



Aviva Life & Pensions UK Limited

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

**Annual PRA Insurance Returns for the year ended
31 December 2013**

Index to Appendices 9.1, 9.3, 9.4, 9.4A and 9.6 of IPRU (INS)Name of insurer **Aviva Life & Pensions UK Limited**

Global Business

Financial year ended **31st December 2013****Contents**

<i>Forms</i>		<i>Page</i>
IPRU (INS) Appendix 9.1		
2	Statement of solvency – long-term insurance business	1
3	Components of capital resources	3
11	Calculation of general insurance capital requirement - premiums amount and brought forward amount	6
12	General insurance business: Calculation of general insurance capital requirement - claims amount and result	7
13	Analysis of admissible assets	8
14	Long-term insurance business liabilities and margins	38
15	Liabilities (other than long term insurance business)	48
16	Profit and loss account (non-technical account)	49
17	Analysis of derivative contracts	50
18	With-profits insurance capital component for the fund	57
19	Realistic balance sheet	61
IPRU (INS) Appendix 9.3		
40	Revenue account	69
41	Analysis of premiums	79
42	Analysis of claims	89
43	Analysis of expenses	99
44	Linked funds balance sheet	108
45	Revenue account for internal linked funds	109
46	Summary of new business	110
47	Analysis of new business	111
48	Non-linked assets	117
49	Fixed and variable interest assets	126
50	Summary of mathematical reserves	132
51	Valuation summary of non-linked contracts (other than accumulating with-profits contracts)	142
52	Valuation summary of accumulating with-profits contracts	176
53	Valuation summary of property linked contracts	195
54	Valuation summary of index linked contracts	209
55	Unit Prices for internal linked funds	218
57	Analysis of valuation interest rates	219
58	Distribution of surplus	226

Index to Appendices 9.1, 9.3, 9.4, 9.4A and 9.6 of IPRU (INS)

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

Global Business

Financial year ended **31st December 2013**

59A	With-profits payouts on maturity (normal retirement)	236
59B	With-profits payouts on surrender	240
60	Long-term insurance capital requirement	244
Supplementary notes		245
IPRU (INS) Appendix 9.4 and 9.4A		
	Valuation report	259
	Abstract of valuation report for realistic valuation	350
IPRU (INS) 9.29, 9.30 and 9.36		
	Statement on derivatives required by IPRU (INS) 9.29	430
	Statement on controllers required by IPRU (INS) 9.30	431
	Statement of information on with-profits Actuary required by IPRU (INS) 9.36	432
Certificate by the directors and report of the auditors – IPRU (INS) Appendix 9.6		
	Certificate by the directors required by IPRU (INS) 9.34(1)	433
	Independent auditor's report to the directors pursuant to IPRU (INS) 9.35	434

Statement of solvency - long-term insurance business
Form 2

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

Global business

 Financial year ended **31st December 2013**

Adjusted solo solvency calculation

R2	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
	3253947	GL	31	12	2013	£000
			As at end of this financial year		As at end of the previous year	
			1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11	6932819	5859288
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	2727237	2544631
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	9660056	8403919

Guarantee fund

Guarantee fund requirement	21	1942236	2110246
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	7717820	6293673

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	2324496	2378295
Resilience capital requirement	32		
Base capital resources requirement	33	3146	2984
Individual minimum capital requirement	34	2324496	2378295
Capital requirements of regulated related undertakings	35	1167404	1317481
Minimum capital requirement (34+35)	36	3491900	3695776
Excess (deficiency) of available capital resources to cover 50% of MCR	37	7914106	6556031
Excess (deficiency) of available capital resources to cover 75% of MCR	38	7041131	5632087

Enhanced capital requirement

With-profits insurance capital component	39	2364288	1566612
Enhanced capital requirement	40	5856188	5262388

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	5856188	5262388
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	3803868	3141531

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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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 2013**

.....
D B BARRAL
Chief Executive

.....
C J ABRAHAMS
Director

.....
J R LISTER
Director

March 2014

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

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

Global business

Financial year ended **31st December 2013**

	R3	Company registration number 3253947	GL/UK/CM GL	Period ended			units £000
				day	month	year	
				31	12	2013	
		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	

Core tier one capital

Permanent share capital	11		192000	192000	100000
Profit and loss account and other reserves	12		5111153	5111153	3904119
Share premium account	13				622900
Positive valuation differences	14		4945379	4945379	3700124
Fund for future appropriations	15		1721243	1721243	2037849
Core tier one capital in related undertakings	16		(508525)	(508525)	(59003)
Core tier one capital (sum of 11 to 16)	19		11461250	11461250	10305989

Tier one waivers

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

Other tier one capital

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

Total tier one capital before deductions (19+24+25+26+27+28)	31		11461250	11461250	10305989
Investments in own shares	32				
Intangible assets	33		117002	117002	92791
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36		312444	312444	384728
Deductions from tier one (32 to 36)	37		429446	429446	477519
Total tier one capital after deductions (31-37)	39		11031804	11031804	9828470

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

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

Global business

Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	3253947	GL	31	12	2013	£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)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47	200000	200000	200000	
Upper tier two capital (44 to 47)	49	200000	200000	200000	

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

Total tier two capital before restrictions (49+59)	61	200000	200000	200000	
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69	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 2013**

		Company registration number	GL/UK/CM	Period ended			units	
		R3	3253947	GL	day	month	year	£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	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		11231804	11231804	10028470
Inadmissible assets other than intangibles and own shares	73		1571748	1571748	1624551
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		9660056	9660056	8403919

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		9660056	9660056	8403919
Available capital resources for 50% MCR requirement	82		9660056	9660056	8403919
Available capital resources for 75% MCR requirement	83		9660056	9660056	8403919

Financial engineering adjustments

Implicit items	91				
Financial reinsurance – ceded	92		531700	531700	606513
Financial reinsurance – accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96		531700	531700	606513

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

Global business

Financial year ended **31st December 2013**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units
		R11	3253947	GL	day	month	year
					31	12	2013
							£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					
Sub-total A (13 + 1/2 14 - 2/3 15)		16					
Gross premiums earned		21			107971		91592
Premium taxes and levies (included in line 21)		22					
Premiums earned net of taxes and levies (21-22)		23			107971		91592
Premiums for classes 11, 12 or 13 (included in line 23)		24					
Premiums for "actuarial health insurance" (included in line 23)		25					
Sub-total H (23 + 1/2 24 - 2/3 25)		26			107971		91592
Sub-total I (higher of sub-total A and sub-total H)		30			107971		91592
Adjusted sub-total I 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			19435		16487
	Excess (if any) over 61.3M EURO x 0.02	33			1117		843
Sub-total J (32-33)		34			18318		15644
Claims paid in period of 3 financial years		41			141403		174586
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			214148		210763
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			203190		183273
Sub-total C (41+42+43-44-45)		46			152361		202076
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47			13683		13185
Sub-total D (46-47)		48			138678		188891
Reinsurance ratio (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)		49			0.91		0.93
Premiums amount (Sub-total J x reinsurance ratio)		50			16673		14623
Provisions for claims outstanding (before discounting and net of reinsurance)		51			189514		184642
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 2013**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	3253947	GL	31 day	12 month	2013 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	141403		174586		
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	214148		210763			
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	203190		183273			
Claims incurred in reference period (21+22+23-24-25)			26	152361		202076		
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	152361		202076		
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	50787		67359		
Division of sub-total F (gross adjusted claims amount)	X 0.26	32	13205		17513			
	Excess (if any) over 42.9M EURO x 0.03	33	429		983			
Sub-total G (32 - 33)			39	12776		16530		
Claims amount Sub-total G x reinsurance ratio (11.49)			41	11629		15451		
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 2013**

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	2013	£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	21	882923	217779
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25	90390	33234
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28	83331	32000
Participating interests	shares	29	3268	3365
	debts and loans	30		

Other financial investments

Equity shares	41	138	
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43		
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	22475 9501
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		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	658
	More than one month withdrawal	55	
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 2013**

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

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	day	month	year	£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	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		9
	due in more than 12 months	77		
Other	due in 12 months or less	78	16443	6324
	due in more than 12 months	79	7678	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	502417	916946
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	153	235
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	1609216	1220051
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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 2013**

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	2013	£000	1
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	1609216	1220051
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	159868	77768
Capital resources requirement deduction of regulated related undertakings	94	1167404	1317481
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96	79768	12120
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	620977	276424
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101	7	60
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)	102	3637240	2903904
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£000	10
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	2002327		2217605		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25	177825	150155
	debts and loans	26	271209	256155
Other group undertakings	shares	27		
	debts and loans	28	315310	352970
Participating interests	shares	29	3268	3365
	debts and loans	30		

Other financial investments

Equity shares		41	6612226	6507927
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	7586536	9207501
Rights under derivative contracts		44	451712	213239
Fixed interest securities	Approved	45	5544112	8070986
	Other	46	3867803	6175598
Variable interest securities	Approved	47	6630674	4717583
	Other	48	1274479	1465702
Participation in investment pools		49		
Loans secured by mortgages		50	975463	1194491
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	22202	25616
Other loans		53	4172473	3603708
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	925	10745
	More than one month withdrawal	55	480394	469066
Other financial investments		56		50250

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

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

Global business

Financial year ended **31st December 2013**

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

		Company registration number	GL/UK/CM	Period ended			units	Category of assets	
		R13	3253947	GL	31	12	2013	£000	10
					As at end of this financial year			As at end of the previous year	
					1			2	
Deposits with ceding undertakings				57	3930455				
Assets held to match linked liabilities	Index linked			58	24210			231915	
	Property linked			59	42700800			38625683	

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	143373	145401
	Intermediaries	72	17077	17269
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	71598	11651
	Ceded	75	114113	101611
Dependants	due in 12 months or less	76	334	
	due in more than 12 months	77		
Other	due in 12 months or less	78	677995	1068207
	due in more than 12 months	79	3725	148141

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	4214686	2968953
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	342496	393319
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	34539	7877

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	92664339	88412689
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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 2013**

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	2013	£000	10
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	92664339	88412689
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	61789	26843
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	53146	185499
Deferred acquisition costs excluded from line 89	99	1166762	1209874
Reinsurers' share of technical provisions excluded from line 89	100	4770582	4225786
Other asset adjustments (may be negative)	101	709486	473140
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)	102	99426104	94533831
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£000	11
				As at end of this financial year			As at end of the previous year	
				1			2	
Land and buildings			11	869890			938444	

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26	39391	37979
Other group undertakings	shares	27		
	debts and loans	28	165552	167379
Participating interests	shares	29	874	900
	debts and loans	30		

Other financial investments

Equity shares		41	2987157	3236309
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	2828902	3588746
Rights under derivative contracts		44	164837	144034
Fixed interest securities	Approved	45	2693349	4187511
	Other	46	1054783	1930982
Variable interest securities	Approved	47	1907067	1054607
	Other	48	380484	521201
Participation in investment pools		49		
Loans secured by mortgages		50	393629	504399
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	15311	15915
Other loans		53	2143898	2126877
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55	172933	76000
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 2013**

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

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R13	3253947	GL	31	12	2013	£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	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	9122	10032
	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	320416	429231
	due in more than 12 months	79	(59333)	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	1970825	498149
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	191524	218609
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	18250611	19687304
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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 2013**

 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	2013	£000	11
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	18250611	19687304
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	17762	86000
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101	10779	(70026)
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)	102	18279152	19703278
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£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	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28		
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41	75759	195057
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	189372	159751
Rights under derivative contracts		44	22565	290
Fixed interest securities	Approved	45	564837	498922
	Other	46	317226	772976
Variable interest securities	Approved	47	470613	85050
	Other	48	15998	60464
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	263
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55	41272	8000
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 2013**

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	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	1190	4930
	Intermediaries	72		603
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	4139	83847
	due in more than 12 months	79	(493)	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		131931
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	18020	23787
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	1720507	2025871
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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 2013**

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	2013	£000	12
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	1720507	2025871
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	1213	1816
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101	976	(3030)
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)	102	1722696	2024657
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£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	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28		
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43		
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	21630	22939
	Other	46		
Variable interest securities	Approved	47		
	Other	48		
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	1549	1512
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55	49928	
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 2013**

Category of assets **Belgian Sub-Fund**

				Company registration number	GL/UK/CM	Period ended			units	Category of assets	
				R13	3253947	GL	day	month	year	£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	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	458	1206
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	116	113
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	6202	52231
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	488	447
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	80371	78448
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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 2013**

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	2013	£000	13
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	80371	78448
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	124564	123000
Other asset adjustments (may be negative)	101	(15)	45
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)	102	204920	201493
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£000	14
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	3581		441		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28	8574	59908
Participating interests	shares	29	2394	2465
	debts and loans	30		

Other financial investments

Equity shares		41	18016	1314
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	128982	72945
Rights under derivative contracts		44	20067	191
Fixed interest securities	Approved	45	329654	325828
	Other	46	49257	88580
Variable interest securities	Approved	47	153970	6711
	Other	48	202856	172075
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	3724	5813
Other loans		53	(444172)	(349031)
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	182	9412
	More than one month withdrawal	55	110059	359375
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 2013**

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

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	31 day	12 month	2013 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			231384
	Property linked			59	10211300			10327540

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	12402	22271
	Intermediaries	72	5	40
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	2499	3359
	Ceded	75	72651	73118
Dependants	due in 12 months or less	76	334	
	due in more than 12 months	77		
Other	due in 12 months or less	78	(128994)	68858
	due in more than 12 months	79	283327	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	1165906	909569
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	4206	7028
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	18057	24

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	12252512	12399218
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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 2013**

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	2013	£000	14
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	12252512	12399218
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	50426	23990
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	(1300)	(1488)
Deferred acquisition costs excluded from line 89	99	718060	776066
Reinsurers' share of technical provisions excluded from line 89	100	1796734	1493522
Other asset adjustments (may be negative)	101	(147451)	(71006)
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)	102	14668981	14620302
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£000	15
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	2330		3952		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28	80168	61705
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41	31923	42227
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	97722	94745
Rights under derivative contracts		44	21507	
Fixed interest securities	Approved	45	16534	19361
	Other	46	183044	215974
Variable interest securities	Approved	47	60625	124943
	Other	48	21117	18928
Participation in investment pools		49		
Loans secured by mortgages		50	192896	221318
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	890	83
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	743	1333
	More than one month withdrawal	55	9670	4178
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 2013**

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

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	day	month	year	£000	15
				As at end of this financial year			As at end of the previous year	
				1			2	
Deposits with ceding undertakings			57	3930455				
Assets held to match linked liabilities	Index linked		58					
	Property linked		59	32426250			28233293	

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	48639	53255
	Intermediaries	72	3904	6166
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	68916	
	Ceded	75	7276	5209
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	156156	118738
	due in more than 12 months	79	(36829)	148141

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	225827	271441
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	8841	8412
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	2194	7853

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	37560798	29661255
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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 2013**

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	2013	£000	15
				As at end of this financial year		As at end of the previous year	
				1		2	

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)	91	37560798	29661255
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	9113	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	(955)	
Deferred acquisition costs excluded from line 89	99	448702	433808
Reinsurers' share of technical provisions excluded from line 89	100	2771897	2502930
Other asset adjustments (may be negative)	101	810601	720570
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)	102	41600156	33318563
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£000	16
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	969393		1104229		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25	151175	129215
	debts and loans	26	223365	209924
Other group undertakings	shares	27		
	debts and loans	28	52064	54996
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41	2971966	2608462
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	3691642	4555786
Rights under derivative contracts		44	196726	61675
Fixed interest securities	Approved	45	1567389	2634941
	Other	46	1809738	2598049
Variable interest securities	Approved	47	3707224	3051605
	Other	48	539887	610991
Participation in investment pools		49		
Loans secured by mortgages		50	330644	413693
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	1317	1908
Other loans		53	2329660	1823390
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55	85068	21513
Other financial investments		56		43528

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

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

Global business

Financial year ended **31st December 2013**

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		472		469
	Property linked			59		55818		57230

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	50069	42105
	Intermediaries	72	11589	9206
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	161	7987
	Ceded	75	28585	19297
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	263515	288735
	due in more than 12 months	79	(155949)	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	594235	868598
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	101245	116541
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	12609	

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	19589607	21334073
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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 2013**

 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	2013	£000	16
			As at end of this financial year			As at end of the previous year	
			1			2	

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)	91	19589607	21334073
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	915	915
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	37844	97728
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	64010	88925
Other asset adjustments (may be negative)	101	29547	(87078)
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)	102	19721923	21434563
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£000	17
				As at end of this financial year		As at end of the previous year		
				1		2		
Land and buildings			11	157133		170539		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25	26650	20940
	debts and loans	26	8453	8252
Other group undertakings	shares	27		
	debts and loans	28	8952	8982
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41	527405	424558
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	649916	735528
Rights under derivative contracts		44	26010	7049
Fixed interest securities	Approved	45	350719	381484
	Other	46	453755	569037
Variable interest securities	Approved	47	331175	394667
	Other	48	114137	82043
Participation in investment pools		49		
Loans secured by mortgages		50	58294	55081
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	301	468
Other loans		53	142188	2126
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55	11464	
Other financial investments		56		6722

Analysis of admissible assets
Form 13
(Sheet 2)

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

Global business

Financial year ended **31st December 2013**

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

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
	R13	3253947	GL	31 day	12 month	2013 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	63			62
	Property linked			59	7432			7620

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	21493	11602
	Intermediaries	72	1579	1254
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	22	305
	Ceded	75	5485	3821
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	62763	78798
	due in more than 12 months	79	(26998)	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	251153	235230
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	18172	18495
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	1679	

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	3209395	3224663
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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 2013**

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	2013	£000	17
			As at end of this financial year			As at end of the previous year	
			1			2	

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)	91	3209395	3224663
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	122	122
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	(205)	3259
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	8154	11402
Other asset adjustments (may be negative)	101	5049	(16335)
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)	102	3222515	3223111
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets
Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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	2013	£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	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28		
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43		
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
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		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
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 2013**

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

				Company registration number	GL/UK/CM	Period ended			units	Category of assets	
				R13	3253947	GL	day	month	year	£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		53
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	538	1804
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	538	1857
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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 2013**

 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	2013	£000	18
			As at end of this financial year			As at end of the previous year	
			1			2	

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)	91	538	1857
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	5223	6007
Other asset adjustments (may be negative)	101		
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)	102	5761	7864
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long-term insurance business liabilities and margins
Form 14

Name of insurer **Aviva Life & Pensions UK Limited**
 Global business
 Financial year ended **31st December 2013**
 Fund **Total Long-term insurance business**
 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	80599646	77202069
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13	20332	446936
Long term insurance business fund carried forward (11 to 13)	14	80619978	77649005
Claims outstanding	Gross	15	526817
	Reinsurers' share	16	
	Net (15-16)	17	526817
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23	12230	12262
Creditors	Direct insurance business	31	448428
	Reinsurance accepted	32	781
	Reinsurance ceded	33	73210
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	95617	143700
Creditors	Taxation	37	203575
	Other	38	3950541
Accruals and deferred income	39	23840	14907
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	5131464	5351332
Excess of the value of net admissible assets	51	6912897	5412352
Total liabilities and margins	59	92664339	88412689
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	23438	12031
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	42700800	38625683
Total liabilities (11+12+49)	71	85731110	82553401
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73	4770583	4225786
Other adjustments to liabilities (may be negative)	74	5487395	4000737
Capital and reserves and fund for future appropriations	75	3437016	3753907
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)	76	99426104	94533831

Long-term insurance business liabilities and margins
Form 14

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

Global business

 Financial year ended **31st December 2013**

 Fund **With-Profits Sub-Fund**

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	12696975	14470069
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	12696975	14470069
Claims outstanding	Gross	15	287535
	Reinsurers' share	16	233691
	Net (15-16)	17	287535
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	19819
	Reinsurance accepted	32	29916
	Reinsurance ceded	33	
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	2969	10133
Creditors	Taxation	37	81718
	Other	38	2050083
Accruals and deferred income	39	9798	14694
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	2370204	2481983
Excess of the value of net admissible assets	51	3183432	2735252
Total liabilities and margins	59	18250611	19687304
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	(10383)	(34852)
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	15067179	16952052
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

Financial year ended **31st December 2013**

Fund **Provident Mutual Sub-Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	1352771	1554800
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	1352771	1554800
Claims outstanding	Gross	15	26589
	Reinsurers' share	16	
	Net (15-16)	17	26589
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	17392
	Reinsurance accepted	32	
	Reinsurance ceded	33	
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	67	2529
Creditors	Taxation	37	2977
	Other	38	42289
Accruals and deferred income	39		
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	86337	164849
Excess of the value of net admissible assets	51	281399	306222
Total liabilities and margins	59	1720507	2025871
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	12464	482
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	1439108	1719649
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

 Financial year ended **31st December 2013**

 Fund **Belgian Sub-Fund**

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11		
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13	8098	9495
Long term insurance business fund carried forward (11 to 13)	14	8098	9495
Claims outstanding	Gross	15	
	Reinsurers' share	16	
	Net (15-16)	17	
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23	12230	12262
Creditors	Direct insurance business	31	5509
	Reinsurance accepted	32	
	Reinsurance ceded	33	2139
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	49125	47890
Creditors	Taxation	37	
	Other	38	3267
Accruals and deferred income	39	3	22
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	72273	68953
Excess of the value of net admissible assets	51		
Total liabilities and margins	59	80371	78448
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	72273	68953
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

 Financial year ended **31st December 2013**

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

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	15637925	17637951
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	15637925	17637951
Claims outstanding	Gross	15	110026
	Reinsurers' share	16	
	Net (15-16)	17	110026
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	184349
	Reinsurance accepted	32	862
	Reinsurance ceded	33	23085
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	7014	65029
Creditors	Taxation	37	102545
	Other	38	1670204
Accruals and deferred income	39	9645	
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	2005185	2029532
Excess of the value of net admissible assets	51	1257227	966747
Total liabilities and margins	59	18900337	20634230
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	13748	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	55818	57230
Total liabilities (11+12+49)	71	17643110	19667483
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	2336870	2553242
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	2336870	2553242
Claims outstanding	Gross	15	16044
	Reinsurers' share	16	
	Net (15-16)	17	16044
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	29745
	Reinsurance accepted	32	(81)
	Reinsurance ceded	33	3935
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	917	9795
Creditors	Taxation	37	16335
	Other	38	98682
Accruals and deferred income	39	1563	
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	150805	70205
Excess of the value of net admissible assets	51	629948	508035
Total liabilities and margins	59	3117623	3131482
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	(26143)	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	7432	7620
Total liabilities (11+12+49)	71	2487675	2623447
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

 Financial year ended **31st December 2013**

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

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	781042	793024
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	781042	793024
Claims outstanding	Gross	15	
	Reinsurers' share	16	
	Net (15-16)	17	
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	
	Reinsurance accepted	32	
	Reinsurance ceded	33	
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36		
Creditors	Taxation	37	
	Other	38	
Accruals and deferred income	39		
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49		
Excess of the value of net admissible assets	51		
Total liabilities and margins	59	781042	793024
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	781042	793024
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

		As at the end of this financial year 1	As at the end of the previous year 2
Mathematical reserves, after distribution of surplus	11	134	573
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	134	573
Claims outstanding	Gross	15	
	Reinsurers' share	16	
	Net (15-16)	17	
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	
	Reinsurance accepted	32	
	Reinsurance ceded	33	1
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36		
Creditors	Taxation	37	
	Other	38	10 31
Accruals and deferred income	39	22	
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	33	31
Excess of the value of net admissible assets	51	371	1253
Total liabilities and margins	59	538	1857
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	11	32
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	167	604
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	10509341	10893324
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13	12234	272236
Long term insurance business fund carried forward (11 to 13)	14	10521575	11165560
Claims outstanding	Gross	15	38656
	Reinsurers' share	16	
	Net (15-16)	17	38656
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	84527
	Reinsurance accepted	32	
	Reinsurance ceded	33	38821
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	33958	2128
Creditors	Taxation	37	
	Other	38	29027
Accruals and deferred income	39	2613	191
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	227602	338815
Excess of the value of net admissible assets	51	1503335	894843
Total liabilities and margins	59	12252512	12399218
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	39109	49339
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	10211300	10327540
Total liabilities (11+12+49)	71	10736943	11232139
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

Long-term insurance business liabilities and margins
Form 14

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

Global business

 Financial year ended **31st December 2013**

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

 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	37284588	29299086
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		165205
Long term insurance business fund carried forward (11 to 13)	14	37284588	29464291
Claims outstanding	Gross	15	47967
	Reinsurers' share	16	
	Net (15-16)	17	47967
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	107087
	Reinsurance accepted	32	
	Reinsurance ceded	33	5229
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36	1567	6196
Creditors	Taxation	37	
	Other	38	56979
Accruals and deferred income	39	196	
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	219025	196964
Excess of the value of net admissible assets	51	57185	
Total liabilities and margins	59	37560798	29661255
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	(5368)	(2970)
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	32426250	28233293
Total liabilities (11+12+49)	71	37503613	29496050
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
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)	76		

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

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

Global business

 Financial year ended **31st December 2013**

R15	Company registration number 3253947	GL/UK/CM GL	Period ended			units £000
			day	month	year	
			31	12	2013	
			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	49793	(7175)
Accruals and deferred income		51		76
Total (19 to 51)		59	49793	(7099)
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	49793	(7099)

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	67	43
Capital and reserves	84	3587380	2910960
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	3637240	2903904

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

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

Global business

 Financial year ended **31st December 2013**

			Company registration number	GL/UK/CM	Period ended			units	
			R16	3253947	GL	31 day	12 month	2013 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	626841		554851		
Investment income	Income			14	26649		66281		
	Value re-adjustments on investments			15	11472		265946		
	Gains on the realisation of investments			16	227		1123		
Investment charges	Investment management charges, including interest			17	3050		849		
	Value re-adjustments on investments			18	40126		60139		
	Loss on the realisation of investments			19	168		5453		
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	531445		821760		
Tax on profit or loss on ordinary activities				31	(7889)		177		
Profit or loss on ordinary activities after tax (29-31)				39	539334		821583		
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	539334		821583		
Dividends (paid or foreseeable)				51	299000		123000		
Profit or loss retained for the financial year (49-51)				59	240334		698583		

Analysis of derivative contracts

Form 17

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

Global business

Financial year ended **31st December 2013**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	2013	£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	6585	24634	1094131	442851				
	Interest rates	12	443652	737212	8605918	5530685				
	Inflation	13	231322	78445	898700	6594629				
	Credit index / basket	14								
	Credit single name	15	2794	6402		287554				
	Equity index	16	62641	11083	1805314	238188				
	Equity stock	17								
	Land	18	12	10730	100000	509513				
	Currencies	19	44540	4924	306981	3000687				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	82891		30922838					
	Equity index calls	32	67459		4444309					
	Equity stock calls	33								
	Equity index puts	34	88322		1415482					
	Equity stock puts	35								
	Other	36	23442	12446	9303	11387				
Out of the money options	Swaptions	41		20701		22822343				
	Equity index calls	42		22750		506881				
	Equity stock calls	43								
	Equity index puts	44	57110	6296	417242	464141				
	Equity stock puts	45								
	Other	46	5834		7985	3591				
Total (11 to 46)		51	1116604	935623	50028203	40412450				
Adjustment for variation margin		52	(664892)	(701203)						
Total (51 + 52)		53	451712	234420						

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 2013**Category of assets **With-Profits Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2013	£000	11
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	992	7349	330853	115110				
	Interest rates	12	265813	195972	3185251	2307690				
	Inflation	13	100883	39114	218700	2319786				
	Credit index / basket	14								
	Credit single name	15		983		30000				
	Equity index	16	22857	3005	624295	58520				
	Equity stock	17								
	Land	18								
	Currencies	19	19650	1597	140800	1417223				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	31402		12299887					
	Equity index calls	32	26349		1756253					
	Equity stock calls	33								
	Equity index puts	34	15298		273148					
	Equity stock puts	35								
	Other	36	9168	4782	9284	4782				
Out of the money options	Swaptions	41		8173		9270626				
	Equity index calls	42		9000		198761				
	Equity stock calls	43								
	Equity index puts	44	15120		120480					
	Equity stock puts	45								
	Other	46	2242		5073					
Total (11 to 46)		51	509774	269975	18964024	15722498				
Adjustment for variation margin		52	(344937)	(156311)						
Total (51 + 52)		53	164837	113664						

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Analysis of derivative contracts

Form 17

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

Global business

Financial year ended **31st December 2013**Category of assets **Provident Mutual Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			R17	3253947	GL	31	12	2013	£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		808	33247					
	Interest rates	12	107122	354258	1370656	1611002				
	Inflation	13	4916	17086	186000	510093				
	Credit index / basket	14								
	Credit single name	15								
	Equity index	16		168		5023				
	Equity stock	17								
	Land	18								
	Currencies	19	727	542		69349				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	2870		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								
	Equity index calls	42								
	Equity stock calls	43								
	Equity index puts	44								
	Equity stock puts	45								
	Other	46								
Total (11 to 46)		51	115635	372862	1869903	2195467				
Adjustment for variation margin		52	(93070)	(359406)						
Total (51 + 52)		53	22565	13456						

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 2013**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	2013	£000	14
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	10990	16948	431750	800000				
	Inflation	13	18561	1539		295935				
	Credit index / basket	14								
	Credit single name	15								
	Equity index	16	6831		185186					
	Equity stock	17								
	Land	18								
	Currencies	19	3192	1						
	Mortality	20								
	Other	21								
In the money options	Swaptions	31								
	Equity index calls	32								
	Equity stock calls	33								
	Equity index puts	34	4296		77216					
	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		1069		77216				
	Equity stock puts	45								
	Other	46								
Total (11 to 46)		51	43870	19557	694152	1173151				
Adjustment for variation margin		52	(23803)	(10076)						
Total (51 + 52)		53	20067	9481						

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 2013**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	2013	£000	15
						day	month	year		
									</	

Analysis of derivative contracts

Form 17

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

Global business

Financial year ended **31st December 2013**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	2013	£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	4752	14164	627525	278472				
	Interest rates	12	50762	153378	3263750	777209				
	Inflation	13	99560	20045	494000	3179411				
	Credit index / basket	14								
	Credit single name	15	2794	5317		250895				
	Equity index	16	27280	6798	828923	150745				
	Equity stock	17								
	Land	18	10	9165	84967	437588				
	Currencies	19	17425	2701	157795	1265404				
	Mortality	20								
	Other	21								
In the money options	Swaptions	31	41310		15585455					
	Equity index calls	32	34930		2283934					
	Equity stock calls	33								
	Equity index puts	34	41546		601547					
	Equity stock puts	35								
	Other	36	12128	6512	16	5612				
Out of the money options	Swaptions	41		10645		11514487				
	Equity index calls	42		11683		261800				
	Equity stock calls	43								
	Equity index puts	44	37053		263086					
	Equity stock puts	45								
	Other	46	3052		2474	3051				
Total (11 to 46)		51	372602	240408	24193472	18124674				
Adjustment for variation margin		52	(175876)	(157701)						
Total (51 + 52)		53	196726	82707						

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 2013**Category of assets **Old With-Profits Sub-Fund**

			Company registration number	GL/UK/CM	Period ended			units	Category of assets
					day	month	year		
			R17	3253947	GL	31	12	2013	£000
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	841	2313	102506		49269		
	Interest rates	12		12010	265510		18084		
	Inflation	13	7402	661			289404		
	Credit index / basket	14							
	Credit single name	15		102			6659		
	Equity index	16	5673	1112	166910		23900		
	Equity stock	17							
	Land	18	2	1565	15033		71925		
	Currencies	19	3546	83	8386		248711		
	Mortality	20							
	Other	21							
In the money options	Swaptions	31	7309		2757496				
	Equity index calls	32	6180		404122				
	Equity stock calls	33							
	Equity index puts	34	5675		76646				
	Equity stock puts	35							
	Other	36	2146	1152	3		993		
Out of the money options	Swaptions	41		1883			2037230		
	Equity index calls	42		2067			46320		
	Equity stock calls	43							
	Equity index puts	44	4937		33676				
	Equity stock puts	45							
	Other	46	540		438		540		
Total (11 to 46)		51	44251	22948	3830726		2793035		
Adjustment for variation margin		52	(18241)	(13490)					
Total (51 + 52)		53	26010	9458					

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 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	18250611	19687304
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	699499	874449
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	27982	35018
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	17523130	18777837
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	11997476	13595620
	Regulatory current liabilities of the fund	22	2370204	2481983
	Total (21+22)	29	14367680	16077603
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	481184	545662
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	14848864	16623265
Regulatory excess capital (19-39)		49	2674266	2154572

Realistic excess capital

Realistic excess capital	51	1188292	1337985
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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)	61	1485974	816587
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	156588	35072
Present value of other future internal transfers not already taken into account	65		
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)	66	1329386	781515

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 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	1720507	2025871
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	166068	193641
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	57717	61059
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	1496722	1771171
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	1186703	1361158
	Regulatory current liabilities of the fund	22	86337	164849
	Total (21+22)	29	1273040	1526007
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	49956	57290
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	1322996	1583297
Regulatory excess capital (19-39)		49	173726	187874

Realistic excess capital

Realistic excess capital	51		
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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)	61	173726	187874
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	28387	31883
Present value of other future internal transfers not already taken into account	65		
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)	66	145339	155991

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 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	19589607	21334073
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	2592071	2993752
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	145347	168398
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	16852189	18171923
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	13735123	15344043
	Regulatory current liabilities of the fund	22	2005185	2029532
	Total (21+22)	29	15740308	17373575
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	553065	618959
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	16293373	17992534
Regulatory excess capital (19-39)		49	558816	179389

Realistic excess capital

Realistic excess capital	51	(220108)	(372037)
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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)	61	778924	551426
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	81772	91267
Present value of other future internal transfers not already taken into account	65		
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)	66	697152	460159

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 2013**

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

 Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	3209395	3224663
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	346771	395213
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	19933	23112
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	2842691	2806338
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	2081871	2251210
	Regulatory current liabilities of the fund	22	150805	70205
	Total (21+22)	29	2232676	2321415
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	83877	91011
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	2316553	2412426
Regulatory excess capital (19-39)		49	526138	393912

Realistic excess capital

Realistic excess capital	51	302525	199611
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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)	61	223613	194301
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	31202	25354
Present value of other future internal transfers not already taken into account	65		
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)	66	192411	168947

Realistic balance sheet
Form 19
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Realistic value of assets available to the fund

Regulatory value of assets	11	17523130	18777837
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	206237	315583
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	17729367	19093420
Support arrangement assets	27		
Assets available to the fund (26+27)	29	17729367	19093420

Realistic value of liabilities of fund

With-profits benefits reserve		31	11614130	11953861
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34		
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35		422321
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	9950	10350
	Future costs of contractual guarantees (other than financial options)	41	1255651	1922880
	Future costs of non-contractual commitments	42	391977	548115
	Future costs of financial options	43	504736	626152
	Future costs of smoothing (possibly negative)	44	(119035)	(146333)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	251194	256287
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	2274573	2774430
Realistic current liabilities of the fund		51	2364140	2475057
Realistic value of liabilities of the fund (31+49+51)		59	16252843	17203348

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

Global business

Financial year ended **31st December 2013**With-profits fund **With-Profits Sub-Fund**Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

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	62	16541075	17755435
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	63		
Value of relevant assets before applying the most adverse scenario (62+ 63)	64	16541075	17755435
Risk capital margin for fund (62-59)	65	288232	552087
Realistic excess capital for fund (26-(59+65))	66	1188292	1337985
Realistic excess available capital for fund (29-(59+65))	67	1188292	1337985
Working capital for for fund (29-59)	68	1476524	1890072
Working capital ratio for fund (68/29)	69	8.33	9.90

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet
Form 19
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Realistic value of assets available to the fund

Regulatory value of assets	11	1496722	1771171
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	90152	87723
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	1586874	1858894
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1586874	1858894

Realistic value of liabilities of fund

With-profits benefits reserve		31	1087499	1243821
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	14053	28264
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	9261	5900
	Future costs of contractual guarantees (other than financial options)	41	133210	73154
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	238592	313984
	Future costs of smoothing (possibly negative)	44	(16545)	(15109)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	54616	55928
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	414665	450321
Realistic current liabilities of the fund		51	84710	164752
Realistic value of liabilities of the fund (31+49+51)		59	1586874	1858894

Realistic balance sheet
Form 19
(Sheet 2)

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

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	62	1586874	1858894
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	63		
Value of relevant assets before applying the most adverse scenario (62+ 63)	64	1586874	1858894
Risk capital margin for fund (62-59)	65		
Realistic excess capital for fund (26-(59+65))	66		
Realistic excess available capital for fund (29-(59+65))	67		
Working capital for for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet
Form 19
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Realistic value of assets available to the fund

Regulatory value of assets	11	16852189	18171923
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	768520	1060833
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	17620709	19232756
Support arrangement assets	27	1044314	737857
Assets available to the fund (26+27)	29	18665023	19970613

Realistic value of liabilities of fund

With-profits benefits reserve		31	14680131	15605996
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	8421	9181
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35	40664	54508
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	14880	21038
	Future costs of contractual guarantees (other than financial options)	41	1204948	1651596
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	149015	179636
	Future costs of smoothing (possibly negative)	44	3739	(66965)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	(354207)	(72236)
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	956372	1625666
Realistic current liabilities of the fund		51	1984206	2001094
Realistic value of liabilities of the fund (31+49+51)		59	17620709	19232756

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

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

Global business

 Financial year ended **31st December 2013**

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

 Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

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	62	17840817	19604793
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	63		
Value of relevant assets before applying the most adverse scenario (62+ 63)	64	17840817	19604793
Risk capital margin for fund (62-59)	65	220108	372037
Realistic excess capital for fund (26-(59+65))	66	(220108)	(372037)
Realistic excess available capital for fund (29-(59+65))	67	824206	365820
Working capital for for fund (29-59)	68	1044314	737857
Working capital ratio for fund (68/29)	69	5.60	3.69

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet
Form 19
(Sheet 1)

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

Global business

Financial year ended **31st December 2013**

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

Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

Realistic value of assets available to the fund

Regulatory value of assets	11	2842691	2806338
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	103126	126755
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	2945817	2933093
Support arrangement assets	27		
Assets available to the fund (26+27)	29	2945817	2933093

Realistic value of liabilities of fund

With-profits benefits reserve		31	2196879	2271847
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	663	739
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35	5414	7258
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	2380	3319
	Future costs of contractual guarantees (other than financial options)	41	219091	290718
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	27948	31715
	Future costs of smoothing (possibly negative)	44	(25)	(8522)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	1430	1379
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	241313	305452
Realistic current liabilities of the fund		51	148261	66973
Realistic value of liabilities of the fund (31+49+51)		59	2586453	2644272

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

Global business

Financial year ended **31st December 2013**With-profits fund **Old With-Profits Sub-Fund**Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

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	62	2643292	2733482
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	63		
Value of relevant assets before applying the most adverse scenario (62+ 63)	64	2643292	2733482
Risk capital margin for fund (62-59)	65	56839	89210
Realistic excess capital for fund (26-(59+65))	66	302525	199611
Realistic excess available capital for fund (29-(59+65))	67	302525	199611
Working capital for for fund (29-59)	68	359364	288821
Working capital ratio for fund (68/29)	69	12.20	9.85

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

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	9095154	5855586
Investment income receivable before deduction of tax	12	2428842	2598922
Increase (decrease) in the value of non-linked assets brought into account	13	(820373)	1806171
Increase (decrease) in the value of linked assets	14	3960539	2311572
Other income	15	2306	8338
Total income	19	14666468	12580589

Expenditure

Claims incurred	21	9972428	10033751
Expenses payable	22	1004247	1215565
Interest payable before deduction of tax	23	71985	58182
Taxation	24	19994	30210
Other expenditure	25		
Transfer to (from) non technical account	26	626841	554851
Total expenditure	29	11695495	11892559

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	2970973	688030
Fund brought forward	49	77649005	76960975
Fund carried forward (39+49)	59	80619978	77649005

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	134999	252468
Investment income receivable before deduction of tax	12	596499	612282
Increase (decrease) in the value of non-linked assets brought into account	13	(366873)	573915
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	364625	1438665

Expenditure

Claims incurred	21	2003261	2165273
Expenses payable	22	42603	40464
Interest payable before deduction of tax	23	11153	12925
Taxation	24	19110	34983
Other expenditure	25	58254	58492
Transfer to (from) non technical account	26	3338	3859
Total expenditure	29	2137719	2315996

