect could be sold at short notice without altering prices. Accordingly no additional reserve is considered necessary.

## **8. Other Special Reserves**

### **(1) Mortgage Endowment Promise**

The Company has announced its intention that payments on with profit mortgage endowment policies may, if necessary, be topped up at maturity (subject to certain conditions) where there is a shortfall between the claim value and the mortgage originally targeted. Top-up payments can be met from future investment earnings on the free reserves within the UKL&P WP Fund. If investment earnings on the free reserves are not sufficient to meet the top-up payments then the payments may be reduced or eliminated.

Maximum top-up amounts have been communicated to policyholders. We have also advised policyholders that even after the Promise payment has been made they may have a shortfall.

For the purposes of the regulatory valuation these top up payments are treated as discretionary benefits and generally no reserve needs to be held. There are two issues that have led to a provision being established:

- (a) The company has advised policyholders that we will give them at least three years' notice before altering payments under the promise. We have assumed a half-year time lag between the Board making this decision and being able to communicate it to policyholders. This gives a minimum liability of the present value of the payments required for the next three and a half years.
- (b) The company intends that payments will be made while they can be provided for from earnings on the free reserves within the With-Profit fund.

The reserve will be calculated by considering the full liability for payments advised to policyholders in Promise mailings.

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As payment of this amount is contingent on earnings on the free reserves, we test whether this full amount can be paid from these earnings with reference to the stochastic model used for the Realistic peak valuation. If earnings are materially lower than the full reserve we will only reserve for the amount of the promise paid from these earnings. The reduction in reserves at 31 December 2014 for the affordability condition is zero.

The amount of provision is £358.5m.

**(2) Continued Beyond Maturity (CBM) Data Quality Reserve**

A provision of £20m is held to cover the risk that poor data on CBM policies is producing an inadequate reserve.

**(3) Product Governance Provision**

A reserve has been made to provide for estimated future rectification costs arising from known product governance issues.

The amount of provision is £41.2m.

**9. Reinsurance**

- (1) The UKL&P WP Fund does not cede any long-term business on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.
- (2) The UKL&P WP Fund has no reinsurance treaties where it is the cedant and where the reserves or premiums exceed £10m.
- (3) There is a treaty that reinsures the business in the UKL&P Belgian Sub-Fund to Delta Lloyd.
  - (a) The treaty reinsures out all liability from the UKL&P Belgian Sub-Fund to Delta Lloyd.
  - (b) Delta Lloyd receives the annual premiums payable by the policyholders of the Belgian Sub-Fund. During 2014 these totalled £18,000,000.
  - (c) There are no deposit-back arrangements under the treaty.
  - (d) The treaty is closed to new business.
  - (e) There is no undischarged obligation for the insurer.
  - (f) The amount of mathematical reserves ceded under the treaty is £114,118,000.
  - (g) The UKL&P Belgian Sub-Fund retains no liability for new policies being reinsured.
  - (h) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
  - (i) The Company is not connected with the reinsurer.
  - (j) The treaty is not subject to any material contingencies.
  - (k) No provision was made for refund of reinsurance commission in the event of lapse or surrender of the contracts.
  - (l) The treaty is not a financing arrangement.

The UKL&P WP Fund and the UKL&P Belgian Sub-Fund do not have any financing arrangements.

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Name of insurer

**Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

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**31 December 2014****10. Reversionary (annual, regular) bonus**

(1)

Product	Amount of Gross mathematical reserve (£m)	Regular bonus (2013)	Regular bonus (2014)	Guaranteed bonus (2014)
<b>Conventional Life</b>				
Super-compound series (all business)	1,751.5	0% SA / 0.5% RB	0% SA / 0.5% RB	0.00%
Simple Bonus Whole Life	10.5	16%	16%	0.00%
<b>Conventional Pensions</b>				
Individual & Group Pensions (excl With-Profit Annuity)	3,336.2	0% SA / 0% RB	0% SA / 0% RB	0.00%
Group Defined Benefits	8.3	0.00%	0.00%	0.00%
<b>With-Profits Annuity</b>				
Pre 2013 purchase	155.2	1.50%	1.50%	0.00%
2013 purchase		2.25%	2.25%	
<b>Unitised Life</b>				
Units without regular bonus guarantee	679.0	0.75%	1.25%	0.00%
Units with regular bonus guarantee	239.8	2.50%	2.50%	2.50%
<b>Unitised Pensions</b>				
Units without regular bonus guarantee	2,374.8	1.25%	1.75%	0.00%
Units with regular bonus guarantee	2,825.8	4.00%	4.00%	4.00%
<b>Belgium</b> (in the UKLAP Belgium sub-fund)	84.3	0.00%	0.00%	0.00%

The regular bonus shown for 2014 for unitised business is that declared at the end of 2013 and applied to policies during 2014. The regular bonus shown for 2014 for conventional business is the rate declared at the end of 2014, that is added to policies at their next policy anniversary in 2015.

- (2) The figures for bonus awarded on Unitised with-profit business show the percentage increase in unit price during the year.
- (3) For super-compound business both rates are shown (the rate applying to the base benefit is shown as a percentage of SA, the rate applying to regular bonus awarded to date is shown as a percentage of RB).
- (4) The figures above do not represent a weighted average

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Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**  
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**1. Introduction**

- (1) The **valuation date** is 31 December 2014.
- (2) The previous valuation was completed with an effective date of 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of rule 9.3A.

**2. Product Range**

There have not been any significant changes to products during the financial year. The fund is closed to new business except by increment.

**3. Discretionary charges and benefits**

- (1) The Provident Mutual Sub-Fund (PM fund) has no option to apply a market value reduction on any of its with-profit business.
- (2) There have been no changes to premiums on reviewable protection policies.
- (3) The fund does not have any non-profit deposit administration benefits.
- (4) **Service charges:**

**Impact Range (including PRIA/IIA with incorrect cancellation notice in 1989)**

The charges for the unit linked product range were increased by 0.5%. The exception is for charges on Compact and Everyman which increased by 2.7%.

**Defined Benefit Schemes**

Deferred Allocation Funding:

The administration fee increased by 0.5%.

- (5) There have been no changes to benefit charges on linked policies.
- (6) There have been no changes to unit management charges or notional charges to accumulating with profits policies.
- (7) Units are at the most recently available price.

Where an instruction, payment and all our requirements are received for a transaction before 8:00am on a business day, then units are allocated at the unit price. Where the instruction, payment and all our requirements are received after 8:00am then units are allocated at the next available unit price.

- (8) When a capital gain is realised on the sale of an asset in a unit-linked fund, and this gain cannot be offset by past capital losses, then the capital gains tax due would be retained in the fund until the next periodic settlement of tax due. This applies in respect of tax on notional realisations under the Finance acts as well as tax on realised capital gains. The tax rates used in calculating these deductions are as specified in section 3.9 below.
- (9) The internal linked funds are taxed on investment gains at a rate which reflects the position of each fund when considered as a standalone entity but with some regard to the corporate tax position. Rates are reviewed frequently to ensure that they reflect both changes within the fund and changing market conditions. In the calculation of unit prices allowance is made for indexation where applicable and also for the expected timing of the policyholder tax payment.

The tax rate applied to realised gains varied by fund in the range 1.4% to 20% during 2014. The rate applied to unrealised gains varied by fund in the range 9.0% to 20% during the year to 31 December 2014.



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Credit is given within unit prices for the tax benefit that may arise in future from realised and unrealised losses. For funds with an excess of realised/unrealised losses over gains the rate applied to the losses varied by fund in the range 0.9% to 20.0% during the year to 31 December 2014.

- (10) The Company derives no financial benefit in respect of collective investment fund units held by the internal linked funds. The Company's policy on receiving discount, commission or other allowance when purchasing, selling or holding units in collective investment funds is to pass the full benefit onto the fund.

**4. Valuation basis (other than for special reserves)**

**(1) Valuation methodology**

For the Company, 1% of gross mathematical reserves exceed £10m. A limit of £10m will be applied to all subfunds of the Company when considering whether a group of products is material.

A gross premium method of valuation was used for Conventional with-profit and Conventional non-profit business.

The Accumulating with-profit business was valued as follows:

- The benefit that had accrued prior to valuation date was rolled forward at the guaranteed rate of interest (where appropriate).
- The benefit at retirement was adjusted for the value of any Guaranteed Annuity Option on the contract.
- The result was discounted back to valuation date at the valuation interest rate.
- A reserve for future expenses under the contracts was also held.

Some business has a surrender value that is determined by the value of the accumulated benefit at date of surrender. A comparison with the surrender value has been made in such cases and no material difference was found.

The Deferred Allocation Funding Contract was valued as the benefit that had accumulated to valuation date plus a prospective reserve for expenses. This ensured that the total reserve was greater than both the discounted value of the future benefits and expenses and the current accumulated benefit.

**Principles adopted in the valuation of particular contracts were as follows:**

Assurances

Limited premiums for whole life assurances have been valued using the number of annual premiums outstanding at the valuation date for each policy.

For the valuation of endowment assurances, a maturity age of 59½ was assumed if no Date of Birth was recorded on the system.

Where there is an option to vary the maturity date under certain flexible endowment assurances, the business has been classified according to the earliest date. Where the earliest date was before the valuation date, the reserve was calculated as the amount (excluding final bonus) that would have been payable on the valuation date if that date had been chosen as the maturity date.

The valuation factors used included adjustments for early payment of claims where appropriate.

For individual with profit income benefit policies a reserve of 40% of the office premiums was made. The value of the existing regular bonuses was calculated prospectively.

Annuities

For policies approved under Chapter III of Part XIV of the Income and Corporation Taxes Act 1988 the reserves were calculated by reference to the benefits already purchased or to the accumulated premiums available to purchase benefits (if benefits are not determined until death or retirement). For individual deferred annuities, some of which provide for annuities that increase, the reserves were calculated using benefits already purchased adjusted to an equivalent level annuity. For some annuities the equivalent cash amounts were valued. Where premiums are due to be returned in the event of death before vesting date but the death benefit has not been specifically recorded, interest only functions were used in the calculations in respect of the period of deferment.

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For group policies where the premiums paid (less expenses) are accumulated with interest and bonus interest in a fund account until required for the provision of retirement benefits the reserve was taken to be the amount standing in such fund accounts.

For certain group deferred annuities under recurring single premium schemes, the amounts of pension allocated and purchased up to recent scheme anniversary dates (or the equivalent cash amounts allowing for profits in possession where applicable) were calculated and valued. Additional reserves were made in respect of unallocated premiums received since the relevant anniversaries.

Where a contract provides an option at vesting to re-apply a guaranteed cash equivalent of the benefits to secure an annuity on the terms current at the time, allowance was made for the option as described above.

Certain assurances and annuities have been issued with the facility that premiums be waived in the event of the prolonged disability of the life assured. These additional benefits have been valued by taking a multiple of the additional premiums payable for the facility.

**(2) Valuation interest rates:**

A table of all valuation interest rates used is given below.

<b>Product</b>	<b>Interest rate 31 December 2014</b>	<b>Interest rate 31 December 2013</b>
Life with-profit assurances	1.80%	2.85%
Life non-profit business	1.30%	2.30%
Pension accumulating with-profit (excluding Compact)	2.00%	3.20%
Compact pension accumulating with-profit	1.85%	2.65%
Non profit immediate annuity	2.05%	3.10%
With profit immediate annuity	2.00%	3.20%
Pension Deferred Annuity Non Profit and Guaranteed Annuity Options		
In payment	2.05%	3.20%
In deferment	2.25%	3.40%
Pension Deferred Annuity With Profit and Guaranteed Annuity Options		
In payment	2.00%	3.20%
In deferment	2.00%	3.20%

**(3) Risk adjusted yield****Equity assets**

The allowance for credit risk on equities is two-fold. Firstly, a deduction is applied, which is determined as 25% of the excess of the equity yield over the Long Term Gilt Yield. The equity yield is then capped at a maximum of 10%.

For the purposes of the valuation the average deduction from the yield on equities held at 31 December 2014 was:

<b>Deduction from Yield</b>	<b>PMSF</b>
Impact of 25% Spread	0.27%
Impact of 10% Cap	0.08%
Total Deduction	0.35%

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**31 December 2014****Property assets**

The property assets have been ordered by yield and divided into different categories. Firstly, a deduction is applied to the grouped yields, which is determined as 25% of the excess of the yield over the Long Term Gilt Yield. The property yield in each category is then capped at a maximum of 10%. This means that very low-yielding assets retain the low rate but high-yielding assets are capped.

The reduction on the average yield on property assets is as follows:

<b>Deduction from Yield</b>	<b>PMSF</b>
Impact of 25% Spread	1.26%
Impact of 10% Cap	0.00%
<b>Total Deduction</b>	<b>1.26%</b>

**Fixed interest securities**

The allowance for credit risk on bonds is two-fold. For 31 December 2014 a deduction equivalent to 51% of the spread over gilts where the spread has been calculated after capping the bond yield at a maximum of 200% of the yield on a representative iBoxx index.

For the purposes of the valuation the average deduction from the yield on fixed interest securities (excluding Approved fixed interest i.e. gilts and other bonds issued by approved UK and international public sector bodies) held at 31 December 2014 was:

<b>Deduction from Yield</b>	<b>PMSF</b>
Impact of Cap	0.00%
Impact of 51% Spread	0.72%
<b>Total Deduction</b>	<b>0.72%</b>

For Deposits, the equivalent deduction was 0.10%.

**(4) Mortality assumptions**

The table below shows the mortality basis for business written by the fund.

<b>Product</b>	<b>Mortality basis 31 December 2014</b>	<b>Mortality basis 31 December 2013</b>
<b>Life Assurances</b>		
Assurances - Whole Life	104.9% AM00/AF00 sel	104.9% AM00/AF00 sel
Assurances – Endowments	87.4% AM00/AF00 sel	93.3% AM00/AF00 sel
Assurances - Level Term	70.7% TM00/TF00 sel	79.5% TM00/TF00 sel
Assurances - Decreasing Term	75.9% TM00/TF00 sel	90.1% TM00/TF00 sel
<b>Pensions and General Annuities</b>		
Accumulating With Profit :		
In deferment	60% AM00/AF00 ult	60% AM00/AF00 ult
Post Vesting (incl GAO)	95.0% PCMA00 / 95.5% PCFA00	90.0% PCMA00 / 88.5% PCFA00
Deferred Annuity		
In deferment	60% AM00/AF00 ult	60% AM00/AF00 ult
Post Vesting	95.0% PCMA00 / 95.5% PCFA00	90.0% PCMA00 / 88.5% PCFA00
With-Profit and Non-Profit Annuity in Payment (Individual)	95.0% PCMA00 / 95.5% PCFA00	90.0% PCMA00 / 88.5% PCFA00
Non-Profit Annuity in Payment (Group):	95.0% PCMA00 / 95.5% PCFA00	90.0% PCMA00 / 88.5% PCFA00
With-Profit Annuity in Payment (Group):	95.0% PCMA00 / 95.5% PCFA00	90.0% PCMA00 / 88.5% PCFA00

Notes on tables:

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- M tables apply to male lives, F tables to female lives.
- Smoker / Non-Smoker table used where smoker status data is available, otherwise Combined table used
- Annuitant mortality: allowance has been made for future improvements to mortality. The base tables (% of PCXA00) are assumed to apply as at 31 December 2000 from that date improvements are expected. The allowance for improvements is as follows:

	31 December 2014	31 December 2013
Males	CMI_2013_M [1.75%], applicable from 2001 to 2013 CMI_2013_M[1.75%] plus 0.5% p.a., applicable from 2014	CMI_2012_M [1.75%], applicable from 2001 to 2012 CMI_2012_M[1.75%] plus 0.5% p.a., applicable from 2013
Females	CMI_2013_F [1.5%], applicable from 2001 to 2013 CMI_2013_F[1.5%] plus 0.5% p.a., applicable from 2014	CMI_2012_F [1.5%], applicable from 2001 to 2012 CMI_2012_F[1.5%] plus 0.5% p.a., applicable from 2013

- There are no products where the assurance mortality basis is expressed as 'modified table'.

**Expectation of Life**

The table below shows the required examples for expectation of life using the base mortality tables, percentage adjustments and improvement factors quoted above.

Table Description	Expectation of Life for annuitant aged 65 on 1/1/2015	Expectation of Life for annuitant aged 75 on 1/1/2015	Expectation of Life from age 65 for annuitant aged 45 on 1/1/2015	Expectation of Life from age 65 for annuitant aged 55 on 1/1/2015
95% of PCMA00 plus CMI_2013_M[1.75%] applied from 2001, plus 0.5% p.a. from 2014	25.4	15.5	29.2	27.3
95.5% of PCFA00 plus CMI_2013_F[1.5%] applied from 2001, plus 0.5% p.a. from 2014	27.0	17.0	30.3	28.7

**Allowance for future changes in mortality where not implicit in the basis:**

There are no explicit reserves for alterations to mortality. All future changes are made to the tables used to calculate base mathematical reserves.

**Allowance/reserve for:**

- any possible detrimental impact of significant changes in the incidence of disease on the mortality experience of the insurer;
- developments in medical science on the mortality experience of the insurer:

For certain categories of options further AIDS reserves have been set up:

- For temporary assurances with a guaranteed option to convert or renew without furnishing further evidence of health it has been assumed that 50% of policyholders who will contract AIDS have exercised the option most expensive to the company.
- For mortgage-related endowment assurances with a guaranteed option to increase the sum assured within certain limits in the event of an increase in mortgage the percentage assumed is 10%.
- For continuation options under group policies it has been assumed that 10% of the "at risk" membership leaves each year for the next 10 years (or until the expiry of the guarantee of terms for existing members if earlier), and that half of these exercise the option most expensive to the company.

The total additional reserve for AIDS is £1.6m.

The remaining margins in the published mortality and morbidity bases are considered sufficient to provide for adverse deviations in experience arising from other causes. No additional reserves are therefore held.

**(5) Morbidity Assumptions**

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The gross reserve for PHI business is less than £10m.

**(6) Expense assumptions:**

Expense assumptions are taken as 120% of the amounts detailed in the Management Services Agreement (MSA). The loadings are used to set a long-term assumption for additional costs arising within the business (e.g. project costs, regulatory fees, audit fees) and to give a margin for adverse deviation.

Expense levels are assumed the same for premium-paying and paid-up policies.

The table below shows the per-policy expenses for 2013 and 2014 (including loadings).

<b>1. PM</b>	<b>Existing Business Admin Fee</b>		
<b>Product Code</b>	<b>Category</b>	<b>2014</b>	<b>2013</b>
120	Conventional endowment with-profits OB saving	38.44	37.43
125	Conventional endowment with-profits OB target cash	38.44	37.43
165	Conventional deferred annuity with-profits	38.44	37.43
700	Life property linked single premium	38.44	37.43
715	Life property linked endowment regular premium - saving	38.44	37.43
720	Life property linked endowment regular premium - target cash	38.44	37.43
725	Individual pension property linked	38.44	37.43
735	Group money purchase pensions property linked	30.95	30.14

**Assumed future expense inflation:**

2.99% per annum (RPI as set out by the MSA agreement)

**Zillmer adjustments:**

No Zillmer adjustments were made to net premium reserves.

**Investment expenses:**

A reserve is held for investment expenses assumed at 0.09%.

**Tax Relief:**

Tax relief on expenses on BLAGAB business has been assumed using a rate of 20.00%.

No allowance has been made for tax relief in respect of GRB (Gross Roll Up) business

**(7) Unit Linked policies: basis for non-unit reserves.**

Non-unit reserves are held in the Company's New and Old With Profit Sub Funds, because non-unit cashflows are transferred to these funds. The basis used to calculate these reserves is shown in the Appendix 9.4 report for these funds.

**(8) Bonus Assumptions:****Conventional with-profit business:**

The Company is a realistic basis life firm. Accordingly, no allowance has been made for future annual or final bonus on Conventional with-profit business. This is consistent with INSPRU1.2.31G. There are no guarantees relating to future annual or final bonus on this business.

**Accumulating with-profit business**

The business does not have guaranteed regular bonus rates. However, some products have guaranteed interest rates. These are incorporated into the valuation of the business. For more details on guaranteed interest rates, please see the table in section 10(1).

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**With-Profits Annuity:**

Air France business has a guaranteed regular bonus rate of 5%. This has been used for projection of the liability. No other business has this guaranteed rate.

**(9) Persistency assumptions:**

We have not assumed any lapses in the valuation except as follows:

For Accumulating with-profit business, we have assumed 100% persistency until the first date at which the policyholder can retire without penalty. We have assumed that all policyholders would choose to exit on the first such date. If policyholders have a window where they can retire without penalty, and they find themselves within the window at retirement date, they are assumed to retire immediately. This assumption is prudent because all of the guaranteed interest rates on these policies are below the valuation interest rate.

**(10) Other basis items**

**Option Take-Up Rates**

- Guaranteed Annuity Rate Options:

We have assumed that current option take-up is 93%. These include a margin of 10%.

These rates are assumed to increase by 1% per annum to 95%.

**Taxation**

Valuation interest rates on Life business include an allowance for taxation. This allowance has been arrived at using the following assumption:

- A tax rate of 20% has been assumed in respect of income on Fixed Interest and Property assets (for Life business). No allowance has been made for taxation on equity income.

(11) We allow for Equity Futures in the matching assets used to hypothecate against reserves.

(12) During the reporting period, the fund has made no changes to valuation methodology in respect of the following changes in INSPRU valuation rules:

- (a) Allowance for lapses on valuation of protection business
- (b) Allowance for negative reserves on valuation of protection business
- (c) Allowance for lapses on valuation of unit-linked business
- (d) Allowance for attributable expenses on valuation of unit-linked business

**5. Options and Guarantees**

**(1) Guaranteed Annuity Rate Options:**

**(a) Method:**

For policies with a cash benefit that can be used to buy an annuity on guaranteed terms, the methodology is as follows:

- Calculate the amount of the cash benefit that we have assumed will be converted into an annuity (using the option take-up rates given in section 4(10)).
- Determine the amount of annuity that this cash would buy if it were to be converted on guaranteed terms.
- Calculate the present value of the resulting annuity using the annuitant mortality basis given in section 4(4) and in-payment interest rate basis given in 4(2).
- If the total is greater than the total policy benefit at retirement then add on the difference. Discount the result to valuation date at the discount rate given in section 4(2).

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- Add on the reserve for the expenses of administering the annuity.
- For policies past normal retirement age, we are assuming that the Guarantee will be taken immediately.

The Regulatory-peak reserve for Guaranteed Annuity Options is compared with the reserve calculated using the following basis:

- Regulatory-peak annuitant mortality assumptions are used (as given in 4(4))
- Regulatory-peak option take-up rates are used (as given in 4(10))
- Regulatory-peak annuity interest rates and discounting are used
- Realistic-peak assumptions for persistency are used
- Realistic-peak Final Bonus allowance removed

Realistic-peak assumptions are discussed in more detail in Appendix 9.4A.

If this second reserve is larger than the base Regulatory-peak figure, an allowance for stochastic variation is added to the Regulatory-peak reserve. The allowance at 31 December 2014 is zero.

(b)

(i) Product Name	Personal Pension Plan	Products with GAO excluding Personal Pension Plan
(ii) Basic Reserve (£m)	76.3	341.0
(iii) Spread of outstanding durations		
0-5 years	93.0%	73.2%
6-10 years	6.2%	15.8%
11-20 years	0.9%	9.5%
over 20 years	0.0%	1.5%
(iv) guarantee reserve (£m)	81.6	227.8
(v) guaranteed annuity rate	10.8%	10.3%
(vi) increments allowed?	Yes	Yes but GAO does not apply
(vii) form of annuity	Payable monthly in advance, single life, guaranteed for 5 years	Payable monthly in advance, single life, guaranteed for 5 years
(viii) retirement ages	60 to 75 permitted	50 to 75 permitted

**(2) Guaranteed surrender and unit-linked maturity values:****Non-Unit-linked:**

The PM fund does not offer guaranteed surrender values. On surrender policyholders may receive a benefit that is set by a formula but the parameters will be determined by economic conditions at the date of surrender. Accumulating with-profit pensions policies may allow retirement within a range of dates but this is not the surrender of the contract.

**Unit-Linked:**Pension Assured Fund/British Rail Assured Fund

The basic reserve held in respect of units invested in these funds is £770m. The unit benefits at maturity are covered by the UKL&P Non-Profit fund. There is a potential investment risk arising from guaranteed maturity values; the PM fund retains this risk for much of the business.

Units in these funds have a guaranteed price of £1 at the selected pension date or on earlier death. The guaranteed amount is £771m. The possible impact of this guarantee is mitigated by choosing assets for the fund that approximately immunise the guaranteed liabilities (and by the mechanism for bonus calculation).

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**  
 Global business  
 Financial year ended **31 December 2014**

The Pension Assured Fund is closed to new business and additional contributions other than regular contributions, automatic and ad-hoc increases under existing policies.

The distribution of outstanding duration is shown below:

Durations	0-4	5-9	10-14	15-19	20-24	25-29	30+
Proportion	17%	22%	43%	13%	4%	0%	0%

**(3) Guaranteed Insurability Options**

(a) For the following classes of business, the reserve held was equal to the proportion of the office premiums attributable to the options:

- Certain policies on the life of or for the benefit of children contain guaranteed options, usually on the child's 18th or 21st birthday.
- Under certain temporary assurances there is an option to convert to other classes without furnishing further evidence of health.
- Certain endowment and whole life assurances include options to take out further such policies at specified future dates or on the occurrence of specified events (e.g. moving house) without furnishing further evidence of health.
- Under certain group policies and certain individual non-linked pension arrangements the rates of premium applicable to additional benefits are guaranteed for a limited period.

(b) The total sum assured for conversion and renewal options is less than £10 million and is therefore not included here in accordance with rule 9.3(b).

**(4) Other guarantees and options**

There are no other material guarantees and options offered by the fund.

**6. Expense reserves**

(1) The aggregate amount for expense allowances during 2015 arising from explicit reserves is £8,800,000.

The main sources are:

- The explicit annual maintenance expense charge
- Investment expenses
- Additional explicit margins

(2) Gross Premium Valuation has been used for all business. All allowances for expenses are explicit.

(3) The 2014 figure for expenses in line 14 of Form 43 includes amounts for prior year adjustments, one-off items and exceptional expenses that are reserved for explicitly elsewhere. Excluding these items, the allowance for 2015 maintenance expenses in 6(1) above exceeds the adjusted Form 43 expense by £2,260,000. The difference is due to margins in the valuation basis and changes in business volumes between 2014 and 2015.

(4) Under the PM Sub Fund Scheme of Transfer, no charges are made to the PM Fund in connection with the acquisition of new business (other than incremental business).

(5) The PM Fund is closed to new business.

An assessment was made of the cost of closure of the Company to new business at the end of 2014 using the following method and basis of calculation:

- All sales, marketing and new business administration operations were assumed to cease three months after the date of closure.
- Allowance was made for statutory redundancy costs.



**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended

**31 December 2014**

- Allowance was made for costs arising from the delay in re-letting properties occupied by the new business areas.
- Allowance was made for the additional cost that would be incurred through outsourcing existing business administration
- Allowance was made for other costs incurred on closure to new business such as write-offs on fixed assets.

Allowance was made for the proportion of closure expenses that would be borne by the other sub-funds of the Company and Aviva Annuity UK Limited.

No allowance was made for terminating the existing Management Services Agreement charging structure for existing business, as this would be expected to remain in force after closure to new business.

A provision of £0.8m is held to cover the cost of closure.

- (6) No expenses have been treated as non-attributable.

**7. Mismatching Reserves**

- (1) The mathematical reserves and matching assets, analysed by currency, are as follows.

Currency	Mathematical Reserves (£000)	Matching Assets (£000)	Matched %
Sterling	1,488,118	1,488,118	100%

- (2) No such grouping of liabilities has been needed.
- (3) The fund does not hold a reserve for currency mismatching. The fund has sufficient sterling assets to cover its mathematical reserves.
- (4) The Company is a realistic-basis firm and a resilience capital requirement is no longer required.
- (5) The Company is a realistic-basis firm and a resilience capital requirement is no longer required.
- (6) The Company is a realistic-basis firm and a resilience capital requirement is no longer required.
- (7) INSPRU 1.1.34R(1): "The assets *[held by a firm to cover its technical provisions]*...must...be of a sufficient amount, and of an appropriate currency and term, to ensure that the cash inflows from those assets will meet the expected cash outflows from the firm's insurance liabilities as they become due."

No further reserve has arisen following consideration of this rule.

Currency mismatching is considered in sections 7(1)-7(3).

The assets backing the liabilities do not precisely match them by term. Instead, the fund aims to ensure that cash outflows can be met through:

- Income from its assets (dividends, rental income, coupon payments)
- Receipts on redemption from matched fixed interest stocks
- Holding appropriate volumes of cash and liquid assets
- Sales of assets.

The fund is closed to new business and has little premium income in comparison to its claims.

There is a risk that the fund may have to sell assets at an unfavourable time, e.g. when prices are temporarily depressed. If the fund has to sell unmarketable assets it may also depress the price through the sale itself. The risk will be very short term; if our liquidity was genuinely an issue then we could sell illiquid assets for cash over the period of a year without distorting the price we would receive (and have used in our asset valuation). The PM fund has few unmarketable assets (e.g. no direct property).

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**  
Global business  
Financial year ended **31 December 2014**

The PM fund holds some deposit-style assets, and uses income from Fixed Interest stocks to back its liabilities by term. However, it does also ensure that it holds highly liquid Fixed Interest assets, particularly government bonds.

An estimate of the PM fund's non-linked claims amounts for 2015 is £196m. Expected income, in 2015, from assets currently held in the fund is £69m and £14m is held in deposit-style assets. The fund also holds an additional £1,201m in approved fixed and variable interest securities some of which we expect could be sold at short notice without altering prices. Expected premium income is £15m. Accordingly no additional reserve is considered necessary.

**8. Other Special Reserves**

**(1) Unpaid transfer of funds in respect of Guaranteed Annuity Options to UKA**

A reserve of £75m is held in respect of outstanding transfers from PM Fund to UKA Funds to fund the full cost of providing guaranteed annuity options.

**(2) Guaranteed Minimum Pension Reserve**

An additional reserve of £10m is held to cover future cost of providing guaranteed minimum pensions.

**9. Reinsurance**

- (1) The PM fund does not cede any business on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.
- (2) There are no reinsurance arrangements that satisfy the conditions in either 9.2(a), (b) or (c).

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended

**31 December 2014****10. Reversionary (annual, regular) bonus**

(1)

Product		Amount of mathematical reserve (£m)	Regular bonus (2013)	Regular bonus (2014)	Guaranteed bonus (2014)
<b>Life</b>					
Endowment / Whole Life		24.2	0% SA / 0% RB	1.0% SA / 1.5% RB	0.00%
<b>Pensions (excl With-Profit Annuity)</b>					
	Personal Pension Plan (Series 1 & 2)	20.6	0% of benefit secured	1.5% SA / 3.0% RB	0.2% gteed interest per month
	Personal Pension Plan (Series 3)	137.2	0% of benefit secured	1.5% SA / 3.0% RB	0.22% gteed interest per month
	Self Employed Retirement Annuities	242.2	0% of benefit secured	1.5% SA / 3.0% RB	3.25% gteed interest rate in prem basis
	IPA & AVC	109.9	0% of benefit secured	0% of benefit secured	3.25% gteed interest rate in prem basis
	Executive Pension Plan	81.2	0% of benefit secured	0% of benefit secured	3.25% gteed interest on Higher rate fund money only
	Compact	25.2	0% of benefit secured	0% of benefit secured	3.25%/3.15% gteed interest on Higher Rate Fund money only
	Deferred Allocation Funding (All series)	125.2	0% of account balance	0% of account balance	0.00%
<b>With-Profit Annuity</b>					
	Annuityants from defined benefit schemes (excluding Air France)	254.0	3.00%	1.00%	0.00%
	Annuityants from Air France	22.8	5.00%	5.00%	5.00%
	Annuityants on 1999 series rates	2.0	3.00%	2.50%	0.00%
<b>Other annuityants:</b>					
	retiring before 1984	2.2	5.00%	5.00%	0.00%
	retiring between 1984 and 1992	44.3	2.00%	2.00%	0.00%
	retiring between 1993 and 1997	27.1	0.50%	0.00%	0.00%
	retiring between 1998 and 2002	48.1	0.00%	0.00%	0.00%
	retiring 2003 and later	28.9	0.50%	0.50%	0.00%

The regular bonus shown for 2014 for conventional business is the rate declared at the end of 2014, that is added to policies at their next policy anniversary in 2015.

- (2) There is no Unitised with-profit business in the PM Fund.
- (3) For super-compound business both rates are shown (the rate applying to the base benefit is shown as a percentage of SA, the rate applying to regular bonus awarded to date is shown as a percentage of RB).
- (4) The figures above do not represent a weighted average.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended **31 December 2014****1. Introduction**

- (1) The valuation date is 31 December 2014.
- (2) The date of the previous valuation was 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of Rule 9.3 (5).

Throughout the text below, NWL refers to National Westminster Life Assurance Ltd and RSA refers to Royal Scottish Assurance Plc. With profit business was transferred from the long-term funds of these companies in 2011.

**2. Product range**

There have been no significant changes to the product range (i.e. excluding updating of policy fees) during 2014. The fund is closed to new with-profit business. All with-profit liabilities are fully reinsured.

**3. Discretionary charges and benefits**

- (1) WPSF5 has the option to apply a market value reduction (MVR) on the encashment of unitised with-profit units of the fund. The table below shows the period during which an MVR applied to ex-NWL business during 2014. No market value adjustments were applied to ex-RSA business during 2014. The table is split by year of policy entry and product type. Entries marked N/A mean that an MVA was not applied to that product type / year of entry combination.

Ex-NWL business

The level of applicable MVA depends on the year of entry and the level of guaranteed regular bonus.

Market Value Adjustments	Years of entry		
	Regular premium life	Regular premium pensions	Single premium pensions
Pre 1 February 2013	N/A	N/A	1998 Q2 -2001 Q3 2007 Q1
1 February 2014	N/A	N/A	1998 Q2 – 2001 Q3 2007 Q1
1 August 2013	N/A	N/A	1998 Q2-2001 Q3

- (2) Not applicable
- (3) The fund does not have any non-profit deposit administration benefits.
- (4) Service charges on all unit linked policies (deducted monthly via cancellation of units) were increased to reflect inflation in line with the National Average Earnings Index / Average Weekly Earnings Index over the same period. Increases were in the range 0.00% to 1.22% depending on policy type. For ex-RSA business, the cumulative increase in price since the policy was first written cannot exceed the cumulative increase in the index over the same period.
- (5) There were no changes to benefit charges (mortality etc.) on unitised with-profits business during the year.
- (6) There were no changes to unit management charges on unitised with-profits business during the year.
- (7) Not applicable. WPSF5 does not have any internal linked funds. Some policies in WPSF5 may also invest in the ex-NWL and ex-RSA internal linked funds of Non-Profit Sub-Fund 1.
- (8) Not applicable.
- (9) Not applicable.
- (10) Not applicable.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**  
Global business  
Financial year ended **31 December 2014**

**4. Valuation basis (other than for special reserves)**

The table below sets out the product codes which are used in various parts of Section 4 which follows.

Product Code	Product Name
515	Life UWP Endowment Regular Premium – Target Cash
525	Individual Pensions UWP

**(1) Valuation methodology**

For the Company, 1% of gross mathematical reserves exceed £10m. A limit of £10m will be applied to all sub-funds of the Company when considering whether a group of products is material.

For Unitised With-Profits contracts, the unit liabilities were taken as the greater of:

- the bid value of the units
- the prospective liability that would arise assuming the units increase in future at the guaranteed bonus rates and are then discounted at the respective valuation discount rates.

For ex-RSA regular premium pensions contracts the unit reserve is based on the "actuarially funded" units which are the units deemed allocated to the contracts reduced by the value of future renewal fund charges under the contract. This process is subject to the value of the actuarially funded units always being at least equal to the surrender or transfer value of the contract. For most pensions contracts there are surrender penalties which cease prior to the maturity date and so the normal actuarial funding factors have been modified to anticipate the required increase in unit value at the point at which surrender penalties cease.

In addition, a non-unit reserve was calculated by projecting cashflows on a monthly basis for each month that the policy was expected to remain in force. Where the cashflow in any future month was found to be negative, the negative was offset where possible by positive cashflows in previous months. For any future month where this was not possible, then a positive sterling reserve has been set up at the valuation date.

In projecting cashflows, allowance was made for future expenses associated with each contract on a per policy basis, as well as for mortality (where applicable) at the levels of cover appropriate at the valuation date. All per-policy expenses and service charges were assumed to increase annually in line with an assumed rate of inflation.

No allowance was made for any future increases in premiums or benefits.

For policies under which waiver of premium benefit is an option and has been chosen, an additional reserve has been set up in respect of this benefit. This has been calculated as a multiple of the waiver premium. A separate reserve has been set up for waiver claims in payment.

For ex-NWL mortgage endowment plans a prudent allowance has been made for lapses.

**(2) Valuation interest rates**

The interest rates used at the end of the financial year and at the end of the previous financial year are set out below:

Product codes	Product	31 Dec 2014	31 Dec 2013
515	Life sterling reserves	0.0%	2.8%
525	Pensions sterling reserves	0.0%	3.5%

At 31 December 2013, yields on short term assets held were not sufficient to support the interest rates shown above. In accordance with INSPRU 3.1.45 the valuation interest rate was restricted in the first three years to reflect yields on the assets held. Reserves held in Non-Profit Sub-Fund 1 covered an allowance for this restriction. At December 2014, the interest rates were reduced to zero.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended

**31 December 2014****(3) Adjustment to yield for credit risk**

As Valuation interest rates have been set to zero, there is no explicit deduction for credit risk.

**(4) Mortality assumptions**

The mortality bases used at the end of the financial year and at the end of the previous financial year are as follows:

<b>Product codes</b>	<b>Product</b>	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>UWP life</b>		
	<b>Flexible Mortgage Plan</b>		
515	Male non-smoker	57.2% AMC00 (2)	58.30% AMC00 (2)
	Male smoker	114.4% AMC00 (2)	116.60% AMC00 (2)
	Female non-smoker	57.2% AFC00 (2)	58.30% AFC00 (2)
	Female smoker	114.4% AFC00 (2)	116.60% AFC00 (2)
	<b>Mortgage Endowment Plan</b>		
515	Male non-smoker	78.0% AMC00 (2)	79.50% AMC00 (2)
	Male smoker	135.2% AMC00 (2)	185.50% AMC00 (2)
	Female non-smoker	78.0% AFC00 (2)	79.50% AFC00 (2)
	Female smoker	135.2% AFC00 (2)	185.50% AFC00 (2)
	<b>UWP pensions (ex-RSA)</b>		
525	Male	83.20% AMC00 (2)	84.80% AMC00 (2)
	Female	83.20% AFC00 (2)	84.80% AFC00 (2)
	<b>UWP pensions (ex-NWL)</b>		
525	Male non-smoker	78.0% AMC00 (2)	79.50% AMC00 (2)
	Male smoker	135.20% AMC00 (2)	137.80% AMC00 (2)
	Female non-smoker	72.80% AFC00 (2)	74.20% AFC00 (2)
	Female smoker	135.20% AFC00 (2)	137.80% AFC00 (2)

The assumptions for future mortality experience contain margins over and above current best estimates for such experience. This provides a margin to anticipate significant, adverse change in mortality experience as a result of changing disease incidence.

**(5) Morbidity assumptions**

There are no liabilities within WPSF5 that require morbidity assumptions.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended

**31 December 2014****(6) Expense assumptions**

The expense assumptions used in the valuation are as follows:

Product codes	Product	31 Dec 2014	31 Dec 2013
	<b>UWP life</b>		
515	Flexible Mortgage Plan	80.27	77.69
515	Mortgage Endowment Plan	29.53	28.59
	<b>UWP pensions (ex-RSA)</b>		
525	Executive Pension Plan (regular premium) pre Oct 1997	135.46	130.44
525	Executive Pension Plan (single premium/paid up) pre Oct 1997	101.59	97.83
525	Personal Pension Plan (regular premium) pre Oct 1997	87.29	84.49
525	Personal Pension Plan (single premium/paid up) pre Oct 1997	65.46	63.35
	<b>UWP pensions (ex-NWL)</b>		
525	Personal Pension Plan (regular premium)	32.13	31.11
525	Personal Pension Plan (single premium/paid up)	24.07	23.30
525	Top Up Pension Plan (regular premium)	32.13	31.11
525	Top Up Pension Plan (single premium/paid up)	24.07	23.30

The assumed rate of tax relief for life business is 20% (2013: 20%) for consistency with the assumption used for investment returns. The expenses shown above are before the assumed rate of tax relief has been applied.

The ex-RSA investment expenses (before tax relief) are 0.17%.

The ex-NWL investment expenses (before tax relief) are 0.11%.

**(7) Unit growth assumptions**

Most policies can invest in both internal linked funds (in NPSF1) and unitised with-profit funds. Sterling reserves are calculated at a policy level and the calculation may apply the unit growth rate or the UWP guaranteed bonus rate depending on the product.

The expense inflation assumptions and unit growth rates used in the valuation are as follows:

Product codes	Assumption	31 Dec 2014	31 Dec 2013
All	Expense inflation	2.99%	3.38%
	<b>UWP life</b>		
515	Life unit growth rate	2.60%	3.70%
	Pensions unit growth rate	3.30%	4.70%

**(8) Future bonus rates**

The future assumed bonus rates for UWP contracts in the valuation are the guaranteed bonus rates.

Product codes	Ex-RSA products	31 Dec 2014	31 Dec 2013
515	UWP life	3.92%	3.92%
525	UWP pensions	5.70%	5.70%

Product codes	Ex-NWL product	31 Dec 2014	31 Dec 2013
515	UWP life	2.25%	2.25%
525	UWP pensions	4.00%	4.00%

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended **31 December 2014****(9) Persistency assumptions**

The persistency assumptions used in the valuation are shown below. The value given is the average lapse/surrender rate for the policy years.

Product codes	Ex-NWL products	Average lapse/surrender rate for the policy years			
		1-5	6-10	11-15	16-20
515	<b>UWP target cash endowment</b> Surrender	N/A*	N/A*	6.00%	6.00%

\* The surrender rates for policy year 1-5 and 6-10 are no longer applicable as those products closed to new business in 2000.

Surrender rates are not used for the valuation of ex-RSA linked life products.

The valuation will take the higher of the reserve assuming premiums continue and the reserve if the policy is made paid up.

For Unitised With-Profits contracts, the unit liabilities are taken as the greater of:

- the bid value of the units
- the prospective liability that would arise assuming the units increase in future at the guaranteed bonus rates (shown in the above table in 4(8)) and then discounted at the respective valuation discount rates

**(10) Other basis items**

There are no other material basis assumptions.

**(11) Derivatives**

No derivative assets are held within WPSF5.

**(12) Changes to INSPRU valuation rules effective from 31 December 2006**

There was no change to the valuation methodology at the valuation date arising from changes in INSPRU valuation rules effective 31 December 2006.

**5. Options and guarantees**

- The fund does not have any business with Guaranteed Annuity Rate options.
- There are no surrender value guarantees on any of the fund's products.

The Company can apply a market value adjustment to any encashment of unitised with-profit units for ex-RSA business. There are no guaranteed "MVA-free" withdrawals.

The Company guarantees not to apply a market value adjustment on death or maturity to encashment of unitised with-profits units for ex-NWL business.

In addition, there are guaranteed minimum bonus rates on some UWP contracts. To ensure this is adequately reserved for, the unit liabilities are taken as the greater of:

- the bid value of the units;
  - the prospective liability that would arise assuming the units increase in future at the guaranteed bonus rates (shown in the above table) and then discounted at the respective valuation discount rates.
- Ancillary options exist under certain classes of contract to extend the term of cover and/or increase the sum assured without underwriting. However, these are not of sufficient significance on the valuation mortality basis stated to require specific additional provision.
  - There are no other guarantees or options for which a reserve is needed.



**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended **31 December 2014**

**6. Expense reserves**

- (1) Expense loadings are applied at policy level and the aggregate amount of expense loadings expected to arise during the 12 months from the valuation date is shown in section 6 (1) for Non-Profit Sub-Fund 1.

For unitised business, the reserves arise from charges made on the funds and other explicit allowances described in paragraph 4(6) above.

No expenses have been treated as non-attributable.

- (2) Not applicable.
- (3) There are no material expenses in WPSF5.
- (4) The fund is closed to new business.
- (5) There are no material expenses in WPSF5 and no additional expense reserves are deemed necessary.
- (6) Not applicable

**7. Mismatching reserves**

- (1) All of the mathematical reserves of WPSF5 are held to support liabilities payable in pounds sterling. All of these liabilities are supported by assets denominated in sterling.
- (2) No such grouping of liabilities has been needed.
- (3) The fund does not hold a reserve for currency mismatching.
- (4) The Company is a realistic-basis firm and no resilience capital requirement is required.
- (5) The Company is a realistic-basis firm and no resilience capital requirement is required.
- (6) The Company is a realistic-basis firm and no resilience capital requirement is required.
- (7) No other reserves have been set up in relation to asset-liability mismatching.

