

Aviva Life Holdings UK Limited

Directors and Officers

Directors

A D Briggs
M G Carvill (non-executive director)
V F Gooding (non-executive director)
R W A Howe (non-executive director)
J B O'Roarke (non-executive director)
H R Patel (non-executive director)
S P Trickett (non-executive director)
J M Windsor

Officer - Company Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Registered Office

Aviva
Wellington Row
York
YO90 1WR

Company Number

Registered in England and Wales: No. 2403518

Other Information

The Company is a member of the Aviva plc group of companies ("the Group")



Aviva Life Holdings UK Limited

Strategic report (continued)

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Aviva Life Holdings UK Limited

Strategic report

The directors present their strategic report for Aviva Life Holdings UK Limited (the Company) for the year ended 31 December 2017.

Review of the Company's business

The Company acts as the holding company for subsidiaries (UK Life) providing a range of financial services, principally in the United Kingdom. Its principal subsidiaries are involved in long-term savings and insurance business. The results of these subsidiary undertakings have not been consolidated in these financial statements as they have been included in the consolidated financial statements of Aviva plc.

The Aviva Group is the UK's largest insurer with an 18% share of the UK life and savings market, offering a market leading range of propositions to individual and corporate customers covering their savings, retirement, insurance and health needs. The Group has one of the largest legacy books in the UK life and pensions market and looks after over £260 billion of assets for customers, helping people save for their long-term goals, in particular their retirement. Strategy is led by that of the Aviva Group with focus on providing customers with products that meet their changing needs, supported by the aim to continue cash generation and to deliver profitable growth.

A key focus for the Life Group is helping customers provide for a more comfortable retirement by supporting them with secure income from annuities, helping customers to protect themselves and their families financially against death or illness and supplying services to the corporate marketplace by offering pensions, protection and bulk annuity propositions to both large and small companies. The Group is also a leading supplier of equity release (lifetime mortgages).

The Group has access to customers across the UK through an unparalleled distribution network, with a growing Digital Direct offering for sales and service, strong relationships with independent financial advisers, brokers, employee benefit consultants, banks and we have single-tie agreements with three of the largest estate agencies. UK Insurance was created in 2017 by bringing our UK life, health and general insurance businesses together under a common leadership team to unlock the potential of our unique position as a large scale composite.

Sales volumes, measured as the present value of new business premiums (PVNBP) have increased across all product segments. Bulk purchase annuity (BPA) sales have more than tripled to £2,045 million, up from £620 million in the prior year. Protection sales volumes have continued to benefit from the launch of the Aviva Life Protection Solutions (ALPS) platform for intermediaries in mid-2015.

Our main operations are based in York and Bristol, though we have a significant presence in Norwich and Sheffield. We also have outsourcing relationships with a number of partners, including Admin Re, J P Morgan, FNZ (UK) Limited, Diligenta Limited, Capita Life & Pensions Regulated Services Limited, HCL Insurance Business Partner Outsourcing Services Limited and WNS Global Services in India.

On 1 January 2017, a transfer of the Aviva Annuity UK Limited (UKA) business into Aviva Life & Pensions UK Limited (UKLAP) was effected, under a Part VII Transfer of the Financial Services and Markets Act 2000, in order to deliver both capital and efficiency benefits.

On 1 October 2017, a transfer of the Friends Life Limited (FLL) and Friends Life & Pensions Limited (FLP) business into UKLAP was effected, under a Part VII Transfer of the Financial Services and Markets Act 2000, in order to deliver both capital and efficiency benefits.

Financial position and performance

The Friends Life Part VII transfer was completed on 1 October 2017, delivering further capital benefits, with the final payment towards the £1 billion target, as announced to the market as part of the Friends Life integration benefits, to follow in 2018. Special cash remittances of £500 million (2016: £250 million) were made to Group during 2017 due to the Friends Life integration, taking the total paid to date to £750 million.

Cash generation initiatives have enabled a £1,560 million dividend payment to the Aviva Group during the year (2016: £905 million). UK Life adjusted operating profit increased by 15% to £1,758 million (2016: £1,523 million), driven by an improvement in new business profit and continued growth of the long-term savings franchise.

Aviva Life Holdings UK Limited

Strategic report (continued)

During 2017, the equity attributable to the Company's shareholders on an IFRS basis decreased by 12% to £9,643 million (2016: decreased by 6.6% to £10,967 million). This mainly reflects the payment of total dividends of £1,560 million to Group during the year. Profit for the year has increased by 77% to £236 million (2016: £133 million), which is driven by income from shares in group undertakings exceeding fair value losses on investments in subsidiaries for the year.

Future outlook

Brexit continues to drive uncertainty, but the Aviva Group (the Group) is well placed to manage the implications through a strong balance sheet with low sensitivities. The Group continues to prepare for regulatory change in UK markets, with the Markets in Financial Instruments Directive (MiFID), the Insurance Distribution Directive (IDD) and the General Data Protection Regulation (GDPR) coming into force in 2018.

The Group will continue to support customers through the wide range of choices they have as they approach and move through their retirement with market leading propositions (investment, drawdown, annuity, equity release), information through the Aviva Retirement Centre, online guides and tools and in-house advice service, Aviva Financial Advice. 2018 will also see Auto-Enrolment minimum contributions start to increase from the current base of 1% employee contributions to 3% in April 2018, and then to 5% in April 2019. This is a key period in establishing better retirement prospects for all UK workers.

Priorities for 2018 include delivering growth by leveraging the power of Aviva's breadth of offering within the UK to deliver compelling propositions to meet customer needs, driving digitisation of the Insurance business through customer services, propositions and ensuring that the Group is easy for customers to do business with, growing business expanding propositions in targeted markets such as corporate multinational, bulk purchase annuities and digital, driving simplicity across the operating model, including moving all savings products to a single platform to enable the Group to serve customers simply through whichever channel they choose, whether advised clients or direct customers.