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(1773094)	(877331)
Fund brought forward	49	14470069	15347400
Fund carried forward (39+49)	59	12696975	14470069

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 2013**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	18736	20633
Investment income receivable before deduction of tax	12	19306	82493
Increase (decrease) in the value of non-linked assets brought into account	13	7550	91952
Increase (decrease) in the value of linked assets	14		
Other income	15	2697	1103
Total income	19	48289	196181

Expenditure

Claims incurred	21	233471	211731
Expenses payable	22	12511	11849
Interest payable before deduction of tax	23	316	338
Taxation	24	93	(2343)
Other expenditure	25		
Transfer to (from) non technical account	26	3927	4657
Total expenditure	29	250318	226232

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(202029)	(30051)
Fund brought forward	49	1554800	1584851
Fund carried forward (39+49)	59	1352771	1554800

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11		
Investment income receivable before deduction of tax	12	605	1588
Increase (decrease) in the value of non-linked assets brought into account	13	(1464)	9137
Increase (decrease) in the value of linked assets	14		
Other income	15		7142
Total income	19	(859)	17867

Expenditure

Claims incurred	21		
Expenses payable	22	510	6880
Interest payable before deduction of tax	23	28	1492
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	538	8372

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

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 2013**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	291546	448222
Investment income receivable before deduction of tax	12	520988	593074
Increase (decrease) in the value of non-linked assets brought into account	13	(177258)	530229
Increase (decrease) in the value of linked assets	14	(6166)	(8348)
Other income	15	24144	26260
Total income	19	653254	1589437

Expenditure

Claims incurred	21	2422341	2432129
Expenses payable	22	97525	165499
Interest payable before deduction of tax	23	10487	10620
Taxation	24	96705	62517
Other expenditure	25		
Transfer to (from) non technical account	26	26222	18779
Total expenditure	29	2653280	2689544

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(2000026)	(1100107)
Fund brought forward	49	17637951	18738058
Fund carried forward (39+49)	59	15637925	17637951

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 2013**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	50433	70204
Investment income receivable before deduction of tax	12	88112	93632
Increase (decrease) in the value of non-linked assets brought into account	13	(19173)	30300
Increase (decrease) in the value of linked assets	14	(821)	(1111)
Other income	15	3224	3497
Total income	19	121775	196522

Expenditure

Claims incurred	21	299238	276738
Expenses payable	22	18429	25298
Interest payable before deduction of tax	23	1148	473
Taxation	24	15978	11626
Other expenditure	25		
Transfer to (from) non technical account	26	3354	2556
Total expenditure	29	338147	316691

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(216372)	(120169)
Fund brought forward	49	2553242	2673411
Fund carried forward (39+49)	59	2336870	2553242

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	28430	38305
Investment income receivable before deduction of tax	12	25122	25645
Increase (decrease) in the value of non-linked assets brought into account	13	8649	3506
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	62201	67456

Expenditure

Claims incurred	21	74183	74777
Expenses payable	22		
Interest payable before deduction of tax	23		
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	74183	74777

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(11982)	(7321)
Fund brought forward	49	793024	800345
Fund carried forward (39+49)	59	781042	793024

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 2013**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	(3)	(6)
Investment income receivable before deduction of tax	12	3	3
Increase (decrease) in the value of non-linked assets brought into account	13	(392)	(1442)
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	(392)	(1445)

Expenditure

Claims incurred	21	13	34
Expenses payable	22	34	43
Interest payable before deduction of tax	23		
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	47	77

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(439)	(1522)
Fund brought forward	49	573	2095
Fund carried forward (39+49)	59	134	573

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	702193	877800
Investment income receivable before deduction of tax	12	312346	384088
Increase (decrease) in the value of non-linked assets brought into account	13	(120890)	478478
Increase (decrease) in the value of linked assets	14	733161	573362
Other income	15	8214	7706
Total income	19	1635024	2321434

Expenditure

Claims incurred	21	1594486	1853330
Expenses payable	22	599135	673817
Interest payable before deduction of tax	23	23209	18164
Taxation	24	(197821)	(81896)
Other expenditure	25		
Transfer to (from) non technical account	26	260000	525000
Total expenditure	29	2279009	2988415

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(643985)	(666981)
Fund brought forward	49	11165560	11832541
Fund carried forward (39+49)	59	10521575	11165560

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	7868820	4147960
Investment income receivable before deduction of tax	12	865861	806117
Increase (decrease) in the value of non-linked assets brought into account	13	(150522)	90096
Increase (decrease) in the value of linked assets	14	3234365	1747669
Other income	15	22281	21122
Total income	19	11840805	6812964

Expenditure

Claims incurred	21	3345435	3019739
Expenses payable	22	233500	291715
Interest payable before deduction of tax	23	25644	14170
Taxation	24	85929	5323
Other expenditure	25		
Transfer to (from) non technical account	26	330000	
Total expenditure	29	4020508	3330947

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	7820297	3482017
Fund brought forward	49	29464291	25982274
Fund carried forward (39+49)	59	37284588	29464291

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 2013**
 Units **£000**

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

Gross

Regular premiums	11	1223744	2337150	50652	3611546	3433207
Single premiums	12	250540	6029754	78811	6359105	2933875

Reinsurance - external

Regular premiums	13	529719	(33236)	22195	518678	194657
Single premiums	14	(32345)	388820	344	356819	316839

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	694025	2370386	28457	3092868	3238550
Single premiums	18	282885	5640934	78467	6002286	2617036

Total

Gross	19	1474284	8366904	129463	9970651	6367082
Reinsurance	20	497374	355584	22539	875497	511496
Net	21	976910	8011320	106924	9095154	5855586

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 2013**

 Units **£000**

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

Gross

Regular premiums	11	70689	43113	7396	121198	160127
Single premiums	12	(3366)	16052	1115	13801	92341

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	70689	43113	7396	121198	160127
Single premiums	18	(3366)	16052	1115	13801	92341

Total

Gross	19	67323	59165	8511	134999	252468
Reinsurance	20					
Net	21	67323	59165	8511	134999	252468

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 2013**

 Units **£000**

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

Gross

Regular premiums	11	2633	8247		10880	13805
Single premiums	12	119	7737		7856	6828

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	2633	8247		10880	13805
Single premiums	18	119	7737		7856	6828

Total

Gross	19	2752	15984		18736	20633
Reinsurance	20					
Net	21	2752	15984		18736	20633

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 2013**

 Units **£000**

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

Gross

Regular premiums	11		22155	22155	23997
Single premiums	12		32	32	209

Reinsurance - external

Regular premiums	13		22155	22155	23997
Single premiums	14		32	32	209

Reinsurance - intra-group

Regular premiums	15				
Single premiums	16				

Net of reinsurance

Regular premiums	17				
Single premiums	18				

Total

Gross	19		22187	22187	24206
Reinsurance	20		22187	22187	24206
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 2013**

 Units **£000**

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

Gross

Regular premiums	11	134386	55088	3567	193041	229620
Single premiums	12	31119	66579	3894	101592	188113

Reinsurance - external

Regular premiums	13	13837	(3)		13834	18054
Single premiums	14	(12609)	1862		(10747)	(48543)

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	120549	55091	3567	179207	211566
Single premiums	18	43728	64717	3894	112339	236656

Total

Gross	19	165505	121667	7461	294633	417733
Reinsurance	20	1228	1859		3087	(30489)
Net	21	164277	119808	7461	291546	448222

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 2013**

 Units **£000**

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

Gross

Regular premiums	11	24892	10096	724	35712	37287
Single premiums	12	4904	9549	679	15132	28852

Reinsurance - external

Regular premiums	13	1842			1842	2398
Single premiums	14	(1679)	248		(1431)	(6463)

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	23050	10096	724	33870	34889
Single premiums	18	6583	9301	679	16563	35315

Total

Gross	19	29796	19645	1403	50844	66139
Reinsurance	20	163	248		411	(4065)
Net	21	29633	19397	1403	50433	70204

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 2013**
 Units **£000**

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

Gross

Regular premiums	11	28815		28815	33780
Single premiums	12	(385)		(385)	4525

Reinsurance - external

Regular premiums	13				
Single premiums	14				

Reinsurance - intra-group

Regular premiums	15				
Single premiums	16				

Net of reinsurance

Regular premiums	17	28815		28815	33780
Single premiums	18	(385)		(385)	4525

Total

Gross	19	28430		28430	38305
Reinsurance	20				
Net	21	28430		28430	38305

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 2013**

 Units **£000**

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

Gross

Regular premiums	11	128	(12)	116	82
Single premiums	12		(151)	(151)	(76)

Reinsurance - external

Regular premiums	13	138	(170)	(32)	12
Single premiums	14				

Reinsurance - intra-group

Regular premiums	15				
Single premiums	16				

Net of reinsurance

Regular premiums	17	(10)	158	148	70
Single premiums	18		(151)	(151)	(76)

Total

Gross	19	128	(163)	(35)	6
Reinsurance	20	138	(170)	(32)	12
Net	21	(10)	7	(3)	(6)

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 2013**

 Units **£000**

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

Gross

Regular premiums	11	887702	121101	763	1009566	960364
Single premiums	12	159733	22718		182451	358955

Reinsurance - external

Regular premiums	13	502746	5135		507881	480646
Single premiums	14	(18057)			(18057)	(39127)

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	384956	115966	763	501685	479718
Single premiums	18	177790	22718		200508	398082

Total

Gross	19	1047435	143819	763	1192017	1319319
Reinsurance	20	484689	5135		489824	441519
Net	21	562746	138684	763	702193	877800

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 2013**

 Units **£000**

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

Gross

Regular premiums	11	103314	2070702	16047	2190063	1974145
Single premiums	12	58031	5907655	73091	6038777	2254128

Reinsurance - external

Regular premiums	13	11156	(38198)	40	(27002)	(330450)
Single premiums	14		386710	312	387022	410763

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	92158	2108900	16007	2217065	2304595
Single premiums	18	58031	5520945	72779	5651755	1843365

Total

Gross	19	161345	7978357	89138	8228840	4228273
Reinsurance	20	11156	348512	352	360020	80313
Net	21	150189	7629845	88786	7868820	4147960

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 2013**
 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	943941	212711	21754	1178406	1181045
Disability periodic payments	12	48462	557	9	49028	49672
Surrender or partial surrender	13	2322096	3247177	84545	5653818	5529731
Annuity payments	14	14379	204910	2739	222028	215413
Lump sums on maturity	15	1757047	1612867	59725	3429639	3613487
Total	16	5085925	5278222	168772	10532919	10589348

Reinsurance - external

Death or disability lump sums	21	336351	21052	16604	374007	347989
Disability periodic payments	22	25906	6		25912	29609
Surrender or partial surrender	23	2705	96480	1673	100858	46034
Annuity payments	24	3032	1403	19	4454	5395
Lump sums on maturity	25	1186	52838	1236	55260	126570
Total	26	369180	171779	19532	560491	555597

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					
Total	36					

Net of reinsurance

Death or disability lump sums	41	607590	191659	5150	804399	833056
Disability periodic payments	42	22556	551	9	23116	20063
Surrender or partial surrender	43	2319391	3150697	82872	5552960	5483697
Annuity payments	44	11347	203507	2720	217574	210018
Lump sums on maturity	45	1755861	1560029	58489	3374379	3486917
Total	46	4716745	5106443	149240	9972428	10033751

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 2013**

 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	50436	27671	887	78994	93972
Disability periodic payments	12					536
Surrender or partial surrender	13	132909	261904	17849	412662	454836
Annuity payments	14		16166		16166	14484
Lump sums on maturity	15	869893	588690	36856	1495439	1601445
Total	16	1053238	894431	55592	2003261	2165273

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					
Total	26					

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					
Total	36					

Net of reinsurance

Death or disability lump sums	41	50436	27671	887	78994	93972
Disability periodic payments	42					536
Surrender or partial surrender	43	132909	261904	17849	412662	454836
Annuity payments	44		16166		16166	14484
Lump sums on maturity	45	869893	588690	36856	1495439	1601445
Total	46	1053238	894431	55592	2003261	2165273

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 2013**

 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	3443	2917	6360	5516
Disability periodic payments	12	878	494	1372	1547
Surrender or partial surrender	13	616	15773	16389	15959
Annuity payments	14	1111	37797	38908	39567
Lump sums on maturity	15	19449	150993	170442	149142
Total	16	25497	207974	233471	211731

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				
Total	26				

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				
Total	36				

Net of reinsurance

Death or disability lump sums	41	3443	2917	6360	5516
Disability periodic payments	42	878	494	1372	1547
Surrender or partial surrender	43	616	15773	16389	15959
Annuity payments	44	1111	37797	38908	39567
Lump sums on maturity	45	19449	150993	170442	149142
Total	46	25497	207974	233471	211731

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 2013**

 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		11307	11307	11410
Disability periodic payments	12				
Surrender or partial surrender	13		1282	1282	1250
Annuity payments	14		19	19	24
Lump sums on maturity	15		1175	1175	778
Total	16		13783	13783	13462

Reinsurance - external

Death or disability lump sums	21		11307	11307	11410
Disability periodic payments	22				
Surrender or partial surrender	23		1282	1282	1250
Annuity payments	24		19	19	24
Lump sums on maturity	25		1175	1175	778
Total	26		13783	13783	13462

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				
Total	36				

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				
Total	46				

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 2013**

 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	250182	8750	1962	260894	266795
Disability periodic payments	12	262			262	119
Surrender or partial surrender	13	1108329	169756	32554	1310639	1409811
Annuity payments	14	7480	114459	2343	124282	122959
Lump sums on maturity	15	537299	185448	10276	733023	647302
Total	16	1903552	478413	47135	2429100	2446986

Reinsurance - external

Death or disability lump sums	21	7690	(61)		7629	14857
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24		(870)		(870)	
Lump sums on maturity	25					
Total	26	7690	(931)		6759	14857

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					
Total	36					

Net of reinsurance

Death or disability lump sums	41	242492	8811	1962	253265	251938
Disability periodic payments	42	262			262	119
Surrender or partial surrender	43	1108329	169756	32554	1310639	1409811
Annuity payments	44	7480	115329	2343	125152	122959
Lump sums on maturity	45	537299	185448	10276	733023	647302
Total	46	1895862	479344	47135	2422341	2432129

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 2013**

 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	37387	1254	335	38976	40384
Disability periodic payments	12	40	7		47	75
Surrender or partial surrender	13	136525	20906	7596	165027	167870
Annuity payments	14	995	15014	312	16321	16142
Lump sums on maturity	15	60686	17398	1683	79767	54245
Total	16	235633	54579	9926	300138	278716

Reinsurance - external

Death or disability lump sums	21	1024	(8)		1016	1978
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24		(116)		(116)	
Lump sums on maturity	25					
Total	26	1024	(124)		900	1978

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					
Total	36					

Net of reinsurance

Death or disability lump sums	41	36363	1262	335	37960	38406
Disability periodic payments	42	40	7		47	75
Surrender or partial surrender	43	136525	20906	7596	165027	167870
Annuity payments	44	995	15130	312	16437	16142
Lump sums on maturity	45	60686	17398	1683	79767	54245
Total	46	234609	54703	9926	299238	276738

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 2013**
 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	1616		1616	1996
Disability periodic payments	12				
Surrender or partial surrender	13	45167		45167	37280
Annuity payments	14				
Lump sums on maturity	15	27400		27400	35501
Total	16	74183		74183	74777

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				
Total	26				

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				
Total	36				

Net of reinsurance

Death or disability lump sums	41	1616		1616	1996
Disability periodic payments	42				
Surrender or partial surrender	43	45167		45167	37280
Annuity payments	44				
Lump sums on maturity	45	27400		27400	35501
Total	46	74183		74183	74777

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 2013**

 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	31		31	64
Disability periodic payments	12				
Surrender or partial surrender	13	533	35	568	725
Annuity payments	14				
Lump sums on maturity	15		11	11	69
Total	16	564	46	610	858

Reinsurance - external

Death or disability lump sums	21	18		18	29
Disability periodic payments	22				
Surrender or partial surrender	23	532	35	567	726
Annuity payments	24				
Lump sums on maturity	25		12	12	69
Total	26	550	47	597	824

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				
Total	36				

Net of reinsurance

Death or disability lump sums	41	13		13	35
Disability periodic payments	42				
Surrender or partial surrender	43	1		1	(1)
Annuity payments	44				
Lump sums on maturity	45		(1)	(1)	
Total	46	14	(1)	13	34

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 2013**

 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	598743	24456	5955	629154	591724
Disability periodic payments	12	780	1	6	787	3152
Surrender or partial surrender	13	943184	102398	12	1045594	1332211
Annuity payments	14	4793	3804	5	8602	6924
Lump sums on maturity	15	256187	13917		270104	352446
Total	16	1803687	144576	5978	1954241	2286457

Reinsurance - external

Death or disability lump sums	21	324232	2240	5297	331769	313711
Disability periodic payments	22	21589	6		21595	24446
Surrender or partial surrender	23	2173			2173	2423
Annuity payments	24	3032			3032	3096
Lump sums on maturity	25	1186			1186	89451
Total	26	352212	2246	5297	359755	433127

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					
Total	36					

Net of reinsurance

Death or disability lump sums	41	274511	22216	658	297385	278013
Disability periodic payments	42	(20809)	(5)	6	(20808)	(21294)
Surrender or partial surrender	43	941011	102398	12	1043421	1329788
Annuity payments	44	1761	3804	5	5570	3828
Lump sums on maturity	45	255001	13917		268918	262995
Total	46	1451475	142330	681	1594486	1853330

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 2013**

 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	3719	146047	1308	151074	169184
Disability periodic payments	12	46502	55	3	46560	44243
Surrender or partial surrender	13		2631238	25252	2656490	2109789
Annuity payments	14		17670	60	17730	15313
Lump sums on maturity	15	13533	629010	9735	652278	772559
Total	16	63754	3424020	36358	3524132	3111088

Reinsurance - external

Death or disability lump sums	21	3387	18881		22268	6004
Disability periodic payments	22	4317			4317	5163
Surrender or partial surrender	23		96445	391	96836	41635
Annuity payments	24		2389		2389	2275
Lump sums on maturity	25		52826	61	52887	36272
Total	26	7704	170541	452	178697	91349

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					
Total	36					

Net of reinsurance

Death or disability lump sums	41	332	127166	1308	128806	163180
Disability periodic payments	42	42185	55	3	42243	39080
Surrender or partial surrender	43		2534793	24861	2559654	2068154
Annuity payments	44		15281	60	15341	13038
Lump sums on maturity	45	13533	576184	9674	599391	736287
Total	46	56050	3253479	35906	3345435	3019739

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 2013**
 Units **£000**

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

Gross

Commission - acquisition	11	175635	61412	2918	239965	344653
Commission - other	12	25443	19238	638	45319	48407
Management - acquisition	13	142016	100117		242133	292271
Management - maintenance	14	106529	259885	10066	376480	354814
Management - other	15	58076	49346	(171)	107251	175416
Total	16	507699	489998	13451	1011148	1215561

Reinsurance - external

Commission - acquisition	21			2091	2091	(4)
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24			4989	4989	
Management - other	25			(179)	(179)	
Total	26			6901	6901	(4)

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	175635	61412	827	237874	344657
Commission - other	42	25443	19238	638	45319	48407
Management - acquisition	43	142016	100117		242133	292271
Management - maintenance	44	106529	259885	5077	371491	354814
Management - other	45	58076	49346	8	107430	175416
Total	46	507699	489998	6550	1004247	1215565

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11	205	6	211	985
Commission - other	12	1402	137	1586	2180
Management - acquisition	13	94	(192)	(98)	1119
Management - maintenance	14	20743	20600	44878	15126
Management - other	15	(668)	(3306)	(3974)	21054
Total	16	21571	17444	42603	40464

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41	205	6	211	985
Commission - other	42	1402	137	1586	2180
Management - acquisition	43	94	(192)	(98)	1119
Management - maintenance	44	20743	20600	44878	15126
Management - other	45	(668)	(3306)	(3974)	21054
Total	46	21571	17444	42603	40464

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11	261	73	334	374
Commission - other	12	9	381	390	1612
Management - acquisition	13	24	221	245	95
Management - maintenance	14	4481	6489	10970	3457
Management - other	15	(635)	1207	572	6311
Total	16	4140	8371	12511	11849

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41	261	73	334	374
Commission - other	42	9	381	390	1612
Management - acquisition	43	24	221	245	95
Management - maintenance	44	4481	6489	10970	3457
Management - other	45	(635)	1207	572	6311
Total	46	4140	8371	12511	11849

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11		2091	2091	2084
Commission - other	12				
Management - acquisition	13				
Management - maintenance	14		5499	5499	4849
Management - other	15		(179)	(179)	(53)
Total	16		7411	7411	6880

Reinsurance - external

Commission - acquisition	21		2091	2091	
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24		4989	4989	
Management - other	25		(179)	(179)	
Total	26		6901	6901	

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				2084
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44		510	510	4849
Management - other	45				(53)
Total	46		510	510	6880

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11	4705	259	560	5524	10026
Commission - other	12	3733	(1514)	355	2574	7323
Management - acquisition	13	2512	2082		4594	7866
Management - maintenance	14	53746	33457	868	88071	101348
Management - other	15	2121	(5369)	10	(3238)	38936
Total	16	66817	28915	1793	97525	165499

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	4705	259	560	5524	10026
Commission - other	42	3733	(1514)	355	2574	7323
Management - acquisition	43	2512	2082		4594	7866
Management - maintenance	44	53746	33457	868	88071	101348
Management - other	45	2121	(5369)	10	(3238)	38936
Total	46	66817	28915	1793	97525	165499

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11	506	22	108	636	1240
Commission - other	12	547	531	51	1129	1126
Management - acquisition	13	314	324		638	1201
Management - maintenance	14	8544	7678	157	16379	16439
Management - other	15	506	(857)	(2)	(353)	5292
Total	16	10417	7698	314	18429	25298

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	506	22	108	636	1240
Commission - other	42	547	531	51	1129	1126
Management - acquisition	43	314	324		638	1201
Management - maintenance	44	8544	7678	157	16379	16439
Management - other	45	506	(857)	(2)	(353)	5292
Total	46	10417	7698	314	18429	25298

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 2013**

 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	27	6	33	43
Management - other	15	1		1	
Total	16	28	6	34	43

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44	27	6	33	43
Management - other	45	1		1	
Total	46	28	6	34	43

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11	160020	55298		215318	287735
Commission - other	12	19555	10928	18	30501	28828
Management - acquisition	13	125062	61595		186657	188360
Management - maintenance	14	19212	91468		110680	96978
Management - other	15	54223	1756		55979	71912
Total	16	378072	221045	18	599135	673813

Reinsurance - external

Commission - acquisition	21					(4)
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					(4)

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	160020	55298		215318	287739
Commission - other	42	19555	10928	18	30501	28828
Management - acquisition	43	125062	61595		186657	188360
Management - maintenance	44	19212	91468		110680	96978
Management - other	45	54223	1756		55979	71912
Total	46	378072	221045	18	599135	673817

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 2013**

 Units **£000**

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

Gross

Commission - acquisition	11	10143	5555	153	15851	42209
Commission - other	12	197	8775	167	9139	7338
Management - acquisition	13	14010	36087		50097	93630
Management - maintenance	14	(224)	100187	7	99970	116574
Management - other	15	2528	55915		58443	31964
Total	16	26654	206519	327	233500	291715

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	10143	5555	153	15851	42209
Commission - other	42	197	8775	167	9139	7338
Management - acquisition	43	14010	36087		50097	93630
Management - maintenance	44	(224)	100187	7	99970	116574
Management - other	45	2528	55915		58443	31964
Total	46	26654	206519	327	233500	291715

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	28450037	25259078
Directly held assets in collective investment schemes of connected companies	12	6534989	8261012
Directly held assets in other collective investment schemes	13	8057990	5331230
Total assets (excluding cross investment) (11+12+13)	14	43043016	38851320
Provision for tax on unrealised capital gains	15	94377	25189
Secured and unsecured loans	16		
Other liabilities	17	149469	127942
Total net assets (14-15-16-17)	18	42799170	38698189

Directly held linked assets

Value of directly held linked assets	21	11708	11919
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Total

Value of directly held linked assets and units held (18+21)	31	42810878	38710108
Surplus units	32	110078	84425
Deficit units	33		
Net unit liability (31-32+33)	34	42700800	38625683

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 2013**

 Units **£000**

	Financial year	Previous year
	1	2

Income

Value of total creation of units	11	2310392	2403916
Investment income attributable to the funds before deduction of tax	12	1176152	1175156
Increase (decrease) in the value of investments in the financial year	13	3881910	2252755
Other income	14	87140	77718
Total income	19	7455594	5909545

Expenditure

Value of total cancellation of units	21	3035854	2742461
Charges for management	22	116880	109068
Charges in respect of tax on investment income	23	43277	50183
Taxation on realised capital gains	24	53222	(13019)
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	38015	70479
Other expenditure	26	67365	67407
Total expenditure	29	3354613	3026579

Increase (decrease) in funds in financial year (19-29)	39	4100981	2882966
Internal linked fund brought forward	49	38698189	35815223
Internal linked funds carried forward (39+49)	59	42799170	38698189

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 2013**

 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	243998	85951	468	330417	347304
Single premium business	12	3141	42280	168	45589	55100
Total	13	247139	128231	636	376006	402404

Amount of new regular premiums

Direct insurance business	21	85843	680864	6812	773519	807236
External reinsurance	22					
Intra-group reinsurance	23					
Total	24	85843	680864	6812	773519	807236

Amount of new single premiums

Direct insurance business	25	189067	1793953	8876	1991896	2803046
External reinsurance	26					
Intra-group reinsurance	27	58072	4172770	69083	4299925	
Total	28	247139	5966723	77959	6291821	2803046

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 2013**

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)			21	1487
300	Regular premium non-profit WL/EA OB	35053	8321	763	906
325	Level term assurance	118006	36402		
330	Decreasing term assurance	43248	14474		
340	Accelerated critical illness (guaranteed premiums)	37595	21638		
345	Accelerated critical illness (reviewable premiums)	2778	1720		
360	Income protection non-profit (guaranteed premiums)	4201	2336		
365	Income protection non-profit (reviewable premiums)	3117	747		
395	Annuity non-profit (PLA)			7	335
400	Annuity non-profit (CPA)			100	4854
500	Life UWP single premium			386	46483
505	Life UWP whole life regular premium		67		
700	Life property linked single premium			1864	135002
710	Life property linked whole life regular premium		132		
780	Stand-alone critical illness rider		6		

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 2013**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)				58072

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 2013**

 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		1		
185	Group conventional pensions endowment with-profits		5		
200	Annuity with-profits (CPA)			272	17627
390	Deferred annuity non-profit			95	8962
395	Annuity non-profit (PLA)			79	3820
400	Annuity non-profit (CPA)			1409	52051
410	Group Life	269	37785		
420	Group income protection	166	13457		
430	Group critical illness	28	1344		
525	Individual pensions UWP	1188	703	1535	4540
530	Individual pensions UWP - increments		2769		12983
535	Group money purchase pensions UWP	951	724	180	686
540	Group money purchase pensions UWP - increments		9380		6125
725	Individual pensions property linked	3666	9900	8786	118650
730	Individual pensions property linked - increments		35945		335615
735	Group money purchase pensions property linked	79683	218618	29921	410448
740	Group money purchase pensions property linked - increments		350233		822212
745	DWP National Insurance rebates property linked				12
755	Trustee investment plan			3	222

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 2013**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)				3871286
755	Trustee investment plan				301484

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 2013**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		69		
300	Regular premium non-profit WL/EA OB		47		
500	Life UWP single premium			1	13
525	Individual pensions UWP	33	68	13	132
530	Individual pensions UWP - increments		96		117
535	Group money purchase pensions UWP		22		
725	Individual pensions property linked	435	278	154	492
730	Individual pensions property linked - increments		6232		8122

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 2013**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)				69083

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 2013**
 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	5911	10620	427	5.10	
Approved fixed interest securities	12	2454655	2457154	85407	2.40	
Other fixed interest securities	13	2028339	2135844	84261	3.70	
Variable interest securities	14	557459	557548	5590	1.64	
UK listed equity shares	15	49439	(284047)	4624	(0.67)	
Non-UK listed equity shares	16		18729	312	1.66	
Unlisted equity shares	17	500	2908	1	0.03	
Other assets	18	5907646	6105193	197258	3.64	
Total	19	11003949	11003949	377880	3.38	

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

Land and buildings	21	1996416	4202211	117415	2.79	8.70
Approved fixed interest securities	22	3159280	3939786	135750	2.47	(2.44)
Other fixed interest securities	23	1923843	6438685	272148	3.56	(0.19)
Variable interest securities	24	7372398	4735105	(2581)	1.85	
UK listed equity shares	25	3881447	7670386	142761	1.08	24.65
Non-UK listed equity shares	26	2670479	4553040	80486	1.04	11.87
Unlisted equity shares	27	188186	104220	349		14.07
Other assets	28	17743331	7291947	212245	1.03	0.01
Total	29	38935380	38935380	958573	1.89	6.94

Overall return on with-profits assets

Post investment costs but pre-tax	31					9.05
Return allocated to non taxable 'asset shares'	32					9.17
Return allocated to taxable 'asset shares'	33					8.07

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 2013**

 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	587814	587814	20787	2.59
Other fixed interest securities	13	139667	139667	5640	3.49
Variable interest securities	14				
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18				
Total	19	727481	727481	26427	2.76

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

Land and buildings	21	869890	1586798	51064	3.22	11.52
Approved fixed interest securities	22	2138168	2527743	89388	2.59	(2.18)
Other fixed interest securities	23	934255	2084446	84169	3.49	(0.14)
Variable interest securities	24	2291436	1966769	7596	2.44	
UK listed equity shares	25	1858368	3132039	64521	0.14	24.38
Non-UK listed equity shares	26	1119153	1673171	33870	0.04	12.80
Unlisted equity shares	27	9636	20734	345		14.52
Other assets	28	8302224	4531430	150423	0.42	(2.14)
Total	29	17523130	17523130	481376	1.49	9.82

Overall return on with-profits assets

Post investment costs but pre-tax	31					9.70
Return allocated to non taxable 'asset shares'	32					9.82
Return allocated to taxable 'asset shares'	33					8.81

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 2013**

 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	10516	10516	329	2.16	
Other fixed interest securities	13	94977	94977	4382	3.94	
Variable interest securities	14	118291	118291	(2163)	2.09	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
Total	19	223784	223784	2548	2.88	

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

Land and buildings	21		65172	795	1.22	9.06
Approved fixed interest securities	22	563195	685545	21476	2.16	(3.67)
Other fixed interest securities	23	231118	728648	33617	3.94	(0.86)
Variable interest securities	24	370269	101395	(1854)	2.09	
UK listed equity shares	25	46339	170582	5533	3.24	29.51
Non-UK listed equity shares	26	28695	99754	623	0.62	6.79
Unlisted equity shares	27	725	2162			
Other assets	28	256382	(356535)	10231	(2.87)	(1.10)
Total	29	1496723	1496723	70421	4.20	2.65

Overall return on with-profits assets

Post investment costs but pre-tax	31					2.54
Return allocated to non taxable 'asset shares'	32					2.65
Return allocated to taxable 'asset shares'	33					2.46

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 2013**

 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	22103	22103	717	4.96	
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	58268	58268	140	0.54	
Total	19	80371	80371	857	1.76	

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					
Total	29					

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 2013**

 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	3581	7814	252	4.70	
Approved fixed interest securities	12	333231	335730	12946	1.95	
Other fixed interest securities	13	49961	77080	(11955)	4.28	
Variable interest securities	14	357063	357081	6314	1.82	
UK listed equity shares	15	17516	(364894)	2527	0.05	
Non-UK listed equity shares	16		1225			
Unlisted equity shares	17	500	2894	1	0.02	
Other assets	18	1035577	1380499	1353	0.89	
Total	19	1797429	1797429	11438	1.60	

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	220108	220108	550	0.25	
Total	29	220108	220108	550	0.25	

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 2013**

 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	2330	2806	175	6.23	
Approved fixed interest securities	12	16619	16619	578	3.31	
Other fixed interest securities	13	187770	268156	19808	4.62	
Variable interest securities	14	82105	82176	1439	0.18	
UK listed equity shares	15	31923	80847	2097	2.59	
Non-UK listed equity shares	16		17504	312	1.78	
Unlisted equity shares	17		14		1.11	
Other assets	18	4813801	4666426	195765	4.49	
Total	19	5134548	5134548	220174	4.39	

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					
Total	29					

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 2013**

 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	1368523	1368523	45954	2.38	
Other fixed interest securities	13	1312604	1312604	55384	3.54	
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
Total	19	2681127	2681127	101338	2.95	

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

Land and buildings	21	969393	2194112	57836	2.64	6.94
Approved fixed interest securities	22	218735	449771	15103	2.38	(2.20)
Other fixed interest securities	23	538634	3166076	133588	3.54	(0.09)
Variable interest securities	24	4264190	2323331	(10070)	1.30	
UK listed equity shares	25	1679379	3758833	62058	1.65	24.66
Non-UK listed equity shares	26	1292587	2356437	39228	1.66	11.50
Unlisted equity shares	27	151175	69075	3		14.33
Other assets	28	7738097	2534555	44110	1.50	3.24
Total	29	16852190	16852190	341856	2.08	9.19

Overall return on with-profits assets

Post investment costs but pre-tax	31					9.07
Return allocated to non taxable 'asset shares'	32					9.19
Return allocated to taxable 'asset shares'	33					7.92

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 2013**

 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	115849	115849	4096	2.29	
Other fixed interest securities	13	243360	243360	11002	3.38	
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
Total	19	359209	359209	15098	3.03	

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

Land and buildings	21	157133	356129	7720	2.17	6.94
Approved fixed interest securities	22	239182	276727	9783	2.29	(2.20)
Other fixed interest securities	23	219836	459515	20774	3.38	(0.09)
Variable interest securities	24	446503	343610	1747	2.06	
UK listed equity shares	25	297361	608932	10649	1.75	24.66
Non-UK listed equity shares	26	230044	423678	6765	1.60	11.50
Unlisted equity shares	27	26650	12249	1		14.33
Other assets	28	1225982	361851	6930	2.03	3.24
Total	29	2842691	2842691	64369	2.16	9.19

Overall return on with-profits assets

Post investment costs but pre-tax	31					9.07
Return allocated to non taxable 'asset shares'	32					9.19
Return allocated to taxable 'asset shares'	33					7.92

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 2013**

 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					
Total	19					

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	538	538	1	0.58	
Total	29	538	538	1	0.58	

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 2013**
 Category of assets **Total Long-term insurance business assets**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	3721556	6.46	2.23	2.23
Other approved fixed interest securities	21	2317551	7.26	2.83	2.83
Other fixed interest securities					
AAA/Aaa	31	329149	5.67	2.94	2.73
AA/Aa	32	379628	6.09	3.17	2.94
A/A	33	1750232	5.12	3.13	2.75
BBB/Baa	34	1917779	4.18	3.49	2.54
BB/Ba	35	178647	3.64	5.59	2.19
B/B	36	9373	2.47	8.47	2.30
CCC/Caa	37	12510	3.28	26.28	2.57
Other (including unrated)	38	3920131	5.09	3.76	2.66
Total other fixed interest securities	39	8497449	4.92	3.59	2.66
Approved variable interest securities	41	7013826	7.77	2.51	2.51
Other variable interest securities	51	(2078254)	10.18	4.14	3.35
Total (11+21+39+41+51)	61	19472128	5.96	2.79	2.47

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

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

 Financial year ended **31st December 2013**

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

 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	2145165	6.95	2.34	2.34
Other approved fixed interest securities	21	970392	8.85	3.15	3.15
Other fixed interest securities					
AAA/Aaa	31	81056	5.38	3.03	2.72
AA/Aa	32	125209	4.90	2.83	2.56
A/A	33	411841	4.18	2.60	2.23
BBB/Baa	34	551090	3.72	3.31	2.36
BB/Ba	35	50872	3.05	8.04	2.34
B/B	36	3988	2.01	8.64	2.75
CCC/Caa	37	2773	2.40	28.77	2.69
Other (including unrated)	38	997284	4.47	3.76	2.47
Total other fixed interest securities	39	2224113	4.25	3.49	2.41
Approved variable interest securities	41	2189495	11.48	2.72	2.72
Other variable interest securities	51	(222726)	31.04	5.16	2.95
Total (11+21+39+41+51)	61	7306439	7.00	2.83	2.56

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

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

 Financial year ended **31st December 2013**

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

 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	86964	6.03	1.83	1.83
Other approved fixed interest securities	21	609097	5.24	2.20	2.20
Other fixed interest securities					
AAA/Aaa	31	46287	5.16	2.62	2.52
AA/Aa	32	58676	9.46	4.15	3.93
A/A	33	203910	6.83	4.24	3.78
BBB/Baa	34	124662	5.53	4.37	3.27
BB/Ba	35	21200	3.95	4.98	2.53
B/B	36				
CCC/Caa	37				
Other (including unrated)	38	368890	6.50	3.70	3.11
Total other fixed interest securities	39	823625	6.50	3.94	3.31
Approved variable interest securities	41	490730	13.54	3.08	3.08
Other variable interest securities	51	(271044)	13.88	3.88	3.25
Total (11+21+39+41+51)	61	1739372	6.87	2.99	2.79

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

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

 Financial year ended **31st December 2013**

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

 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	13416	10.67	2.97	2.92
Other approved fixed interest securities	21	3203	8.28	4.74	4.74
Other fixed interest securities					
AAA/Aaa	31	1190	9.08	5.55	5.31
AA/Aa	32	15452	10.41	4.07	3.81
A/A	33	158703	9.32	4.64	4.13
BBB/Baa	34	76762	7.77	4.56	3.59
BB/Ba	35	14519	4.70	4.59	2.16
B/B	36	971	8.22	8.49	2.50
CCC/Caa	37	559	6.76	12.00	2.44
Other (including unrated)	38				
Total other fixed interest securities	39	268156	8.68	4.61	3.85
Approved variable interest securities	41	60126	6.79	(0.51)	(0.51)
Other variable interest securities	51	22050	4.07	2.07	2.07
Total (11+21+39+41+51)	61	366951	8.16	3.56	3.00

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

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

 Financial year ended **31st December 2013**

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

 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	1206626	5.84	2.11	2.11
Other approved fixed interest securities	21	611668	6.74	2.90	2.90
Other fixed interest securities					
AAA/Aaa	31	181853	5.80	2.93	2.74
AA/Aa	32	140715	5.30	2.95	2.76
A/A	33	749832	4.54	2.88	2.53
BBB/Baa	34	966766	4.00	3.36	2.45
BB/Ba	35	67167	3.93	4.40	2.00
B/B	36	3720	1.47	8.29	1.92
CCC/Caa	37	7981	3.34	26.27	2.61
Other (including unrated)	38	2360646	5.12	3.80	2.71
Total other fixed interest securities	39	4478680	4.79	3.54	2.62
Approved variable interest securities	41	3908696	5.17	2.39	2.39
Other variable interest securities	51	(1585365)	6.31	4.00	3.34
Total (11+21+39+41+51)	61	8620305	4.97	2.69	2.33

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

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

 Financial year ended **31st December 2013**

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

 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	269385	5.28	1.92	1.92
Other approved fixed interest securities	21	123191	7.33	3.10	3.03
Other fixed interest securities					
AAA/Aaa	31	18763	6.68	3.38	3.06
AA/Aa	32	39576	5.98	3.21	3.01
A/A	33	225946	4.29	2.90	2.51
BBB/Baa	34	198499	4.10	3.64	2.63
BB/Ba	35	24889	3.18	4.89	2.15
B/B	36	694	2.41	8.35	1.41
CCC/Caa	37	1197	3.34	27.25	2.06
Other (including unrated)	38	193311	5.24	3.33	2.25
Total other fixed interest securities	39	702875	4.61	3.37	2.50
Approved variable interest securities	41	364779	5.82	2.24	2.24
Other variable interest securities	51	(21169)	26.56	5.31	8.56
Total (11+21+39+41+51)	61	1439061	4.95	2.76	2.28