**8. Other special reserves**

There are no such reserves that exceed the lesser of £10m and 0.1% of total mathematical reserves.

In total, the reinsurance credit risk reserve exceeds £10m however the amount of this reserve allocated to WPSF5 is £127,065.

**9. Reinsurance**

- (1) WPSF5 does not cede any business on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.
- (2) There are no reinsurance arrangements that satisfy the conditions in any of 9.2 (a), (b) and (c).

**10. Reversionary (annual, regular) bonus**

WPSF5 does not have sufficient with-profits liabilities to require disclosure for section 10.

The unitised with-profit unit funds are fully reinsured to Scottish Equitable plc, Scottish Widows plc or Clerical Medical Investment Group, depending on product. The policies in WPSF5 do not have participation rights over any surpluses arising within WPSF5.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**  
Global business  
Financial year ended **31 December 2014**

**1. Introduction**

- (1) The **valuation date** is 31 December 2014.
- (2) The previous valuation was completed with an effective date of 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of rule 9.3A.

**2. Product Range**

On 1 May 2014, business written in the Non Profit Sub Funds (RIEESA account) since October 2009, excluding incremental business on policies which commenced before that date, was transferred to New With-Profits Sub Fund. Other than Income Protection and incremental new business, all other non profit new business is now written in New With-Profits Sub Fund.

The significant changes to products during the financial year were as follows:

**Bonds and Individual Pensions:** No products have been launched or withdrawn in 2014. There have been no changes to options, guarantees, brand names or charging methods for existing business. At the start of 2014 we closed the 5, 6 and 7 year WP Guarantee Funds and replaced these with funds with guarantees at 8, 9 and 10 years. All guarantees were money-back at the guarantee point.

**Group Pensions:** A significant change occurred within Group Personal Pensions following the Department of Work and Pensions announcement on policy charges in March 2014. The changes below are applicable from November 2014:

- Annual Management Charges have been reduced to no more than 0.75% for auto-enrolment schemes.
- 'Active member Discount' differential charges have been removed.
- Initial commission on schemes has been removed.
- An Employer Pension Charge (EPC) has been introduced where the charge cap has a adverse impact on profitability. This is levied on the employer directly.

**Individual annuities:** The allowable policy durations for Fixed Term Retirement Plans increased to cover terms of between 3 and 25 years (previously only terms of between 5 and 10 years were allowed).

**Protection:**

- Run down rates on Mortgage Life Insurance changed from 8% to 6%
- A new product launched offering limited underwriting to selected Post Office customers
- Enhanced definition of Heart Attack on Term and Mortgage Life Insurance contracts
- Launched a simplified protection product to Barclays customers
- Increased the sum insured to £15,000 on Tesco Free parent cover for applications via "Tesco Loves Baby"
- Increased the eligible age for Post Office Free Parent Cover to age 5
- Some products sold through our bank partners were closed to new business

The funds are open to new with-profits business.

**3. Discretionary charges and benefits**

- (1) The tables below shows the period during which a market value reduction (MVR) applied during 2014. The table is separated by class of business and by year of unit purchase. Only entry years where MVRs applied are shown. For all other entry years, no MVR applied.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****Ex-CGNU With-Profits fund:**

Product	UWP Life (explicitly-charged business)	UWP Life (implicitly-charged business excl Bond 2000)	UWP Life (Bond 2000)	UWP Pensions (explicitly-charged business excl Stakeholder)	UWP Pensions (implicitly-charged business)	UWP Pensions (Stakeholder)	NUIL UWP Life £	NUIL UWP Life €	NUIL UWP Life \$
2000	N/A	01.01.14 - 30.06.14	01.01.14 - 31.12.14	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01.01.14 - 30.06.14	N/A
2007	01.01.14 - 30.06.14	01.01.14 - 30.06.14	01.01.14 - 30.06.14	N/A	N/A	N/A	01.01.14 - 31.12.14	01.01.14 - 31.12.14	N/A

**Ex-CU With-Profits fund:**

Product	UWP Life	UWP Pensions	UWP Sterling Group Plan Pensions business	UWP Group Defined Benefits
1999	01.01.14 - 31.12.14	01.01.14 - 31.12.14	N/A	N/A
2000	01.01.14 - 31.12.14	01.01.14 - 31.12.14	N/A	N/A
2007	01.01.14 - 31.12.14	01.01.14 - 30.06.14	N/A	01.01.14 - 31.12.14

**RBS JV Bonds:**

Product	UWP Life (explicitly-charged business)	UWP Life (implicitly-charged business)
2007	01.01.14 - 30.06.14	N/A

**Overseas Business:**

Product	French Business	German Business	Irish Life	Irish Pensions
1998	N/A	01.01.14 - 30.06.14	01.01.14 - 30.06.14	01.01.14 - 31.12.14
1999	N/A	01.01.14 - 30.06.14	01.01.14 - 31.12.14	01.01.14 - 31.12.14
2000	01.01.14 - 31.12.14	01.01.14 - 31.12.14	01.01.14 - 31.12.14	01.01.14 - 31.12.14
2001	N/A	N/A		01.01.14 - 31.12.14
2006	N/A	N/A		01.01.14 - 30.06.14
2007	N/A	N/A		01.01.14 - 30.06.14

Note that the shaded areas mean that no business was sold in those years for the specific product.

**Swedish business:**

MVRs used are the same as for ex-CGNU implicitly charged pensions.

- (2) For non-profit business transferred to New With-Profit Sub-Fund (NWPSF) from 1 May 2014, details on the charges to premiums on reviewable protection policies are shown in the Non-Profit (NP) Sub-Fund's Appendix 9.4.
- (3) The fund does not have any non-profit deposit administration benefits.
- (4) **Service charge increases:**

**Aviva, ex-NU Life products (post 2 October 2000), ex-CGU products, ex-CU Sterling Pensions and ex-CU Prime Series**

The monthly administration charge increase is linked to inflation of +2.6%, except for Irish products where there was a charge increase linked to inflation of +2.8%.

**Ex-GA products**

The monthly administration charge increased by 0.5% on Life and Pensions products.

**Ex-CU products**

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Sterling Group Plan: The increase applied was 0.5%.

Prime Personal Pension: No changes to Plan fees.

Life Products: No changes to Plan fees.

- (5) There have been no changes to benefit charges on linked policies, other than the changes mentioned in section 2.
- (6) There have been no changes to unit management charges or notional charges to accumulating with profits policies.
- (7) Units are at the most recently available price.

Where an instruction, payment and all our requirements are received for a transaction before 8:00am on a business day, then units are allocated at the unit price. Where the instruction, payment and all our requirements are received after 8:00am then units are allocated at the next available unit price.

- (8) When a capital gain is realised on the sale of an asset in a unit-linked fund, and this gain cannot be offset by past capital losses, then the capital gains tax due would be retained in the fund until the next periodic settlement of tax due.

This applies in respect of tax on notional realisations under the Finance acts as well as tax on realised capital gains. The tax rates used in calculating these deductions are as specified in section 3.9 below.

- (9) The internal linked funds are taxed on investment gains at a rate which reflects the position of each fund when considered as a standalone entity but with some regard to the corporate tax position. Rates are reviewed frequently to ensure that they reflect both changes within the fund and changing market conditions. In the calculation of unit prices allowance is made for indexation where applicable and also for the expected timing of the policyholder tax payment.

The tax rate applied to realised gains varied by fund in the range 1.4% to 20% during 2014. The rate applied to unrealised gains varied by fund in the range 9.0% to 20% during the year to 31 December 2014.

Credit is given within unit prices for the tax benefit that may arise in future from realised and unrealised losses. For funds with an excess of realised/unrealised losses over gains the rate applied to the losses varied by fund in the range 0.9% to 20% during the year to 31 December 2014.

- (10) The Company derives no financial benefit in respect of collective investment fund units held by the internal linked funds. The Company's policy on receiving discount, commission or other allowance when purchasing, selling or holding units in collective investment funds is to pass the full benefit onto the fund.

**4. Valuation basis (other than for special reserves)**

For unit linked policies, details are shown in the Non-Profit (NP) Sub-Fund's Appendix 9.4 unless stated below.

For non-profit business transferred to New With-Profit Sub-Fund (NWPSF) from 1 May 2014, details are shown in the Non-Profit (NP) Sub-Fund's Appendix 9.4 unless stated below.

**(1) Valuation methodology**

£10m is less than 1% of gross mathematical reserves, therefore £10m has been used as the materiality limit for this section.

A gross premium valuation method has been used in the calculation of mathematical reserves for the principal classes of with-profit and non-profit business. Exceptions and principles adopted in the valuation of particular contracts are:

**Ex-CGNU business**

Except in the case of Parent's Life Policies, those contracts which are a combination of two or more categories of contract have been valued in their constituent parts.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Full provision has been made for all guaranteed benefits, vested bonus and options available to policyholders. Where policyholders are able to surrender their policies for cash we have ensured that the reserves are large enough to meet that part of the cash payment relating to their guaranteed benefits.

A small number of policies are valued on a net premium basis; the reserves do not exceed £10m. Where the net premium method was used, no adjustment was made to the net premium for acquisition expenses (or for anything else).

An amount was included in the Decreasing Term Reserve to cover the risk of death during a period not exceeding three months under certain mortgage related policies between the date of exchange of contracts and the completion of a mortgage.

An amount was included in the With Profits Endowment Reserve to meet the non-recovery of Life Assurance Premium Relief agreed with the Inland Revenue in respect of future premiums on certain life policies issued in March 1984.

Provision is made for future expenses on the basis of the charges made to the Company under the Management Services Agreement with Aviva Life Services UK Ltd assuming future inflation at 2.99% per annum.

Principles adopted in the valuation of particular contracts were:

- (a) The reserve for single premium group and individual term assurance contracts was the single premium and for Group Decreasing Term Assurance contracts the reserve was one year's office premium for annual premium contracts and the unearned proportion of the premium on the 24ths basis for single premium contracts, plus an appropriate reserve for profit sharing.
- (b) Retirement Annuities by recurring single premiums were valued using a prospective bonus reserve valuation. The valuation assumes that future regular bonuses are nil. Allowance is made for the excess, if any, of the value of benefits purchased by future premiums at the current level over the value of such premiums.
- (c) Equity Endowment Assurances were valued by taking the Bid Prices of the Units deemed to have been purchased at the valuation date and adding 1/12 of the total annual premium payable.
- (d) For contracts with benefits linked to the internal linked funds of the Company, the unit liability was taken as the value of units deemed allocated to the policies in the internal linked funds of those companies.
- (e) Unitised With Profit business is valued initially by determining the lower of:
  - (i) the current non-guaranteed surrender value and
  - (ii) the amount of this benefit after removal of final bonus/MVR.

This result is then compared with a prospective valuation and the higher result taken.

The prospective valuation projects future benefits assuming future premiums cease and future bonuses are zero, except for policies with a guaranteed minimum bonus rate, where this guaranteed bonus is allowed for.

An allowance is made for future non-guaranteed surrenders. At a date (or dates in the case of regular withdrawals) where the company guarantees not to apply a Market Value Reduction on surrender, an exit rate of 100% is assumed. This is because the company now allows a 'roll-forward' of the no-MVR amount after the first no-MVR date. This approach is prudent.

Additional reserves are included where appropriate for contracts which provide a money back guarantee on a future policy anniversary.

- (f) Assurances issued on impaired lives and subject to extra premiums were valued as if effected at the ages corresponding to the premiums charged, except that for certain assurances issued before 9 November 1970 one full year's extra premium was reserved in addition to the normal reserve calculated on the basis of the true age.

One full year's extra premium was reserved in addition to the normal reserve under assurances carrying an extra premium for any other reason.

Debts that have been imposed on assurances have been ignored.

- (g) Amounts in overseas currencies were converted to sterling using rates of exchange current at the valuation date.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

- (h) The reserve for the Irish and German term assurance contracts was taken as one year's premium.
- (i) The reserve for waiver of premium benefits attaching to endowment assurance, term assurance and decreasing term assurance contracts has been taken as one year's premium.

**Ex-CULAC business**

All conventional regular premium business is valued on a gross premium basis with the following exceptions:

- For direct written regular premium Mortgage Protection assurances, the reserve is taken to be 4.6 times the annualised premium.
- For group life contracts the reserve is taken to be 100% of the office yearly premium.
- For contingent assurances the reserve is taken to be the single premium paid or three times the annual premium.
- For assurances against issue risks, the reserve is taken to be the one times the annual premium and the total is less than £10m.

For policies on substandard lives, the difference between the premium payable and the normal premium has been treated as an extra premium for whole life assurances and endowment assurances issued on or after 1 January 1964 and a reserve is held equal to one year's extra premium.

- The reserve in respect of extra premiums charged for occupation or residence has been taken as one year's extra premium. This is less than £10m.
- The valuation factors for annuities in payment allow for certain guaranteed term conditions. The valuation factors for certain contracts where the annuitant was a substandard life at commencement allow for the shortened life expectancy.
- Deferred Annuities: the reserve is taken as the value of benefits secured by the annual or the single premiums payable prior to the policy anniversary following the valuation date. The benefit at the vesting date that is valued is the higher of the value of the annuity and the corresponding cash option, if one exists.
- For certain annuity contracts which return premiums with interest on death, pre-retirement mortality is ignored. Otherwise the value of any benefit payable on death during the deferred period is added to the value of the annuities.
- The reserve for deferred annuities which have passed the vesting date, and for which the Company accumulates the cash option at a rate of interest different from the valuation rate, is calculated by accumulating the benefit applicable at the vesting date at that rate of interest.
- An additional reserve is held in respect of premiums under "controlled funding" schemes which have not yet been applied to purchase benefits. This reserve is calculated by carrying out a notional allocation of the premiums using average ages and valuing the resulting benefits.

Unitised with-profit business:

Unitised with-profit business is valued initially by determining the lower of the current non-guaranteed surrender value and the bid value of units (after allowing for contractual surrender charges where applicable). This result is then compared with a prospective valuation and the higher result taken.

The prospective valuation projects future benefits assuming future premiums cease and future bonuses are zero, except for policies with a guaranteed minimum bonus rate, where this guaranteed bonus is allowed for.

Provision is made for future expenses on the basis of the charges made to the Company under the Management Services Agreement with Aviva Life Services UK Ltd assuming future inflation at 2.99% per annum.

In the case of the Group Defined Benefit contract, additional reserves are held for the guaranteed annuity options associated with internal transfers from the Group Deferred Annuity contract.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**Internal linked contracts

For linked contracts the reserve is the sum of the unit liability and a sterling reserve. The unit liability is the value of the units allocated to contracts using the fund price. A gross premium cash flow method was applied to individual policy clusters to investigate the requirement for sterling reserves for linked contracts. A minimum sterling reserve, equal to the level of claims expenses less any surrender penalty, is held for each cluster.

Other linked contracts

For the Abbey National Plan the reserve is an estimate of the total accumulated investment at the valuation date, together with an additional reserve for expenses.

For index linked immediate and reversionary annuities the reserve is calculated by discounting the annuities payable, allowing for interest, mortality, expenses, and growth in the Retail Prices Index.

Additional reserves are held to cover future anticipated expenses in excess of the allowances included in the reserves held for individual contracts.

**(2) Valuation interest rates:**

A table of all valuation interest rates used is given below.

Product Group	31 December 2014	31 December 2013
<b>Life Assurances</b>		
All Conventional With-Profit business	2.70%	3.30%
All Conventional Non-Profit business	1.05%	1.60%
All Unitised With Profit business	1.15%	1.40%
<b>Pensions and General Annuities</b>		
Immediate Annuities (currently in payment)	1.75%	3.10%
With-Profit Deferred Annuity		
In payment	2.70%	3.65%
In deferment	2.70%	3.65%
Non-Profit Deferred Annuity		
In payment	1.05%	2.10%
In deferment	1.05%	2.10%
Pure Endowment WP	2.70%	3.65%
In-payment rate for valuing Guaranteed Annuity Options	2.70%	3.65%
Other Non-Profit Conventional business	1.05%	2.10%
All Unitised With-Profit business	1.35%	1.65%
With Profit Annuity	3.20%	3.85%

For non-profit business transferred to New With-Profit Sub-Fund (NWPSF) from 1 May 2014, the above valuation interest rates will be used rather than those shown in the Non-Profit (NP) Sub-Fund's Appendix 9.4.

**(3) Risk adjusted yield****Equity assets**

The allowance for credit risk on equities is two-fold. Firstly, a deduction is applied, which is determined as 25% of the excess of the equity yield over the Long Term Gilt Yield. The equity yield is then capped at a maximum of 10%.

For the purposes of the valuation the average deduction from the yield on equities held at 31 December 2014 was:

Deduction from Yield	NWPSF	OWPSF
Impact of 25% Spread	0.27%	0.27%
Impact of 10% Cap	0.10%	0.11%
Total Deduction	0.37%	0.38%

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****Property assets**

The property assets have been ordered by yield and divided into different categories. Firstly, a deduction is applied to the grouped yields, which is determined as 25% of the excess of the yield over the Long Term Gilt Yield. The property yield in each category is then capped at a maximum of 10%. This means that very low-yielding assets retain the low rate but high-yielding assets are capped.

For the purposes of the valuation the average deduction from the yield on property assets held at 31 December 2014 was:

<b>Deduction from Yield</b>	<b>NWPSF</b>	<b>OWPSF</b>
Impact of 25% Spread	0.65%	0.65%
Impact of 10% Cap	0.08%	0.08%
Total Deduction	0.73%	0.73%

**Fixed interest securities**

The allowance for credit risk on bonds is two-fold. For 31 December 2014, a deduction equivalent to 51% of the spread over gilts where the spread has been calculated after capping the bond yield at a maximum of 200% of the yield on a representative iBoxx index.

For the purposes of the valuation the average deduction from the yield on fixed interest securities (excluding Approved fixed interest i.e. gilts and other bonds issued by approved UK and international public sector bodies) held at 31 December 2014 was:

<b>Deduction from Yield</b>	<b>NWPSF</b>	<b>OWPSF</b>
Impact of Cap	0.12%	0.08%
Impact of 51% Spread	0.78%	0.71%
Total Deduction	0.90%	0.79%

For Mortgages, a deduction of 1.90% was used, while for Deposits, the equivalent deduction was 0.10%.

For non-profit business transferred to New With-Profit Sub-Fund (NWPSF) from 1 May 2014, the above NWPSF credit risk yield deductions will be used rather than those shown in the Non-Profit (NP) Sub-Fund's Appendix 9.4.

**(4) Mortality assumptions**

The table below shows the mortality basis for business written by the fund.

<b>Product</b>	<b>Mortality basis 31 December 2014</b>	<b>Mortality basis 31 December 2013</b>
<b>Life Assurances</b>		
Conventional Life – Whole Life	104.9% AM00 sel / 104.9% AF00 sel	104.9% AM00 sel / 104.9% AF00 sel
Conventional Life – Endowments and Low Cost Endowments	87.4% AM00 sel / 87.4% AF00 sel	93.3% AM00 sel / 93.3% AF00 sel
Decreasing Term Assurance on Low Cost Endowment (ex-CGNU)	87.4% AM00 sel / 87.4% AF00 sel	93.3% AM00 sel / 93.3% AF00 sel
Decreasing Term Assurance on Low Cost Whole Life (ex-CGNU)	104.9% AM00 sel / 104.9% AF00 sel	104.9% AM00 sel / 104.9% AF00 sel
Decreasing Term Assurance on Low Cost Endowment (ex-CULAC)	87.4% AM00 sel / 87.4% AF00 sel	93.3% AM00 sel / 93.3% AF00 sel
Unitised Life – Mortgage Endowments	84.0% AM00 sel / 84.0% AF00 sel	93.3% AM00 sel / 93.3% AF00 sel
Unitised Life – Whole Life	104.9% AM00 sel / 104.9% AF00 sel	104.9% AM00 sel / 104.9% AF00 sel
Unitised With Profits – Bonds	105.0% AM00 sel / 105.0% AF00 sel	108.1% AM00 sel / 108.1% AF00 sel
Pure Endowments	60% AM00 ult / 60% AF00 ult	60% AM00 ult / 60% AF00 ult



**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Term assurance (Scale)	Non-smokers Duration 0 and 1 68.6% TMN00 sel / 82.2% TFN00 sel Duration 2 to 4 59.3% TMN00 sel / 71.8% TFN00 sel Duration 5+ 59.3% TMN00 sel / 71.8% TFN00 sel  Smokers All durations 69.7% TMS00 sel / 84.2% TFS00 sel	Non-smokers Duration 0 and 1 76.3% TMN00 sel / 92.2% TFN00 sel Duration 2 to 4 66.8% TMN00 sel / 80.6% TFN00 sel Duration 5+ 66.8% TMN00 sel / 80.6% TFN00 sel  Smokers All durations 78.4% TMS00 sel / 94.3% TFS00 sel
Term assurance (Heritage)	70.7% TM00 sel / 70.7% TF00 sel	79.5% TM00 sel / 79.5% TF00 sel
Mortgage Protection (Scale)	Non-smokers Duration 0 and 1 72.8% TMN00 sel / 83.2% TFN00 sel Duration 2 to 4 66.6% TMN00 sel / 75.9% TFN00 sel Duration 5+ 66.6% TMN00 sel / 75.9% TFN00 sel  Smokers All durations 67.6% TMS00 sel / 77.0% TFS00 sel	Non-smokers Duration 0 and 1 81.6% TMN00 sel / 84.8% TFN00 sel Duration 2 to 4 74.2% TMN00 sel / 84.8% TFN00 sel Duration 5+ 74.2% TMN00 sel / 84.8% TFN00 sel  Smokers All durations 75.3% TMS00 sel / 85.9% TFS00 sel
Mortgage Protection (Heritage)	75.9% TM00 sel / 75.9% TF00 sel	84.8% TM00 sel / 84.8% TF00 sel
Other term	1x premium	1x premium
Mortgage Protection with Critical Illness	Non-smokers Duration 0 and 1 108.3% CIM11A Males 132.8% CIM11A Females Duration 2 to 4 114.2% CIM11A Males 138.6% CIM11A Females Duration 5+ 114.2% CIM11A Males 132.8% CIM11A Females  Smokers All durations 97.9% CIM11A Males 125.8% CIM11A Females	Non-smokers Duration 0 and 1 110.4% CIM11A Males 135.7% CIM11A Females Duration 2 to 4 117.3% CIM11A Males 141.5% CIM11A Females Duration 5+ 117.3% CIM11A Males 135.7% CIM11A Females  Smokers All durations 100.1% CIM11A Males 128.8% CIM11A Females
Term assurance with Critical Illness	Non-smokers Duration 0 and 1 109.5% CIM11A Males 128.2% CIM11A Females Duration 2 to 4 114.2% CIM11A Males 132.8% CIM11A Females Duration 5+ 114.2% CIM11A Males 128.2% CIM11A Females  Smokers All durations 115.3% CIM11A Males 172.4% CIM11A Females	Non-smokers Duration 0 and 1 111.6% CIM11A Males 131.1% CIM11A Females Duration 2 to 4 117.3% CIM11A Males 135.7% CIM11A Females Duration 5+ 117.3% CIM11A Males 131.1% CIM11A Females  Smokers All durations 118.5% CIM11A Males 177.1% CIM11A Females
<b>General Annuities</b>		
Immediate Annuities – Individual	99.5% PCMA00 / 94.5% PCFA00	100% PCMA00 / 95.5% PCFA00
Immediate Annuities – Group; GAOs in payment	99.5% PCMA00 / 94.5% PCFA00 (assume all business pre 1/1/03)	100% PCMA00 / 95.5% PCFA00 (assume all business pre 1/1/03)

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Individual deferred annuity In deferment Post vesting	60% AM00 ult / 60% AF00 ult 99.5% PCMA00 / 94.5% PCFA00	60% AM00 ult / 60% AF00 ult 100% PCMA00 / 95.5% PCFA00
Group deferred annuity In deferment Post vesting	60% AM00 ult / 60% AF00 ult 99.5% PCMA00 / 94.5% PCFA00	60% AM00 ult / 60% AF00 ult 100% PCMA00 / 95.5% PCFA00
<b>Pensions Business</b>		
Immediate Annuities With profit Annuity	99.5% PCMA00 / 94.5% PCFA00	100% PCMA00 / 95.5% PCFA00
GAOs in payment	99.5% PCMA00 / 94.5% PCFA00	100% PCMA00 / 95.5% PCFA00
Pure Endowment & Endowment Insurance	60% AM00 ult / 60% AF00 ult	60% AM00 ult / 60% AF00 ult
Unitised With Profits	106% AM00 ult / 106% AF00 ult	106% AM00 ult / 106% AF00 ult
Term assurance (Scale)	Non-smokers Duration 0 and 1 72.1% TMN00 sel / 86.9% TFN00 sel Duration 2+ 62.5% TMN00 sel / 75.3% TFN00 sel  Smokers All durations 74.2% TMS00 sel / 89.0% TFS00 sel	Non-smokers Duration 0 and 1 72.1% TMN00 sel / 86.9% TFN00 sel Duration 2+ 62.5% TMN00 sel / 75.3% TFN00 sel  Smokers All durations 74.2% TMS00 sel / 89.0% TFS00 sel
Term assurance (Heritage)	74.2% TM00 sel / 74.2% TF00 sel	74.2% TM00 sel / 74.2% TF00 sel
Deferred Annuity Reversionary Annuity In deferment Post vesting	60% AM00 ult / 60% AF00 ult 99.5% PCMA00 / 94.5% PCFA00	60% AM00 ult / 60% AF00 ult 98.5% PCMA00 / 93.5% PCFA00
Widows Death in Service In deferment Post vesting	AM92/AF92 99.5% PCMA00 / 94.5% PCFA00	AM92/AF92 98.5% PCMA00 / 93.5% PCFA00
Current Cost Term Insurance	1 periodic premium	1 periodic premium

Notes on tables:

- M tables apply to male lives, F tables to female lives.
- Smoker / Non-Smoker table used where smoker status data is available, otherwise Combined table used.
- Annuitant mortality: allowance has been made for future improvements to mortality. The base tables (% of PCXA00) are assumed to apply as at 31 December 2000; from that date improvements are expected. The allowance for improvements is as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Males	CMI_2013_M [1.75%], applicable from 2001 to 2013 CMI_2013_M[1.75%] plus 0.5% p.a., applicable from 2014	CMI_2012_M [1.75%], applicable from 2001 to 2012 CMI_2012_M[1.75%] plus 0.5% p.a., applicable from 2013
Females	CMI_2013_F [1.5%], applicable from 2001 to 2013 CMI_2013_F[1.5%] plus 0.5% p.a., applicable from 2014	CMI_2012_F [1.5%], applicable from 2001 to 2012 CMI_2012_F[1.5%] plus 0.5% p.a., applicable from 2013

- There are no products where the assurance mortality basis is expressed as 'modified table'.

**Expectation of Life**

The table below shows the required examples for expectation of life using the base mortality tables, percentage adjustments and improvement factors quoted above.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Table Description	Expectation of Life for annuitant aged 65 on 1/1/2015	Expectation of Life for annuitant aged 75 on 1/1/2015	Expectation of Life from age 65 for annuitant aged 45 on 1/1/2015	Expectation of Life from age 65 for annuitant aged 55 on 1/1/2015
99.5% of PCMA00 plus CMI_2013_M[1.75%] applied from 2001, plus 0.5% p.a. from 2014	24.9	15.2	28.8	26.8
94.5% of PCFA00 plus CMI_2013_F[1.5%] applied from 2001, plus 0.5% p.a. from 2014	27.1	17.1	30.4	28.8

**Allowance for future changes in mortality where not implicit in the basis:**

There are no explicit reserves for alterations to mortality. All future changes are made to the tables used to calculate base mathematical reserves.

Allowance/reserve for:

- (a) any possible detrimental impact of significant changes in the incidence of disease on the mortality experience of the insurer;
- (b) developments in medical science on the mortality experience of the insurer:

Margins in the published mortality basis are sufficient to cover current estimates of the cost of future additional claims from AIDS, other than those arising out of the exercise of options, at a level corresponding to one third of the AIDS Working Party's Projection 6A with allowance for the continuance of mortality rates at peak rates. The additional AIDS reserves for options are £1.4m for New With-Profits Sub-Fund (NWPSF) and £0.2m for Old With-Profits Sub-Fund (OWPSF).

The remaining margins in the published mortality and morbidity bases are considered sufficient to provide for adverse deviations in experience arising from other causes. No additional reserves are therefore held.

**(5) Morbidity assumptions**Ex-CGNU business

The Combined disability and mortality rates were used for Critical Illness attached to Term Assurance, Mortgage Protection are detailed in the table in 4(4) above.

Ex-CULAC business

For Stand Alone Critical Illness, morbidity experience is assumed to be according to the IC94 table of decrement rates published by the Society of Actuaries in Ireland Working Party 1994. The tabulated rate is increased by 3.5%, and a further deterioration rate of 1.5% per annum of policy term is then applied. The following rates are an example of the adjusted morbidity rates used per mille for a 25 year policy at inception.

Age	Male	Female
25	0.451	0.776
35	1.279	1.772
45	4.111	4.013
55	9.556	7.777

These rates were also used in the previous financial year.

**(6) Expense assumptions:**

For ex-CGNU and ex-CULAC business, expense assumptions are taken as 120% of the amounts detailed in the Management Services Agreement (MSA). These loadings are used to set a long-term assumption for additional costs arising within the business (e.g. project costs, regulatory fees, audit fees) and to give a margin for adverse deviation. Expenses for unit-linked products and for non profit business transferred to NWPSF are detailed in Appendix 9.4 for non profit funds.

Expense levels are assumed the same for premium-paying and paid-up policies.

The table below shows the per-policy expenses for 2013 and 2014 (including loadings) for ex-CGNU and ex-CULAC business. Expenses for non profit business transferred to NWPSF are detailed in Appendix 9.4 for non profit funds.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Product	Product code	Renewal admin (£ per policy)	
		2014	2013
CWP savings endowment	120	38.44	37.43
CWP target cash endowment	125	38.44	37.43
CWP Pensions	155/165	51.25	49.90
Term assurance	325/330	25.62	24.94
Critical illness	340/345/350/355	16.64	24.94
Income protection	360/365	25.62	24.94
Annuity	400	21.40	20.84
UWP bond	500	57.49	55.98
UWP savings endowment	510	25.62	24.94
UWP target cash endowment	515	38.44	37.43
UWP regular premium pension	525/545	46.83	45.60
UWP single premium pension	525/545	46.83	45.60
UWP group regular premium pension	535	76.86	74.84
UWP group single premium pension	535	76.86	74.84

On deferred annuities an additional 3% (ex-CGNU) and 5.4% (ex-CULAC) is included in expenses as an allowance for the cost of paying annuities.

**Assumed future expense inflation:**

2.99% per annum (RPI, as set by the MSA agreement)

**Zillmer adjustments:**

No Zillmer adjustments were made to net premium reserves.

**Investment expenses:**

The yield on the asset classes backing the liabilities was reduced for investment expenses. This reduced the upper bound on the interest rates used in the valuation. The adjustment made was 0.165%.

The adjustments reflect the charging structure agreed with our fund managers, Aviva Investors UK.

**Tax relief**

Tax relief on expenses on BLAGAB business has been assumed using a rate of 20.00%.

No allowance has been made for tax relief in respect of GRB (Gross Roll Up) business.

**(7) Unit Linked policies: basis for non-unit reserves.**

	31 December 2014		31 December 2013	
	Life	Pensions	Life	Pensions
<b>Assumed Fund Growth (before annual management charge)</b>	2.60%	3.30%	3.70%	4.70%
<b>Discount rate</b>	1.70%	2.10%	2.80%	3.50%
<b>Policy fee inflation</b>	2.99%	2.99%	3.38%	3.38%

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

**Assumed future expense inflation:**

2.99% per annum (RPI, as set by the MSA agreement)

**(8) Bonus Assumptions:****Conventional with-profit business:**

The Company is a realistic basis life firm. Accordingly, no allowance has been made for future annual or final bonus on Conventional with-profit business. This is consistent with INSPRU1.2.31G. There are no guarantees relating to future annual or final bonus on this business.

**Unitised with-profit business:**

Certain classes of business have guaranteed annual bonus rates. These have been used in the projection of liabilities. No allowance has been made for discretionary annual bonus or final bonus.

**Guaranteed regular bonus by product:**Ex-CGNU business

Product	Guaranteed Annual Bonus Rate	Valuation assumption	Applies to...
<b>Unitised with-profit Life:</b>			
Investment Bond: Guaranteed Bonus	3.00%	3.00%	Units purchased pre 1/2/1994 AND NOT switched to the Loyalty Fund
Investment Bond: Loyalty Bonus	Guaranteed 0.5% addition to AB rate for normal (non-gteed) Investment Bond	0.5%	Units purchased pre 1/2/1994 and switched to the Loyalty Fund
<b>Unitised with-profit Pensions:</b>			
Pensions (Non-Stakeholder)	4.00%	4.00%	Units purchased prior to 22/1/1996 (13/5/1996 for existing business regular premiums)

Ex-CULAC business

Product	Guaranteed Annual Bonus Rate	Valuation assumption	Applies to...
<b>Unitised with-profit Pensions:</b>			
Pensions implicit	4.00%	4.00%	Units purchased prior to 1/1/1993 with implicit annual management charge
Pensions explicit	5.00%	5.00%	Units purchased prior to 1/1/1993 with explicit annual management charge

**(9) Persistency assumptions:**

For Conventional Business, we have assumed 100% persistency until maturity.

For Unitised business, we have allowed for surrender rates consistent with the table below.

For policies with a no-MVR option available, we have assumed an exit rate of 100% at the next no-MVR date. This is a prudent approach that reflects our policy of limiting future MVR on policies that stay in force after their first no-MVR date.

The persistency rates used are as follows. They apply to amounts remaining after policyholders with guaranteed benefits have taken their money (either in regular withdrawals or through a full surrender guarantee). Persistency rates for unit-linked products are detailed in Appendix 9.4 for non profit funds.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Product		Average lapse/surrender/PUP rate for the policy years			
		1-5	6-10	11-15	16-20
Level Term	Lapse	0%	0%	0%	0%
Decreasing Term	Lapse	0%	0%	0%	0%
Accelerated Critical Illness	Lapse	0%	0%	0%	0%
Income Protection	Lapse	0%	0%	0%	0%
Life CWP endowment - savings	Surrender	0%	0%	0%	0%
Life CWP endowment - target cash	Surrender	0%	0%	0%	0%
Life UWP endowment - savings	Surrender	5.85%	5.85%	5.85%	5.85%
Life UWP endowment - target cash	Surrender	5.85%	5.85%	5.85%	5.85%
Life UWP single premium - no guarantee	Surrender	2.47%	6.50%	4.55%	4.55%
Life UWP single premium - moneyback guarantee	Surrender	2.47%	6.50%	4.55%	4.55%
Life UWP single premium - no-MVR guarantee	Surrender	2.47%	8.06%	5.59%	5.20%
Life UWP single premium - RPI/CPI guarantee	Surrender	1.43%	5.20%	5.20%	5.20%
Life UWP single premium	Automatic withdrawals	100% of current withdrawal			
Pension CWP regular premium	PUP	0%	0%	0%	0%
Pension CWP regular premium	Surrender	0%	0%	0%	0%
Pension CWP single premium	Surrender	0%	0%	0%	0%
Individual Pension UWP regular premium	PUP	Peak 1 valuation assumes no future premiums on UWP business			
Individual Pension UWP regular premium	Surrender	2.28%	2.28%	2.28%	2.28%
Individual Pension UWP single premium	Surrender	2.28%	2.28%	2.28%	2.28%
Group Pension UWP regular premium	PUP	Peak 1 valuation assumes no future premiums on UWP business			
Group Pension UWP regular premium	Surrender	2.28%	2.28%	2.28%	2.28%
Group Pension UWP single premium	Surrender	2.28%	2.28%	2.28%	2.28%
Trustee Investment Plan UWP	Surrender	9.75%	11.70%	11.70%	9.75%

**(10) Other basis items:****Option Take-Up Rates**Guaranteed Annuity Rate Options:

We have assumed that current option take-up is 93% for ex-CGNU business and 93% for ex-CULAC business. These include a margin over current experience of 10%.

These rates are assumed to increase by 1% per annum to 95%.

Guaranteed Cash Options:

For deferred annuities with a guaranteed cash option, we assume that 100% retain the annuity.

Guaranteed Minimum Pensions on Section 32 policies:

We have assumed 100% 'option take-up' of the minimum pension. In practice, policyholders would not receive an option (if the maximum pension bought by their policy is below the Guaranteed Minimum then they will be paid the GMP).

**Taxation**

Valuation interest rates on Life business include an allowance for taxation. This allowance has been arrived at using the following assumption:

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

- A tax rate of 20% has been assumed in respect of income on Fixed Interest and Property assets (for Life business). No allowance has been made for taxation on equity income.

No allowance has been made for taxation in respect of Pensions business.

- (11) We allow for Equity and Fixed Interest Futures in the matching assets used to hypothecate against reserves.
- (12) During the reporting period, the fund has made no changes to valuation methodology in respect of the following changes in INSPRU valuation rules:
- (a) Allowance for lapses on valuation of protection business
  - (b) Allowance for negative reserves on valuation of protection business
  - (c) Allowance for lapses on valuation of unit-linked business
  - (d) Allowance for attributable expenses on valuation of unit-linked business

**5. Options and Guarantees**

**(1) Guaranteed Annuity Rate Options:**

**(a) Method:**

For policies with a cash benefit that can be used to buy an annuity on guaranteed terms, the methodology is as follows:

- Calculate the amount of the cash benefit that we have assumed will be converted into an annuity (using the option take-up rates given in section 4(10)).
- Determine the amount of annuity that this cash would buy if it were to be converted on guaranteed terms.
- Calculate the present value of the resulting annuity using the annuitant mortality basis given in section 4(4) and in-payment interest rate basis given in 4(2).
- If the total is greater than the total policy benefit at retirement then add on the difference. Discount the result to valuation date at the discount rate given in section 4(2).
- Add on the reserve for the expenses of administering the annuity.

The Regulatory-peak reserve for Guaranteed Annuity Options is compared with the reserve calculated using the following basis:

- Regulatory-peak annuitant mortality assumptions are used (as given in 4(4))
- Regulatory-peak option take-up rates are used (as given in 4(10))
- Regulatory-peak annuity interest rates and discounting are used
- Realistic-peak assumptions for persistency are used
- Realistic-peak Final Bonus allowance removed

Realistic-peak assumptions are discussed in more detail in Appendix 9.4A.

If this second reserve is larger than the base Regulatory-peak figure, an allowance for stochastic variation is added to the Regulatory-peak reserve. The allowance at 31 December 2014 is zero.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****(b)**  
**NWPSF: Ex-CGNU business**

(i) Product name	Group conventional pensions endowment with-profits	Group conventional pensions endowment with-profits	Group conventional pensions endowment with-profits	Group conventional pensions endowment with-profits
Category description	Policies written pre 1977	Policies written from 1/1/1977 to 30/4/1994	Policies written 1/5/1994 to 30/6/1999	Policies written from 1/7/1999
(ii) Basic Reserve (£m)	0.1	12.0	2.4	1.6
(iii) Spread of o/s durations:				
% with o/s dur'n of 1 year	0.0%	10.4%	11.2%	4.3%
% with o/s dur'n of 2 to 5 years	100.0%	37.6%	47.5%	33.7%
% with o/s dur'n of 6 to 10 years	0.0%	29.7%	11.6%	24.9%
% with o/s dur'n of 11 to 20 years	0.0%	21.9%	27.9%	36.2%
% with o/s dur'n of over 20 years	0.0%	0.4%	1.8%	1.0%
(iv) guarantee reserve (£m)	0.0	10.6	0.7	0.0
(v) guaranteed annuity rate	10.31%	11.11%	7.51%	4.98%
(vi) increments allowed?	See note(1) below	See note(1) below	See note(1) below	See note(1) below
(vii) form of annuity	See note(2) below	See note(2) below	See note(2) below	See note(2) below
(viii) retirement ages	62 to 75	57 to 75	57 to 75	57 to 75

Note (1) – Some ex-CGNU products with GAOs continued to accept increments but either the GAO was repriced to a level which made it far less valuable or the increment above a stated amount did not get the GAO.

Note (2) – Payable monthly in advance, single life, no guarantee period, no escalation in payment



**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****OWPSF: Ex-CGNU business**

(i) Product name	Group conventional pensions endowment with-profits	Group conventional pensions endowment with-profits	Group conventional pensions endowment with-profits	Group conventional pensions endowment with-profits
Category description	Policies written pre 1977	Policies written from 1/1/1977 to 30/4/1994	Policies written 1/5/1994 to 30/6/1999	Policies written from 1/7/1999
(ii) Basic Reserve (£m)	0.0	7.9	0.7	0.4
(iii) Spread of o/s durations:				
% with o/s dur'n of 1 year	0.0%	8.0%	0.1%	0.0%
% with o/s dur'n of 2 to 5 years	0.0%	36.9%	11.9%	33.4%
% with o/s dur'n of 6 to 10 years	100.0%	28.6%	18.7%	39.6%
% with o/s dur'n of 11 to 20 years	0.0%	25.8%	62.0%	26.1%
% with o/s dur'n of over 20 years	0.0%	0.6%	7.2%	1.0%
(iv) guarantee reserve (£m)	0.0	7.1	0.3	0.0
(v) guaranteed annuity rate	10.31%	11.11%	7.51%	4.98%
(vi) increments allowed?	Same as NWPSF	Same as NWPSF	Same as NWPSF	Same as NWPSF
(vii) form of annuity	Same as NWPSF	Same as NWPSF	Same as NWPSF	Same as NWPSF
(viii) retirement ages	62 to 75	52 to 75	57 to 75	57 to 75

**NWPSF: Ex-CULAC business**

Guaranteed Annuity Rate 1: Annuity interest rate 7.5%

(i) Product Name	With-Profits Pensionmaker and Retirementmaker	Non-Profit Pensionmaker and Retirementmaker
(ii) Basic Reserve (£m)	58.0	3.8
(iii) Spread of O/S durations:		
Less than 1 year	5.9%	4.3%
2-5 years	26.3%	21.2%
6-10 years	30.3%	25.7%
11-20 years	34.3%	41.3%
over 20 years	3.1%	7.6%
(iv) Guarantee Reserve (£m)	59.5	5.3
(v) Guaranteed Annuity Rate	11.2%	11.2%
(vi) Increments allowed?	See note(1) below	See note (1) below
(vii) Form of the annuity	See note(2) below	See note(2) below
(viii) Retirement Ages	60 until 75	60 until 75

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****Guaranteed Annuity Rate 2: Annuity interest rate 5.25%**

(i) Product Name	With-Profits Pensionmaker and Retirementmaker	Non-Profit Pensionmaker and Retirementmaker	With-Profits Sterling Transfer Bonds
(ii) Basic Reserve (£m)	70.6	3.9	10.3
(iii) Spread of O/S durations:			
Less than 1 year	6.3%	5.2%	8.7%
2-5 years	27.5%	15.2%	53.7%
6-10 years	34.4%	62.1%	26.7%
11-20 years	30.1%	17.1%	10.9%
over 20 years	1.7%	0.4%	0.0%
(iv) Guarantee Reserve (£m)	56.3	4.6	7.9
(v) Guaranteed Annuity Rate	10.0%	10.0%	10.0%
(vi) Increments allowed?	See note(1) below	See note(1) below	See note(1) below
(vii) Form of the annuity	See note(2) below	See note(2) below	See note(2) below
(viii) Retirement Ages	60 until 75	60 until 75	60 until 75

Note (1) – Increments are allowed for these policies; however the increments are not subject to the guarantee.

Note (2) – Paid monthly in advance, single life, 5-year guarantee period

**OWPSF: Ex-CULAC business****Guaranteed Annuity Rate 1: Annuity interest rate 7.5%**

(i) Product Name	With-Profits Pensionmaker and Retirementmaker	Non-Profit Pensionmaker and Retirementmaker
(ii) Basic Reserve (£m)	14.8	0.5
(iii) Spread of O/S durations:		
Less than 1 year	5.8%	4.3%
2-5 years	16.2%	21.2%
6-10 years	35.4%	25.7%
11-20 years	38.7%	41.3%
over 20 years	3.9%	7.6%
(iv) Guarantee Reserve (£m)	15.3	0.7
(v) Guaranteed Annuity Rate	11.2%	11.2%
(vi) Increments allowed?	Same as NWPSF	Same as NWPSF
(vii) Form of the annuity	Same as NWPSF	Same as NWPSF
(viii) Retirement Ages	60 until 75	60 until 75

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****Guaranteed Annuity Rate 2: Annuity interest rate 5.25%**

(i) Product Name	With-Profits Pensionmaker and Retirementmaker	Non-Profit Pensionmaker and Retirementmaker	With-Profits Sterling Transfer Bonds
(ii) Basic Reserve (£m)	17.1	0.5	1.7
(iii) Spread of O/S durations:			
Less than 1 year	8.3%	5.2%	16.3%
2-5 years	35.4%	15.2%	39.9%
6-10 years	28.7%	62.1%	28.8%
11-20 years	25.8%	17.1%	14.9%
over 20 years	1.7%	0.4%	0.0%
(iv) Guarantee Reserve (£m)	13.5	0.6	1.3
(v) Guaranteed Annuity Rate	10.0%	10.0%	10.0%
(vi) Increments allowed?	Same as NWPSF	Same as NWPSF	Same as NWPSF
(vii) Form of the annuity	Same as NWPSF	Same as NWPSF	Same as NWPSF
(viii) Retirement Ages	60 until 75	60 until 75	60 until 75

**(2) Guaranteed surrender and unit-linked maturity values:****Non-unit-linked:**

The only such policies with a guaranteed surrender value are certain Unitised with-profit Life contracts. No Conventional policies have a guaranteed surrender value.