Principal risks and uncertainties

UK Life is exposed to financial risk, through its financial assets and liabilities, and operational risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events, including regulatory risk. The major component of financial risk is credit risk, due to counterparties failing to meet all or part of their obligations in a timely fashion. UK Life is also exposed to insurance and persistency risk through its insurance operations. Management are responsible for the identification, measurement, management and monitoring of risks and for reporting these in accordance with the Group's escalation criteria in terms of their probability and impact in accordance with Group policy.

UK Life uses a number of metrics to identify, measure, manage, monitor and report risks and a fuller explanation of these risks, other than operational risk, may be found in note 21 to the financial statements.

Key performance indicators (KPIs)

The directors believe that analysis using KPIs for the Company, other than as disclosed in the financial position and performance section on page 3, is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the UK Life business are discussed in the annual report and financial statements of Aviva plc and the individual entity financial statements, which do not form part of this report.

By order of the Board



Aviva Company Secretarial Services Limited
Company Secretary

27 March 2018

Aviva Life Holdings UK Limited

Accounting policies (continued)

The directors present their annual report and audited financial statements for Aviva Life Holdings UK Limited (the Company) for the year ended 31 December 2017.

Directors

The names of the present directors of the Company appear on page 1.

M J Hawker was appointed as a non-executive director of the Company on 1 January 2017. He subsequently resigned on 31 March 2017.

B J Richards (also known as Carew-Jones) resigned as a non-executive director of the Company on 28 September 2017.

A E Hutchinson resigned as a non-executive director of the Company on 31 October 2017.

J R F Walls resigned as a non-executive director of the Company on 28 February 2018. V F Gooding was appointed as a non-executive director on the same date.

J B O'Roarke was appointed as a non-executive director of the Company on 8 March 2018.

Dividends

A deferred interim dividend for 2016 of £100 million was paid on 14 February 2017. A final dividend in respect of 2016 of £1,169 million (*2016: £500 million*) was paid on 12 May 2017. An interim dividend for the year of £291 million (*2016: £405 million*) was paid on 6 November 2017.

Major events

On 1 January 2017, the business and assets of Aviva Annuity UK Limited (UKA) transferred to Aviva Life & Pensions UK Limited (UKLAP) under a Part VII Transfer of the Financial Services and Markets Act 2000.

On 17 March 2017, the Board approved the renewal of the loan facility from UKLAP of up to £100 million for a period of one year, at a rate of LIBOR plus 65 basis points.

On 31 July 2017, the Company acquired a 23.665% shareholding in the Tenet Group Limited, which was transferred from Friends Life Limited (FLL), a fellow group undertaking. The transfer was completed in consideration for an intercompany balance of £7,114,000, equivalent to the net asset value of the shareholding reflected in the FLL accounts at 31 December 2016.

On 31 August 2017, M Risam resigned as Company Secretary. Aviva Company Secretarial Services Limited was appointed as Company Secretary on the same date.

On 10 November 2017, the Company subscribed for and was allotted 20,000,000 ordinary shares of £1 each in the share capital of Aviva UK Digital Limited (UKD), fully paid at par for a consideration of £20 million.

On 21 December 2017, the Company subscribed for and was allotted 5,000,000 ordinary shares of £1 each in the share capital of Aviva Wrap UK Limited, fully paid at par for a consideration of £5 million.

Events since the statement of financial position

On 23 February 2018, the Board approved a further investment of £20 million in the subsidiary undertaking UKD.

Future developments

Likely future developments in the business of the Company are discussed in the Strategic Report on page 4.

Financial risk management

Details of financial risk management are discussed in the principal risks and uncertainties section of the Strategic Report on page 4.

Aviva Life Holdings UK Limited

Accounting policies (continued)

Employees

All staff are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited, who make a management charge for services, including the provision of staff to the Company. It is not possible to ascertain separately the element of the management charge that relates to staff costs. Disclosures relating to employee remuneration and the average number of persons employed are made in the Financial Statements of Aviva Employment Services Limited.

Disclosure of information to the auditors

Each person who was a director of the Company on the date that this report was approved, confirms that:

- so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditors

It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

Qualifying indemnity provisions

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions were in force throughout the year and at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also have the benefit of the indemnity provision contained in the Company's articles of association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by section 234 of the Companies Act 2006.

Aviva Life Holdings UK Limited

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



Aviva Company Secretarial Services Limited
Company Secretary

27 March 2018

Aviva Life Holdings UK Limited

Independent auditors' report to the members of Aviva Life Holdings UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Life Holdings UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited the financial statements, included within the Annual Report and Audited Financial Statements (the 'Annual Report'), which comprise: the statement of financial position as at 31 December 2017; the income statement; the statement of cash flows; the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Aviva Life Holdings UK Limited

Independent auditors' report to the members of Aviva Life Holdings UK Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

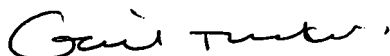
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Gail Tucker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 March 2018

Aviva Life Holdings UK Limited

Accounting policies

The Company, a limited company incorporated and domiciled in the United Kingdom (UK), acts as the holding company for subsidiaries providing a range of financial services, principally in the UK. Its principal subsidiaries are involved in long-term savings and insurance business.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(A) Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU), and those parts of the Companies Act 2006 applicable to those reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for investments in subsidiaries and associates that have been measured at fair value through profit and loss.

The financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006.

As permitted under IAS 27 and under Section 400 of the Companies Act 2006, the Company has elected not to present consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. Information on the ultimate controlling parent and immediate parent can be found in note 22.