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 2013**
 Units **£000**

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

Form 51 - with-profits	11	4966978	4162550	245979	9375507	11174814
Form 51 - non-profit	12	2844801	7576965	264087	10685853	8168347
Form 52	13	9629642	9272811	423449	19325902	21033150
Form 53 - linked	14	8830276	35369921	529939	44730136	40192573
Form 53 - non-linked	15	89920	423717	5753	519390	428365
Form 54 - linked	16	26081	535		26616	233667
Form 54 - non-linked	17	70163	522440	6506	599109	85953
Total	18	26457861	57328939	1475713	85262513	81316869

Reinsurance - external

Form 51 - with-profits	21			89808	89808	86413
Form 51 - non-profit	22	2028978	759861	55680	2844519	2800270
Form 52	23	3629	1609		5238	6007
Form 53 - linked	24	37905	1991431		2029336	1566890
Form 53 - non-linked	25	1564	116		1680	1847
Form 54 - linked	26	2466			2466	1752
Form 54 - non-linked	27	10			10	8
Total	28	2074552	2753017	145488	4973057	4463187

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32	4460		103258	107718	114159
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37	132		5199	5331	5648
Total	38	4592		108457	113049	119807

Net of reinsurance

Form 51 - with-profits	41	4966978	4162550	156171	9285699	11088401
Form 51 - non-profit	42	811363	6817104	105149	7733616	5253918
Form 52	43	9626013	9271202	423449	19320664	21027143
Form 53 - linked	44	8792371	33378490	529939	42700800	38625683
Form 53 - non-linked	45	88356	423601	5753	517710	426518
Form 54 - linked	46	23615	535		24150	231915
Form 54 - non-linked	47	70021	522440	1307	593768	80297
Total	48	24378717	54575922	1221768	80176407	76733875

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 2013**

 Units **£000**

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

Form 51 - with-profits	11	2207833	3288092	134625	5630550	6868159
Form 51 - non-profit	12		680590	18908	699498	874449
Form 52	13	1003470	4997390	214181	6215041	6563655
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18	3211303	8966072	367714	12545089	14306263

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28					

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					

Net of reinsurance

Form 51 - with-profits	41	2207833	3288092	134625	5630550	6868159
Form 51 - non-profit	42		680590	18908	699498	874449
Form 52	43	1003470	4997390	214181	6215041	6563655
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48	3211303	8966072	367714	12545089	14306263

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 2013**

 Units **£000**

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

Form 51 - with-profits	11	37034	432246		469280	513658
Form 51 - non-profit	12	17807	148261		166068	193641
Form 52	13		713247		713247	841350
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18	54841	1293754		1348595	1548649

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28					

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					

Net of reinsurance

Form 51 - with-profits	41	37034	432246		469280	513658
Form 51 - non-profit	42	17807	148261		166068	193641
Form 52	43		713247		713247	841350
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48	54841	1293754		1348595	1548649

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 2013**

 Units **£000**

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

Form 51 - with-profits	11			89808	89808	86413
Form 51 - non-profit	12			34755	34755	36606
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18			124563	124563	123019

Reinsurance - external

Form 51 - with-profits	21			89808	89808	86413
Form 51 - non-profit	22			34755	34755	36606
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28			124563	124563	123019

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					

Net of reinsurance

Form 51 - with-profits	41					
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48					

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 2013**

 Units **£000**

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

Form 51 - with-profits	11	2286097	354284	18208	2658589	3130386
Form 51 - non-profit	12	426676	2106629	16329	2549634	2959150
Form 52	13	7728378	2279204	163758	10171340	11270282
Form 53 - linked	14	361	9035	46422	55818	57230
Form 53 - non-linked	15	12673	34514	2708	49895	68125
Form 54 - linked	16		472		472	469
Form 54 - non-linked	17		120		120	101
Total	18	10454185	4784258	247425	15485868	17485743

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	62492	793	585	63870	91323
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28	62492	793	585	63870	91323

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					

Net of reinsurance

Form 51 - with-profits	41	2286097	354284	18208	2658589	3130386
Form 51 - non-profit	42	364184	2105836	15744	2485764	2867827
Form 52	43	7728378	2279204	163758	10171340	11270282
Form 53 - linked	44	361	9035	46422	55818	57230
Form 53 - non-linked	45	12673	34514	2708	49895	68125
Form 54 - linked	46		472		472	469
Form 54 - non-linked	47		120		120	101
Total	48	10391693	4783465	246840	15421998	17394420

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 2013**

 Units **£000**

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

Form 51 - with-profits	11	436014	87928	3338	527280	576198
Form 51 - non-profit	12	62539	275996	2214	340749	390150
Form 52	13	892289	496462	44803	1433554	1549373
Form 53 - linked	14	48	1203	6181	7432	7620
Form 53 - non-linked	15	1687	4595	361	6643	9071
Form 54 - linked	16		63		63	62
Form 54 - non-linked	17		16		16	14
Total	18	1392577	866263	56897	2315737	2532488

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	7932	105	95	8132	11704
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28	7932	105	95	8132	11704

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					

Net of reinsurance

Form 51 - with-profits	41	436014	87928	3338	527280	576198
Form 51 - non-profit	42	54607	275891	2119	332617	378446
Form 52	43	892289	496462	44803	1433554	1549373
Form 53 - linked	44	48	1203	6181	7432	7620
Form 53 - non-linked	45	1687	4595	361	6643	9071
Form 54 - linked	46		63		63	62
Form 54 - non-linked	47		16		16	14
Total	48	1384645	866158	56802	2307605	2520784

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 2013**

 Units **£000**

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

Form 51 - with-profits	11				
Form 51 - non-profit	12				
Form 52	13		759057	759057	770777
Form 53 - linked	14				
Form 53 - non-linked	15				
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18		759057	759057	770777

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22				
Form 52	23				
Form 53 - linked	24				
Form 53 - non-linked	25				
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28				

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32				
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38				

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42				
Form 52	43		759057	759057	770777
Form 53 - linked	44				
Form 53 - non-linked	45				
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48		759057	759057	770777

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 2013**

 Units **£000**

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

Form 51 - with-profits	11				
Form 51 - non-profit	12				
Form 52	13	3689	1683	5372	6580
Form 53 - linked	14				
Form 53 - non-linked	15				
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18	3689	1683	5372	6580

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22				
Form 52	23	3629	1609	5238	6007
Form 53 - linked	24				
Form 53 - non-linked	25				
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28	3629	1609	5238	6007

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32				
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38				

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42				
Form 52	43	60	74	134	573
Form 53 - linked	44				
Form 53 - non-linked	45				
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48	60	74	134	573

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 2013**

 Units **£000**

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

Form 51 - with-profits	11				
Form 51 - non-profit	12	1953476	221646	4357	2179479
Form 52	13	1816			1816
Form 53 - linked	14	8829867	1418413	925	10249205
Form 53 - non-linked	15	75560	73750	258	149568
Form 54 - linked	16	26081			26081
Form 54 - non-linked	17	15520			15520
Total	18	10902320	1713809	5540	12621669

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22	1921557	136806	7312	2065675
Form 52	23				
Form 53 - linked	24	37905			37905
Form 53 - non-linked	25	1564	116		1680
Form 54 - linked	26	2466			2466
Form 54 - non-linked	27	10			10
Total	28	1963502	136922	7312	2107736

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32	4460			4460
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37	132			132
Total	38	4592			4592

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42	27459	84840	(2955)	109344
Form 52	43	1816			1816
Form 53 - linked	44	8791962	1418413	925	10211300
Form 53 - non-linked	45	73996	73634	258	147888
Form 54 - linked	46	23615			23615
Form 54 - non-linked	47	15378			15378
Total	48	8934226	1576887	(1772)	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 2013**

 Units **£000**

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

Cross

Form 51 - with-profits	11					
Form 51 - non-profit	12	384303	4143843	187524	4715670	1709946
Form 52	13		25768	707	26475	30713
Form 53 - linked	14		33941270	476411	34417681	29763287
Form 53 - non-linked	15		310858	2426	313284	234380
Form 54 - linked	16					
Form 54 - non-linked	17	54643	522304	6506	583453	65017
Total	18	438946	38944043	673574	40056563	31803343

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	36997	622157	12933	672087	860239
Form 52	23					
Form 53 - linked	24		1991431		1991431	1529994
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28	36997	2613588	12933	2663518	2390233

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32			103258	103258	109044
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37			5199	5199	4981
Total	38			108457	108457	114025

Net of reinsurance

Form 51 - with-profits	41					
Form 51 - non-profit	42	347306	3521686	71333	3940325	740663
Form 52	43		25768	707	26475	30713
Form 53 - linked	44		31949839	476411	32426250	28233293
Form 53 - non-linked	45		310858	2426	313284	234380
Form 54 - linked	46					
Form 54 - non-linked	47	54643	522304	1307	578254	60036
Total	48	401949	36330455	552184	37284588	29299085

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 2013**

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	17960	753679	8815	n/a	n/a	n/a	458102
120	Conventional endowment with-profits OB savings	15194	202354	4999	n/a	n/a	n/a	154690
125	Conventional endowment with-profits OB target cash	78561	1298458	38485	n/a	n/a	n/a	1528342
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	66688

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 2013**

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
155	Conventional pensions endowment with-profits	62279	1895941	3116	n/a	n/a	n/a	2819826
165	Conventional deferred annuity with-profits	4380	15250	401	n/a	n/a	n/a	204990
175	Group conventional deferred annuity with-profits	498	1814		n/a	n/a	n/a	26260
185	Group conventional pensions endowment with-profits	1933	110268	1177	n/a	n/a	n/a	83044
200	Annuity with-profits (CPA)	4422	17264	8	n/a	n/a	n/a	146414
210	Additional reserves with-profits OB				n/a	n/a	n/a	7558
305	Single premium non-profit WL/EA OB	1909	105328		n/a	n/a	n/a	103989
390	Deferred annuity non-profit	6968	24896		n/a	n/a	n/a	520539
400	Annuity non-profit (CPA)		12424		n/a	n/a	n/a	56062

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 2013**

Units **£000**

Overseas / 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	94	13513	121	n/a	n/a	n/a	7787
120	Conventional endowment with-profits OB savings	195	4407	93	n/a	n/a	n/a	3663
125	Conventional endowment with-profits OB target cash	664	15243	437	n/a	n/a	n/a	18644
155	Conventional pensions endowment with-profits	2173	54274	319	n/a	n/a	n/a	70941
165	Conventional deferred annuity with-profits	327	1874	165	n/a	n/a	n/a	25439
185	Group conventional pensions endowment with-profits	477	14866	386	n/a	n/a	n/a	8151
305	Single premium non-profit WL/EA OB	19	405		n/a	n/a	n/a	389
390	Deferred annuity non-profit	246	1711		n/a	n/a	n/a	17248
395	Annuity non-profit (PLA)		282		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 4)

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

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

Financial year ended **31st December 2013**

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	1822	6039	31	n/a	n/a	n/a	4725
120	Conventional endowment with-profits OB savings	1757	3639	59	n/a	n/a	n/a	3309
125	Conventional endowment with-profits OB target cash	1257	9608	295	n/a	n/a	n/a	8588
165	Conventional deferred annuity with-profits	249	46		n/a	n/a	n/a	880
195	Annuity with-profits (PLA)	172	796		n/a	n/a	n/a	9622
205	Miscellaneous conventional with-profits	22648	62177	1139	n/a	n/a	n/a	7187
210	Additional reserves with-profits OB				n/a	n/a	n/a	2723
300	Regular premium non-profit WL/EA OB	2031	4625	46	n/a	n/a	n/a	2906
365	Income protection non-profit (reviewable premiums)	833	6174	121	n/a	n/a	n/a	228
385	Income protection claims in payment	43	394		n/a	n/a	n/a	2694
390	Deferred annuity non-profit	427	57		n/a	n/a	n/a	208
395	Annuity non-profit (PLA)	546	625		n/a	n/a	n/a	8149
410	Group Life	587	458	16	n/a	n/a	n/a	207
420	Group income protection	111	1175	21	n/a	n/a	n/a	91
425	Group income protection claims in payment	46	423		n/a	n/a	n/a	2665
435	Miscellaneous non-profit	3383	45091	131	n/a	n/a	n/a	659

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 2013**Units **£000****UK Life / Reinsurance ceded external**

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
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 2013**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
165	Conventional deferred annuity with-profits	431	270		n/a	n/a	n/a	8772
200	Annuity with-profits (CPA)	9534	49545		n/a	n/a	n/a	423474
390	Deferred annuity non-profit	88378	16080		n/a	n/a	n/a	147348
410	Group Life	23	2450	19	n/a	n/a	n/a	334
435	Miscellaneous non-profit	673	34899	111	n/a	n/a	n/a	509
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 2013**

Units **£000**

Overseas / 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	63186	225408	13597	n/a	n/a	n/a	75364
120	Conventional endowment with-profits OB savings	1559	9346	84	n/a	n/a	n/a	6109
175	Group conventional deferred annuity with-profits	169	7565	312	n/a	n/a	n/a	3191
195	Annuity with-profits (PLA)	15	22		n/a	n/a	n/a	244
210	Additional reserves with-profits OB				n/a	n/a	n/a	4900
300	Regular premium non-profit WL/EA OB		227844	476	n/a	n/a	n/a	215
325	Level term assurance	79681	3060280	6913	n/a	n/a	n/a	34540
435	Miscellaneous non-profit			91	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 2013**

Units **£000**

Overseas / Reinsurance ceded external

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		225408	13597	n/a	n/a	n/a	75364
120	Conventional endowment with-profits OB savings		9346	84	n/a	n/a	n/a	6109
175	Group conventional deferred annuity with-profits		7565	312	n/a	n/a	n/a	3191
195	Annuity with-profits (PLA)		22		n/a	n/a	n/a	244
210	Additional reserves with-profits OB				n/a	n/a	n/a	4900
300	Regular premium non-profit WL/EA OB		227844	476	n/a	n/a	n/a	215
325	Level term assurance		3060280	6913	n/a	n/a	n/a	34540
435	Miscellaneous non-profit			91	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 2013**

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	25329	712904	15343	n/a	n/a	n/a	309959
120	Conventional endowment with-profits OB savings	7736	141993	3415	n/a	n/a	n/a	108199
125	Conventional endowment with-profits OB target cash	101288	1929027	64955	n/a	n/a	n/a	1807761
175	Group conventional deferred annuity with-profits	10	1757	26	n/a	n/a	n/a	2049
205	Miscellaneous conventional with-profits	104	6696	64	n/a	n/a	n/a	3155
210	Additional reserves with-profits OB				n/a	n/a	n/a	54974
300	Regular premium non-profit WL/EA OB	26117	106831	1167	n/a	n/a	n/a	85054
305	Single premium non-profit WL/EA OB	319	800		n/a	n/a	n/a	1353
325	Level term assurance	36611	3096934	8461	n/a	n/a	n/a	17499
330	Decreasing term assurance	20977	2596967	15305	n/a	n/a	n/a	56287
340	Accelerated critical illness (guaranteed premiums)	38092	1608343	7207	n/a	n/a	n/a	46760
360	Income protection non-profit (guaranteed premiums)	1997	38007	249	n/a	n/a	n/a	(6)
390	Deferred annuity non-profit	10394	9243	28	n/a	n/a	n/a	24939
395	Annuity non-profit (PLA)	825	854		n/a	n/a	n/a	7386
400	Annuity non-profit (CPA)	5690	11642		n/a	n/a	n/a	161034
410	Group Life	118	639		n/a	n/a	n/a	22
415	Collective Life	941	32717	114	n/a	n/a	n/a	114
435	Miscellaneous non-profit	3227	415891	1212	n/a	n/a	n/a	18144
440	Additional reserves non-profit OB				n/a	n/a	n/a	8090

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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
325	Level term assurance		2064125	5212	n/a	n/a	n/a	10068
330	Decreasing term assurance		638316	6302	n/a	n/a	n/a	29417
340	Accelerated critical illness (guaranteed premiums)		750098	3663	n/a	n/a	n/a	23218
395	Annuity non-profit (PLA)		(86)		n/a	n/a	n/a	(295)
400	Annuity non-profit (CPA)		5		n/a	n/a	n/a	21
435	Miscellaneous non-profit		(1287)	(13)	n/a	n/a	n/a	63

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 2013**

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
155	Conventional pensions endowment with-profits	5435	198214	689	n/a	n/a	n/a	235024
175	Group conventional deferred annuity with-profits	1069	3648	20	n/a	n/a	n/a	46652
185	Group conventional pensions endowment with-profits	348	21458	113	n/a	n/a	n/a	27265
200	Annuity with-profits (CPA)	685	2692		n/a	n/a	n/a	16211
205	Miscellaneous conventional with-profits	1119	12674	23	n/a	n/a	n/a	1951
210	Additional reserves with-profits OB				n/a	n/a	n/a	27181
300	Regular premium non-profit WL/EA OB	3022	6973		n/a	n/a	n/a	17083
325	Level term assurance	3331	223922	709	n/a	n/a	n/a	1386
330	Decreasing term assurance	738	4040	10	n/a	n/a	n/a	48
390	Deferred annuity non-profit	23885	32939	2	n/a	n/a	n/a	439815
400	Annuity non-profit (CPA)	70903	135159		n/a	n/a	n/a	1640635
410	Group Life	286	164481	816	n/a	n/a	n/a	731
435	Miscellaneous non-profit	7275	93410	175	n/a	n/a	n/a	6931

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 2013**Units **£000****UK Pension / Reinsurance ceded external**

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
325	Level term assurance		153012	508	n/a	n/a	n/a	774
400	Annuity non-profit (CPA)		6		n/a	n/a	n/a	19

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 2013**

Units **£000**

Overseas / 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	73	2777	115	n/a	n/a	n/a	860
120	Conventional endowment with-profits OB savings	52	1383	46	n/a	n/a	n/a	1034
125	Conventional endowment with-profits OB target cash	354	13112	429	n/a	n/a	n/a	12272
175	Group conventional deferred annuity with-profits	42	316	56	n/a	n/a	n/a	4077
205	Miscellaneous conventional with-profits	12	10	1	n/a	n/a	n/a	(35)
300	Regular premium non-profit WL/EA OB	29	127	1	n/a	n/a	n/a	96
325	Level term assurance	453	66930	221	n/a	n/a	n/a	256
330	Decreasing term assurance	487	39726	165	n/a	n/a	n/a	98
340	Accelerated critical illness (guaranteed premiums)	520	31185	167	n/a	n/a	n/a	516
360	Income protection non-profit (guaranteed premiums)	3	65	1	n/a	n/a	n/a	
390	Deferred annuity non-profit	1	1		n/a	n/a	n/a	22
400	Annuity non-profit (CPA)	218	1252		n/a	n/a	n/a	15222
435	Miscellaneous non-profit	48	4108	9	n/a	n/a	n/a	119

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 2013**

Units **£000**

Overseas / Reinsurance ceded external

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
325	Level term assurance		36438	79	n/a	n/a	n/a	147
330	Decreasing term assurance		10742	48	n/a	n/a	n/a	35
340	Accelerated critical illness (guaranteed premiums)		15142	70	n/a	n/a	n/a	403

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 2013**

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	3549	96956	1710	n/a	n/a	n/a	35486
120	Conventional endowment with-profits OB savings	1944	32772	826	n/a	n/a	n/a	23655
125	Conventional endowment with-profits OB target cash	22070	405517	14030	n/a	n/a	n/a	368045
175	Group conventional deferred annuity with-profits	10	680	4	n/a	n/a	n/a	810
205	Miscellaneous conventional with-profits	31	1081	8	n/a	n/a	n/a	524
210	Additional reserves with-profits OB				n/a	n/a	n/a	7494
300	Regular premium non-profit WL/EA OB	3561	14224	155	n/a	n/a	n/a	11325
305	Single premium non-profit WL/EA OB	43	107		n/a	n/a	n/a	180
325	Level term assurance	5184	418357	1133	n/a	n/a	n/a	2344
330	Decreasing term assurance	2864	491842	2202	n/a	n/a	n/a	8520
340	Accelerated critical illness (guaranteed premiums)	6801	319999	1223	n/a	n/a	n/a	10772
360	Income protection non-profit (guaranteed premiums)	274	5056	33	n/a	n/a	n/a	(1)
390	Deferred annuity non-profit	1415	1264	4	n/a	n/a	n/a	3451
395	Annuity non-profit (PLA)	111	114		n/a	n/a	n/a	983
400	Annuity non-profit (CPA)	776	1550		n/a	n/a	n/a	21441
410	Group Life	35	54		n/a	n/a	n/a	6
415	Collective Life	125	4356	15	n/a	n/a	n/a	15
435	Miscellaneous non-profit	428	55062	160	n/a	n/a	n/a	2426
440	Additional reserves non-profit OB				n/a	n/a	n/a	1077

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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
325	Level term assurance		274891	694	n/a	n/a	n/a	1341
330	Decreasing term assurance		94683	701	n/a	n/a	n/a	3528
340	Accelerated critical illness (guaranteed premiums)		99871	488	n/a	n/a	n/a	3091
395	Annuity non-profit (PLA)		(11)		n/a	n/a	n/a	(39)
400	Annuity non-profit (CPA)		1		n/a	n/a	n/a	3
435	Miscellaneous non-profit		(171)	(2)	n/a	n/a	n/a	8

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 2013**

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
155	Conventional pensions endowment with-profits	1751	44821	144	n/a	n/a	n/a	53325
175	Group conventional deferred annuity with-profits	728	1039	2	n/a	n/a	n/a	13577
185	Group conventional pensions endowment with-profits	420	13187	68	n/a	n/a	n/a	16164
200	Annuity with-profits (CPA)	42	134		n/a	n/a	n/a	892
205	Miscellaneous conventional with-profits	237	2589	5	n/a	n/a	n/a	351
210	Additional reserves with-profits OB				n/a	n/a	n/a	3619
300	Regular premium non-profit WL/EA OB	412	928		n/a	n/a	n/a	2275
325	Level term assurance	454	29814	94	n/a	n/a	n/a	185
330	Decreasing term assurance	98	538	1	n/a	n/a	n/a	6
390	Deferred annuity non-profit	4533	4689		n/a	n/a	n/a	54067
400	Annuity non-profit (CPA)	9640	17996		n/a	n/a	n/a	218441
410	Group Life	78	22408	111	n/a	n/a	n/a	100
435	Miscellaneous non-profit	976	14508	23	n/a	n/a	n/a	922

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 2013**Units **£000****UK Pension / Reinsurance ceded external**

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
325	Level term assurance		20373	68	n/a	n/a	n/a	103
400	Annuity non-profit (CPA)		1		n/a	n/a	n/a	2

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 2013**

Units **£000**

Overseas / 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	14	125	4	n/a	n/a	n/a	55
120	Conventional endowment with-profits OB savings	16	519	20	n/a	n/a	n/a	271
125	Conventional endowment with-profits OB target cash	84	2384	78	n/a	n/a	n/a	2136
175	Group conventional deferred annuity with-profits	13	64	5	n/a	n/a	n/a	881
205	Miscellaneous conventional with-profits	2	1		n/a	n/a	n/a	(5)
300	Regular premium non-profit WL/EA OB	4	17		n/a	n/a	n/a	13
325	Level term assurance	62	8911	29	n/a	n/a	n/a	34
330	Decreasing term assurance	66	5597	23	n/a	n/a	n/a	37
340	Accelerated critical illness (guaranteed premiums)	71	4690	25	n/a	n/a	n/a	84
360	Income protection non-profit (guaranteed premiums)		9		n/a	n/a	n/a	
390	Deferred annuity non-profit				n/a	n/a	n/a	3
400	Annuity non-profit (CPA)	30	167		n/a	n/a	n/a	2027
410	Group Life	10	78		n/a	n/a	n/a	
435	Miscellaneous non-profit	6	443	1	n/a	n/a	n/a	16

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 2013**Units **£000****Overseas / Reinsurance ceded external**

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
325	Level term assurance		4852	10	n/a	n/a	n/a	20
330	Decreasing term assurance		1439	7	n/a	n/a	n/a	21
340	Accelerated critical illness (guaranteed premiums)		2016	9	n/a	n/a	n/a	54

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 2013**

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	263674	975868	52299	n/a	n/a	n/a	194453
305	Single premium non-profit WL/EA OB	1015	29472		n/a	n/a	n/a	32435
325	Level term assurance	1079625	170346162	346116	n/a	n/a	n/a	971946
330	Decreasing term assurance	433032	45334466	114832	n/a	n/a	n/a	(17291)
340	Accelerated critical illness (guaranteed premiums)	537080	35449372	203824	n/a	n/a	n/a	320437
345	Accelerated critical illness (reviewable premiums)	147660	11950893	75163	n/a	n/a	n/a	33561
350	Stand-alone critical illness (guaranteed premiums)	2566	169051	889	n/a	n/a	n/a	15840
355	Stand-alone critical illness (reviewable premiums)	757	28293	214	n/a	n/a	n/a	313
360	Income protection non-profit (guaranteed premiums)	1719	67546	419	n/a	n/a	n/a	786
390	Deferred annuity non-profit	689	1090	543	n/a	n/a	n/a	16422
395	Annuity non-profit (PLA)	1699	1544	1	n/a	n/a	n/a	39567
400	Annuity non-profit (CPA)	516	198		n/a	n/a	n/a	1866
410	Group Life	58897	9707929	11862	n/a	n/a	n/a	5018
415	Collective Life		599324		n/a	n/a	n/a	16765
435	Miscellaneous non-profit	155	24117	16	n/a	n/a	n/a	40760
440	Additional reserves non-profit OB		2271834	272	n/a	n/a	n/a	280598

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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		289268	4704	n/a	n/a	n/a	129394
325	Level term assurance		160223449	220478	n/a	n/a	n/a	1152643
330	Decreasing term assurance		41106556	60249	n/a	n/a	n/a	62047
340	Accelerated critical illness (guaranteed premiums)		29573438	117457	n/a	n/a	n/a	391568
345	Accelerated critical illness (reviewable premiums)		9235203	50439	n/a	n/a	n/a	60783
350	Stand-alone critical illness (guaranteed premiums)		127173	477	n/a	n/a	n/a	3309
355	Stand-alone critical illness (reviewable premiums)		21771	163	n/a	n/a	n/a	238
360	Income protection non-profit (guaranteed premiums)		4654	147	n/a	n/a	n/a	729
395	Annuity non-profit (PLA)				n/a	n/a	n/a	1734
410	Group Life				n/a	n/a	n/a	5024
415	Collective Life		133039		n/a	n/a	n/a	14199
435	Miscellaneous non-profit				n/a	n/a	n/a	6235
440	Additional reserves non-profit OB			3913	n/a	n/a	n/a	93654

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 2013**Units **£000****UK Life / Reinsurance ceded intra-group**

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
395	Annuity non-profit (PLA)		269		n/a	n/a	n/a	2594
400	Annuity non-profit (CPA)		198		n/a	n/a	n/a	1866

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 2013**

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
325	Level term assurance	1986	362693	2231	n/a	n/a	n/a	1127
330	Decreasing term assurance	876	109003	404	n/a	n/a	n/a	(227)
390	Deferred annuity non-profit		63287		n/a	n/a	n/a	54243
395	Annuity non-profit (PLA)		17582		n/a	n/a	n/a	15018
400	Annuity non-profit (CPA)	13099	8034		n/a	n/a	n/a	135011
410	Group Life	269908	25725698	29073	n/a	n/a	n/a	13667
411	Group conventional deferred annuity with-profits		161174	5234	n/a	n/a	n/a	2807

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 2013**Units **£000****UK Pension / Reinsurance ceded external**

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
325	Level term assurance		294929	544	n/a	n/a	n/a	1309
330	Decreasing term assurance		87013	195	n/a	n/a	n/a	208
400	Annuity non-profit (CPA)		8034		n/a	n/a	n/a	135011
410	Group Life		1729170	1066	n/a	n/a	n/a	278

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 2013**

Units **£000**

Overseas / 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
325	Level term assurance	1638	546268	1296	n/a	n/a	n/a	3173
330	Decreasing term assurance	1649	386723	728	n/a	n/a	n/a	264
340	Accelerated critical illness (guaranteed premiums)	2849	219114	1259	n/a	n/a	n/a	775
345	Accelerated critical illness (reviewable premiums)	246	21538	105	n/a	n/a	n/a	22
410	Group Life	1184	238845	259	n/a	n/a	n/a	106
411	Group death in service dependants' annuities		830	20	n/a	n/a	n/a	14
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 27)

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

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

Financial year ended **31st December 2013**

Units **£000**

Overseas / Reinsurance ceded external

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
325	Level term assurance		544729	539	n/a	n/a	n/a	4239
330	Decreasing term assurance		383853	234	n/a	n/a	n/a	713
340	Accelerated critical illness (guaranteed premiums)		196328	539	n/a	n/a	n/a	2276
345	Accelerated critical illness (reviewable premiums)		17305	31	n/a	n/a	n/a	81
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 28)

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

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

Financial year ended **31st December 2013**

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
350	Stand-alone critical illness (guaranteed premiums)	8370	639304	3075	n/a	n/a	n/a	28456
355	Stand-alone critical illness (reviewable premiums)	1101	88522	455	n/a	n/a	n/a	(3747)
360	Income protection non-profit (guaranteed premiums)	25310	457040	12712	n/a	n/a	n/a	(14394)
365	Income protection non-profit (reviewable premiums)	72664	907170	23365	n/a	n/a	n/a	(15209)
370	Long-term care policy	6948	41139	4586	n/a	n/a	n/a	100532
385	Income protection claims in payment				n/a	n/a	n/a	28115
395	Annuity non-profit (PLA)		3835		n/a	n/a	n/a	53080
400	Annuity non-profit (CPA)		117		n/a	n/a	n/a	1222
415	Collective Life	2584	149905		n/a	n/a	n/a	7557
420	Group income protection	243903	7811692	56794	n/a	n/a	n/a	35685
425	Group income protection claims in payment				n/a	n/a	n/a	113043
430	Group critical illness				n/a	n/a	n/a	883
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	49080

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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
350	Stand-alone critical illness (guaranteed premiums)		395925	1897	n/a	n/a	n/a	13925
355	Stand-alone critical illness (reviewable premiums)		65224	242	n/a	n/a	n/a	1526
360	Income protection non-profit (guaranteed premiums)		150901	1766	n/a	n/a	n/a	10097
365	Income protection non-profit (reviewable premiums)		242483	5412	n/a	n/a	n/a	(12184)
385	Income protection claims in payment				n/a	n/a	n/a	14108
415	Collective Life				n/a	n/a	n/a	544
420	Group income protection		20810	383	n/a	n/a	n/a	101
425	Group income protection claims in payment				n/a	n/a	n/a	8438
430	Group critical illness				n/a	n/a	n/a	442

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 2013**

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	15	5		n/a	n/a	n/a	5
325	Level term assurance	24848	3948290	7139	n/a	n/a	n/a	22381
330	Decreasing term assurance	646	85819	215	n/a	n/a	n/a	(268)
390	Deferred annuity non-profit	21237	50222	4	n/a	n/a	n/a	640583
400	Annuity non-profit (CPA)		232758		n/a	n/a	n/a	3029509
405	Annuity non-profit (CPA impaired life)		6834		n/a	n/a	n/a	211688
410	Group Life	912645	87146752	102135	n/a	n/a	n/a	46427
411	Group death in service dependants' annuities		728920	24983	n/a	n/a	n/a	11152
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	173233

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 2013**

Units **£000**

UK Pension / Reinsurance ceded external

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
325	Level term assurance		3367552	5941	n/a	n/a	n/a	20864
330	Decreasing term assurance		75584	134	n/a	n/a	n/a	(24)
390	Deferred annuity non-profit		47169		n/a	n/a	n/a	600424
410	Group Life		5550449	3422	n/a	n/a	n/a	893

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 2013**

Units **£000**

Overseas / 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	28	125	1	n/a	n/a	n/a	102
325	Level term assurance	5287	1194757	2621	n/a	n/a	n/a	10195
330	Decreasing term assurance	5792	775317	1940	n/a	n/a	n/a	329
340	Accelerated critical illness (guaranteed premiums)	4956	493502	2978	n/a	n/a	n/a	5023
345	Accelerated critical illness (reviewable premiums)	375	52912	297	n/a	n/a	n/a	466
390	Deferred annuity non-profit	42	191		n/a	n/a	n/a	2337
395	Annuity non-profit (PLA)		1729		n/a	n/a	n/a	24702
400	Annuity non-profit (CPA)	3517	10152		n/a	n/a	n/a	142443
405	Annuity non-profit (CPA impaired life)		13		n/a	n/a	n/a	228
410	Group Life	11523	1642975	2191	n/a	n/a	n/a	254
411	Group death in service dependants' annuities		28160	951	n/a	n/a	n/a	789
435	Miscellaneous non-profit		4410		n/a	n/a	n/a	545
440	Additional reserves non-profit OB			9	n/a	n/a	n/a	111

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 2013**

Units **£000**

Overseas / Reinsurance ceded external

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
325	Level term assurance		1072389	2358	n/a	n/a	n/a	8482
330	Decreasing term assurance		675944	1456	n/a	n/a	n/a	512
340	Accelerated critical illness (guaranteed premiums)		391272	2075	n/a	n/a	n/a	3698
345	Accelerated critical illness (reviewable premiums)		38789	210	n/a	n/a	n/a	231
440	Additional reserves non-profit OB			10	n/a	n/a	n/a	10

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 2013**Units **£000****Overseas / Reinsurance ceded intra-group**

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
400	Annuity non-profit (CPA)		7398		n/a	n/a	n/a	103258

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 2013**

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
500	Life UWP single premium	26507	792612		783423	809642		809642
505	Life UWP whole life regular premium	9115	31070	4780	31070	31484		31484
510	Life UWP endowment regular premium - savings	966	14056	612	14056	14143		14143
515	Life UWP endowment regular premium – target cash	9274	147429	7721	147429	148201		148201

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 2013**

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
525	Individual pensions UWP	213718	3736874	21641	3736810	4032111		4032111
535	Group money purchase pensions UWP	89838	770854	14774	770504	866635		866635
570	Income drawdown UWP	2	293		293	294		294
575	Miscellaneous UWP						98350	98350

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 2013**Units **£000****Overseas / 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
525	Individual pensions UWP	7225	142611	2328	142611	149176		149176
535	Group money purchase pensions UWP	3310	62900	3529	62900	65005		65005

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 2013**

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
555	Group deposit administration with-profits		69440	2723	69440	69440	36132	105572
575	Miscellaneous UWP	33763	317377	1963	426847	362351	245324	607675

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 2013**

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
500	Life UWP single premium	193134	7206121		7104312	7285993	19	7286012
505	Life UWP whole life regular premium	2147	9297	1649	9297	9403	(2)	9401
515	Life UWP endowment regular premium – target cash	2997	50414	3490	50414	50265	(11)	50255
575	Miscellaneous UWP	3319	390627		386759	382710		382710

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 2013**

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
525	Individual pensions UWP	41092	1168625	16166	1168625	1199831	35543	1235375
535	Group money purchase pensions UWP	22777	501613	24730	501613	508885	(6)	508879
571	Trustee investment plan UWP	321	30213		28706	29279		29279
575	Miscellaneous UWP	6667	142469	1368	408471	408471	88260	496731
610	Additional reserves UWP						8940	8940

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 2013**

Units **£000**

Overseas / 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
500	Life UWP single premium	2121	71652		71060	70967		70967
505	Life UWP whole life regular premium	75	1061	70	1051	1049		1049
510	Life UWP endowment regular premium - savings	131	4302	218	2143	2141		2141
525	Individual pensions UWP	1358	79578	1773	79578	81939	323	82262
571	Trustee investment plan UWP	16	1172		1172	1240		1240
575	Miscellaneous UWP	38	2195	46	5479	5479	620	6099

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 2013**

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
500	Life UWP single premium	23857	786410		784724	807817		807817
505	Life UWP whole life regular premium	518	2477	438	2477	2508	(1)	2507
515	Life UWP endowment regular premium – target cash	1003	19229	1259	19229	19182	(4)	19178
575	Miscellaneous UWP	639	63847		63215	62787		62787

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 2013**

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
525	Individual pensions UWP	17796	299898	3550	299898	313371	4588	317958
535	Group money purchase pensions UWP	5521	110938	4412	110938	114640	(2)	114639
571	Trustee investment plan UWP	74	8413		8413	8525		8525
575	Miscellaneous UWP	2302	20328	108	47640	47640	6510	54150
610	Additional reserves UWP						1190	1190

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 2013**

Units **£000**

Overseas / 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
500	Life UWP single premium	518	16110		15991	15973		15973
505	Life UWP whole life regular premium	17	250	17	248	247		247
510	Life UWP endowment regular premium - savings	106	2562	127	1192	1191		1191
525	Individual pensions UWP	623	25527	518	25527	26748	144	26893
571	Trustee investment plan UWP	1	35		35	35		35
575	Miscellaneous UWP	8	118	1	437	437	27	464

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 2013**

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
525	Individual pensions UWP	50795	597691	22537	597691	597612		597612
535	Group money purchase pensions UWP	9821	161938	13019	161464	161445		161445

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 2013**

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
515	Life UWP endowment regular premium – target cash	370	6566	123	3391	3391	239	3631
610	Additional reserves UWP						58	58

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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
515	Life UWP endowment regular premium – target cash		6530	123	3391	3391	238	3629

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 2013**

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
525	Individual pensions UWP	127	1434	1	1434	1407	245	1652
610	Additional reserves UWP						31	31

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 2013**Units **£000****UK Pension / Reinsurance ceded external**

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
525	Individual pensions UWP		1434	1	1434	1407	202	1609

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 2013**

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
500	Life UWP single premium		21565				422	422
505	Life UWP whole life regular premium		1112985	252			1175	1175
510	Life UWP endowment regular premium - savings		230	32			1	1
515	Life UWP endowment regular premium - target cash		403362	406			218	218

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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
505	Life UWP whole life regular premium		110106	529				
515	Life UWP endowment regular premium – target cash		70306	163				

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 2013**

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
525	Individual pensions UWP		59521	1139			8564	8564
535	Group Money Purchase Pensions UWP		25129	404			17202	17202
570	Income drawdown UWP		41				2	2
605	Micellaneous protection rider		3498	136				

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 2013**

Units **£000**

Overseas / 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
525	Individual Pensions UWP		6601	123			246	246
535	Group money purchase pensions UWP		614	9			461	461
605	Miscellaneous protection rider		386	9				

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 2013**

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
700	Life property linked single premium	51412	189701				3040	3040
710	Life property linked whole life regular premium	2143	35262	291			63	63
715	Life property linked endowment regular premium - savings	334	1813	1	501	501	1	502
720	Life property linked endowment regular premium – target cash	3159	31529	114			112	112
795	Miscellaneous property linked		85077	213	(140)	(140)	9	(131)
800	Additional reserves property linked						9448	9448

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 2013**

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
725	Individual pensions property linked	204544	64887	1296			30224	30224
735	Group money purchase pensions property linked	62649	21080	297	15059	15059	4245	19304
755	Trustee investment plan	60					45	45
795	Miscellaneous property linked		282	1	(6024)	(6024)		(6023)

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 2013**

Units **£000**

Overseas / 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
700	Life property linked single premium	1478	46373		45905	45905	38	45943
710	Life property linked whole life regular premium	75	522	35	517	517		517
715	Life property linked endowment regular premium - savings	205	3	6			1840	1840
725	Individual pensions property linked	1484		57			830	830

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 2013**

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
700	Life property linked single premium	4848	25258				405	405
710	Life property linked whole life regular premium	322	4695	39			8	8
715	Life property linked endowment regular premium - savings	46	241		67	67		67
720	Life property linked endowment regular premium – target cash	746	4198	15			15	15
795	Miscellaneous property linked		11328	28	(19)	(19)	1	(17)
800	Additional reserves property linked						1258	1258

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 2013**

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
725	Individual pensions property linked	40368	8639	173			4024	4024
735	Group money purchase pensions property linked	10868	2807	40	2005	2005	565	2570
755	Trustee investment plan	8					6	6
795	Miscellaneous property linked		37		(802)	(802)		(802)

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 2013**

Units **£000**

Overseas / 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
700	Life property linked single premium	203	6174		6112	6112	5	6117
710	Life property linked whole life regular premium	10	69	5	69	69		69
715	Life property linked endowment regular premium - savings	30		1			245	245
725	Individual pensions property linked	397		8			111	111