Unitised with-profit Pensions contracts cannot be surrendered, only transferred or switched; in either case, an MVR could apply if this were to be done before normal retirement rate. Retirement under such policies can happen on more than one date without incurring an MVR. Retirement is a contractual exit (not a surrender of the policy) and is explicitly valued.

There are four types of guaranteed surrender value:

- The option to surrender the policy on a certain set of dates without an MVR being applied (a no-MVR guarantee).
- The option to surrender the policy on a certain set of dates with the total benefit being underpinned by the total premium paid into the policy (a money-back guarantee)
- The option to surrender the policy on a certain set of dates with the total benefit being underpinned by the total premium paid into the policy, plus inflation (an inflation-protected guarantee)
- The option to take a certain level of regular withdrawals without an MVR being applied.

**(a) Methodology:**

In all four cases above the overall reserve for a policy has been calculated as:

$\text{Max}([\text{Accumulated Benefit} + \text{adjustment}], [\text{Prospective reserve for future benefit}])$ .

- The [Accumulated Benefit + adjustment] item is calculated in accordance with INSPRU 1.2.71R(1).
- The [Prospective reserve for future benefit] is calculated as the present value of the benefit paid to the policyholder after allowing for lapses. The basis of the calculation includes assumptions for surrender before the guarantee date(s), an assumption about the percentage of remaining policyholders who choose to surrender on their guarantee date(s) and an assumption for the level of MVR-free regular withdrawals taken by policyholders.

Persistency assumptions are given in item 4(9), along with assumptions about guarantee take-up. The interest rates used in the calculation are given in 4(2).

The guarantee is explicitly valued as part of the main calculation – there is no explicit reserve for it.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer	<b>Aviva Life &amp; Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds</b>
Global business	
Financial year ended	<b>31 December 2014</b>

The tables show the unit value in force as the guaranteed amount. This represents the amount that would be paid if the policyholder surrendered with a no-MVR guarantee. It is also a proxy for the amount payable under the regular withdrawal guarantee, as a policyholder could ultimately redeem all of their units through regular withdrawals.

Where a spread of duration is shown, duration refers to the next date at which the policyholder could fully surrender with a guarantee (either no-MVR or money-back).

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014**

(b)

NWPSF (Ex-CGNU business)

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions				(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) inflation protection guarantee (full surrender)	4) regular withdrawal guarantee		
Investment Bond	279,294,768	N/A; policy has no contractual exit date	0	277,982,414	None	None	None	No MVR on regular withdrawals up to 5% if taken from inception.	0	No (RW gtee)
Portfolio Bond (16/3/1993 to 30/9/1998)	312,597,150	N/A; policy has no contractual exit date	0	312,430,752	None	None	None	No MVR on regular withdrawals up to 7.5% if taken from inception.	0	No (RW gtee)
Portfolio Bond (1/10/1998 to 1/10/2000)	555,462,616	51% with duration less than 1 year; 6% with duration 3 years; 44% with duration 4 years	0	555,343,632	No MVR on surrender on 10th anniversary / any subsequent 5 yearly anniversaires	None	None	No MVR on regular withdrawals up to 7.5%. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	Switches-in allowed; treated as new premium
NU Portfolio Bond / NU Bond 2000 / NU Flexibond; all contracts issued 2/10/2000 to 24/6/2001 inclusive	591,784,265	30% with duration less than 1 year; 69% with duration 1 year	0	591,081,721	No MVR on surrender on 10th anniversary / any subsequent 5 yearly anniversaires	None	None	No MVR on regular withdrawals up to 7.5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	Switches-in allowed; treated as new premium
NU Portfolio Bond / NU Bond 2000 / NU Flexibond; all contracts issued 25/6/2001 to 15/1/2002 inclusive	287,919,328	100% with guarantee expired	0	287,884,874	No MVR on surrender on 10th anniversary	None	None	No MVR on regular withdrawals up to 7.5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	Switches-in allowed; treated as new premium
NU Portfolio Bond / NU Bond 2000 / NU Flexibond; all contracts issued 16/1/2002 to 6/7/2003 inclusive	536,707,348	100% with guarantee expired	0	536,464,793	None	The amount paid on the 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	None	No MVR on regular withdrawals up to 7.5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Portfolio Bond (contracts issued 7/7/2003 to 8/2/2004)	45,970,688	100% with guarantee expired	0	45,968,962	None	The amount paid on the 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	None	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Portfolio Bond (contracts issued 9/2/2004 to 29/1/2006)	1,102,234,984	11% with guarantee expired; 25% with duration less than 1 year; 14% with duration 1 year; 18% with duration 2 years; 15% with duration 3 years; 17% with duration 4 years	0	1,113,296,672	None	The amount paid on the 5th or 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	None	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Portfolio Bond (contracts issued 30/1/2006 to 27/4/2008)	1,093,536,613	100% are past 5th anniversary	0	986,870,355	None	None	The amount paid after the 5th anniversary will be at least the amount used to buy units cashed, increased in line with the rise in the Retail Price Index (RPI). The amount will be reduced in proportion to number of units already encashed/switched.	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Portfolio Bond 2008 (contracts issued 28/4/2008 to 31/10/2009)	870,446,727	100% are past 5th anniversary	0	794,289,264	None	None	The amount paid after the 5th anniversary will be at least the amount used to buy units cashed, increased in line with the rise in the Consumer Price Index (CPI). The amount will be reduced in proportion to number of units already encashed/switched.	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Portfolio Bond (contracts issued from 1/11/2009)	211,928,538	2% with guarantee expired; 65% with duration less than 1 year; 21% with duration 1 year; 11% with duration 2 years	0	212,483,121	None	The amount paid from the specified policy anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	None	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014**OWPSF (Ex-CGNU business)

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions				(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) inflation protection guarantee (full surrender)	4) regular withdrawal guarantee		
Investment Bond	23,509,792	N/A; policy has no contractual exit date	0	23,373,602	None	None	None	Same as NWPSF	0	No (RW gtee)
Portfolio Bond (16/3/1993 to 30/9/1998)	23,416,170	N/A; policy has no contractual exit date	0	23,389,722	None	None	None	Same as NWPSF	0	No (RW gtee)
Portfolio Bond (1/10/1998 to 1/10/2000)	52,645,967	53% with duration less than 1 year; 5% with duration 3 years; 41% with duration 4 years	0	52,633,828	Same as NWPSF	None	None	Same as NWPSF	0	Switches-in allowed; treated as new premium
NU Portfolio Bond / NU Bond 2000 / NU Flexibond; all contracts issued 2/10/2000 to 24/6/2001 inclusive	61,396,194	29% with duration less than 1 year; 71% with duration 1 year	0	61,308,229	Same as NWPSF	None	None	Same as NWPSF	0	Switches-in allowed; treated as new premium
NU Portfolio Bond / NU Bond 2000 / NU Flexibond; all contracts issued 25/6/2001 to 15/1/2002 inclusive	24,106,264	100% with guarantee expired	0	24,102,948	Same as NWPSF	None	None	Same as NWPSF	0	Switches-in allowed; treated as new premium
NU Portfolio Bond / NU Bond 2000 / NU Flexibond; all contracts issued 16/1/2002 to 6/7/2003 inclusive	44,382,043	100% with guarantee expired	0	44,346,638	None	Same as NWPSF	None	Same as NWPSF	0	No
Portfolio Bond (contracts issued 7/7/2003 to 8/2/2004)	3,936,192	100% with guarantee expired	0	3,935,827	None	Same as NWPSF	None	Same as NWPSF	0	No
Portfolio Bond (contracts issued 9/2/2004 to 29/1/2006)	137,052,705	7% with guarantee expired; 25% with duration less than 1 year; 15% with duration 1 year; 19% with duration 2 years; 16% with duration 3	0	138,401,388	None	Same as NWPSF	None	Same as NWPSF	0	No
Portfolio Bond (contracts issued 30/1/2006 to 27/4/2008)	127,695,017	100% are past 5th anniversary	0	114,890,847	None	None	Same as NWPSF	Same as NWPSF	0	No
Portfolio Bond 2008 (contracts issued 28/4/2008 to 31/10/2009)	115,895,173	100% are past 5th anniversary	0	105,755,228	None	None	Same as NWPSF	Same as NWPSF	0	No
Portfolio Bond (contracts issued from 1/11/2009)	28,217,114	2% with guarantee expired; 65% with duration less than 1 year; 21% with duration 1 years; 11% with duration 2 years	0	28,290,954	None	Same as NWPSF	None	Same as NWPSF	0	No

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Figures for Irish bonds are as follows:

(i) Product name	(ii) basic reserve	(iii) spread of outstanding term	(iv) guarantee reserve (£m)	(v) guaranteed amount	(vi) no-MVR guarantee on full surrender	(vii) in force regular premiums	(viii) increments allowed to policy?
<b>Irish Bonds (NWPSF)</b>	7,940,875	29% with duration less than 1 year; 0% with duration 1 year; 0% with duration 2 years, 0% with duration 3 years, 71% with duration 4 years	0	7,940,875	No-MVR guarantee applies at 10th anniversary and every 5 years thereafter.	0	No (RW gtee)
<b>Irish Bonds (OWPSF)</b>	3,203,717	26% with duration less than 1 year; 0% with duration 1 year; 0% with duration 2 years, 0% with duration 3 years, 74% with duration 4 years	0	3,203,717	Same as NWPSF	0	No (RW gtee)

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014**

Figures for Aviva International Bonds are as follows.

NWPSF

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions				(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) inflation protection guarantee (full surrender)	4) regular withdrawal guarantee		
UKIL Bond (pre February 2004)	32,354,978	100% with guarantee expired	0	32,353,191	None	The amount paid on the 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	None	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund.	0	No
UKIL Bond (from February 2004)	83,816,384	33% with guarantee expired; 28% with duration less than 1 year; 3% with duration 1 year; 19% with duration 2 years; 10% with duration 3 years; 7% with duration 4 years	0	84,046,153	None	The amount paid on the 5th or 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	None	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund.	0	No
UKIL Bond (from 30/01/2006)	197,581,110	100% are past 5th anniversary	0	196,155,501	None	None	The amount paid after the 5th anniversary will be at least the amount used to buy units cashed, increased in line with the rise in the Retail Price Index (RPI). The amount will be reduced in proportion to number of units already encashed/switched.	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund.	0	No

OWPSF

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions				(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) inflation protection guarantee (full surrender)	4) regular withdrawal guarantee		
UKIL Bond (pre February 2004)	8,138,544	100% with guarantee expired	0	8,137,449	None	Same as NWPSF	None	Same as NWPSF	0	No
UKIL Bond (from February 2004)	19,416,779	46% with guarantee expired; 29% with duration less than 1 year; 4% with duration 1 year; 10% with duration 2 years; 6% with duration 3 years; 4% with duration 4 years	0	19,445,829	None	Same as NWPSF	None	Same as NWPSF	0	No
UKIL Bond (from 30/01/2006)	28,185,004	100% are past 5th anniversary	0	27,983,807	None	None	Same as NWPSF	Same as NWPSF	0	No



**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Figures for Ex-NUL(RBS) business are as follows.

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions			(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) regular withdrawal guarantee		
Joint Venture Bond / Joint Venture Bond Income Fund; all contracts issued 28/1/02 to 25/1/04 inclusive (implicit charged)	406,171,173	100% with guarantee expired	0	405,909,652	None	The amount paid on the 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	No MVR on regular withdrawals up to 7.5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Joint Venture Bond / Joint Venture Bond Income Fund; all contracts issued 26/1/04 to 5/2/05 inclusive (explicit charge)	103,557,298	78% with guarantee expired; 20% with duration less than 1 year; 2% with duration 1 year	0	103,544,958	None	The amount paid on the 5th or 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No

French UWP business does not have a guarantee on surrender.

German UWP business: the reserve for the business has been taken as the face value of units. Although there is a guaranteed bonus of 3% (see section 10(1) for details), this is less than the valuation interest rate for the business (ensuring that using the face value of units is prudent). The guarantee reserve is therefore zero.

**Unit-linked:**Guaranteed Fund shortfall reserve:

The below section refers to the non profit business transferred to NWPSF.

Methodology:

The reserves are calculated as the best estimate, plus 33.5% of the excess of the cost that is modelled to arise under the 99<sup>th</sup> percentile investment over the best estimate. Investment returns are projected using a logNormal model for risky assets. Dynamic switching between asset classes is assumed over time, as such action is prescribed for the management of the assets in this fund.

(a)

- (i) Product names: 'Life property linked single premium' (code 700) and 'Trustee investment plan' (code 755).
- (ii) The base reserve for these products is £1,470m
- (iii) Spread of outstanding durations:

Year	Proportion with Guarantee
2015	50.0%
2016	32.0%
2017	11.0%
2018	4.0%
2019	3.0%

- (iv) The Guarantee reserves are £5.8m.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**  
 Global business  
 Financial year ended **31 December 2014**

- (v) The Guaranteed amount totals £1,210m
- (vi) MVA free conditions: N/A
- (vii) The business is single premium only so there are no in-force premiums expected.
- (viii) Increments – the guarantee does not apply to switches into the fund.

Ex-CGNU

No reserve is necessary.

Ex-CULAC:

No reserve is necessary for the investment performance guarantees either in the internal linked Life Cash Fund, Pension Secure Growth Fund, and Pension Safety Net since the nature of assets held is such as to provide the investment guarantee.

**(3) Guaranteed Insurability Options**

- (a) Ex-CGNU: A reserve for options was included to provide for options which grant additional or extension assurances without medical evidence in addition to reserves of various multiples of specific extra premiums charged. The valuation basis was chosen so as to make suitable allowance for other guarantees and options granted.

Ex-CULAC: For convertible term assurances the option premium is accumulated at 3.25% per annum compound for the average duration of in force policies to cover the conversion options.

Non-profit business transferred to NWPSF: One periodic option premium is held as a reserve for those policies which select conversion or renewal options, apart from ex-RSA/NWL business where options are not material.

For other individual assurances where guaranteed insurability options exist, the reserve taken is an appropriate accumulation of the option premium.

- (b) The sum assured (net of reinsurance ceded) under conversion and renewal options is under £1bn for ex-CGNU and ex-CULAC and is therefore not included here in accordance with rule 9.3(b).

The table below, together with the comments that follow, gives details for certain protection policies with conversion and renewal options in the non profit business transferred to NWPSF.

Product name	In-force premiums	Sum Assured	Guarantee Reserve
Level Term Assurance	£2.3m	£1,294.4m	£0.3m
Decreasing Term Assurance	£7.2m	£1,651.6m	£4.2m

**Conversion option**

Conversion options are included on certain policies. For an additional premium, and provided the option is selected prior to their 65th birthday, the policyholder can convert all or part of their policy without further medical evidence. If the policy is a level term assurance then it can be converted into either a non-increasing term type policy or a low cost whole of life. If the policy is a decreasing term assurance it may also be converted into an endowment assurance. In either case the maximum sum insured will be the original sum insured inflated using RPI to the conversion date.

**Renewal option**

Renewal options are included on certain policies. For an additional premium, and provided the term of the policy expires before the policyholder's 65th birthday (if a level term assurance) or 75th birthday (if a decreasing term assurance), the policyholder may effect a new policy at the end of the policy term. The term of the new policy must not exceed the term of the original policy. No further medical evidence is required on selecting this option, unless a critical illness or premium protected option is selected on the new policy. The maximum sum insured will be the original sum insured inflated using RPI to the conversion date.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**  
Global business  
Financial year ended **31 December 2014**

**(4) Other guarantees and options**

**(a) Guaranteed Minimum Pension:**

For some Unitised business (both with-profit and unit-linked), there is a guarantee that the pension bought with the benefits will not be less than the Guaranteed Minimum Pension arising from being contracted-out of the second state pension.

A reserve has been calculated on an individual level for a subset of affected policies. For each policy, the value of the Guaranteed Minimum Pension at retirement (calculated using the end-2014 valuation basis) was compared with the projected value of the policy's benefits. The difference, if positive, was noted as a percentage of the policy's benefits. These percentages were weighted and applied to the total benefit in force to estimate the reserve required on the business as a whole. An additional 10% margin was added to cover the risk arising from data quality.

The amount of business invested in products that may incorporate a Guaranteed Minimum Pension guarantee is £80.2m for NWPSF and £9.5m for OWPSF. The reserves for the guarantee are £48.9m in NWPSF and £6.0m in OWPSF.

**(b) Guaranteed annuity under Unitised with-profit Red Plan contracts**

An initiative transferred Group Defined Benefit business from the Conventional Deferred Annuity Red Plan contract to Unitised With-Profits Pensions policies. As part of the transfer, the Company agreed to guarantee to provide an amount of annuity at retirement for each member. The members were allowed to convert this annuity to cash on guaranteed terms and these guaranteed terms were used to determine the amount of money used to buy units in the Unitised With-Profits fund. Excess returns on the UWP policies, together with future contributions, would be used to purchase additional annuity for the scheme members.

The benefit payable by the Company on the retirement of a member is:

(Market value of annuity amount) +  
 $\max[\text{UWP fund value} - \min\{\text{Market value of annuity}, \text{Guaranteed value of annuity}\}, 0]$ .

Under the deterministic model used in the Regulatory-peak valuation,

- i) Market value of annuity > Guaranteed value of annuity in all cases
- ii) UWP fund value > Guaranteed value of annuity.

This means that the benefit payable becomes:

(Market value of annuity amount) – (Guaranteed value of annuity) + UWP benefit.

Please note that the liability is not a Guaranteed Annuity Option on the UWP benefit (as defined by section 5(1)). Instead, it is a deferred annuity added to a call option on the UWP fund value. A Guaranteed Annuity Option could be expressed using a similar formula but the annuity being valued would vary in line with the UWP benefit (whereas the annuity in this case is fixed).

We have reserved for this by discounting the difference in annuity value and adding it to the current face value of units. This is expected to be a sizeable overstatement of the amount required. It is certainly expected to cover whatever small margin may be needed to allow for stochastic variation in annuity interest rates.

Members do not have to take their annuity amount in this form – they can choose to convert it to cash on the guaranteed terms mentioned. We have assumed that members will choose to convert 5% of their benefit. This is the equivalent of 95% option take-up in a Guaranteed Annuity Option calculation.

**Basis:**

The market value of the annuity has been valued using the same annuity interest rates/discount rates/mortality as for Guaranteed Annuity Option calculations (figures given in section 4(2) and 4(4)).

Base reserve = Face Value of units = £134.3m for NWPSF and £3.5m for OWPSF

Reserve for the guarantee = £87.2m for NWPSF and £5.0m for OWPSF.

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****6. Expense reserves**

- (1) The tables below show the aggregate amount of expense loadings for 2015 and implicit allowances that can be used to offset non-attributable expenses.

NWPSF including non-profit business transferred to NWPSF:

<b>Homogeneous risk group</b>	<b>Implicit allowances</b>	<b>Explicit allowances (investment)</b>	<b>Explicit allowances (other)</b>	<b>Non-attributable expenses</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unit-Linked business (not 100% reinsured out)	190	-	1,254	-	1,443
Unitised Life	-	2,612	839	1,586	5,036
Unitised individual pensions	-	2,864	1,601	(2,934)	1,531
Unitised employer sponsored pension	-	9,372	10,404	20,961	40,737
All expenses attributable	(76)	22,794	51,015	-	73,733
<b>Total</b>	<b>114</b>	<b>37,641</b>	<b>65,113</b>	<b>19,613</b>	<b>122,481</b>

OWPSF:

<b>Homogeneous risk group</b>	<b>Implicit allowances</b>	<b>Explicit allowances (investment)</b>	<b>Explicit allowances (other)</b>	<b>Non-attributable expenses</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unit-Linked business (not 100% reinsured out)	25	-	167	-	192
All expenses attributable	-	3,443	6,742	-	10,185
<b>Total</b>	<b>25</b>	<b>3,443</b>	<b>6,909</b>	<b>-</b>	<b>10,377</b>

- (2) The implicit allowance has been calculated as the surplus expected to emerge in 2015 on the valuation basis. This emerges due to the constraint that sterling reserves cannot be negative.
- (3) The 2014 figure for expenses in line 14 of Form 43 includes amounts for prior year adjustments, one-off items and exceptional expenses that are reserved for explicitly elsewhere. Excluding these items, the allowance for 2015 maintenance expenses in 6(1) above is higher than the adjusted Form 43 expense by £17.0m in NWPSF and £0.3m in OWPSF. For the business transferred to NWPSF, actual expenses in Form 43 only allow for expenses incurred since the date of the transfer.
- (4) In determining the requirement for a new business expense overrun reserve, a prudent assessment of the projected value of 2014 new business is calculated, and compared against the projected new business expense overrun. A reserve is held if the latter exceeds the former. No new business expense overrun reserve is required in respect of 2014 new business.
- (5) No explicit reserve for maintenance expense overrun has been made because existing provisions for expenses exceed their current levels.

INSPRU 1.2.50R(2) requires us to make prudent provision for expenses allowing for:

- (a) tax
- (b) expenses in the last twelve months and expected future expenses
- (c) impact of expense inflation

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

- (d) cost of closure to new business 12 months after valuation date.

We have taken the following action to comply with INSPRU 1.2.50R(2):

- (a) All expenses provisions allow for taxation.
- (b) Our expense provision exceeds expenses incurred over the last twelve months and expected future expenses levels.
- (c) Expense inflation has been allowed for in the valuation at the rates dictated by the Management Services Agreement. The parameter used for RPI inflation (2.99%) was a best-estimate. By using a best-estimate assumption we are incorporating a margin for prudence into the valuation of expenses (since the gap between the valuation discount rate and expense inflation is far smaller than best-estimate).
- (d) An assessment was made of the cost of closure of the Company to new business at the end of 2014 using the following method and basis of calculation:
- All sales, marketing and new business administration operations were assumed to cease three months after the date of closure.
  - Allowance was made for statutory redundancy costs.
  - Allowance was made for costs arising from the delay in re-letting properties occupied by the new business areas.
  - Allowance was made for the additional cost that would be incurred through outsourcing existing business administration
  - Allowance was made for other costs incurred on closure to new business such as write-offs on fixed assets.

Allowance was made for the proportion of closure expenses that would be borne by the other sub-funds of the Company and Aviva Annuity UK Limited.

No allowance was made for terminating the existing Management Services Agreement charging structure for existing business, as this would be expected to remain in force after closure to new business.

A provision of £62m in NWPSF (including non profit business transferred to NWPSF) and £1.2m in OWPSF is held to cover the cost of closure.

- (6) For NWPSF and OWPSF, no reserve is necessary to meet the non-attributable expenses as these are covered by the future valuation surplus.

For unit linked business, the explicit expense reserve only covers expenses directly attributable to unit linked contracts. Non-attributable expenses are covered by future valuation surplus, and so the reserve for these expenses is zero.

**7. Mismatching Reserves**

- (1) The mathematical reserves (other than reserves in respect of property linked benefits) and matching assets, analysed by currency, are as follows.

NWPSF (including non profit business transferred to NWPSF)

Currency	Mathematical Reserves (£000)	Matching Assets (£000)	Matched %
Sterling	15,475,375	14,300,264	92%
Euro	84,545	84,545	100%
Dollar	43,606	43,606	100%
Total	15,603,525	14,428,414	92%

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**  
 Global business  
 Financial year ended **31 December 2014**

OWPSF

Currency	Mathematical Reserves (£000)	Matching Assets (£000)	Matched %
Sterling	2,338,494	2,302,341	98%
Euro	20,174	20,174	100%
Dollar	17,325	17,325	100%
Total	2,375,993	2,339,840	98%

(2) No such grouping of liabilities has been needed.

(3) The fund does not hold a reserve for currency mismatching.

The table in 7(1) above shows that the majority of our liabilities – both UK and overseas - are covered by assets held in the same currency and mismatching risk is not material.

(4) The firm is a realistic-basis firm and a resilience capital requirement is no longer required.

(5) The firm is a realistic-basis firm and a resilience capital requirement is no longer required.

(6) The firm is a realistic-basis firm and a resilience capital requirement is no longer required.

(7) INSPRU 1.1.34R(1): “The assets *[held by a firm to cover its technical provisions]*...must...be of a sufficient amount, and of an appropriate currency and term, to ensure that the cash inflows from those assets will meet the expected cash outflows from the firm’s insurance liabilities as they become due.”

No further reserve has arisen following consideration of this rule.

Currency mismatching is considered in sections 7(1)-7(3).

The assets backing the liabilities do not precisely match them by term. The fund has significant holdings in Equity and Property assets that have no set maturity date. These assets are held to provide strong performance for policyholders.

Instead, the fund aims to ensure that cash outflows can be met through:

- Incoming premiums
- Income from its assets (dividends, rental income, coupon payments)
- Receipts on redemption from matched fixed interest stocks
- Holding appropriate volumes of cash and liquid assets
- Sales of assets.

There is a risk that the fund may have to sell assets at an unfavourable time, e.g. when prices are temporarily depressed

To mitigate this risk the fund holds liquid assets (cash, certificates of deposit). It also ensures that a significant proportion of its other assets are invested in highly marketable stocks, in particular government bonds (but also shares issued by large companies).

An estimate of the Company’s claims amounts for 2015 is £1,629m for NWPSF and £229m for OWPSF. Expected income, in 2015, from assets currently held in the NWPSF is £369m, £752m is held in deposit-style assets, £7,146m is held in approved fixed and variable interest securities and the expected premium income is £441m. For OWPSF, the respective figures are £72m investment income, £297m deposit style assets, £1,008m in approved fixed and variable interest securities and £38m expected premium income. Therefore we expect to be able to pay the company’s claims from cash, incoming premiums and by selling these liquid assets at short notice without altering prices. Accordingly there is no need to hold an additional reserve.

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Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**  
Global business  
Financial year ended **31 December 2014**

**8. Other Special Reserves**

**(1) Mortgage Endowment Promise**

CGNU and CULAC announced its intention that payments on with profit mortgage endowment policies may, if necessary, be topped up at maturity (subject to certain conditions) where there is a shortfall between the claim value and the mortgage originally targeted.

Following the transfer and estate reattribution of the With-Profit funds of CGNU and CULAC, the scheme of transfer states that the top-up payments will be made even if the investment returns on the assets backing the free reserves of the relevant fund are not sufficient to cover them.

Maximum top-up amounts have been communicated to policyholders. We have also advised policyholders that even after the Promise payment has been made they may have a shortfall.

The reserve will be calculated by considering the full liability for payments advised to policyholders in Promise mailings.

The amounts of the provisions are £335.4m in NWPSF and £86.0m in OWPSF.

**(2) Pensions Review Reserve**

This is the reserve for the expected remaining compensation payments arising from the review of pensions mis-selling. The reserve includes expected future compensation costs arising under Phases 1 and 2 of the review, together with the expected future expenses of administering the review and the expected amount of future levies to be paid by each company to the FSCS, the PCU and PASS.

The methodology used to calculate expected future compensation costs follows the Guidance issued by GAD at the start of the review of pensions mis-selling and what is laid down in the Guarantee Agreements between the companies and the investors. A prudent approach has been taken.

Future levies and expenses are derived by analysing past experience and adjusting to allow for expected future experience. Again, a prudent approach has been taken.

The reserve held totals £10.7m (NWPSF £9.5m, OWPSF £1.2m).

**(3) Product Governance Provision**

A reserve has been made to provide for estimated future rectification costs arising from known product governance issues.

The amounts of the provisions are £53.8m in NWPSF and £5.0m in OWPSF.

**(4) System migration costs**

A provision of £19.5m in NWPSF and £3.1m in OWPSF is held to cover costs to be charged as a result of migration of policies onto a new policy administration system.

**9. Reinsurance**

The reinsurance for the business transferred from non-profit sub fund is listed in Appendix 9.4 of the non-profit sub-fund.

- (1) No premiums were payable during the report period for business ceded on a facultative basis to reinsurers who are not permitted to carry on business in the United Kingdom.
- (2) The section below responds for those treaties that satisfy 9.2(a), (b) or (c).
  - (a) This item covers a group of similar treaties.
    - (d) Munich Reinsurance Company
    - (e) The treaties provide cover for ex-CGNU level term assurance, mortgage protection, decreasing term assurance attached to low cost whole life assurance and pensions term assurance for business issued on or before (and still in force as at) 30 September 2001 (on original terms). This

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applies only to the portion that is not otherwise reinsured. Cover is also provided for ex-CGNU whole life and endowment assurances (where not covered by other specified treaties) on a risk premium basis and term assurances on original terms up to £3,500,000 (£5,000,000 for business written on or after 28 May 1999) above the Company's retention limit.

- (f) The premium payable by the Company during 2014 was £8,100,000.
  - (g) There are no deposit-back arrangements.
  - (h) The group of treaties is closed to new business.
  - (i) There are no significant undischarged obligations to the reinsurers as at 31 December 2014.
  - (j) The mathematical reserves ceded under the treaties total £32,500,000 for NWPSF and £4,000,000 for OWPSF.
  - (k) N/A, see (h).
  - (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
  - (m) The Company is not connected with the reinsurer.
  - (n) The treaties are not subject to any material contingencies.
  - (o) No provision was made for refund of reinsurance commission in the event of lapse or surrender of the contracts.
  - (p) The treaties are not financing arrangements.
- (b) This item covers a group of similar treaties.
- (d) Swiss Re Life & Health Limited
  - (e) The treaty provides cover for ex-CGNU term assurances on original terms for up to £1,500,000 above the Company's retention limit and for term assurances with accelerated critical illness benefit on a risk premium basis up to £3,000,000 in excess of the Company's retention limit. From 2 October 2000 the treaty provides cover for term assurances with accelerated critical illness benefit on a risk premium basis for 50% in excess of the Company's retention limit up to £1,700,000.
  - (f) The premium payable by the Company during 2014 was £3,200,000.
  - (g) There are no deposit-back arrangements.
  - (h) The treaty is closed to new business.
  - (i) There are no significant undischarged obligations to the reinsurers as at 31 December 2014.
  - (j) The mathematical reserves ceded under the treaty total £20,300,000 for NWPSF and £2,700,000 for OWPSF.
  - (k) N/A, see (h).
  - (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
  - (m) The Company is not connected with the reinsurer.
  - (n) The treaty is not subject to any material contingencies.
  - (o) No provision was made for refund of reinsurance commission in the event of lapse or surrender of the contracts.
  - (p) The treaty is not a financing arrangement.



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Global business

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(1)

Ex-CGNU business

Product	NWPSF Amount of mathematical reserve (£m)	OWPSF Amount of mathematical reserve (£m)	Regular bonus (2013)	Regular bonus (2014)	Guaranteed bonus (2014)
<b>Conventional Life</b>					
Series 6 (super-compound)	1,073.9	191.0	0% SA / 0.5% RB	0% SA / 1% RB	0.00%
Series 5 (simple)	32.4	4.1	3.5% Simple	3.5% Simple	0.00%
<b>Conventional Pensions</b>					
Retirement Annuities	324.3	52.7	0% SA / 0% RB	0% SA / 0% RB	0.00%
Group Pensions, Individual Pension Arrangements, Money Purchase Schemes (1974)	61.0	29.9	0% SA / 0% RB	0% SA / 0% RB	0.00%
With Profits Annuity	14.0	0.6	1.00%	1.00%	0.00%
<b>Unitised Life - direct written (UK)</b>					
<u>Implicitly-charged business:</u>					
Loyalty fund units	167.6	13.5	2.00%	2.50%	0.50%
Units bought post 31/1/1994 on policies written pre 1/10/1998 (excluding Distribution Bonds)	426.9	35.2	1.50%	2.00%	0.00%
Units bought on policies written post 1/10/1998 (excluding Distribution Bonds)	1,738.6	183.1	1.50%	2.00%	0.00%
Units bought on Distribution Bond policies written post 1/10/1998	282.7	18.5	1.25%	1.75%	0.00%
<u>Explicitly-charged business:</u>					
Excluding distribution bonds	3,199.8	398.5	2.50%	3.00%	0.00%
Distribution Bonds	124.3	14.3	2.25%	2.75%	0.00%
<u>NUL(RBS) products:</u>					
Life excluding Distribution Bonds (Implicit charge)	289.7	45.5	1.50%	2.00%	0.00%
Life excluding Distribution Bonds (Explicit charge)	86.7	14.0	2.50%	3.00%	0.00%
Distribution Bonds (Implicit charge)	63.2	7.8	1.25%	1.75%	0.00%
<u>UKIL products:</u>					
Sterling Bond	242.5	34.5	2.75%	3.25%	0.00%
Dollar Bond	43.6	17.3	2.75%	3.25%	0.00%
Euro Bond	27.6	3.9	2.75%	3.25%	0.00%
<b>Unitised Pensions - direct written (UK)</b>					
<u>Implicitly-charged business:</u>					
Units bought prior to 22/1/1996 (13/5/1996 for regular premiums on existing business)	132.1	35.4	4.00% g'teed	4.00% g'teed	4.00%
Units bought on or after 22/1/1996 (13/5/1996) for policies sold before 1/10/1998	262.2	65.0	2.00%	2.75%	0.00%
Units bought on policies sold after 1/10/1998	244.5	55.1	2.00%	2.75%	0.00%
<u>Explicitly-charged business (excl Stakeholder)</u>					
All units purchased	513.6	107.8	3.00%	3.75%	0.00%
UNISURE funds 1000 and 1001**	67.6	20.3	2.60%	3.35%	0.00%
<u>Stakeholder Pensions</u>					
All units purchased	692.6	92.2	2.75%	3.50%	0.00%
<b>Overseas business</b>					
France Valeur Plus*	40.6	8.6	0.75%	2.00%	0.00%
Ireland - Life policies	7.9	3.2	1.75%	2.00%	0.00%
Swedish Personal Investment Plans	13.2	1.2	1.25%	2.75%	0.00%

\*For French business a 1% pa fund management charge is deducted from the UWP fund. The bonus figures are shown net of this charge.

\*\*New funds created following migration to Unisure

**Valuation report – IPRU (INS) Appendix 9.4**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**Ex-CULAC business

Product	NWPSF Amount of mathematical reserve (£m)	OWPSF Amount of mathematical reserve (£m)	Regular bonus (2013)	Regular bonus (2014)	Guaranteed bonus (2014)
<b>Conventional Life</b>					
New Series	599.1	135.2	0% SA / 1% RB	0.5% SA / 2% RB	0.0
<b>Conventional Pensions</b>					
Red Plan Deferred Annuity	35.2	0.3	0.5% of Annuity Purchased	0.5% of Annuity Purchased	0.0
All other Conventional Pensions business	265.4	63.9	0% SA / 0% RB	0% SA / 0% RB	0.0
<b>Unitised Life - direct written</b>					
All units purchased	483.0	45.1	2.00%	2.50%	0.00%
<b>Unitised Pensions - direct written</b>					
Sterling Group Plan (Deposit Admin)	43.1	14.1	2.75%	2.75%	0.00%
Units purchased pre 1/1/1993	13.7	2.9	4.00% g'teed	4.00% g'teed	4.00%
Units purchased after 31/12/1992	242.5	60.3	2.75%	2.75%	0.00%
Pensions Explicit pre 1/1/1993	84.0	32.2	5.00% g'teed	5.00% g'teed	5.00%
Pensions Explicit after 31/12/1992	205.6	72.1	3.75%	3.75%	0.00%
Sterling Group Plan (UWP) (non g'teed RB)	17.6	3.9	2.75%	2.75%	0.00%
Red Plan	221.5	8.5	2.75%	2.75%	0.00%

The regular bonus shown for 2014 for unitised business is that declared at the end of 2013 and applied to policies during 2014. The regular bonus shown for 2014 for conventional business is the rate declared at the end of 2014, which is added to policies in force at that date.

The reserves quoted are those required to meet the guaranteed policy benefits. Additional reserves required, such as the reserve for mortgage mis-selling, have not been allocated to a specific bonus class.

The reserves of New / Old With-Profits Sub-Funds include £12.3m for Conventional Life business from the Provident Mutual (PM) fund where policyholders redirected their investment. The bonus awarded for this business is shown in the Appendix 9.4 report for the PM sub-fund.

German business has a guarantee that the final payout will be at least as great as the payout the policyholder would have received if regular bonus had always been 3%. This is not the same as having a guaranteed regular bonus of 3%.

- (2) The figures for bonus awarded on Unitised with-profit business show the percentage increase in unit price during the year.
- (3) For super-compound business both rates are shown (the rate applying to the base benefit is shown as a percentage of SA, the rate applying to regular bonus awarded to date is shown as a percentage of RB).

We have not used averaging in the tables above.

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Name of insurer **Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**  
Global business  
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**1. Introduction**

- (1) The valuation date is 31 December 2014.
- (2) The previous valuation was completed with an effective date of 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of Rule 9.3A.

**2. Product Range**

On 1<sup>st</sup> January 2014, new Annuity business written in Aviva Life and Pensions Ireland Limited was 100% reinsured in to the Non Profit Sub Funds.

On 1<sup>st</sup> May 2014, business written in the Non Profit Sub Funds since October 2009, excluding incremental business on policies which commenced before that date, was purchased by New With-Profits Sub Fund. Other than Income Protection and incremental new business, all other non profit new business is now written in New With-Profits Sub Fund.

The significant changes to products during the financial year were as follows:

A significant change occurred within Group Personal Pensions following the Department of Work and Pensions announcement on policy charges in March 2014. The changes below are applicable from November 2014:

- Annual Management Charges have been reduced to no more than 0.75% for auto-enrolment schemes.
- 'Active Member Discount' differential charges have been removed.
- Initial commission on schemes has been removed.

**3. Discretionary charges and benefits**

- (1) Details of any market value reductions have been included in the with-profits fund abstract.
- (2) During 2014, ex-RSA and ex-NWL level and decreasing term assurance policies with accelerated critical illness cover were not reviewed and premiums are unchanged.

For other business, which includes that transferred to New With Profits Sub fund in 2014, products with reviewable premium anniversaries in the year 2014 were split into two cohorts; pre and post 18th August.

For those review anniversaries prior to 18th August 2014;

There were nearly 17,100 policies with eligible review anniversaries. Approximately 12,350 of these were 'no change'. Of the remainder, the reviewable critical illness element (RCI) of the policyholder premium and/or the Mortgage Payment Protection (MPP) element were changed.

For level sum assured products, the range of changes to the RCI element was (23.1)% to 17.3%.

For decreasing sum assured products, the range of changes to the RCI element was (15.8)% to 13.8%.

The range of changes to MPP elements was (17.9)% to 2.9%.

For those review anniversaries post 17th August 2014;

There were nearly 10,500 policies with eligible review anniversaries. Approximately 7,500 of these were 'no change'. Of the remainder, the reviewable critical illness element (RCI) of the policyholder premium and/or the Mortgage Payment Protection (MPP) element were changed.

For level sum assured products, the range of changes to the RCI element was (22.9)% to 12.1%.

For decreasing sum assured products, the range of changes to the RCI element was (17.7)% to 9.4%.

The range of changes to MPP elements was (18.6)% to 0.15%.

- (3) There are no non-profit deposit administrations in forms 51 to 54.
- (4) For ex-RSA and ex-NWL policies, service charges on all unit linked policies (deducted monthly via cancellation of units) were increased to reflect inflation in line with the National Average Earnings Index / Average Weekly Earnings Index over the same period. Increases were in the range 0.00% to 1.22% depending on policy type. For ex-RSA business, the cumulative increase in price since the policy was first written cannot exceed the cumulative increase in the index over the same period.

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For other business, where service charges have been increased in 2014 on linked policies, the increases were no greater than the year on year increase in RPI, apart from Ireland products, where the increase was limited to the year on year increase in CPI.

- (5) There have been no changes to benefit charges on linked policies.
- (6) There were no changes to unit management charges or notional charges on accumulating with-profit policies.

**(7) Allocation and creation of units**

The Company operates one pool of assets for each internal linked fund, other than Property, where Life and Pension funds invest in the same pool, although taxation is applied separately. Managed funds invest through the internal linked funds to ensure assets are managed efficiently.

Asset units are created and cancelled at either the asset offer price or the asset bid price depending upon the prevailing basis of the fund and using the most recently available price. The pricing basis is set depending upon the short and medium term expectation of whether the associated internal linked fund will be in a net inflow or outflow position. This includes sales and purchases by Managed funds.

Where an instruction, payment and all our requirements are received for a transaction before 8:00am on a business day, then units are allocated at the unit price based upon market movements up to 11:00pm on the previous business day. Where the instruction, payment and all our requirements are received after 8:00am then units are allocated at the next available unit price. The Company reserves the right to defer any transaction to a subsequent valuation point.

For Pension Assured Funds, investment return is attributed through the issue of bonus units. Each month bonus units are allocated based on market movements up to 11:00pm on the last business day in the month. The offer unit price may increase during the month as new investments are not entitled to the bonus at the end of the first month. On contractual exits, units are de-allocated at the bid value of units, normally £1. On non-contractual exit payment may be subject to a Market Depreciation Discount.

For some very small closed funds, the valuation takes place on a weekly basis.

For Variable Annuity business (included in code 725 in Form 53), units in the internal linked funds are allocated or de-allocated (and simultaneously created or cancelled) as follows:

**Accumulation Units**

- (a) At least once a week the net value of Accumulation Units is determined by reference to the market value of the assets representing the Accumulation Account and the total number of units in force. For this purpose the market value of the assets is reduced to reflect the costs of asset realisation.
- (b) The gross value of Accumulation Units is also calculated as the net value increased by a bid/offer spread of 7%.
- (c) Premiums are carried to the Accumulation Account and applied (without any deduction) to purchase Accumulation Units using the current gross value of the unit.
- (d) The benefits are provided through the realisation of units, which takes place using the net value of the Accumulation Units. As appropriate, charges for management expenses are applied.
- (e) Unit transactions are based on the most recent valuation.

**Annuity Units**

- (a) At least once a week the value of Annuity Units is calculated. The value is such that, in the opinion of the Company's Chief Actuary, the market value of the assets representing the Annuity Account is sufficient to meet all the variable annuities included in the account throughout the remainder of their currency, together with associated expense deductions.
- (b) Units are allocated by converting the amount being transferred from the Accumulation Account into Annuity Units. The rate of conversion is such that the present value of the units allocated, on the same basis as used to calculate the current value of Annuity Units, is equal to the amount being transferred from the Accumulation Account.
- (c) Annuity Units are cancelled on the death of the annuitant.

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(d) Unit transactions are based on the most recent valuation.

- (8) When a capital gain is realised on the sale of an asset in a unit-linked fund, and this gain cannot be offset by past capital losses, then the capital gains tax due would be retained in the fund until the next periodic settlement of tax due.

This applies in respect of tax on notional realisations under the Finance acts as well as tax on realised capital gains. The tax rates used in calculating these deductions are as specified in section 3.9 below.

- (9) The internal linked funds are taxed on investment gains at a rate which reflects the position of each fund when considered as a standalone entity but with some regard to the corporate tax position. Rates are reviewed frequently to ensure that they reflect both changes within the fund and changing market conditions. In the calculation of unit prices allowance is made for indexation where applicable and also for the expected timing of the policyholder tax payment.

The tax rate applied to realised gains varied by fund in the range 1.4% to 20% during 2014. The rate applied to unrealised gains varied by fund in the range 9.0% to 20% during the year to 31 December 2014.

Credit is given within unit prices for the tax benefit that may arise in future from realised and unrealised losses. For funds with an excess of realised/unrealised losses over gains the rate applied to the losses varied by fund in the range 0.9% to 20% during the year to 31 December 2014.

**(10) Benefits from discounts, commission and other allowance**

The Company derives no financial benefit in respect of collective investment fund units held by the internal linked funds. The Company's policy on receiving discount, commission or other allowance when purchasing, selling or holding units in collective investment funds is to pass the full benefit on to the fund.

**4. Valuation basis (other than for special reserves)**

Where either the gross mathematical reserves or the gross annual premiums for a group of products exceed £10m, details of the method and basis for valuation are provided below.

**(1) Valuation methods**

**Non-linked business**

A gross premium valuation method has been used for most material types of conventional product. The present value of future premiums is deducted from the present value of the benefits and future expenses. For certain blocks of business, negative reserves arising on individual contracts are set to zero – there is no allowance for future policy lapses on these contracts. However, for a large block of protection business, negative reserves have been allowed and prudent lapse assumptions have been included. The lapse rates assumed are higher than expected for contracts where the reserve is negative and lower than expected where the reserve is positive.

For deferred annuity contracts where premiums are returned with interest on death, mortality in the deferred period is ignored. Otherwise the value of any benefit payable on death during the deferred period is added to the value of the annuity.