The financial statements are stated in sterling, which is the Company's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£'000).

Minor clarifications to existing guidance on a number of standards became effective for the reporting period beginning on 1 January 2017. The principle clarifications are to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses relating to recognition of deferred tax when an asset's fair value is below its tax base, IAS 7, Statement of Cash Flows, relating to additional disclosure of the movements in liabilities arising from financing activities, and IFRS 12, Disclosure of Interest In Other Entities, clarifying existing guidance. The amendments do not have any impact on the Company's financial statements. The additional disclosure required by the changes to IAS 7 have previously already been disclosed in the Company's financial statements.

The IASB has issued four new standards which are not yet effective and have not been adopted early by the Company.

(i) IFRS 9, Financial Instruments

In July 2014, the IASB published IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurement requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit and loss whereby fair value changes attributable to own credit is to be recognised in other comprehensive income instead of the income statement. The Company has adopted IFRS 9 from 1 January 2018. The standard is not expected to have a significant impact on the Company's statement of financial position.

(ii) IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. This standard applies to annual reporting periods beginning on or after 1 January 2018 and has been endorsed by the EU. The standard is not expected to have a significant impact on the Company's financial statements.

Aviva Life Holdings UK Limited

Accounting policies (continued)

(iii) IFRS 16, Leases

In January 2016, the IASB published IFRS 16, Leases, which will replace IAS 17, Leases. The standard removes the distinction between finance leases and operating leases for lessees, and proposes a new model whereby lessees include all lease contracts on the balance sheet. Lessor accounting remains similar to current practice. The impact of the adoption of IFRS 16 has yet to be fully assessed by the Company. This standard applies to accounting periods beginning on or after 1 January 2019 and has been endorsed by the EU.

(iv) IFRS 17, Insurance Contracts

In May 2017 the IASB published IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 which was issued in 2005 and applies to all types of insurance contracts as well as to certain guarantees and financial instruments with discretionary participation features. IFRS 17 provides a comprehensive and consistent approach to insurance contracts. The core of IFRS 17 is the general model, supplemented by a specific adaption for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short duration contracts. The impact of the adoption of IFRS 17 has yet to be fully assessed by the Company. This standard applies to annual reporting periods beginning on or after 1 January 2021 and has not yet been endorsed by the EU.

The IASB has issued a number of amendments to standards which are not yet effective and have not been adopted early by the Company.

- IAS 28 Investments in Associates
- IAS 40, Investment Property
- IFRS 2, Classification and Measurement of Share-Based Payment Transactions
- IFRS 12, Disclosure of Interest in Other Entities

The amendments to IAS 28 and IFRS 12 have been endorsed by the EU. The amendments to IAS 40 and IFRS 2 have not been endorsed by the EU. The amendments are not expected to have a material impact on the financial statements.

(B) Critical accounting estimates and judgements

The preparation of the Company's financial statements, in accordance with IFRS, requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses.

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions. Actual results may differ from those estimates, possibly significantly. The list below sets out those items we consider particularly susceptible to changes in estimates and assumptions, and the relevant accounting policy.

Item	Accounting policy
Valuation of subsidiaries	D

(C) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. This presumes that the transaction takes place in the principal (or most advantageous) market under current market conditions. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

The fair value of a non-financial asset is determined based on its highest and best use from a market participant's perspective. When using this approach, the Company takes into account the asset's use that is physically possible, legally permissible and financially feasible.

Aviva Life Holdings UK Limited

Accounting policies (continued)

(D) Subsidiaries

Subsidiaries are stated at their fair values, estimated using applicable valuation models, which from 1 January 2016 are underpinned by Solvency II (SII) and IFRS net asset value. Subsidiaries managed on a fair value basis are classified as held at fair value through profit or loss, with movements recognised in the income statement.

Subsidiaries for which fair values cannot be measured reliably are recognised at cost less impairment. Fair values cannot be measured reliably where there is no active market for shares in the subsidiary and the variability in the range of reasonable fair value estimates is significant.

Interim dividends on ordinary shares from subsidiaries are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders.

(E) Associates and joint ventures

Associates and joint ventures are stated at their fair values, estimated using applicable valuation models underpinned by IFRS net asset value. Associates and joint ventures are managed on a fair value basis and classified as held at fair value through profit or loss, with movements recognised in the income statement.

(F) Loans

Loans are included at amortised cost using the effective interest rate method.

At each reporting date, loans carried at amortised cost are reviewed for objective evidence that they are impaired and uncollectable, either at the level of an individual security or collectively within a group of loans with similar credit risk characteristics. To the extent that a loan is uncollectable, it is written down as impaired to its recoverable amount, measured as the present value of expected future cash flows discounted at the original effective interest rate of the loan, including any collateral receivable. Subsequent recoveries in excess of the loan's written down carrying value are credited to the income statement.

(G) Receivables and payables

Receivables and payables are initially recognised at cost, being fair value. Subsequent to initial measurement they are held at amortised cost, which given the short term nature of the items is considered a reasonable approximation to fair value.

(H) Statement of cash flows

Cash and cash equivalents consist of cash at banks and in hand, deposits held on call with banks, treasury bills and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are those with less than three months' maturity from the date of acquisition, or which are redeemable on demand with only an insignificant change in their fair values.

(I) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

Aviva Life Holdings UK Limited

Accounting policies (continued)

(J) Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the statement of financial position date are used to determine the deferred tax.

Deferred tax is provided on temporary differences arising from changes in valuations of investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available.

(K) Borrowings

Borrowings from group undertakings are recognised initially at their issue proceeds less transaction costs incurred. Subsequently, borrowings are stated at amortised cost, and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. All borrowing costs are expensed as they are incurred.