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 2013**

 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
700	Life property linked single premium	208077	8101379		8068409	8067091	(33424)	8033666
710	Life property linked whole life regular premium	34350	2416759	14818	186271	186242	8242	194484
715	Life property linked endowment regular premium - savings	8967	412437	4005	100996	100994	234	101228
720	Life property linked endowment regular premium – target cash	23250	899997	17385	457474	456882	(248)	456634
780	Stand-alone critical illness rider	4997	332275	1999	8137	8138	6	8145
790	Miscellaneous protection rider		20088	143			96	96
795	Miscellaneous property linked	3495	24502	287	10519	10520	52213	62733
800	Additional reserves property linked						48441	48441

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 2013**

Units **£000**

UK Life / Reinsurance ceded external

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
700	Life property linked single premium		38244		37865	37865		37865
710	Life property linked whole life regular premium		762952	1985			23	23
720	Life property linked endowment regular premium – target cash		138543	643			70	70
780	Stand-alone critical illness rider		206977	216			377	377
790	Miscellaneous protection rider		11503	104			68	68
795	Miscellaneous property linked					40	1026	1066

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 2013**

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
725	Individual pensions property linked	87420	1515715	34664	1436384	1416156	9269	1425425
735	Group money purchase pensions property linked						64277	64277
750	Income drawdown property linked						5	5
755	Trustee investment plan	7	2257		2257	2257		2257
790	Miscellaneous protection rider		6087	102			199	199

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 2013**Units **£000****UK Pension / Reinsurance ceded external**

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
790	Miscellaneous protection rider		1595	22			116	116

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 2013**

Units **£000**

Overseas / 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
700	Life property linked single premium		657		657	657		657
715	Life property linked endowment regular premium - savings		268	7	268	268		268
725	Individual pensions property linked						258	258

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 2013**

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
725	Individual pensions property linked	749200	17937038	376629	17668453	17658911	75442	17734353
735	Group money purchase pensions property linked	907629	15616670	1890570	15680702	15682035	80307	15762343
745	DWP National Insurance rebates property linked	4640	86121		86121	86121	19	86140
750	Income drawdown property linked	7266	263061		382079	382079	122	382201
755	Trustee investment plan	1200	132939		129489	132124	103	132227
790	Miscellaneous protection rider		7024	295			13	13
800	Additional reserves property linked						154852	154852

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 2013**

Units **£000**

UK Pension / Reinsurance ceded external

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
725	Individual pensions property linked		17151		17151	17151		17151
735	Group money purchase pensions property linked		1974280		1974280	1974280		1974280
790	Miscellaneous protection rider		646	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 2013**

Units **£000**

Overseas / 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
700	Life property linked single premium	237	4972		4972	4972		4972
715	Life property linked endowment regular premium - savings	421	7813	243	5860	5860	991	6851
725	Individual pensions property linked	15745	437265	28099	460453	460453	1424	461877
735	Group money purchase pensions property linked	102	3994	172	3994	3994	11	4004
755	Trustee investment plan	8	1132		1132	1132		1132
790	Miscellaneous protection rider		1787	36				

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 2013**

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
905	Index linked annuity (CPA)	293	64		488	488	80	568
910	Miscellaneous index linked				(16)	(16)	40	25

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 2013**

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
905	Index linked annuity (CPA)	39	9		65	65	11	76
910	Miscellaneous index linked				(2)	(2)	5	3

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 2013**

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
900	Life index linked single premium	1175	23634		23607	23607	68	23675
901	Index linked income protection claims in payment	2187	34180	926	2466	2466	10	2476
905	Index linked annuity (CPA)	14	458			8	15442	15451

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 2013**Units **£000****UK Life / Reinsurance ceded external**

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
901	Index linked income protection claims in payment		34180	926	2466	2466	10	2476

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 2013**

Units **£000**

UK Life / Reinsurance ceded intra-group

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
905	Index linked annuity (CPA)		49				132	132

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 2013**

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
901	Index linked income protection claims in payment						41720	41720
902	Group index linked income protection claims in payment						12177	12177
905	Index linked annuity (CPA)		65				745	745
915	Additional reserves index linked						1	1

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 2013**

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
905	Index linked annuity (CPA)		20762				474669	474669
907	Index linked deferred annuity		2749				47348	47348
915	Additional reserves index linked						287	287

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 2013**Units **£000****Overseas / 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
905	Index linked annuity (CPA)	137	315				6484	6484
907	Index linked deferred annuity		1				20	20
915	Additional reserves index linked						2	2

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 2013**Units **£000****Overseas / Reinsurance ceded intra-group**

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
905	Index linked annuity (CPA)		261				5199	5199

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 2013**

 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	16830536253	Aviva Pensions Mixed Investment (40-85% Shares) S2	0.60	7.1922	8.3433	16.00
Aviva Pensions UK Equity	15 - Individual Pension - UK Equity	1986259035	Aviva Pensions UK Equity S2	0.60	8.0750	10.0020	23.86
Aviva Life Mixed Investment (40-85% Shares)	02 - Life - Balanced Managed Fund	1869047550	Aviva Life Mixed Investment (40-85% Shares) S4	1.00	3.6563	4.1702	14.06
Aviva Pensions Mixed Investment (0-35% Shares)	13 - Individual Pension - Defensive Managed Fund	1517653021	Aviva Pensions Mixed Investment (0-35% Shares) S2	0.60	3.2937	3.5038	6.38
Aviva Pensions Property	17 - Individual Pension - Property	1084250437	Aviva Pensions Property S2	0.60	6.2012	6.7187	8.35
Aviva Life Balanced Distribution	02 - Life - Balanced Managed Fund	803662787	Aviva Life Balanced Distribution S4	1.15	1.2511	1.3373	6.89
Aviva Pensions European Equity	16 - Individual Pension - Overseas Equity	714863042	Aviva Pensions European Equity S2	0.60	11.3202	14.3662	26.91
Aviva Pensions Global Equity	16 - Individual Pension - Overseas Equity	689364747	Aviva Pensions Global Equity S2	0.60	6.2818	7.5651	20.43
Aviva SPS Diversified Growth Portfolio	14 - Individual Pension - Other Managed Fund	654876478	Aviva SPS Diversified Growth Portfolio	0.65	1.4838	1.5978	7.68
Aviva Life Property	07 - Life - Property	613124318	Aviva Life Property S4	1.25	3.1719	3.4151	7.67
Aviva Pensions Mixed Investment (20-60% Shares)	14 - Individual Pension - Other Managed Fund	557942067	Aviva Pensions Mixed Investment (20-60% Shares) S6	0.60	1.2582	1.3922	10.65
Aviva Life Mixed Investment (0-35% Shares)	03 - Life - Defensive Managed Fund	419278963	Aviva Life Mixed Investment (0-35% Shares) S4	1.00	2.8436	3.0093	5.83
Aviva Life Mixed Investment (20-60% Shares)	04 - Life - Other Managed Fund	372788733	Aviva Life Mixed Investment (20-60% Shares) S4	1.00	3.0953	3.3982	9.79
Aviva Pensions Alliance Trust Sustainable Future Managed	14 - Individual Pension - Other Managed Fund	352987512	Aviva Pensions Alliance Trust Sustainable Future Managed S2	0.60	1.5477	1.9035	22.99
Aviva Pensions US Equity	16 - Individual Pension - Overseas Equity	283453723	Aviva Pensions US Equity S2	0.60	5.6179	7.2074	28.29
Aviva Pensions Pacific Equity	16 - Individual Pension - Overseas Equity	265708320	Aviva Pensions Pacific Equity S2	0.60	4.6091	4.8613	5.47
Aviva Pensions Alliance Trust UK Ethical	14 - Individual Pension - Other Managed Fund	223608294	Aviva Pensions Alliance Trust UK Ethical S2	0.60	1.9148	2.6108	36.35
Aviva Life UK Equity	05 - Life - UK Equity	173785529	Aviva Life UK Equity S4	1.00	4.0641	4.9266	21.22
Aviva Pensions Invesco Perpetual High Income	14 - Individual Pension - Other Managed Fund	163321841	Aviva Pensions Invesco Perpetual High Income	1.45	1.2436	1.5834	27.32
Aviva Pension Flexible Investment	14 - Individual Pension - Other Managed Fund	155945715	Aviva Pension Flexible Investment S12	1.00		3.6745	
Aviva Life Invesco Perpetual Income	14 - Individual Pension - Other Managed Fund	131047891	Aviva Life Invesco Perpetual Income S4	1.95	1.7254	2.1418	24.13
Aviva Pensions Alliance Trust Sustainable Future UK Growth	14 - Individual Pension - Other Managed Fund	104941750	Aviva Pensions Alliance Trust Sustainable Future UK Growth S2	0.60	1.5653	2.1224	35.59

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 2013**

 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	2195218	2.60	2.96	3.32
UK Pens WP Form 51 With Profit Annuity	147532		3.50	3.78
UK Pens WP Form 51 Other Pensions	3103993		3.00	3.32
UK Pens NP Form 51	675001		2.60	4.26
OS Life WP Form 51	30197	2.60	2.96	3.32
OS Pens WP Form 51	104134		3.00	3.32
OS NP Form 51	18367		2.60	4.26
Misc Form 51	63672			3.32
UK Life WP Form 52 (Other)	1015271	2.10	2.43	2.71
UK Pens WP Form 52	5124198		2.45	2.71
OS WP Form 52	219392		2.45	2.71
TOTAL	12696975	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 2013**

 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 Assurances	26532	2.85	3.36	3.71
UK Life NP Form 51 Assurances	3772	2.30	2.88	3.22
UK Life WP Form 51 Annuities	9657		3.20	3.45
UK Life NP Form 51 Annuities	8149	3.10	3.88	4.14
UK Pens WP Form 51 With Profit Annuity	427615		3.20	3.45
UK Pens NP Form 51 Deferred Annuity	148399		3.40	3.66
UK Pens WP Form 51 Deferred Annuity	9652		3.20	3.71
UK Pens WP Form 52 Compact	25067		2.65	3.19
UK Pens WP Form 52 (DAF valued at 0%)	75532			3.19
UK Pens WP Form 52 (Other)	612648		3.20	3.71
Misc	5748			3.66
TOTAL	1352771	n/a	n/a	n/a

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 2013**

 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	2290128	3.30	3.67	3.82
OS Life WP Form 51	14160	3.30	3.67	3.82
UK Life NP Form 51	170669	1.60	2.00	2.91
OS Life NP Form 51	500	1.60	2.00	2.91
UK Life NP Form 51 Immediate Annuities	168577		3.10	3.44
OS Life NP Form 51 Immediate Annuities	15222		3.10	3.44
UK Pens WP Form 51	340207		3.65	3.82
OS Pens WP Form 51	4077		3.65	3.82
UK Pens WP Form 51 Immediate Annuities	16637		3.85	3.99
UK Pens NP Form 51	481313		2.10	2.91
OS Pens NP Form 51	22		2.10	2.91
UK Pens NP Form 51 Immediate Annuities	1649463		3.10	3.44
UK Life WP Form 52 (Other)	7492047	1.40	1.62	2.10
UK Life WP Form 52 Aviva International	395208		1.65	2.10
UK Pens WP Form 52	1976349		1.65	2.10
UK Pens WP Form 52 SEDA & GAO	351317		3.65	3.82
OS Pens WP Form 52 SEDA	6099		3.65	3.82
OS WP Form 52	159625	1.40	1.65	2.10
UK Life NP Form 53	14503	2.80	3.50	3.71
UK Pens NP Form 53	35950		3.50	3.71
Misc	33			2.91
TOTAL	15582106	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 2013**

 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	434962	3.30	3.73	3.95
OS Life WP Form 51	2462	3.30	3.73	3.95
UK Life NP Form 51	28711	1.60	2.00	3.62
OS Life NP Form 51	91	1.60	2.00	3.62
UK Life NP Form 51 Immediate Annuities	22445		3.10	3.50
OS Life NP Form 51 Immediate Annuities	2027		3.10	3.50
UK Pens WP Form 51	87861		3.65	3.95
OS Pens WP Form 51	881		3.65	3.95
UK Pens WP Form 51 Immediate Annuities	911		3.85	4.14
UK Pens NP Form 51	59724		2.10	3.62
OS Pens NP Form 51	3		2.10	3.62
UK Pens NP Form 51 Immediate Annuities	219617		3.10	3.50
UK Life WP Form 52 (Other)	847309	1.40	1.60	2.47
UK Life WP Form 52 Aviva International	64787		1.65	2.47
UK Pens WP Form 52	457625		1.65	2.47
UK Pens WP Form 52 SEDA & GAO	48096		3.65	3.95
OS Pens WP Form 52 SEDA	464		3.65	3.95
OS WP Form 52	44740	1.40	1.65	2.47
UK Life NP Form 53	1931	2.80	3.50	3.80
UK Pens NP Form 53	4787		3.50	3.80
Misc	4			3.62
TOTAL	2329438	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 2013**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 Pens WP Form 52 Stakeholder	781042		1.65	2.14
TOTAL	781042	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 2013**

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	194827			0.24
FORM 51 - ADDITIONAL RESERVES - LIFE	28677	2.50		2.50
FORM 51 - NP ASSURANCE UK LIFE	(252261)	2.50		2.50
FORM 51 - NP ASSURANCE UK PENS	16196			0.24
FORM 51 - NP DEFERRED ANNUITIES UK LIFE	15455		3.60	3.69
FORM 51 - NP DEFERRED ANNUITIES UK PENS	54243		3.60	3.69
FORM 51 - NP IMMEDIATE ANNUITIES UK PENS	15018		3.60	3.69
FORM 51 - NP IMMEDIATE ANNUITIES UK LIFE	34320		3.60	3.69
FORM 53 - ADDITIONAL RESERVES - LIFE	38776			0.24
FORM 53 - ADDITIONAL RESERVES - LIFE	10619	2.80		2.80
FROM 53 - ADDITIONAL RESERVES - LIFE	50050		3.50	3.60
FORM 53 - NP ASSURANCE UK LIFE	(25920)	2.80		2.80
FORM 53 - NP UK PENS	68585		3.50	3.60
FORM 54 - NP IMMEDIATE ANNUITIES UK LIFE	13863		3.60	3.69
MISCELLANEOUS RESERVE	11301			
TOTAL	273749	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 2013**

 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 - PENS	71916			0.24
FORM 51 - NP ASSURANCE UK PENS	56715			0.24
FORM 51 - NP IMMEDIATE ANNUITIES UK PENS	207485		3.60	3.69
FORM 51- INCOME PROTECTION CLAIMS	118613		3.10	3.19
UK L&GA NP Form 51	54302	4.71	4.71	4.85
UK Pens WP Form 51	3044400		4.71	4.85
OS L&GA WP Form 51	64124	4.71	4.71	4.85
FORM 53 - NP UK PENS	123040			0.24
FORM 53 - NP UK PENS	155967		3.50	3.60
FORM 54 - INCOME PROTECTION CLAIMS	53897		(0.60)	(0.59)
UK L&GA NP Form 54	745	0.27	0.27	0.39
UK Pens WP Form 54	522017		0.27	0.39
OS L&GA WP Form 54	1306	0.27	0.27	0.39
MISCELLANEOUS RESERVE	384392			
TOTAL	4858919	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 2013**
 Units **£000**

	Financial year 1	Previous year 2
--	----------------------------	---------------------------

Valuation result

Fund carried forward	11	80619978	77649005
Bonus payments in anticipation of a surplus	12	608700	439442
Transfer to non-technical account	13	626841	554851
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	81855519	78643298
Mathematical reserves	21	80176407	76733875
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	1679112	1909423

Composition of surplus

Balance brought forward	31	446936	320970
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	1232176	1588452
Total	39	1679112	1909422

Distribution of surplus

Bonus paid in anticipation of a surplus	41	608700	439442
Cash bonuses	42		
Reversionary bonuses	43	423239	468193
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	1031939	907635
Net transfer out of fund / part of fund	47	626841	554851
Total distributed surplus (46+47)	48	1658780	1462486
Surplus carried forward	49	20332	446936
Total (48+49)	59	1679112	1909422

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	12696975	14470069
Bonus payments in anticipation of a surplus	12	326622	258839
Transfer to non-technical account	13	3338	3859
Transfer to other funds / parts of funds	14	27571	22434
Subtotal (11 to 14)	15	13054506	14755201
Mathematical reserves	21	12545089	14306263
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	509417	448938

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	509417	448938
Total	39	509417	448938

Distribution of surplus

Bonus paid in anticipation of a surplus	41	326622	258839
Cash bonuses	42		
Reversionary bonuses	43	151886	163806
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	478508	422645
Net transfer out of fund / part of fund	47	30909	26293
Total distributed surplus (46+47)	48	509417	448938
Surplus carried forward	49		
Total (48+49)	59	509417	448938

Percentage of distributed surplus allocated to policyholders

Current year	61	93.93	94.14
Current year - 1	62	94.14	97.81
Current year - 2	63	97.81	95.11
Current year - 3	64	95.11	94.33

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	1352771	1554800
Bonus payments in anticipation of a surplus	12	32711	36717
Transfer to non-technical account	13	3927	4657
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	1389409	1596174
Mathematical reserves	21	1348595	1548649
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	40814	47525

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	40814	47525
Total	39	40814	47525

Distribution of surplus

Bonus paid in anticipation of a surplus	41	32711	36717
Cash bonuses	42		
Reversionary bonuses	43	4176	6151
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	36887	42868
Net transfer out of fund / part of fund	47	3927	4657
Total distributed surplus (46+47)	48	40814	47525
Surplus carried forward	49		
Total (48+49)	59	40814	47525

Percentage of distributed surplus allocated to policyholders

Current year	61	90.38	90.20
Current year - 1	62	90.20	90.13
Current year - 2	63	90.13	90.19
Current year - 3	64	90.19	90.17

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	8098	9495
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	8098	9495
Mathematical reserves	21		
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	8098	9495

Composition of surplus

Balance brought forward	31	9495	
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	(1397)	9495
Total	39	8098	9495

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48		
Surplus carried forward	49	8098	9495
Total (48+49)	59	8098	9495

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	15637925	17637951
Bonus payments in anticipation of a surplus	12	219966	125494
Transfer to non-technical account	13	26222	18779
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	15884113	17782224
Mathematical reserves	21	15421998	17394420
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	462115	387804

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	462115	387804
Total	39	462115	387804

Distribution of surplus

Bonus paid in anticipation of a surplus	41	219966	125494
Cash bonuses	42		
Reversionary bonuses	43	215927	243531
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	435893	369025
Net transfer out of fund / part of fund	47	26222	18779
Total distributed surplus (46+47)	48	462115	387804
Surplus carried forward	49		
Total (48+49)	59	462115	387804

Percentage of distributed surplus allocated to policyholders

Current year	61	94.33	95.16
Current year - 1	62	95.16	94.08
Current year - 2	63	94.08	92.39
Current year - 3	64	92.39	94.24

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	2336870	2553242
Bonus payments in anticipation of a surplus	12	27474	17109
Transfer to non-technical account	13	3354	2556
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	2367698	2572907
Mathematical reserves	21	2307605	2520784
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	60093	52123

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	60093	52123
Total	39	60093	52123

Distribution of surplus

Bonus paid in anticipation of a surplus	41	27474	17109
Cash bonuses	42		
Reversionary bonuses	43	29265	32458
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	56739	49567
Net transfer out of fund / part of fund	47	3354	2556
Total distributed surplus (46+47)	48	60093	52123
Surplus carried forward	49		
Total (48+49)	59	60093	52123

Percentage of distributed surplus allocated to policyholders

Current year	61	94.42	95.10
Current year - 1	62	95.10	94.49
Current year - 2	63	94.49	92.41
Current year - 3	64	92.41	93.71

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 2013**

Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	781042	793024
Bonus payments in anticipation of a surplus	12	1927	1283
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	782969	794307
Mathematical reserves	21	759057	770777
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	23912	23530

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	23912	23530
Total	39	23912	23530

Distribution of surplus

Bonus paid in anticipation of a surplus	41	1927	1283
Cash bonuses	42		
Reversionary bonuses	43	21985	22247
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	23912	23530
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	23912	23530
Surplus carried forward	49		
Total (48+49)	59	23912	23530

Percentage of distributed surplus allocated to policyholders

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	134	573
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	134	573
Mathematical reserves	21	134	573
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29		

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34		
Total	39		

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48		
Surplus carried forward	49		
Total (48+49)	59		

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	10521575	11165560
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	260000	525000
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	10781575	11690560
Mathematical reserves	21	10509341	10893324
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	272234	797236

Composition of surplus

Balance brought forward	31	272236	248959
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33	27571	22434
Surplus arising since the last valuation	34	(27573)	525843
Total	39	272234	797236

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47	260000	525000
Total distributed surplus (46+47)	48	260000	525000
Surplus carried forward	49	12234	272236
Total (48+49)	59	272234	797236

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

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 2013**

 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	37284588	29464291
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	330000	
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	37614588	29464291
Mathematical reserves	21	37284588	29299085
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	330000	165206

Composition of surplus

Balance brought forward	31	165205	72011
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	164795	93194
Total	39	330000	165205

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47	330000	
Total distributed surplus (46+47)	48	330000	
Surplus carried forward	49		165205
Total (48+49)	59	330000	165205

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

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 2014**

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	16889	3284		CWP	N	16889
Endowment assurance	25	27331	5382		CWP	N	27331
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	47205	6977		UWP	N	47205
Regular premium pension	20	71496	8827		UWP	N	71496
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	17520	1779		UWP	N	17520
Single premium pension	20	29462	3157		UWP	N	29462

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 2014**

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	17502	3721		CWP	N	17502
Endowment assurance	25	29479	7480		CWP	N	29479
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	94993	22596		CWP	N	94993
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	49419	27484		CWP	N	49419

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 2014**

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	17393	2136		CWP	N	17393
Endowment assurance	25	28639	3068		CWP	N	28639
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	88023	9783		UWP	N	88023
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	34150	5525		UWP	N	34150

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 2014**

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	12392	2786		CWP	N	12392
Endowment assurance	20	18650	2978		CWP	N	18650
Endowment assurance	25	30406	2511		CWP	N	30406
Regular premium pension	5	14370	1593		UWP	N	14370
Regular premium pension	10	34191	3996		UWP	N	34191
Regular premium pension	15	51086	5986		UWP	N	51086
Regular premium pension	20	84333	9705		UWP	N	84333
Single premium pension	5	14069	2903		UWP	N	14069
Single premium pension	10	19647	4298		UWP	N	19647
Single premium pension	15	18650	1220		UWP	N	18650
Single premium pension	20	38581	5128		UWP	N	38581

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 2014**

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	16343			CWP	N	21409
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 2014**

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	17661			CWP	N	22510
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 2014**

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	18534			CWP	N	21428
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 2014**

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	13122			CWP	N	20663
Endowment assurance	20	21313			CWP	N	23663
With-profits bond	2	10552	1020		UWP	Y	11235
With-profits bond	3	10916	929		UWP	Y	11264
With-profits bond	5	13558	2798		UWP	Y	13569
With-profits bond	10	17203	3142		UWP	Y	17343
Single premium pension	2	11571	1147		UWP	Y	11571
Single premium pension	3	11830	1172		UWP	Y	11830
Single premium pension	5	14069	2903		UWP	Y	14069
Single premium pension	10	19647	4298		UWP	Y	19647

Long-term insurance capital requirement
Form 60

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

Global business

 Financial year ended **31st December 2013**

 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

Life protection reinsurance	11	0.0%					
Classes I (other), II and IX	12	0.1%	152328820	144604325	0.50	76164	79033
Classes I (other), II and IX	13	0.15%	5084442	192941		3813	4578
Classes I (other), II and IX	14	0.3%	283005847	43453044		424509	428155
Classes III, VII and VIII	15	0.3%	4292827	3856880	0.90	11571	14784
Total	16		444711936	192107190		516057	526550

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%	22244927	19251607	0.87	192516	189653
Classes III, VII and VIII (investment risk)	33	1%	21521371	21516133	1.00	215161	228309
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	12139633	12139633	1.00	121396	119204
Classes III, VII and VIII (other)	35	25%				19054	22903
Class IV (other)	36	1%	374156	331555	0.89	3316	3415
Class V	37	1%					
Class VI	38	1%	4625	4625	1.00	46	74
Total	39					551489	563558

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	22244927	19251607	0.87	577548	568960
Classes III, VII and VIII (investment risk)	43	3%	21521371	21516133	1.00	645484	684928
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	12139633	12139633			
Classes III, VII and VIII (other)	45	0%	29386515	27356093			
Class IV (other)	46	3%	374156	331555	0.89	9947	10244
Class V	47	0%					
Class VI	48	3%	4625	4625	1.00	139	223
Total	49		85671227	80599646		1233118	1264355

Long term insurance capital requirement	51					2324496	2378295
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Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**
Global business
Financial year ended **31st December 2013**

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 has been reinsured to the company.

As part of this arrangement, the company received a Reinsurance Premium of £3,998.4m, but £3,930.5m of the premium was immediately deposited back with UKA as collateral, which has been recognised in Form 13 at line 57. Under the terms of the reinsurance, 12.5% of the investment returns arising from assets underlying the deposit will be ceded to the company by UKA, along with a corresponding share of future premiums and claims.

Included within this reinsurance, are Index Linked Liabilities of £524.4m 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

	2013	2012
	£'000	£'000
i) Net admissible assets		
Form 13 Line 89 (Long term business)	92,664,339	88,412,689
Form 13 Line 89 (Other than long term business)	1,609,216	1,220,051
Form 14 Lines 11, 12 and 49	(85,731,110)	(82,553,401)
Form 15 Line 69	(49,793)	7,099
	<hr/>	<hr/>
	8,492,652	7,086,438
iv) Capital resources requirement of regulated related undertakings	<hr/>	<hr/>
Total i) to iv) above	1,167,404	1,317,481
Form 3, Line 79	<hr/>	<hr/>
	9,660,056	8,403,919

0306 Financial Reinsurance – ceded

The impact of the financial reinsurance arrangements included in line 92 is to reduce mathematical reserves by £324.0m.

The contingent liability repayable to the reinsurers under the arrangements totals £531.7m.

The commutation value for those arrangements where it is possible to derive an amount repayable totalled £341.8m at the end of the financial year. For one arrangement where the commutation value is subject to negotiation at the point of recapture, the minimum value of recapture would be £189.9m, being the amount of the contingent loan outstanding as at 31 December 2013.

Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**
Global business
Financial year ended **31st December 2013**

Code**0310 Calculation of valuation differences as required by instruction 9 to Form 3**

	2013	2012
	£'000	£'000
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)	355,094	362,770
Difference in technical provisions (Form 14 Line 74)	4,367,272	3,175,812
Deferred income reserve (Form 14 Line 74)	68,345	89,783
Financial reinsurance (Form 14 Line 74)	207,670	257,213
FV of loans held at amortised cost (Form 13 Line 98)	(53,146)	(185,499)
Other (Form 14 Line 74)	144	45
Net positive valuation difference included in Form 3, Line 14	4,945,379	3,700,124

0313 Reconciliation of profit and loss account and other reserves

	2013	2012
	£'000	£'000
Profit and loss account and other reserves at the end of the previous financial year (Form 3 Line 12 Column 4)	3,904,119	3,530,179
Profit/(loss) retained for the financial year (Form 16 Line 59)	240,334	698,583
Profit/(loss) arising in long-term insurance funds that has not been transferred to the shareholder fund	966,700	(324,644)
Profit and loss account and other reserves at the end of this financial year (Form 3 Line 12 Column 3)	5,111,153	3,904,119

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.

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 £474.2m (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 £5,843.5m (all Long term business).
- (iv) Reversionary interests or remainders in property other than land or buildings £nil.

Supplementary notes

Name of insurer	Aviva Life & Pensions UK Limited
Global business	
Financial year ended	31st December 2013

Code

1302 Aggregate value of hybrid securities – long term insurance business

1309

The company held hybrid securities of £354.7m.

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

Each fund 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.

The absolute limit for a particular counterparty holding at the end of the financial year was £150m for Tier 1, £100m for Tier 2 and £75m for Tier 3.

Equities

The maximum of a company's equity held by all funds is limited to 19.99% and 10% for UK and overseas equities respectively. Unquoted holdings do not exceed 3.5% of the fund.

Fixed

Exposure to non-government bonds is limited to holdings which are deemed to be of a suitable quality determined by senior investment management. The maximum holding across all funds of a single issue is limited to 25% of the issue. Private placements are limited to 2% 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 2013**

Code**1318 Other asset adjustments**

2013	Category 1 £'000	Category 10 £'000
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	<u>7</u>	<u>709,486</u>

2012	Category 1 £'000	Category 10 £'000
Disclosure of unit-linked credits as liabilities in statutory accounts	-	649,528
Current tax gross up	-	(203,576)
Variation margin gross up on futures	-	27,113
Other adjustments	60	75
Other asset adjustments included in Form 13 line 101	<u>60</u>	<u>473,140</u>

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 adjustment or provision pursuant to GENPRU 1.3.30R to GENPRU 1.3.33R and INSPRU 3.2.17R to INSPRU 3.2.18R, together with a review by senior management of positions that are valued using third party valuations or by marking to model.

1402 Contingent liabilities, etc**1502**

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.

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.

Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**
Global business
Financial year ended **31st December 2013**

Code**1405 Other adjustments to Liabilities**

	2013	2012
	£'000	£'000
Adjustment to FSA mathematical reserves	4,367,272	3,175,812
Disclosure of unit-linked credits as liabilities in statutory accounts	663,001	649,528
Deferred Tax – Valuation element	355,094	362,770
Deferred Tax – Inadmissible element	(220,562)	(358,009)
Current Tax gross up		(203,576)
Deferred income reserve	68,345	89,783
Financial reinsurance	207,670	257,213
Variation margin gross up on futures	46,350	27,113
Other liabilities	225	103
Other adjustments to liabilities included in Form 14 line 74	<u>5,487,395</u>	<u>4,000,737</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 2013. Revenue transactions of those operations, which are traded in currencies other than sterling, are translated at average rates of exchange for the financial year.

1603 Other Income and Charges

In 2013, Aviva found evidence of improper allocation of trades in fixed income securities in Aviva Investors by two former employees. This occurred between 2006 -2012. These breaches in Aviva's dealing policy involved late allocation of trades which favoured external hedge funds to the detriment of certain Aviva UK Life funds, including the Aviva Life & Pensions UK Limited With- Profit funds (the policyholder claims, totalling an estimated £126.0m). The rights to benefit from an element of the policyholder claims (estimated at £36.1m) were novated to Aviva Life Holdings UK Limited in return for intercompany receivables on 23rd December 2013, with £35.6m of the intercompany receivable settled on 24th December 2013, and transferred from the Shareholder Fund to the With-Profits funds asset shares. The difference of £0.5m has been recognised as an expense to the Shareholder Fund. Further assets of £89.9m have been transferred by the Shareholder Fund to the With-Profits funds asset shares and estates. This transfer has been recognised as an expense to the Shareholder Fund. Therefore, policyholders have been fully compensated for the estimated total impact on the With-Profits funds of £126.0m.

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 which has been received by the Company is £664.9m. This is allocated to Form 13 Line 44. No amounts included on Form 13 reflect the liability to repay any excess.

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.

Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**
Global business
Financial year ended **31st December 2013**

Code**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:

Movements in the RIEESA	£'000
Balance brought forward at 1 January 2013	894,786
Investment income and gains	76,677
Premiums less claims and expenses on non-profit business in which the RIEESA has invested, (less increase/plus decrease) in liabilities on that business.	(232,609)
Repayment of capital support arrangement from New With Profits Sub Fund	511,314
Taxation attributable to the RIEESA	(2,066)
Balance carried forward at 31 December 2013	<u>1,248,102</u>
Support arrangement assets	£'000
RIEESA	1,248,102
Capital requirements of business to be retained by the RIEESA	(203,788)
Support arrangement assets	<u>1,044,314</u>

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 2013**

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 2013 are £64.4m and £2.1m respectively. There is no variation margin payable.

Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**
Global business
Financial year ended **31st December 2013**

Code**4502 Other income and expenditure**

Other Income comprises the following balances:

	2013	2012
	£'000	£'000
Rebates	87,140	77,718
	<u>87,140</u>	<u>77,718</u>

Other Expenditure comprises the following balances:

	2013	2012
	£'000	£'000
Custody and Other Management Fees	4,522	5,280
Payment of Distributions to Policyholders	40,248	37,603
Interest Paid	215	341
Property Expenses	21,822	24,183
Compensation paid to Policyholders	558	-
	<u>67,365</u>	<u>67,407</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 £3.5m.

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.

	Yield
Shares in non-insurance dependants (Form 13 Line 25)	Nil
Mortgage loans (Form 13 line 50)	6.09%
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 notesName of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2013****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	60
WPSF	UKP	390	7
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	30,055
NWPSF	UKL GR	435	Unprocessed Movements, Future Claims and Expenses, Miscellaneous Assurances	17,332

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	35
NWPSF / OWPSF	UKP	571	411

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	228,087
PMSF	UKP GR	575	AWP Personal Pension Plan	146,326
PMSF	UKP GR	575	AWP Executive Pension Plan	79,296
PMSF	UKP GR	575	AWP Individual Pension Arrangement	68,625

Supplementary notesName of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2013****Code**

PMSF	UKP GR	575	AWP COMPACT	25,067
PMSF	UKP GR	575	AWP Additional Voluntary Contributions	29,619
PMSF	UKP GR	575	Additional expense reserve	19,491
WPSF	UKP GR	575	Product Governance	94,400
NWPSF	UKL GR	575	UKIL With Profit Bond and Core Funds Bond	382,710
NWPSF	UKP GR	575	Group Defined Benefit (Red Plan)	212,221
NWPSF	UKP GR	575	Retirement Annuity	284,510
OWPSF	UKL GR	575	UKIL With Profit Bond and Core Funds Bond	62,787
OWPSF	UKP GR	575	Retirement Annuity	44,623

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	43

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	Product Governance Reserves	30,760
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.

Supplementary notes

Name of insurer **Aviva Life & Pensions UK Limited**
Global business
Financial year ended **31st December 2013**

Code**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 2.5%		
Product code	Product description	Net reserve (£000)
435	Miscellaneous non-profit	30,055
440	Additional reserves non-profit OB	(1,378)
	Total	28,677

Form 51 - NP ASSURANCE UK LIFE NET 2.5%		
Product code	Product description	Net reserve (£000)
300	Regular premium non-profit WL/EA OB	19,293
305	Single premium non-profit WL/EA OB	29,572
325	Level term assurance	(144,857)
330	Decreasing term assurance	(106,057)
340	Accelerated critical illness (guaranteed premiums)	(63,142)
345	Accelerated critical illness (reviewable premiums)	5,431
350	Standalone critical illness (guaranteed premiums)	3,029
435	Miscellaneous non-profit	4,470
	Total	(252,261)

Form 53 - NP ASSURANCE UK LIFE NET 2.8%		
Product code	Product description	Net reserve (£000)
700	Life property linked single premium	(33,427)
710	Life property linked whole life regular premium	27,832
715	Life property linked endowment regular premium - savings	234
720	Life property linked endowment regular premium – target cash	(615)
780	Standalone critical illness rider	-
795	Miscellaneous property linked	46
800	Additional reserves property linked	(19,990)
	Total	(25,920)

Supplementary notesName of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2013****Code****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	4.85	5.55
UK Pens NP Form 51	4.85	5.55
OS L&GA NP Form 51	4.85	5.55
UK L&GA NP Form 54	0.39	1.05
UK Pens NP Form 54	0.39	1.05
OS L&GA NP Form 54	0.39	1.05

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 31/12/12 to 31/12/13 is due to changes in the relative proportion of business between different categories of WP policyholder, and that 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 surplus	58.41	218,995	486	485		219,966
Reversionary bonus	58.43	209,151	2,832	3,944		215,926
Total allocated to policyholders	58.46	428,146	3,318	4,429		435,892
Net transfer out of fund	58.47	47,572	328	385	-22,062	26,222
Total distributed surplus	58.48	475,717	3,646	4,814	-22,062	462,115
Percentage of surplus allocated to policyholders		90.00%	91.00%	92.00%		94.33%
Percentage of surplus allocated to policyholders (previous year)		90.00%	91.00%	92.00%		95.16%

Supplementary notesName of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2013****Code****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 surplus	58.41	27,406	35	33		27,474
Reversionary bonus	58.43	28,665	250	350		29,265
Total allocated to policyholders	58.46	56,071	286	383		56,739
Net transfer out of fund	58.47	6,230	28	33	-2,938	3,354
Total distributed surplus	58.48	62,301	314	416	-2,938	60,093
Percentage of surplus allocated to policyholders		90.00%	91.00%	92.00%		94.42%
Percentage of surplus allocated to policyholders (previous year)		90.00%	91.00%	92.00%		95.10%

With-Profits Sub-fund

£000	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	269,204	675	56,744	-	326,623
Reversionary bonus	58.43	3,823	4,242	143,820	-	151,885
Total allocated to policyholders	58.46	273,027	4,917	200,564	-	478,508
Net Transfer out of fund	58.47	30,336	573	-	-	30,909
Total Distributed Surplus	58.48	303,363	5,490	200,564	-	509,417
Percentage of surplus allocated to policyholders		90.00%	89.57%	100.00%		93.93%
Percentage of surplus allocated to policyholders (previous year)		90.00%	89.79%	100.00%	-	94.14%

Supplementary notesName of insurer **Aviva Life & Pensions UK Limited**

Global business

Financial year ended **31st December 2013****Code****Provident Mutual Sub-Fund**

£000	FSA Ref.	Conventional With Profits	Scheme of Transfer adjustment	Total
Bonus payments made to policyholders in anticipation of a surplus	58.41	32,711		32,711
Reversionary bonus	58.43	4,176		4,176
Total allocated to policyholders	58.46	36,887	-	36,887
Net Transfer out of fund	58.47	4,099	- 171	3,927
Total Distributed Surplus	58.48	40,986	- 171	40,815
Percentage of surplus allocated to policyholders		90.0%	0.0%	90.38%
Percentage of surplus allocated to policyholders (previous year)		90.0%	0.0%	90.20%

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 2013**1. Introduction**

- (1) The **valuation date** is 31 December 2013.
- (2) The previous valuation was completed with an effective date of 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 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 2013. The table is separated by class of business and by year of unit purchase. Entries marked 'N/A' imply that an MVR was not applied to units for that product / year of purchase combination during 2013

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
1987	N/A	N/A	N/A	N/A	N/A	N/A
1988	N/A	N/A	N/A	N/A	N/A	N/A
1989	N/A	N/A	N/A	01.01.13 - 31.12.13	N/A	01.01.13 - 31.12.13
1990	N/A	N/A	N/A	N/A	N/A	N/A
1991	N/A	N/A	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A	N/A	N/A
1993	N/A	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	01.01.13 - 30.06.13	N/A	01.01.13 - 30.06.13
1998	N/A	N/A	N/A	01.01.13 - 31.12.13	N/A	01.01.13 - 31.12.13
1999	N/A	N/A	N/A	N/A	N/A	N/A
2000	N/A	N/A	01.01.13 - 31.12.13	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	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
2007	01.01.13 - 30.06.13	01.01.13 - 30.06.13	N/A	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A

- (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 2013 and were based on the change in RPI published in December (+2.6%).

Pre 1/1/95 unitised pension products were reviewed with effect from 1st April 2013.

Personal Pension Plans (including AVCs, Jersey Investment Plan) changes were based on the change in RPI published in January (+2.8%)

Group Money Purchase plans changes were based on the change in AWEI published in April (+1.3%)

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 2013**

- (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 exceeds £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.

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.

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 2013**(2) Valuation interest rates:**

A table of all valuation interest rates used is given below.

Product	Interest rate 31-Dec-13	Interest rate 31-Dec-12
<u>Life Assurances</u>		
Conventional business WP	2.60%	2.30%
UWP business	2.10%	1.85%
<u>Pensions and General Annuities</u>		
Deferred Annuity With Profit		
In payment	3.00%	2.70%
In deferment – Single Premium	3.00%	2.70%
In deferment – Regular Premium	3.00%	2.70%
Deferred Annuity Non Profit		
In Payment	2.60%	1.80%
In deferment – Single Premium	2.60%	1.80%
In deferment – Regular Premium	2.60%	1.80%
Non-profit policies	2.60%	1.80%
Regular Premium With Profit policies	3.00%	2.70%
Single Premium With Profit policies	3.00%	2.70%
Group Defined Benefits	3.00%	2.70%
UWP business	2.45%	2.20%
With Profit Annuity	3.50%	3.00%

(3) Adjustment to yield for credit risk**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 2013 was:

Deduction from Yield	WPSF
Impact of 25% Spread	0.21%
Impact of 10% Cap	0.22%
Total Deduction	0.43%

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:

Deduction from Yield	WPSF
Impact of 25% Spread	0.66%
Impact of 10% Cap	0.35%
Total Deduction	1.01%

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 2013**Fixed interest securities**

The allowance for credit risk on bonds is two-fold. For 31 December 2013 a deduction equal to 45% 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. At 31 December 2012 a different approach was used. Firstly, the bond yield was capped at a maximum of 12%. A further deduction was then applied determined as 33% of the excess of the capped bond yield over the yield of a gilt with a matching duration.