For deferred annuities continued beyond the normal pension age, the cash available at the normal pension age is accumulated with interest.

For group life contracts, the total reserve consists of an Unearned Premium reserve, an Outstanding Claims reserve (consisting of 'Incurred but not reported' and 'reported but not paid' reserves) and a Claims Equalisation reserve.

For the majority of Creditor business, the total reserve consists of an Unearned Premium reserve, an Outstanding Claims reserve, a Profit Commission Reserve and a Credit Risk reserve associated with liabilities that could arise from distributor default. Allowances for data quality and expenses are also made. For other Collective Life business, the reserve was calculated as one year's office premium for annual premium contracts, plus the unearned proportion, on a 24ths basis, of the single premiums paid plus a reserve for profit sharing.

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Reserves for the ex-Hamilton Life Assurance block of Creditor insurance business written prior to 31st October 2007 have been calculated based on audited reserves at that time, prudently adjusted for cashflows arising since acquisition. For ex-Hamilton Life Assurance business written since 1st November 2007, a similar method has been applied, allowing for written premiums less refunds and paid claims.

Individual Income Protection contracts have been valued using a gross premium valuation based on inception/annuity methodology. Contracts with waiver of premium were valued by treating the premium waiver as an extra benefit. The reserve for claims in payment is the discounted value of future claim payments. Any benefit escalation is explicitly allowed for. Claim expenses are valued explicitly during claim. An additional disputed claims reserve is held and a notified outstanding claims reserve is held in respect of claims reported but not yet authorised. Annually reviewable Income Protection contracts have been valued on an unexpired premium basis, plus claims reserve.

For other waiver of premium benefits, the reserve is taken as a multiple of the waiver premium. Where an extra premium has been charged for medical, occupational or residence reasons, an additional reserve of one times the yearly premium has generally been held.

For certain contracts which have fixed benefit increases the valuation provides for these increases within the gross premium valuation method.

Additional reserves are held to provide for future expenses not covered by the valuation method, including allowances for the potential cost of compensation payments. Further details are provided in sections 6 and 8.

For certain small blocks of business the net reserve was taken as the gross reserve. For a large block of business where policies are written under level or risk premium reinsurance arrangements, the net reserve was calculated on the retained benefits and premium.

The valuation methodology for Reinsurance Accepted from Aviva Annuity UK Limited is detailed in that company's valuation report.

**Unit-linked business**

Unit-linked business is valued as the face value of the units at market bid price, together with non-unit reserves for mortality and future expenses not supported by future margins within the individual contracts. Allowances are included where appropriate for loyalty bonus and for actuarial pre-funding of the periodic charge on capital units. Additional reserves are held for waiver of premium benefits, permanent health benefits, permanent total disability benefits, regular increase benefits and Guaranteed Insurability Options, and for the accrual of a periodic charge rebate on the Group Pension Investment Bond.

Non-unit reserves are calculated by projecting cashflows on a monthly basis for each month that the policy was expected to remain in force. Where the cashflow in any future month is found to be negative, the negative is offset where possible by positive cashflows in previous months. For any future month where this is not possible, then a positive sterling reserve is set up at the valuation date.

Non-unit reserves include explicit allowance for per policy expenses. Allowance has also been made for expenses which are not directly attributable to individual contracts, as described in section 6. For benefits linked to the Guaranteed Funds, future charges which accrue to the New With Profit and Old With Profit subfunds have been allowed for at the rate of 0.5% p.a. applied to those funds. Explicit allowance is made for commission where appropriate.

Allowance is made for the promise that the Company made to certain policyholders that the charges on certain pensions policies will not exceed 1% p.a. in any future year.

For regular premium policies, the non-unit reserve is generally determined assuming that premiums cease at the valuation date.

Where non-unit reserves are negative, these are set to zero, except where the policy terms include a surrender penalty, in which case the absolute amount of the negative reserve is limited to the surrender penalty amount.

A non-unit reserve is determined along similar lines for unitised with profits business where the investment liability arises in the company's With Profits funds, but other policy benefits, charges and expenses arise in the company's Non Profit funds.

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For Variable Annuity business (included in code 725 on Form 53), the mathematical reserve has been taken as the total amount of the internal linked funds. In view of the nature of this business, no additional non-unit reserve is required. No reserve is necessary for guarantees and options. The guarantees in the contract relate to maximum limits for levels of charge and in testing the requirement for sterling reserves no increases in the rates of charge have been assumed.

For ex-RSA regular premium linked pensions contracts the unit reserve is based on the "actuarially funded" units which are the units deemed allocated to the contracts reduced by the value of future renewal fund charges under the contract. This process is subject to the value of the actuarially funded units always being at least equal to the surrender or transfer value of the contract. For most pensions contracts there are surrender penalties which cease prior to the maturity date and so the normal actuarial funding factors have been modified to anticipate the required increase in unit value at the point at which surrender penalties cease.

For certain contracts a prudent allowance has been made for lapses.

**(2) Valuation interest rates:**

The interest rates used at the end of the financial year, and at the end of the previous financial year, are set out below. These are before deduction for investment expenses.

<b>Product</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Life Assurances		
Conventional business	1.7%	2.5%
PHI		
Standalone critical illness	2.1%	3.2%
Income Protection		
Active lives	1.8%	2.9%
Disabled lives	1.8%	3.1%
Disabled lives (index-linked)	(0.9)%	(0.6)%
Pensions and General Annuities		
Immediate Annuity	2.1%	3.6%
Deferred Annuity/WDIS		
Post vesting	2.1%	3.2%
In deferment	2.1%	3.6%
Other	2.1%	3.2%
Sterling Reserves – Life		
Discount rate	1.7%	2.8%
Sterling Reserves – Pensions		
Discount rate	2.1%	3.5%
Reassurance Accepted from Aviva		
Annuity UK Limited		
Non Linked annuities	3.30%	4.72%
Index Linked annuities	2.79%	0.28%
Annuities reassured from Aviva	0.95%	n/a
Ireland		

**(3) Adjustment to yield for credit risk**

The risk-adjusted yield in Form 57 has been determined after making the following allowances for risk, in accordance with INSPRU 3.1.41R.

For fixed interest assets, this adjustment took account of:

- (a) The historic experience of bad debts for each of the major fixed interest asset classes,

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- (b) Market margins of gross yield over the yields of risk-free investments of a similar term in the same currency, where available,
- (c) The reasonableness of the net of adjustment yields over the yields of risk-free investments of a similar term in the same currency, taking account of the points above,
- (d) The need to take a prudent view of the above.

The adjustment made is expressed as a deduction from the expected yield and varies by type of asset as follows:

Type of Asset	Deduction from yield
Deposits	0.10%
Approved fixed interest securities	0.00%

There are no loans secured by mortgages in the Non Profit Funds at the valuation date.

For other fixed interest securities, the following deductions are made depending on the credit rating of the asset:

Credit rating	Deduction from yield
AAA	0.12%
AA	0.24%
A	0.53%
BBB	0.86%
BB	2.99%
B	6.13%
CCC-C	9.79%

The deductions above for 'other fixed interest' and mortgages include an additional amount to allow for short-term recessionary risks.

The yield on all assets is further reduced by 2.5% to allow for risk, as required by INSPRU 3.1.28R.

For Reassurance accepted from Aviva Annuity UK Limited, the adjustment for credit risk is as described in the valuation report for that company.

**(4) Mortality assumptions**

For ex-RSA and ex-NWL, the mortality bases used at the end of the financial year and at the end of the previous financial year were as follows:

Assurances	31 December 2014	31 December 2013
<b>Non-Linked Life</b>		
Over 50s Plan(**)	Unchanged	Adjusted AMC00/AFC00 (2) (**)
Level Term Assurances post June 2001	57.2% TMC00 (5) (Male Non-Smoker) 130% TMC00 (5) (Male Smoker) 62.4% TFC00 (5) (Female Non-Smoker) 135.2% TFC00 (5) (Female Smoker)	58.3% TMC00 (5) (Male Non-Smoker) 132.5% TMC00 (5) (Male Smoker) 63.6% TFC00 (5) (Female Non-Smoker) 137.8% TFC00 (5) (Female Smoker)
Level Term Assurances post June 2001 (limited underwriting)	83.2% TMC00 (5) (Male Non-Smoker) 187.2% TMC00 (5) (Male Smoker) 93.6% TFC00 (5) (Female Non-Smoker) 192.4% TFC00 (5) (Female Smoker)	84.8% TMC00 (5) (Male Non-Smoker) 190.8% TMC00 (5) (Male Smoker) 95.4% TFC00 (5) (Female Non-Smoker) 196.1% TFC00 (5) (Female Smoker)



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Decreasing Term Assurances post June 2001	62.4% TMC00 (5) (Male Non-Smoker) 135.2% TMC00 (5) (Male Smoker) 72.8% TFC00 (5) (Female Non-Smoker) 145.6% TFC00 (5) (Female Smoker)	63.6% TMC00 (5) (Male Non-Smoker) 137.8% TMC00 (5) (Male Smoker) 74.2% TFC00 (5) (Female Non-Smoker) 148.4% TFC00 (5) (Female Smoker)
Decreasing Term Assurances post June 2001 (limited underwriting)	88.4% TMC00 (5) (Male Non-Smoker) 187.2% TMC00 (5) (Male Smoker) 93.6% TFC00 (5) (Female Non-Smoker) 197.6% TFC00 (5) (Female Smoker)	90.1% TMC00 (5) (Male Non-Smoker) 190.8% TMC00 (5) (Male Smoker) 95.4% TFC00 (5) (Female Non-Smoker) 201.4% TFC00 (5) (Female Smoker)

**Unit-Linked Life**

Capital Investment Bond	88.4% AMC00/AFC00 (2)	90.1% AMC00/AMF00 (2)
Lifetime Security Plan	49.3% AM80/AF80 (2) (Non-Smoker) 98.7% AM80/AF80 (2) (Smoker)	50.2% AM80/AF80 (2) (Non-Smoker) 100.6% AM80/AF80 (2) (Smoker)
Mortgage Savings Plan and Flexible Mortgage Plan	57.2% AMC00/AFC00 (2) (Non-Smoker) 114.4% AMC00/AFC00 (2) (Smoker)	58.3% AMC00/AFC00 (2) (Non-Smoker) 116.6% AMC00/AFC00 (2) (Smoker)
Flexible Investment Bond	67.6% AMCUnchanged00 / AFC00 (2) 98.8% AMC00 / AFC00 (2)	68.9% AMC00 (2) (Male) 100.7% AFC00 (2) (Female)
Flexible Protection Plan and Mortgage Endowment Plan	78.0% AMC00 / AFC00 (2) (Non-Smoker) 135.2% AMC00 / AFC00 (2) (Smoker)	79.5% AMC00/AFC00 (2) (Non-Smoker) 185.5% AMC00/AFC00 (2) (Smoker)

**Unit-Linked Pensions (ex-RSA)**

	83.2% AMC00 /AFC00	84.8% AMC00/AFC00 (2)
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**Unit-Linked Pensions (ex-NWL)**

	78% AMC00 (2) (Male Non-Smoker) 135.2% AMC00 (2) (Male Smoker) 72.8% AFC00 (2) (Female Non-Smoker) 135.2% AFC00 (2)(Female Smoker)	79.5% AMC00 (2) (Male Non-Smoker) 137.8% AMC00 (2) (Male Smoker) 74.2% AFC00 (2) (Female Non-Smoker) 137.8% AFC00 (2)(Female Smoker)
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**Bonds**

Guaranteed Capital Bond and Guaranteed Income Bond	98.8% AMC00/AFC00 (2)	100.7% AMC00/AFC00 (2)
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The assumptions for future mortality experience contain margins over and above current best estimates for such experience. This provides a margin to anticipate significant, adverse change in mortality experience as a result of changing disease incidence.

(\*\*) The mortality percentages shown for the Over 50s Plan are age dependent as shown below:

2014 Multiplier			2013 Multiplier		
Age	Males %	Females %	Age	Males %	Females %
1-55	381.6	318.0	1-55	381.6	318.0
56-60	233.2	233.2	56-60	233.2	233.2
61-65	222.6	159.0	61-65	222.6	159.0
66-70	169.6	159.0	66-70	169.6	159.0
71-75	143.1	132.5	71-75	143.1	132.5
75+	127.2	116.6	75+	127.2	116.6

For 2013, a factor of 1.1 was applied to these rates in the first 24 months of the policy. For 2014, this factor remains at 1.1.

For business other than ex-RSA/NWL, the mortality bases used at the end of the financial year and at the end of the previous financial year were as follows:

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**31 December 2014****Mortality basis tables**

<b>Assurances</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Whole life (Fifty Plus plan)	modified ELT15	modified ELT15
Whole life (other current products)	74.4% AM00/AF00 Sel	82.5% AM00/AF00 Sel
Whole Life (other)	91% AM00/AF00 Sel	92.8% AM00/AF00 Sel
Endowments	87.4% Axx00 sel	93.3% AM00/AF00
Level Term Assurance (Current Range)	Duration 0 and 1 68.6% TMN00 (Male Non-Smoker) 69.7% TMS00 (Male Smoker) 82.2% TFN00 (Female Non-Smoker) 84.2% TFS00 (Female Smoker)  Duration 2, 3 and 4 59.3% TMN00 (Male Non-Smoker) 69.7% TMS00 (Male Smoker) 71.8% TFN00 (Female Non-Smoker) 84.2% TFS00 (Female Smoker)  Duration 5+ 59.3% TMN00 (Male Non-Smoker) 69.7% TMS00 (Male Smoker) 71.8% TFN00 (Female Non-Smoker) 84.2% TFS00 (Female Smoker)	Duration 0 and 1 76.3% TMN00 (Male Non-Smoker) 78.4% TMS00 (Male Smoker) 92.2% TFN00 (Female Non-Smoker) 94.3% TFS00 (Female Smoker)  Duration 2, 3 and 4 66.8% TMN00 (Male Non-Smoker) 78.4% TMS00 (Male Smoker) 80.6% TFN00 (Female Non-Smoker) 94.3% TFS00 (Female Smoker)  Duration 5+ 66.8% TMN00 (Male Non-Smoker) 78.4% TMS00 (Male Smoker) 80.6% TFN00 (Female Non-Smoker) 94.3% TFS00 (Female Smoker)
Level Term assurance (Pre merger)	70.7% TMx00/TFx00	79.5% TMx00/TFx00
Mortgage Protection (Current)	Duration 0 and 1 72.8% TMN00 (Male Non-Smoker) 67.6% TMS00 (Male Smoker) 83.2% TFN00 (Female Non-Smoker) 77.0% TFS00 (Female Smoker)  Duration 2, 3 and 4 66.6% TMN00 (Male Non-Smoker) 67.6% TMS00 (Male Smoker) 75.9% TFN00 (Female Non-Smoker) 77.0% TFS00 (Female Smoker)  Duration 5+ 66.6% TMN00 (Male Non-Smoker) 67.6% TMS00 (Male Smoker) 75.9% TFN00 (Female Non-Smoker) 77.0% TFS00 (Female Smoker)	Duration 0 and 1 81.6% TMN00 (Male Non-Smoker) 75.3% TMS00 (Male Smoker) 93.3% TFN00 (Female Non-Smoker) 85.9% TFS00 (Female Smoker)  Duration 2, 3 and 4 74.2% TMN00 (Male Non-Smoker) 75.3% TMS00 (Male Smoker) 84.8% TFN00 (Female Non-Smoker) 85.9% TFS00 (Female Smoker)  Duration 5+ 74.2% TMN00 (Male Non-Smoker) 75.3% TMS00 (Male Smoker) 84.8% TFN00 (Female Non-Smoker) 85.9% TFS00 (Female Smoker)
Mortgage Protection (Pre Merger)	75.9% TMx00/TFx00	84.8% TMx00/TFx00
Term assurance with Critical Illness	Duration 0 and 1 109.5% CIM11A (Male Non-Smoker) 115.3% CIM11A (Male Smoker) 128.2% CIM11A (Female Non-Smoker) 172.4% CIM11A (Female Smoker)  Duration 2, 3 and 4 114.2% CIM11A (Male Non-Smoker) 115.3% CIM11A (Male Smoker) 132.8% CIM11A (Female Non-Smoker) 172.4% CIM11A (Female Smoker)  Duration 5+ 114.2% CIM11A (Male Non-Smoker)	Duration 0 and 1 111.6% CIM11A (Male Non-Smoker) 118.5% CIM11A (Male Smoker) 131.1% CIM11A (Female Non-Smoker) 177.1% CIM11A (Female Smoker)  Duration 2, 3 and 4 117.3% CIM11A (Male Non-Smoker) 118.5% CIM11A (Male Smoker) 135.7% CIM11A (Female Non-Smoker) 177.1% CIM11A (Female Smoker)  Duration 5+ 117.3% CIM11A (Male Non-Smoker)

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	115.3% CIM11A (Male Smoker)	118.5% CIM11A (Male Smoker)
	128.2% CIM11A (Female Non-Smoker)	131.1% CIM11A (Female Non-Smoker)
	172.4% CIM11A (Female Smoker)	177.1% CIM11A (Female Smoker)
Mortgage Protection with Critical Illness	Duration 0 and 1	Duration 0 and 1
	114.2% CIM11A (Male Non-Smoker)	110.4% CIM11A (Male Non-Smoker)
	97.9% CIM11A (Male Smoker)	100.1% CIM11A (Male Smoker)
	132.8% CIM11A (Female Non-Smoker)	135.7% CIM11A (Female Non-Smoker)
	125.8% CIM11A (Female Smoker)	128.8% CIM11A (Female Smoker)
	Duration 2, 3 and 4	Duration 2, 3 and 4
	114.2% CIM11A (Male Non-Smoker)	117.3% CIM11A (Male Non-Smoker)
	97.9% CIM11A (Male Smoker)	100.1% CIM11A (Male Smoker)
	138.6% CIM11A (Female Non-Smoker)	141.5% CIM11A (Female Non-Smoker)
	125.8% CIM11A (Female Smoker)	128.8% CIM11A (Female Smoker)
	Duration 5+	Duration 5+
	108.3% CIM11A (Male Non-Smoker)	117.3% CIM11A (Male Non-Smoker)
	97.9% CIM11A (Male Smoker)	100.1% CIM11A (Male Smoker)
	132.8% CIM11A (Female Non-Smoker)	135.7% CIM11A (Female Non-Smoker)
	125.8% CIM11A (Female Smoker)	128.8% CIM11A (Female Smoker)

**Unitised Life**

Flexible Whole Life	91% AM00/AF00 Sel	138.9% AM00/AF00 Sel
Bonds	93.6% AM00/AF00 Sel	96.5% AM00/AF00 Sel
Mortgage Endowment	87.4% AM00/AF00 Sel	93.3% AM00/AF00 Sel
Pre-merger NU Bonds	105% AM00/AF00 Sel	108.1% AM00/AF00 Sel
Pre-merger NU Mortgage Endowment	87.4% AM00/AF00 Sel	93.3% AM00/AF00 Sel

**CIM11A table**

The following tables contain the unmodified base rates of CIM11A for term assurance with critical illness and mortgage protection with critical illness, and these should be multiplied by the factors provided above to obtain the final rates used.

Age	Annual rates per mille:			
	Male Non-Smoker	Male Smoker	Female Non-Smoker	Female Smoker
25	0.84	1.02	0.54	0.73
35	1.09	1.65	1.26	1.38
45	2.56	5.53	2.74	3.85
55	7.10	16.07	6.25	9.64

For whole of life (Fifty Plus Plan), the mortality rate for age 55 is 0.0169 for males and 0.0088 for females. The product is not available to lives aged less than 50.

For 2014 and 2013, the ex-RSA and ex-NWL accelerated critical illness rates were as follows:

<b>Assurances</b>	<b>31 December 2014</b>
Term assurances post June 2001 accelerated CI	120.75% GE Adj acc (Male) 120.75% GE Adj acc (Female)
Ex-RSA lifetime security plan stand alone CI	115.00% GE Adj s/a

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Flexible Mortgage Plan & Mortgage Savings Plan Accelerated CI	115.00% IC94 Adj acc
Flexible Protection Plan & Mortgage Endowment Plan Accelerated CI	103.50% GE Adj acc

IC94 Adj acc is the IC94 Table loaded for Total and Permanent Disability (TPD) benefit and covers accelerated CI benefits. It does not allow for smoker status. The following rates are prior to the percentage factors given in the above table.

Age	<b>IC94 Adj acc</b> Annual rates per mille:	
	Male	Female
25	0.43	0.65
35	1.01	1.35
45	3.19	3.12
55	7.86	6.61

GE Adj s/a is a series of tables split by sex and smoker status provided by GE Frankona. They cover stand alone CI benefits. The following rates taken from these tables are prior to the percentage factors given in the above table.

Age	<b>GE Adj s/a</b> Annual rates per mille:			
	Male Non-Smoker	Male Smoker	Female Non-Smoker	Female Smoker
25	0.41	0.66	0.46	0.73
35	0.85	1.33	1.11	1.94
45	2.30	4.43	2.70	4.85
55	6.42	13.89	5.96	11.83

GE Adj acc is a series of tables split by sex and smoker status provided by GE Frankona. They cover accelerated CI benefits. The following rates taken from these tables are prior to the percentage factors given in the above table.

Age	<b>GE Adj acc</b> Annual rates per mille:			
	Male Non-Smoker	Male Smoker	Female Non-Smoker	Female Smoker
25	0.43	0.69	0.50	0.79
35	0.84	1.33	1.16	2.02
45	2.26	4.40	2.61	4.62
55	5.46	11.91	5.13	10.11

Greater uncertainty surrounds the impact of changing disease incidence and medical advancements on future critical illness claims experience. This uncertainty was recognised in the valuation by assuming that the experience for term assurances deteriorated compound in each future year by 2.00% for males and 2.50% for females. For unit-linked products, critical illness deterioration was ignored in the base reserve as it was assumed that any experience deterioration would be met by increasing charges to policyholders.

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**31 December 2014****Annuitant mortality bases**

<b>Pensions and General Annuities</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Immediate Annuities	99.5% PCMA00 (Base year:2000) 94.5% PCFA00 (Base year:2000)	100% PCMA00 (Base year:2000) 95.5% PCFA00 (Base year:2000)
Structured Settlements	As individual annuities above + 1 year + 0.01 to rates	As individual annuities above + 1 year + 0.01 to rates
Deferred annuity cash contracts in deferment	Unchanged	60% AM00/AF00
Deferred & Reversionary Annuity Including retirement Annuity		
In deferment	Unchanged	60% AM00/AF00
In deferment – WDIS	Unchanged	110% AM00/AF00
Post vesting	99.5% PCMA00 (Base year:2000) 94.5% PCFA00 (Base year:2000)	100% PCMA00 (Base year:2000) 95.5% PCFA00 (Base year:2000)
Variable Annuity In deferment	Unchanged	RMV92 (C=2010)
Unitised Pensions (excluding ex-Hamilton Life Assurance Business)	Unchanged	106% AM00/AF00 ult
Unitised Pensions (ex-Hamilton Life Assurance Business)		
Linked – non smoker	Unchanged	76.5% A67/70 Select
Linked – smoker	Unchanged	102% A67/70 Select
<b>Other</b>		
Standalone Critical Illness	Unchanged	103.5% Reassurer Rates

For ex-RSA and ex-NWL business in 2014, assumed expectation of life is as follows:

For ex-NWL, males and females are subject to an age rating of -1 year.

	Expectation of Life for annuitant	
	aged 65	aged 75
ex-RSA, 97% PCMA00	24.8	15.8
ex-RSA, 78% PCFA00	28.5	18.5
ex-NWL, 69% RMV00	24.3	15.7
ex-NWL, 72% RFV00	27.3	17.8

For other annuitant business in 2014, assumed expectation of life is as follows:

	Expectation of Life for annuitant		Expectation of Life from age 65 for annuitant	
	aged 65	aged 75	aged 45	aged 55
99.5% PCMA00	24.9	15.2	28.9	26.9
94.5% PCFA00	27.1	17.1	30.5	28.9

For Reassurance Accepted from Aviva Annuity UK Limited full details of the Mortality basis are detailed in that company's valuation report. However, below are details of the Aviva Annuity UK Limited main individual annuity mortality basis.

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	Base table	31/12/2014		31/12/2013	
		Male %	Female %	Male %	Female %
Pension Annuity Pre 1997	PCMA00/PCFA00	99.5	94.5	100.0	95.5
Pension Annuity 1997 to 2012		The base table percentages for the intervening years are in the range between those for Pre 1997 and 2014.		The base table percentages for the intervening years are in the range between those for Pre 1997 and 2013.	
Pension Annuity 2013					
Pension Annuity 2014		79.5	75.5	n/a	n/a
General Annuity	IML00/IFL00	98.0	98.0	91.0	93.0
Structured Settlements	ONS Interim Life Tables UK 2006-2008 adjusted	95.0	95.0	95.0	95.0

For Reassurance Accepted from Aviva Ireland, details of the annuity mortality basis are below:

Base Table	31/12/2014		31/12/2013	
	Male %	Female %	Male %	Female %
PNMA00/PNFA00	89.0	99.0	n/a	n/a

**Mortality improvement (including Reassurance accepted from Aviva Ireland and Aviva Annuity UK Limited)**

The end-2014 annuitant mortality basis was derived by taking a percentage of the base table mortality rates (see relevant tables above) and applying improvement rates from the “CMI\_2013” Model from base year 2001 using [1.75%] p.a. long-term improvements for Males and [1.5%] p.a. for Females; with a constant addition of 0.5% p.a. (both Males and Females) from year 2014 onwards.

The end-2013 annuitant mortality basis was derived as above, but based on the “CMI\_2012” model from base year 2000. This also assumed the same long-term improvements for male (1.75%) and female (1.5%), with a constant addition of 0.5% p.a. from 2013 onwards.

For Structured Settlements from Aviva Annuity UK Limited, future improvements are taken from the principle ONS population projection, with a constant addition of 0.5% p.a.

In addition, for annuities reassured from Aviva Ireland future improvements are based on the medium cohort projection with a minimum annual improvement of 1.75%.

**Impact of changes in incidence of disease**

The margins in the published mortality and morbidity bases are considered sufficient to provide for adverse deviations in experience arising from various causes, so no additional reserves are held.

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**31 December 2014****(5) Morbidity assumptions:**

Section 4(4) above includes the basis for accelerated critical illness, as well as stand-alone critical illness for ex-RSA and ex-NWL business.

**Standalone Critical Illness**

The morbidity bases used at the end of the financial year and at the end of the previous financial year are as follows:

<b>Life Assurances</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Standalone Critical Illness	Unchanged	Modified Reassurer rates (see below)
Critical Illness rider benefits	Unchanged	1 periodic premium

Rates for the modified tables for 31 December 2014 were as follows:

Age	<b>Stand alone Critical Illness</b>			
	Annual rates per mille:			
	Male Non-Smoker	Male Smoker	Female Non-Smoker	Female Smoker
25	0.66	0.66	0.96	0.96
35	1.05	1.34	1.52	2.19
45	3.27	5.84	3.14	6.28
55	8.74	19.42	8.12	17.65

For critical illness policies with guaranteed premiums, a guarantee loading is applied to the critical illness rate as follows (unchanged from 2013):

	Female	Male
CI guarantee loading (for each year from valuation date)	2.5%	2.0%
	Compound	Compound

**Income Protection - Claims inception rates**

For Safeguard and PHI product groups these have been based on CIDA rates, adjusted by factors dependent on the age, deferred period, occupation, sex, smoker status, sales channel and location, reflecting our own experience. Further margins have been taken for prudence.

For Safeguard and PHI policies, modified rates are shown below. The rates assume the following:

Occupation class 1

Location – South England

Deferred period 6 months

Channel – IFA

Non-smoker status

Duration of policy – 5+ years

Age	<b>Safeguard and PHI rates</b>			
	Annual rates per mille:			
	31 December 2014	31December 2014	31 December 2013	31December 2013
	Male	Female	Male	Female
25	0.52	0.90	0.48	0.82
35	0.48	0.83	0.44	0.76
45	0.93	1.60	0.84	1.46
55	2.21	3.81	2.01	3.46

**Income Protection - Recovery rates**

For Safeguard and PHI policies, these have been based on CMIR12, adjusted by factors dependent on the age, deferred period, duration and disability type, reflecting our own experience. Further margins have been taken for prudence.

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For Safeguard and PHI policies, modified rates are shown below. The rates assume the following:

Occupation class 1  
Non-smoker status

Deferred period 6 months  
Location – South England

Age	<b>31 December 2014</b>			
	Annual rates per mille:			
	Recovery 2 years	Recovery 2 years	Recovery 5 years	Recovery 5 years
	Male	Female	Male	Female
25	390.05	390.05	93.79	93.79
35	330.36	330.36	72.52	72.52
45	250.96	250.96	53.17	53.17
55	160.83	160.83	36.94	36.94

Age	<b>31 December 2013 : Safeguard, IP Solutions, SIP, ISIS, and MPP rates</b>			
	Annual rates per mille:			
	Recovery 2 years	Recovery 2 years	Recovery 5 years	Recovery 5 years
	Male	Female	Male	Female
25	213.93	213.93	64.64	64.64
35	185.97	185.97	53.66	53.66
45	150.04	150.04	43.62	43.62
55	106.11	106.11	34.78	34.78

Age	<b>31 December 2013 : PHI rates</b>			
	Annual rates per mille:			
	Recovery 2 years	Recovery 2 years	Recovery 5 years	Recovery 5 years
	Male	Female	Male	Female
25	246.32	246.32	74.74	74.47
35	214.13	214.13	61.82	61.82
45	172.77	172.77	50.25	50.25
55	122.20	122.20	40.07	40.07

The margins in the published morbidity bases are considered sufficient to provide for adverse deviations in experience arising from changes in morbidity experience, so no additional reserves are held.

**Long Term Care (Well-being and Future Care Plan)**

Mortality, prior to claim – PMA80 C=2020 and PFA80 C=2020, with a deduction of 2 years to all ages.

Mortality, during claim – 95% ELT14, with additions to age depending on age and the severity of disablement.

Morbidity – the disability tables used are based on the data underlying the disability prevalence rates contained in Report 9 of the OPCS surveys of disability in Great Britain. The data was adjusted in light of the Company's underwriting policy and the definitions of the Activities of Daily Living used. The morbidity used was 115% (regular premium) and 160% (single premium) of the adjusted prevalence rates.

**(6) Expense assumptions:**

Details of the expense bases used at 31 December 2014 are as follows.

The value of future maintenance expenses is calculated from current maintenance expense levels by broad category of business, increasing by future expense inflation over the lifetime of each contract. The following expense assumptions, except Income Protection and ex-RSA/NWL business, are based on the terms of the Management Services Agreement between Aviva Life Services UK Limited and Aviva Life & Pensions UK Limited and increased by 10% in respect of project costs.

No zillmer adjustment was used at the end of 2014 - valuations were carried out on a Gross Premium basis

The expense assumptions are the same for both premium-paying and non-premium paying contracts.



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**31 December 2014****Per policy expenses in the year after the valuation date**

<b>Category</b>	<b>31/12/2014 Expense (£)</b>	<b>31/12/2013 Expense (£)</b>
Term assurance	15.77	15.27
Critical illness	15.77	15.27
Income protection	12.65	23.10
Income protection claims in payment	12.65	23.10
Annuity	20.28	19.64
UWP bond	26.48	25.63
UWP savings endowment	39.74	38.46
UWP target cash endowment	39.74	38.46
UWP regular premium pension	52.98	51.28
UWP single premium pension	52.98	51.28
UWP group regular premium pension	79.46	76.91
UWP group single premium pension	79.46	76.91
UL bond	21.44	20.75
UL savings endowment	12.46	12.06
UL target cash endowment	18.69	18.10
UL regular premium pension	18.34	17.74
UL single premium pension	18.34	17.74
UL group regular premium pension	17.76	17.19
UL group single premium pension	17.76	17.19

**Per policy expenses in the year after the valuation date for ex-RSA and ex-NWL business**

<b>Product Code</b>	<b>Category</b>	<b>31/12/2014 Expense (£)</b>	<b>31/12/2013 Expense (£)</b>
325, 330 340, 345	Term Assurance (post June 2001)	19.91	19.27
700	Capital Investment Bond (pre Oct 1997)	39.71	38.40
700	Capital Investment Bond (post Sep 1997)	38.01	36.77
515, 720	Mortgage Savings Plan	69.46	67.24
515, 720	Flexible Mortgage Plan	80.27	77.69
700	Flexible Investment Bond (pre June 2001)	22.38	21.65
700	Flexible Investment Bond (post June 2001)	19.91	19.27
515, 720	Mortgage Endowment Plan	29.53	28.59
525, 725	Executive Pension Plan (regular premium) pre Oct 1997	135.46	130.44
525, 725	Executive Pension Plan (single premium/paid up) pre Oct 1997	101.59	97.83
525, 725	Executive Pension Plan (regular premium) post Sep 1997	125.41	121.37
525, 725	Executive Pension Plan (single premium/paid up) post Sep 1997	94.06	91.04
525, 725 755	Personal Pension Plan (regular premium) pre Oct 1997	87.29	84.49
525, 725 755	Personal Pension Plan (single premium/paid up) pre Oct 1997	65.46	63.35
525, 725	Personal Pension Plan (regular premium) post Sep 1997	78.44	75.93
525, 725	Personal Pension Plan (single premium/paid up) post Sep 1997	58.83	56.94
525, 725	Executive Pension Plan (regular premium)	96.00	92.92
525, 725	Executive Pension Plan (single premium/paid up)	72.07	69.76
525, 725	Personal Pension Plan (regular premium)	32.13	31.11
525, 725	Personal Pension Plan (single premium/paid up)	24.07	23.30

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

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525, 725	Top Up Pension Plan (regular premium)	32.13	31.11
525, 725	Top Up Pension Plan (single premium/paid up)	24.07	23.30
525, 725	Grouped Personal Pension Plan (regular premium)	64.14	62.08
400	Ex-RSA pension annuity*	20.63	19.98
400	Ex-NWL pension annuity*	22.64	21.90

\* These figures are shown gross of reinsurance. These products are 100% reinsured. The net expense reserve for 2014 and 2013 is zero as there is no reinsurer charge for payment service and therefore no compensation on a recapture.

All figures are gross of tax relief which is assumed at 20% on relevant products.

For Reassurance Accepted from Aviva Annuity UK Limited, the expenses follow the expenses of that fund, details of which are included in the Aviva Annuity UK Limited valuation report.

**Expenses as % of Claim**

Income protection claims in payment	2014	2013
- Group	10.5%	13.0%
- Individual (Mortgage Payment Protection)	14.5%	17.5%
- Individual (other)	14.5%	17.5%

**Investment expenses**

For ex-RSA business, valuation interest rates were reduced to allow for investment expenses (before tax relief) by 0.17%.

For ex-NWL business, valuation interest rates were reduced to allow for investment expenses (before tax relief) by 0.11%.

For other business:

For non-unit liabilities, the yield on assets backing the liabilities was reduced for investment expenses of 0.059%. This reduced the upper bound on the interest rates used in the valuation.

In the calculation of sterling reserves on unitised business, explicit allowance was made for investment expenses of 0.136% of the unit fund for unit linked investments and 0.155% of the asset share for unitised with profit investments written in the company's with profit fund.

The allowances reflect the charging structure agreed with our fund managers, Aviva Investors.

**(7) Unit Growth and Inflation**

The unit growth and inflation rates are as follows:

	31 December 2014	31 December 2013
<b>RPI inflation assumption for expenses</b>	2.99%	3.38%
<b>Linked business</b>		
Unit Growth Rate for gross business	3.30%	4.70%
Unit Growth Rate for net business	2.60%	3.70%
Future increases in policy charges	2.99%	3.38%

Expense inflation is set according to the terms of the Management Services Agreement between Aviva Life Services UK Limited and Aviva Life & Pensions UK Limited. This agreement was renegotiated in 2009 resulting in the per policy charges inflating at RPI (apart from ex-JV business).

**(8) There are no with-profit contracts in the non-profit sub-funds.**

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014**

- (9) A summary of lapse and surrender assumptions for ex-RSA and ex-NWL is provided below:

Product		Average lapse / surrender rate for the policy years			
		1-5	6-10	11-15	16-20
Decreasing Term	lapse 1	16.6%	12.5%	12.5%	12.5%
Decreasing Term	lapse 2	9.9%	7.5%	7.5%	7.5%
Level term	lapse 1	21.1%	10.0%	10.0%	10.0%
Level term	lapse 2	12.7%	6.0%	6.0%	6.0%
UL cash endowment	surrender	N/A*	N/A*	6.0%	6.0%
UL accelerated critical illness	surrender	7.6%	5.3%	5.3%	5.3%

\* The surrender rates for policy year 1-5 and 6-10 are no longer applicable as those products to new business in 2000.

For other business lapse and surrender assumptions are provided below:

Product		Average lapse / surrender rate for the policy years			
		1-5	6-10	11-15	16-20
Accelerated critical illness	lapse 1	10.8%	10.4%	9.0%	9.0%
Accelerated critical illness	lapse 2	6.5%	6.2%	5.4%	5.4%
Decreasing Term	lapse 1	10.8%	10.4%	9.0%	9.0%
Decreasing Term	lapse 2	6.5%	6.2%	5.4%	5.4%
Level term	lapse 1	9.1%	4.9%	4.4%	4.4%
Level term	lapse 2	5.5%	3.0%	2.6%	2.6%
UL bond	surrender	1.9%	5.2%	7.0%	7.0%
UL individual pension, regular premium	surrender	3.3%	3.3%	3.3%	5.2%
UL individual pension, single premium	surrender	3.3%	3.3%	3.3%	5.2%
UWP individual pension, regular premium	surrender	3.3%	3.3%	3.3%	5.2%
UWP individual pension, single premium	surrender	3.3%	3.3%	3.3%	5.2%
UL group pension, regular premium	surrender	2.9%	2.9%	2.9%	4.2%
UL group pension, single premium	surrender	2.9%	2.9%	2.9%	4.2%
UWP group pension, regular premium	surrender	2.9%	2.9%	2.9%	4.2%
UWP group pension, single premium	surrender	2.9%	2.9%	2.9%	4.2%

The 'lapse 1' rates in the table are used for contracts where the reserve is negative, and the 'lapse 2' rates are used for contracts where the reserve is positive.

No PUP assumptions are shown in the above tables. It is assumed that premiums cease at the valuation date for regular premium unit-linked policies, unless the assumption of continuing premiums leads to a higher non-unit reserve.

For the vast majority of UL and UWP Bonds (96% of total mathematical reserves on all such business), automatic withdrawals are taken to be the actual withdrawal amount at the valuation date for each individual policy.

For unit-linked bonds, the surrender rates shown in the tables exclude additional surrenders at the end of the period where surrender penalties apply. The average additional surrender rate assumption is 35.9%.

**(10) Option take-up rates**

For deferred annuities with a guaranteed cash option (GAO) and assurances with a guaranteed annuity option, other than for the Pensionvestor contract, it is assumed that policyholders will choose to exercise the greater of the two options on 95% of the available benefit.

For the Pensionvestor contracts this percentage is assumed to vary linearly, from 84% on policies maturing within 1 year, to 95% on policies maturing after 12 years or more.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer **Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended **31 December 2014**

**Taxation**

Valuation interest rates on Life business include an allowance for taxation, assuming a tax rate of 20% in respect of income on Fixed Interest for Life business:

Allowance for taxation is included within the unit pricing of unit-linked funds as described in section 3(9) above.

No allowance has been made for taxation in respect of Pensions business.

**Other considerations**

We have considered potential changes to the GAO take-up rate assumptions to reflect the increase in flexibility announced in this year's budget. However in light of the considerable value to customers of the options it is likely to remain in most customers' best interests to take the GAO. This will be reviewed again once adequate, complete, and reliable experience data becomes available.

**(11) Derivatives**

Where derivative contracts are included amongst the property linked assets relating to property linked contracts they have been valued at their fair market value.

Some interest rate swap assets were hypothecated to cover liabilities within Form 57, supporting a higher valuation interest rate for applicable reserves.

As a result of the Quota share arrangement with Aviva Annuity UK Limited, Aviva Life and Pensions UK Limited shares in any movement in the derivatives of that fund. Details of the derivatives in Aviva Annuity UK Limited are outlined in that company's valuation report.

**(12) Changes in INSPRU valuation rules**

There were no changes in valuation methodology in 2014 arising from changes in INSPRU valuation rules which came into effect at 31 December 2006.

**5. Options and Guarantees****(1) Guaranteed Annuity Options:**

- (a) For deferred annuities with a cash option and assurances with a guaranteed annuity option, the value of the benefits at the vesting date is the greater of the value of the annuity or the cash option, subject to option take-up rates as described in 4(10). Where a guaranteed annuity is more valuable on the valuation basis than the cash alternative, a provision for future expenses in payment is also held.

**(b) Pensionvestor**

Pensionvestor policies have a basic reserve of £27m.

The distribution of policies by outstanding term and retirement age is as follows:

Retirement Age	Outstanding Term (years)						Total
	0-5	5-10	10-15	15-20	20-25	25-30	
<b>55 and under</b>	0	1	0	0	0	0	1
<b>56-60</b>	174	46	3	0	0	0	223
<b>61-65</b>	70	45	10	1	0	0	126
<b>66-70</b>	4	1	1	0	0	0	6
<b>71-75</b>	23	113	152	1	0	0	289
<b>Total</b>	271	206	166	2	0	0	645

The guarantee reserve is £36m.

The guaranteed annuity rate is 12.244% of the cash sum for a male aged 65, based on a single life annuity payable annually in arrears.

Policyholders may make increments to the policy, but no guaranteed annuity options are given on increments.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014****(2) Guaranteed surrender and unit-linked maturity values:**

For ex-RSA and ex-NWL, no additional investment performance guarantee reserve was considered necessary in respect of index-linked bonds since the underlying investments deliver returns which are matched to the policyholder liabilities. Derivatives contracts are used to hedge the investment guarantees provided to holders of single premium bonds.

**Pension Assured Fund**

Units in the Pension Assured Fund have a guaranteed price of £1 at the selected pension date or on earlier death. Details are provided in the valuation report of the Company's Provident Mutual Fund, where the majority of these guarantees arise.

**Guaranteed Fund shortfall reserve**

For policies invested in the Unit-Linked Guaranteed Fund, whenever the unit value at the guarantee date is less than the money-back guarantee, the New With Profits Sub Fund is liable to pay out the shortfall that will arise. Details of the guarantee reserves are included in the valuation report for that fund.

**(3) Guaranteed Insurability Options**

- (a) The reserve for guaranteed insurability options is calculated as the option premiums received in respect of policies in force accumulated with interest.

One periodic option premium is held as a reserve for those policies which select conversion or renewal options, apart from ex-RSA/NWL business where options are not material.

- (b) The table below, together with the comments that follow, gives details for certain protection policies with conversion and renewal options in the NP funds.

<b>Product name</b>	<b>In-force premiums</b>	<b>Sum Assured</b>	<b>Guarantee Reserve</b>
Level Term Assurance	£9.3m	£2,394.5m	£0.2m
Decreasing Term Assurance	£8.3m	£2,113.3m	£4.2m

**Conversion option**

Conversion options are included on certain policies. For an additional premium, and provided the option is selected prior to their 65th birthday, the policyholder can convert all or part of their policy without further medical evidence. If the policy is a level term assurance then it can be converted into either a non-increasing term type policy or a low cost whole of life. If the policy is a decreasing term assurance it may also be converted into an endowment assurance. In either case the maximum sum insured will be the original sum insured inflated using RPI to the conversion date.

**Renewal option**

Renewal options are included on certain policies. For an additional premium, and provided the term of the policy expires before the policyholder's 65th birthday (if a level term assurance) or 75th birthday (if a decreasing term assurance), the policyholder may effect a new policy at the end of the policy term. The term of the new policy must not exceed the term of the original policy. No further medical evidence is required on selecting this option, unless a critical illness or premium protected option is selected on the new policy. The maximum sum insured will be the original sum insured inflated using RPI to the conversion date.

**(4) Other guarantees and options**

When contracts provide other options with a specific premium, a reserve is generally held of all option premiums paid.

Some group business contains premium rate guarantees for a limited period. No specific reserve for these is considered necessary.

As a result of the Quota share arrangement with Aviva Annuity UK Limited, Aviva Life and Pensions UK Limited will share in the impact of any options exercised in that fund. Details of the options in Aviva Annuity UK Limited are outlined in that company's valuation report.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014****6. Expense reserves**

- (1) The aggregate amount for expense loadings, grossed up for taxation where appropriate, expected to arise during 2015 is shown in the table below. This section excludes Reassurance Accepted from Aviva Annuity UK Limited.

Homogenous risk Group	Implicit allowances	Explicit allowance (investment)	Explicit allowance (other)	Non attributable expenses	Total
Unitised Life	£0.0m	£10.0m	£5.0m	£22.9m	£37.9m
Unitised individual pensions	£0.0m	£26.9m	£17.7m	£67.9m	£112.5m
Unitised employer sponsored pension	£0.0m	£15.1m	£11.2m	£39.9m	£66.1m
All expenses attributable	£0.6m	£0.0m	£20.4m	£0.0m	£21.0m
<b>Total</b>	<b>£0.6m</b>	<b>£52.0m</b>	<b>£54.3m</b>	<b>£130.6m</b>	<b>£237.5m</b>

- (2) Non-attributable expenses on unit linked business are allowed for implicitly, through expected future valuation surplus. In 2015, the valuation surplus on unit linked business of £172.7m covers the expected amount of non-attributable expenses, £130.6m.