(L) Guarantees

Financial guarantees issued are recognised initially at their fair value, and subsequently measured at the higher of the expected liability (or receivable) under the guarantee and the amount initially recognised less any cumulative amortisation.

(M) Share capital

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument will not be settled by delivery of a variable number of shares or is a derivative that can be settled other than for a fixed amount of cash, shares or other financial assets.

Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders.

Aviva Life Holdings UK Limited
Income statement
For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Income			
Net investment income			
Income from shares in group undertakings		1,550,000	931,066
Interest receivable and similar income	1	5,514	5,142
Fair value losses on investments in subsidiaries	8	(1,304,388)	(795,667)
Realised losses on investments in subsidiaries		-	(1,062)
Other income		-	77
		251,126	139,556
Expenses			
Operating expenses	2	174	6
Finance costs	3	(5,359)	(5,911)
Profit before tax		245,941	133,651
Tax charge	J & 6	(10,227)	(216)
Profit for the year		235,714	133,435

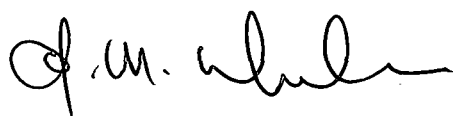
The Company has no other comprehensive income.

The accounting policies (identified alphabetically) on pages 10 to 13 and the notes (identified numerically) on pages 18 to 66 are an integral part of these financial statements.

Aviva Life Holdings UK Limited
Statement of financial position
As at 31 December 2017

	Note	2017 £'000	2016 £'000
Assets			
Investments in subsidiaries	D & 8	9,810,427	11,089,815
Investments in associates and joint ventures	E & 9	7,111	-
Loans to group undertakings	F & 10	200,000	200,000
Tax assets	J & 15	-	163
Deferred tax asset	J & 15	7,245	6,442
Receivables	G & 11	73	20,616
Cash and cash equivalents	H & 19(b)	18,922	21,943
Total assets		10,043,778	11,338,979
Equity			
Ordinary share capital	M & 12	8,452,832	8,452,832
Retained earnings	13	1,190,317	2,514,603
Total equity		9,643,149	10,967,435
Liabilities			
Provisions	I & 16	265	605
Borrowings from group undertakings	K & 17	275,000	250,000
Tax liabilities	J & 15	8	-
Payables and other financial liabilities	G & 18	125,356	120,939
Total liabilities		400,629	371,544
Total equity and liabilities		10,043,778	11,338,979

The financial statements were authorised for issue by the Board of directors on 27 March 2018 and were signed on its behalf.



J M Windsor *Director*

The accounting policies (identified alphabetically) on pages 10 to 13 and the notes (identified numerically) on pages 18 to 66 are an integral part of these financial statements.

Aviva Life Holdings UK Limited
Statement of changes in equity
For the year ended 31 December 2017

	Note	Ordinary share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016		8,452,832	3,286,168	11,739,000
Profit for the year	13	-	133,435	133,435
Dividends	M & 13	-	(905,000)	(905,000)
Balance at 31 December 2016		8,452,832	2,514,603	10,967,435
Profit for the year	13	-	235,714	235,714
Dividends	M & 13	-	(1,560,000)	(1,560,000)
Balance at 31 December 2017		8,452,832	1,190,317	9,643,149

The accounting policies (identified alphabetically) on pages 10 to 13 and the notes (identified numerically) on pages 18 to 66 are an integral part of these financial statements.

Aviva Life Holdings UK Limited
Statement of cash flows
For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash generated from operations	19(a)	12,338	16,092
Income from shares in group undertakings	19(a)	671,000	931,066
Net cash generated from operating activities		683,338	947,158
Cash flows from investing activities			
Investment in subsidiaries	8	(25,000)	(36,484)
Net cash used in investing activities		(25,000)	(36,484)
Cash flows from financing activities			
Net increase in borrowings	17	25,000	-
Interest paid on borrowings	3	(5,359)	(5,911)
Dividends paid	13	(681,000)	(905,000)
Net cash used in financing activities		(661,359)	(910,911)
Net decrease in cash and cash equivalents		(3,021)	(237)
Cash and cash equivalents at 1 January		21,943	22,180
Cash and cash equivalents at 31 December	19(b)	18,922	21,943

The accounting policies (identified alphabetically) on pages 10 to 13 and the notes (identified numerically) on pages 18 to 66 are an integral part of these financial statements.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017

1. Interest receivable and similar income

	2017 £'000	2016 £'000
Interest receivable from group undertakings	5,433	5,034
Other interest	81	108
	5,514	5,142

2. Operating expense

Under a management agreement, Aviva Life Services UK Limited (UKLS) supplies and makes charges for the provision of operational assets and services to the Company. The agreement specifies the amounts payable to UKLS in respect of these expenses, which are included within operating expenses.

	2017 £'000	2016 £'000
UKLS recharges	46	45
Provision movement in year	(220)	(51)
Total operating expenses	(174)	(6)

3. Finance cost

	2017 £'000	2016 £'000
Interest payable to group undertakings	5,359	5,911

4. Directors' emoluments

All directors were remunerated by Aviva Employment Services Limited, a fellow subsidiary of the ultimate parent company, Aviva plc. The emoluments are recharged, as part of a head office management charge under management service agreements, to all operating divisions of the Aviva Group. No direct recharge has been made to the Company in respect of these emoluments as these directors were not primarily remunerated for their services to the Company. Accordingly, no emoluments are disclosed in respect of these directors. Their total emoluments are disclosed in the financial statements of Aviva Life & Pensions UK Limited.