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 2013 was:

Deduction from Yield	WPSF
Impact of Cap	0.28%
Impact of 45% Spread	0.82%
Total Deduction	1.10%

For Mortgages, a deduction of 1.0% 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.

Product	Mortality basis 31 December 2013	Mortality basis 31 December 2012
UKL&P WP Life Assurances		
Whole Life	104.9% AM00/AF00 sel	104.9% AM00/AF00 sel
Endowments	93.3% AM00/AF00 sel	93.3% AM00/AF00 sel
UKL&P WP Pensions & General Annuities		
Whole Life	104.9% AM00/AF00 sel	104.9% AM00/AF00 sel
Endowments	93.3% 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	100% PCMA00 / 95.5% PCFA00	98.5% PCMA00 / 93.5% 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	100% PCMA00 / 95.5% PCFA00	98.5% PCMA00 / 93.5% PCFA00

Unitised with-profit business

Mortality assumptions as 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:

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 2013

	31 December 2013	31 December 2012
Males	CMI_2012_M [1.75%], applicable from 2001 to 2012 CMI_2012_M[1.75%] plus 0.5% p.a., applicable from 2013	CMI_2011_M [1.5%], applicable from 2001 to 2011 CMI_2011_M [1.5%] plus 0.5% p.a., applicable from 2012
Females	CMI_2012_F [1.5%], applicable from 2001 to 2012 CMI_2012_F[1.5%] plus 0.5% p.a., applicable from 2013	CMI_2011_F [1%], applicable from 2001 to 2011 CMI_2011_F [1%] plus 0.5% p.a., applicable from 2012

- 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 1/1/2014	Expectation of Life for annuitant aged 75 on 1/1/2014	Expectation of Life from age 65 for annuitant aged 45 on 1/1/2014	Expectation of Life from age 65 for annuitant aged 55 on 1/1/2014
100% of PCMA00 plus CMI_2012_M[1.75%] applied from 2001, plus 0.5% p.a. from 2013	25.0	15.2	28.8	26.9
95.5% of PCFA00 plus CMI_2012_F[1.5%] applied from 2001, plus 0.5% p.a. from 2013	27.2	17.1	30.5	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.

(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 2012 and 2013 (including loadings).

Product	Product code	Renewal admin (£ per policy)	
		2013	2012
CWP savings endowment	120	37.43	36.30
CWP target cash endowment	125	37.43	36.30
CWP Pensions	155/165	49.90	48.40
Annuity (reversionary)	400	0	0

Assumed future expense inflation

3.38% 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).

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****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 adjustments made were:

Asset Class	Investment expense
Equity	0.165%
Property	0.165%
Gilts	0.165%
Other Fixed Interest	0.165%
Cash	0.165%

The adjustments reflect 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.

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).

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 2013

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%	8.06%	7.15%	6.50%
Life UWP single premium - moneyback guarantee	Surrender	2.47%	8.06%	7.15%	6.50%
Life UWP single premium - no-MVR guarantee	Surrender	2.47%	6.50%	8.45%	9.10%
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	1.00%	1.00%	1.00%	1.00%
Individual Pension UWP single premium	Surrender	1.00%	1.00%	1.00%	1.00%
Group Pension UWP regular premium	PUP	Peak 1 valuation assumes no future premiums on UWP business			
Group Pension UWP regular premium	Surrender	1.00%	1.00%	1.00%	1.00%
Group Pension UWP single premium	Surrender	1.00%	1.00%	1.00%	1.00%

(10) Other basis items:**Option take-up rates**

- Guaranteed Annuity Rate Options:

We have assumed that current option take-up is 95%. This is based on current experience and incorporates margins for prudence.

- 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

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 2013

- (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 takeup rates are used (as given in 4(10))
- Realistic-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 2013 is zero.

(b)

(i) Product	Conventional pensions endowment with- profits	Conventional deferred annuity with-profits	Deferred annuity non-profit
(ii) Basic Reserve (£m)	574.4	118.4	270.9
(iii) Spread of outstanding durations:			
0-5 years	41%	47%	21%
6-10 years	34%	31%	27%
11-20 years	24%	20%	46%
over 20 years	0%	2%	5%
(iv) Guarantee Reserve (£m)	507.9	115.1	292.8

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 2013**

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.

(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).

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 2013

(b)

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) regular withdrawal guarantee	(vii) in force regular premiums	(viii) increments allowed to policy?
Norwich Capital Plan (10/89 onwards)	225,787,051	3.2% with no-MVR date in 2014; 96.8% with no-MVR date in 2015-2018	0	218,201,707	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	573,669,681	100% with MBG expired	0	570,815,603	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

- (a) For convertible term or increasing sum insured options, a reserve is held equal to one year's option premium.
- (b) The total sum assured for conversion and renewal options is less than £1bn 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:

- 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))
- Realistic-peak (realistic 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 2013 is zero.

The base reserve for the business affected is: £968m

The additional regulatory peak reserve for the GMP guarantee is: £746m

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 2013**

- (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 2014 arising from explicit reserves is £21,100,000.

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 Subfunds.

- (2) Gross Premium Valuation has been used for all business. All allowances for expenses are explicit.
- (3) The 2013 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 2014 maintenance expenses in 6(1) above is higher than the adjusted Form 43 expense by £1,940,000. The difference is due to margins in the valuation basis and changes in business volumes between 2013 and 2014.
- (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.

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 (3.38%) 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 2013 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.

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 2013**

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 £1.4m 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	12,696,975	12,696,975	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. 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.

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 2013**

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 2014 is £1,935m. Expected income, in 2014, from assets currently held in the fund is £511m and £2144m is held in deposit-style assets. Premium income for 2013 was around £135m and there is no reason to expect it to fall significantly. The fund also holds an additional £1,741m in gilts 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.

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 2013 for the affordability condition is zero.

The amount of provision is £462.3m.

(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 £94.4m.

(4) System migration costs

A provision of £11.2m is held to cover costs to be incurred as a result of migration of policies onto a new policy administration system.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – With Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****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 2013 these totalled £21,473,000.
 - (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 £124,563,000.
 - (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.

10. Reversionary (annual, regular) bonus

(1)

Product	Amount of Gross mathematical reserve (£m)	Regular bonus (2012)	Regular bonus (2013)	Guaranteed bonus (2013)
Conventional Life				
Super-compound series (all business)	2,161.0	0% SA / 0.5% RB	0% SA / 0.5% RB	0.00%
Simple Bonus Whole Life	10.7	16%	16%	0.00%
Conventional Pensions				
Individual & Group Pensions (excl With-Profit Annuity)	3,208.1	0% SA / 0% RB	0% SA / 0% RB	0.00%
Group Defined Benefits	26.3	0.00%	0.00%	0.00%
With-Profits Annuity				
Pre 2013 purchase	145.1	1.50%	1.50%	0.00%
2013 purchase		n/a	2.25%	
Unitised Life				
Units without regular bonus guarantee	741.1	0.75%	1.25%	0.00%
Units with regular bonus guarantee	258.4	2.50%	2.50%	2.50%
Unitised Pensions				
Units without regular bonus guarantee	2,419.7	1.25%	1.75%	0.00%
Units with regular bonus guarantee	2,825.7	4.00%	4.00%	4.00%
Belgium (in the UKLAP Belgium sub-fund)	89.8	0.00%	0.00%	0.00%

- (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.

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 2013**

1. Introduction

- (1) The **valuation date** is 31 December 2013.
- (2) The previous valuation was completed with an effective date of 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 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 2.1%. The exception is for charges on Compact and Everyman which increased by 2.6%.

Defined Benefit Schemes

Deferred Allocation Funding:

The administration fee increased by 2.1%.

- (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) The Company operates one pool of assets for each internal linked fund.

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 deallocated 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.

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 2013

- (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 8.9% to 20% during 2013. The rate applied to unrealised gains varied by fund in the range 9.8% to 20% during the year to 31 December 2013. 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 0.3% to 19.9% during the year to 31 December 2013.
- (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 exceeds £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.

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 2013

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.

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.

Product	Interest rate 31 December 2013	Interest rate 31 December 2012
Life with-profit assurances	2.85%	2.50%
Life non-profit business	2.30%	2.20%
Pension accumulating with-profit (excluding Compact)	3.20%	2.75%
Compact pension accumulating with-profit	2.65%	2.20%
Non profit immediate annuity	3.10%	3.15%
With profit immediate annuity	3.20%	2.95%
Pension Deferred Annuity Non Profit and Guaranteed Annuity Options		
In payment	3.40%	2.40%
In deferment	3.20%	2.60%
Pension Deferred Annuity With Profit and Guaranteed Annuity Options		
In payment	3.20%	2.75%
In deferment	3.20%	2.75%

(3) Adjustment to yield for credit risk**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 – Provident Mutual Sub-Fund

Global business

Financial year ended

31 December 2013

For the purposes of the valuation the average deduction from the yield on equities held at 31 December 2013 was:

Deduction from Yield	PMSF
Impact of 25% Spread	0.19%
Impact of 10% Cap	0.00%
Total Deduction	0.19%

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:

Deduction from Yield	PMSF
Impact of 25% Spread	0.16%
Impact of 10% Cap	0.00%
Total Deduction	0.16%

Fixed interest securities

The allowance for credit risk on bonds is two-fold. For 31 December 2013 a deduction equal to 45% 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. At 31 December 2012 a different approach using a recessionary credit risk deduction was used and the deduction was smaller at 33% of spread. Then a yield cap is applied, weighted by credit rating.

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 2013 was:

Deduction from Yield	PMSF
Impact of Cap	0.00%
Impact of 45% Spread	0.66%
Total Deduction	0.66%

For Mortgages, a deduction of 1.0% was used, while for Deposits, the equivalent deduction was 0.10%.

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 2013**(4) Mortality assumptions**

The table below shows the mortality basis for business written by the fund.

Product	Mortality basis 31 December 2013	Mortality basis 31 December 2012
Life Assurances		
Assurances - Whole Life	104.9% AM00/AF00 sel	104.9% AM00/AF00 sel
Assurances – Endowments	93.3% AM00/AF00 sel	93.3% AM00/AF00 sel
Assurances - Level Term	79.5% TM00/TF00 sel	74.2% TM00/TF00 sel
Assurances - Decreasing Term	90.1% TM00/TF00 sel	90.1% TM00/TF00 sel
Pensions and General Annuities		
Accumulating With Profit : In deferment Post Vesting (incl GAO)	60% AM00/AF00 ult 90.0% PCMA00 / 88.5% PCFA00	60% AM00/AF00 ult 86.0% PCMA00 / 92.5% PCFA00
Deferred Annuity In deferment Post Vesting	60% AM00/AF00 ult 90.0% PCMA00 / 88.5% PCFA00	60% AM00/AF00 ult 86.0% PCMA00 / 92.5% PCFA00
With-Profit and Non-Profit Annuity in Payment (Individual)	90.0% PCMA00 / 88.5% PCFA00	86.0% PCMA00 / 92.5% PCFA00
Non-Profit Annuity in Payment (Group):	90.0% PCMA00 / 88.5% PCFA00	86.0% PCMA00 / 92.5% PCFA00
With-Profit Annuity in Payment (Group):	90.0% PCMA00 / 88.5% PCFA00	86.0% PCMA00 / 92.5% PCFA00

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:

	31 December 2013	31 December 2012
Males	CMI_2012_M [1.75%], applicable from 2001 to 2012 CMI_2012_M[1.75%] plus 0.5% p.a., applicable from 2013	CMI_2011_M [1.5%], applicable from 2001 to 2011 CMI_2011_M [1.5%] plus 0.5% p.a., applicable from 2012
Females	CMI_2012_F [1.5%], applicable from 2001 to 2012 CMI_2012_F[1.5%] plus 0.5% p.a., applicable from 2013	CMI_2011_F [1%], applicable from 2001 to 2011 CMI_2011_F [1%] plus 0.5% p.a., applicable from 2012

- 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 1/1/2014	Expectation of Life for annuitant aged 75 on 1/1/2014	Expectation of Life from age 65 for annuitant aged 45 on 1/1/2014	Expectation of Life from age 65 for annuitant aged 55 on 1/1/2014
90% of PCMA00 plus CMI_2012_M[1.75%] applied from 2001, plus 0.5% p.a. from 2013	26.0	16.1	29.8	27.9
88.5% of PCFA00 plus CMI_2012_F[1.5%] applied from 2001, plus 0.5% p.a. from 2013	27.8	17.7	31.2	29.5

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.

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 2013**

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:

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 £1.5m.

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

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 2012 and 2013 (including loadings).

1. PM	Existing Business Admin Fees		
Product code	Category	2013	2012
120	Conventional endowment with-profits OB savings	37.43	36.30
125	Conventional endowment with-profits OB target cash	37.43	36.30
165	Conventional deferred annuity with-profits	37.43	36.30
700	Life property linked single premium	37.43	36.30
715	Life property linked endowment regular premium -savings	37.43	36.30
720	Life property linked endowment regular premium – target cash	37.43	36.30
725	Individual pensions property linked	37.43	36.30
735	Group money purchase pensions property linked	30.14	29.23

Assumed future expense inflation:

3.38% 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 BLGAB business has been assumed using a rate of 20.00%.

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 2013**

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).

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 95%. This is based on current experience and incorporates margins for prudence.

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

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 2013**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 takeup 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 takeup rates are used (as given in 4(10))
- Realistic-peak (realistic 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 2013 is zero.

(b)

(i) Product Name	Personal Pension Plan	Products with GAO excluding Personal Pension Plan
(ii) Basic Reserve (£m)	81.1	348.6
(iii) Spread of outstanding durations		
0-5 years	91.3%	71.6%
6-10 years	7.4%	16.6%
11-20 years	1.3%	10.2%
over 20 years	0.0%	1.6%
(iv) guarantee reserve (£m)	65.2	172.5
(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

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 2013**

(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 £1,274m. 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 £1,294m. 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).

The Pension Assured Fund is closed to new business and additional contributions other than regular contributions, automatic and ad-hoc increases, and DSS Contributions 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	12%	22%	29%	23%	12%	3%	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 £1bn 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 2014 arising from explicit reserves is £9,200,000.

The main sources are:

- The explicit annual maintenance expense charge
- Investment expenses
- Additional explicit margins

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 2013

- (2) Gross Premium Valuation has been used for all business. All allowances for expenses are explicit.
- (3) The 2013 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 2014 maintenance expenses in 6(1) above exceeds the adjusted Form 43 expense by £2,940,000. The difference is due to margins in the valuation basis and changes in business volumes between 2013 and 2014.
- (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 2013 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 £0.9m 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	1,352,771	1,352,771	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.

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 2013**

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).

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.

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 2014 is £191m. Expected income, in 2014, from assets currently held in the fund is £73m and £41m is held in deposit-style assets. The fund also holds an additional £110m in gilts 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

There are no such reserves that exceed the lesser of £10m and 0.1% of total mathematical reserves.

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 2013**10. Reversionary (annual, regular) bonus**

(1)

Product	Amount of mathematical reserve (£m)	Regular bonus (2012)	Regular bonus (2013)	Guaranteed bonus (2013)
Life				
Endowment / Whole Life (incl Budget Plan, Permanent Total Disability, Flightdeck)	33.6	0% SA / 0% RB	0% SA / 0% RB	0.00%
Pensions (excl With-Profit Annuity)				
Personal Pension Plan (Series 1 & 2)	20.6	0% of benefit secured	0% of benefit secured	0.2% gteed interest per month
Personal Pension Plan (Series 3)	125.7	0% of benefit secured	0% of benefit secured	0.22% gteed interest per month
Self Employed Retirement Annuities	228.1	0% of benefit secured	0% of benefit secured	3.25% gteed interest rate in prem basis
IPA / AVC / Money Purchase schemes	98.4	0% of benefit secured	0% of benefit secured	3.25% gteed interest rate in prem basis
Executive Pension Plan	79.4	0% of benefit secured	0% of benefit secured	3.25% gteed interest on Higher rate fund money only
Compact	25.1	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)	105.6	0% of account balance	0% of account balance	0.00%
Other Deferred Annuities	8.8	0% of account balance	0% of account balance	0.00%
With-Profit Annuity				
Annuitants from defined benefit schemes (excluding Air France)	246.3	1.00%	3.00%	0.00%
Annuitants from Air France	19.1	5.00%	5.00%	5.00%
Annuitants on 1999 series rates	2.9	1.50%	3.00%	0.00%
Other annuitants:				
retiring before 1984	3.5	5.00%	5.00%	0.00%
retiring between 1984 and 1992	51.1	1.00%	2.00%	0.00%
retiring between 1993 and 1997	33.6	0.00%	0.50%	0.00%
retiring between 1998 and 2002	51.9	0.00%	0.00%	0.00%
retiring 2003 and later	17.0	0.50%	0.50%	0.00%

(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 9.4Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended **31 December 2013****1. Introduction**

- (1) The valuation date is 31 December 2013.
- (2) The date of the previous valuation was 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 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 2013. 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 2013. No market value adjustments were applied to ex-RSA business during 2013. 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	1996-1999	1997-2002 2005-2008 2011-2012
1 February 2013	N/A	N/A	1998-2001 2006-2007
1 August 2013	N/A	N/A	1998-2001 2007

- (2) Not applicable
- (3) The fund does not have any non-profit deposit administration benefits.
- (4) Service charges on all unitised with-profits 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 1.23% to 2.56% 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 9.4Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended **31 December 2013****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 2013	31 Dec 2012
515	Life sterling reserves	2.8%	2.1%
525	Pensions sterling reserves	3.5%	2.5%

All valuation interest rates shown above are gross of investment expenses.

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 has been restricted in the first three years to reflect yields on the assets held. This restriction was carried out at product level rather than sub-fund level. Reserves held in Non-Profit Sub-Fund 1 cover an allowance for this restriction.

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 2013**(3) Adjustment to yield for credit risk**

For assets backing non-unit valuation liabilities, a margin exists between the assumed yield on the asset and the valuation interest rate used. This provides for a prudent adjustment to the yield on the assets for the risk of default.

The adjustment for prudence is 0.1% for short term deposits. The adjustment for floating rate notes was based on the credit rating of the underlying institution.

(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:

Product codes	Product	31-Dec-13	31-Dec-12
	UWP life		
	Flexible Mortgage Plan		
515	Male non-smoker	58.30% AMC00 (2)	58.30% AMC00 (2)
	Male smoker	116.60% AMC00 (2)	116.60% AMC00 (2)
	Female non-smoker	58.30% AFC00 (2)	58.30% AFC00 (2)
	Female smoker	116.60% AFC00 (2)	116.60% AFC00 (2)
	Mortgage Endowment Plan		
515	Male non-smoker	79.50% AMC00 (2)	79.50% AMC00 (2)
	Male smoker	185.50% AMC00 (2)	185.50% AMC00 (2)
	Female non-smoker	79.50% AFC00 (2)	79.50% AFC00 (2)
	Female smoker	185.50% AFC00 (2)	185.50% AFC00 (2)
	UWP pensions (ex-RSA)		
525	Male	84.80% AMC00 (2)	84.80% AMC00 (2)
	Female	84.80% AFC00 (2)	84.80% AFC00 (2)
	UWP pensions (ex-NWL)		
525	Male non-smoker	79.50% AMC00 (2)	79.50% AMC00 (2)
	Male smoker	137.80% AMC00 (2)	137.80% AMC00 (2)
	Female non-smoker	74.20% AFC00 (2)	74.20% AFC00 (2)
	Female smoker	137.80% 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 2013**(6) Expense assumptions**

The expense assumptions used in the valuation are as follows:

Product codes	Product	31 Dec 2013	31 Dec 2012
	UWP life		
515	Flexible Mortgage Plan	77.69	75.60
515	Mortgage Endowment Plan	28.59	27.82
	UWP pensions (ex-RSA)		
525	Executive Pension Plan (regular premium) pre Oct 1997	130.44	126.93
525	Executive Pension Plan (single premium/paid up) pre Oct 1997	97.83	95.20
525	Personal Pension Plan (regular premium) pre Oct 1997	84.49	82.22
525	Personal Pension Plan (single premium/paid up) pre Oct 1997	63.35	61.65
	UWP pensions (ex-NWL)		
525	Personal Pension Plan (regular premium)	31.11	30.27
525	Personal Pension Plan (single premium/paid up)	23.30	22.67
525	Top Up Pension Plan (regular premium)	31.11	30.27
525	Top Up Pension Plan (single premium/paid up)	23.30	22.67

The assumed rate of tax relief for life business is 20% (2012: 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 2013	31 Dec 2012
All	Expense inflation	3.38%	2.76%
	UWP life		
515	Life unit growth rate	3.7%	2.6%
	Pensions unit growth rate	4.7%	3.3%

(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 2013	31 Dec 2012
515	UWP life	3.92%	3.92%
525	UWP pensions	5.70%	5.70%

Product codes	Ex-NWL product	31 Dec 2013	31 Dec 2012
515	UWP life	2.25%	2.25%
525	UWP pensions	4.00%	4.00%

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Limited – With-Profit Sub-Fund 5**

Global business

Financial year ended **31 December 2013****(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	UWP target cash endowment Surrender	N/A*	N/A*	5.20%	5.20%

* 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 2013**

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 £89,033.

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 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****1. Introduction**

- (1) The **valuation date** is 31 December 2013.
- (2) The previous valuation was completed with an effective date of 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 for the purposes of rule 9.3A.

2. Product Range

The only significant changes to products during the financial year were as follows:

Bonds: We have made a number of changes to the WP Guarantees available on the investment bonds during 2013. In April we closed the WP Guarantee Fund (with a charged 5 year spot money-back guarantee) and also removed the free 10 year money-back guarantee from the standard WP Fund. In August we launched three new WP Guarantee Funds with money—back guarantees at 5, 6 and 7 years. These funds were then closed to new business at the end of the year.

In July we introduced the capability for ongoing adviser charges to be added to new and existing investment bonds.

Group Pensions: Consultancy Charging functionality on Group Personal Pensions has been withdrawn.

The funds are open to new with-profits business.

3. Discretionary charges and benefits

- (1) The table below shows the period during which a market value reduction (MVR) applied during 2013. The table is separated by class of business and by year of unit purchase. Entries marked 'N/A' imply that an MVR was not applied to units for that product / year of purchase combination during 2013.

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 \$
1987	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1988	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1989	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1990	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1991	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1993	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	01.01.13 - 30.06.13	N/A	N/A	01.01.13 - 30.06.13	N/A	N/A	N/A	N/A
2000	N/A	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13	N/A	N/A	N/A	N/A
2001	N/A	N/A	01.01.13 - 30.06.13	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01.01.13 - 30.06.13	N/A
2006	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 30.06.13	01.01.13 - 31.12.13	N/A
2007	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13	01.01.13 - 31.12.13
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****ex-CU With Profits fund**

Product	UWP Life	UWP Pensions	UWP Sterling Group Plan Pensions business	UWP Group Defined Benefits
1987	N/A	N/A	N/A	N/A
1988	N/A	N/A	N/A	N/A
1989	N/A	N/A	N/A	N/A
1990	N/A	N/A	N/A	N/A
1991	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A
1993	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A
1998	01.01.13 - 30.06.13	01.01.13 - 30.06.13	N/A	N/A
1999	01.01.13 - 31.12.13	01.01.13 - 31.12.13	N/A	N/A
2000	01.01.13 - 31.12.13	01.01.13 - 31.12.13	N/A	N/A
2001	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A
2006	01.01.13 - 31.12.13	01.01.13 - 30.06.13	N/A	01.01.13 - 30.06.13
2007	01.01.13 - 31.12.13	01.01.13 - 31.12.13	N/A	01.01.13 - 31.12.13
2008	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****RBS JV Bonds**

Product	UWP Life (explicitly-charged business)	UWP Life (implicitly-charged business)
1987	N/A	N/A
1988	N/A	N/A
1989	N/A	N/A
1990	N/A	N/A
1991	N/A	N/A
1992	N/A	N/A
1993	N/A	N/A
1994	N/A	N/A
1995	N/A	N/A
1996	N/A	N/A
1997	N/A	N/A
1998	N/A	N/A
1999	N/A	N/A
2000	N/A	N/A
2001	N/A	N/A
2002	N/A	N/A
2003	N/A	N/A
2004	N/A	N/A
2005	N/A	N/A
2006	01.01.13 - 30.06.13	01.01.13 - 31.12.13
2007	01.01.13 - 31.12.13	01.01.13 - 31.12.13
2008	N/A	N/A
2009	N/A	N/A
2010	N/A	N/A
2011	N/A	N/A
2012	N/A	N/A
2013	N/A	N/A

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 2013**

French business:

Product	French Business
1996	N/A
1997	N/A
1998	N/A
1999	01.01.13 - 30.06.13
2000	01.01.13 - 31.12.13
2001	01.01.13 - 30.06.13
2002	N/A
2003	N/A
2004	N/A
2005	N/A
2006	01.01.13 - 30.06.13
2007	01.01.13 - 30.06.13
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A

German business:

MVRs are calculated on a case-by-case basis. No MVRs have been applied throughout 2013.

Swedish business:

MVRs used are the same as for ex-CGNU implicitly charged pensions.

- (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 charge increases:**

Aviva, ex-NU Life products (post 2 October 2000) and ex-CGU products

The monthly administration charge increased by 2.6%, except for Irish products where the charge increased by 2.1%.

Ex-GA products

The monthly administration charge increased by 2.1% on Life and Pensions products.

Ex-CU products

Sterling Pensions: The increase in policy charge was 2.6%.

Sterling Group Plan: The increase applied was 2.1%.

Prime Series: Policy charges were increased by 2.6%.

Prime Personal Pension: No changes to Plan fees.

Life Products: No changes to Plan fees.

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 2013**

- (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) The Company operates one pool of assets for each internal linked fund.

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 deallocated 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.

- (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 8.9% to 20% during 2013. The rate applied to unrealised gains varied by fund in the range 9.8% to 20% during the year to 31 December 2013.

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 0.3% to 19.9% during the year to 31 December 2013.

- (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.

(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:

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 2013**

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.

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 3.38% 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.

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 2013**

- (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.
- (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.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

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 3.38% 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.

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 2013	31 December 2012
Life Assurances		
All Conventional With-Profit business	3.30%	3.45%
All Conventional Non-Profit business	1.60%	0.90%
All Unitised With Profit business	1.40%	1.35%
Pensions and General Annuities		
Immediate Annuities (currently in payment)	3.10%	2.60%
With-Profit Deferred Annuity		
In payment	3.65%	3.50%
In deferment	3.65%	3.50%
Non-Profit Deferred Annuity		
In payment	2.10%	1.20%
In deferment	2.10%	1.20%
Pure Endowment WP	3.65%	3.50%
In-payment rate for valuing Guaranteed Annuity Options	3.65%	3.50%
Other Non-Profit Conventional business	2.10%	1.20%
All Unitised With-Profit business	1.65%	1.60%
With Profit Annuity	3.85%	3.95%

(3) Adjustment to yield for credit risk**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 2013 was:

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

Deduction from Yield	NWPSF	OWPSF
Impact of 25% Spread	0.18%	0.17%
Impact of 10% Cap	0.22%	0.22%
Total Deduction	0.40%	0.39%

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 2013 was:

Deduction from Yield	NWPSF	OWPSF
Impact of 25% Spread	0.64%	0.64%
Impact of 10% Cap	0.22%	0.22%
Total Deduction	0.86%	0.86%

Fixed interest securities

The allowance for credit risk on bonds is two-fold. For 31 December 2013 a deduction equal to 45% 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. At 31 December 2012 a different approach was used. Firstly, the bond yield was capped at a maximum of 12%. A further deduction was then applied determined as 33% of the excess of the capped bond yield over the yield of a gilt with a matching duration.

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 2013 was:

Deduction from Yield	NWPSF	OWPSF
Impact of Cap	0.08%	0.05%
Impact of 45% Spread	0.74%	0.81%
Total Deduction	0.82%	0.86%

For Mortgages, a deduction of 1.86% was used, while for Deposits, the equivalent deduction was 0.10%.

(4) Mortality assumptions

The table below shows the mortality basis for business written by the fund.

Product	Mortality basis 31 December 2013	Mortality basis 31 December 2012
Life Assurances		
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	93.3% AM00 sel / 93.3% AF00 sel	93.3% AM00 sel / 93.3% AF00 sel
Decreasing Term Assurance on Low Cost Endowment (ex-CGNU)	93.3% AM00 sel / 93.3% 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)	93.3% AM00 sel / 93.3% AF00 sel	93.3% AM00 sel / 93.3% AF00 sel
Unitised Life – Mortgage Endowments	93.3% AM00 sel / 93.3% 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	108.1% AM00 sel / 108.1% 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 2013

Term assurance (Scale)	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	Non-smokers Duration 0 and 1 72.1% TMN00 sel / 86.9% TFN00 sel Duration 2 to 4 62.5% TMN00 sel / 75.3% TFN00 sel Duration 5+ 62.5% TMN00 sel / 75.3% TFN00 sel Smokers All durations 74.2% TMS00 sel / 89.0% TFS00 sel
Term assurance (Heritage)	79.5% TM00 sel / 79.5% TF00 sel	74.2% TM00 sel / 74.2% TF00 sel
Mortgage Protection (Scale)	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	Non-smokers Duration 0 and 1 86.9% TMN00 sel / 98.6% TFN00 sel Duration 2 to 4 78.4% TMN00 sel / 90.1% TFN00 sel Duration 5+ 78.4% TMN00 sel / 90.1% TFN00 sel Smokers All durations 80.6% TMS00 sel / 91.2% TFS00 sel
Mortgage Protection (Heritage)	84.8% TM00 sel / 84.8% TF00 sel	90.1% TM00 sel / 90.1% TF00 sel
Other term	1x premium	1x premium
Lifecover plus	Lifecover plus 93	Lifecover plus 93
Mortgage Protection with Critical Illness	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	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 1 111.6% 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	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
General Annuities		
Immediate Annuities – Individual	100% PCMA00 / 95.5% PCFA00	98.5% PCMA00 / 93.5% PCFA00

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

Immediate Annuities – Group; GAOs in payment	100% PCMA00 / 95.5% PCFA00 (assume all business pre 1/1/03)	98.5% PCMA00 / 93.5% PCFA00 (assume all business pre 1/1/03)
Individual deferred annuity In deferment Post vesting	60% AM00 ult / 60% AF00 ult 100% PCMA00 / 95.5% PCFA00	60% AM00 ult / 60% AF00 ult 98.5% PCMA00 / 93.5% PCFA00
Group deferred annuity In deferment Post vesting	60% AM00 ult / 60% AF00 ult 100% PCMA00 / 95.5% PCFA00	60% AM00 ult / 60% AF00 ult 98.5% PCMA00 / 93.5% PCFA00
Pensions Business		
Immediate Annuities With profit Annuity	100% PCMA00 / 95.5% PCFA00	98.5% PCMA00 / 93.5% PCFA00
GAOs in payment	100% PCMA00 / 95.5% PCFA00	98.5% PCMA00 / 93.5% 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 98.5% PCMA00 / 93.5% PCFA00	60% AM00 ult / 60% AF00 ult 98.5% PCMA00 / 93.5% PCFA00
Widows Death in Service In deferment Post vesting	AM92/AF92 98.5% PCMA00 / 93.5% 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:

	31 December 2013	31 December 2012
Males	CMI_2012_M [1.75%], applicable from 2001 to 2012 CMI_2012_M[1.75%] plus 0.5% p.a., applicable from 2013	CMI_2011_M [1.5%], applicable from 2001 to 2011 CMI_2011_M [1.5%] plus 0.5% p.a., applicable from 2012
Females	CMI_2012_F [1.5%], applicable from 2001 to 2012 CMI_2012_F[1.5%] plus 0.5% p.a., applicable from 2013	CMI_2011_F [1%], applicable from 2001 to 2011 CMI_2011_F [1%] plus 0.5% p.a., applicable from 2012

- There are no products where the assurance mortality basis is expressed as 'modified table'.

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 2013**

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 1/1/2014	Expectation of Life for annuitant aged 75 on 1/1/2014	Expectation of Life from age 65 for annuitant aged 45 on 1/1/2014	Expectation of Life from age 65 for annuitant aged 55 on 1/1/2014
100% of PCMA00 plus CMI_2012_M[1.75%] applied from 2001, plus 0.5% p.a. from 2013	25.0	15.2	28.8	26.9
95.5% of PCFA00 plus CMI_2012_F[1.5%] applied from 2001, plus 0.5% p.a. from 2013	27.2	17.1	30.5	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 £1.7m 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 assumptionsEx-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:

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 are detailed in Appendix 9.4 for NP funds.

Expense levels are assumed the same for premium-paying and paid-up policies.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

The table below shows the per-policy expenses for 2012 and 2013 (including loadings).

Product	Product code	Renewal admin (£ per policy)	
		2013	2012
CWP savings endowment	120	37.43	36.30
CWP target cash endowment	125	37.43	36.30
CWP Pensions	155/165	49.90	48.39
Term assurance	325/330	24.94	24.19
Critical illness	340/345/350/355	24.94	24.19
Income protection	360/365	24.94	24.19
Annuity	400	20.84	20.22
UWP bond	500	55.98	54.30
UWP savings endowment	510	24.94	24.19
UWP target cash endowment	515	37.43	36.30
UWP regular premium pension	525/545	45.60	44.24
UWP single premium pension	525/545	45.60	44.24
UWP group regular premium pension	535	74.84	72.59
UWP group single premium pension	535	74.84	72.59

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:

3.38% 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 adjustments made were:

Asset Class	Reduction in asset yield
Equity	0.165%
Gilts	0.165%
Other fixed interest	0.165%
Property	0.165%
Cash	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 2013		31 December 2012	
	Life	Pensions	Life	Pensions
Assumed Fund Growth (before annual management charge)	3.60%	4.70%	2.60%	3.30%
Discount rate	2.80%	3.50%	2.10%	2.50%
Policy fee inflation	3.38%	3.38%	2.76%	2.76%

Assumed future expense inflation:

3.38% per annum (RPI, as set by the MSA agreement)

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(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...
Unitised with-profit Life:			
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
Unitised with-profit Pensions:			
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...
Unitised with-profit Pensions:			
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 new 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 NP funds.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

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%	8.06%	7.15%	6.50%
Life UWP single premium - moneyback guarantee	Surrender	2.47%	8.06%	7.15%	6.50%
Life UWP single premium - no-MVR guarantee	Surrender	2.47%	6.50%	8.45%	9.10%
Life UWP single premium - RPI/CPI guarantee	Surrender	1.43%	8.45%	6.50%	6.50%
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 89% for ex-CGNU business and 95% for ex-CULAC business. These include a margin over current experience of just over 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.

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 2013**

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:

- 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))
- Realistic-peak (realistic 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 2013 is zero.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

(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	12.1	2.2	1.3
(iii) Spread of o/s durations:				
% with o/s dur'n of 1 year	0.0%	10.7%	4.8%	11.9%
% with o/s dur'n of 2 to 5 years	100.0%	38.5%	52.6%	20.1%
% with o/s dur'n of 6 to 10 years	0.0%	27.4%	15.2%	26.6%
% with o/s dur'n of 11 to 20 years	0.0%	22.9%	23.0%	39.6%
% with o/s dur'n of over 20 years	0.0%	0.5%	4.4%	1.8%
(iv) guarantee reserve (£m)	0.0	8.2	0.4	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

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	8.3	0.7	0.4
(iii) Spread of o/s durations:				
% with o/s dur'n of 1 year	0.0%	11.8%	2.1%	0.0%
% with o/s dur'n of 2 to 5 years	0.0%	33.6%	13.1%	25.5%
% with o/s dur'n of 6 to 10 years	100.0%	27.5%	16.5%	50.1%
% with o/s dur'n of 11 to 20 years	0.0%	26.6%	60.3%	23.4%
% with o/s dur'n of over 20 years	0.0%	0.5%	8.0%	0.9%
(iv) guarantee reserve (£m)	0.0	5.7	0.1	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

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****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)	55.2	3.5
(iii) Spread of O/S durations:		
Less than 1 year	5.7%	4.0%
2-5 years	25.6%	21.5%
6-10 years	31.8%	24.0%
11-20 years	33.3%	41.6%
over 20 years	3.5%	8.9%
(iv) Guarantee Reserve (£m)	45.7	4.0
(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

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)	71.7	3.6	11.6
(iii) Spread of O/S durations:			
Less than 1 year	8.1%	4.9%	17.8%
2-5 years	26.3%	15.9%	41.7%
6-10 years	33.0%	59.9%	30.4%
11-20 years	30.7%	18.7%	10.0%
over 20 years	1.9%	0.5%	0.0%
(iv) Guarantee Reserve (£m)	45.7	3.4	6.6
(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

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****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)	13.4	0.5
(iii) Spread of O/S durations:		
Less than 1 year	3.5%	4.0%
2-5 years	20.2%	21.5%
6-10 years	34.6%	24.0%
11-20 years	36.2%	41.6%
over 20 years	5.5%	8.9%
(iv) Guarantee Reserve (£m)	11.2	0.5
(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

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)	15.8	0.5	2.0
(iii) Spread of O/S durations:			
Less than 1 year	5.8%	4.9%	19.4%
2-5 years	30.3%	15.9%	49.4%
6-10 years	35.9%	59.9%	19.9%
11-20 years	26.1%	18.7%	11.3%
over 20 years	2.0%	0.5%	0.0%
(iv) Guarantee Reserve (£m)	10.0	0.5	1.1
(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 would 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)

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 2013**

- 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:

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).