Investment expenses on conventional business are reserved for implicitly, through a margin in the valuation interest rate. The expected expense over 2015 is £0.6m.

- (3) The total amount of maintenance expenses shown at line 14 of Form 43 (combined for the non-profit sub-funds, but excluding Reassurance Accepted from Aviva Annuity UK Limited) is £196.7m. However, this reduces to £151.8m when the contribution from the business transferred to New With Profits Sub Fund in 2014 is removed, which does not contribute to the expected 2015 expense loadings above.
- (4) In determining the requirement for a new business expense overrun reserve, a prudent assessment of the projected value of 2015 new business is calculated, and compared against the projected new business expense overrun. A reserve is held if the latter exceeds the former. No new business expense overrun reserve is required in respect of 2015 new business.
- (5) In addition to per policy expense reserves, explicit expense reserves of £72.2m are held in accordance with INSPRU 1.2.50R. These reserves include appropriate allowance for expected redundancy and other costs associated with ceasing to transact new business 12 months after the valuation date, and for expense overruns in respect of business in force at the valuation date.
- (6) For unit linked business, the explicit expense reserve only covers expenses directly attributable to unit linked contracts. Non-attributable expenses are covered by future valuation surplus, and so the reserve for these expenses is zero.

**7. Mismatching Reserves**

- (1) The reinsurance accepted from Aviva Life and Pensions Ireland Limited is denominated in Euros and supported by specific Euro denominated assets. There is also £30.0million of Euro-denominated reserves directly written in to the non profit sub funds. Other than these, all of the mathematical reserves of the non-profit sub-funds are held to support liabilities payable in Pounds Sterling. The funds hold sufficient sterling assets to match these liabilities. There are no Euro-denominated assets in the funds to match the £30.0 million of Euro-denominated liabilities.
- (2) There are no liabilities in non-sterling currencies other than those described in 7(1) above.
- (3) The fund does not hold an explicit reserve for the small volume of mismatched Euro-denominated liabilities. In addition, Aviva Annuity UK Limited does not hold any additional liability due to currency mismatching.
- (4) The Company is a realistic-basis firm and no resilience capital requirement is required.
- (5) The Company is a realistic-basis firm and no resilience capital requirement is required.
- (6) The Company is a realistic-basis firm and no resilience capital requirement is required.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014**

- (7) The non-profit sub-funds hold significant volumes of liquid assets (e.g. cash, certificates of deposit), mitigating the risk that the fund may have to sell assets at an unfavourable time. The firm also ensures that a significant proportion of other assets are invested in highly marketable stocks, in particular government bonds, but also corporate bonds issued by large companies. Any cash flow shortfall could therefore be met by selling some of these assets at short notice.

A further reserve of £10.0m is held against the risk of mismatching between positive and negative cash flows arising on different blocks of conventional business where positive and negative reserves are held.

**8. Other Special Reserves**

**Counterparty Risk Reserve**

A reserve of £97.8m is held for adverse deviations in respect of credit risk from reinsurer defaults. The exposure to each reinsurer by credit rating is identified, and using a probability of default for each rating, the risk amount in each calendar year is assessed. The Counterparty Risk reserve is the discounted value of the future annual counterparty risk amounts for each reinsurer.

**Staff Pension Scheme Deficit Reserve**

A reserve of £184.7m is held to cover the deficit funding payments to be made to the Aviva Staff Pension Scheme over a 5-year period.

**Data Quality Reserves**

A provision of £20m is held against the risk that the data underlying the calculation of the mathematical reserves on unit-linked business is deficient in any way. The amount of this reserve is determined by general considerations.

A similar provision of £29m is held in respect of non-linked business. The amount of this reserve is determined by general considerations.

**Compensation Reserve**

We hold a reserve for Product Governance compensation, amounting to £87.1m.

**Closed Fund Expense Reserve**

The reserve for expenses associated with ceasing to write new business is discussed in section 6(5) above.

Other special reserves for the Reassurance Accepted from Aviva Annuity UK Limited are detailed in the valuation report for that fund.

**9. Reinsurance**

- (1) Within the non profit sub-funds the company has no facultative reinsurance with a reinsurer who is not authorised to carry out business in the United Kingdom.
- (2) Reassurance details are provided in the table below. The third and fourth columns marked A and C indicate, respectively, whether the reinsurer is authorised to carry out insurance business in the United Kingdom, and whether the reinsurer is connected to the Company.
- (3) For Unit-Linked External Funds the reinsurance premium represents the net cashflow of unit transactions from Aviva UK Life fund to the external unit linked fund provider. This can be negative if, for example, claims met by the external unit-linked fund exceed premiums paid into the external unit-linked fund.

The table below includes premiums and reserves in respect of the business transferred to New With Profits Sub Fund in May 2014.

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014**

Ref	Name of Reinsurer	A	C	Class of business	Reinsurance Premiums £'000s	Reserve £'000s	Open/ Closed to NB	% retained for new business
A	Swiss Re Europe SA (UK Branch)	Yes	No	Term and Gteed Integrated CI	9,958	82,848	Closed	
B	Swiss Re Europe SA (UK Branch)	Yes	No	MP and Gteed Integrated CI	55,395	16,561	Open	25% up to £50k
C	Hannover Re (Ireland)	No	No	Term and Gteed Integrated CI	6,546	14,392	Closed	
D	Hannover Life Reassurance (UK) Limited	Yes	No	Term and Gteed Integrated CI	6,534	12,810	Closed	
E	Munich Reinsurance Company, UK Life Branch.	Yes	No	Term and Gteed Integrated CI	79,536	231,649	Open	10% up to £500k
F	Munich Reinsurance Company, UK Life Branch.	Yes	No	Term Assurance, Mortgage Protection, Low Cost Endowment.	0	7,596	Closed	
G	SCOR Global Life Reinsurance Ireland Ltd	No	No	Term and Gteed Integrated CI	5,272	16,049	Closed	
H	RGA Americas Reinsurance Company Limited	No	No	Term and Gteed Integrated CI	53,642	147,536	Closed	
I	RGA Americas Reinsurance Company Limited	No	No	MP and Gteed Integrated CI	43,062	719	Open	10% up to £500k
J	RGA Americas Reinsurance Company Limited	No	No	Term with Rev Integrated CI	1,793	182,803	Closed	
K	Swiss Re Life & Health Limited	Yes	No	Term and Gteed Integrated CI	18,122	482,605	Open	
L	Swiss Re Life & Health Limited	Yes	No	MP and Gteed Integrated CI	10,150	2,576	Closed	
M	XL Re Limited (UK Branch)	Yes	No	Term and Gteed Integrated CI	37,418	139,350	Open	Life: 10% up to £500k, CI: 25% up to £50k
N	Swiss Re Life & Health Limited	Yes	No	2008 Existing Business	3,662	292,979	Open	
O	Swiss Re Life & Health Limited	Yes	No	Future SH Transfer	721	8,161	Open	
P	Swiss Re Life & Health Limited	Yes	No	Deferred annuity	1,132	710,725	Closed	
Q	Invesco Pensions Limited	Yes	No	Unit-linked External Funds	18,848	244,881	Open	
R	Deutsche Asset Management Life & Pensions Ltd	Yes	No	Unit-linked External Funds	-10,049	123,245	Closed	
S	Blackrock/Merrill Lynch	Yes	No	Unit-linked External Funds	503,823	2,449,574	Open	
T	PartnerRe Ltd	Yes	No	Term Assurance	14,263	92,200	Open	
U	Aviva Annuity UK Ltd	Yes	Yes	Immediate Annuities	11,682	129,706	Open	
V	Swiss Re Europe SA (UK Branch)	Yes	No	Standalone Gteed CI	206	17,058	Closed	



**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014**

Ref	Name of Reinsurer	A	C	Class of business	Reinsurance Premiums £'000s	Reserve £'000s	Open/ Closed to NB	% retained for new business
W	Swiss Re Europe SA (UK Branch)	Yes	No	MP with Rev Integrated CI	10,232	39,668	Open	
X	Scottish Widows	Yes	No	Annuities	1,304	91,699	Open	
Y	Peak Re Ltd	No	Yes	Flexible Investment Bonds	0	38,808	Closed	
Z	Hannover Life Reassurance (UK) Limited	No	No	Pension Annuities	0	51,778	Closed	
AA	Swiss Re Europe SA (UK Branch)	Yes	No	Life assurance, Accident and sickness	0	5,453	Open	
AB	BAILLIE GIFFORD	No	No	Unit-linked External Funds	5,241	47,268	Open	
AC	RGA Americas Reinsurance Company Limited	Yes	No	MP with Rev Integrated CI	5,398	17,003	Closed	
AD	Swiss Re Europe S.A (UK Branch)	Yes	No	Permanent Health	4,690	16,637	Open	
AE	Swiss Re Europe S.A (UK Branch)	Yes	No	Integrated Guaranteed CI	13,536	390	Open	
AF	Swiss Re Europe S.A (UK Branch)	Yes	No	MP with Rev Integrated CI	3,127	134,575	Open	
AG	Swiss Re Life & Health Limited	Yes	No	Unit-linked, Unitised with- Profit and Conventional	100,140	67,599	Closed	
AH	Munich Re Company (UK Life branch)	Yes	No	Immediate annuities	86,982	132,000	Closed	
AI	Swiss Re Europe SA (UK branch)	Yes	No	Immediate annuities	48,823	72,600	Closed	
AJ	SCOR Global Life SE (UK branch)	Yes	No	Immediate annuities	40,326	59,400	Closed	
AK	Schroders	Yes	No	Unit-linked External Funds	126,900	402,921	Open	

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer

**Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended

**31 December 2014**

An indication of the cover given under each treaty is provided below:

Ref	Benefits Reinsured
A	Variable % of Sum Assured by sex or smoker status
B	Quota Share - death and CI benefits
C	Quota Share - death and CI benefits
D	Quota Share
E	Quota Share - Life
F	Quota Share - Death Benefits for all business with no previous reinsurance
G	Quota Share - death and CI benefits
H	Quota Share death benefits
I	Quota Share - Life
J	RGA UK 5% of SA, RGA US 45% of SA
K	50% of SA
L	50% of SA
M	Quota Share
N	Financing Arrangement (TDSL)
O	Financing Arrangement (TDSL)
P	Quota share and surplus
Q	Unit-linked External Funds
R	Unit-linked External Funds
S	Unit-linked External Funds
T	49.9% of SA
U	100% of Immediate Annuity Benefits
V	Quota Share - death and CI benefits
W	Quota Share - death and CI benefits
X	100% of annuity
Y	100% of unit and non-unit reserve for series 2 funds
Z	100% of annuity
AA	Surplus Reinsurance
AB	Unit-linked External Funds
AC	RGA UK 5% of SA, RGA US 45% of SA
AD	Quota Share & Surplus Reinsurance
AE	90% of SA
AF	25% of SA
AG	Financing Arrangement (Financial Reinsurance)
AH	Longevity swap
AI	Longevity swap
AJ	Longevity swap
AK	Unit-linked External Funds

**Valuation report – IPRU (INS) Appendix 9.4**

Name of insurer	<b>Aviva Life &amp; Pensions UK Limited – Non-Profit Sub-funds</b>
Global business	
Financial year ended	<b>31 December 2014</b>

There are no significant undischarged obligations to the reinsurers as at 31/12/2014.

There are no deposit back arrangements in any of these treaties.

**Financing Treaties** (table reference N, O and AG)

Three financing arrangements exist between the Company and Swiss Reinsurance Company.

Treaties referenced in the table above as N and O are Time Deferred Stop Loss arrangements, where the recapture of the liability is contingent on future shareholder surplus; no liability for the undischarged obligation has been taken into account in the valuation.

The treaty referenced as AG in the table above is a financial reinsurance arrangement where the reinsurer has paid Aviva an upfront cash amount in exchange for future surplus payments. The future surplus payments are contingent upon surplus emerging on the in scope business.

Account has been taken of the credit risk exposure to the reinsurers in the reinsurer counterparty exposure reserve (see section 8).

**10.** There are no with-profits contracts in the non-profit sub-funds.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014****1. Introduction**

- (1) The **valuation date** is 31 December 2014.
- (2) The date of the previous valuation was 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of rule 9.3A.

**2. Assets****(1) Economic assumptions for valuation of non-profit business**

The economic assumptions used to value future profits on non-profit business are as follows:

	2014	2013
Gross investment return	Yield on supporting assets less an allowance for defaults	Yield on supporting assets less an allowance for defaults
· Annuities		
· Other non-profit business	Risk free rate	Risk free rate
Discount rate	Yield on supporting assets less an allowance for defaults	Yield on supporting assets less an allowance for defaults
· Annuities		
· Other non-profit business	Risk free rate	Risk free rate
Expense inflation	2.99%	3.38%
Tax rates	20%	20%

- The risk free rates used are the same as the rates used to determine guarantee costs, and shown in section 6(4)(a)(ii) below.
  - The discount rate is equal to the investment return. An explicit margin is held to allow for the cost of any non-financial guarantees.
  - The value of future profits on non-profit business includes the release of the LTICR in respect of non-profit business. In assessing this release an approximate allowance is made for tax and investment expenses.
- (2) Not applicable.
  - (3) Not applicable.
  - (4) Not applicable.

**3. With-Profits Benefits Reserve Liabilities**

- (1) There are four main methods used to calculate the with-profits benefits reserve.
  - Asset share (individual) (retrospective)
  - Asset share (group) (retrospective)
  - Bonus Reserve Valuation (prospective)
  - Regulatory Reserve (prospective)

The majority of the conventional with-profits benefits reserves are asset shares calculated on an individual policy (or increment) basis. They represent an accumulation of premiums plus investment return less charges and other sources of profit or loss in line with the fund's PPFM.

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Global business

Financial year ended **31 December 2014**

For unitised business, the asset share of a policy is defined as the sum of the asset shares of the units of the policy. Our approach calculates the asset share of each individual unit, and then aggregates across all units in a policy. We have recorded this approach as being individual.

Where asset shares are not currently calculated, or where they are unreliable as a starting point for deriving future bonuses, then either bonus reserve valuations (BRV) or regulatory reserves are used. BRVs are the discounted value of future expected benefits and expenses using risk-free earned and discount rates along with best-estimate assumptions for other basis items such as lapses and mortality. BRVs are used for the following classes of business:

- Conventional paid up policies (PUP)
- Conventional Whole Life policies
- With-profit immediate annuity business

Regulatory reserves are used for remaining small classes of business where asset share or BRV calculations are not currently carried out.

**At 31 December 2014**

<b>Product Class</b>	<b>With-profit benefits reserve £m</b>	<b>Future Policy Related Liabilities £m</b>	<b>Total £m</b>
Conventional Life		406	2,433
Asset Share (individual)	1,317		
Asset Share (grouped)	48		
BRV	662		
Conventional Pensions		1,834	4,006
Asset Share (individual)	1,030		
Asset Share (grouped)	232		
BRV	902		
Regulatory Reserve	8		
UWP Life		61	1,233
Asset Share (individual)	1,171		
Asset Share (grouped)	1		
UWP Pensions		355	6,227
Asset Share (individual)	5,856		
Asset Share (grouped)	15		
Miscellaneous Other	32	(54)	(22)
<b>Total</b>	<b>11,274</b>	<b>2,602</b>	<b>13,876</b>

The with-profits benefit reserves are mainly asset shares calculated on an individual policy level or, in the case of UWP business, individual unit level. The asset shares are an accumulation of premiums, investment return, expense deductions and other adjustments such as mortality profits, as set out in the fund's PPFM. Asset shares for the conventional business are charged actual expenses. Asset shares for the direct-written UWP business are charged the policy charges.

The only direct-written new business in With Profits Sub-fund (other than increments on existing contracts) is the with-profit annuity.

Conventional Life consists mainly of conventional endowments, with only £662m of whole-life contracts. The whole-life products have a bonus reserve valuation. The grouped asset shares in Conventional Life refer to adjustments that are made on a grouped basis. All conventional life products are written on a 90/10 basis. Conventional life endowment policies have guaranteed amounts at maturity equal to the basic sum assured plus any regular bonus accrued to date. Conventional whole life contracts provide a guaranteed pay-out on death of basic sum assured plus regular bonus accrued to date.

Conventional Pensions consists mainly of deferred cash schemes with attaching guaranteed minimum annuities due at retirement. There is also a block of deferred annuity business with minimum cash values at retirement. Asset shares are used for all premium-paying business. Paid up policies are valued at £623m using a BRV approach. Conventional Group Defined Benefits business uses the regulatory reserve. The grouped asset shares in Conventional Pensions refer to adjustments that are made on a grouped basis. In line with current bonus practice, the BRV is based on the final bonus scales derived from projected premium paying policies.

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Global business

Financial year ended **31 December 2014**

Conventional Pensions also contains £279m of with-profit annuity business valued using a BRV calculation. The with-profit annuity provides a level of income equal to a basic amount, plus accrued regular bonus, plus a discretionary top-up bonus. Customers can also select a future anticipated level of regular bonus. This increases the initial annuity amount payable, but the annuity amount reduces by the anticipated amount each year such that the total annuity payable would be level if the actual regular bonus rate equalled the anticipated rate. There is also a guaranteed minimum annuity amount attaching to this contract.

UWP Life consists of unitised single premium bonds and unitised mortgage endowments all written on a 100:0 basis. UWP units purchased prior to 1 January 1999 for policies sold prior to 1 January 1995 have a guaranteed minimum regular bonus rate of 2.5% p.a.

The following guarantees apply to With Profits Sub-fund UWP bonds.

Product	Dates of Issue	Anniversary Guarantee
Capital Plan	1989-93	No MVR on 10 <sup>th</sup> 15 <sup>th</sup> 20 <sup>th</sup> etc
Norwich With-Profit, Bicentennial, and Flexibond	1996-1/10/2002	Money back on 10 <sup>th</sup>

There is also the guarantee that MVRs will not apply on any automatic partial withdrawals selected from outset (subject to certain limits).

UWP Pensions consists of unitised individual and group personal pensions written on a 100:0 basis. UWP units purchased prior to 1 January 1999 for policies sold prior to 1 January 1995 have a guaranteed minimum regular bonus rate of 4% p.a.

'Miscellaneous other' consists of reserves held to cover other liabilities to the fund that cannot be assigned to certain product types such as Pension transfer review reserves, reserves for future development and audit fees. The figure also includes the asset/liability for future smoothing costs. The miscellaneous items in the With Profits Benefit Reserve relate to amounts yet to be added to individual Asset Shares in respect of past experience.

- (2) Not applicable
- (3) See (1)
- (4) See (1)

**4. With-profits benefits reserve – Retrospective method****(1) Table of methods**

Method	With-profit benefits reserve (%)
Asset Share (individual)	83
Asset Share (grouped)	3
BRV	14
Regulatory Reserve	0
Miscellaneous Other	0
<b>Total</b>	<b>100</b>

The table above shows the proportion of with profit benefit reserves calculated using each method.

**(2) Changes in valuation method**

- (a) There have been no significant changes to the valuation methodology during 2014
- (b) Not applicable.

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Financial year ended **31 December 2014****(3) Allocation of expenses**

- (a) See (b)
- (b) UKLS income and expenses are calculated on a monthly basis and a profit or loss determined on an annual basis.
- (c) The text below sets out the treatment of charges made to asset shares with respect to expenses and commission.

For Conventional with-profit business – the actual per policy expenses are charged to the policies

For Unitised with-profit business – the policies have defined charges as per the policy conditions, and expenses are charged to the non-profit fund.

Other expenses fall to the estate.

	<b>2014</b>			
	<b>Charged to WPBR £m</b>	<b>Not-Charged to WPBR £m</b>	<b>Non-Profit expenses £m</b>	<b>Total £m</b>
Estimated initial expenses and commission	0	0	0	0
Renewal expenses and commission	73	19	0	92
Shareholder Transfers	0	28	0	28

The above table approximately splits out the expenses incurred over 2014. Non-profit expenses are expenses relating to non-profit business within the fund. With Profits Sub-fund direct-written business asset shares are charged all actual per policy expenses and charges incurred.

**Expenses charged to the with-profit funds**

From 01/01/2009 a new Management Services agreement (MSA) is in place whereby per policy (annual) and per fund charges are made. The per fund charge is allowed for by using an estimate of the policies in force in a given year, by MSA category, and by fund. Changes in policy counts over the year will be monitored, and this will be amended to reflect the actual policy counts retrospectively.

For policies that have migrated on to the outsourced platform "Alpha", an additional per policy charge will apply.

Investment management expenses are charged to the funds in line with the Investment Management Agreement with the fund managers and are reviewed on at least an annual basis.

Commission and sales related expenses are also charged to the with-profits funds. Initial and renewal commission scales and uplifts depend on product type and the agreement with the particular sales channel.

The with-profit funds also incur other non policy-related expenses such as for development expenses, audit fees and mis-selling expenses. These are charged to the with-profit fund as laid out in each fund's PPFM.

Shareholder transfers are charged to the with-profits funds. Most conventional business is written on a 90/10 basis with transfers equal to 1/9<sup>th</sup> of the cost of bonus. With Profits Sub-fund conventional with-profit annuity business written prior to 2 October 2002 has shareholder transfers equal to a fixed proportion of asset shares. UWP business written in With Profits Sub-fund is on a 100:0 basis.

**Expenses charged to the with-profits benefit reserves**

The total expenses charged to with-profits benefit reserves over 2014 are approximately £73m. The majority of this relates to renewal expenses as there is minimal new business written in With Profits Sub-fund.

Deductions are made to the asset shares in respect of expenses and commission and shareholder transfers. The difference between expenses, commission and shareholder transfers incurred and charges made are a credit to or deduction from the estate.

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Global business

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Sales and policy administration expenses are charged to asset shares in two main ways:

Actual expenses apply to With Profits Sub-fund conventional business

Asset shares are currently charged 100% of the MSA agreement. They are also charged the management investment fee and any custody fees. Any initial or renewal commission is deducted from the asset share.

Policy charges are applied to With Profits Sub-fund UWP business

The asset share is deducted the actual charges on the policy. Also note that any surrender penalty would apply to the asset share on exit.

**Expenses not charged to the with-profits benefits reserve**

For UWP business written in With Profits Sub-fund the actual expenses are passed across to Non Profit Sub-fund along with the charges deducted from the asset shares, so no policy related expenses are accrued to the estate.

Shareholder transfers for With Profits Sub-fund conventional business are charged to the estate.

All development, regulatory and audit fees are not currently charged to asset shares, although this is reviewable in line with statements in the PPFMs.

**(4) Guarantee Charges**

No charge for the Cost of Guarantees is made in this fund.

**(5) Non-Insurance Risk Charges**

No explicit deduction is made from the with-profits benefit reserves in respect of non-insurance risks.

**(6) Claims ratios**

<b>Fund</b>	<b>Product Type</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
With Profits Sub-fund	Conventional Life	93%	94%	96%
	Conventional Pensions	125%	119%	119%
	UWP Life	98%	98%	98%
	UWP Pensions	98%	101%	96%

These are estimates of claim amounts relative to asset share for the past three complete calendar years.

The figures above are estimates based on actual maturity and surrender pay-outs.

All entries for Form 19 lines 32 and 33 in respect of reserves for past miscellaneous surplus and any past miscellaneous deficit are zero.

**(7) Gross investment return allocated to WPBR**

Gross returns allocated to asset shares over 2014 are 9.1%. This rate applies to all policies.



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Global business

Financial year ended **31 December 2014****5. With-profits benefits reserve – Prospective method****(1) Prospective assumptions**

**Bonus reserve valuation (BRV)** is used for approximately 11% of the with-profit benefits reserve. The key blocks of business valued in this way are:

- Conventional whole life contracts, where the calculation is based on a deterministic reserve including an allowance for Final Bonus;
- Paid-up Conventional Pensions, where the calculation is based on a deterministic reserve including an allowance for Final Bonus and a stochastic uplift;
- With-profit immediate annuities, where the calculation uses stochastic final bonus rates derived from the current WPIA bonus model.

The key assumptions behind the prospective valuation of with-profit benefits reserves are as follows:

**(a) Economic Assumptions**

The valuation of the BRV for the conventional Pension PUPs and conventional whole life term dependent risk free rate. Sample values are:

<b>Term (years)</b>	<b>Rate</b>
1	0.65%
5	1.46%
10	1.88%
15	2.13%

For with-profit immediate annuity business an equivalent single rate is used:

<b>Product Class</b>	<b>2014</b>
With-profit Immediate Annuity	1.75%

**(b) Investment returns and risk adjustments.**

The BRV is based on the risk free rate.

**(c) Expense inflation:**

See (e) below.

**(d) Future Assumed Regular Bonus Rates**

<b>Product Class</b>	<b>2014</b>
Conventional Pension PUPs	0%
Whole of Life	0%
With-profit Immediate Annuity	0%

Final bonuses on paid-up pension contracts are based on the premium paying policy scales which are derived from projections of the asset shares.

**(e) Future Expense Assumptions**

	<b>2015</b>	
<b>Product Class</b>	<b>Renewal Expenses Per policy</b>	<b>Expense Inflation %</b>
Conventional Pension PUPs	£46.74	2.95
Whole Life	£23.37	2.00
With-profit Immediate Annuity	£22.14	2.99

Expenses increase with inflation at the policy anniversary.

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Name of insurer

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Global business

Financial year ended

**31 December 2014**

## (f) Future Assumed Lapse Rates

Product Class	Policy Duration						
	1	2	3	4	5	6	7+
Conventional Pension PUPs	0	0	0	0	0	0	0
Whole Life	0	0	0	0	0	0	0
With-profit Immediate Annuity	0	0	0	0	0	0	0

## (g) Future mortality assumptions

Conventional pension PUPs: No mortality is assumed in deferment

Conventional Pension PUPs post-vesting:

	<b>31 December 2014</b>
Males	104.5 % of PCMA00 plus 100% medium Cohort Improvement factors, minimum 1.75% pa, applicable from 2001
Females	99.5 % of PCFA00 plus 100% medium Cohort Improvement factors, minimum 1.5% pa, applicable from 2001

Whole Life:

	<b>31 December 2014</b>
Males	95% of AMN00 / 99.5% of AMS00
Females	95% of AFN00 / 99.5% of AFS00

With-Profit Annuity:

	<b>31 December 2014</b>
Males	99.5%* PCMA00 with 100% medium cohort improvement factors, minimum 1.75% pa, applicable from 2001, plus 0.5%pa applied from 2014
Females	94.5%* PCFA00 with 100% medium cohort improvement factors, minimum 1.5% pa, applicable from 2001, plus 0.5%pa applied from 2014

(2) **Regulatory Reserves**

The methodology for the calculation of these reserves is described in Appendix 9.4.

**Miscellaneous Other**

Not applicable

**6. Costs of guarantees, options and smoothing**

(1) Not applicable.

(2)

(a) The calculation of the cost of guarantees, options and the cost of the mortgage promise has been performed using a stochastic model.

A description of the stochastic model is given below.

(b) **Grouping Basis**

All valuation methods use grouped policy data. Data has been divided as follows:

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For conventional business:

- Product class (e.g. life endowment, conventional pensions, deferred annuities and GMP business)
- Life Endowment contracts are grouped by original term, outstanding term and also by eligibility to endowment promise.
- Conventional Pensions are grouped by premium type, sex, original term, outstanding term and GAO eligibility.
- Deferred annuities are grouped by premium type, sex, policy term, outstanding term, annuity escalation rate and source admin system
- GMP business is grouped by outstanding term, sex, GMP eligibility, in-the-moneyness of the guarantee and original term

For unitised with-profit business:

- Product class (e.g. life bonds, pensions)
- Life Bonds are split by bonus series, entry year, joint life status, and guarantee type.
- Pensions are grouped by year of unit purchase, bonus series, outstanding term and guarantee type

For WPSF, we have grouped approximately 625,000 individual model points into 13,800 grouped model points.

**Validations**

The total grouped policy benefit data is reconciled back to the individual policy benefit data. The aggregate asset shares are reconciled to the totals in Form 19. We also undertake a comparison of the grouped model points run on a deterministic basis within the stochastic model to the ungrouped data run through the embedded value model

- (c) The stochastic model directly models over 88% of WPSF with profit business (as measured by asset share). Residual business, together with any associated guarantees, is modelled by scaling similar directly modelled business.

- (3) There has been no material changes to the valuation method for the costs of guarantees, options and smoothing.

**(4) Description of guarantees, options or smoothing being valued****(a) Stochastic Model - Description of guarantees, options or smoothing**

- (i) Here follows the cost and description of the guarantees, options and smoothing methods by product grouping.

<b>WPSF</b>	<b>Planned Deductions to WPBR for other costs</b>	<b>Contractual Guarantee costs</b>	<b>Non-Contractual Commitments</b>	<b>Cost of Financial Options</b>	<b>Smoothing costs</b>
Product Class					
Conventional Life	0	10	308	0	0
Conventional Pensions	0	1,195	0	601	0
UWP Life	0	13	48	0	0
UWP Pensions	0	355	0	0	0
Misc	8	0	0	0	(101)
Total	8	1,573	356	601	(101)

**Planned Deductions to WPBR for guarantees and options**

There is currently no charge for the Cost of Guarantees in this fund.

**Planned Deductions to WPBR for other costs**

This represents an allowance for a charge in respect of expenses incurred in the migration of business to the Admin Re platform, which is expected to be charged to Asset Shares.

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Financial year ended **31 December 2014****Contractual Guarantee Costs**

To assess the extent to which guarantees or options are in or out of the money we have compared the stochastic cost included in Form 19 against the cost on the deterministic 'central-estimate' basis using the risk-free rate.

Conventional Life

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection.

	WPSF
Stochastic Reserve	£10m
Central Estimate	£1m
Option value	94%

Conventional life guarantees are almost completely out of the money.

Conventional Pensions

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection.

	WPSF
Stochastic Reserve	£406m
Central Estimate	£393m
Option value	3%

Conventional pension guarantees are in-the-money.

In addition a reserve in respect of Guaranteed Minimum Pension (GMP) liabilities on Section 32 Transfer policies arises where the value of the GMP exceeds the greater of 100% of asset share and the cost of the basic sum assured plus any accrued bonuses. This reserve has also been calculated using the stochastic projection.

	WPSF
Stochastic Reserve	£789m
Central Estimate	£793m
Option value	-1%

On those policies which have a GMP, the cost of this underpin is fully in-the-money.

UWP Life

	WPSF
Stochastic Reserve	£13m
Central Estimate	£0m
Option value	100%

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection. Note that this includes the cost of any guaranteed bonus rates.

The guarantees are out of the money.

UWP Pensions

	WPSF
Stochastic Reserve	£355m
Central Estimate	£189m
Option value	47%

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection.

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The guarantees are currently out of the money for many years of purchase. However the guaranteed return of 4% per annum return on much of this business requires an investment return in excess of 4.88% to support it, so guarantees in respect of later maturity dates are more in the money.

**Non-Contractual Commitments**

This represents the cost of the mortgage endowment promise from conventional endowments (plus a small cost from unitised endowments). The amount paid under the promise is the difference between the mortgage amount and policy payout if returns on the fund after tax are 6% or more, or the amount as communicated to policyholders in other circumstances.

Maximum top-up amounts have been communicated to policyholders. We have also advised policyholders that even after the Promise payment has been made they may have a shortfall.

Payment of the mortgage promise is conditional on the investment earnings achieved on the estate. These must be sufficient to pay the shortfall amounts falling due each year.

For the purposes of the valuation, we have assumed that the full promise amount would be paid at all times, with no reduction in those scenarios where the cost of the promise exceeds the investment earnings on the estate.

The payment of promise amounts also gives rise to additional transfers to shareholders.

**Mortgage Endowment Promise**

	WPSF
Stochastic Reserve	£356m
Central Estimate	£356m
Option value	0%

**Costs of Financial Options**

This represents the cost of the guaranteed annuity option (GAO) attaching to conventional deferred cash pensions. Contracts provide for a basic cash amount plus accrued regular bonus and a final bonus. The policyholder then has the option to take this cash amount or to convert this into income at guaranteed rates written into the policy conditions.

	WPSF
Stochastic Reserve	£601m
Central Estimate	£583m
Option value	3%

Guaranteed annuity options are very deeply in the money.

**Smoothing Costs**

The amount reported is designed to give broadly neutral smoothing costs allowing for the costs incurred to the valuation date, subject to a maximum recovery of 5% of Asset Share, consistent with statements in the PPFM for With Profits Sub-fund.

**(ii) Description of the asset model**

The asset model was calibrated using the following assumptions:

Risk-free rate:

- The Risk-free rate curve used in the model is shown below:

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Term	Risk-free rate (Swaps)	
	Dec-13	Dec-14
1	0.61%	0.65%
2	1.05%	0.93%
3	1.48%	1.15%
4	1.85%	1.33%
5	2.16%	1.46%
6	2.42%	1.57%
7	2.65%	1.66%
8	2.83%	1.75%
9	2.99%	1.82%
10	3.11%	1.88%
15	3.48%	2.13%
20	3.60%	2.25%
25	3.60%	2.29%
30	3.56%	2.30%

- The discount rate was set equal to the UK Commercial Bank liability spot curve.
- All assets were expected to grow at the risk-free rate (i.e. risk neutral pricing was used).

Derivation of risk-free rate curve:

The risk-free rate will be based on the swap curve for both the opening and closing position.

Use of the curve:

The above risk-free rate curve was used for all option-pricing purposes.

**Interest Rate Model**

A monthly Libor Market Model Plus (LMM+) is used.

The LMM+ model allows for variation of interest rate volatility by moneyness of guarantees as well as by term to maturity and term of payment (for GAO and GMP). This results in a better fit to the volatility surface.

Real interest rates are modelled using a 2-factor Gaussian LMM model.

The Gaussian LMM model is a special case of the LMM+ interest rate models. The model uses two stochastic factors – this allows a richer universe of possible yield curve shapes and allows a degree of de-correlation between different parts of the yield curve. Under the Gaussian LMM+ model it is possible to obtain negative interest rates. Unlike the nominal case, this is not a problem for real interest rates as it is possible to observe negative real rates in practice. Also the initial market observed real yield curve is an input to the Gaussian LMM model and this allows for more accurate modelling of inflation.

The RPI inflation assumption is derived from the difference in modelled nominal and real interest rates using an Inflation Plus model. The CPI Inflation assumption is derived from RPI inflation using an Inflation Wedge model.

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Financial year ended **31 December 2014****Equity Model**

Equity volatility is calibrated to equity implied volatility. The approach to calibration is to capture the volatility of the longest available option term

Exchange traded options generally only trade up to two year terms. However, this is not a very good proxy for the long term guarantees embedded in insurance contracts. Longer terms are available OTC from investment banks - the longest term available is usually 10 years. This data is collected from a panel of investment banks.

The equity model is for the excess return process. That is, the element of return in excess of cash.

Barrie and Hibbert's Stochastic Volatility Jump Diffusion (SVJD) model is used. The SVJD model allows volatility to vary by equity price and time. This allows the model to capture the volatility skew as well as the term structure. As the full implied volatility surface can be captured the model is suitable for valuing guarantees where the characteristics vary by term and moneyness. The following sample UK equity volatilities have been produced from the ESG model:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	26.4%	22.8%	19.6%	17.0%	14.7%	12.3%	
3	23.6%	22.2%	20.9%	19.6%	18.3%	16.9%	15.7%
5	23.2%	22.1%	21.1%	20.1%	19.2%	18.2%	17.2%
7	23.1%	22.3%	21.5%	20.7%	19.9%	19.2%	18.5%
10	23.5%	22.8%	22.1%	21.5%	20.9%	20.4%	19.8%
25	25.9%	25.6%	25.3%	25.0%	24.7%	24.4%	24.2%

**Property Model**

Property is modelled as an equity type asset using the constant volatility model.

The model is calibrated using a 15% volatility assumption, which is adjusted from data provided by Barrie & Hibbert for Property volatility.

**Correlations**

Correlations are controlled in two ways. For equity markets, correlations are defined by the exposures to common elements of the factor model. For other assets, correlations can be defined between the stochastic shocks to the returns. Shock correlations are not equivalent to return correlations. However, shock correlations can be used to target a particular return correlation.

Correlations between asset returns are targeted to best estimate assumptions. These targets have been derived by considering historical behaviour.

The target correlations used within the ESG are displayed below:

UK Equity Return versus	End Dec 2014
Property	36%
Bonds	15%
IL Bonds	11%
Short Rate	-11%
European Equities	76%
US Equities	76%
Japanese Equities	52%
Emerging Markets Equities	63%
Pacific Basin Equities	60%

Correlations between asset classes are not constant within the model and will differ from the above, but the above targets represent the level of correlation which the parameters of the model are chosen to reproduce in the long term.

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Financial year ended **31 December 2014****(iii) Option prices from asset model**

		<i>K</i>				0.75				1				1.5			
<i>n</i>	<i>Duration (n)</i>	5	15	25	35	5	15	25	35	5	15	25	35	5	15	25	35
<i>r</i>	<i>Annualised compound equivalent of the risk free rate assumed for the period (r )</i>	1.46%	2.13%	2.30%	2.29%	x	x	x	x	x	x	x	x	x	x	x	x
1	<i>Risk-Free Zero Coupon Bond</i>	930,054	729,256	566,622	452,003	x	x	x	x	x	x	x	x	x	x	x	x
2	<i>FTSE All Share Index (p=1)</i>	79,199	201,136	304,727	378,531	181,039	342,795	467,976	559,009	524,134	693,718	838,929	949,387	505,823	624,379	714,802	774,773
3	<i>FTSE All Share Index (p=0.8)</i>	75,834	178,477	256,716	304,914	173,944	305,765	396,436	452,172	505,823	624,379	714,802	774,773	512,828	583,478	668,963	754,684
4	<i>Property (p=1)</i>	20,339	82,978	146,846	208,242	114,564	209,069	291,856	368,504	512,828	583,478	668,963	754,684	492,698	507,383	539,746	578,245
5	<i>Property (p=0.8)</i>	18,328	66,239	109,552	148,707	106,700	173,699	225,253	271,340	492,698	507,383	539,746	578,245	500,335	500,963	502,712	523,492
6	<i>15yr Risk-Free ZCBs (p=1)</i>	10,700	13,450	12,495	25,988	81,961	83,973	87,161	125,567	500,335	500,963	502,712	523,492	479,058	411,158	349,347	329,367
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	9,475	8,697	5,439	8,893	74,990	57,684	42,738	55,981	479,058	411,158	349,347	329,367	501,273	504,357	508,715	539,440
8	<i>15yr Corporate Bonds (p=1)</i>	11,933	19,975	26,713	48,841	86,103	100,129	113,195	156,883	501,273	504,357	508,715	539,440	480,047	416,390	361,130	353,301
9	<i>15yr Corporate Bonds (p=0.8)</i>	10,592	13,590	14,391	23,086	79,016	72,557	66,174	85,729	480,047	416,390	361,130	353,301	508,858	612,305	731,057	827,752
10	<i>Portfolio 1 (p=1)</i>	42,148	131,246	218,365	285,609	135,024	259,207	367,598	449,846	508,858	612,305	731,057	827,752	488,906	540,204	607,366	656,127
11	<i>Portfolio 1 (p=0.8)</i>	39,551	112,579	177,045	221,186	127,884	224,400	300,633	351,655	488,906	540,204	607,366	656,127	502,205	577,808	678,456	765,492
12	<i>Portfolio 2 (p=1)</i>	36,403	109,659	183,819	246,502	124,164	228,444	323,682	399,496	502,205	577,808	678,456	765,492	481,653	505,132	555,896	597,992
13	<i>Portfolio 2 (p=0.8)</i>	34,119	93,234	146,520	187,791	117,319	195,612	260,402	307,448	481,653	505,132	555,896	597,992	499,816	527,760	594,587	664,275
14	<i>Portfolio 3 (p=1)</i>	16,134	59,534	111,796	164,567	91,839	161,853	235,153	302,984	499,816	527,760	594,587	664,275	478,576	449,008	467,023	495,428
15	<i>Portfolio 3 (p=0.8)</i>	14,611	47,416	82,292	116,085	84,986	131,130	177,165	218,161	478,576	449,008	467,023	495,428	45.46%	38.06%	32.29%	25.21%
16	<i>Sterling Receiver Swaptions</i>	30.48%	25.01%	21.68%	17.68%	38.22%	31.85%	27.36%	21.89%	45.46%	38.06%	32.29%	25.21%	<i>Swap Duration = 15 years</i>			
														<i>Swap Duration = 20 years</i>			
														<i>Swap Duration = 25 years</i>			



Returns under the Accounts and Statements Rules

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

Notes on the table above:

Row 1 shows the value of cash payments of £1,000,000 due n years after the valuation date. Rows 2 to 15 inclusive is completed for the appropriate asset classes showing the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable n years after the valuation date with strike price of  $K * £1,000,000 * (1 + r * p)^n$ .

All references to 15-year bonds mean rolling bonds traded to maintain the 15 year duration at all future dates. The corporate bonds are assumed to be rolling AA rated zero coupon bonds.

Row 16 shows the value of sterling receiver swaptions with a strike of 5% exercisable n years after the valuation date with swap durations on exercise of L years. The values are expressed as a percentage of nominal.

The property put options are assumed to relate to a well diversified portfolio of UK commercial property.

A zero trend growth in property prices is assumed where this is relevant.

In each case the options are valued with reinvestment of any dividend income into the FTSE All Share index and reinvestment of any rental or other property income into UK property.

Tax is ignored in all calculations.

All options are assumed to be European-style.

This is a combined table for 6.4(a)(iii) and 6.4(b)(iii).

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014****(iv) Initial Equity and Property Rental Yields**

For UK, the initial equity dividend yield is 3.54% and the initial property rental yield is 4.3%.

**(v) UK risk free rates are applied throughout.****(vi) Duration of significant guarantees**

The following tables show the durations of significant guarantees and promises for the with-profits funds. Duration is calculated as weighted average of projected maturity years with weights equal to the cost of guarantees. Anyone past Normal Retirement date is assumed to retire immediately.