5. Auditors' remuneration

The total remuneration payable by the Company, excluding VAT, to its auditors, PricewaterhouseCoopers LLP and its associates, in respect of the audit of these financial statements, is shown below:

	2017 £'000	2016 £'000
Fees payable for the audit of the Company's financial statements	41	40

Audit fees are payable by Aviva Central Services UK Limited, a fellow Group company, and recharged as appropriate to the Company and fellow Group companies. Fees paid to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the Company's ultimate parent undertaking, Aviva plc (see note 22), are required to disclose other (non-audit) services on a consolidated basis.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

6. Tax

(a) Tax charged to the income statement

	2017 £'000	2016 £'000
Current tax		
For the year	(8)	163
Adjustments in respect of prior years	(11,022)	-
Total current tax	(11,030)	163
Deferred tax		
Origination and reversal of temporary differences	801	-
Changes in tax rates or tax laws	2	(379)
Total deferred tax	803	(379)
Total tax charged to the income statement (note 6(b))	(10,227)	(216)

(b) Tax reconciliation

The tax on the Company's profit before tax differs from tax calculated at the standard UK corporation tax rate as follows:

	2017 £'000	2016 £'000
Profit before tax	245,941	133,651
Tax calculated at standard UK corporation tax rate of 19.25% (2016: 20%)	(47,344)	(26,730)
Adjustments in respect of prior years	(2,963)	-
Non-assessable dividends	298,375	186,213
Disallowed expenses	42	10
Non-taxable fair value losses on subsidiaries	(251,095)	(159,346)
Changes in tax rates or tax laws	2	(379)
Other non-assessable income	-	16
Movement in deferred tax not recognised	(7,244)	-
Total tax charge to income statement (note 6(a))	(10,227)	(216)

The rate of corporation tax changed to 19% with effect from 1 April 2017. Finance Act 2016, which received Royal Assent on 15 September 2016, will reduce the corporation tax rate further to 17% from 1 April 2020.

The Company's deferred tax assets and liabilities have been calculated at 17%. The reduction in the future tax rate has provided a net credit to the income statement tax charge of £2,000 (2016: charge of £0.4m).

7. Fair value methodology

Basis for determining fair value hierarchy of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Quoted market prices in active markets – ('Level 1')

Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Modelled with significant observable market inputs – (“Level 2”)

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads).
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

Modelled with significant unobservable market inputs – (“Level 3”)

Inputs to Level 3 fair values are unobservable inputs for the asset or liability. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions the business unit considers that market participants would use in pricing the asset or liability.

Changes to valuation techniques:

There has been no fundamental change in valuation technique for 2017. The model used in the valuation of subsidiary undertakings is now underpinned by Solvency II following the introduction of the new SII regulatory regime on 1 January 2016.

Fair value of the following assets and liabilities approximate to their carrying amounts:

- Loans to group undertakings
- Receivables
- Cash and cash equivalents
- Borrowings from group undertakings
- Payables and other financial liabilities

All of the Company’s investments in subsidiaries are classified as Level 3 investments (2016: Level 3). There have been no transfers between levels during the current or previous years.

8. Investments in subsidiaries

(a) **Movements in the Company’s investments in its subsidiaries are as follows:**

	2017 £’000	2016 £’000
Carrying amount at 1 January	11,089,815	11,850,060
Additions	25,000	36,484
Disposals	-	(1,062)
Fair value losses	(1,304,388)	(795,667)
At 31 December	9,810,427	11,089,815

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Subsidiaries are stated at their fair values, estimated using applicable valuation models underpinned by SII and IFRS net asset value, and are classified as level 3 in the fair value hierarchy described in note 7 of the financial statements. The Company's approach to managing its investments and associated risks is given in note 21.

The fair value losses for 2017 are primarily due to dividends paid in the year exceeding profits, a reduction in the valuation of goodwill arising on the Friends Life acquisition. The main driver of the fair value losses for 2016 are the changes to the quota share reinsurance arrangements between the Company's subsidiaries Aviva Life & Pensions UK Limited (UKLAP) and Aviva Annuity UK Limited (UKA) and a fellow Aviva group undertaking, Aviva International Insurance (AII). On 1 January 2016, UKLAP entered into a quota share reinsurance arrangement with AII, ceding 50% of the business in its non-profit fund. On the same date UKA increased its quota share reinsurance with AII from 10% to 50%.

(b) Additions

On 10 November 2017, the Company subscribed for and was allotted 20,000,000 ordinary shares of £1 each in the share capital of Aviva UK Digital Limited, fully paid at par for a consideration of £20 million cash.

On 21 December 2017, the Company subscribed for and was allotted 5,000,000 ordinary shares of £1 each in the share capital of Aviva Wrap UK Limited, fully paid at par for a consideration of £5 million cash.

(c) A full list of the subsidiary undertakings of the company is shown in Appendix A. The principal subsidiary undertakings of the Company are shown below, all of which are wholly-owned and incorporated in England, with the exception of Peak Re Limited, which is incorporated in Ireland.

Subsidiary	Principal activity
Aviva Equity Release UK Limited	Equity release mortgage provider
Aviva Life & Pensions UK Limited	Long-term insurance
Aviva Life Services UK Limited	Corporate administration services
Aviva Wrap UK Limited	Personal portfolio 'Wrap' products
Friends Life FPG Limited	Holding company
Friends Life FPL Limited	Holding company
Aviva Investment Solutions UK Limited	Personal portfolio 'Wrap' products
Aviva Management Services Limited	Corporate administration services
Aviva Administration UK Limited	Corporate administration services
Peak Re Limited	Reinsurance of unit linked business

9. Investments in associates and joint ventures

(a) Movements in the Company's investments in associates and joint ventures are as follows:

	2017	2016
	£'000	£'000
Carrying amount at 1 January	-	-
Additions	7,111	-
At 31 December	7,111	-

Associates and joint ventures are stated at their fair value, which is underpinned by net asset value.