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 2013NWPSF (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	299,992,651	N/A; policy has no contractual exit date	0	298,800,780	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)	341,482,459	N/A; policy has no contractual exit date	0	341,365,764	None	None	None	No MVR on regular withdrawals up to 5% if taken from inception.	0	No (RW gtee)
Portfolio Bond (1/10/1998 to 1/10/2000)	617,154,888	45% with duration less than 1 year; 49% with duration 1 year; 6% with duration 4 years	0	622,823,703	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	632,504,483	31% with duration 1 years; 69% with duration 2 years	0	636,957,130	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	307,436,522	100% with guarantee expired	0	307,425,131	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	578,998,963	100% with guarantee expired	0	578,913,107	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)	50,962,164	100% with guarantee expired	0	50,960,505	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)	1,129,147,744	26% with duration less than 1 year; 26% with duration 1 year; 14% with duration 2 years; 19% with duration 3 years; 15% with duration 4 years	0	1,152,316,074	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)	1,183,935,962	100% are past 5th anniversary	0	1,066,761,872	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)	1,043,574,553	61% are past 5th anniversary; 29% with duration less than 1 year	0	943,712,759	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)	216,894,340	3% with duration less than 1 year; 65% with duration 1 years; 21% with duration 2 years; 11% with duration 3 years	0	220,437,898	None	The amount paid from the 5th 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 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**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	24,783,953	N/A; policy has no contractual exit date	0	24,660,241	None	None	None	Same as NWPSF	0	No (RW gtee)
Portfolio Bond (16/3/1993 to 30/9/1998)	25,115,868	N/A; policy has no contractual exit date	0	25,095,782	None	None	None	Same as NWPSF	0	No (RW gtee)
Portfolio Bond (1/10/1998 to 1/10/2000)	57,265,549	43% with duration less than 1 year; 52% with duration 1 year; 6% with duration 4 years	0	57,775,413	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	66,085,746	29% with duration 1 years; 71% with duration 2 years	0	66,459,797	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	26,409,498	100% with guarantee expired	0	26,407,970	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	48,243,130	100% with guarantee expired	0	48,223,513	None	Same as NWPSF	None	Same as NWPSF	0	No
Portfolio Bond (contracts issued 7/7/2003 to 8/2/2004)	4,203,827	99% with guarantee expired; 1% with duration less than 1 year	0	4,203,498	None	Same as NWPSF	None	Same as NWPSF	0	No
Portfolio Bond (contracts issued 9/2/2004 to 29/1/2006)	139,665,644	23% with duration less than 1 year; 26% with duration 1 year; 15% with duration 2 years; 20% with duration 3 years; 16% with duration 4 years	0	142,750,915	None	Same as NWPSF	None	Same as NWPSF	0	No
Portfolio Bond (contracts issued 30/1/2006 to 27/4/2008)	138,627,038	100% are past 5th anniversary	0	124,579,883	None	None	Same as NWPSF	Same as NWPSF	0	No
Portfolio Bond 2008 (contracts issued 28/4/2008 to 31/10/2009)	138,946,187	61% are past 5th anniversary; 39% with duration less than 1 year to 5th anniversary	0	125,650,141	None	None	Same as NWPSF	Same as NWPSF	0	No
Portfolio Bond (contracts issued from 1/11/2009)	28,878,283	2% with duration less than 1 year; 66% with duration 1 years; 21% with duration 2 years; 11% with duration 3 years	0	29,350,088	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 2013

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?
Irish Bonds (NWPSF)	12,493,963	42% with duration less than 1 year; 40% with duration 1 year; 7% with duration 2 years; 11% with duration 4 years	0	12,493,963	No-MVR guarantee applies at 10th anniversary and every 5 years thereafter.	0	No (RW gtee)
Irish Bonds (OWPSF)	4,204,145	51% with duration less than 1 year; 31% with duration 1 year; 8% with duration 2 years; 9% with duration 4 years	0	4,204,145	Same as NWPSF	0	No (RW gtee)

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		
NUIL Bond (pre February 2004)	27,384,978	100% with guarantee expired	0	33,616,800	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
NUIL Bond (from February 2004)	110,650,856	40% with duration less than 1 year; 30% with duration 1 year; 2% with duration 2 years; 15% with duration 3 years; 13% with duration 4 years	0	106,030,332	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
NUIL Bond (from 30/01/2006)	257,172,547	82% are past 5th anniversary; 18% with duration less than 1 year	0	259,610,725	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

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 2013**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		
NUIL Bond (pre February 2004)	6,634,284	100% with guarantee expired	0	8,542,729	None	Same as NWPSF	None	Same as NWPSF	0	No
NUIL Bond (from February 2004)	23,995,364	51% with duration less than 1 year; 27% with duration 1 year; 3% with duration 2 years; 9% with duration 3 years; 9% with duration 4 years	0	22,294,904	None	Same as NWPSF	None	Same as NWPSF	0	No
NUIL Bond (from 30/01/2006)	34,157,011	82% are past 5th anniversary; 18% with duration less than 1 year	0	34,376,264	None	None	Same as NWPSF	Same as NWPSF	0	No

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 (£)	1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) regular withdrawal guarantee	(vii) in force regular premiums	(viii) increments allowed to policy?
Joint Venture Bond / Joint Venture Bond Income Fund; all contracts issued 28/1/02 to 25/1/04 inclusive (implicit charged)	430,994,876	98% with guarantee expired; 2% with duration less than 1 year	0	430,891,387	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)	112,153,585	91% with duration less than 1 year; 9% with duration 1 year	0	112,140,525	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.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****Unit-linked:**Guaranteed Fund shortfall reserve:

The with-profit fund agrees to pay out the shortfall that will arise on all policies invested in the Unit-Linked Guaranteed Fund whenever the unit value at guarantee date is less than the money-back guarantee.

(a) 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 99th 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.

(b)

- (i) Product names: 'Life property linked single premium' (code 700) and 'Trustee investment plan' (code 755).
- (ii) The base reserve for these products is £357m (although note that this is held within the UKL&P NP fund)
- (iii) Spread of outstanding durations:

Year	Proportion with Guarantee
2014	99.87%
2015	0.13%

- (iv) The Guarantee reserves are £3.5m for NWPSF and £0.5m for OWPSF
- (v) The Guaranteed amount totals £282m
- (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-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.

An amount was included in the Term Assurance Reserve to cover conversion and renewal options based on a multiple of the premiums paid for such options. This applies to the 'Level term assurance' (code 325). The reserve is calculated as 23% of option conversion premium for terms less than 10 years, plus 15% of option conversion premium for terms greater than or equal to 10 years, plus 7% of accumulated renewal option premium. A further amount was included in this reserve to provide for the terminal illness benefit having regard to the accelerated payment of claims.

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.

For other individual assurances where guaranteed insurability options exist, the reserve taken is an appropriate accumulation of the option premium.

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 2013**

- (b) The sum assured (net of reinsurance ceded) under conversion and renewal options is under £1bn and is therefore not included here in accordance with rule 9.3(b).

(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-2013 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 £82.4m for NWPSF and £9.4m for OWPSF. The reserves for the guarantee are £33.9m in NWPSF and £4.2m in OWPSF.

- (b) A Death Benefit Guarantee Reserve was included in respect of Portfolio Bonds issued since August 1994, NU Bonds, NU Bond 2000 and NU Flexibond where premiums are linked to the internal linked funds of UKL&P.

The reserve was established using the methodology described in the report of the Maturity Guarantees Working Party. For this purpose the full standard Wilkie investment model was used assuming 100% investment in UK equities.

Reserves for these Bonds are all reassured out but the WP Funds retains Death Benefit Guarantee Reserves of £9.4m for NWPSF and £1.3m for OWPSF.

(c) 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:

$$(\text{Market value of annuity amount}) + \max[\text{UWP fund value} - \min\{\text{Market value of annuity, Guaranteed value of annuity}\}, 0].$$

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:

$$(\text{Market value of annuity amount}) - (\text{Guaranteed value of annuity}) + \text{UWP benefit}.$$

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).

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

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 = £140.9m for NWPSF and £4.8m for OWPSF

Reserve for the guarantee = £66.8m for NWPSF and £3.5m for OWPSF.

6. Expense reserves

- (1) The tables below show the aggregate amount of expense loadings for 2014 and implicit allowances that can be used to offset non-attributable expenses.

NWPSF:

Homogeneous risk group	Implicit allowances £'000	Explicit allowances (investment) £'000	Explicit allowances (other) £'000	Non-attributable expenses £'000	Total £'000
Unit-Linked business (not 100% reinsured out)	223	-	1,274	-	1,497
All expenses attributable	-	25,416	40,169	-	65,585
Total	223	25,416	41,443	-	67,082

OWPSF:

Homogeneous risk group	Implicit allowances £'000	Explicit allowances (investment) £'000	Explicit allowances (other) £'000	Non-attributable expenses £'000	Total £'000
Unit-Linked business (not 100% reinsured out)	30	-	170	-	199
All expenses attributable	-	3,793	7,445	-	11,239
Total	30	3,793	7,615	-	11,438

- (2) The implicit allowance has been calculated as the surplus expected to emerge in 2014 on the valuation basis. This emerges due to the constraint that sterling reserves cannot be negative.
- (3) The 2013 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 2014 maintenance expenses in 6(1) above is higher than the adjusted Form 43 expense by £5.4m in NWPSF and £1.5m in OWPSF.
- (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

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

- (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.

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 (3.38%) 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 2013 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 £8.4m in NWPSF and £1.3m in OWPSF is held to cover the cost of closure.

- (6) No reserve is necessary to meet the non-attributable expenses as these are covered by the future valuation surplus.

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

Currency	Mathematical Reserves (£000)	Matching Assets (£000)	Matched %
Sterling	16,085,209	15,560,599	97%
Euro	134,885	134,885	100%
Dollar	51,282	51,282	100%
Total	16,271,375	15,746,765	97%

OWPSF

Currency	Mathematical Reserves (£000)	Matching Assets (£000)	Matched %
Sterling	2,376,274	2,376,274	100%
Euro	26,305	26,305	100%
Dollar	18,631	18,631	100%
Total	2,421,211	2,421,211	100%

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 2013**

(2) No such grouping of liabilities has been needed.

(3) The fund does not hold a reserve for currency mismatching.

The fund is exposed to the risk that assets held in different currencies to the liabilities are subjected to adverse currency movements. 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. 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-Profits 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 Company’s claims amounts for 2014 is £2,020m for NWPSF and £271m for OWPSF. Expected income, in 2014, from assets currently held in the NWPSF is £444m, £679m is held in deposit-style assets, £995m is held in UK gilts and the expected premium income is £317m. For OWPSF, the respective figures are £80m investment income, £263m deposit style assets and £54m 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.

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 2013**

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 amount of the provisions are £351.3m in NWPSF and £86.9m 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 £10.1m (NWPSF £8.9m, 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 amount of the provisions are £39.6m in NWPSF and £5.3m in OWPSF.

(4) System migration costs

A provision of £27.1m in NWPSF and £3.6m in OWPSF is held to cover costs to be incurred as a result of migration of policies onto a new policy administration system.

9. Reinsurance

- (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 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 2013 was £10,800,000.

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 2013**

- (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 2013.
 - (j) The mathematical reserves ceded under the treaties total £33,600,000 for NWPSF and £4,100,000 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 2013 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 2013.
 - (j) The mathematical reserves ceded under the treaty total £23,700,000 for NWPSF and £3,200,000 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.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****10. Reversionary (annual, regular) bonus**

(1)

Ex-CGNU business**N/OWPSF With-Profit fund**

Product	NWPSF Amount of mathematical reserve (£m)	OWPSF Amount of mathematical reserve (£m)	Regular bonus (2012)	Regular bonus (2013)	Guaranteed bonus (2013)
Conventional Life					
Series 6 (super-compound)	1,191.7	199.5	0% SA / 0.5% RB	0% SA / 0.5% RB	0.00%
Series 5 (simple)	32.2	4.1	3.5% Simple	3.5% Simple	0.00%
Conventional Pensions					
Retirement Annuities	290.6	45.1	0% SA / 0% RB	0% SA / 0% RB	0.00%
Group Pensions, Individual Pension Arrangements, Money Purchase Schemes (1974)	57.5	28.2	0% SA / 0% RB	0% SA / 0% RB	0.00%
With Profits Annuity	14.6	0.6	1.00%	1.00%	0.00%
Unitised Life - direct written (UK)					
<u>Implicitly-charged business:</u>					
Loyalty fund units	180.5	14.2	2.00%	2.50%	0.50%
Units bought post 31/1/1994 on policies written pre 1/10/1998 (excluding Distribution Bonds)	763.3	62.2	1.50%	2.00%	0.00%
Units bought on policies written post 1/10/1998 (excluding Distribution Bonds)	1,885.5	197.8	1.50%	2.00%	0.00%
Units bought on Distribution Bond policies written post 1/10/1998	308.7	20.2	1.25%	1.75%	0.00%
<u>Explicitly-charged business:</u>					
Excluding distribution bonds	3,485.5	434.2	2.50%	3.00%	0.00%
Distribution Bonds	139.0	16.1	2.25%	2.75%	0.00%
<u>NUL(RBS) products:</u>					
Life excluding Distribution Bonds (Implicit charge)	304.7	48.1	1.50%	2.00%	0.00%
Life excluding Distribution Bonds (Explicit charge)	94.1	15.1	2.50%	3.00%	0.00%
Distribution Bonds (Implicit charge)	69.1	9.1	1.25%	1.75%	0.00%
<u>NUIL products:</u>					
Sterling Bond	274.8	39.1	2.75%	3.25%	0.00%
Dollar Bond	51.3	18.6	2.75%	3.25%	0.00%
Euro Bond	69.1	7.1	2.75%	3.25%	0.00%
Unitised Pensions - direct written (UK)					
<u>Implicitly-charged business:</u>					
Units bought prior to 22/1/1996 (13/5/1996 for regular premiums on existing business)	137.7	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	269.2	64.2	2.00%	2.75%	0.00%
Units bought on policies sold after 1/10/1998	312.3	64.9	2.00%	2.75%	0.00%
<u>Explicitly-charged business (excl Stakeholder)</u>					
All units purchased	515.5	105.8	3.00%	3.75%	0.00%
UNISURE funds 1000 and 1001**	72.1	20.1	2.60%	3.35%	0.00%
<u>Stakeholder Pensions</u>					
All units purchased	689.3	91.8	2.75%	3.50%	0.00%
Overseas business					
France Valeur Plus*	44.3	10.5	0.75%	2.00%	0.00%
Ireland - Life policies	12.5	4.2	1.75%	2.00%	0.00%
Swedish Personal Investment Plans	16.8	2.0	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 9.4Name of insurer **Aviva Life & Pensions UK Ltd – New/Old/Stakeholder With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**Ex-CULAC business

Product	NWPSF Amount of mathematical reserve (£m)	OWPSF Amount of mathematical reserve (£m)	Regular bonus (2009 Mid)	Guaranteed bonus (2009 Mid)	Regular bonus (2012)	Regular bonus (2013)	Guaranteed bonus (2013)
Conventional Life							
New Series	647.7	136.6	0% SA / 1.5% RB	0.0	0% SA / 1% RB	0% SA / 1% RB	0.0
Conventional Pensions							
Red Plan Deferred Annuity	16.2	2.2	% of Annuity Purchased	0.0	0.5% of Annuity Purchased	0.5% of Annuity Purchased	0.0
All other Conventional Pensions business	239.5	53.7	0% SA / 0% RB	0.0	0% SA / 0% RB	0% SA / 0% RB	0.0
Unitised Life - direct written							
All units purchased	515.7	48.1	2.50%	0.00%	2.50%	2.50%	0.00%
Unitised Pensions - direct written							
Sterling Group Plan (Deposit Admin)	44.3	14.7	7.00%	0.00%	2.75%	2.75%	0.00%
Units purchased pre 1/1/1993	14.5	2.9	4.00%	4.00%	4.00% g'teed	4.00% g'teed	4.00%
Units purchased after 31/12/1992	253.9	62.5	2.75%	0.00%	2.75%	2.75%	0.00%
Pensions Explicit pre 1/1/1993	86.6	32.2	5.00%	5.00%	5.00% g'teed	5.00% g'teed	5.00%
Pensions Explicit after 31/12/1992	213.1	72.0	3.75%	0.00%	3.75%	3.75%	0.00%
Sterling Group Plan (UWP) (non g'teed RB)	18.2	4.0	2.75%	0.00%	2.75%	2.75%	0.00%
Red Plan	207.7	8.2	3.50%	0.00%	2.75%	2.75%	0.00%

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 £17.0m 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.

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 2013**

1. Introduction

- (1) The valuation date is 31 December 2013.
- (2) The previous valuation was completed with an effective date of 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 for the purposes of Rule 9.3A.

2. Product Range

The only significant changes to products during the financial year were as follows:

We have made a number of changes to the With-Profits Guarantees available on the investment bonds during 2013. In April we closed the With-Profits Guarantee Fund (with a charged 5 year spot money-back guarantee) and also removed the free 10 year money-back guarantee from the standard With-Profits Fund. In August we launched three new With-Profits Guarantee Funds with money-back guarantees at 5, 6 and 7 years. These funds were then closed to new business at the end of the year.

In July we introduced the capability for ongoing adviser charges to be added to new and existing investment bonds.

Within the bond range we now offer the capability for ongoing adviser charges to be paid from the bond. The charges can be a fixed percent of the original premium and are treated as a withdrawal from the bond for tax purposes.

We launched a new product "Pre-approved Life Insurance" which offers the same terms as existing level term assurance but with no medical underwriting.

Effective from 31 December 2013, Aviva Life and Pensions UK Limited entered in to a Quota share reinsurance arrangement with Aviva Annuity UK Limited for 12.5% of the net Liabilities of the Aviva Annuity UK Limited long-term fund. This has introduced a large amount of additional annuity liabilities into Aviva Life and Pensions UK Limited.

3. Discretionary charges and benefits

- (1) Details of any market value reductions have been included in the with-profits fund abstract.
- (2) During 2013, ex-RSA and ex-NWL level and decreasing term assurance policies with accelerated critical illness cover were reviewed and premium changes were made in the range (4.2)% to 11.3%.

For other business, products with reviewable premium anniversaries in the year 2013 were split into two cohorts; pre and post 18th August.

For those review anniversaries prior to 18th August 2013:

There were nearly 15,200 policies with eligible review anniversaries. Approximately 2,700 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 (13.9)% to 16.2%.

For decreasing sum assured products, the range of changes to the RCI element was (11.5)% to 13.3%.

The range of changes to MPP elements was (19.9)% to (11.0)%.

For those review anniversaries post 17th August 2013:

There were nearly 9,500 policies with eligible review anniversaries. Approximately 2,400 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 4.2%.

For decreasing sum assured products, the range of changes to the RCI element was (15.8)% to 2.8%.

The range of changes to MPP elements was (17.9)% to 2.9%.

- (3) There are no non-profit deposit administrations in forms 51 to 54

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 2013

- (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 1.23% to 2.56% 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.

For other business, where service charges have been increased in 2013 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.

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

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 2013**

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.
 - (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 8.9% to 20% during 2013. The rate applied to unrealised gains varied by fund in the range 9.8% to 20% during the year to 31 December 2013.

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 0.3% to 19.9% during the year to 31 December 2013.

(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.

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 2013**

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.

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 IP 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 IP 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.

Guaranteed Capital Bond

The liability for policyholder benefits and tax was taken as the market value of the backing assets allowing for the timing difference on the loan relationship tax. An additional expense reserve was calculated as an amount per policy per annum increasing each year by an assumed rate of inflation. Additional reserves were set up to meet death benefits and allow for the risk of default on the asset proceeds.

Guaranteed Income Bond

A gross premium valuation method was used to set up a reserve to cover the projected income payments during the term of the policy, the maturity benefit and expected death benefits and projected tax payable. The valuation interest rate used was determined by examining the return on the underlying asset tranches and was reduced by the required valuation margin.

An explicit expense reserve and a reserve to cover the risk of default on the asset proceeds have also been established.

The reserve per policy will be at least as large as the surrender value per policy.

For bonds which have continued beyond the option date the reserve has been taken as the face value of the benefit available.

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 2013

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 fund, but other policy benefits, charges and expenses arise in the company's Non Profit funds.

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.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended **31 December 2013****(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.

Product	31 December 2013	31 December 2012
Life Assurances		
Conventional business	2.5%	1.8%
IP		
Standalone critical illness	3.2%	2.2%
Income Protection		
Active lives	2.9%	2.2%
Disabled lives	3.1%	3.1%
Disabled lives (index-linked)	(0.6)%	(0.7)%
Pensions and General Annuities		
Immediate Annuity	3.6%	2.6%
Deferred Annuity/WDIS		
Post vesting	3.2%	2.2%
In deferment	3.6%	2.6%
Other	3.2%	2.2%
Sterling Reserves – Life		
Discount rate	2.8%	2.1%
Sterling Reserves – Pensions		
Discount rate	3.5%	2.5%
Reassurance Accepted from Aviva		
Annuity UK Limited		
Non Linked annuities	4.72%	N/A
Index Linked annuities	0.28%	N/A

(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:

- The historic experience of bad debts for each of the major fixed interest asset classes,
- Market margins of gross yield over the yields of risk-free investments of a similar term in the same currency, where available,
- 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,
- 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%
Loans secured by mortgages	1.57%

For other fixed interest securities, the following deductions are made depending on the credit rating of the asset:

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 2013

Credit rating	Deduction from yield
AAA	0.24%
AA	0.26%
A	0.51%
BBB	0.97%
BB	2.43%
B	5.99%
CCC-C	9.56%

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 2013	31 December 2012
Non-Linked Life		
Over 50s Plan(**)	Adjusted AMC00/AFC00 (2) (**)	Adjusted AMC00/AFC00 (2) (**)
Level Term Assurances post June 2001	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)	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)	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)	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)
Decreasing Term Assurances post June 2001	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)	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)	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)	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	90.1% AMC00/AMF00 (2)	90.1% AMC00/AMF00 (2)
Lifetime Security Plan	50.2% AM80/AF80 (2) (Non-Smoker) 100.6% AM80/AF80 (2) (Smoker)	50.2% AM80/AF80 (2) (Non-Smoker) 100.6% AM80/AF80 (2) (Smoker)

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 2013

Mortgage Savings Plan and Flexible Mortgage Plan	58.3% AMC00/AFC00 (2) (Non-Smoker) 116.6% AMC00/AFC00 (2) (Smoker)	58.3% AMC00/AFC00 (2) (Non-Smoker) 116.6% AMC00/AFC00 (2) (Smoker)
Flexible Investment Bond	68.9% AMC00 (2) (Male) 100.7% AFC00 (2) (Female)	68.9% AMC00 (2) (Male) 100.7% AFC00 (2) (Female))
Flexible Protection Plan and Mortgage Endowment Plan	79.5% AMC00/AFC00 (2) (Non-Smoker) 185.5% AMC00/AFC00 (2) (Smoker)	79.5% AMC00/AFC00 (2) (Non-Smoker) 185.5% AMC00/AFC00 (2) (Smoker)

Unit-Linked Pensions (ex-RSA)

	84.8% AMC00/AFC00 (2)	84.8% AMC00/AFC00 (2)
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Unit-Linked Pensions (ex-NWL)

	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)	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	100.7% 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:

2013 Multiplier			2012 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 2012, a factor of 1.1 was applied to these rates in the first 24 months of the policy. For 2013, 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:

Mortality basis tables

Assurances	31 December 2013	31 December 2012
Whole life (Fifty Plus plan)	modified ELT15	modified ELT15
Whole life (other current products)	82.5% AM00/AF00 Sel	82.5% AM00/AF00 Sel
Whole Life (other)	92.8% AM00/AF00 Sel	138.9% AM00/AF00 Sel
Endowments	Unchanged	93.3% AM00/AF00
Level Term Assurance (Current Range)	Duration 0 and 1 76.3% TMN00 (Male Non-Smoker) 78.4% TMS00 (Male Smoker)	Duration 0 and 1 72.1% TMN00 (Male Non-Smoker) 74.2% TMS00 (Male Smoker)

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 2013

	92.2% TFN00 (Female Non-Smoker) 94.3% TFS00 (Female Smoker)	86.9% TFN00 (Female Non-Smoker) 89.0% 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 2, 3 and 4 62.5% TMN00 (Male Non-Smoker) 74.2% TMS00 (Male Smoker) 75.3% TFN00 (Female Non-Smoker) 89.0% 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)	Duration 5+ 62.5% TMN00 (Male Non-Smoker) 74.2% TMS00 (Male Smoker) 75.3% TFN00 (Female Non-Smoker) 89.0% TFS00 (Female Smoker)
Level Term assurance (Pre merger)	79.5% TMx00/TFx00	74.2% TMx00/TFx00
Mortgage Protection (Current)	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 0 and 1 86.9% TMN00 (Male Non-Smoker) 80.6% TMS00 (Male Smoker) 98.6% TFN00 (Female Non-Smoker) 91.2% 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 2, 3 and 4 78.4% TMN00 (Male Non-Smoker) 80.6% TMS00 (Male Smoker) 90.1% TFN00 (Female Non-Smoker) 91.2% 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)	Duration 5+ 78.4% TMN00 (Male Non-Smoker) 80.6% TMS00 (Male Smoker) 90.1% TFN00 (Female Non-Smoker) 91.2% TFS00 (Female Smoker)
Mortgage Protection (Pre Merger)	84.8% TMx00/TFx00	90.1% TMx00/TFx00
Term assurance with Critical Illness	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 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 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) 118.5% CIM11A (Male Smoker) 131.1% CIM11A (Female Non-Smoker) 177.1% CIM11A (Female Smoker)	Duration 5+ 117.3% CIM11A (Male Non-Smoker) 118.5% CIM11A (Male Smoker) 131.1% CIM11A (Female Non-Smoker) 177.1% CIM11A (Female Smoker)
Mortgage Protection with Critical Illness	Duration 0 and 1 110.4% CIM11A (Male Non-Smoker) 100.1% CIM11A (Male Smoker) 135.7% CIM11A (Female Non-Smoker) 128.8% CIM11A (Female Smoker)	Duration 0 and 1 110.4% CIM11A (Male Non-Smoker) 100.1% CIM11A (Male Smoker) 135.7% CIM11A (Female Non-Smoker) 128.8% CIM11A (Female Smoker)
	Duration 2, 3 and 4 117.3% CIM11A (Male Non-Smoker)	Duration 2, 3 and 4 117.3% CIM11A (Male Non-Smoker)

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 2013

100.1% CIM11A (Male Smoker)	100.1% CIM11A (Male Smoker)
141.5% CIM11A (Female Non-Smoker)	141.5% CIM11A (Female Non-Smoker)
128.8% CIM11A (Female Smoker)	128.8% CIM11A (Female Smoker)
Duration 5+	Duration 5+
117.3% CIM11A (Male Non-Smoker)	117.3% CIM11A (Male Non-Smoker)
100.1% CIM11A (Male Smoker)	100.1% CIM11A (Male Smoker)
135.7% CIM11A (Female Non-Smoker)	135.7% CIM11A (Female Non-Smoker)
128.8% CIM11A (Female Smoker)	128.8% CIM11A (Female Smoker)

Unitised Life

Flexible Whole Life	Unchanged	138.9% AM00/AF00 Sel
Bonds	96.5% AM00/AF00 Sel	108.1% AM00/AF00 Sel
Mortgage Endowment	Unchanged	93.3% AM00/AF00 Sel
Pre-merger NU Bonds	Unchanged	108.1% AM00/AF00 Sel
Pre-merger NU Mortgage Endowment	Unchanged	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 2013 and 2012, the ex-RSA and ex-NWL accelerated critical illness rates were as follows:

Assurances	31 December 2013
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
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

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 2013

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	IC94 Adj acc 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	GE Adj s/a 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	GE Adj acc 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.

Valuation report – IPRU (INS) Appendix 9.4Name of insurer **Aviva Life & Pensions UK Limited – Non-Profit Sub-funds**

Global business

Financial year ended **31 December 2013****Annuitant mortality bases**

Pensions and General Annuities	31 December 2013	31 December 2012
Immediate Annuities	100% PCMA00 (Base year:2000) 95.5% PCFA00 (Base year:2000)	98.5% PCMA00 (Base year:2000) 93.5% 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	100% PCMA00 (Base year:2000) 95.5% PCFA00 (Base year:2000)	98.5% PCMA00 (Base year:2000) 93.5% 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
Other		
Standalone Critical Illness	Unchanged	103.5% Reassurer Rates

For ex-RSA and ex-NWL business in 2013, 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	24.7	15.7
ex-RSA, 78% PCFA00	28.3	18.4
ex-NWL, 69% RMC00	24.2	15.6
ex-NWL, 72% RFC00	27.2	17.6

For other annuitant business in 2013, 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
100% PCMA00	25.0	15.2	28.8	26.9
95.5% PCFA00	27.2	17.1	30.5	28.8

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.

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 2013

	Base table	31/12/2013		31/12/2012	
		Male %	Female %	Male %	Female %
Pension Annuity Pre 1997	PCMA00/PCFA00	100.0	95.5	98.5	93.5
Pension Annuity 1997/2011		The base table percentages for the intervening years are in the range between those for Pre 1997 and 2013.		The base table percentages for the intervening years are in the range between those for Pre 1997 and 2012.	
Pension Annuity 2012				82.0	78.0
Pension Annuity 2013		83.5	79.5	n/a	n/a
General Annuity	IML00/IFL00	91.0	93.0	97.0	89.0
Structured Settlements	ONS Interim Life Tables UK 2006-2008 adjusted	95.0	95.0	95.0	95.0

Mortality improvement (included Reassurance accepted from Aviva Annuity UK Limited)

The end-2013 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_2012” Model (which was accompanied by CMI working paper 63 (February 2013)) from base year 2000 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 2013 onwards.

The end-2012 annuitant mortality basis was derived as above, but based on the “CMI_2011” Model, and using [1.5%] p.a. long-term improvements for Males and [1.0%] p.a. for Females; with a constant addition of 0.5% p.a. (both Males and Females) from year 2012 onwards.

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.

(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:

Life Assurances	31 December 2013	31 December 2012
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 2013 (and 2012) were as follows:

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 2013

Age	Stand alone Critical Illness			
	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 2012):

	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

Deferred period 6 months

Non-smoker status

Location – South England

Channel – IFA

Duration of policy – 5+ years

Age	Safeguard, IP Solutions, SIP, ISIS and MPP rates			
	Annual rates per mille:			
	31 December 2013	31December 2013	31 December 2012	31December 2012
	Male	Female	Male	Female
25	0.48	0.82	0.93	1.02
35	0.44	0.76	0.43	0.91
45	0.84	1.46	0.82	1.95
55	2.01	3.46	1.96	5.39

Age	PHI rates			
	Annual rates per mille:			
	31 December 2013	31December 2013	31 December 2012	31December 2012
	Male	Female	Male	Female
25	0.48	0.82	1.61	3.05
35	0.44	0.76	1.06	2.08
45	0.84	1.46	1.44	3.07
55	2.01	3.46	2.64	4.49

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.

For Safeguard and PHI policies, modified rates are shown below. The rates assume the following:

Occupation class 1

Deferred period 6 months

Non-smoker status

Location – South England

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 2013

Age	Safeguard, IP Solutions, SIP, ISIS and MPP rates : 31 December 2013 and 31 December 2012			
	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	PHI rates : 31 December 2013 and 31 December 2012			
	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	74.47	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 2013 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 2013 - valuations were carried out on a Gross Premium basis

The expense assumptions are the same for both premium-paying and non-premium paying contracts.

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 2013**Per policy expenses in the year after the valuation date**

Category	31/12/2013 Expense (£)	31/12/2012 Expense (£)
Term assurance	15.27	14.82
Critical illness	15.27	14.82
Income protection	21.00	21.00
Income protection claims in payment	21.00	21.00
Annuity	19.64	19.06
UWP bond	25.63	24.88
UWP savings endowment	38.46	37.33
UWP target cash endowment	38.46	37.33
UWP regular premium pension	51.28	49.78
UWP single premium pension	51.28	49.78
UWP group regular premium pension	76.91	74.65
UWP group single premium pension	76.91	74.65
UL bond	20.75	20.14
UL savings endowment	12.06	11.71
UL target cash endowment	18.10	17.57
UL regular premium pension	17.74	17.22
UL single premium pension	17.74	17.22
UL group regular premium pension	17.19	16.69
UL group single premium pension	17.19	16.69

Per policy expenses in the year after the valuation date for ex-RSA and ex-NWL business

Product Code	Category	31/12/2013 Expense (£)	31/12/2012 Expense (£)
325, 330 340, 345	Term Assurance (post June 2001)	19.27	18.75
700	Capital Investment Bond (pre Oct 1997)	38.40	37.37
700	Capital Investment Bond (post Sep 1997)	36.77	35.78
515, 720	Mortgage Savings Plan	67.24	65.43
515, 720	Flexible Mortgage Plan	77.69	75.60
700	Flexible Investment Bond (pre June 2001)	21.65	21.07
700	Flexible Investment Bond (post June 2001)	19.27	18.75
515, 720	Mortgage Endowment Plan	28.59	27.82
525, 725	Executive Pension Plan (regular premium) pre Oct 1997	130.44	126.93
525, 725	Executive Pension Plan (single premium/paid up) pre Oct 1997	97.83	95.20
525, 725	Executive Pension Plan (regular premium) post Sep 1997	121.37	118.11
525, 725	Executive Pension Plan (single premium/paid up) post Sep 1997	91.04	88.59
525, 725 755	Personal Pension Plan (regular premium) pre Oct 1997	84.49	82.22
525, 725 755	Personal Pension Plan (single premium/paid up) pre Oct 1997	63.35	61.65
525, 725	Personal Pension Plan (regular premium) post Sep 1997	75.93	73.89
525, 725	Personal Pension Plan (single premium/paid up) post Sep 1997	56.94	55.41
525, 725	Executive Pension Plan (regular premium)	92.92	90.42
525, 725	Executive Pension Plan (single premium/paid up)	69.76	67.88
525, 725	Personal Pension Plan (regular premium)	31.11	30.27
525, 725	Personal Pension Plan (single premium/paid up)	23.30	22.67

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 2013

525, 725	Top Up Pension Plan (regular premium)	31.11	30.27
525, 725	Top Up Pension Plan (single premium/paid up)	23.30	22.67
525, 725	Grouped Personal Pension Plan (regular premium)	62.08	60.41
400	Ex-RSA pension annuity*	19.98	19.44
400	Ex-NWL pension annuity*	21.90	21.31

* These figures are shown gross of reinsurance. These products are 100% reinsured. The net expense reserve for 2013 and 2012 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	2013	2012
- Group	13.0%	12.5%
- Individual (Mortgage Payment Protection)	17.5%	19.0%
- Individual (other)	17.5%	19.0%

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 2013	31 December 2012
RPI inflation assumption for expenses	3.38%	2.76%
Linked business		
Unit Growth Rate for gross business	4.70%	3.30%
Unit Growth Rate for net business	3.70%	2.60%
Future increases in policy charges	3.38%	2.76%

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 2013

(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	18.3%	13.5%	13.5%	13.5%
Decreasing Term	lapse 2	8.8%	6.5%	6.5%	6.5%
Level term	lapse 1	22.8%	10.8%	10.8%	10.8%
Level term	lapse 2	11.0%	5.2%	5.2%	5.2%
UL cash endowment	surrender	N/A*	N/A*	5.2%	5.2%
UL accelerated critical illness	surrender	6.6%	4.6%	4.6%	4.6%

* The surrender rates for policy year 1-5 and 6-10 are no longer applicable as those products closed 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	14.5%	12.8%	10.4%	10.4%
Accelerated critical illness	lapse 2	7.0%	6.2%	5.0%	5.0%
Decreasing Term	lapse 1	14.5%	12.8%	10.4%	10.4%
Decreasing Term	lapse 2	7.0%	6.2%	5.0%	5.0%
Level term	lapse 1	12.5%	5.4%	4.7%	4.7%
Level term	lapse 2	6.0%	2.6%	2.3%	2.3%
UL bond	surrender	2.6%	6.2%	7.9%	7.9%
UL individual pension, regular premium	surrender	2.9%	2.9%	2.9%	4.9%
UL individual pension, single premium	surrender	2.9%	2.9%	2.9%	4.9%
UWP individual pension, regular premium	surrender	2.9%	2.9%	2.9%	4.9%
UWP individual pension, single premium	surrender	2.9%	2.9%	2.9%	4.9%
UL group pension, regular premium	surrender	2.6%	2.6%	2.6%	4.2%
UL group pension, single premium	surrender	2.6%	2.6%	2.6%	4.2%
UWP group pension, regular premium	surrender	2.6%	2.6%	2.6%	4.2%
UWP group pension, single premium	surrender	2.6%	2.6%	2.6%	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 37.3%.

(10) Option take-up rates

For deferred annuities with a guaranteed cash option 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 83% 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 2013**

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.

(11) Derivatives

For ex-RSA and ex-NWL, derivative contracts are used to back Guaranteed Bond liabilities.

These derivatives move in and out of the money depending on the level of the stock market. The company retains no market risk from these derivatives because they are used to match the index-linked policyholder maturity guarantees as explained in section 5 (2).

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

For certain protection (Whole of Life) contracts, we introduced prudent lapse rates in the determination of policy reserves for the end-2013 valuation. This resulted in the release of around £28m of reserves.

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 £31m.

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	
55 and under	0	1	0	0	0	0	1
56-60	214	60	7	0	0	0	281
61-65	76	58	16	1	0	0	151
66-70	3	1	2	0	0	0	6
71-75	25	106	151	4	0	0	286
Total	318	226	176	5	0	0	725

The guarantee reserve is £33m.

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 2013**

(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 business written before September 2009, the with-profit fund agrees to pay out the shortfall that will arise on all policies invested in the Unit-Linked Guaranteed Fund whenever the unit value at the guarantee date is less than the money-back guarantee.

For business written since then:

(a) Methodology:

The reserves are calculated as the best estimate, plus 33% of the excess of the cost that is modelled to arise under the 99th 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.

(b)

- (i) Product names: 'Life property linked single premium' (code 700) and 'Trustee investment plan' (code 755).
- (ii) The base reserve for these products is £1,410m
- (iii) Spread of outstanding durations:

Year	Proportion with Guarantee
2014	2.0%
2015	50.0%
2016	32.0%
2017	12.0%

- (iv) The Guarantee reserves are £10.6m in the NP funds
- (v) The Guaranteed amount totals £1,205m
- (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.

(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.

Product name	In-force premiums	Sum Assured	Guarantee Reserve
Level Term Assurance	£12.8m	£3,755.2m	£0.5m
Decreasing Term Assurance	£14.2m	£3,495.8m	£7.4m

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 2013**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.

6. Expense reserves

- (1) The aggregate amount for expense loadings, grossed up for taxation where appropriate, expected to arise during 2014 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	£13.3m	£6.4m	£19.6m	£39.3m
Unitised individual pensions	£0.0m	£29.4m	£19.7m	£49.0m	£98.1m
Unitised employer sponsored pensior	£0.0m	£20.2m	£17.4m	£37.5m	£75.1m
All expenses attributable	£0.4m	£0.0m	£39.0m	£0.0m	£39.5m
Total	£0.4m	£62.9m	£82.5m	£106.1m	£252.0m

- (2) Non-attributable expenses on unit linked business are allowed for implicitly, through expected future valuation surplus. In 2014, the valuation surplus on unit linked business of £171.1m covers the expected amount of non-attributable expenses, £106.1m.

Investment expenses on conventional business are reserved for implicitly, through a margin in the valuation interest rate. The expected expense over 2014 is £0.4m.

- (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 £210.7m
- (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.

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 2013**

- (5) In addition to per policy expense reserves, explicit expense reserves of £101.9m 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) Apart from £33.5 million of Euro-denominated reserves, 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 small volume 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.
- (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 £6.0m 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 £63.3m 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 £181.2m 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 £153.8m.

Closed Fund Expense Reserve

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 2013

The reserve for expenses associated with ceasing to write new business is discussed in section 6(5) above.

Depreciation

A reserve of £14.3m is held for “depreciation”, referring to projects where the expenses have been capitalised, and Aviva Life Services UK Limited plan to amortise the costs, and charge them to the product companies, over an extended period. A reserve is set up for these future payments that are expected to be made by the product companies.

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.

Ref	Name of Reinsurer	A	C	Class of business	Reinsurance Premiums £'000s	Reserve £'000s	Open/ Closed to NB	% retained for new business
A	GE Frankona Reinsurance Limited.	Yes	No	Term and Gteed Integrated CI	10,183	89,683	Closed	
B	GE Frankona Reinsurance Limited.	Yes	No	MP and Gteed Integrated CI	58,974	46,005	Open	25% up to £50k
C	Hannover Re (Ireland)	No	No	Term and Gteed Integrated CI	7,159	18,269	Closed	
D	Hannover Life Reassurance (UK) Limited	Yes	No	Term and Gteed Integrated CI	7,116	11,035	Closed	
E	Munich Reinsurance Company, UK Life Branch.	Yes	No	Term and Gteed Integrated CI	72,667	252,085	Open	10% up to £500k
F	Munich Reinsurance Company, UK Life Branch.	Yes	No	Term Assurance, Mortgage Protection, Low Cost Endowment.	-	11,924	Closed	
G	SCOR Global Life Reinsurance Ireland Ltd	No	No	Term and Gteed Integrated CI	5,705	18,962	Closed	
H	RGA Americas Reinsurance Company Limited	No	No	Term and Gteed Integrated CI	52,740	182,751	Closed	
I	RGA Americas Reinsurance Company Limited	No	No	MP and Gteed Integrated CI	38,146	5,746	Open	10% up to £500k
J	RGA Americas Reinsurance Company Limited	No	No	Term with Rev Integrated CI	1,954	186,320	Closed	
K	Swiss Re Life & Health Limited	Yes	No	Term and Gteed Integrated CI	15,811	273,253	Open	
L	Swiss Re Life & Health Limited	Yes	No	MP and Gteed Integrated CI	10,894	6,523	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 2013

Ref	Name of Reinsurer	A	C	Class of business	Reinsurance Premiums £'000s	Reserve £'000s	Open/ Closed to NB	% retained for new business
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	1,308	30,977	Open	
P	Swiss Re Life & Health Limited	Yes	No	Deferred annuity	- 391	599,350	Closed	
Q	Invesco Pensions Limited	Yes	No	Unit-linked External Funds	11,318	209,905	Open	
R	Deutsche Asset Management Life & Pensions Ltd	Yes	No	Unit-linked External Funds	9,664	124,000	Closed	
S	Blackrock/Merrill Lynch	Yes	No	Unit-linked External Funds	449,239	1,602,127	Open	
T	PartnerRe Ltd	Yes	No	Term Assurance	13,440	104,864	Open	
U	Aviva Annuity UK Ltd	Yes	Yes	Immediate Annuities	6,959	113,048	Open	
V	GE Frankona Reinsurance Limited.	Yes	No	Standalone Gteed CI	203	13,925	Closed	
W	GE Frankona Reinsurance Limited.	Yes	No	MP with Rev Integrated CI	10,910	31,787	Open	
X	Kolnische Ruckversicherungs-Gesellschafts AG (KR AG)	Yes	No	Whole Life	4,620	4,010	Closed	
Y	Scottish Widows	Yes	No	Annuities	5,704	96,810	Open	
Z	Peak Re Ltd	No	Yes	Flexible Investment Bonds	-	-	Closed	
AA	Hannover Life Reassurance (UK) Limited	No	No	Pension Annuities	-	60,098	Closed	
AB	GE Frankona Reinsurance Limited.	Yes	Yes	Permanent Health	-	5,236	Open	
AC	BAILLIE GIFFORD	No	Yes	Unit-linked External Funds	12,022	39,496	Open	
AD	RGA Americas Reinsurance Company Limited	Yes	Yes	MP with Rev Integrated CI	5,933	21,967	Closed	
AE	Swiss Re Europe S.A (UK Branch)	Yes	Yes	Permanent Health	4,416	13,961	Open	
AF	Swiss Re Europe S.A (UK Branch)	Yes	Yes	Integrated Guaranteed CI	8,044	2,568	Open	
AG	Swiss Re Europe S.A (UK Branch)	Yes	Yes	MP with Rev Integrated CI	3,443	43,650	Open	
AH	Swiss Re Life & Health Limited	Yes	No	Unit-linked, Unitised with-Profit and Conventional	108,418	35,669	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 2013

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	50% of life assurance risk from July 2003 to 3 February 2005, 100% thereafter
Y	100% of annuity
Z	100% of unit and non-unit reserve for series 2 funds
AA	100% of annuity
AB	Surplus Reinsurance
AC	Unit-linked External Funds
AD	RGA UK 5% of SA, RGA US 45% of SA
AE	Quota Share & Surplus Reinsurance
AF	90% of SA
AG	25% of SA
AH	Financing Arrangement (Financial Reinsurance)

There are no significant undischarged obligations to the reinsurers as at 31/12/2012.