Duration of guarantees

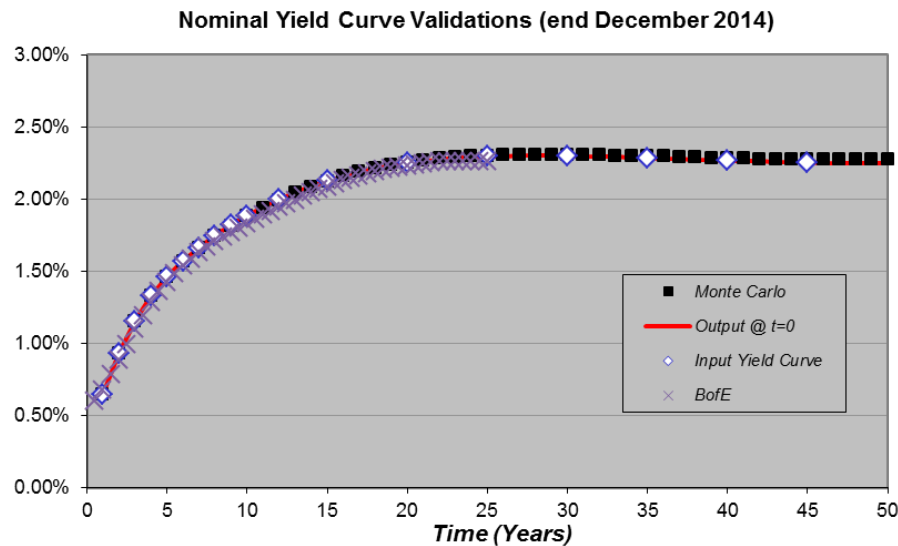
WPSF	Duration (yrs)	%																	
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031+	
Conventional Life																			
Base guarantee	11.8	3	1	2	3	3	3	5	5	5	6	6	6	6	7	7	6	24	100
Mortgage promise	1.8	32	38	21	3	2	1	1	1	0	0	0	0	0	0	0	0	0	100
Conventional Pensions																			
Base guarantee	6.9	4	7	7	9	9	9	9	9	8	7	6	4	3	2	2	2	2	100
GAR option	6.1	10	11	9	8	8	7	7	7	6	6	4	4	4	4	4	1	1	100
S32 GMP guarantee	5.6	8	12	10	11	9	9	9	8	6	5	4	3	2	1	1	1	1	100
Unitised Life:																			
Death guarantee	12.6	0	1	2	3	4	5	5	5	6	7	7	6	6	6	6	5	28	100
Partial surrender guarantee	9.6	0	2	4	6	7	8	8	8	8	8	7	6	5	4	4	3	12	100
Surrender guarantee	8.8	0	0	0	0	2	19	31	3	0	1	11	21	2	0	0	2	6	100
Unitised Pensions:																			
Base guarantee	12.8	0	1	1	1	4	3	3	5	4	7	7	7	8	7	5	10	27	100

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

The following illustrate the fit of the asset model to specimen market traded instruments:

Yield curve validationMarket implied volatilities:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	26.7%	23.2%	19.8%	16.7%	14.3%	13.0%	12.4%
3	23.8%	22.0%	20.4%	18.9%	17.6%	16.5%	15.6%
5	24.0%	22.7%	21.4%	20.3%	19.3%	18.3%	17.4%
9	24.9%	23.8%	22.8%	22.0%	21.2%	20.5%	19.9%

Difference between Modelled volatilities and Market Implied volatilities (bps):

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	(33)	(41)	(23)	29	40	(72)	0
3	(23)	21	55	70	69	46	3
5	(80)	(60)	(38)	(19)	(7)	(8)	(22)
9	(155)	(121)	(93)	(70)	(56)	(44)	(41)

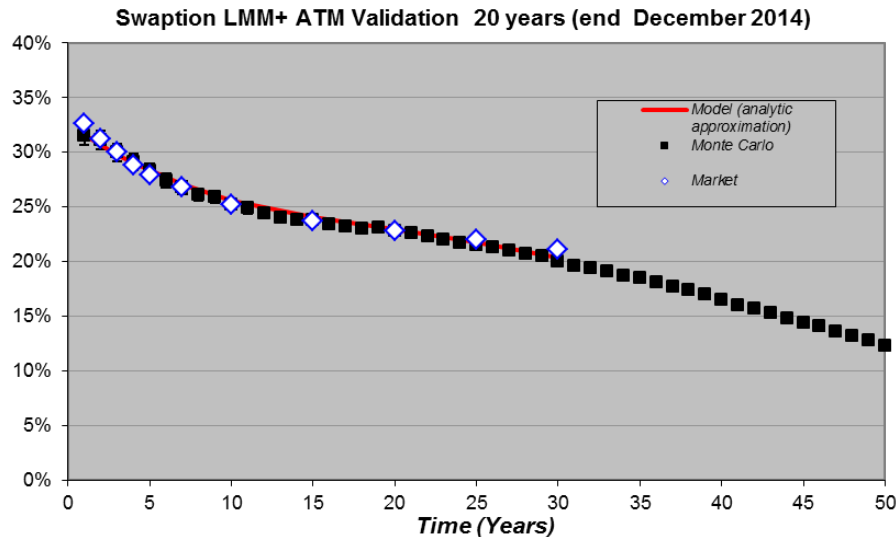
**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended

**31 December 2014**Swaption implied volatilities**(vii) Nature of validations of asset model**

The table below shows the discounted value of £1 invested on the valuation date and projected forward  $t$  years ( $t=5, 10, 15, 20$ ) invested in equities and property. For a risk-neutral model, the expected result would be 100%.

t (year from valuation date)		5	10	15	20
Equities	5000 Simulation results	99.3%	99.9%	99.9%	100.1%
	standard error	0.4%	0.6%	0.9%	1.1%
Property	5000 Simulation results	100.1%	99.8%	99.5%	99.7%
	standard error	0.2%	0.3%	0.5%	0.6%

t (year from valuation date)		5	10	15	20
Equities	1000 Simulation results	99.1%	99.7%	98.6%	99.6%
	standard error	0.9%	1.4%	1.9%	2.5%
Property	1000 Simulation results	99.6%	99.2%	99.2%	99.6%
	standard error	0.3%	0.6%	0.9%	1.6%

**(viii) Number of projections**

To ensure convergence of the liabilities, separate calculations were carried out on different numbers of simulations (2500 and 5000). This has demonstrated that there is no significant change in convergence between 2500 and 5000 simulations. 2500 simulations has been used in the step through analysis over the year and in the final closing position.

**(b) Market costs of hedging - Description of guarantees, options or smoothing**

No guarantees, options or smoothing costs have been valued using this method.

**(c) Deterministic projections - Description of guarantees, options or smoothing**

No guarantees, options or smoothing costs have been valued using this method.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

**(5) Management Actions**

- (a) There are various allowances and limitations for management actions in the stochastic model. Details of the key decisions are set out below.

**Projected Equity backing Ratio (EBR)**

It is assumed that management will intervene and carry out switches (over and above any market movements) of assets backing asset shares. The aim of this approach is to maximise policyholder returns, whilst managing solvency within acceptable risk levels.

If equity/property performance was poor, solvency would reduce, leading to management action to reduce the exposure to these assets. The model contains limits on the maximum change to the total EBR that can be made per month and has upper and lower EBR bounds. Additionally, the model contains limits on the maximum change to the relative proportion of equity and property that can be made per annum.

The EBR dynamic rule within the stochastic model takes into account the projected value of the future guarantees, available capital and asset shares. It then adopts a dynamic hedging approach to determine the EBR for the assets backing the asset share.

If projected asset shares are close to the projected value of the guarantees and the available capital is low, then we are less able to rely on equity/property assets, which leads to a lower EBR. However, if the projected asset shares are significantly in excess of the projected guarantees or if the available capital is high, then there is more scope to invest in equity/property and EBR can increase accordingly.

**Regular Bonus Assumptions**

The RB rate is set to ensure that a sufficient level of final bonus can be built up whilst also ensuring the RB rate has reasonable long term sustainability.

The stochastic model utilises a dynamic RB algorithm that depends on the projected asset share to projected guaranteed benefit relationship, along with the desired final bonus buffer and investment return assumption. This calculation also allows for a maximum per annum movement in the RB rate.

The RB algorithm has been compared with actual bonus declarations with satisfactory results.

The results produced by the application of this model are shown in 6.5(b)(i).

**Guarantee Charges on asset shares**

There is currently no charge for the Cost of Guarantees in this fund.

**Shareholder Transfers and tax**

The model assumes that transfers to shareholders continue at the rate of one ninth of the cost of bonus on Conventional Business only.

Shareholder transfers and the associated tax are assumed to be charged to asset shares or the estate in line with the PPFM.

**Mortality costs**

Mortality profits and losses are passed on to the asset shares of Conventional policies in line with PPFM.

**Surrender costs**

The current practice of the fund is to target surrender payouts at 100% of Asset Share. Consequently, no future surrender profit or loss is anticipated to emerge.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014****(b) Best estimate of future proportions of assets backing the WPBR.**

- The projection allows for future EBR management action as discussed earlier in this document. The results reflect an average of the simulated positions.

**(i) Projection at risk free rate**UWP Bonus Rates

<b>Product</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
UWP Life	1.75%	1.80%	1.69%
UWP Life with Gtee	2.50%	2.86%	2.95%
UWP Pension	2.50%	2.27%	1.88%
UWP Pension with Gtee	4.00%	4.25%	4.23%

Further notes on bonus rates:

- Units purchased before 1 January 1999 on Life policies written before 1 January 1995 have a guaranteed regular bonus rate of 2.5%;
- Units purchased before 1 January 1999 on Pensions policies written before 1 January 1995 have a guaranteed regular bonus rate of 4% p.a.

Assets Backing With-Profit Benefits Reserve

To the extent that the asset mix in the fund is different from the benchmark asset mix for the fund, it is assumed that the asset mix is reset to the benchmark immediately following the valuation date.

Consequently, the projections below are based on the benchmark asset share mix as at 31 December 2014:

<b>Asset Class</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
Equities	46.9%	43.6%	43.9%
Property	19.6%	18.2%	18.3%
Fixed Interest	29.7%	35.2%	34.8%
Cash	3.9%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	66.4%	61.8%	62.2%

**(ii) Projection at risk free rate plus 17.5%**UWP Bonus rates

<b>Product</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
UWP Life	1.75%	2.10%	2.04%
UWP Life with Gtee	2.50%	3.02%	3.16%
UWP Pension	2.50%	2.60%	2.21%
UWP Pension with Gtee	4.00%	4.37%	4.33%

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2014	31/12/2019	31/12/2024
Equity	46.9%	44.8%	45.2%
Property	19.6%	18.7%	18.9%
Fixed Interest	29.7%	33.6%	32.9%
Cash	3.9%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	66.4%	63.4%	64.1%

(iii) **Projection at risk free rate minus 17.5%**UWP Bonus rates

Product	31/12/2014	31/12/2019	31/12/2024
UWP Life	1.75%	1.53%	1.39%
UWP Life with Gtee	2.50%	2.72%	2.78%
UWP Pension	2.50%	1.97%	1.58%
UWP Pension with Gtee	4.00%	4.16%	4.14%

Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2014	31/12/2019	31/12/2024
Equity	46.9%	42.2%	42.4%
Property	19.6%	17.6%	17.7%
Fixed Interest	29.7%	37.2%	36.9%
Cash	3.9%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	66.4%	59.8%	60.1%

(6) **Persistency and Mortality Assumptions**

The lapse rates assumed in the projection of the asset shares and guaranteed benefits are based on own experience adjusted for anticipated trends. The following table shows the static assumptions; the model incorporates a dynamic overlay to these rates.

WPSF		Average surrender / paid-up rate for the policy years			
		1-5	6-10	11-15	16-20
CWP savings endow ment	surrender	n/a	n/a	n/a	1.00%
CWP target cash endow ment	surrender	n/a	n/a	n/a	1.00%
UWP savings endow ment	surrender	n/a	n/a	7.00%	7.00%
UWP target cash endow ment	surrender	n/a	n/a	7.00%	7.00%
UWP bond	surrender	n/a	n/a	7.00%	7.00%
UWP bond	automatic withdraw als	n/a	n/a	1.75%	1.75%
CWP pension regular premium	PUP	0.00%	0.00%	0.00%	0.00%
CWP pension regular premium	surrender	1.00%	1.00%	1.00%	1.00%
CWP pension single premium	surrender	1.00%	1.00%	1.00%	1.00%
UWP indiv pension regular premium	PUP	n/a	n/a	n/a	n/a
UWP indiv pension regular premium	surrender	3.50%	3.50%	3.50%	3.50%
UWP indiv pension single premium	surrender	3.50%	3.50%	3.50%	3.50%

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

For UWP business we make no allowance for future premiums, so the PUP rate is not applicable.

Automatic partial withdrawals on bonds have no MVRs applied (subject to certain limits).

**Mortality Assumptions**

Mortality assumptions for the Realistic Balance sheet are generally best-estimate assumptions.

**Annuitant Mortality**

For all immediate annuities and deferred annuities in payment we use the following annuitant mortality basis

	<b>31/12/2014</b>
Males	104.5% PCMA00 with CMI_2013_M(1.75%) improvement factors, applicable from 2001
Females	99.5% PCFA00 with CMI_2013_F(1.5%) improvement factors, applicable from 2001

**Guaranteed Annuity Option take-up rate**

A take-up rate of 83% has been assumed in respect of Guaranteed Annuity options attaching to pensions.

A fixed take up rate is assumed irrespective of how in the money the option is.

The member's chosen normal retirement age has been used to determine the value of the Guaranteed Annuity Option.

**(7) Policyholder Actions**

Policyholder actions are covered by the static persistency and GAO take-up rates in the previous section, together with a dynamic overlay for certain classes of business. There is dynamic linking of policyholder behaviour in respect of no-MVR and 'money-back' guarantees for certain classes of business.

**7. Financing Costs**

There are no financing costs.

**8. Other long-term insurance liabilities**

<b>Product Class</b>	<b>Any other liabilities related to treating customers fairly</b>	<b>Any other long-term insurance liabilities</b>
Conventional Life	0	88
Conventional Pensions	0	38
UWP Life	0	0
UWP Pensions	0	0
Miscellaneous	0	56
<b>Total</b>	0	182

**Any other liabilities related to treating customers fairly**

No liability is held in respect of any other liabilities related to treating customers fairly.



**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014****Any other long-term insurance liabilities**

Shareholder transfers and the additional tax due on shareholder transfers are not chargeable to With Profits Sub-fund asset shares as set out in the demutualisation scheme. £126m is held in respect of these liabilities to the estate.

£45m is held to cover the cost of future expenses not charged to asset shares.

£12m is included in respect of other liabilities including future pension transfer review costs, and a reserve in respect of policyholder options.

**9. Realistic current liabilities**

The realistic current liabilities include the following:

- Outstanding claims
- Creditors arising out of direct insurance business
- Amounts owed to credit institutions
- Creditors in relation to current tax liabilities
- Other creditors
- Accruals and deferred income

The realistic current liabilities at 31 December 2014 are £1,787m.

The realistic current liabilities are £2m lower than the regulatory liabilities in WPSF. This reflects taking partial credit for assumed future income and capital gains for which tax due can be offset against an existing deferred tax asset.

**10. Risk Capital Margin**

(1)

<b>Fund</b>	<b>RCM (£m)</b>
WPSF	278.9

(a)

(i) Changes in asset values under stress scenarios for equities and real estate (property)

<b>Asset Class</b>	<b>Change in market values</b>
UK Equities	20.00%
OS Equities	25.70%
Property	12.50%

The overseas equity change is set such that it has the same probability as UK equities changing by 20%.

A rise in market values of equity and property is more onerous than a fall in market values for WPSF.

(ii)

<b>Asset Class</b>	<b>Rise in FI yields</b>	<b>Fall in FI yields</b>
Nominal change in yields	+38bps	-38bps
long-term yield – level post-stress	2.57%	1.81%
long-term yield - % movement post-stress	+17.50%	-17.50%

The fall in fixed-interest yield scenario is more onerous.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

(iii)

<b>Fund</b>	<b>Average Increase in credit spread – excluding Approved stock</b>	<b>Change in FI asset value – excluding Approved stock</b>
<b>WPSF</b>	1.44%	-2.34%

The average increase in credit spread is weighted by current market value of fixed interest.

The change in FI asset values is from the increase in credit spreads from the credit-risk test.

No stress has been applied to any other assets in the credit risk scenario.

There is no reinsurance in the Fund.

- (iv) For the persistency test a 32.5% decrease in lapse rates is tested as this increases the fund's exposure to maturity guarantees.

% increase in realistic liabilities for WPSF = 0.78%

- (v) Not applicable.

**(b) Management Actions under the stress tests**

- (i) No changes in management actions or to any other assumptions are assumed to be made under the stress tests.
- (ii) Not applicable.
- (iii) The same investment management rules governing any change in asset mix of the fund have been used for projection of assets in the stress tests as in the central scenario.
- (iv) In the stress test, the Guarantee Charge remains at 0% for 2015 and thereafter.

(c)

- (i) The assets hypothecated to back the risk capital margin are set out in the following table

<b>WPSF Assets backing RCM</b>	<b>£m</b>	<b>%</b>
UK equities	-	0.00%
Overseas equities	-	0.00%
Land and buildings	-	0.00%
Approved fixed interest securities	64.7	23.21%
Other fixed interest securities	-	0.00%
All other assets	214.2	76.79%
<b>Total</b>	<b>278.9</b>	<b>100.00%</b>

- (ii) All assets backing the RCM are within the With-Profits Sub-Fund.

**11. Tax****(1) Tax treatment in the with-profits benefit reserves**

Asset shares are credited with net of tax investment returns allowing for actual tax rates.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2014**

<b>WPSF</b>	<b>2014</b>
	<b>%</b>
Income tax	20
Capital gains tax	20
Franked income tax	-
Withholding tax	15

Capital gain tax is charged or relief credited, on unrealised gains or losses in each period allowing for the probability of the charge or relief materialising in future. A probability of 45% is assumed for 2014, this leads to a notional tax charge/credit of 9%.

**(2) Tax treatment in future policy related liabilities**

The following tax rates have been used in the future for all projections:

Corporation Tax	20%
Income Tax	20%
Capital Gains Tax	20%
Franked Income Tax	0%
Withholding Tax	15%

The corporate tax rate is set at 20% in respect of payments from 2015 onwards, the rate will apply from April 2015. No allowance is made for possible further reductions in this rate in future.

For asset share projections in the stochastic model, capital gains tax is levied on gains in each future period at 20% in simulations where there are sufficient cumulative indexed gains.

**(3) Tax treatment in the realistic current liabilities**

In the realistic regime allowance for deferred tax assets is made. The credit in relation to capital losses is reduced to allow for the probability of no future value being obtained for those capital losses. Discounting is applied for deferral of tax on deemed disposals on OEICs and any acquisition expense elements of the tax asset.

In the regulatory regime no allowance is made for deferred tax assets.

**12. Derivatives**

<b>Security</b>	<b>WPSF Exposure at 31/12/2014 £m</b>
Futures on Bonds - short term trading derivatives	(3)
Futures on Equities - short term trading derivatives	872
Currency Futures	875
Property Futures	0
Inflation Rate Sw aps - pay fixed/receive floating	431
Inflation Rate Sw aps - pay floating/receive fixed	0
Inflation Rate Sw aps - pay floating/receive floating	3,566
Interest Rate Sw aps - pay fixed/receive floating	3,158
Interest Rate Sw aps - pay floating/receive fixed	7,074
Credit Default Sw aps	(16)
Total Return Sw aps - pay bonds receive libor	(253)
Total Return Sw aps - pay libor receive bonds	110
Equity Options	636

Futures are used either as part of Aviva Life & Pensions UK Limited portfolio management strategy or for risk mitigation strategies. The majority of these expire no later than 31 March 2015.

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Financial year ended **31 December 2014**

The Interest Rate and Inflation Swaps are primarily used for risk mitigation strategies and more specifically as a partial hedge of the Guaranteed Annuity Option liability.

The Credit Default Swaps are used to manage bond spread and default risk within the fund.

The swap exposure figures are shown as gross counterparty exposure and do not allow for the offset of individual contracts against one another.

**13. Analysis of working capital**

		WPSF £m
Note	Working capital at 31/12/2013	1,477
1	Investment return on opening working capital and profits on assets backing liabilities	5
2	Economic assumption changes	38
3	Non-economic assumption changes	55
4	Policyholder action assumption changes	(25)
5	Other experience variances	(20)
6	Modelling changes and opening adjustments	(8)
7	Miscellaneous liabilities	35
	Working capital at 31/12/2014	1,557

Notes

1. The profits on assets backing liabilities includes the reduction in guarantee costs arising from the release of time value in guarantees and options, returns on assets backing guarantees in excess of the movement in the cost of guarantees. It has not been possible to split return on working capital and return on guarantee costs so this has also been included in this line of the analysis.
2. The economic assumption impact is mainly driven by changes to bond yields and a decrease to the future implied equity and swaption volatility.
3. Non-economic assumption changes are driven by a weakening of the annuitant mortality assumptions and a decrease in GAO take-up rates.
4. The policyholder assumption change relates to a decrease in lapse rates on guaranteed products.
5. Experience variances include the impact of mortality, persistency longevity and expenses. The fund does not write significant volumes of new business.
6. Modelling changes and opening adjustments include:
  - Modelling of the BRV for paid up pensions and whole of life products
  - An increase in the allowance held in the reserves for MEP guarantee on UWP business
  - Changes to the methodology of manual adjustments to the asset share for CWP pensions
7. Miscellaneous liabilities include changes to the Product Governance reserve that is held.
8. Note that the change in other liabilities from Form 19 line 47 is included in the analysis above.
9. The change in working capital arising purely from the change in line 51 cannot be quantified.

**14. Optional Disclosure**

The split and determination of what is classified as contractual and non-contractual obligations are covered in section 6.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**  
 Global business  
 Financial year ended **31 December 2014**

**1. Introduction**

- (1) The **valuation date** is 31 December 2014.
- (2) The date of the previous valuation was 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of rule 9.3A.

**2. Assets**

**(1) Economic assumptions for valuation of non-profit business**

The economic assumptions used to value future profits on non-profits business are as follows

	2014	2013
Gross investment return	Risk Free rate	Risk Free rate
Discount rate	Risk Free rate	Risk Free rate
Expense inflation	2.99%	3.38%
Tax rates	20%	20%

- The risk free rates used are the same as the rates used to determine guarantee costs, and shown in section 6(4)(a)(ii) below.
  - The discount rate is now equal to the investment return. An explicit margin is held to allow for the cost of any non-financial guarantees.
  - The value of future profits on non-profit business includes the release of the LTICR in respect of non-profit business. In assessing this release an approximate allowance is made for tax and investment expenses.
- (2) Not applicable.
  - (3) Not applicable.
  - (4) Not applicable.

**3. With-Profits Benefits Reserve Liabilities**

- (1) There are four main methods used to calculate the with-profits benefits reserve.

- Asset share (individual) (retrospective)
- Asset share (group) (retrospective)
- Bonus Reserve Valuation (prospective)
- Regulatory Reserve (prospective)

The majority of the with-profits benefits reserves are asset shares calculated on an individual policy (or increment) basis. They represent an accumulation of premiums plus investment return less charges and other sources of profit or loss in line with the fund's PPFM. A small amount of business is treated at an aggregate level using accounts and reserve information to derive the asset share.

The With Profit Benefit Reserve for With Profits Immediate Annuities is set to the bonus reserve valuation for:

- Business with entry years prior to 1984, where a BRV approach is used so that the With Profits Benefits reserve is aligned to the bonus setting process. Future bonus rates are assumed to be zero.

The total amount of With Profit Benefit Reserve calculated by reference to the BRV approach is £19m.

Regulatory reserves are used for remaining small classes of business where asset share or BRV calculations are not currently carried out.

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Financial year ended **31 December 2014****At 31 December 2014**

<b>Product Class</b>	<b>With-profit benefits reserve £m</b>	<b>Future Policy Related Liabilities £m</b>	<b>Total £m</b>
Conventional Life		3	27
Asset Share (individual)	16		
Regulatory Reserve	9		
Conventional Pensions		623	1,581
Asset Share (individual)	773		
Asset Share (group)	127		
Bonus Reserve Valuation	24		
Regulatory Reserve	34		
Miscellaneous Other	-1	48	47
<b>Total</b>	<b>983</b>	<b>673</b>	<b>1,656</b>

Conventional life consists mainly of endowment business with £8m of whole life business. The WPBR consists of individual policy level asset shares for premium paying business, regulatory reserve of £6m for premium paying business where reliable asset shares are not available, and another £3m of regulatory reserve on paid-up policies where no historical premium payment information is available. Conventional life endowment policies have guaranteed amounts at maturity equal to the basic sum assured plus any regular bonus accrued to date. Conventional whole life contracts provide a guaranteed pay-out on death of basic sum assured plus regular bonus accrued to date. Reinsurance of endowment business to OWPSF and NWPSF has reduced the asset share of this business in the PM fund by £16m.

Conventional pensions business consists of regular and single premium cash on retirement and deferred annuity business. Many of the pensions have a guaranteed annuity option (GAO) or minimum cash value at the normal retirement date. The majority of business has asset shares calculated at an individual policy basis with some approximations where reliable premium histories are unavailable. The asset shares for the Deferred Allocation Funding (DAF) Fund are calculated at an aggregate level and total £94m at 31 December 2014.

Regulatory reserves of £34m are held mainly in respect of with-profit annuity, executive pensions and self-employed retirement annuities where reliable asset shares are not available. The miscellaneous items in the With Profits Benefit Reserve relate to amounts yet to be added to individual Asset Shares in respect of past experience.

(2) Not applicable.

**4. With-profits benefits reserve – Retrospective method****(1) Table of methods**

<b>Method</b>	<b>With-profit benefits reserve (%)</b>
Asset Share (individual)	81
Asset Share (grouped)	13
BRV	2
Regulatory Reserve	4
Miscellaneous Other	0
<b>Total</b>	<b>100</b>

The table above shows the proportion of with profit benefit reserves calculated using each method.

The asset shares on a grouped basis relate to the conventional pension DAF scheme. The asset shares are an accumulation of premiums plus investment return, less claims and expenses at product level.

**(2) Changes in valuation method**

(a) There have been no significant changes to the valuation methodology during 2014.

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(b) Not applicable.

**(3) Allocation of expenses**

(a) See (b)

(b) UKLS income and expenses are calculated on a monthly basis and a profit or loss determined on an annual basis.

(c) The text below sets out the treatment of charges made to asset shares with respect to expenses and commission. Broadly speaking, all policy related expenses and commission are charged to asset shares.

				<b>2014</b>
	<b>Charged to WPBR</b>	<b>Not-Charged to WPBR</b>	<b>Non-Profit expenses</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Initial expenses and commission	0	1	0	1
Renewal expenses and commission	2	10	(1)	12
Shareholder Transfers	0	3	0	3

The above tables approximately splits out the expenses incurred over 2014. Non-profit expenses are expenses relating to non-profit business within the fund. PM asset shares are charged all actual expenses incurred. Charges for mortgage endowment mis-selling are deducted as an exit cost when calculating final bonus rates, however no such charge is made at present.

**Expenses charged to the with-profit funds**

From 01/01/2009 a new Management Services agreement (MSA) is in place whereby per policy (annual) and per fund charges are made. The per fund charge is allowed for by using an estimate of the policies in force in a given year, by MSA category, and by fund. Changes in policy counts over the year will be monitored, and this will be amended to reflect the actual policy counts retrospectively.

For policies that have migrated on to the outsourced platform “Alpha”, an additional per policy charge will apply. Furthermore, there is a trail fixed charge p.a. for the years 2009-2012.

Investment management expenses are charged to the funds in line with the Investment Management Agreement with the fund managers.

Commission and sales related expenses are also charged to the with-profit fund. Initial and renewal commission scales and uplifts depend on product type and the agreement with the particular sales channel.

Shareholder transfers are charged to the with-profit fund on a 90/10 basis.

**Expenses charged to the with-profits benefit reserves**

The total expenses charged to with-profits benefit reserves over 2014 are approximately £2.0m. Almost all of this relates to investment expenses and renewal expenses, as PM is not open to new business other than through increments to existing contracts.

Actual sales and policy administration fees are charged to asset shares on a cost plus basis.

Actual investment management fees are charged to asset shares.

Shareholder transfers are not charged to asset shares.

**Expenses not charged to the with-profits benefits reserve**

Shareholder transfers are charged to the estate. The tax on shareholder transfers is paid for by the shareholders.

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Financial year ended **31 December 2014****(4) Guarantee Charges**

No regular deduction is made from the with profits benefit reserve of policies in respect of the cost of guarantees. A one-off adjustment is made to maturity pay-outs, as described in 6(4)(a).

**(5) Non-Insurance Risk Charges**

No explicit deduction is made from the with-profits benefit reserves in respect of non-insurance risks.

**(6) Claims ratios**

Fund	Product Type	2012	2013	2014
PM	Life	95%	102%	103%
PM	Pensions	94%	98%	103%

These are estimates of claim amounts relative to asset share for the past three complete calendar years.

The figures above for 2012 to 2014 are estimates based on actual maturity and surrender pay-outs. Figures for pensions policies are quoted relative to the asset share after any charge for projected Guarantee Annuity Option costs are applied.

All entries for Form 19 lines 32 and 33 in respect of reserves for past miscellaneous surplus and any past miscellaneous deficit are zero.

**(7) Gross investment return allocated to WPBR**

Gross returns allocated to asset shares over 2014 are 9.63%. This rate applies to all policies.

**5. With-profits benefits reserve – Prospective method****(1) Prospective assumptions**

2% of the PM with-profit benefits reserve is made up of bonus reserves and 4% is made up of regulatory reserves. The key assumptions are:

- (a) & (b) Valuation interest rates are as outlined in Appendix 9.4.
- (c) Expense inflation assumption is 2.99%.
- (d) Future bonus rates are as described in section 3(1).
- (e) Expense assumptions are as outlined in Appendix 9.4.
- (f) No allowance is made for lapses.
- (g) Mortality bases are as outlined in Appendix 9.4.

**(2) Not applicable.****6. Costs of guarantees, options and smoothing****(1) Not applicable.****(2)**

- (a) The calculation of the cost of guarantees, options and smoothing has been performed using a stochastic model. A description of the stochastic model is given below.

**(b) Grouping Basis**

All valuation methods use grouped policy data. Data has been divided as follows:

For conventional business:

- Product class (e.g. life endowment, conventional pensions, with-profit annuity)



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- Life Endowment contracts are grouped by business type, age, sex and outstanding term
- Conventional Pensions are grouped by business type, age, sex, outstanding term, original term and GAO eligibility.
- With Profit Annuities are grouped by business type, age, sex, outstanding term, annuity frequency, entry year, guarantee period, advance or arrear payment, bonus series and joint life status.

For PMSF, we have grouped approximately 33,200 individual model points into 11,600 grouped model points.

**Validations**

The aggregate asset shares are reconciled to the totals in Form 19.

- (c) The stochastic model directly models over 81% of PMSF with profit business (as measured by asset share). Residual business, together with any associated guarantees, is modelled by scaling similar directly modelled business or appropriate manual method.
- (3) The principal changes to the valuation method for the costs of guarantees, options and smoothing since the previous valuation are:
- Reduction of number of simulations in stochastic model from 1000 to 500
- (4) **Description of guarantees, options or smoothing being valued**

**(a) Stochastic Model - Description of guarantees, options or smoothing**

- (i) Here follows the cost and description of the guarantees, options and smoothing methods by product grouping.

<b>PMSF</b>	Planned Enhancements to WPBR	Planned Deductions to WPBR for other costs	Contractual Guarantee costs	Cost of Financial Options	Smoothing costs
Product Class					
Conventional Life	2	0	0	0	0
Conventional Pensions	68	0	144	358	0
Miscellaneous	0	7	0	0	(20)
Total	70	7	144	358	(20)

**Planned Enhancements to WPBR**

When the fund is in surplus prior to adjustments, we allow for payouts on maturing policies of all classes to be enhanced. The level of the enhancement is calculated so that the net realistic working capital in the fund is zero. At 31 December 2014 the planned enhancements to WPBR totalled £70m.

**Planned Deductions to WPBR for Cost of guarantees and options**

When the fund is in deficit prior to adjustments, we allow for payouts on maturing policies of classes that have a Guaranteed Annuity Option to be charged a proportion of the realistic cost of providing for the Guaranteed Annuity Options attaching to many of the policies. The proportion of the cost is calculated so that the net realistic working capital in the fund is zero, and the charge is no greater than 10% of the asset share.

When the fund is in deficit prior to adjustments, payouts on maturing Endowment policies are charged the cost of any compensation payable in respect of mis-selling of Mortgage Endowments.

At 31 December 2014, there were no planned deductions.

**Planned Deductions to WPBR for other costs**

This represents the expected charge to Asset Shares in respect of expenses incurred in the migration of business to the Admin Re platform.

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At 31 December 2014 the planned deductions to WPBR totalled £7m.

**Contractual Guarantee Costs**

To assess the extent to which guarantees or options are in or out of the money we have compared the stochastic cost included in Form 19 against the cost on the deterministic 'central-estimate' basis using the risk-free rate.

Conventional Pensions

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection. The cost of providing for any guaranteed annuity options is covered under the cost of financial options.

	PMSF
Stochastic Reserve	£29m
Central Estimate	£28m
Option value	4%

Conventional pensions guarantees are in the money.

Some pension policies have Guaranteed Annuity Rate options. The methodology for these reserves is covered in 6(4)(b).

Immediate Annuities

This represents the cost of guarantees on survival.

	PMSF
Stochastic Reserve	£114m
Central Estimate	£98m
Option value	14%

Immediate annuity guarantees are mostly in the money.

**Costs of Financial Options**

This represents the cost of the guaranteed annuity option (GAO) attaching to conventional deferred cash pensions. Contracts provide for a basic cash amount plus accrued regular bonus and a final bonus. The policyholder then has the option to take this cash amount or to convert this into income at guaranteed rates written into the policy conditions.

	PMSF
Stochastic Reserve	£358m
Central Estimate	£355m
Option value	1%

Guaranteed Annuity options are deeply in the money.

**Smoothing Costs**

The amount reported is designed to give broadly neutral smoothing costs allowing for the costs incurred to the valuation date, consistent with statements in the PPFM for PM.

**(ii) Description of the asset model**

The asset model was calibrated using the following assumptions:

Risk-free rate:

- Risk-free rate curve as shown below

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Term	Risk-free rate (Swaps)	
	Dec-13	Dec-14
1	0.61%	0.65%
2	1.05%	0.93%
3	1.48%	1.15%
4	1.85%	1.33%
5	2.16%	1.46%
6	2.42%	1.57%
7	2.65%	1.66%
8	2.83%	1.75%
9	2.99%	1.82%
10	3.11%	1.88%
15	3.48%	2.13%
20	3.60%	2.25%
25	3.60%	2.29%
30	3.56%	2.30%

- The discount rate was set equal to the the UK Commercial Bank liability spot curve.
- All assets were expected to grow at the risk-free rate (i.e. risk neutral pricing was used).

Derivation of risk-free rate curve:

The risk-free rate will be based on the swap curve for both the opening and closing position. The swap curve was first adopted for use in April 2012.

Use of the curve:

The above risk-free rate curve was used for all option-pricing purposes.

**Interest Rate Model**

A monthly Libor Market Model Plus (LMM+) is used.

The LMM+ model allows for variation of interest rate volatility by moneyness of guarantees as well as by term to maturity and term of payment (for GAO and GMP). This results in a better fit to the volatility surface.

Real interest rates are modelled using a 2-factor Gaussian LMM model.

The Gaussian LMM model is a special case of the LMM+ interest rate models. The model uses two stochastic factors – this allows a richer universe of possible yield curve shapes and allows a degree of de-correlation between different parts of the yield curve. Under the Gaussian LMM+ model it is possible to obtain negative interest rates. Unlike the nominal case, this is not a problem for real interest rates as it is possible to observe negative real rates in practice. Also the initial market observed real yield curve is an input to the Gaussian LMM model and this allows for more accurate modelling of inflation.

The RPI inflation assumption is derived from the difference in modelled nominal and real interest rates using an Inflation Plus model. The CPI Inflation assumption is derived from RPI inflation using an Inflation Wedge model.

**Equity Model**

Equity volatility is calibrated to equity implied volatility. The approach to calibration is to capture the volatility of the longest available option term

Exchange traded options generally only trade up to two year terms. However, this is not a very good proxy for the long term guarantees embedded in insurance contracts. Longer terms are available OTC

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from investment banks - the longest term available is usually 10 years. This data is collected from a panel of investment banks.

The equity model is for the excess return process. That is, the element of return in excess of cash.

Barrie and Hibbert's Stochastic Volatility Jump Diffusion (SVJD) model is used. The SVJD model allows volatility to vary by equity price and time. This allows the model to capture the volatility skew as well as the term structure. As the full implied volatility surface can be captured the model is suitable for valuing guarantees where the characteristics vary by term and moneyness. The following sample UK equity volatilities have been produced from the ESG model:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	26.4%	22.8%	19.6%	17.0%	14.7%	12.3%	
3	23.6%	22.2%	20.9%	19.6%	18.3%	16.9%	15.7%
5	23.2%	22.1%	21.1%	20.1%	19.2%	18.2%	17.2%
7	23.1%	22.3%	21.5%	20.7%	19.9%	19.2%	18.5%
10	23.5%	22.8%	22.1%	21.5%	20.9%	20.4%	19.8%
25	25.9%	25.6%	25.3%	25.0%	24.7%	24.4%	24.2%

**Property Model**

Property is modelled as an equity type asset using the constant volatility model.

The model is calibrated using a 15% volatility assumption, which is adjusted from data provided by Barrie & Hibbert for Property volatility.

**Correlations**

Correlations are controlled in two ways. For equity markets, correlations are defined by the exposures to common elements of the factor model. For other assets, correlations can be defined between the stochastic shocks to the returns. Shock correlations are not equivalent to return correlations. However, shock correlations can be used to target a particular return correlation.

Correlations between asset returns are targeted to best estimate assumptions. These targets have been derived by considering historical behaviour.

The target correlations used within the ESG are displayed below:

UK Equity Return versus	End Dec 2014
Property	36%
Bonds	15%
IL Bonds	11%
Short Rate	-11%

Correlations between asset classes are not constant within the model and will differ from the above, but the above targets represent the level of correlation which the parameters of the model are chosen to reproduce in the long term.

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Financial year ended **31 December 2014****(iii) Option prices from asset model**

<i>n</i>	<i>K</i>	0.75				1				1.5			
		5	15	25	35	5	15	25	35	5	15	25	35
<i>r</i>	<i>Annualised compound equivalent of the risk free rate assumed for the period (r)</i>	1.46%	2.13%	2.30%	2.29%	x	x	x	x	x	x	x	x
1	<i>Risk-Free Zero Coupon Bond</i>	930,054	729,256	566,622	452,003	x	x	x	x	x	x	x	x
2	<i>FTSE All Share Index (p=1)</i>	79,199	201,136	304,727	378,531	181,039	342,795	467,976	559,009	524,134	693,718	838,929	949,387
3	<i>FTSE All Share Index (p=0.8)</i>	75,834	178,477	256,716	304,914	173,944	305,765	396,436	452,172	505,823	624,379	714,802	774,773
4	<i>Property (p=1)</i>	20,339	82,978	146,846	208,242	114,564	209,069	291,856	368,504	512,828	583,478	668,963	754,684
5	<i>Property (p=0.8)</i>	18,328	66,239	109,552	148,707	106,700	173,699	225,253	271,340	492,698	507,383	539,746	578,245
6	<i>15yr Risk-Free ZCBs (p=1)</i>	10,700	13,450	12,495	25,988	81,961	83,973	87,161	125,567	500,335	500,963	502,712	523,492
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	9,475	8,697	5,439	8,893	74,990	57,684	42,738	55,981	479,058	411,158	349,347	329,367
8	<i>15yr Corporate Bonds (p=1)</i>	11,933	19,975	26,713	48,841	86,103	100,129	113,195	156,883	501,273	504,357	508,715	539,440
9	<i>15yr Corporate Bonds (p=0.8)</i>	10,592	13,590	14,391	23,086	79,016	72,557	66,174	85,729	480,047	416,390	361,130	353,301
10	<i>Portfolio 1 (p=1)</i>	42,148	131,246	218,365	285,609	135,024	259,207	367,598	449,846	508,858	612,305	731,057	827,752
11	<i>Portfolio 1 (p=0.8)</i>	39,551	112,579	177,045	221,186	127,884	224,400	300,633	351,655	488,906	540,204	607,366	656,127
12	<i>Portfolio 2 (p=1)</i>	36,403	109,659	183,819	246,502	124,164	228,444	323,682	399,496	502,205	577,808	678,456	765,492
13	<i>Portfolio 2 (p=0.8)</i>	34,119	93,234	146,520	187,791	117,319	195,612	260,402	307,448	481,653	505,132	555,896	597,992
14	<i>Portfolio 3 (p=1)</i>	16,134	59,534	111,796	164,567	91,839	161,853	235,153	302,984	499,816	527,760	594,587	664,275
15	<i>Portfolio 3 (p=0.8)</i>	14,611	47,416	82,292	116,085	84,986	131,130	177,165	218,161	478,576	449,008	467,023	495,428
16	<i>Sterling Receiver Swaptions</i>	30.48%	25.01%	21.68%	17.68%	38.22%	31.85%	27.36%	21.89%	45.46%	38.06%	32.29%	25.21%
		<i>Swap Duration = 15 years</i>				<i>Swap Duration = 20 years</i>				<i>Swap Duration = 25 years</i>			

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

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Notes on the table above:

Row 1 shows the value of cash payments of £1,000,000 due n years after the valuation date.

Rows 2 to 15 inclusive has been completed for the appropriate asset classes showing the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable n years after the valuation date with strike price of  $K * £1,000,000 * (1 + r * p)^n$ .

All references to 15-year bonds mean rolling bonds traded to maintain the 15 year duration at all future dates. The corporate bonds should be assumed to be rolling AA rated zero coupon bonds.

Row 16 shows the value of sterling receiver swaptions with a strike of 5% exercisable n years after the valuation date with swap durations on exercise of L years. The values are expressed as a percentage of nominal.

The property put options assumed relate to a well diversified portfolio of UK commercial property.

A zero trend growth in property prices is assumed where this is relevant.

In each case the options are valued with reinvestment of any dividend income into the FTSE All Share index and reinvestment of any rental or other property income into UK property.

Tax is ignored in all calculations.

All options are assumed to be European-style.

This is a combined table for 6.4(a)(iii) and 6.4(b)(iii).

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014****(iv) Initial Equity and Property Rental Yields**

For UK, the initial equity dividend yield is 3.54% and the initial property rental yield is 4.3%. UK risk free rates are applied throughout.

**(v) UK risk free rates are applied throughout.****(vi) Duration of significant guarantees**

The following table shows the durations of significant guarantees in the PM Fund. Duration is calculated as weighted average of projected maturity years with weights equal to the cost of guarantees. Anyone past Normal Retirement date is assumed to retire immediately.

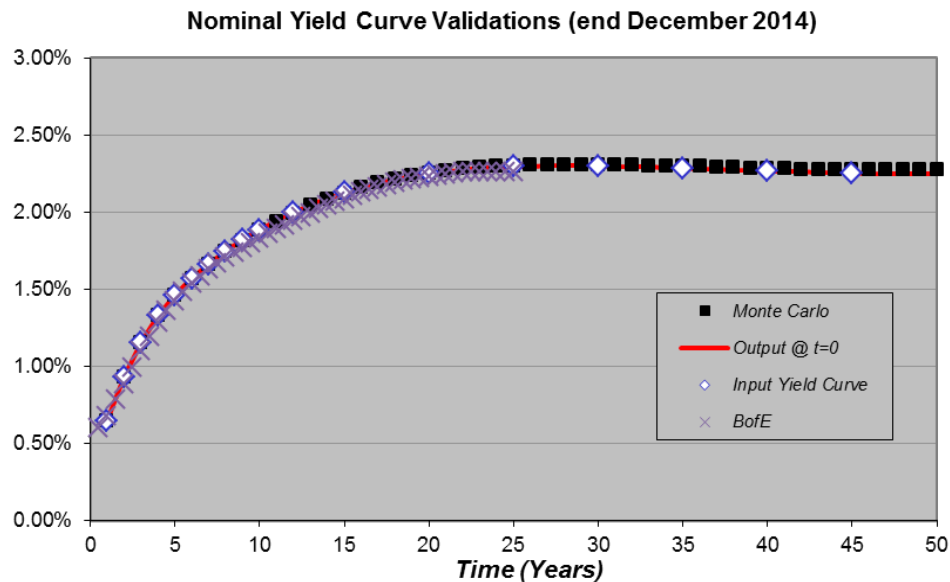
<b>Proportion of Guarantee Costs arising in Year (%)</b>		
<b>Year</b>	<b>Conventional Pensions – Base Guarantee</b>	<b>Conventional Pensions – GAR Option</b>
2015	9	33
2016	3	11
2017	5	11
2018	6	8
2019	5	7
2020	6	5
2021	7	5
2022	7	4
2023	6	3
2024	6	3
2025	6	2
2026	4	2
2027	5	1
2028	4	1
2029	4	1
2030	3	1
2031+	14	2
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Duration (yrs)</b>	<b>9.2</b>	<b>4.0</b>

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014**

The following illustrate the fit of the asset model to specimen market traded instruments:

Yield curve validationMarket implied volatilities:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	26.7%	23.2%	19.8%	16.7%	14.3%	13.0%	12.4%
3	23.8%	22.0%	20.4%	18.9%	17.6%	16.5%	15.6%
5	24.0%	22.7%	21.4%	20.3%	19.3%	18.3%	17.4%
9	24.9%	23.8%	22.8%	22.0%	21.2%	20.5%	19.9%

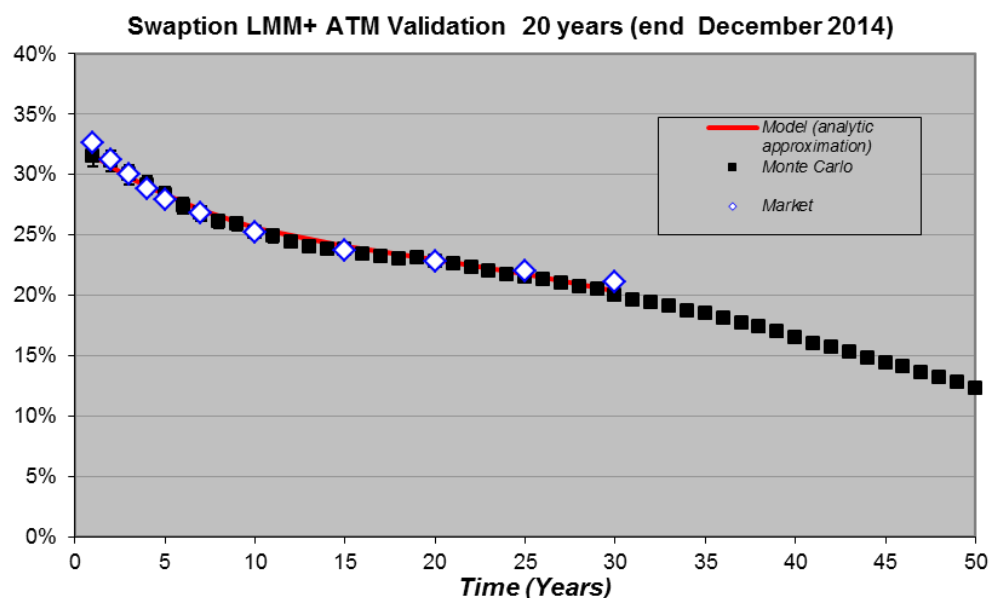
Difference between Modelled volatilities and Market Implied volatilities (bps):

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	(33)	(41)	(23)	29	40	(72)	0
3	(23)	21	55	70	69	46	3
5	(80)	(60)	(38)	(19)	(7)	(8)	(22)
9	(155)	(121)	(93)	(70)	(56)	(44)	(41)



**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014**Swaption implied volatilities**(vii) Nature of validations of asset model**

The table below shows the discounted value of £1 invested on the valuation date and projected forward  $t$  years ( $t=5, 10, 15, 20$ ) invested in equities and property. For a risk-neutral model, the expected result would be 100%.

t (year from valuation date)		5	10	15	20
Equities	5000 Simulation results	99.3%	99.9%	99.9%	100.1%
	standard error	0.4%	0.6%	0.9%	1.1%
Property	5000 Simulation results	100.1%	99.8%	99.5%	99.7%
	standard error	0.2%	0.3%	0.5%	0.6%

t (year from valuation date)		5	10	15	20
Equities	1000 Simulation results	99.1%	99.7%	98.6%	99.6%
	standard error	0.9%	1.4%	1.9%	2.5%
Property	1000 Simulation results	99.6%	99.2%	99.2%	99.6%
	standard error	0.3%	0.6%	0.9%	1.6%

**(viii) Number of projections**

To ensure convergence of the liabilities, separate calculations were carried out on different numbers of simulations (500 and 5000). This has demonstrated that there is no significant change in convergence between 500 and 5000 simulations.