On 31 July 2017, the Company acquired a 23.665% shareholding in the Tenet Group Limited (Tenet), which was transferred from Friends Life Limited (FLL), a fellow group undertaking. The transfer was completed in consideration for an intercompany balance of £7,114,000, equivalent to the net asset value of the shareholding reflected in the FLL accounts at 31 December 2016. As at 31 December 2017 cost is deemed to be a fair approximation for fair value.

Distributions received from associates and joint ventures during the year amounted to £nil (2016: £nil).

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

The associate undertaking has no significant contingent liabilities to which the Company is exposed, nor has the Company any significant contingent liabilities in relation to its interest in the associate undertaking.

10. Loans to group undertakings

Carrying amounts:

	2017 £'000	2016 £'000
Loans to group undertakings	200,000	200,000

Of the above total £200,000,000 (2016: £200,000,000) is expected to be recovered more than one year after the statement of financial position date.

11. Receivables

	2017 £'000	2016 £'000
Amounts owed by group undertakings	68	20,616
Trade receivables	5	-
Total receivables	73	20,616

Of the above total, £nil (2016: £20,545,000) is expected to be received more than one year after the statement of financial position date.

12. Ordinary share capital

Details of the Company's ordinary share capital at 31 December are as follows:

	2017 £'000	2016 £'000
The allotted, called up and fully paid share capital of the Company was: 8,452,831,913 ordinary shares of £1 each (2016: 8,452,831,913)	8,452,832	8,452,832

Ordinary shares in issue in the Company rank pari passu. All the ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company.

13. Retained earnings

	2017 £'000	2016 £'000
At 1 January	2,514,603	3,286,168
Profit for the year	235,714	133,435
Dividends		
2016 deferred interim dividend paid of 1.183 pence per share (2016: £nil)	(100,000)	-
Final dividend paid of 13.830 pence per share (2016: 5.915 pence per share)	(1,169,000)	(500,000)
Interim dividend paid of 3.44 pence per share (2016: 4.791 pence per share)	(291,000)	(405,000)
At 31 December	1,190,317	2,514,603

On 12 May 2017, a final dividend in respect of 2016 of £1,169 million was paid to Aviva Group Holdings Limited. Of this, £879,000 is excluded from the statement of cash flows as the payment was transacted through inter company account.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

14. Guarantees

Several of the Company's subsidiaries have guaranteed the overdrafts and borrowings of certain subsidiaries and associates. In the opinion of the directors, no material loss will arise in respect of these guarantees and indemnities.

In addition, in line with standard business practice, various Group companies have given guarantees, indemnities and warranties in connection with disposals in recent years of subsidiaries and associates to parties outside the Aviva Group. In the opinion of the directors, no material loss will arise in respect of these guarantees, indemnities and warranties.

The Company has issued a letter of financial support to Aviva Wrap UK Limited (UKW), a wholly owned subsidiary of the Company, for a period of at least one year from the signing of the UKW financial statements, in order to ensure UKW is able to continue as a going concern.

15. Tax assets

(a) General

Tax liabilities payable in more than one year are £8,000 (2016: tax asset receivable £163,000).

(b) Deferred tax

(i) The balance at 31 December comprises:

	2017 £'000	2016 £'000
Tax losses carried forward	7,245	6,442
Net deferred tax asset	7,245	6,442

(ii) The movement in the net deferred tax asset was as follows:

	2017 £'000	2016 £'000
At 1 January	6,442	6,821
Amounts credited/(charged) to the income statement (note 6(a))	803	(379)
At 31 December	7,245	6,442

The deferred tax asset is recognised to the extent that future business plans indicate it is probable that taxable profits will be available against which the tax losses may be utilised.

The timing of reversal of deferred tax assets and liabilities depends on a number of external factors and cannot be calculated with certainty. The majority of deferred tax assets and liabilities are however expected to reverse in more than one year.

The Company has unrecognised temporary differences at the year end of £42,617,000 (2016: £nil).

16. Provisions

	2017 £'000	2016 £'000
At 1 January	605	717
Provisions made in year	70	62
Amounts utilised	(118)	(61)
Amounts released	(292)	(113)
At 31 December	265	605

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

As part of the e.surv Limited sale agreement, the Company became liable for professional indemnity claims arising after 30 June 2004, in respect of advice given by e.surv Limited up to 30 June 2004. A provision has been made in respect of ongoing legal claims, which is the directors' best estimate of the likely outcome of such claims. Amounts provided, utilised and released in the current year relate to these claims.

17. Borrowings from group undertaking

	2017 £'000	2016 £'000
Loans from subsidiaries	275,000	250,000

Of the above total, £275,000,000 (2016: £250,000,000) is expected to be paid more than one year after the statement of financial position date.

18. Payables and other financial liabilities

	2017 £'000	2016 £'000
Amounts owed to group undertakings	125,355	120,876
Other payables	1	63
	125,356	120,939

Of the above total, £92,900,000 (2016: £92,500,000) is expected to be paid more than one year after the statement of financial position date. All payables are carried at cost, which approximates to fair value.

Other payables includes £nil (2016: £63,000) in respect of an outstanding liability to the third party administrators of the e.surv provision.