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 2013

There are no deposit back arrangements in any of these treaties.

Financing Treaties (table reference N, O and AH)

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 AH 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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****1. Introduction**

- (1) The **valuation date** is 31 December 2013.
- (2) The date of the previous valuation was 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 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:

	2013	2012
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	3.38%	2.76%
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.

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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

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 2013

Product Class	With-profit benefits reserve £m	Future Policy Related Liabilities £m	Total £m
Conventional Life		507	2,888
Asset Share (individual)	1,690		
Asset Share (grouped)	54		
BRV	637		
Conventional Pensions		1,488	3,687
Asset Share (individual)	1,113		
Asset Share (grouped)	298		
BRV	761		
Regulatory Reserve	27		
UWP Life		11	1,224
Asset Share (individual)	1,212		
Asset Share (grouped)	1		
UWP Pensions		300	6,098
Asset Share (individual)	5,783		
Asset Share (grouped)	15		
Miscellaneous Other	24	(32)	(8)
Total	11,614	2,275	13,889

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 £637m 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 £504m 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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

Conventional Pensions also contains £257m 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 th 15 th 20 th etc
Norwich With-Profit, Bicentennial, and Flexibond	1996-1/10/2002	Money back on 10 th

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)	84
Asset Share (grouped)	3
BRV	12
Regulatory Reserve	0
Miscellaneous Other	0
Total	100

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 2013
- (b) Not applicable.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****(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.

	2013			
	Charged to WPBR £m	Not-Charged to WPBR £m	Non-Profit expenses £m	Total £m
Estimated initial expenses and commission	0	0	0	0
Renewal expenses and commission	77	18	0	95
Shareholder Transfers	0	31	0	31

The above table approximately splits out the expenses incurred over 2013. 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.

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 1/9th 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 2013 are approximately £77m. 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.

Sales and policy administration expenses are charged to asset shares in two main ways:

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 2013**

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

A deduction of 0.50% p.a. from the with-profits benefit reserves for direct-written With Profits Sub-fund business was made in 2013 to help cover the cost of guarantees.

Asset shares of business in force at 31/12/2013 were enhanced by an amount broadly equivalent to the value of the past Guarantee charges. No future charge for guarantees is planned.

(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	2011	2012	2013
With Profits Sub-fund	Conventional Life	97%	93%	94%
	Conventional Pensions	125%	125%	119%
	UWP Life	99%	98%	98%
	UWP Pensions	99%	98%	101%

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 2013 are 9.8%. This rate applies to all policies.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****5. With-profits benefits reserve – Prospective method****(1) Prospective assumptions**

Bonus reserve valuation (BRV) is used for approximately 12% 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 uses the stochastic valuation model used to value guarantee costs with term dependent risk free rate for both the earned rate and discount rate. In summary these are:

Term (years)	Rate
1	0.61%
5	2.16%
10	3.11%
15	3.48%

For with-profit immediate annuity business an equivalent single rate is used:

Product Class	2013
With-profit Immediate Annuity	3.11%

The basis used for whole life business is that used for the regulatory valuation.

The rate used for immediate annuities is the flat risk free rate.

(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

Product Class	2014
Conventional Pension PUPs	0%
Whole of Life	0%
With-profit Immediate Annuity	1.5%

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

Product Class	2014	
	Renewal Expenses Per policy	Expense Inflation %
Conventional Pension PUPs	£41.58	3.38
With-profit Immediate Annuity	£21.42	3.38

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

The future expense assumptions used for whole life business is that used for the regulatory valuation. Expenses increase with inflation at the policy anniversary.

(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
With-profit Immediate Annuity	0	0	0	0	0	0	0

The lapse rate assumed for whole life business is that used for the regulatory valuation.

(g) Future mortality assumptions

Conventional pension PUPs: No mortality is assumed in deferment

Conventional Pension PUPs post-vesting:

	31 December 2013
Males	105% PCMA00 with CMI_2012_M(1.75%) improvement factors, applicable from 2001
Females	100.5% PCFA00 with CMI_2012_F(1.5%) improvement factors, applicable from 2001

With-Profit Annuity:

	31 December 2013
Males	100% * PCMA00 with 100% medium cohort improvement factors, minimum 2% pa, applicable from 2005
Females	95.5% * PCFA00 with 75% medium cohort improvement factors, minimum 1.5% pa, applicable from 2005

The mortality rate assumed for whole life business is that used for the regulatory valuation.

(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:

For conventional business:

- Product class (e.g. life endowment, conventional pensions, deferred annuities and GMP business)

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

- 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 700,000 individual model points into 14,300 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) The principal changes to the valuation method for the costs of guarantees, options and smoothing since the previous valuation are:
- Revision of the grouping parameters in WPSF, to provide additional model points and remove some “grouping minimums”, which were originally included due to processing limitations which are now no longer relevant.
 - Introducing new functionality such that the residual asset holding of the WP investment strategies includes Gilts, corporate bonds and cash rather than just corporate bonds.

(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.

WPSF	Planned Deductions to WPBR for other costs	Contractual Guarantee costs	Non-Contractual Commitments	Cost of Financial Options	Smoothing costs
Product Class					
Conventional Life	0	11	392	0	0
Conventional Pensions	0	934	0	505	0
UWP Life	0	11	0	0	0
UWP Pensions	0	300	0	0	0
Misc	10	0	0	0	(119)
Total	10	1,256	392	505	(119)

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 2013**

Planned Deductions to WPBR for guarantees and options

Guarantee charges for WPSF were set to zero for 2014 onwards.

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.

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	£11m
Central Estimate	£1m
Option value	90%

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	£383m
Central Estimate	£363m
Option value	5%

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	£551m
Central Estimate	£548m
Option value	1%

On those policies which have a GMP, the cost of this underpin is generally in-the-money.

UWP Life

	WPSF
Stochastic Reserve	£11m
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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**UWP Pensions

	WPSF
Stochastic Reserve	£300m
Central Estimate	£86m
Option value	71%

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection.

The guarantees are out of the money for many years of purchase, the future guarantee of 4% per annum return requires an investment return in excess of 4.88% to support it.

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	£392m
Central Estimate	£392m
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	£505m
Central Estimate	£493m
Option value	2%

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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****(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-12	Dec-13
1	0.57%	0.61%
2	0.67%	1.05%
3	0.77%	1.48%
4	0.90%	1.85%
5	1.04%	2.16%
6	1.21%	2.42%
7	1.39%	2.65%
8	1.57%	2.83%
9	1.75%	2.99%
10	1.92%	3.11%
15	2.58%	3.48%
20	2.96%	3.60%
25	3.14%	3.60%
30	3.24%	3.56%

- 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. 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 Vasicek model.

The Vasicek model is one of the simplest 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 Vasicek 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.

The inflation assumption is derived from the difference in modelled nominal and real interest rates.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****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	23.2%	19.9%	16.9%	14.3%	12.0%	10.2%	
3	21.1%	19.8%	18.6%	17.3%	16.1%	15.0%	14.1%
5	21.6%	20.5%	19.5%	18.6%	17.7%	16.9%	16.2%
7	22.2%	21.4%	20.6%	19.8%	19.2%	18.6%	18.0%
10	23.3%	22.6%	22.0%	21.4%	20.9%	20.4%	20.0%
20	27.3%	27.0%	26.7%	26.4%	26.2%	25.9%	25.8%

Property Model

Property is modelled as an equity type asset using the constant volatility model.

The model is calibrated using our best estimate assumptions as there are no meaningful option prices. The best estimate is 15%, consistent with other insurers but higher than own historical statistics.

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:

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 2013**

UK Equity Return versus	End Dec 2013
Property	35%
Bonds	17%
IL Bonds	10%
Short Rate	-10%
European Equities	75%
US Equities	75%
Japanese Equities	52%
Emerging Markets Equities	62%
Pacific Basin Equities	54%

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****(iii) Option prices from asset model**

		K				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>	2.16%	3.48%	3.61%	3.52%	x	x	x	x	x	x	x	x	x	x	x	x
1	<i>Risk-Free Zero Coupon Bond</i>	898,826	598,353	412,492	298,076	x	x	x	x	x	x	x	x	x	x	x	x
2	<i>FTSE All Share Index (p=1)</i>	70,104	209,011	321,812	401,801	170,819	353,408	490,069	584,709	528,183	709,357	867,229	983,169				
3	<i>FTSE All Share Index (p=0.8)</i>	65,437	172,918	248,177	293,178	160,335	294,675	380,045	428,294	500,617	598,320	680,457	724,959				
4	<i>Property (p=1)</i>	29,593	104,218	170,947	230,229	131,241	236,752	320,724	392,723	521,517	609,743	697,721	776,805				
5	<i>Property (p=0.8)</i>	25,959	75,606	113,190	142,896	119,648	179,882	220,479	252,939	492,908	491,848	507,298	524,832				
6	<i>15yr Risk-Free ZCBs (p=1)</i>	10,421	10,411	10,675	20,087	83,443	82,240	85,747	112,537	500,814	502,473	502,336	513,437				
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	8,674	4,591	2,406	3,217	73,118	41,881	25,785	28,067	469,985	361,953	275,332	234,946				
8	<i>15yr Corporate Bonds (p=1)</i>	12,905	19,650	27,520	45,286	90,505	103,122	116,174	149,307	502,436	507,454	509,632	530,591				
9	<i>15yr Corporate Bonds (p=0.8)</i>	10,859	10,048	10,154	14,117	79,970	60,179	49,805	56,484	471,812	370,486	294,124	266,470				
10	<i>Portfolio 1 (p=1)</i>	38,989	142,896	237,204	307,085	132,102	274,075	391,201	475,031	513,443	631,321	758,696	858,664				
11	<i>Portfolio 1 (p=0.8)</i>	35,362	112,171	173,285	211,563	121,488	219,000	289,567	331,082	484,239	517,895	573,792	607,824				
12	<i>Portfolio 2 (p=1)</i>	32,082	117,691	200,068	266,310	118,186	239,297	344,099	423,575	506,022	592,974	703,421	792,795				
13	<i>Portfolio 2 (p=0.8)</i>	28,921	91,026	143,006	178,831	108,098	187,205	248,224	288,541	475,996	478,313	521,278	550,281				
14	<i>Portfolio 3 (p=1)</i>	14,775	65,650	124,611	177,116	90,412	172,254	252,247	318,105	501,604	540,084	611,868	679,917				
15	<i>Portfolio 3 (p=0.8)</i>	12,724	45,855	79,715	106,201	80,317	123,882	165,396	196,176	470,688	417,684	425,356	438,954				
16	<i>Sterling Receiver Swaptions</i>	13.21%	11.90%	10.17%	7.64%	16.51%	14.86%	12.45%	9.26%	19.60%	17.40%	14.34%	10.48%				
		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 – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

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.

Commentary on the results:

Our maturity value and no-MVR guarantees that are priced through this process have a discounted mean term of around 10 years for WPSF. Results produced for guarantees longer than 20 years are of less relevance.

For Guaranteed Annuity Options our model is calibrated to the discounted mean term of the GAO liability and the strike price of the GAOs (around 9%). The results produced by the model at 5% strike are not relevant to our valuation of GAO.

For the gilt portfolio pricing we are asked to base these results on a 15-year rebalancing portfolio. Our philosophy is to hold fixed-interest assets with duration matching to the discounted mean term of the liability (i.e. the portfolio shortens over time). Similar to the comments above, results produced incorporating a 15-year rebalancing rule have little practical relevance to the cost of our guarantees.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****(iv) Initial Equity and Property Rental Yields**

For UK, the initial equity dividend yield is 3.46% 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.

Duration of guarantees

WPSF	Duration (yrs)	%														
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027+	
Conventional Life																
Base guarantee	9.3	3	3	9	10	7	6	5	6	5	5	5	5	4	28	100
Mortgage promise	2.2	25	29	25	15	2	1	1	1	0	0	0	0	0	0	100
Conventional Pensions																
Base guarantee	7.2	4	7	7	8	9	8	8	8	8	7	6	5	4	10	100
GAR option	6.1	11	13	8	8	7	7	6	6	7	6	5	4	4	9	100
S32 GMP guarantee	6.2	7	10	9	9	9	8	8	8	7	6	5	4	3	6	100
Unitised Life:																
Death guarantee	10.4	0	2	3	5	6	7	8	7	7	7	7	6	5	29	100
Partial surrender guarantee	7.8	1	4	7	9	10	10	10	8	7	7	6	5	4	13	100
Surrender guarantee	7.5	0	3	11	2	0	3	24	34	3	0	0	5	11	4	100
Unitised Pensions:																
Base guarantee	12.7	0	1	2	3	3	4	4	4	6	4	7	6	7	48	100

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

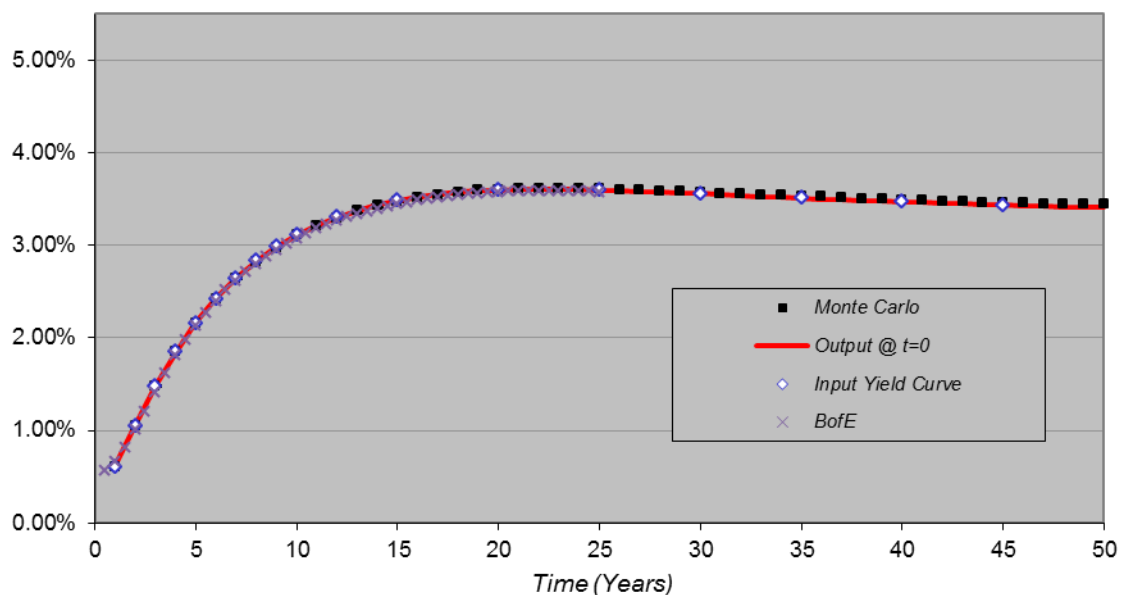
Global business

Financial year ended **31 December 2013**

The following illustrate the fit of the asset model to specimen market traded instruments:

Yield curve validation

Nominal Yield Curve Validations (end December 2013)

Market implied volatilities:

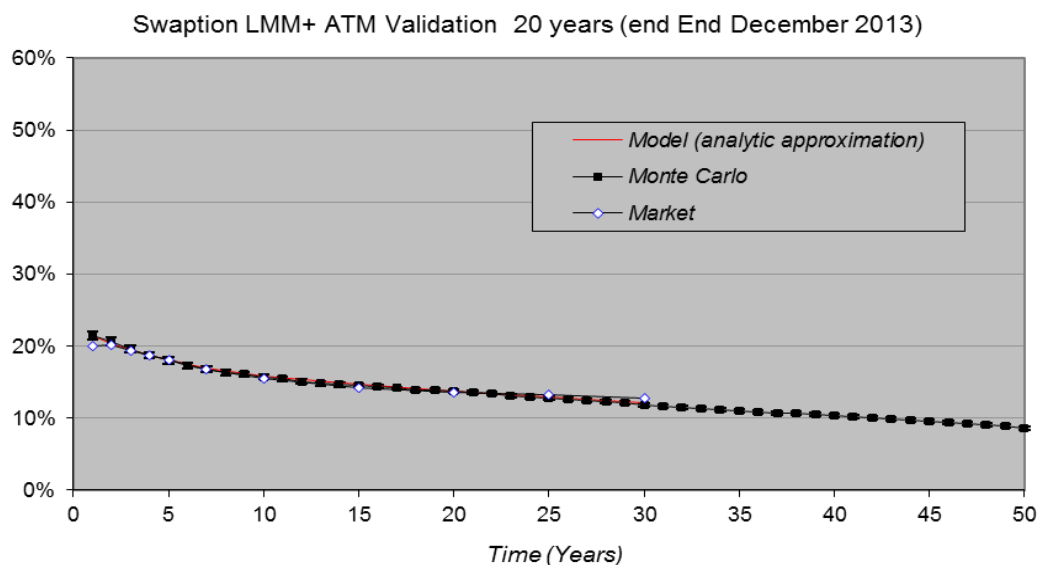
Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	23.9%	20.5%	17.1%	14.3%	13.2%	13.0%	13.0%
3	22.0%	20.1%	18.4%	17.0%	15.8%	15.0%	14.4%
5	22.5%	21.2%	20.0%	18.9%	17.8%	16.9%	16.2%
9	24.5%	23.4%	22.4%	21.6%	20.9%	20.2%	19.7%

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	(67)	(59)	(23)	(3)	(121)	(279)	0
3	(87)	(31)	17	37	29	3	(26)
5	(94)	(73)	(53)	(29)	(11)	(1)	(3)
9	(159)	(127)	(94)	(66)	(43)	(26)	(15)

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**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%	99.7%	99.5%	99.0%
	standard error	0.4%	0.7%	1.0%	1.3%
Property	5000 Simulation results	100.0%	99.7%	99.5%	99.6%
	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%	98.9%	97.9%	97.7%
	standard error	0.9%	1.4%	2.0%	2.6%
Property	1000 Simulation results	99.6%	99.2%	99.3%	99.6%
	standard error	0.3%	0.6%	0.9%	1.5%

(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 2013**

(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

The model uses a 0% guarantee charge for 2014 onwards on asset shares for With Profits Sub-fund business.

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****(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 rateUWP Bonus Rates

Product	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life	1.25%	2.58%	2.48%
UWP Life with Gtee	2.50%	3.27%	3.38%
UWP Pension	1.75%	3.20%	2.75%
UWP Pension with Gtee	4.00%	4.51%	4.48%

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 2013:

Asset Class	31-Dec-13	31-Dec-18	31-Dec-23
Equities	49.0%	43.6%	43.9%
Property	23.6%	21.0%	21.2%
Fixed Interest	27.4%	32.3%	31.9%
Cash	0.0%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	72.6%	64.7%	65.1%

(ii) Projection at risk free rate plus 17.5%UWP Bonus rates

Product	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life	1.25%	3.07%	3.08%
UWP Life with Gtee	2.50%	3.62%	3.82%
UWP Pension	1.75%	3.72%	3.39%
UWP Pension with Gtee	4.00%	4.79%	4.75%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equity	49.0%	45.2%	45.4%
Property	23.6%	21.8%	21.9%
Fixed Interest	27.4%	30.0%	29.7%
Cash	0.0%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	72.6%	67.0%	67.3%

(iii) **Projection at risk free rate minus 17.5%**UWP Bonus rates

Product	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life	1.25%	2.09%	1.93%
UWP Life with Gtee	2.50%	2.96%	3.04%
UWP Pension	1.75%	2.64%	2.18%
UWP Pension with Gtee	4.00%	4.30%	4.29%

Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equity	49.0%	41.6%	41.8%
Property	23.6%	20.1%	20.2%
Fixed Interest	27.4%	35.3%	35.0%
Cash	0.0%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	72.6%	61.7%	62.0%

(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	3.00%
CWP target cash endow ment	surrender	n/a	n/a	n/a	3.00%
UWP savings endow ment	surrender	n/a	n/a	10.00%	10.00%
UWP target cash endow ment	surrender	n/a	n/a	10.00%	10.00%
UWP bond	surrender	n/a	n/a	10.00%	10.00%
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 2013**

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

	31-Dec-13
Males	105.0% PCMA00 with CMI_2012_M(1.75%) improvement factors, applicable from 2001
Females	100.5% PCFA00 with CMI_2012_F(1.5%) improvement factors, applicable from 2001

Guaranteed Annuity Option take-up rate

A take-up rate of 88% has been assumed in respect of Guaranteed Annuity options attaching to pensions.

The 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

Product Class	Any other liabilities related to treating customers fairly	Any other long-term insurance liabilities
Conventional Life	0	101
Conventional Pensions	0	47
UWP Life	0	0
UWP Pensions	0	0
Miscellaneous	0	103
Total	0	251

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013****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. £149m is held in respect of these liabilities to the estate.

£91m 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, funding for the Aviva staff pension scheme deficit, and 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

The realistic current liabilities at 31 December 2013 are £2,364m.

The realistic current liabilities are £6m 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)

Fund	RCM (£m)
With Profits Sub-fund	288.2

(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	23.80%
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.

Asset Class	Rise in FI yields	Fall in FI yields
Nominal change in yields	+60bps	-60bps
long-term yield – level post-stress	4.05%	2.85%
long-term yield - % movement post-stress	+17.50%	-17.50%

The rise in fixed-interest yield scenario is more onerous.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

(ii)

Fund	Average Increase in credit spread – excluding Approved stock	Change in FI asset value – excluding Approved stock
WPSF	1.04%	-2.42%

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.

(iii) 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 = 0.73%

(iv) 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 2014 and thereafter.

(c)

(i) The assets hypothecated to back the risk capital margin are set out in the following table

WPSF Assets backing RCM	£m	%
UK equities	0	0.00%
Overseas equities	0	0.00%
Land and buildings	0	0.00%
Approved fixed interest securities	-	0.00%
Other fixed interest securities	0	0.00%
All other assets	288.2	100.00%
Total	288.2	100.00%

(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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

NWPSF/OWPSF	2013
	%
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 50% is assumed as this would be expected to prevail in the vast majority of economic circumstances. For 2013 returns the probability lead to a notional tax charge/credit of 10%.

(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 corporation tax rate is reducing to 21% from April 2014 and to 20% from April 2015. For payments from 2014 onwards, the corporation tax rate used has been reduced from 23% to 20%. The 21% rate, which is only in place for 1 year, has not been taken into account.

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	WPSF Exposure at 31/12/2013 £m
Futures on Bonds - short term trading derivatives	130
Futures on Equities - short term trading derivatives	546
Currency Futures	595
Inflation Rate Swaps - pay fixed/receive RPI	259
Inflation Rate Swaps - pay RPI/receive fixed	0
Inflation Rate Swaps - pay RPI/receive LIBOR	2,081
Interest Rate Swaps - pay fixed/receive floating	2,133
Interest Rate Swaps - pay floating/receive fixed	3,138
Credit Default Swaps	(30)
Equity Options	0

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 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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – With-Profits Sub-Fund**

Global business

Financial year ended **31 December 2013**

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 31/12/2012	1,890
1	Investment return on opening working capital and profits on assets backing liabilities	(44)
2	Economic assumption changes	228
3	Non-economic assumption changes	(21)
4	Other experience variances	35
5	Guarantee charge refund/discontinuance	(594)
6	Modelling changes and opening adjustments	(29)
7	Miscellaneous liabilities	11
	Working capital at 31/12/2013	1,477

Notes

- 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.
- The economic assumption impact is mainly driven by the return on the funds assets and a decrease to the future implied equity and swaption volatility.
- Non-economic assumption changes are driven by a strengthening of the annuitant mortality assumptions.
- Experience variances include the impact of premiums, claims, expenses and new business. The fund does not write significant volumes of new business.
- The guarantee charge refund/discontinuance consists of two components:
 - a partial refund of the charge for Guarantees first introduced in May 2004 and applied as an enhancement to Asset Shares in the With Profits Sub Fund (WPSF).
 - the effect of setting future guarantee charges to zero
- Modelling changes and opening adjustments include
 - Revision of the grouping parameters in WPSF, to provide additional model points and remove some "grouping minimums", which were originally included due to processing limitations which are now no longer relevant.
 - Introducing new functionality to more accurately reflect actual practice. The WP asset investment strategies have been changed so that residual investments include Gilts, corporate bonds and cash rather than just corporate bonds.
 - A restate of the 1212 asset mix within the ALI asset model, which corrected the Market Value mix within Equity Funds, resulted in change to working capital in WPSF
- Miscellaneous liabilities include product governance provision and the release of an explicit margin previously held for model shortcomings.
- 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 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 2013**

1. Introduction

- (1) The **valuation date** is 31 December 2013.
- (2) The date of the previous valuation was 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 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

	2013	2012
Gross investment return	Risk Free rate	Risk Free rate
Discount rate	Risk Free rate	Risk Free rate
Expense inflation	3.38%	2.76%
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;

The total amount of With Profit Benefit Reserve calculated by reference to the BRV approach is £28m.

Regulatory reserves are used for remaining small classes of business where asset share or BRV calculations are not currently carried out.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****At 31 December 2013**

Product Class	With-profit benefits reserve £m	Future Policy Related Liabilities £m	Total £m
Conventional Life		1	30
Asset Share (individual)	19		
Regulatory Reserve	10		
Conventional Pensions		425	1,484
Asset Share (individual)	878		
Asset Share (group)	116		
Bonus Reserve Valuation	28		
Regulatory Reserve	37		
Miscellaneous Other	-1	-12	13
Total	1,087	415	1,502

Conventional life consists mainly of endowment business with £7m 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 £4m 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 £22m.

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 £82m at 31 December 2013.

Regulatory reserves of £37m 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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****4. With-profits benefits reserve – Retrospective method****(1) Table of methods**

Method	With-profit benefits reserve (%)
Asset Share (individual)	82
Asset Share (grouped)	11
BRV	3
Regulatory Reserve	4
Miscellaneous Other	0
Total	100

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 2013.
- b. Not applicable.

(3) Allocation of expenses

- (d) See (b)
- (e) UKLS income and expenses are calculated on a monthly basis and a profit or loss determined on an annual basis.
- (f) 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.

	2013			
	Charged to WPBR	Not-Charged to WPBR	Non-Profit expenses	Total
	£m	£m	£m	£m
Initial expenses and commission	0	1	0	1
Renewal expenses and commission	2	7	0	9
Shareholder Transfers	0	4	0	4

The above tables approximately splits out the expenses incurred over 2013. 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.

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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****Expenses charged to the with-profits benefit reserves**

The total expenses charged to with-profits benefit reserves over 2013 are approximately £2.3m. 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.

(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	2011	2012	2013
PM	Life	99%	95%	102%
PM	Pensions	96%	94%	98%

These are estimates of claim amounts relative to asset share for the past three complete calendar years.

The figures above for 2011 to 2013 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 2013 are 2.5%. This rate applies to all policies.

5. With-profits benefits reserve – Prospective method**(1) Prospective assumptions**

3% 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 3.38%.

(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.

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 2013**

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)
- 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 36,000 individual model points into 12,100 grouped model points.

Validations

The aggregate asset shares are reconciled to the totals in Form 19.

(c) The stochastic model directly models over 76% 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.

(3) There have been no material changes to the valuation method.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****(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.

PMSF	Planned Enhancements to WPBR	Planned Deductions to WPBR for other costs	Contractual Guarantee costs	Cost of Financial Options	Smoothing costs
Product Class					
Conventional Life	0	0	0	0	0
Conventional Pensions	15	0	132	239	0
Miscellaneous	0	9	0	0	-17
Total	15	9	132	239	-17

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 2013 the planned enhancements to WPBR totalled £15m.

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 2013, 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.

At 31 December 2013 the planned deductions to WPBR totalled £9m.

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.

	PMSF
Stochastic Reserve	£0.1m
Central Estimate	£0.1m
Option value	18%

Conventional life guarantees are mostly in the money.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013**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	£28m
Central Estimate	£27m
Option value	3%

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	£104m
Central Estimate	£105m
Option value	-1%

Immediate annuity guarantees are deeply 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	£250m
Central Estimate	£246m
Option value	2%

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

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 2013**

Term	Risk-free rate (Swaps)	
	Dec-12	Dec-13
1	0.57%	0.61%
2	0.67%	1.05%
3	0.77%	1.48%
4	0.90%	1.85%
5	1.04%	2.16%
6	1.21%	2.42%
7	1.39%	2.65%
8	1.57%	2.83%
9	1.75%	2.99%
10	1.92%	3.11%
15	2.58%	3.48%
20	2.96%	3.60%
25	3.14%	3.60%
30	3.24%	3.56%

- 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 Vasicek model.

The Vasicek model is one of the simplest 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 Vasicek 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.

The inflation assumption is derived from the difference in modelled nominal and real interest rates.

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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013**

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	23.2%	19.9%	16.9%	14.3%	12.0%	10.2%	
3	21.1%	19.8%	18.6%	17.3%	16.1%	15.0%	14.1%
5	21.6%	20.5%	19.5%	18.6%	17.7%	16.9%	16.2%
7	22.2%	21.4%	20.6%	19.8%	19.2%	18.6%	18.0%
10	23.3%	22.6%	22.0%	21.4%	20.9%	20.4%	20.0%
20	27.3%	27.0%	26.7%	26.4%	26.2%	25.9%	25.8%

Property Model

Property is modelled as an equity type asset using the constant volatility model.

The model is calibrated using our best estimate assumptions as there are no meaningful option prices. The best estimate is 15%, consistent with other insurers but higher than own historical statistics.

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 2013
Property	35%
Bonds	17%
IL Bonds	10%
Short Rate	-10%

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****(iii) Option prices from asset model**

		K				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>	2.16%	3.48%	3.61%	3.52%	x	x	x	x	x	x	x	x	x	x	x	x
1	<i>Risk-Free Zero Coupon Bond</i>	898,826	598,353	412,492	298,076	x	x	x	x	x	x	x	x	x	x	x	x
2	<i>FTSE All Share Index (p=1)</i>	70,104	209,011	321,812	401,801	170,819	353,408	490,069	584,709	528,183	709,357	867,229	983,169	528,183	709,357	867,229	983,169
3	<i>FTSE All Share Index (p=0.8)</i>	65,437	172,918	248,177	293,178	160,335	294,675	380,045	428,294	500,617	598,320	680,457	724,959	500,617	598,320	680,457	724,959
4	<i>Property (p=1)</i>	29,593	104,218	170,947	230,229	131,241	236,752	320,724	392,723	521,517	609,743	697,721	776,805	521,517	609,743	697,721	776,805
5	<i>Property (p=0.8)</i>	25,959	75,606	113,190	142,896	119,648	179,882	220,479	252,939	492,908	491,848	507,298	524,832	492,908	491,848	507,298	524,832
6	<i>15yr Risk-Free ZCBs (p=1)</i>	10,421	10,411	10,675	20,087	83,443	82,240	85,747	112,537	500,814	502,473	502,336	513,437	500,814	502,473	502,336	513,437
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	8,674	4,591	2,406	3,217	73,118	41,881	25,785	28,067	469,985	361,953	275,332	234,946	469,985	361,953	275,332	234,946
8	<i>15yr Corporate Bonds (p=1)</i>	12,905	19,650	27,520	45,286	90,505	103,122	116,174	149,307	502,436	507,454	509,632	530,591	502,436	507,454	509,632	530,591
9	<i>15yr Corporate Bonds (p=0.8)</i>	10,859	10,048	10,154	14,117	79,970	60,179	49,805	56,484	471,812	370,486	294,124	266,470	471,812	370,486	294,124	266,470
10	<i>Portfolio 1 (p=1)</i>	38,989	142,896	237,204	307,085	132,102	274,075	391,201	475,031	513,443	631,321	758,696	858,664	513,443	631,321	758,696	858,664
11	<i>Portfolio 1 (p=0.8)</i>	35,362	112,171	173,285	211,563	121,488	219,000	289,567	331,082	484,239	517,895	573,792	607,824	484,239	517,895	573,792	607,824
12	<i>Portfolio 2 (p=1)</i>	32,082	117,691	200,068	266,310	118,186	239,297	344,099	423,575	506,022	592,974	703,421	792,795	506,022	592,974	703,421	792,795
13	<i>Portfolio 2 (p=0.8)</i>	28,921	91,026	143,006	178,831	108,098	187,205	248,224	288,541	475,996	478,313	521,278	550,281	475,996	478,313	521,278	550,281
14	<i>Portfolio 3 (p=1)</i>	14,775	65,650	124,611	177,116	90,412	172,254	252,247	318,105	501,604	540,084	611,868	679,917	501,604	540,084	611,868	679,917
15	<i>Portfolio 3 (p=0.8)</i>	12,724	45,855	79,715	106,201	80,317	123,882	165,396	196,176	470,688	417,684	425,356	438,954	470,688	417,684	425,356	438,954
16	<i>Sterling Receiver Swaptions</i>	13.21%	11.90%	10.17%	7.64%	16.51%	14.86%	12.45%	9.26%	19.60%	17.40%	14.34%	10.48%	19.60%	17.40%	14.34%	10.48%
		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 – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013**

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.

Commentary on the results:

This is a combined table for 6.4(a)(iii) and 6.4(b)(iii).

Our maturity value guarantees that are priced through this process have a discounted mean term of around 9 years for PMSF. Results produced for guarantees longer than 20 years are of less relevance.

For GAOs our model is calibrated to the discounted mean term of the GAO liability and the strike price of the GAOs (around 9%). The results produced by the model at 5% strike are not relevant to our valuation of GAO.

For the gilt portfolio pricing we are asked to base these results on a 15-year rebalancing portfolio. Our philosophy is to hold fixed-interest assets with duration matching to the discounted mean term of the liability (i.e. the portfolio shortens over time). Similar to the comments above, results produced incorporating a 15-year rebalancing rule have little practical relevance to the cost of our guarantees.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****(iv) Initial Equity and Property Rental Yields**

For UK, the initial equity dividend yield is 3.46% 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.

Proportion of Guarantee Costs arising in Year (%)		
Year	Conventional Pensions – Base Guarantee	Conventional Pensions – GAR Option
2014	8	32
2015	6	11
2016	5	7
2017	5	8
2018	7	6
2019	5	6
2020	5	6
2021	7	4
2022	6	4
2023	7	3
2024	5	2
2025	5	2
2026	5	2
2027	4	1
2028	4	1
2029	3	1
2030+	14	3
Total	100	100
Duration (yrs)	9.1	4.5

The following illustrate the fit of the asset model to specimen market traded instruments:

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A

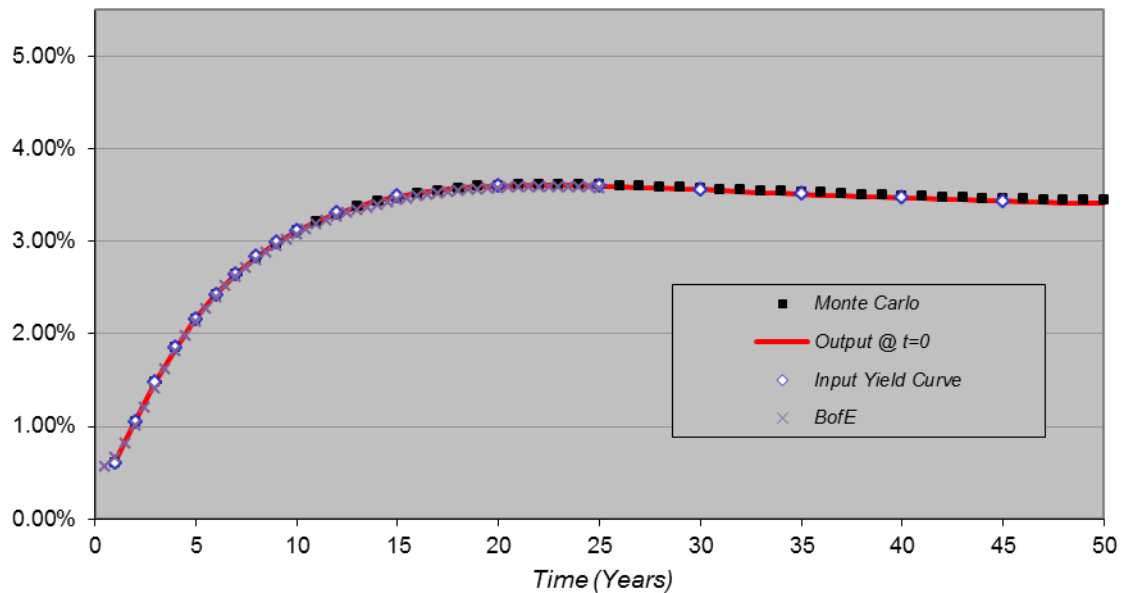
Name of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013**

Yield curve validation

Nominal Yield Curve Validations (end December 2013)



Market implied volatilities:

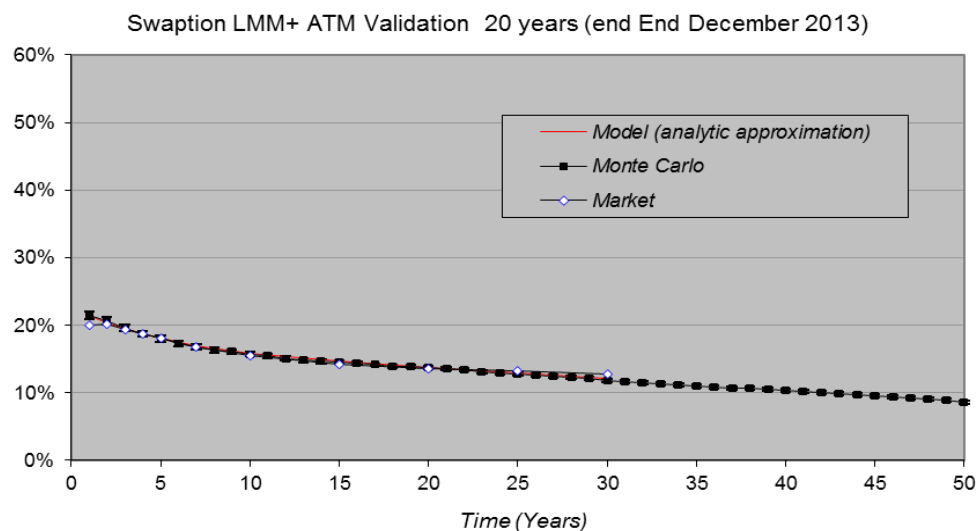
Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	23.9%	20.5%	17.1%	14.3%	13.2%	13.0%	13.0%
3	22.0%	20.1%	18.4%	17.0%	15.8%	15.0%	14.4%
5	22.5%	21.2%	20.0%	18.9%	17.8%	16.9%	16.2%
9	24.5%	23.4%	22.4%	21.6%	20.9%	20.2%	19.7%

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	(67)	(59)	(23)	(3)	(121)	(279)	0
3	(87)	(31)	17	37	29	3	(26)
5	(94)	(73)	(53)	(29)	(11)	(1)	(3)
9	(159)	(127)	(94)	(66)	(43)	(26)	(15)

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013**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%	99.7%	99.5%	99.0%
	standard error	0.4%	0.7%	1.0%	1.3%
Property	5000 Simulation results	100.0%	99.7%	99.5%	99.6%
	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%	98.9%	97.9%	97.7%
	standard error	0.9%	1.4%	2.0%	2.6%
Property	1000 Simulation results	99.6%	99.2%	99.3%	99.6%
	standard error	0.3%	0.6%	0.9%	1.5%

(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.