**(b) Market costs of hedging - Description of guarantees, options or smoothing**

No guarantees, options or smoothing costs have been valued using this method.

**(c) Deterministic projections - Description of guarantees, options or smoothing**

No guarantees, options or smoothing costs have been valued using this method.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014**

**(5) Management Actions**

- (a) There are various allowances and limitations for management actions in the stochastic model. Details of the key decisions are set out below.

**Projected Equity Backing Ratio**

It is assumed that management will intervene and carry out switches (over and above any market movements) of assets backing asset shares. The aim of this approach is to maximise policyholder returns, whilst managing solvency within acceptable risk levels.

If equity/property performance was poor, solvency would reduce, leading to management action to reduce the exposure to these assets. The model contains limits on the maximum change to the total EBR that can be made per month and has upper and lower EBR bounds.

The EBR dynamic rule within the stochastic model takes into account the projected value of the future guarantees, available capital and asset shares. It then adopts a dynamic hedging approach to determine the EBR for the assets backing the asset share.

If projected asset shares are close to the projected value of the guarantees and the available capital is low, then we are less able to rely on equity/property assets, which leads to a lower EBR. However, if the projected asset shares are significantly in excess of the projected guarantees or if the available capital is high, then there is more scope to invest in equity/property and EBR can increase accordingly.

**Regular Bonus Assumptions**

Except for with-profit immediate annuities, the RB rate is set to ensure that a sufficient level of final bonus can be built up whilst also ensuring the RB rate has reasonable long term sustainability.

The stochastic model utilises a dynamic RB algorithm that depends on the projected asset share to projected guaranteed benefit relationship, along with the desired final bonus buffer and investment return assumption. This calculation also allows for a maximum per annum movement in the RB rate.

For with-profit immediate annuities, no final bonus exists. For this business a RB rate is set for each bonus series based on current asset shares.

The RB algorithm has been compared with actual bonus declarations with satisfactory results.

**Guarantee Charges on asset shares**

The model uses no charge to asset share in respect of guarantees.

Any planned deductions are calculated separately.

Any enhancement in respect of distribution of surplus is calculated outside of the stochastic model.

**Allocation of non-profit profits to asset share**

It is assumed that no future non profit profits are allocated to asset shares, in line with the PPFM.

**Shareholder Transfers and tax**

The model assumes that transfers to shareholders continue at the current proportions of 10% of the cost of bonus.

All transfers are assumed to be paid to NWPSF in all future years.

Shareholder transfers in the PM fund are met by the estate. Additional tax due on these is a shareholder liability and is not met by the fund.

**Mortality costs**

Mortality profits and losses are passed on to the asset shares in line with the PPFM

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014****Surrender costs**

The current practice of the fund is to target surrender payouts at 100% of Asset Share. Consequently, no future surrender profit or loss is anticipated to emerge.

**(b) Best estimate of future proportions of assets backing the WPBR.**

The projection allows for future EBR management action as discussed earlier in this document. The results reflect an average of the simulated positions.

**(i) Projection at risk free rate**

The fund does not have any Unitised With-Profits business.

Assets Backing With-Profit Benefits Reserve

<b>Asset Class</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
Equities	21.7%	1.1%	0.0%
Property	5.5%	0.3%	0.0%
Fixed Interest	75.6%	95.6%	97.0%
Cash	-2.7%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	27.2%	1.4%	0.0%

**(ii) Projection at risk free rate plus 17.5%**Assets Backing With-Profit Benefits Reserve

<b>Asset Class</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
Equity	21.7%	0.8%	0.0%
Property	5.5%	0.2%	0.0%
Fixed Interest	75.6%	96.0%	97.0%
Cash	-2.7%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	27.2%	1.0%	0.0%

**(iii) Projection at risk free rate minus 17.5%**Assets Backing With-Profit Benefits Reserve

<b>Asset Class</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
Equity	21.7%	1.6%	0.0%
Property	5.5%	0.4%	0.0%
Fixed Interest	75.6%	95.0%	97.0%
Cash	-2.7%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	27.2%	2.0%	0.0%

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014****(6) Persistency and Mortality Assumptions**

The persistency assumptions used in the calculation of maturity and GAO costs are shown in the following table.

PM		<b>Average surrender / paid-up rate for the policy years</b>			
		<b>1-5</b>	<b>6-10</b>	<b>11-15</b>	<b>16-20</b>
CWP savings endow ment	surrender	1.50%	1.50%	1.50%	1.50%
CWP target cash endow ment	surrender	1.50%	1.50%	1.50%	1.50%
UWP savings endow ment	surrender	n/a	n/a	n/a	n/a
UWP target cash endow ment	surrender	n/a	n/a	n/a	n/a
UWP bond	surrender	n/a	n/a	n/a	n/a
UWP bond	automatic w ithdraw als	n/a	n/a	n/a	n/a
CWP pension regular premium	PUP	0.00%	0.00%	0.00%	0.00%
CWP pension regular premium	surrender	1.55%	1.55%	1.55%	1.55%
CWP pension single premium	surrender	1.55%	1.55%	1.55%	1.55%
UWP indiv pension regular premium	PUP	n/a	n/a	n/a	n/a
UWP indiv pension regular premium	surrender	n/a	n/a	n/a	n/a
UWP indiv pension single premium	surrender	n/a	n/a	n/a	n/a

**Mortality Assumptions**

Mortality assumptions for the Realistic Balance sheet are generally based on own experience adjusted for anticipated trends.

**Annuitant Mortality**

	<b>31/12/2014</b>
Males	100% PCMA00 with CMI_2013_M(1.75%) improvement factors, applicable from 2001
Females	100.5% PCFA00 with CMI_2013_F(1.5%) improvement factors, applicable from 2001

**Guaranteed Annuity Option take-up rate**

An initial take-up rate of 78% has been assumed in respect of Guaranteed Annuity options attaching to pensions.

A fixed take up rate is assumed irrespective of how in the money the option is.

The member's chosen normal retirement age has been used to determine the value of the Guaranteed Annuity Option.

**(7) Policyholder Actions**

Policyholder actions are primarily covered by the static persistency and GAO take-up rates in the previous section. There is no dynamic linking of these decisions relative to the value of the options under each particular scenario.

**7. Financing Costs**

There are no financing costs.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014****8. Other long-term insurance liabilities**

Product Class	Any other liabilities related to treating customers fairly	Any other long-term insurance liabilities
Conventional Life	0	1
Conventional Pensions	0	52
Miscellaneous	0	75
<b>Total</b>	<b>0</b>	<b>128</b>

**Any other liabilities related to treating customers fairly**

No liability is held in respect of any other liabilities related to treating customers fairly.

**Any other long-term insurance liabilities**

£53m is held in respect of the shareholder transfers which are charged to the estate.

£75m is held in respect of payments expected to be made to UKA in respect of GAO costs incurred but not settled.

**9. Realistic current liabilities**

The realistic current liabilities include the following:

- Outstanding Claims
- Other creditors
- Allowance for tax credit due to excess expenses

The realistic current liabilities at 31 December 2014 are £313m.

The realistic current liabilities are £0.4m lower than the regulatory liabilities in PMSF. This reflects taking partial credit for assumed future income and capital gains for which tax due can be offset against an existing deferred tax asset.

**10. Risk Capital Margin**

(1)

Fund	RCM (£m)
PM	0.0

The RCM for the Fund is set to zero, as a result of the enhancement to WPBR due to the fund being closed to new business.

(a)

- (i) Changes in asset values under stress scenarios for equities and real estate (property)

Asset Class	Change in market values
UK Equities	20.00%
OS Equities	25.90%
Property	12.50%

The overseas equity change is set such that it has the same probability as UK equities changing by 20%.

A rise in market values of equity and property is more onerous than a fall in market values for PMSF.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014**

(ii)

Asset Class	Rise in FI yields	Fall in FI yields
Nominal change in yields	+38bps	-38bps
long-term yield – level post-stress	2.57%	1.81%
long-term yield - % movement post-stress	+17.50%	-17.50%

For PMSF, the rise in fixed-interest yield scenario is more onerous.

(iii)

Fund	Average Increase in credit spread – excluding Approved stock	Change in FI asset value – excluding Approved stock
PMSF	0.84%	-4.02%

The average increase in credit spread is weighted by current market value of fixed interest.

The change in FI asset values is from the increase in credit spreads from the credit-risk test.

No stress has been applied to any other assets in the credit risk scenario.

There is no material reinsurance in the Fund.

(iv) For the persistency test a 32.5% decrease in lapse rates is tested. This increases realistic liabilities by 0.39%, as a result of an increase in GAO and other guarantee costs

(v) Not applicable.

**(b) Management Actions under the stress tests**

(i) The following changes in management actions are assumed to be made under the stress tests.

Change to payouts

Under the stress test, the reduction in surplus is met by changes to payouts for maturing policies on all classes of business subject to any reduction in payout to meet a deficit in the fund being no higher than 10% of asset share.

(ii) An increase to pay-outs of £54m would be given in the stress test, compared to an increase to pay-outs of £70m in the central scenario.

(iii) The cost of Guaranteed Annuity Options increases by £22m.

(iv) The same investment management rules governing any change in asset mix of the fund have been used for the projection of assets in the stress tests as in the central scenario.

(v) Not Applicable.

(c)

(i) The RCM in the fund is zero.

(ii) Not Applicable

**11. Tax****(1) Tax treatment in the with-profits benefit reserves**

Tax on investment returns is assumed to be 20% on BLAGAB business in line with PM asset shares being predominantly invested in fixed interest securities.

**(2) Tax treatment in future policy related liabilities**

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014**

The following tax rates have been used in the future for all projections:

Corporation Tax	20%
Income Tax	20%
Capital Gains Tax	20%
Franked Income Tax	0%
Withholding Tax	15%

The corporate tax rate is set at 20% in respect of payments from 2015 onwards, the rate will apply from April 2015. No allowance is made for possible further reductions in this rate in future.

**(3) Tax treatment in the realistic current liabilities**

In the realistic regime allowance for deferred tax assets can be made. In the regulatory regime no allowance can be made. However, the effect of this on the fund is not material.

**12. Derivatives**

Security	PMSF Exposure at 31/12/2014
	£m
Futures on Bonds - short term trading derivatives	34
Futures on Equities - short term trading derivatives	2
Currency Futures	37
Property Futures	0
Inflation Rate Swaps - pay fixed/receive floating	149
Inflation Rate Swaps - pay floating/receive fixed	254
Inflation Rate Swaps - pay floating/receive floating	470
Interest Rate Swaps - pay fixed/receive floating	1,339
Interest Rate Swaps - pay floating/receive fixed	2,276
Credit Default Swaps	0
Total Return Swaps - pay bonds receive libor	(32)
Total Return Swaps - pay libor receive bonds	0
Equity Options	273

The exposure to futures is part of Aviva Life & Pensions UK Limited portfolio management strategy, and the majority of futures expire no later than 31 March 2015.

The exposure to Interest Rate Swaps and Inflation Rate Swaps, combined with an index-linked Gilt holding, is a partial hedge of the Guaranteed Annuity Option liability. It is expected that these will be unwound as liabilities fall due.

The swap exposure figures are shown as gross counterparty exposure and do not allow for the offset of individual contracts against one another.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2014****13. Analysis of working capital**

Note		PMSF £m
	Working capital at 31/12/2013	19
	Zeroisation impact	(19)
	Published Working Capital at 31/12/2013	0
1	Investment return on opening working capital and profits on assets backing liabilities	1
2	Economic assumption changes	40
3	Non-economic assumption changes	17
4	Other experience variances	4
5	Modelling changes and opening adjustments	23
6	Miscellaneous liabilities	1
	Working capital at 31/12/2014	105
	Zeroisation impact	(105)
	Working capital at 31/12/2014	0

Notes:

1. The profits on assets backing liabilities includes the reduction in guarantee costs arising from the release of time value in guarantees and options, returns on assets backing guarantees in excess of the movement in the cost of guarantees. It has not been possible to split return on working capital and return on guarantee costs so this has also been included in this line of the analysis.
2. The economic assumption impact in is mainly driven by changes to bond yields.
3. Non-economic assumption changes are driven by a weakening of the annuitant mortality assumptions and an increase in GAO take-up rates.
4. Experience variances include the impact of mortality, persistency longevity and expenses.
5. Modelling changes and opening adjustments include a revision to the calculation methodology of the asset shares of certain group WPIA business and a provision in respect of GAO costs incurred but not settled with UKA.
6. Miscellaneous liabilities consist of changes in provision for future expected outgo, including product governance provisions.
7. The fund is closed to new business.
8. Note that the change in other liabilities from line 47 is included in the analysis above.
9. The change in working capital arising purely from the change in line 51 cannot be quantified.



**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****1. Introduction**

- (1) The **valuation date** is 31 December 2014.
- (2) The date of the previous valuation was 31 December 2013.
- (3) An interim valuation was carried out with an effective date of 30 June 2014 for the purposes of rule 9.3A.

**2. Assets****(1) Economic assumptions for valuation of non-profit business**

The economic assumptions used to value future profits on non-profits business are as follows:

	2014	2013
Gross investment return		
· Annuities	Yield on supporting assets less an allowance for defaults	Yield on supporting assets less an allowance for defaults
· Other non-profit business	Risk free rate	Risk free rate
Discount rate		
· Annuities	Yield on supporting assets less an allowance for defaults	Yield on supporting assets less an allowance for defaults
· Other non-profit business	Risk free rate	Risk free rate
Expense inflation	2.99%	3.38%
Tax rates	20%	20%

- The risk free rates used are the same as the rates used to determine guarantee costs, and shown in section 6(4)(a)(ii) below.
- The discount rate is now equal to the investment return. An explicit margin is held to allow for the cost of any non-financial guarantees.
- The value of future profits on non-profit business includes the release of the LTICR in respect of non-profit business. In assessing this release an approximate allowance is made for tax and investment expenses.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

**3. With-Profits Benefits Reserve Liabilities**

(1) There are four main methods used to calculate the with-profits benefits reserve.

- Asset share (individual) (retrospective)
- Asset share (group) (retrospective)
- Bonus Reserve Valuation (prospective)
- Regulatory Reserve (prospective)

The majority of the with-profits benefits reserves are asset shares calculated on an individual policy (or increment) basis. They represent an accumulation of premiums plus investment return less charges and other sources of profit or loss in line with the fund's PPFM.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014**

Where asset shares are not currently calculated, or where they are unreliable as a starting point for deriving future bonuses, then either bonus reserve valuations (BRV) or regulatory reserves are used. BRVs are the discounted value of future expected benefits, premium and expenses allowing for best estimate future lapse and mortality assumptions. BRVs are used for the following classes of business:

- Conventional paid up policies (PUP).
- Conventional Whole Life policies.

Regulatory reserves are used for remaining small classes of business where asset share or BRV calculations are not currently carried out.

**At 31 December 2014****NWPSF**

Product class	With-profit benefits reserve £m	Future policy related liabilities £m	Total £m
Conventional Life		320	2,629
Asset Share (individual)	1,810		
BRV	487		
Regulatory Reserve	12		
Conventional Pensions		345	804
Asset Share (individual)	314		
BRV	88		
Regulatory Reserve	58		
UWP Life (inc. Overseas)		181	8,302
Asset Share (individual)	8,109		
Regulatory Reserve	13		
UWP Pensions (inc. Overseas)		118	2,400
Asset Share (individual)	2,200		
Asset Share (group)	73		
Regulatory Reserve	10		
UWP Stakeholder		30	885
Asset Share (individual)	854		
Regulatory Reserve	0		
Miscellaneous Other	11	70	81
Value of future transfers		(294)	(294)
<b>Total</b>	<b>14,038</b>	<b>769</b>	<b>14,808</b>

**OWPSF**

Product class	With-profit benefits reserve £m	Future policy related liabilities £m	Total £m
Conventional Life		102	552
Asset Share (individual)	388		
BRV	61		
Regulatory Reserve	1		
Conventional Pensions		68	161
Asset Share (individual)	46		
BRV	42		
Regulatory Reserve	5		
UWP Life (inc. Overseas)		31	978
Asset Share (individual)	945		
Regulatory Reserve	1		
UWP Pensions (inc. Overseas)		44	595
Asset Share (individual)	527		
Asset Share (group)	22		
Regulatory Reserve	3		
UWP Stakeholder		4	118
Asset Share (individual)	114		
Regulatory Reserve	0		
Miscellaneous Other	2	27	29
Distribution		89	89
<b>Total</b>	<b>2,157</b>	<b>365</b>	<b>2,522</b>

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**  
Global business  
Financial year ended **31 December 2014**

The BRV figures of £487m for conventional life in NWPSF and £61m in OWPSF relate mainly to the WPBR for the whole life policies, which are now entirely BRV. The remaining £6m in NWPSF and £3m in OWPSF relates to the BRV used for endowment PUP policies.

Asset shares for all stakeholder business and all UWP business sold from 1 October 2001 are calculated using policy charges rather than actual expenses. All other asset shares are charged actual expenses.

Conventional life endowment policies have guaranteed amounts at maturity equal to the basic sum assured plus any regular bonus accrued to date. Conventional whole life contracts provide a guaranteed pay-out on death of basic sum assured plus regular bonus accrued to date. Low cost whole life policies also provide a minimum death benefit over a pre-specified term. The whole-life with-profits benefit reserve is £490m for NWPSF and £59m for OWPSF. Conventional new business is not now actively sold. Reinsurance of endowment business from PM has increased the asset share of Conventional Life by £14m in NWPSF and £2m in OWPSF.

Conventional pensions provide a guaranteed basic sum assured at maturity plus accrued regular bonuses, plus any final bonus due. Conventional pensions consist of individual and group pensions that provide either for cash or for annuity at retirement. Cash schemes usually have a guaranteed minimum annuity payable at retirement. Annuity schemes usually have a guaranteed minimum cash value at retirement. Conventional pensions are not now actively sold. In NWPSF, £12m worth of the conventional Red Plan liability uses a discounted benefit basis (BRV) and in OWPSF £1m.

Conventional pensions also includes £18m of single premium with-profit annuity business in NWPSF and £(2)m in OWPSF which provides a level of income equal to a basic amount, plus accrued regular bonus, plus a discretionary top-up bonus. Customers can also select a future anticipated level of regular bonus. This increases the initial annuity amount payable, but the annuity amount reduces by the anticipated amount each year such that the total annuity payable would be level if the actual regular bonus rate equalled the anticipated rate. There is also a guaranteed minimum annuity amount attaching to this contract. With-profit annuity new business is now written by Aviva Life & Pensions UK Limited With-Profits Sub-fund.

UWP Life mainly consists of unitised bonds with £59m of unitised endowments in NWPSF and £23m in OWPSF. UWP units increase in value at the declared regular bonus rates and cannot reduce at the contractual maturity dates or at contract-specific no-MVR dates. There are no contractual no-MVR dates on ex CULAC Bonds. Any final bonus due is added at policy exit. The value on exit can be subject to an MVR if exit is not at one of the contractual no-MVR dates. UWP units purchased prior to 1 February 1994 have a guaranteed minimum regular bonus rate of 3% p.a.

On Portfolio Bonds purchased between 30 January 2006 and 30 April 2009 a guarantee on premiums exists amounting to the premiums invested plus inflation growth to the encashment date, if encashment is at least five years after purchase.

Here follows a table of the various no-MVR spot rate guarantees that apply to the Aviva Life & Pensions UK Limited written UWP bonds.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

<b>UWP Life Bonds</b>	<b>Date Sold</b>	<b>No-MVR Anniversary</b>
GA investment Bond	1990-1993	None
GA Portfolio Bond	16/03/1993-1/10/1998	None
CGU Portfolio Bond	01/10/1998-02/10/2000	No MVR on 10th 15th 20th etc
NU Portfolio Bond, Flexibond, Bond 2000	02/10/2000-24/06/2001	No MVR on 10th 15th 20th etc
NU Portfolio Bond, Flexibond, Bond 2000	25/06/2001-16/01/2002	No MVR on 10th
NU Portfolio Bond, Flexibond, Bond 2000	16/01/2002- 02/07/2003	Money back on 10th
NU Portfolio	03/07/2003-08/02/2004	Money back on 10th
NU Portfolio	09/02/2004 onwards	Money back on 5th
NU Portfolio (with RPI Guarantee)	30/1/2006-26/04/2008	RPI any point on or after 5th
Aviva Life International Ltd RPI Bond	30/1/2006-30/04/2009	RPI any point on or after 5th
NU Portfolio (with CPI Guarantee)	27/4/2008-30/04/2009	CPI any point on or after 5th
Aviva With-Profit Guaranteed Fund	30/11/2009-31/01/2011	Money back on or after 5th
Aviva With-Profit Guaranteed Fund	01/02/2011-30/04/2013	Money back on 5th
Aviva With-Profit (5 year) Guaranteed Fund	01/08/2012 onwards	Money back on 5th
Aviva With-Profit (6 year) Guaranteed Fund	01/08/2012 onwards	Money back on 6th
Aviva With-Profit (7 year) Guaranteed Fund	01/08/2012 onwards	Money back on 7 <sup>th</sup>
Aviva With-Profit (8 year) Guaranteed Fund	13/01/2014 onwards	Money back on 8 <sup>th</sup>
Aviva With-Profit (9 year) Guaranteed Fund	13/01/2014 onwards	Money back on 9 <sup>th</sup>
Aviva With-Profit (10 year) Guaranteed Fund	13/01/2014 onwards	Money back on 10 <sup>th</sup>

There is also the guarantee that MVRs will not apply on any automatic partial withdrawals selected from outset (subject to certain limits).

UWP Pensions consists mainly of individual and Group personal pensions and pension single premium bonds. As for UWP Life, UWP units increase in value at the declared regular bonus rates and cannot reduce on death, at the selected retirement date and at age 75. Any final bonus due is added at policy exit. The value on exit can be subject to an MVR if not at the selected retirement date. No-MVR guarantees apply at the selected retirement date and at age 75. Ex CGNU UWP units purchased prior to 22 January 1996 have a guaranteed minimum regular bonus rate of 4%. Ex CULAC UWP pension units purchased up to 31 December 1992 have a guaranteed minimum regular bonus of 4% p.a.

UWP Stakeholder policies have charges capped at 1% p.a. The 1% charge is taken through unit cancellation. A no-MVR guarantee applies at the selected retirement age and at age 75.

UWP Overseas business consists of single premium bonds and regular and single premium pensions business sold in Ireland, Germany and France. The WPBR for Irish Bond business (£9m NWPSF / £4m OWPSF) and French branch business (£61m NWPSF / £13m OWPSF) is Asset Share, whilst German Bond (£2m NWPSF / £2m OWPSF) and Irish pensions (£3m NWPSF / £2m OWPSF) have a regulatory reserve.

'Miscellaneous other' consists of reserves held to cover other liabilities of the fund that cannot be assigned to certain product types such as Pension transfer review reserves and reserves for future development and audit fees and global adjustments. The figure also includes the asset/liability for future smoothing costs. The miscellaneous items in the With Profits Benefit Reserve relate to amounts yet to be added to individual Asset Shares in respect of past experience.

The expected value of future shareholder transfers to be received from OWPSF, WPSF and PMSF is recorded in this section as a "negative liability".

- (2) Not applicable
- (3) See (1)
- (4) See (1)

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Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014****4. With-profits benefits reserve – Retrospective method****(1) Table of methods**

Method	With-profit benefits reserve (%)	
	NWPSF	OWPSF
Asset Share (individual)	95	94
Asset Share (grouped)	1	1
BRV	4	5
Regulatory Reserve	0	0
Miscellaneous Other	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

The table above shows the proportion of with profit benefit reserves calculated using each method.

The asset shares calculated on a grouped basis relate to two UWP pension contracts (Sterling Group plan – UWP and Deposit Admin variants). The asset shares are grouped as follows:

- Product
- Bid Value of Units by year of unit purchase

Factors have then been applied to each of these groupings based on asset share to BVU ratios for sample model points. Sample model points are representative of the policies within each group allowing for factors such as average premium size and age.

**(2) Changes in valuation method**

- (a) There have been no significant changes have been made to the valuation method.
- (b) Not applicable.

**(3) Allocation of expenses**

- (a) See (b)
- (b) UKLS income and expenses are calculated on a monthly basis and a profit or loss determined on an annual basis.
- (c) The text below sets out the treatment of charges made to asset shares with respect to expenses and commission. Broadly, some policies are charged sales and administration expenses incurred by the fund, some follow this approach but have the overall charge capped, and a third group has defined charges.

Other expenses, or the difference between the expense and the charge to asset share, fall to the estate.

**NWPSF**

				2014
	Charged to WPBR £m	Not-Charged to WPBR £m	Non-Profit expenses £m	Total £m
Estimated initial expenses and commission	0	7	2	9
Renewal expenses and commission	106	(53)	3	55
Shareholder Transfers	23	13	0	36

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Global business

Financial year ended **31 December 2014****OWPSF**

				<b>2014</b>
	<b>Charged to WPBR £m</b>	<b>Not-Charged to WPBR £m</b>	<b>Non-Profit expenses £m</b>	<b>Total £m</b>
Estimated initial expenses and commission	0	1	0	3
Renewal expenses and commission	15	(2)	0	12
Shareholder Transfers	2	3	0	5

The tables above approximately split out the expenses incurred over 2014.

Non-profit expenses are expenses relating to non-profit business within the fund. For Unitised asset shares calculated on a charge basis, the expenses charged to asset shares are the relevant charges on policies. This will include additional allocation percentages as applicable, so that, for example, any excess allocation percentage above 100% of premium will give rise to negative expenses charged to the asset share in the table above.

**Expenses charged to the with-profit funds**

From 01/01/2009 a new Management Services agreement (MSA) is in place whereby per policy (annual) and per fund charges are made. The per fund charge is allowed for by using an estimate of the policies in force in a given year, by MSA category and by fund. Changes in policy counts over the year will be monitored, and this will be amended to reflect the actual policy counts retrospectively.

Investment management expenses are charged to the funds in line with the Investment Management Agreement with the fund managers and are reviewed on at least an annual basis.

Commission and sales related expenses are also charged to the with-profits funds. Initial and renewal commission scales and uplifts depend on product type and the agreement with the particular sales channel.

The with-profit funds also incur other non policy-related expenses such as for development expenses, audit fees and mis-selling expenses. These are charged to the with-profit fund as laid out in each fund's PPFM.

Total expenses to each fund are reported and reviewed on a monthly basis.

Shareholder transfers are charged to the with-profits funds. Most conventional business is written on a 90/10 basis with transfers equal to 1/9th of the cost of bonus. Most UWP business written by Aviva Life & Pensions UK Limited is written on a 90/10 basis, however, some single premium bond business has been written on a 91/9 and 92/8 basis.

**Expenses charged to the with-profits benefit reserves**

The total expenses charged to with-profits benefit reserves over 2014 are approximately £106m for NWPSF and £15m for OWSPF. The majority of this relates to renewal expenses, most new business is UWP business sold on a charges basis with the majority of the charges being the annual management charge which is charged to asset shares over the life time of the policy. An additional £23m in NWPSF and £2m in OWPSF of shareholder transfers are also charged to the with-profits benefit reserves.

Deductions are made to the asset shares in respect of expenses and commission and shareholder transfers. The difference between expenses, commission and shareholder transfers incurred and charges made are a credit to or deduction from the estate.

Sales and policy administration expenses are charged to asset shares in three main ways:

- Actual expenses incurred
- Actual expenses incurred, subject to an overall cap
- Policy charges applied

Actual expenses apply to the following product groups:

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Global business

Financial year ended **31 December 2014**

- Ex CGNU Life conventional business
- Ex CULAC UWP business (excluding £441m of individual personal pensions from their 2009 migration dates)
- Ex CGNU Life UWP written implicit charge business sold prior to 1 October 2001 (implicit charge refers to bonuses being net of expenses)

In addition, all UWP Personal Pensions issued prior to 1 December 2000 have the deductions made in respect of expenses capped at 1% p.a. as part of the 'stakeholder promise'.

Asset shares are currently charged 100% of the MSA agreement. They are also charged the management investment fee and any custody fees. Any initial or renewal commission is deducted from the asset share. Shareholder transfers are also charged to the asset share.

Policy charges are applied to the following product groups:

- Ex CGNU Life written UWP implicit charge business sold 1 October 2001 onwards (implicit charge refers to bonuses being net of expenses)
- Ex CGNU Life UWP explicit charge business (2000 onwards individual pensions, stakeholder pensions and explicitly charged bonds; explicit charge bonuses are gross of expenses)
- Ex CULAC written UWP explicit charge individual pensions (from the 2009 migration date)

**Expenses not charged to the with-profits benefits reserve**

For ex CGNU UWP explicit charge business the difference between the actual expenses charged to the fund and the charges taken from the asset shares are accrued to the estate.

Any expenses on UWP Pensions business in excess of the stakeholder promise 1% cap is charged to the estate.

Additional tax on shareholder transfers for Aviva Life & Pensions UK Limited business is charged to the estate.

All development, regulatory and audit fees are not currently charged to asset shares, although this is reviewable in line with statements in the PPFMs.

**(4) Guarantee Charges**

Inflation protection bonds introduced in 2007 have a guarantee charge of 0.7% p.a. for a 10 year period.

The With Profit Guaranteed Fund introduced in 2009 has a charge of 0.7% p.a. for a 5 year period.

There are certain Aviva Life International Ltd bonds which also have a guarantee charge (0.5% p.a. for a 10 year period).

The total charge made over 2014 was £12.7m in NWPSF and £1.7m in OWPSF.

**(5) Non-Insurance Risk Charges**

No explicit deduction is made from the with-profits benefit reserves in respect of non-insurance risks.

**(6) Claims ratios**

Product Type	2012		2013		2014	
	NWPSF	OWPSF	NWPSF	OWPSF	NWPSF	OWPSF
Conventional Life	94%	95%	94%	95%	98%	99%
Conventional Pensions	115%	123%	115%	114%	122%	114%
UWP Life	103%	101%	102%	100%	101%	100%
UWP Pensions	95%	98%	98%	97%	99%	98%
UWP Stakeholder	98%	98%	100%	100%	101%	101%

The figures above are estimates based on actual maturity and surrender pay-outs.

All entries for Form 19 lines 32 and 33 in respect of reserves for past miscellaneous surplus and any past miscellaneous deficit are zero.

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Global business

Financial year ended **31 December 2014****(7) Gross investment return allocated to WPBR**

Asset shares for NWPSF and OWPSF policies are credited investment returns based on the combined assets backing the asset shares of the fund.

Gross returns allocated to asset shares of sterling denominated business in 2014 were 9.1%

A return of 9.1% was also used in respect of business reinsured from Provident Mutual Sub-Fund into NWPSF and OWPSF.

**5. With-profits benefits reserve – Prospective method****(1) Prospective assumptions**

**Bonus reserve valuation** (BRV) is used for 4% of NWPSF (£575m) and 5% of OWPSF (£103m) with-profit benefits reserve. A high proportion of the with-profit benefit reserve is in respect of conventional whole life policies, 4% for NWPSF and 3% for OWPSF.

The prospective assumptions are as follows:

**(a) Economic Assumptions**

The valuation of the BRV for conventional Whole Life Assurance and conventional Pension PUPs uses a term dependent risk free rate for both the earned rates and discount rate. The rate is taken from Barrie & Hibbert swaps-based data. In summary these are:

<b>Term (years)</b>	<b>Rate</b>
1	0.65%
5	1.46%
10	1.88%
15	2.13%

**(b) Investment returns and risk adjustments**

The earned rate used is equal to the risk free rate for all asset classes, with no risk adjustment. These rates are shown in the table above.

**(c) Expense inflation**

Per-policy expenses inflate each calendar year at retail price index.

**(d) Future Assumed Regular Bonus Rates**

<b>Ex CGNU Whole Life bonus series</b>	<b>SA</b>	<b>Bonus</b>
Series 6	0.0%	0.5%
Series 5	3.5% Simple	
Series 4	2.70% Compound	
Series 3	3.35% Simple	
<b>Ex CGNU Pensions</b>		
Conventional Pension	0%	0%
<b>Ex CULAC Product Class</b>		
Conventional Whole Life	0%	1.0%
Conventional Pension	0%	0%



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## (e) Future Expense Assumptions

<b>Product Class</b>	<b>Renewal Expenses 2015</b>
Ex CGNU and ex CULAC Conventional Whole Life	£23.37
Ex CGNU Conventional Individual Pension	£46.74
Ex CGNU Conventional Group Pension	£70.10
Ex CULAC Conventional Pension	£46.74

In addition to these per-policy amounts, there is an investment management charge of 0.127% of an adjusted mathematical reserve.

## (f) Future Assumed Lapse Rates

<b>Product Class</b>	<b>Policy Duration</b>								
%	1	2	3	4	5	6	7	8	9+
Ex CGNU Conventional Whole Life	3.5	3.5	3	3	3.5	3	3	3	2
Ex CULAC Conventional Whole Life	6.5	6.5	4.5	4.5	4.5	4	4	2.5	2
Ex CGNU Conventional Pension	1	1	1	1	1	1	1	1	1
Ex CULAC Conventional Pension	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

## (g) Future mortality assumptions

Ex CGNU and ex CULAC Conventional whole life:

95%AMC00 / 95%AFC00 / 95%AMC00 / 95%AFC00

Conventional pensions:

70%AMN00 / 70%AFN00 / 70%AMS00 / 70%AFS00

No further adjustments are made to these tables.

Additional allowance for AIDS mortality

Ex CGNU Conventional whole life: nil

Ex CULAC Conventional whole life: nil

Ex CGNU Conventional pensions: nil

Ex CULAC Conventional pensions: 25% of table R6B for Males, nil for Females

(2) **Regulatory Reserves**

Regulatory Reserves cover less than 1% of the with-profit benefits reserve. The classes of business covered by this include CWP pensions, UWP German and Irish Pensions business, and other miscellaneous business. The methodology for the calculation of these reserves is described in Appendix 9.4.

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**6. Costs of guarantees, options and smoothing**

(1) Not applicable.

(2)

- (a) The calculation of the cost of guarantees, options and smoothing and the cost of the mortgage promise has been performed using a stochastic model with a few exceptions.

The cost of section 32 guaranteed minimum pensions have been valued using a market value replication technique – this is described in section 6(4)(b).

A description of the stochastic model is given below.

**(b) Grouping Basis**

All valuation methods use grouped policy data. Data has been divided as follows:

For conventional business:

- Product class (e.g. life endowment, conventional pensions)
- Life Endowment contracts are grouped by original term, outstanding term and also by eligibility to endowment promise.
- Conventional Pensions are grouped by premium type, original term, premium term and outstanding term.

For unitised with-profit business:

- Product class (e.g. life bonds, individual pensions, stakeholder pensions, trustee investment plans)
- Life Bonds are split by bonus series, entry year and quarter, joint life status, country and lapse class.
- Individual Pensions are grouped by original term, outstanding term, bonus series and by paid up status. Females are allowed for by making a 4 year age deduction.
- Stakeholder/Stakeholder Friendly Pensions are grouped by original term, outstanding term, premium escalation rate, paid up status and by split of surplus between policyholders and shareholders (e.g. 90/10 versus 100/0)
- Trustee investment plans are grouped by entry year, bonus series and frequency of regular withdrawals.
- Group Deferred Annuities are grouped by age at entry, sex, GAO rate and escalation rate.

For NWPSF and OWPSF combined, we have grouped approximately 818,400 individual model points into 14,900 grouped model points.

**Validations**

The total grouped policy benefit data is reconciled back to the individual policy benefit data. The aggregate asset shares are reconciled to the totals in Form 19. We also undertake a comparison of the grouped model points run on a deterministic basis within the stochastic model to the ungrouped data run through the embedded value model.

- (c) The stochastic model directly models over 90% of NWPSF and over 88% of OWPSF with profit business (as measured by asset share). Residual business, together with any associated guarantees, is modelled by scaling similar directly modelled business.

(3) The principal changes to the valuation method for valuing the costs of guarantees, options or smoothing since the previous valuation are the following:

- Introduction of new functionality to refine the modelling of guarantees linked to inflation

**(4) Description of guarantees, options or smoothing being valued**

**(a) Stochastic Model - Description of guarantees, options or smoothing**

- (i) Here follows the cost and description of the guarantees, options and smoothing methods by product grouping.

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<b>NWPSF</b>	Planned Enhancements to WPBR	Planned Deductions to WPBR for Guarantee costs	Planned Deductions to WPBR for other costs	Contractual Guarantee costs	Cost of Financial Options	Smoothing costs
Product Class						
Conventional Life	0	0	0	364	0	0
Conventional Pensions	0	0	0	151	197	0
UWP Life (incl. Overseas)	11	33	0	523	0	0
UWP Pensions	12	0	0	163	0	0
UWP Stakeholder	0	0	0	28	0	2
Misc	0	0	11	17	0	7
Total:	23	33	11	1,247	197	9

<b>OWPSF</b>	Planned Enhancements to WPBR	Planned Deductions to WPBR for Guarantee costs	Planned Deductions to WPBR for other costs	Contractual Guarantee costs	Cost of Financial Options	Smoothing costs
Product Class						
Conventional Life	0	0	0	92	0	0
Conventional Pensions	0	0	0	29	38	0
UWP Life (incl. Overseas)	1	4	0	61	0	0
UWP Pensions	2	0	0	36	0	0
UWP Stakeholder	0	0	0	4	0	0
Distribution	80	0	0	0	0	0
Misc	0	0	2	14	0	0
Total	83	4	2	236	38	1

**Planned Enhancements to WPBR**

For UWP Life, the amounts represent the cost of an additional 0.5% p.a. regular bonus on Loyalty Fund units.

In OWPSF the board has agreed to distribute £83m of the Estate by way of 9% uplift to all policies that exit, backdated to 1/7/2014.

For UWP Pensions, the amounts represent increased payouts in respect of loyalty bonus on a variety of contracts sold in the 1990s.

For OWPSF, this amount represents the “special distribution” announced by the UK Life board in February 2015, which will be applied as an enhancement to payouts at maturity.

**Planned Deductions to WPBR for Guarantee costs**

This amount represents expected charges for guarantees on certain UWP life contracts sold since 2007.

**Planned Deductions to WPBR for Other costs**

There is also an allowance for a charge in respect of expenses incurred in the migration of business to the Admin Re platform, which is expected to be charged to Asset Shares.

**Contractual Guarantee Costs**

In addition to the figures in the table below there is £48m (NWPSF) and £6m (OWPSF) of contractual Guarantee Costs relating to Section 32 Guaranteed Minimum Pension costs, which are valued using a non-stochastic method (see 6(4) (b))

To assess the extent to which guarantees or options are in or out of the money we have compared the stochastic cost included in Form 19 against the cost on the deterministic ‘central-estimate’ basis using the risk-free rate.

Conventional Life

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection.

	NWPSF	OWPSF
Stochastic Reserve	£49m	£13m
Central Estimate	£8m	£2m
Option value	84%	85%

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The option value is the proportion of the total stochastic cost that exceeds the central-estimate cost. Conventional Life guarantees remain largely out of the money.

Mortgage Endowment Promise

	NWPSF	OWPSF
Stochastic Reserve	£315m	£79m
Central Estimate	£317m	£79m
Option value	-1%	-1%

This represents the cost of the mortgage endowment promise from conventional endowments. The amount reserved for is the difference between the mortgage amount and policy payout if returns on the fund after tax are 6% or more, from the end of 1999 to the maturity date of the policy, or the amount as communicated to policyholders in other circumstances.

Maximum top-up amounts have been communicated to policyholders. We have also advised policyholders that even after the Promise payment has been made they may have a shortfall.

The payment of promise amounts also gives rise to additional transfers to shareholders.

The option value is negative as in some scenarios very good returns will mean we don't need to pay the full promise amount.

Conventional Pensions

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection. The costs of providing for any guaranteed annuity options is covered under the cost of financial options, although the cost of providing deferred annuities is included here.

	NWPSF	OWPSF
Stochastic Reserve	£151m	£29m
Central Estimate	£146m	£29m
Option value	4%	3%

Conventional pension guarantees are in the money.

UWP life

This represents

- the cost of the payouts exceeding 100% of asset share due to no-MVR guarantee under the stochastic projection;
- the cost of the single premium increased with inflation exceeding 100% of asset share for inflation protected bonds in line with the product terms; and
- the cost of other guarantees on death, partial withdrawal and maturity exceeding 100% of asset share.

NWPSF

Type of guarantee	No-MVR Guarantee on Bond surrenders	Inflation-protected Bonds	Other Bond guarantees
Stochastic Reserve	£50m	£405m	£69m
Central Estimate	£7m	£326m	£14m
Option value	85%	19%	80%

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Financial year ended **31 December 2014****OWPSF**

Type of guarantee	No-MVR Guarantee on Bond surrenders	Inflation-protected Bonds	Other Bond guarantees
Stochastic Reserve	£5m	£48m	£7m
Central Estimate	£1m	£38m	£1m
Option value	84%	21%	86%

Some of the no-MVR guarantees, taken out in the period from 1998 to 2001 remain in the money.

The inflation protected guarantees have significant time value due to stock market performance since the inception date of these policies.

**UWP pensions**

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection.

	NWPSF	OWPSF
Stochastic Reserve	£115m	£30m
Central Estimate	£40m	£10m
Option value	65%	66%

UWP Pension guarantees are still largely out of the money.

**UWP Stakeholder pensions**

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection.

	NWPSF	OWPSF
Stochastic Reserve	£28m	£4m
Central Estimate	£3m	£0m
Option value	90%	90%

Stakeholder pension guarantees are largely out of the money.

**Costs of Financial Options**

This represents the cost of the guaranteed annuity option (GAO) attaching to conventional deferred cash pensions. Contracts provide for a basic cash amount plus accrued regular bonus and a final bonus. The policyholder then has the option to take this cash amount or to convert this into income at guaranteed rates written into the policy conditions.

NWPSF	CWP GAO	UWP GAO
Stochastic Reserve	£129m	£68m
Central Estimate	£127m	£68m
Option value	2%	-1%

OWPSF	CWP GAO	UWP GAO
Stochastic Reserve	£35m	£3m
Central Estimate	£35m	£3m
Option value	2%	-1%

Guaranteed annuity options are in the money.

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Financial year ended **31 December 2014****Smoothing Costs**

The amount reported is designed to give broadly neutral smoothing costs allowing for the costs incurred to the valuation date, consistent with statements in the PPFM for both NWPSF and OWPSF. The reported figure also allows for future smoothing on Stakeholder business to recover any past/future smoothing and guarantee costs in line with the PPFM.

**(ii) Description of the asset model**

The asset model was calibrated using the following assumptions:

Risk-free rate:

- The Risk-free rate curve used in the model is shown below:

Term	Risk-free rate (Swaps)	
	Dec-13	Dec-14
1	0.61%	0.65%
2	1.05%	0.93%
3	1.48%	1.15%
4	1.85%	1.33%
5	2.16%	1.46%
6	2.42%	1.57%
7	2.65%	1.66%
8	2.83%	1.75%
9	2.99%	1.82%
10	3.11%	1.88%
15	3.48%	2.13%
20	3.60%	2.25%
25	3.60%	2.29%
30	3.56%	2.30%

- The discount rate was set equal to the UK Commercial Bank liability spot curve.
- All assets were expected to grow at the risk-free rate (i.e. risk neutral pricing was used).

Derivation of risk-free rate curve:

The risk-free rate will be based on the swap curve for both the opening and closing position.

Use of the curve:

The above risk-free rate curve was used for all option-pricing purposes.

**Interest Rate Model**

A monthly Libor Market Model Plus (LMM+) is used.

The LMM+ model allows for variation of interest rate volatility by moneyness of guarantees as well as by term to maturity and term of payment (for GAO and GMP). This results in a better fit to the volatility surface.

Real interest rates are modelled using a 2-factor Gaussian LMM model.