19. Statement of cash flows

(a) The reconciliation of profit before tax to the net cash outflow from operating activities is:

	2017 £'000	2016 £'000
Profit before tax	245,941	133,651
Adjustments for:		
Income from shares in group undertakings	(1,550,000)	(931,066)
Fair value losses on investments	1,304,388	795,667
Realised loss on disposal of investments	-	1,062
Finance costs	5,359	5,911
Changes in working capital:		
Decrease in receivables	20,543	505
Decrease in provisions	(340)	(112)
(Decrease)/increase in payables and other financial liabilities	(13,553)	10,474
Total cash generated from operations	12,338	16,092

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Investing and financing transactions that did not require the use of cash and cash equivalents, and are therefore excluded from the statement of cash flows are as follows:

	2017 £'000	2016 £'000
Non-cash operating activities		
Income from shares in group undertakings	879	-
Non-cash investing activities		
Investment in subsidiaries	(7,111)	(11,484)
Non-cash financing activities		
Movement in inter-company debtors	7,111	11,484
Dividends paid	(879)	-

In 2017 the acquisition of a holding in the associate undertaking, Tenet Group Limited, from a fellow group undertaking, was transacted through inter company account. The 2016 transaction relates to the acquisition of a subsidiary company from a fellow group undertaking which was similarly transacted through inter-company account.

On 12 May 2017, a final dividend in respect of 2016 of £1,169 million was paid to Aviva Group Holdings Limited. Of this, £879,000 is excluded from the statement of cash flows as the payment was transacted through inter company account. Dividend income received from subsidiary undertakings of the same amount was also transacted through inter company account.

(b) Cash and cash equivalents in the statement of cash flows at 31 December comprised:

	2017 £'000	2016 £'000
Cash at bank and in hand	18,922	21,943

20. Capital

In managing its capital, the Company seeks to:

- Match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- Maintain sufficient, but not excessive, financial strength to support new business growth;
- Retain financial flexibility by maintaining liquidity; and
- Allocate capital efficiently to support growth and repatriate excess capital where appropriate.

The Company is not a regulated entity and hence not subject to any regulatory capital requirements.

The Company mostly considers the traditional sources of capital funding, including loans and capital injections from its parent company. The analysis below sets out the Company's capital resources available to meet its liabilities.

	2017 £'000	2016 £'000
Total equity and available capital resources	9,643,149	10,967,435

The Company also complies with Group mandated Capital Management Risk Standards, which include the setting of risk appetites which are designed to give some buffer against adverse events when compared with minimum solvency. These appetites define what action should be taken by management where the actual capital level is above or below the desired target level. Further details on risk and capital management are given in note 21.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

21. Risk management

(a) Risk management framework

The ultimate parent company, Aviva plc, and its subsidiaries, joint ventures and associates (collectively known as "the Group") operate a risk management framework ("RMF"), which forms an integral part of the management and board processes and decision-making framework across the Group. The key elements of our risk management framework comprise risk strategy and risk appetite, risk policy categorisation, enterprise-wide approach to managing risk, including how to identify, measure, manage, monitor and report risks, and risk governance and oversight (including boards and board committees, risk policies and business standards, delegated authorities and management committees, and roles and responsibilities). The Group's approach to risk management ensures that significant existing or emerging risks are actively identified, measured, managed, monitored and reported on a continuous basis. The RMF has been adopted by the boards of the legal entities within the business collectively referred to as "UK Life" (including this Company).

For the purposes of risk identification and measurement, risks are usually grouped by risk type: market, credit, life insurance, liquidity and operational risk. Risks falling within these types may affect a number of key metrics, including those relating to balance sheet strength, liquidity and profit. They may also affect the performance of the products that the Company delivers to customers and the service to customers and distributors, which can be categorised as risks to our brand and reputation or as conduct risk.

Risk models are an important tool in the Company's measurement of risk and are used to support the monitoring and reporting of the risk profile and in the consideration of the risk management actions available. The Company carries out a range of stress (where one risk factor, such as equity returns, is assumed to vary) and scenario (where combinations of risk factors are assumed to vary) tests to evaluate their impact on the business and the management actions available to respond to the conditions envisaged. Board oversight of risk and risk management across the Group is maintained on a regular basis through its Risk Committee.

The Board has overall responsibility for determining risk appetite, which is an expression of the risk it is willing to take. The Group's position against risk appetite is monitored and reported to the Board on a regular basis. A similar arrangement prevails at the UK Life business level.

UK Life sets limits to manage material risks to ensure the risks stay within risk tolerance (the desired or upper bound on the level of risk that UK Life will take in pursuit of its purpose and strategy). UK Life assesses the size and scale of a risk by considering how likely it is that the risk will materialise and the potential impact the risk could have on its business and its stakeholders. Where risks are outside of tolerance, actions are agreed to bring the risks within tolerance. Impact assessments are considered against financial, operational and reputational criteria and take into account underlying factors such as economic conditions, for example, UK economic growth and inflation.

UK Life has an established governance framework, which has the following key elements:

- defined terms of reference for the legal entity boards and the associated board committees within the UK Life business, including the Risk Committee, Conduct Committee, Audit Committee, Investment Committee, With Profits Committee and Independent Governance Committee.
- a clear organisational structure with documented delegated authorities and responsibilities from the legal entity boards to CEOs and senior management. Often the senior management are assisted in discharging their delegated authority through the discussions at management committees (for example the Executive Committee, Operational Risk and Conduct Committee and Asset Liability Committee);
- adoption of the Group policy framework that defines risk appetite measures and sets out risk management and control standards for the Group's worldwide operations. The risk policies and associated business standards also set out the roles and responsibilities of Group, Businesses, Policy and Standard Owners, and Board and Management Committees.

UK Life operates within a three lines of defence risk management model that encourages close working relationships between line management and the risk function whilst facilitating independent assurance by internal audit, and the roles of the three lines of defence each contribute to embedded risk management:

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

- First line of defence (Management): Primary responsibility for risk identification, measurement, management, monitoring and reporting lies with management. The first-line management is responsible for the implementation and practice of risk management.
- Second line of defence (Risk function): Responsibility for reviewing and challenging the completeness and accuracy of risk identification, measurement, management, monitoring and reporting, and the adequacy of, and progress against, mitigation plans lies with the Risk function. This necessitates the early involvement by management of the risk function in key business decisions or projects, both in relation to customer and shareholder risks. The Risk function is responsible for overseeing the effective operation of the Risk Management Framework, particularly in relation to setting Risk Appetite and compliance with Solvency II requirements.
- Third line of defence (Internal Audit function): Responsibility for assessing and reporting (to group and business unit audit, risk and governance committees, as appropriate) on the effectiveness of the design and operation of the framework of controls which enable risk to be assessed and managed lies with Internal Audit.