(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 2013**

(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.

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.

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

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****(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

Asset Class	31-Dec-13	31-Dec-18	31-Dec-23
Equities	21.5%	0.0%	0.0%
Property	5.5%	0.0%	0.0%
Fixed Interest	73.9%	96.9%	97.0%
Cash	-0.9%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	27.0%	0.1%	0.0%

(ii) Projection at risk free rate plus 17.5%Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equity	21.5%	0.2%	0.0%
Property	5.5%	0.0%	0.0%
Fixed Interest	73.9%	96.8%	97.0%
Cash	-0.9%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	27.0%	0.2%	0.0%

(iii) Projection at risk free rate minus 17.5%Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equity	21.5%	0.0%	0.0%
Property	5.5%	0.0%	0.0%
Fixed Interest	73.9%	97.0%	97.0%
Cash	-0.9%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	27.0%	0.0%	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 2013**(6) Persistency and Mortality Assumptions**

The persistency assumptions used in the calculation of maturity and GAO costs are shown in the following table.

PM		Average surrender / paid-up rate for the policy years			
		1-5	6-10	11-15	16-20
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	1.52%	1.52%	1.52%	1.52%
CWP pension single premium	surrender	1.52%	1.52%	1.52%	1.52%
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

.

	31-Dec-13
Males	105.0% PCMA00 with CMI_2012_M(1.75%) improvement factors, applicable from 2001
Females	100.5% PCFA00 with CMI_2012_F(1.5%) improvement factors, applicable from 2001

Guaranteed Annuity Option take-up rate

An initial take-up rate of 74% 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.

A maturity age of 60 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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****7. Financing Costs**

There are no financing costs.

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	40
Miscellaneous	0	14
Total	0	55

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

£41m is held in respect of the shareholder transfers which are charged to the estate.

£14m is held to cover expenses in relation to the Heritage migration project.

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 2013 are £85m.

The realistic current liabilities are £2m 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 chargeback applicable 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	25.30%
Property	12.50%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013**

The overseas equity change is set such that it has the same probability as UK equities changing by 20%.

A fall in market values of equity and property is more onerous than a rise in market values for PMSF.

(ii)

Asset Class	Rise in FI yields	Fall in FI yields
Nominal change in yields	+60bps	-60bps
long-term yield – level post-stress	4.05%	2.85%
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	0.88%	-3.50%

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 0.42%, 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.

Charge 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) A charge to pay-outs of £8m would be required in the stress test, compared to an increase to pay-outs of £15m in the central scenario.

(iii) The cost of Guaranteed Annuity Options decreases by £4m.

(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

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – Provident Mutual Sub-Fund**

Global business

Financial year ended **31 December 2013****11. Tax****(1) Tax treatment in the with-profits benefit reserves**

Tax on investment returns is assumed to be 20% in line with PM asset shares being predominantly invested in fixed interest securities.

(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 corporation tax rate is reducing to 21% from April 2014 and to 20% from April 2015. For payments from 2014 onwards, the corporation tax rate used has been reduced from 23% to 20%. The 21% rate, which is only in place for 1 year, has not been taken into account.

(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 31/12/2013 £m
Futures on Bonds - short term trading derivatives	34
Futures on Equities - short term trading derivatives	(5)
Currency Futures	0
Inflation Rate Swaps - pay fixed/receive RPI	159
Inflation Rate Swaps - pay RPI/receive fixed	181
Inflation Rate Swaps - pay RPI/receive LIBOR	352
Interest Rate Swaps - pay fixed/receive floating	1,117
Interest Rate Swaps - pay floating/receive fixed	1,431
Credit Default Swaps	0
Equity Options	0

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 2014.

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 2013**13. Analysis of working capital**

Note		PMSF £m
	Working capital at 31/12/2012	39
	Zeroisation impact	(39)
	Published Working Capital at 31/12/2012	0
1	Investment return on opening working capital and profits on assets backing liabilities	11
2	Economic assumption changes	0
3	Non-economic assumption changes	(3)
4	Policyholder action assumption changes	0
5	Other experience variances	(11)
6	Modelling changes and opening adjustments	(18)
	Working capital at 31/12/2013	19
	Zeroisation impact	(19)
	Working capital at 31/12/2013	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. There is no impact on working capital in respect of economic assumption changes.
3. Non-economic assumption changes include a strengthening of the annuitant mortality and strengthening of the assurance mortality basis.
4. There is no impact on working capital in respect of assumption changes for policyholder actions.
5. Experience variances include the impact of premiums, claims, expenses and a reserve held for potential shortfalls in respect of guarantee costs for vesting pension policies in PM which have guaranteed annuity options (GAOs).
6. Modelling changes and opening adjustments include a correction to the investment returns which had been credited to the staff pension fund, leading to an increase in Asset Share.
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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****1. Introduction**

- (1) The **valuation date** is 31 December 2013.
- (2) The date of the previous valuation was 31 December 2012.
- (3) An interim valuation was carried out with an effective date of 30 June 2013 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:

	2013	2012
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	3.38%	2.76%
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 2013

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 2013**NWPSF**

Product class	With-profit benefits reserve £m	Future policy related liabilities £m	Total £m
Conventional Life		325	2,816
Asset Share (individual)	2,057		
BRV	422		
Regulatory Reserve	12		
Conventional Pensions		251	699
Asset Share (individual)	326		
BRV	84		
Regulatory Reserve	38		
UWP Life (inc. Overseas)		151	8,767
Asset Share (individual)	8,602		
Regulatory Reserve	14		
UWP Pensions (inc. Overseas)		92	2,384
Asset Share (individual)	2,212		
Asset Share (group)	74		
Regulatory Reserve	6		
UWP Stakeholder		29	851
Asset Share (individual)	822		
Regulatory Reserve	-		
Miscellaneous Other	12	108	120
Total	14,680	956	15,636

OWPSF

Product class	With-profit benefits reserve £m	Future policy related liabilities £m	Total £m
Conventional Life		99	558
Asset Share (individual)	407		
BRV	51		
Regulatory Reserve	1		
Conventional Pensions		48	138
Asset Share (individual)	45		
BRV	38		
Regulatory Reserve	7		
UWP Life (inc. Overseas)		30	1,028
Asset Share (individual)	997		
Regulatory Reserve	1		
UWP Pensions (inc. Overseas)		37	574
Asset Share (individual)	513		
Asset Share (group)	22		
Regulatory Reserve	2		
UWP Stakeholder		4	113
Asset Share (individual)	109		
Regulatory Reserve	-		
Miscellaneous Other	2	23	25
Total	2,197	241	2,438

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 2013**

The BRV figures of £422m for conventional life in NWPSF and £51m in OWPSF relate mainly to the WPBR for the whole life policies, which are now entirely BRV. The remaining £7m 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 £424m for NWPSF and £49m 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 £20m in NWPSF and £3m 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, £13m worth of the conventional Red Plan liability uses a discounted benefit basis (BRV) and in OWPSF £1m.

Conventional pensions also includes £20m of single premium with-profit annuity business in NWPSF and £(1)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, with 49% reinsured to New and Old With-Profits Sub-funds using an 88.25:11.75 split.

UWP Life mainly consists of unitised bonds with £58m of unitised endowments in NWPSF and £22m 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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

UWP Life Bonds	Date Sold	No-MVR Anniversary
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 7th

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 (£13m NWPSF / £4m OWPSF) and French branch business (£60m NWPSF / £14m OWPSF) is Asset Share, whilst German Bond (£2m NWPSF / £2m OWPSF) and Irish pensions (£4m 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.

- (2) Not applicable
- (3) See (1)
- (4) See (1)

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****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	3	4
Regulatory Reserve	0	1
Miscellaneous Other	0	0
Total	100	100

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

				2013
	Charged to WPBR	Not-Charged to WPBR	Non-Profit expenses	Total
	£m	£m	£m	£m
Estimated initial expenses and commission	0	8	5	13
Renewal expenses and commission	123	(46)	(4)	72
Shareholder Transfers	12	15	0	26

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****OWPSF**

				2013
	Charged to WPBR £m	Not-Charged to WPBR £m	Non-Profit expenses £m	Total £m
Estimated initial expenses and commission	0	1	1	2
Renewal expenses and commission	18	(3)	(1)	14
Shareholder Transfers	1	2	0	3

The tables above approximately split out the expenses incurred over 2013.

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.

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.

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 2013 are approximately £123m for NWPSF and £18m 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 £12m in NWPSF and £1m 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

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 2013**

- Policy charges applied

Actual expenses apply to the following product groups:

- Ex CGNU Life conventional business
- Ex CULAC UWP business (excluding £440m 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 2013 was £15.3m in NWPSF and £2.0m 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	2011		2012		2013	
	NWPSF	OWPSF	NWPSF	OWPSF	NWPSF	OWPSF
Conventional Life	96%	97%	94%	95%	94%	95%
Conventional Pensions	109%	95%	115%	123%	115%	114%
UWP Life	101%	102%	103%	101%	102%	100%
UWP Pensions	97%	97%	95%	98%	98%	97%
UWP Stakeholder	97%	97%	98%	98%	100%	100%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

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

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 2012 were 9.2%

A return of 9.2% 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 3% of NWPSF (£506m) and 4% of OWPSF (£89m) with-profit benefits reserve. A high proportion of the with-profit benefit reserve is in respect of conventional whole life policies, 3% for NWPSF and 2% 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:

Term (years)	Rate
1	0.61%
5	2.16%
10	3.11%
15	3.48%

(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

Ex CGNU Whole Life bonus series	SA	Bonus
Series 6	0.0%	0.5%
Series 5	3.5% Simple	
Series 4	2.70% Compound	
Series 3	3.35% Simple	
Ex CGNU Pensions		
Conventional Pension	0%	0%
Ex CULAC Product Class		
Conventional Whole Life	0%	1.0%
Conventional Pension	0%	0%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(e) Future Expense Assumptions**

Product Class	Renewal Expenses 2014
Ex CGNU and ex CULAC Conventional Whole Life	£18.27
Ex CGNU Conventional Individual Pension	£54.80
Ex CGNU Conventional Group Pension	£54.80
Ex CULAC Conventional Pension	£36.53

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

Product Class	Policy Duration								
%	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:

87.5%AMN00 / 87.5%AFN00 / 87.5%AMS00 / 87.5%AFS00

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.

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 2013**

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 940,000 individual model points into 15,300 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 91% of NWPSF and over 89% 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:

- Introducing new functionality such that the residual asset holding of the WP investment strategies includes Gilts, corporate bonds and cash rather than just corporate bonds.
- Model update in order to reflect actual business practice with regard to the reattribution special bonus on nominal and inflation linked guarantees.
- Revised grouping for SEDA business where grouping has changed from a Coverage level to a Policy level.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(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.

NWPSF	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	377	0	0
Conventional Pensions	0	0	0	104	149	0
UWP Life (incl. Overseas)	8	41	0	508	0	0
UWP Pensions	0	0	0	146	0	0
UWP Stakeholder	0	0	0	26	0	3
Misc	0	0	15	43	0	1
Total:	8	41	15	1,205	149	4

OWPSF	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	89	0	0
Conventional Pensions	0	0	0	20	28	0
UWP Life (incl. Overseas)	1	5	0	62	0	0
UWP Pensions	0	0	0	32	0	0
UWP Stakeholder	0	0	0	4	0	0
Misc	0	0	2	13	0	(0)
Total	1	5	2	219	28	(0)

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.

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 £31m (NWPSF) and £4m (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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**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	£62m	£14m
Central Estimate	£13m	£3m
Option value	79%	81%

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	£75m
Central Estimate	£318m	£76m
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	£104m	£20m
Central Estimate	£93m	£18m
Option value	11%	8%

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.

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 2013**NWPSF**

Type of guarantee	No-MVR Guarantee on Bond surrenders	Inflation-protected Bonds	Other Bond guarantees
Stochastic Reserve	£62m	£385m	£61m
Central Estimate	£26m	£265m	£16m
Option value	58%	31%	73%

OWPSF

Type of guarantee	No-MVR Guarantee on Bond surrenders	Inflation-protected Bonds	Other Bond guarantees
Stochastic Reserve	£7m	£48m	£7m
Central Estimate	£3m	£33m	£1m
Option value	59%	32%	79%

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	£28m
Central Estimate	£42m	£10m
Option value	63%	64%

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	£26m	£4m
Central Estimate	£2m	£0m
Option value	92%	92%

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.

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 2013

NWPSF	CWP GAO	UWP GAO
Stochastic Reserve	£101m	£48m
Central Estimate	£99m	£48m
Option value	2%	0%

OWPSF	CWP GAO	UWP GAO
Stochastic Reserve	£26m	£2m
Central Estimate	£26m	£2m
Option value	2%	0%

Guaranteed annuity options are in the money.

A small reserve is also held for cash options on deferred annuities. For these, the policyholder has the option to take the defined deferred annuity benefit or convert this into cash at guaranteed rates written into the policy conditions.

	NWPSF	OWPSF
	CWP Cash Option	CWP Cash Option
Stochastic Reserve	£0.2m	£0.0m
Central Estimate	£0.0m	£0.0m
Option value	100%	100%

These guaranteed cash options are almost completely out of 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 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-12	Dec-13
1	0.57%	0.61%
2	0.67%	1.05%
3	0.77%	1.48%
4	0.90%	1.85%
5	1.04%	2.16%
6	1.21%	2.42%
7	1.39%	2.65%
8	1.57%	2.83%
9	1.75%	2.99%
10	1.92%	3.11%
15	2.58%	3.48%
20	2.96%	3.60%
25	3.14%	3.60%
30	3.24%	3.56%

- The discount rate was set equal to the UK Commercial Bank liability spot curve.

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 2013**

- 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 Vasicek model.

The Vasicek model is one of the simplest interest rate models. The model has 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 Vasicek 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.

The inflation assumption is derived from the difference in modelled nominal and real interest rates.

Note for business where guarantees are linked to the movement in the Consumer Prices Index (CPI) the inflation assumption is as above less 1.0% per annum to reflect historically inflation has been lower on this measure than that derived from the Retail Prices Index (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	23.2%	19.9%	16.9%	14.3%	12.0%	10.2%	
3	21.1%	19.8%	18.6%	17.3%	16.1%	15.0%	14.1%
5	21.6%	20.5%	19.5%	18.6%	17.7%	16.9%	16.2%
7	22.2%	21.4%	20.6%	19.8%	19.2%	18.6%	18.0%
10	23.3%	22.6%	22.0%	21.4%	20.9%	20.4%	20.0%
20	27.3%	27.0%	26.7%	26.4%	26.2%	25.9%	25.8%

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 2013**

Property Model

Property is modelled as an equity type asset using the constant volatility model.

The model is calibrated using our best estimate assumptions as there are no meaningful option prices. The best estimate is 15%, consistent with other insurers but higher than own historical statistics.

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 2013
Property	35%
Bonds	17%
IL Bonds	10%
Short Rate	-10%
European Equities	75%
US Equities	75%
Japanese Equities	52%
Emerging Markets Equities	62%
Pacific Basin Equities	54%

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(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)		2.16%	3.48%	3.61%	3.52%	x	x	x	x	x	x	x	x
1	Risk-Free Zero Coupon Bond	898,826	598,353	412,492	298,076		x	x	x	x	x	x	x	x
2	FTSE All Share Index (p=1)	70,104	209,011	321,812	401,801	170,819	353,408	490,069	584,709	528,183	709,357	867,229	983,169	
3	FTSE All Share Index (p=0.8)	65,437	172,918	248,177	293,178	160,335	294,675	380,045	428,294	500,617	598,320	680,457	724,959	
4	Property (p=1)	29,593	104,218	170,947	230,229	131,241	236,752	320,724	392,723	521,517	609,743	697,721	776,805	
5	Property (p=0.8)	25,959	75,606	113,190	142,896	119,648	179,882	220,479	252,939	492,908	491,848	507,298	524,832	
6	15yr Risk-Free ZCBs (p=1)	10,421	10,411	10,675	20,087	83,443	82,240	85,747	112,537	500,814	502,473	502,336	513,437	
7	15yr Risk-Free ZCBs (p=0.8)	8,674	4,591	2,406	3,217	73,118	41,881	25,785	28,067	469,985	361,953	275,332	234,946	
8	15yr Corporate Bonds (p=1)	12,905	19,650	27,520	45,286	90,505	103,122	116,174	149,307	502,436	507,454	509,632	530,591	
9	15yr Corporate Bonds (p=0.8)	10,859	10,048	10,154	14,117	79,970	60,179	49,805	56,484	471,812	370,486	294,124	266,470	
10	Portfolio 1 (p=1)	38,989	142,896	237,204	307,085	132,102	274,075	391,201	475,031	513,443	631,321	758,696	858,664	
11	Portfolio 1 (p=0.8)	35,362	112,171	173,285	211,563	121,488	219,000	289,567	331,082	484,239	517,895	573,792	607,824	
12	Portfolio 2 (p=1)	32,082	117,691	200,068	266,310	118,186	239,297	344,099	423,575	506,022	592,974	703,421	792,795	
13	Portfolio 2 (p=0.8)	28,921	91,026	143,006	178,831	108,098	187,205	248,224	288,541	475,996	478,313	521,278	550,281	
14	Portfolio 3 (p=1)	14,775	65,650	124,611	177,116	90,412	172,254	252,247	318,105	501,604	540,084	611,868	679,917	
15	Portfolio 3 (p=0.8)	12,724	45,855	79,715	106,201	80,317	123,882	165,396	196,176	470,688	417,684	425,356	438,954	
16	Sterling Receiver Swaptions	13.21%	11.90%	10.17%	7.64%	16.51%	14.86%	12.45%	9.26%	19.60%	17.40%	14.34%	10.48%	
		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 2013**

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.

Commentary on the results:

This is a combined table for 6(4)(a)(iii) and 6(4)(b)(iii).

Our maturity value, no-MVR and inflation protection guarantees that are priced through this process have a discounted mean term of around 8 years for NWPSF and 9 years for OWPSF. Results produced for guarantees longer than 20 years are of less relevance.

For Guaranteed Annuity Options our model is calibrated to the discounted mean term of the GAO liability and the strike price of the GAOs (around 9%). The results produced by the model at 5% strike are not relevant to our valuation of GAO.

For the gilt portfolio pricing we are asked to base these results on a 15-year rebalancing portfolio. Our philosophy is to hold fixed-interest assets with duration matching to the discounted mean term of the liability (i.e. the portfolio shortens over time). Similar to the comments above, results produced incorporating a 15-year rebalancing rule have little practical relevance to the cost of our guarantees.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(iv) Initial Equity and Property Rental Yields**

For UK, the initial equity dividend yield is 3.46% 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.

Duration of guarantees

NWPSF		Duration (yrs)	%														
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 +	
Conventional Life																	
	Base guarantee	5	5	12	12	10	11	9	9	13	10	6	2	0	0	1	100
	Mortgage promise	5	7	11	13	14	15	13	6	7	7	5	2	0	0	0	100
Conventional Pensions																	
	Base guarantee	7	18	6	6	6	8	8	7	6	6	5	5	4	4	13	100
	GAR option	6	6	14	12	12	11	12	5	4	4	4	3	2	4	7	100
Unitised Life																	
	Partial surrender	9	5	7	8	9	8	7	7	6	5	5	4	4	3	22	100
	No-MVR (surrender)	5	9	27	12	4	4	10	13	7	1	1	3	3	2	3	100
	Money-back (surrender)	5	0	13	8	20	11	8	14	14	10	1	0	0	0	0	100
	Inflation protected (surrender)	8	4	5	6	9	9	9	9	7	7	6	5	4	4	17	100
Unitised Pensions excl Stk																	
	Base guarantee	12	0	2	0	3	9	5	0	15	0	5	12	5	0	43	100
	GAR option	5	32	13	7	4	9	2	7	3	7	4	1	2	1	7	100
Stakeholder																	
	Base guarantee	13	0	2	0	0	12	0	0	16	0	0	19	0	0	52	100

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

OWPSF	Duration (yrs)	%														
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 +	
Conventional Life																
Base guarantee	6	3	7	8	9	9	8	10	16	15	9	3	1	0	1	100
Mortgage promise	6	4	7	10	13	14	13	7	9	11	9	2	0	0	1	100
Conventional Pensions																
Base guarantee	7	19	2	4	5	7	7	5	6	7	4	6	4	6	18	100
GAR option	6	4	13	17	11	10	11	5	4	4	4	3	3	4	8	100
Unitised Life																
Partial surrender	8	5	8	9	9	8	8	7	6	5	5	4	4	3	21	100
No-MVR (surrender)	5	9	27	13	4	4	10	13	7	1	1	3	3	2	3	100
Money-back (surrender)	5	0	13	8	20	12	8	14	14	10	1	0	0	0	0	100
Inflation protected (surrender)	8	4	4	6	9	9	9	9	7	7	6	5	4	4	17	100
Unitised Pensions excl Stk																
Base guarantee	13	4	4	6	9	9	9	9	7	7	6	5	4	4	17	100
GAR option	6	22	5	0	3	13	1	0	5	10	21	13	6	0	1	100
Stakeholder																
Base guarantee	13	0	2	0	0	12	0	0	16	0	0	19	0	0	52	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

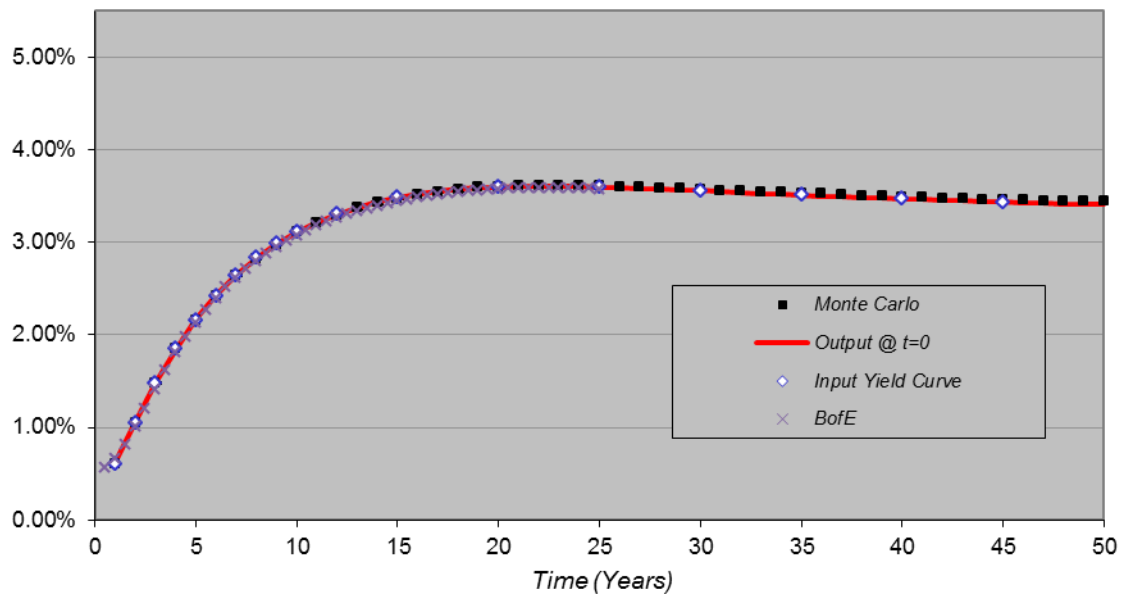
Financial year ended

31 December 2013

The following graphs/tables illustrate the fit of the asset model to specimen market traded instruments:

Yield curve validation

Nominal Yield Curve Validations (end December 2013)

Market implied volatilities:

Term\Strike	0.7	0.8	0.9	1	1.1	1.2	1.3
1	23.9%	20.5%	17.1%	14.3%	13.2%	13.0%	13.0%
3	22.0%	20.1%	18.4%	17.0%	15.8%	15.0%	14.4%
5	22.5%	21.2%	20.0%	18.9%	17.8%	16.9%	16.2%
9	24.5%	23.4%	22.4%	21.6%	20.9%	20.2%	19.7%

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	(67)	(59)	(23)	(3)	(121)	(279)	0
3	(87)	(31)	17	37	29	3	(26)
5	(94)	(73)	(53)	(29)	(11)	(1)	(3)
9	(159)	(127)	(94)	(66)	(43)	(26)	(15)

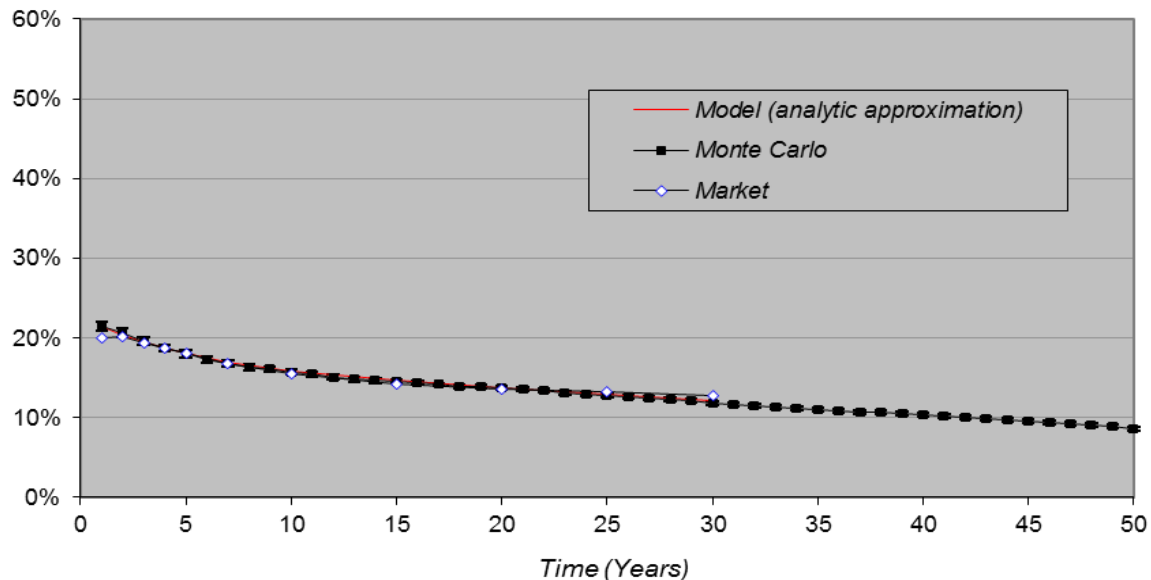
Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4A

Name of insurer

Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds

Global business

Financial year ended

31 December 2013Swaption implied volatilities**Swaption LMM+ ATM Validation 20 years (end December 2013)****(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%	99.7%	99.5%	99.0%
	standard error	0.4%	0.7%	1.0%	1.3%
Property	5000 Simulation results	100.0%	99.7%	99.5%	99.6%
	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%	98.9%	97.9%	97.7%
	standard error	0.9%	1.4%	2.0%	2.6%
Property	1000 Simulation results	99.6%	99.2%	99.3%	99.6%
	standard error	0.3%	0.6%	0.9%	1.5%

(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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(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 10% 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.

NWPSF Cost of Guaranteed Minimum Pensions	£m
Base Cost of GMP gtee on S32	27
Uplift (15%)	4
Total	31

OWPSF Cost of Guaranteed Minimum Pensions	£m
Base Cost of GMP gtee on S32	3
Uplift (15%)	0
Total	4

(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.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

The results produced by the application of this model are shown in 6.5(b)(i).

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

In the New With-Profits sub-fund, these transfers are assumed to be paid to the Shareholder Fund until the end of 2016, and to be retained within the New With-Profits sub-fund in subsequent years, as approved by the UK Life board in 2013.

In the Old With-Profits sub-fund, these transfers are assumed to be paid to the Shareholder Fund in all future years.

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 rateUWP Bonus Rates

Product ex CGNU	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life (implicit charged): Units purchased on policies written pre 01/10/98	2.00%	2.79%	2.61%
UWP Life (implicit charged): Units purchased on policies written post 01/09/98	3.00%	3.46%	3.18%
UWP Life (explicit charged)	2.00%	2.31%	2.29%
UWP Pension (implicit charged): Units purchased on policies written pre 01/10/98	2.75%	2.73%	2.54%
UWP Pension (implicit charged): Units purchased on policies written post 01/09/98	2.75%	3.86%	3.35%
UWP Pension (explicit charged)	3.75%	4.26%	3.60%
UWP Pension (Stakeholder)	3.50%	4.22%	3.66%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

Product ex CULAC	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life (Direct Written)	2.50%	2.96%	2.90%
UWP Pension (Direct Written)	4.00%	4.35%	4.57%

- 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 2013:

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equities	48.2%	51.3%	51.1%
Property	21.7%	23.1%	23.0%
Fixed Interest	30.1%	22.6%	22.9%
Cash	0.0%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	69.9%	74.4%	74.1%

(ii) **Projection at risk free rate plus 17.5%**UWP Bonus Rates

Product ex CGNU	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life (implicit charged): Units purchased on policies written pre 01/10/98	2.00%	3.27%	3.15%
UWP Life (implicit charged): Units purchased on policies written post 01/09/98	3.00%	3.90%	3.72%
UWP Life (explicit charged)	2.00%	2.74%	2.79%
UWP Pension (implicit charged): Units purchased on policies written pre 01/10/98	2.75%	3.23%	3.04%
UWP Pension (implicit charged): Units purchased on policies written post 01/09/98	2.75%	4.39%	3.95%
UWP Pension (explicit charged)	3.75%	4.79%	4.20%
UWP Pension (Stakeholder)	3.50%	4.76%	4.28%

Product ex CULAC	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life (Direct Written)	2.50%	3.44%	3.44%
UWP Pension (Direct Written)	4.00%	4.58%	4.83%

Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equities	48.2%	51.4%	51.3%
Property	21.7%	23.2%	23.1%
Fixed Interest	30.1%	22.5%	22.7%
Cash	0.0%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	69.9%	74.5%	74.3%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****(iii) Projection at risk free rate minus 17.5%**UWP Bonus Rates

Product ex CGNU	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life (implicit charged): Units purchased on policies written pre 01/10/98	2.00%	2.33%	2.15%
UWP Life (implicit charged): Units purchased on policies written post 01/09/98	3.00%	3.03%	2.71%
UWP Life (explicit charged)	2.00%	1.90%	1.85%
UWP Pension (implicit charged): Units purchased on policies written pre 01/10/98	2.75%	2.25%	2.10%
UWP Pension (implicit charged): Units purchased on policies written post 01/09/98	2.75%	3.33%	2.81%
UWP Pension (explicit charged)	3.75%	3.73%	3.06%
UWP Pension (Stakeholder)	3.50%	3.70%	3.11%

Product ex CULAC	31-Dec-13	31-Dec-18	31-Dec-23
UWP Life (Direct Written)	2.50%	2.50%	2.43%
UWP Pension (Direct Written)	4.00%	4.19%	4.39%

Assets Backing With-Profit Benefits Reserve

Asset Class	31/12/2013	31/12/2018	31/12/2023
Equities	48.2%	51.2%	50.8%
Property	21.7%	23.0%	22.9%
Fixed Interest	30.1%	22.8%	23.2%
Cash	0.0%	3.0%	3.0%
Total Assets	100.0%	100.0%	100.0%
EBR	69.9%	74.2%	73.8%

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 2013**(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.

ex CGNU		<u>Average surrender / paid-up rate for the policy years</u>			
		1-5	6-10	11-15	16-20
CWP savings endow ment	surrender	n/a	n/a	n/a	3.00%
CWP target cash endow ment	surrender	n/a	n/a	n/a	3.00%
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	3.34%	12.05%	10.71%	10.00%
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	1.00%	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%

ex CULAC		<u>Average surrender / paid-up rate for the policy years</u>			
		1-5	6-10	11-15	16-20
CWP savings endow ment	surrender	n/a	n/a	n/a	3.00%
CWP target cash endow ment	surrender	n/a	n/a	n/a	3.00%
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	10.00%	10.00%
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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****Annuitant Mortality**

For all immediate annuities and deferred annuities in payment we use the following annuitant mortality basis:

	31-Dec-13
Males	105.0% PCMA00 with CMI_2012_M(1.75%) improvement factors, applicable from 2001
Females	100.5% PCFA00 with CMI_2012_F(1.5%) improvement factors, applicable from 2001

Guaranteed Annuity Option take-up rate

An initial take-up rate of 78% for ex CGNU and 85% 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.

A maturity age of 65 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**

Product Class	Any other liabilities related to treating customers fairly	Any other long-term insurance liabilities
Conventional Life	0	(52)
Conventional Pensions	0	(3)
UWP Life (incl. Overseas)	0	(325)
UWP Pensions	0	(54)
UWP Stakeholder	0	0
Miscellaneous	0	79
Total	0	(354)

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****OWPSF**

Product Class	Any other liabilities related to treating customers fairly	Any other long-term insurance liabilities
Conventional Life	0	10
Conventional Pensions	0	0
UWP Life (incl. Overseas)	0	(27)
UWP Pensions	0	6
UWP Stakeholder	0	0
Miscellaneous	0	13
Total	0	1

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

The product split gives a breakdown of the asset or liability in respect of the difference between the shareholder transfers expected to be paid to the Shareholder Fund and the amount expected to be charged to asset shares (-£128m in NWPSF and £27m in OWPSF).

A credit of £283m (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.

£42m (NWPSF) and £12m (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 2013 are £1,984m in NWPSF and £148m in OWPSF.

The realistic current liabilities are £21m lower than the regulatory liabilities in NWPSF and £3m 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 2013**10. Risk Capital Margin**

(1)

Fund	RCM (£m)
NWPSF	220.1
OWPSF	56.8

(a)

- (i) Changes in asset values under stress scenarios for equities and real estate (property) for NWPSF and OWPSF

Asset Class	Change in market values
UK Equities	20.00%
OS Equities	23.80%
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 NWPSF.

A fall in market values of equity and property is more onerous than a rise in market values for OWPSF.

Asset Class	Rise in FI yields	Fall in FI yields
Nominal change in yields	+60bps	-60bps
long-term yield – level post-stress	4.05%	2.85%
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.

(ii)

Fund	Average Increase in credit spread – excluding Approved stock	Change in FI asset value – excluding Approved stock
NWPSF	0.78%	-3.30%
OWPSF	0.90%	-4.32%

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 addition, an allowance for reinsurance default risk was increased from £2.6m to £4.4m for NWPSF and from £0.4m to £0.6m for OWPSF in the stress scenario.

In the credit risk scenario the credit default swaps held in the funds are assumed to increase by £8.6m in NWPSF and by £0.1m in OWPSF. This includes a margin for prudence.

- (iii) 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 = 0.53%

% increase in realistic liabilities for OWPSF = 0.87%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

(iv) 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 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.

NWPSF Assets backing RCM	£m	%
UK equities	0	0.00%
Overseas equities	0	0.00%
Land and buildings	0	0.00%
Approved fixed interest securities	0	0.00%
Other fixed interest securities	0	0.00%
All other assets	220.1	100.00%
Total	220.1	100.00%

All assets backing the New With-Profits Sub-Fund RCM are within the Reattributed Inherited Estate External Support Account (RIEESA) which forms part of Non-Profit Sub-Fund 1.

OWPSF Assets backing RCM	£m	%
UK equities	0	0.00%
Overseas equities	0	0.00%
Land and buildings	0	0.00%
Approved fixed interest securities	56.8	100.00%
Other fixed interest securities	0	0.00%
All other assets	0	0.00%
Total	56.8	100.00%

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.

NWPSF/OWPSF	2013
	%
Income tax	20
Capital gains tax	20
Franked income tax	-
Withholding tax	15

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013**

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 50% is assumed as this would be expected to prevail in the vast majority of economic circumstances. For 2013 returns the probability lead to a notional tax charge/credit of 10%.

(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 corporation tax rate is reducing to 21% from April 2014 and to 20% from April 2015. For payments from 2014 onwards, the corporation tax rate used has been reduced from 23% to 20%. The 21% rate, which is only in place for 1 year, has not been taken into account.

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	IMPSF Exposure at 31/12/2013	OWPSF Exposure at 31/12/2013
	£m	£m
Futures on Bonds - short term trading derivatives	257	37
Futures on Equities - short term trading derivatives	657	138
Currency Futures	654	87
Inflation Rate Swaps - pay fixed/receive RPI	727	104
Inflation Rate Swaps - pay RPI/receive fixed	356	0
Inflation Rate Swaps - pay RPI/receive LIBOR	2,640	189
Interest Rate Swaps - pay fixed/receive floating	667	0
Interest Rate Swaps - pay floating/receive fixed	3,123	254
Credit Default Swaps	(251)	(7)
Equity Options	166	22

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 2014.

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 9.4AName of insurer **Aviva Life & Pensions UK Ltd – New/Old With-Profits Sub-Funds**

Global business

Financial year ended **31 December 2013****13. Analysis of working capital**

		NWPSF £m	OWPSF £m
Note	Working capital at 31/12/2012	0	289
1	Investment return on opening working capital and profits on assets backing liabilities	130	39
2	Economic assumption changes	74	22
3	Non-economic assumption changes	1	1
4	Policyholder action assumption changes	(3)	(0)
5	Other experience variances	74	4
6	Modelling changes and opening adjustments	(49)	(11)
7	Miscellaneous liabilities	30	17
8	Shareholder transfer change	255	0
9	Transfer to RIEESA	(511)	
	Working capital at 31/12/2013	0	359

Notes:

1. 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.
2. The economic assumption impact in is mainly driven by changes in equity volatility, partially offset by a reduction in NP liquidity premium.
3. Non-economic assumption changes include a strengthening of the annuitant mortality assumptions and an increase to investment expense assumptions, offset by a change to the long term equity and property split.
4. The policyholder assumption change relates to a decrease in lapse rates on bonds with inflation protection guarantee.
5. Experience variance includes the impact of premiums, claims, expenses and new business.
6. Modelling changes and opening adjustments mainly include
 - Modelling of equity backing ratio to treat gilts as the residual asset
 - Inflation calibrated to zero coupon inflation swaps
 - Model and data changes for deferred annuity products
 - Changes to the modelling of special bonus for products with inflation protection guarantee
7. Miscellaneous liabilities consist of changes in provisions for future expected outgo, including Product Governance provisions.
8. The Shareholder transfer change shows the impact on the future liabilities in NWPSF of the decision of the UK Life board in 2013 to retain future shareholder transfers in NWPSF after the end of 2016.
9. The resulting surplus or deficit in New With-Profits Sub-Fund is zeroised by way of an inter-company balance transfer to/from the RIEESA.
10. Note that the change in other liabilities from Form 19 line 47 is included in the analysis above.
11. 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 2013**

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 £286,556.

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 2013**

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 2013**

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 84,646 ordinary shares in Aviva Plc at 31 December 2013 (2012: 82,249). 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 2013, 15,677 shares held in Executive Share Plans (the Annual Bonus Plan and Long Term incentive Plan) were released and were sold. Also in March 2013, 2,492 shares in the Long Term Incentive Plan and 1,982 shares in the One Aviva Twice the Value Plan lapsed, and options for 1,804 shares expired. In August 2013, options for 8,936 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 2013 (2012: £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 2013 was £277,489 (2012: £326,413). 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 2013**

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.

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

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

..... **J R LISTER**
Director

March 2014

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 2013**

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, 56, 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	Aviva Life & Pensions UK Limited
Global Business	
Financial year ended	31st December 2013

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

24 March 2014

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.