The Gaussian LMM model is a special case of the LMM+ interest rate models. The model uses two stochastic factors – this allows a richer universe of possible yield curve shapes and allows a degree of de-correlation between different parts of the yield curve. Under the Gaussian LMM+ model it is possible to obtain negative interest rates. Unlike the nominal case, this is not a problem for real interest rates as it is possible to observe negative real rates in practice. Also the initial market observed real yield curve is an input to the Gaussian LMM model and this allows for more accurate modelling of inflation.

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Global business

Financial year ended **31 December 2014**

The RPI inflation assumption is derived from the difference in modelled nominal and real interest rates using an Inflation Plus model.

The CPI Inflation assumption is derived from RPI inflation using an Inflation Wedge model, with a parameter that, in the long-term, the average level of CPI is 1.0% lower than RPI, to reflect that historically inflation has been lower on this measure than that derived from the RPI.

**Equity Model**

Equity volatility is calibrated to equity implied volatility. The approach to calibration is to capture the volatility of the longest available option term

Exchange traded options generally only trade up to two year terms. However, this is not a very good proxy for the long term guarantees embedded in insurance contracts. Longer terms are available OTC from investment banks - the longest term available is usually 10 years. This data is collected from a panel of investment banks.

The equity model is for the excess return process. That is, the element of return in excess of cash.

Barrie and Hibbert's Stochastic Volatility Jump Diffusion (SVJD) model is used. The SVJD model allows volatility to vary by equity price and time. This allows the model to capture the volatility skew as well as the term structure. As the full implied volatility surface can be captured the model is suitable for valuing guarantees where the characteristics vary by term and moneyness. The following sample UK equity volatilities have been produced from the ESG model:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	26.4%	22.8%	19.6%	17.0%	14.7%	12.3%	
3	23.6%	22.2%	20.9%	19.6%	18.3%	16.9%	15.7%
5	23.2%	22.1%	21.1%	20.1%	19.2%	18.2%	17.2%
7	23.1%	22.3%	21.5%	20.7%	19.9%	19.2%	18.5%
10	23.5%	22.8%	22.1%	21.5%	20.9%	20.4%	19.8%
25	25.9%	25.6%	25.3%	25.0%	24.7%	24.4%	24.2%

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

**Property Model**

Property is modelled as an equity type asset using the constant volatility model.

The model is calibrated using a 15% volatility assumption, which is adjusted from data provided by Barrie & Hibbert for Property volatility.

**Correlations**

Correlations are controlled in two ways. For equity markets, correlations are defined by the exposures to common elements of the factor model. For other assets, correlations can be defined between the stochastic shocks to the returns. Shock correlations are not equivalent to return correlations. However, shock correlations can be used to target a particular return correlation.

Correlations between asset returns are targeted to best estimate assumptions. These targets have been derived by considering historical behaviour.

The target correlations used within the ESG are displayed below:

UK Equity Return versus	End Dec 2014
Property	36%
Bonds	15%
IL Bonds	11%
Short Rate	-11%
European Equities	76%
US Equities	76%
Japanese Equities	52%
Emerging Markets Equities	63%
Pacific Basin Equities	60%

Correlations between asset classes are not constant within the model and will differ from the above, but the above targets represent the level of correlation which the parameters of the model are chosen to reproduce in the long term.



**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****(iii) Option prices from asset model**

		K	0.75				1				1.5			
n	Duration (n)		5	15	25	35	5	15	25	35	5	15	25	35
r	Annualised compound equivalent of the risk free rate assumed for the period (r)		1.46%	2.13%	2.30%	2.29%	x	x	x	x	x	x	x	x
1	Risk-Free Zero Coupon Bond		930,054	729,256	566,622	452,003	x	x	x	x	x	x	x	x
2	FTSE All Share Index (p=1)		79,199	201,136	304,727	378,531	181,039	342,795	467,976	559,009	524,134	693,718	838,929	949,387
3	FTSE All Share Index (p=0.8)		75,834	178,477	256,716	304,914	173,944	305,765	396,436	452,172	505,823	624,379	714,802	774,773
4	Property (p=1)		20,339	82,978	146,846	208,242	114,564	209,069	291,856	368,504	512,828	583,478	668,963	754,684
5	Property (p=0.8)		18,328	66,239	109,552	148,707	106,700	173,699	225,253	271,340	492,698	507,383	539,746	578,245
6	15yr Risk-Free ZCBs (p=1)		10,700	13,450	12,495	25,988	81,961	83,973	87,161	125,567	500,335	500,963	502,712	523,492
7	15yr Risk-Free ZCBs (p=0.8)		9,475	8,697	5,439	8,893	74,990	57,684	42,738	55,981	479,058	411,158	349,347	329,367
8	15yr Corporate Bonds (p=1)		11,933	19,975	26,713	48,841	86,103	100,129	113,195	156,883	501,273	504,357	508,715	539,440
9	15yr Corporate Bonds (p=0.8)		10,592	13,590	14,391	23,086	79,016	72,557	66,174	85,729	480,047	416,390	361,130	353,301
10	Portfolio 1 (p=1)		42,148	131,246	218,365	285,609	135,024	259,207	367,598	449,846	508,858	612,305	731,057	827,752
11	Portfolio 1 (p=0.8)		39,551	112,579	177,045	221,186	127,884	224,400	300,633	351,655	488,906	540,204	607,366	656,127
12	Portfolio 2 (p=1)		36,403	109,659	183,819	246,502	124,164	228,444	323,682	399,496	502,205	577,808	678,456	765,492
13	Portfolio 2 (p=0.8)		34,119	93,234	146,520	187,791	117,319	195,612	260,402	307,448	481,653	505,132	555,896	597,992
14	Portfolio 3 (p=1)		16,134	59,534	111,796	164,567	91,839	161,853	235,153	302,984	499,816	527,760	594,587	664,275
15	Portfolio 3 (p=0.8)		14,611	47,416	82,292	116,085	84,986	131,130	177,165	218,161	478,576	449,008	467,023	495,428
16	Sterling Receiver Swaptions		30.48%	25.01%	21.68%	17.68%	38.22%	31.85%	27.36%	21.89%	45.46%	38.06%	32.29%	25.21%
			Swap Duration = 15 years				Swap Duration = 20 years				Swap Duration = 25 years			

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

Notes on the table above:

Row 1 shows the value of cash payments of £1,000,000 due  $n$  years after the valuation date. Rows 2 to 15 inclusive were completed for the appropriate asset classes showing the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable  $n$  years after the valuation date with strike price of  $K * £1,000,000 * (1 + r * p)^n$ .

All references to 15-year bonds mean rolling bonds traded to maintain the 15 year duration at all future dates. The corporate bonds should be assumed to be rolling AA rated zero coupon bonds.

Row 16 shows the value of sterling receiver swaptions with a strike of 5% exercisable  $n$  years after the valuation date with swap durations on exercise of  $L$  years. The values are expressed as a percentage of nominal.

The property put options are assumed to relate to a well diversified portfolio of UK commercial property.

A zero trend growth in property prices is assumed where this is relevant.

In each case the options should be valued with reinvestment of any dividend income into the FTSE All Share index and reinvestment of any rental or other property income into UK property.

Tax should be ignored in all calculations.

All options should be assumed to be European-style.

This is a combined table for 6(4)(a)(iii) and 6(4)(b)(iii).

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****(iv) Initial Equity and Property Rental Yields**

For UK, the initial equity dividend yield is 3.54% and the initial property rental yield is 4.3%.

**(v) UK risk free rates are applied throughout.****(vi) Duration of significant guarantees**

The following tables show the durations of significant guarantees and promises for the with-profits funds. Duration is calculated as weighted average of projected maturity years with weights equal to the cost of guarantees. Anyone past Normal Retirement date is assumed to retire immediately.

Duration of guarantees

NWPSF	Duration (yrs)	%														
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028+	
Conventional Life																
Base guarantee	5.3	6	9	8	11	10	11	18	14	8	2	1	0	0	1	100
Mortgage promise	4.0	10	15	15	16	14	7	7	8	6	2	0	0	0	0	100
Conventional Pensions																
Base guarantee	6.2	21	5	6	7	7	8	7	7	5	5	4	4	4	10	100
GAR option	5.1	6	15	13	12	13	13	5	4	4	3	2	4	2	4	100
Unitised Life																
Partial surrender	11.0	2	4	6	6	6	6	6	5	5	5	5	4	4	35	100
No-MVR (surrender)	6.2	12	8	3	4	13	20	10	1	2	6	8	4	0	7	100
Money-back (surrender)	5.2	3	6	16	11	7	16	19	14	3	5	0	0	0	0	100
Inflation protected (surrender)	9.3	2	2	4	6	8	8	9	8	7	7	6	5	5	22	100
Unitised Pensions excl Stk																
Base guarantee	11.9	0	2	0	3	8	5	0	15	0	6	12	5	0	45	100
GAR option	4.1	41	8	3	7	5	8	3	7	4	1	2	1	2	5	100
Stakeholder																
Base guarantee	13.4	0	2	0	0	10	0	0	16	0	0	18	0	0	54	100

Returns under the Accounts and Statements Rules

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

OWPSF	Duration (yrs)	%														
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028+	
Conventional Life																
Base guarantee	6.0	3	5	7	8	8	11	20	18	12	4	1	0	0	1	100
Mortgage promise	4.8	6	11	14	14	13	7	9	11	10	3	0	0	0	0	100
Conventional Pensions																
Base guarantee	7.0	18	4	5	7	6	6	6	7	4	6	4	6	4	16	100
GAR option	5.0	7	20	12	10	12	11	4	4	3	3	2	3	1	5	100
Unitised Life																
Partial surrender	11.0	2	4	6	6	6	6	6	5	5	5	4	4	4	34	100
No-MVR (surrender)	6.2	12	8	3	4	12	20	11	1	2	6	8	5	0	7	100
Money-back (surrender)	5.2	3	6	16	11	7	16	19	14	3	5	0	0	0	0	100
Inflation protected (surrender)	9.3	2	2	4	6	8	8	9	8	7	7	6	5	5	23	100
Unitised Pensions excl Stk																
Base guarantee	13.0	2	2	4	6	8	8	9	8	7	7	6	5	5	23	100
GAR option	5.9	12	14	3	0	15	0	5	11	20	13	7	0	0	1	100
Stakeholder																
Base guarantee	13.4	0	2	0	0	10	0	0	16	0	0	18	0	0	54	100

Duration is calculated as weighted average of projected maturity years with weights equal to the cost of guarantees.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

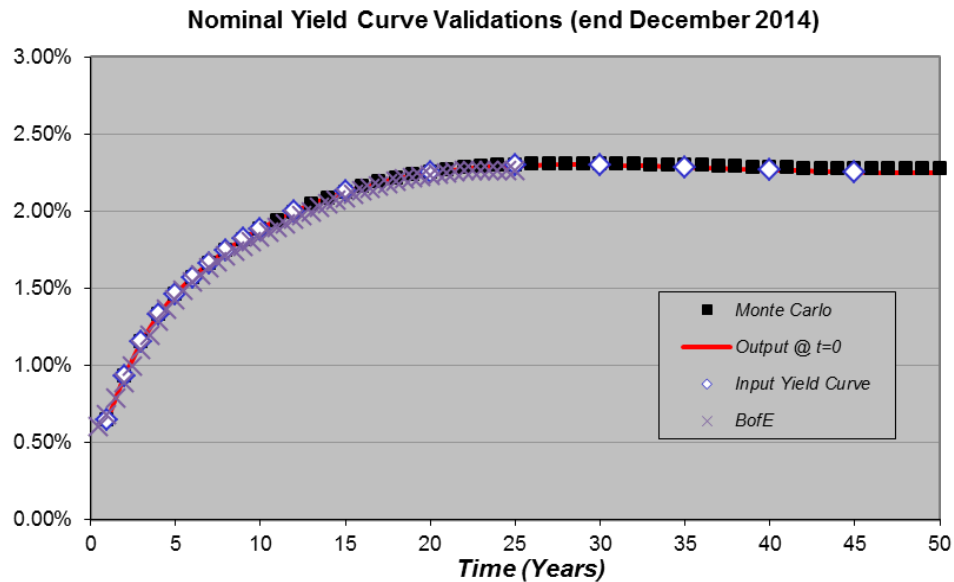
**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014**

The following graphs/tables illustrate the fit of the asset model to specimen market traded instruments:

Yield curve validationMarket implied volatilities:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	26.7%	23.2%	19.8%	16.7%	14.3%	13.0%	12.4%
3	23.8%	22.0%	20.4%	18.9%	17.6%	16.5%	15.6%
5	24.0%	22.7%	21.4%	20.3%	19.3%	18.3%	17.4%
9	24.9%	23.8%	22.8%	22.0%	21.2%	20.5%	19.9%

Difference between Modelled volatilities and Market Implied volatilities (bps):

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	(33)	(41)	(23)	29	40	(72)	0
3	(23)	21	55	70	69	46	3
5	(80)	(60)	(38)	(19)	(7)	(8)	(22)
9	(155)	(121)	(93)	(70)	(56)	(44)	(41)

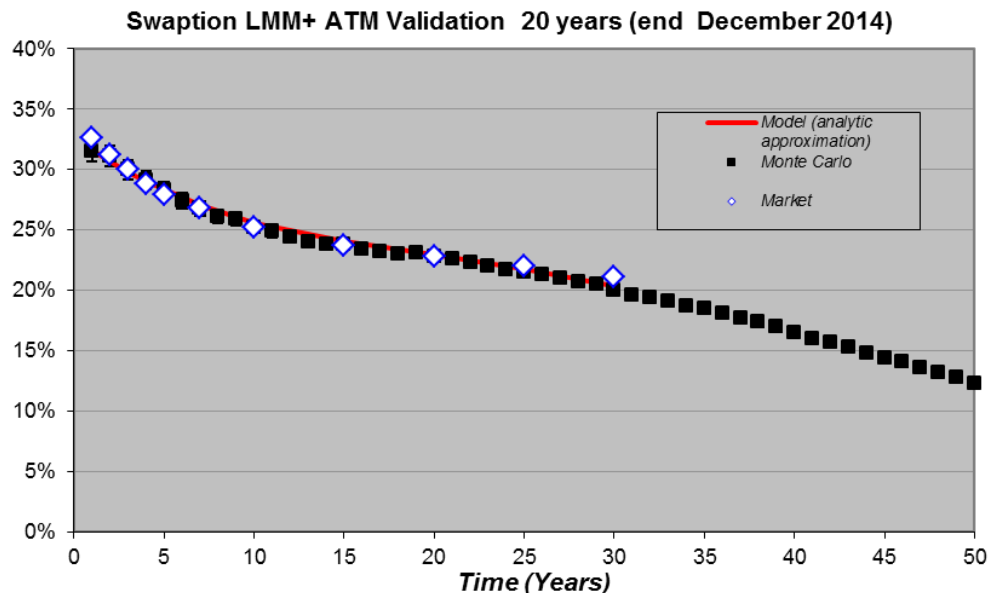
**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014**Swaption implied volatilities**(vii) Nature of validations of asset model**

The table below shows the discounted value of £1 invested on the valuation date and projected forward  $t$  years ( $t=5, 10, 15, 20$ ) invested in equities and property. For a risk-neutral model, the expected result would be 100%.

t (year from valuation date)		5	10	15	20
Equities	5000 Simulation results	99.3%	99.9%	99.9%	100.1%
	standard error	0.4%	0.6%	0.9%	1.1%
Property	5000 Simulation results	100.1%	99.8%	99.5%	99.7%
	standard error	0.2%	0.3%	0.5%	0.6%

t (year from valuation date)		5	10	15	20
Equities	1000 Simulation results	99.1%	99.7%	98.6%	99.6%
	standard error	0.9%	1.4%	1.9%	2.5%
Property	1000 Simulation results	99.6%	99.2%	99.2%	99.6%
	standard error	0.3%	0.6%	0.9%	1.6%

**(viii) Number of projections**

To ensure convergence of the liabilities, separate calculations were carried out on different numbers of simulations (2500 and 5000). This has demonstrated that there is no significant change in convergence between 2500 and 5000 simulations. 2500 simulations have been used in the step through analysis over the year and for the final closing position.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****(b) Market costs of hedging - Description of guarantees, options or smoothing**

A small reserve for GMP guarantees on Section 32 Transfer policies is held. This reserve has been calculated as the statutory provision, with an adjustment to allow for future bonuses together with a 15% uplift. These costs have been included in the figures quoted in 6(4)(a)(i).

Note the GMP liabilities are calculated using an annuity vesting rate based on the average duration of liabilities rather than a curve.

The costs of these guarantees are shown below.

<b>NWPSF Cost of Guaranteed Minimum Pensions</b>	<b>£m</b>
Base Cost of GMP gtee on S32	42
Uplift (15%)	6
<b>Total</b>	<b>48</b>

<b>OWPSF Cost of Guaranteed Minimum Pensions</b>	<b>£m</b>
Base Cost of GMP gtee on S32	5
Uplift (15%)	1
<b>Total</b>	<b>6</b>

**(c) Deterministic projections - Description of guarantees, options or smoothing**

No guarantees, options or smoothing costs have been valued using this method.

**(5) Management Actions**

- a) There are various allowances and limitations for management actions in the stochastic model. Details of the key decisions are set out below.

**Projected Equity backing Ratio (EBR)**

It is assumed that management will intervene and carry out switches (over and above any market movements) of assets backing asset shares. The aim of this approach is to maximise policyholder returns, whilst managing solvency within acceptable risk levels.

If equity/property performance was poor, solvency would reduce, leading to management action to reduce the exposure to these assets. The model contains limits on the maximum change to the total EBR that can be made per month and has upper and lower EBR bounds, which are consistent with the requirements of the reattribution scheme. Additionally, the model contains limits on the maximum change to the relative proportion of equity and property that can be made per annum.

The EBR dynamic rule within the stochastic model takes into account the projected value of the future guarantees, available capital and asset shares. It then adopts a dynamic hedging approach to determine the EBR for the assets backing the asset share.

If projected asset shares are close to the projected value of the guarantees and the available capital is low, then we are less able to rely on equity/property assets, which leads to a lower EBR. However, if the projected asset shares are significantly in excess of the projected guarantees or if the available capital is high, then there is more scope to invest in equity/property and EBR can increase accordingly.

**Regular Bonus Assumptions**

The RB rate is set to ensure that a sufficient level of final bonus can be built up whilst also ensuring the RB rate has reasonable long term sustainability.

The stochastic model utilises a dynamic RB algorithm that depends on the projected asset share to projected guaranteed benefit relationship, along with the desired final bonus buffer and investment return assumption. This calculation also allows for a maximum per annum movement in the RB rate.

The RB algorithm has been compared with actual bonus declarations with satisfactory results.

The results produced by the application of this model are shown in 6.5(b)(i).

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****Guarantee Charges on asset shares**

The model uses a 0.7% guarantee charge for that UWP life business written since 2007 where this guarantee charge is applicable.

There are certain Aviva Life International Ltd bonds which also have a guarantee charge (0.5% p.a. for a 10 year period).

**Allocation of non-profit profits to asset share**

No future profits from Non Profits business will be allocated to the Asset Shares in the funds, in accordance with the terms of the reattribution scheme.

**Shareholder Transfers and tax**

The model allows for shareholder transfers to continue in accordance with the current proportions of the cost of bonus.

All future shareholder transfers arising from NWPSF will be retained within NWPSF, as approved by the UK Life board in 2014.

All future shareholder transfers arising from OWPSF, WPSF and PMSF are assumed to be paid to NWPSF in all future years, as approved by the UK Life board in 2014.

Shareholder transfers and the associated tax are assumed to be charged to asset shares or the estate in line with the PPFM. For shareholder transfer payments arising from Mortgage Endowment Promise both shareholder transfer and tax will be charged to the estate.

**Mortality costs**

Mortality profits and losses are passed on to the asset shares in line with the PPFMs.

**Surrender costs**

The current practice of the fund is to target surrender payouts at 100% of Asset Share. Consequently, no future surrender profit or loss is anticipated to emerge.

**b) Best estimate of future proportions of assets backing the WPBR.**

- The projection allows for future EBR and bonus rate management action as discussed earlier in this document. The results reflect an average of the simulated positions.

**(i) Projection at risk free rate**UWP Bonus Rates

<b>Product ex CGNU</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
UWP Life (implicit charged): Units purchased on policies written pre 01/10/98	2.00%	2.03%	1.92%
UWP Life (implicit charged): Units purchased on policies written post 01/09/98	2.00%	1.62%	1.63%
UWP Life (explicit charged)	3.00%	2.70%	2.45%
UWP Pension (implicit charged): Units purchased on policies written pre 01/10/98	3.00%	1.84%	1.78%
UWP Pension (implicit charged): Units purchased on policies written post 01/09/98	3.00%	3.06%	2.57%
UWP Pension (explicit charged)	4.00%	3.28%	2.74%
UWP Pension (Stakeholder)	3.75%	3.15%	2.74%

<b>Product ex CULAC</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
UWP Life (Direct Written)	2.50%	2.16%	2.17%
UWP Pension (Direct Written)	4.00%	4.13%	4.31%



**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

- Units purchased on Pensions policies before 1 January 1993 have a guaranteed regular bonus rate of 4% pa.

Assets Backing With-Profit Benefits Reserve

The projections below are based on the actual asset share mix as at 31 December 2014:

Asset Class	31/12/2014	31/12/2019	31/12/2024
Equities	47.0%	52.9%	52.6%
Property	19.3%	21.8%	21.6%
Fixed Interest	26.1%	22.3%	22.8%
Cash	7.5%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	66.4%	74.7%	74.2%

(ii) **Projection at risk free rate plus 17.5%**UWP Bonus Rates

Product ex CGNU	31/12/2014	31/12/2019	31/12/2024
UWP Life (implicit charged): Units purchased on policies written pre 01/10/98	2.00%	2.31%	2.23%
UWP Life (implicit charged): Units purchased on policies written post 01/09/98	2.00%	1.87%	1.92%
UWP Life (explicit charged)	3.00%	2.95%	2.77%
UWP Pension (implicit charged): Units purchased on policies written pre 01/10/98	3.00%	2.11%	2.06%
UWP Pension (implicit charged): Units purchased on policies written post 01/09/98	3.00%	3.37%	2.90%
UWP Pension (explicit charged)	4.00%	3.60%	3.08%
UWP Pension (Stakeholder)	3.75%	3.48%	3.09%

Product ex CULAC	31/12/2014	31/12/2019	31/12/2024
UWP Life (Direct Written)	2.50%	2.45%	2.48%
UWP Pension (Direct Written)	4.00%	4.21%	4.42%

Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2014	31/12/2019	31/12/2024
Equities	47.0%	52.9%	52.7%
Property	19.3%	21.8%	21.7%
Fixed Interest	26.1%	22.3%	22.6%
Cash	7.5%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	66.4%	74.7%	74.4%

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014****(iii) Projection at risk free rate minus 17.5%**UWP Bonus Rates

<b>Product ex CGNU</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
UWP Life (implicit charged): Units purchased on policies written pre 01/10/98	2.00%	1.78%	1.65%
UWP Life (implicit charged): Units purchased on policies written post 01/09/98	2.00%	1.39%	1.38%
UWP Life (explicit charged)	3.00%	2.46%	2.17%
UWP Pension (implicit charged): Units purchased on policies written pre 01/10/98	3.00%	1.58%	1.54%
UWP Pension (implicit charged): Units purchased on policies written post 01/09/98	3.00%	2.76%	2.27%
UWP Pension (explicit charged)	4.00%	2.98%	2.42%
UWP Pension (Stakeholder)	3.75%	2.86%	2.42%

<b>Product ex CULAC</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
UWP Life (Direct Written)	2.50%	1.91%	1.88%
UWP Pension (Direct Written)	4.00%	4.08%	4.23%

Assets Backing With-Profit Benefits Reserve

<b>Asset Class</b>	<b>31/12/2014</b>	<b>31/12/2019</b>	<b>31/12/2024</b>
Equities	47.0%	52.9%	52.4%
Property	19.3%	21.7%	21.6%
Fixed Interest	26.1%	22.4%	23.0%
Cash	7.5%	3.0%	3.0%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
EBR	66.4%	74.6%	74.0%

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014****(6) Persistency and Mortality Assumptions**

The lapse rates assumed in the projection of the asset shares and guaranteed benefits are based on own experience adjusted for anticipated trends. The following table shows the static assumptions; the model incorporates a dynamic overlay to these rates.

<b>ex CGNU</b>		<b>Average surrender / paid-up rate for the policy years</b>			
		<b>1-5</b>	<b>6-10</b>	<b>11-15</b>	<b>16-20</b>
CWP savings endow ment	surrender	n/a	n/a	n/a	2.50%
CWP target cash endow ment	surrender	n/a	n/a	n/a	2.50%
UWP savings endow ment	surrender	n/a	n/a	n/a	n/a
UWP target cash endow ment	surrender	n/a	n/a	n/a	n/a
UWP bond	surrender	3.36%	9.98%	7.63%	7.49%
UWP bond	automatic withdraw als	100% of current	100% of current	100% of current	100% of current
CWP pension regular premium	PUP	0.00%	0.00%	0.00%	0.00%
CWP pension regular premium	surrender	1.00%	1.00%	1.00%	1.00%
CWP pension single premium	surrender	1.00%	1.00%	1.00%	1.00%
UWP indiv pension regular premium	PUP	n/a	n/a	n/a	n/a
UWP indiv pension regular premium	surrender	3.50%	3.50%	3.50%	3.50%
UWP indiv pension single premium	surrender	3.50%	3.50%	3.50%	3.50%

<b>ex CULAC</b>		<b>Average surrender / paid-up rate for the policy years</b>			
		<b>1-5</b>	<b>6-10</b>	<b>11-15</b>	<b>16-20</b>
CWP savings endow ment	surrender	n/a	n/a	n/a	2.50%
CWP target cash endow ment	surrender	n/a	n/a	n/a	2.50%
UWP savings endow ment	surrender	n/a	n/a	n/a	n/a
UWP target cash endow ment	surrender	n/a	n/a	n/a	n/a
UWP bond	surrender	n/a	n/a	7.00%	7.00%
UWP bond	automatic withdraw als	100% of current	100% of current	100% of current	100% of current
CWP pension regular premium	PUP	0.00%	0.00%	0.00%	0.00%
CWP pension regular premium	surrender	1.50%	1.50%	1.50%	1.50%
CWP pension single premium	surrender	1.50%	1.50%	1.50%	1.50%
UWP indiv pension regular premium	PUP	n/a	n/a	n/a	n/a
UWP indiv pension regular premium	surrender	3.50%	3.50%	3.50%	3.50%
UWP indiv pension single premium	surrender	3.50%	3.50%	3.50%	3.50%

For UWP business we make no allowance for future premiums, so the PUP rate is not applicable.

UWP endowment business is not modelled as the amount of business is not material.

**Mortality Assumptions**

Mortality assumptions for the Realistic Balance sheet are generally best-estimate.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****Annuitant Mortality**

For all immediate annuities and deferred annuities in payment we use the following annuitant mortality basis:

	<b>31/12/2014</b>
Males	104.5% PCMA00 with CMI_2013_M(1.75%) improvement factors, applicable from 2001
Females	99.5% PCFA00 with CMI_2013_F(1.5%) improvement factors, applicable from 2001

**Guaranteed Annuity Option take-up rate**

An initial take-up rate of 83% for ex CGNU and 83% for ex CULAC has been assumed in respect of Guaranteed Annuity options attaching to pensions.

A fixed take up rate is assumed irrespective of how in the money the option is.

The member's chosen normal retirement age has been used to determine the value of the Guaranteed Annuity Option.

**Deferred Annuity with cash option**

The ex CGNU SEDA business with a guaranteed cash option is modelled stochastically with a 100% take-up rate in simulations where the cash option is more valuable than the secured annuity amount.

**(7) Policyholder Actions**

Policyholder actions are covered by the static persistency and GAO take-up rates in the previous section, together with a dynamic overlay for certain classes of business. There is dynamic linking of policyholder behaviour in respect of no-MVR, Inflation-protection and 'money-back' guarantees for certain classes of business.

**7. Financing Costs**

There are no financing costs.

**8. Other long-term insurance liabilities****NWPSF**

<b>Product Class</b>	<b>Any other liabilities related to treating customers fairly</b>	<b>Any other long-term insurance liabilities</b>
Conventional Life	0	(44)
Conventional Pensions	0	(3)
UWP Life (incl. Overseas)	0	(320)
UWP Pensions	0	(58)
UWP Stakeholder	0	0
Miscellaneous	0	56
Value of Future Transfers	0	(294)
<b>Total</b>	<b>0</b>	<b>(662)</b>

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****OWPSF**

<b>Product Class</b>	<b>Any other liabilities related to treating customers fairly</b>	<b>Any other long-term insurance liabilities</b>
Conventional Life	0	10
Conventional Pensions	0	1
UWP Life (incl. Overseas)	0	(26)
UWP Pensions	0	6
UWP Stakeholder	0	0
Miscellaneous	0	23
<b>Total</b>	<b>0</b>	<b>13</b>

**Any other liabilities related to treating customers fairly**

No liability is held in respect of any other liabilities related to treating customers fairly.

**Any other long-term insurance liabilities**

In NWPSF, the product split gives a breakdown of the asset in respect of the Shareholder transfers expected to be charged to Asset Shares. Following a board decision in 2014, no future transfers will be paid to the Shareholder Fund from this fund. This figure also includes the Shareholder transfers expected to be received from OWPSF, WPSF and PMSF (-£443m in NWPSF).

In OWPSF, the product split gives a breakdown of the liability in respect of the difference between Shareholder Transfers expected to be paid to NWPSF, and Shareholder transfers expected to be charged to Asset Shares (£37m in OWPSF).

A credit of £287m (NWPSF) and £40m (OWPSF) is held in respect of the difference between the present values of charges to be deducted from UWP asset shares on a charges basis compared to the future renewal expenses. This credit implicitly includes an allowance for recovery of initial expenses already incurred on this business.

£52m (NWPSF) and £13m (OWPSF) is held to cover the cost of future expenses not charged to asset shares.

£15m (NWPSF) and £2m (OWPSF) is included in respect of other liabilities including future pension transfer review costs, funding for the Aviva staff pension scheme deficit, investigation and redress of mortgage endowment mis-selling complaints.

**9. Realistic current liabilities**

The realistic current liabilities include the following:

- Outstanding claims
- Creditors arising out of direct insurance business
- Amounts owed to credit institutions
- Creditors in relation to current tax liabilities
- Other creditors
- Accruals and deferred income
- Creditors arising out of reinsurance business

The realistic current liabilities at 31 December 2014 are £2,615m in NWPSF and £121m in OWPSF.

The realistic current liabilities are £12m lower than the regulatory liabilities in NWPSF and £1m lower than the regulatory liabilities in OWPSF. This reflects taking partial credit for assumed future income and capital gains for which tax due can be offset against an existing deferred tax asset.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014****10. Risk Capital Margin**

(1)

<b>Fund</b>	<b>RCM (£m)</b>
NWPSF	245.9
OWPSF	47.6

(a)

- (i) Changes in asset values under stress scenarios for equities and real estate (property) for NWPSF and OWPSF

<b>Asset Class</b>	<b>Change in market values</b>
UK Equities	20.00%
OS Equities	25.30%
Property	12.50%

The overseas equity change is set such that it has the same probability as UK equities changing by 20%.

A rise in market values of equity and property is more onerous than a fall in market values for both NWPSF and OWPSF.

(ii)

<b>Asset Class</b>	<b>Rise in FI yields</b>	<b>Fall in FI yields</b>
Nominal change in yields	+38bps	-38bps
long-term yield – level post-stress	2.57%	1.81%
long-term yield - % movement post-stress	+17.50%	-17.50%

For both NWPSF and OWPSF, the fall in fixed-interest yield scenario is more onerous.

(iii)

<b>Fund</b>	<b>Average Increase in credit spread – excluding Approved stock</b>	<b>Change in FI asset value – excluding Approved stock</b>
NWPSF	0.94%	-2.55%
OWPSF	0.93%	-3.57%

The average increase in credit spread is weighted by current market value of fixed interest.

The change in FI asset values is from the increase in credit spreads from the credit-risk test.

In the credit risk scenario the credit default swaps held in the funds are assumed to increase by £6.6m in NWPSF and by £0.5m in OWPSF. This includes a margin for prudence.

- (iv) For the persistency test a 32.5% decrease in lapse rates is tested as this increases the fund's exposure to maturity guarantees.

% increase in realistic liabilities for NWPSF = 0.56%

% increase in realistic liabilities for OWPSF = 0.81%

- (v) Not applicable

**(b) Management Actions under the stress tests**

- (i) No changes in management actions or to any other assumptions are assumed to be made under the stress tests.

- (ii) Not applicable.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014**

(iii) The same investment management rules governing any change in asset mix of the fund have been used for the projection of assets in the stress tests as in the central scenario.

(iv) Under the stress tests the guarantee charges are assumed to be unchanged.

**(c) Assets backing Risk Capital Margin**

(i) The assets hypothecated to back the risk capital margin are set out in the following table.

<b>NWPSF Assets backing RCM</b>	<b>£m</b>	<b>%</b>
UK equities	-	0.00%
Overseas equities	-	0.00%
Land and buildings	-	0.00%
Approved fixed interest securities	-	0.00%
Other fixed interest securities	-	0.00%
All other assets	245.9	100.00%
<b>Total</b>	<b>245.9</b>	<b>100.00%</b>

All assets backing the New With-Profits Sub-Fund RCM are physically held within NWPSF.

However, for the purpose of presentation, and surplus assets are notionally transferred to the Reattributed Inherited Estate External Support Account (RIEESA) which forms part of

Non-Profit Sub-Fund 1. These assets are then available to back the RCM of NWPSF.

<b>OWPSF Assets backing RCM</b>	<b>£m</b>	<b>%</b>
UK equities	-	0.00%
Overseas equities	-	0.00%
Land and buildings	-	0.00%
Approved fixed interest securities	47.6	100.00%
Other fixed interest securities	-	0.00%
All other assets	-	0.00%
<b>Total</b>	<b>47.6</b>	<b>100.00%</b>

All assets backing the Old With-Profits Sub-Fund RCM are within the Old With-Profits Sub-Fund.

(ii) Not applicable.

**11. Tax****(1) Tax treatment in the with-profits benefit reserves**

Asset shares are credited with net of tax investment returns allowing for actual tax rates.

<b>NWPSF/OWPSF</b>	<b>2014</b>
	<b>%</b>
Income tax	20
Capital gains tax	20
Franked income tax	-
Withholding tax	15

Capital gain tax is charged or relief credited, on unrealised gains or losses in each period allowing for the probability of the charge or relief materialising in future. A probability of 45% is assumed for 2014, this leads to a notional tax charge/credit of 9%.

**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**Name of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2014****(2) Tax treatment in future policy related liabilities**

The following tax rates have been used in the future for all projections:

Corporation Tax	20%
Income Tax	20%
Capital Gains Tax	20%
Franked Income Tax	0%
Withholding Tax	15%

The corporate tax rate is set at 20% in respect of payments from 2015 onwards, the rate will apply from April 2015. No allowance is made for possible further reductions in this rate in future.

For asset share projections in the stochastic model, capital gains tax is levied on gains in each future period at 20% in simulations where there are sufficient cumulative indexed gains.

**(3) Tax treatment in the realistic current liabilities**

In the realistic regime allowance for deferred tax assets is made. The credit in relation to capital losses is reduced to allow for the probability of no future value being obtained for those capital losses. Discounting is applied for deferral of tax on deemed disposals on OEICs and any acquisition expense elements of the tax asset.

In the regulatory regime no allowance is made for deferred tax assets.

**12. Derivatives**

Security	NWPSF Exposure at 31/12/2014	OWPSF Exposure at 31/12/2014
	£m	£m
Futures on Bonds - short term trading derivatives	92	(3)
Futures on Equities - short term trading derivatives	1,219	231
Currency Futures	1,162	155
Property Futures	(252)	(46)
Inflation Rate Sw aps - pay fixed/receive floating	2,489	283
Inflation Rate Sw aps - pay floating/receive fixed	628	35
Inflation Rate Sw aps - pay floating/receive floating	4,265	447
Interest Rate Sw aps - pay fixed/receive floating	2,002	487
Interest Rate Sw aps - pay floating/receive fixed	7,574	906
Credit Default Sw aps	(334)	(27)
Total Return Sw aps - pay bonds receive libor	(316)	(32)
Total Return Sw aps - pay libor receive bonds	0	0
Equity Options	1,574	210

Futures are used either as part of Aviva Life & Pensions UK Limited portfolio management strategy or for risk mitigation strategies. The majority of futures these expire no later than 31 March 2015.

The Interest Rate and Inflation Swaps are primarily used for risk mitigation strategies and more specifically used as a partial hedge of the Guaranteed Annuity Option liability.

The Credit Default Swaps are used to manage bond spread and default risk within the fund.

The swap exposures figures are shown as gross counterparty exposure and do not allow for the offset of individual contracts against one another. The Equity Options are used to manage equity exposure within the fund.



**Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A**

Name of insurer

**Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended

**31 December 2014****13. Analysis of working capital**

		NWPSF £m	OWPSF £m
Note	Working capital at 31/12/2013	0	359
1	Investment return on opening working capital and profits on assets backing liabilities	45	3
2	Economic assumption changes	(180)	(6)
3	Non-economic assumption changes	15	1
4	Policyholder action assumption changes	(10)	(7)
5	Other experience variances	(45)	(19)
6	Modelling changes and opening adjustments	21	3
7	Miscellaneous liabilities	11	3
8	Management actions	1,202	(87)
9	Transfer to RIEESA	(1,059)	
	Working capital at 31/12/2014	0	250

Notes:

- The profits on assets backing liabilities includes the release of time value in guarantees, the impacts of assets backing guarantee costs moving adversely relative to the cost of the guarantees and unwind of the discount rate used for calculating guarantee costs. There is also a positive impact from assets backing non-profit liabilities increasing by more than the liabilities.  
In OWPSF it has not been possible to split return on working capital and return on guarantee costs so this has also been included in this line of the analysis.
- The economic assumption impact in is mainly driven by changes to bond yields and a reduction in NP liquidity premium.
- Non-economic assumption changes include a weakening of annuitant mortality rates and an increase in investment expense assumptions.
- The policyholder assumption change relates to a change in lapse rates on bonds and endowments.
- Experience variance includes the impact of mortality, persistency longevity, expenses and new business.
- Modelling changes and opening adjustments include:
  - A profit from a release of reserves after a full review of asset share calculations in the deterministic model
  - A profit from release of reserves after investigation of data used for deferred annuity reserves
  - A profit from one-off corrections in the accounts
  - A profit from introducing new functionality to refine the modelling of guarantees linked to inflation
  - A loss from an improvement to the methodology in calculating the fair value of bespoke assets
- Miscellaneous liabilities consist of changes in provisions for future expected outgo, including Product Governance provisions.
- Management actions include the following for NWPSF:
  - The impact of transferring the liabilities formerly in the RIEESA into NWPSF
  - The impact of retaining all future shareholder transfers arising from NWPSF
  - The impact of the redirection of shareholder interest in OWPSF, WPSF and PM
 The management action for OWPSF reflects the planned distribution of the estate.
- The resulting surplus or deficit in New With-Profits Sub-Fund is zeroised by way of an inter-fund balance transfer to/from the RIEESA.
- Note that the change in other liabilities from Form 19 line 47 is included in the analysis above.
- The change in working capital arising purely from the change in Form 19 line 51 cannot be quantified.

**Statement on derivatives required by IPRU (INS) 9.29**

Name of insurer **Aviva UK Life & Pensions Limited**

Global business

Financial year ended **31st December 2014**

The following summarises investment policy for the use of derivatives: -

- Derivatives will only be used in accordance with PRA Guidelines for the purpose of efficient portfolio management or reduction in investment risk.
- Derivatives must not be used for speculative purposes.
- Derivatives must be fully covered by the assets of the fund and must not be used to 'gear up' a fund.
- Counterparty risk – for exchange traded contracts, the exchange must be classed as "regulated" by an investment committee. Over the counter contracts, transactions must only be transacted with approved counterparties.
- Counterparty limits are consistent, and monitored in line with the fund's aggregate exposure guidelines.
- Controls and Monitoring – delegated authorities exist for each member of staff using derivatives. Derivatives transactions are priced, settled and profit and losses reconciled in an area independent of the fund managers involved.

The speculative use of derivative contracts is prohibited.

There are no specific guidelines for the use of contracts that were not reasonably likely to be exercised at the start of the contract. The company was party to Stock Underwriting over the financial year, which falls into the description above. This was the only example of such contracts that was transacted during the financial period. However, none of the amounts recorded in Form 13 would have been materially changed if the insurer became obligated to purchase these assets

No derivative contracts were held at any time during the financial year that required a significant provision under INSPRU 3.2.17R, and where appropriate, all contracts held fell within the definition of a permitted derivative contract.

During the financial period, the company's use of derivatives included the granting of rights under derivative contracts for a fixed consideration. This was in the activity of Stock Underwriting. The fee income over the financial year was £89,559.

Returns under the Accounts and Statements Rules

**Statement on controllers required by IPRU (INS) 9.30**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

100% of the issued share capital of the Company is held by Aviva Life Holdings UK Limited.

100% of the issued share capital of Aviva Life Holdings UK Limited is held by Aviva Group Holdings Limited.

100% of the issued share capital of Aviva Group Holdings Limited is held by the Ultimate Parent Undertaking, Aviva plc.

There have been no changes to the above position during the year.

All shares are voting shares.

**Statement of information on the with-profits actuary required by IPRU (INS) 9.36**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global Business  
Financial year ended **31st December 2014**

In accordance with rule 9.36 of the Interim Prudential Sourcebook for Insurers, N M Rowley was requested to furnish and has provided the following information:

- (a) (1) The actuary holds an interest in 78,279 ordinary shares in Aviva Plc at 31 December 2014 (2013: 84,646). The actuary is a member of the Money Purchase Section of the Aviva Staff Pension Scheme and has preserved benefits in the Final Salary Section.
- (2) In March 2014, 12,283 shares held in Executive Share Plans (the Annual Bonus Plan and Long Term incentive Plan) were released and were sold. Also in March 2014, 7,492 shares in the Long Term Incentive Plan lapsed. In August 2014, options for 4,277 shares in the Aviva Executive Share Option Plan expired.
- (b) The actuary has no policies of insurance with the Companies. He is one of a number of beneficiaries under a trust: the property of which comprises a life insurance policy issued by Aviva Life & Pensions UK Limited for which total premiums of £265 were paid in the year to 31 December 2014 (2013: £265).
- (c) The aggregate amount of remuneration, bonuses and the value of other benefits (excluding pension rights) under the actuary's contract of employment with Aviva Employment Services Limited for the year to 31 December 2014 was £280,573 (2013: £277,489). Under the contract he was the With-profits actuary of Aviva Life & Pensions UK Limited.

The particulars of this statement were furnished to the company by Mr N M Rowley at the Company's request.

**Certificate by the directors required by IPRU (INS) 9.34(1) and IPRU (INS) Appendix 9.6**

Name of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2014**

We certify that:

- 1 (a)** the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and

**(b)** the directors are satisfied that:

  - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
  - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
- 2 (a)** in the directors' opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;

**(b)** the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14, constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;

**(c)** the with-profits funds have been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COBS 20.3; and

**(d)** the directors have, in preparing the return, taken and paid due regard to:

  - (i) advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
  - (ii) advice from every actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16AR of the FCA Handbook and SUP 4.3.16R of the PRA Handbook.

..... **D B BARRAL**  
Chief Executive

..... **C J ABRAHAMS**  
Director

..... **A J DARLINGTON**  
Director

March 2015

**Independent auditor's report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers**

Name of insurer **Aviva Life & Pensions UK Limited**  
Global Business  
Financial year ended **31st December 2014**

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ('the Rules') made by the Financial Services Authority under section 137G of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 19, 40 to 45, 48, 49, 58 and 60, (including the supplementary notes) ('the Forms');
- the statement required by IPRU(INS) rule 9.29 ('the statement'); and
- the valuation reports required by INSPRU rule 1.3 and IPRU(INS) 9.31 ('the valuation reports');

We are not required to audit and do not express an opinion on:

- Forms 46, 47, 50 to 55, 57, 59A and 59B (including the supplementary notes);
- the statements required by IPRU(INS) rules 9.30 and 9.36; and
- the certificate required by IPRU(INS) rule 9.34(1).

**Respective responsibilities of the insurer and its auditors**

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report) under the provisions of the Rules. The requirements of the Rules have been modified by a direction issued under section 138A of the Financial Services and Markets Act 2000 on 23 December 2013. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation reports are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation reports are required to reflect appropriately the requirements of INSPRU 1.2 and 1.3.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the valuation report meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the statement and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

**Basis of opinion**

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statement and the valuation reports. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and the valuation reports.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statement and the valuation reports are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

**Independent auditor's report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers**

Name of insurer	<b>Aviva Life &amp; Pensions UK Limited</b>
Global Business	
Financial year ended	<b>31st December 2014</b>

**Opinion**

In our opinion:

(i) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and

(ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2 and 1.3.

PricewaterhouseCoopers LLP  
Chartered Accountants

March 2015

The maintenance and integrity of the Aviva plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the insurance annual return since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of insurance annual returns may differ from legislation in other jurisdictions.