The Regulators also require UK Life to assess its economic capital requirements to ensure that it adequately reflects the risks facing the business. UK Life has accordingly developed economic capital models that support the measurement, comparison and further understanding of its risks. The results of the modelling are incorporated into key strategic planning and decision-making processes. These models show the relative impact to economic capital from the risks faced. In turn this supports the assessment of appropriate and effective mitigating strategies where risks are outside of appetite.

Regulatory impact on risk and risk assessments

Where UK Life has written products where the majority of investment risks are borne by its policyholders, these risks are actively and prudently managed in order to satisfy the policyholders' risk and reward objectives. In addition, the insurance operations are subject to numerous regulatory requirements that prescribe the type, quality, and concentration of investments, and the level of assets to be maintained in order to meet insurance liabilities. Meeting these requirements helps to ensure the Company's market risk is maintained at an acceptable level.

(b) Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and property prices. Market risk arises within UK Life due to fluctuations in the relationship between the values of the liabilities and the value of investments held, as a result of movements in market prices.

The Company is exposed to fair value movements on its investments in subsidiaries. The fair value will fluctuate as the underlying assets, including the value of in-force business where appropriate, and liabilities held by the companies within UK Life change.

For each of the major components of market risk, described in more detail below, UK Life has put in place additional policies and procedures to set out how each risk should be managed and monitored, and the approach to setting an appropriate risk appetite. UK Life manages market risks within the asset/liability management ("ALM") framework and within regulatory constraints. UK Life is also constrained by the requirement to meet policyholders' reasonable expectations and to minimise or avoid market risk in a number of areas.

The financial impact of market risk is examined through stress tests on the capital position under Solvency II (SII), which considers the impact on Economic Capital from variations in financial circumstances on either a remote scenario or to changes from the central operating scenario. Management actions that may be taken in mitigation of the change in circumstances are also considered.

UK Life's market risk policy sets out the minimum principles and framework for setting an ALM and investment strategy, the approaches to be taken when liabilities cannot be matched and the monitoring and reporting processes that are required. UK Life applies appropriate matching techniques to assets and liabilities for all classes of business in order to manage the financial risk from the mismatching of assets and liabilities when investment markets change. UK Life monitors adherence to this policy through the Asset & Liability Committee ("ALCO").

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Certain policyholder participation features contribute to the market risk of UK Life. The major features include guaranteed surrender values, guaranteed annuity options, and minimum surrender and maturity values.

(i) Equity risk

UK Life is subject to equity risk from equity market dynamics due to both price and index movements and changes in volatility and correlation. The underlying companies are exposed to direct equity holdings in shareholder assets; to indirect impact of changes in the value of equities held in policyholder funds from which management charges or a share of performance are taken; and to its interest in the free assets of long-term funds.

Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements where this lies outside the risk appetite of the fund concerned. UK Life holds diversified portfolios of assets, thereby reducing exposure to individual equities.

UK Life actively models the performance of equities through the use of stochastic models, in particular to understand the impact of equity performance on guarantees, options and bonus rates.

In the principal with-profits funds, a dynamic hedging strategy is in place, which aims to protect the surplus within the funds from adverse changes in assets values, in particular equities and properties.

UK Life actively monitors its directly owned equity assets, including subsidiary investments and shareholdings in strategic business partners, with regular management information presented to the Board Investment Committee. The principal subsidiaries are shown in note 8 and are valued on a fair value basis. The fair values will fluctuate as the underlying assets and liabilities held by the subsidiaries, including the in-force business where applicable, change in value.

(ii) Property risk

UK Life is subject to property risk due to holdings of investment properties. The investment in property is managed and is subject to liquidity requirements and the expectations of policyholders. The financial impact from changes in property values is examined through stress tests adopted for SII reporting.

(iii) Interest rate risk

Interest rate risk arises primarily from UK Life's nominal and real yield curve exposure within both assets and liabilities. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values can become higher than the value of backing assets when interest rates rise or fall.

UK Life manages this risk by adopting asset liability matching techniques to minimise the impact of mismatches between the value of assets and liabilities from interest rate movements. However, where any mismatch is within UK Life's risk appetite, the impact is monitored through economic capital measures such as SII.

Interest rate risk is also managed using a variety of derivative instruments, including futures, options and swaps, in order to provide a degree of hedging against unfavourable market movements in interest rates inherent in the assets backing technical liabilities. Swaps have been put in place to improve the overall matching of asset and liability cash flows.

(iv) Inflation risk

Inflation risk arises primarily from UK Life's exposure to expense inflation within the UK annuity portfolio. Increases in long-term inflation expectations are closely linked to long-term interest rates and so are frequently considered with interest rate risk. Exposure to inflation risk is monitored through economic capital modelling, sensitivity testing and stress and scenario testing.

UK Life typically manages inflation risk through its investment strategy and, in particular, by investing in inflation linked securities and through a variety of derivative instruments, including inflation linked swaps.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

(v) Currency risk

UK Life has minimal exposure to currency risk from financial instruments held in currencies other than sterling, as nearly all such holdings are backing either unit-linked or with-profit contract liabilities or hedging.

(vi) Derivative risk

Derivatives are used to a limited extent, within policy guidelines agreed by the Board of Directors and overseen by Group Financial Risk which monitors implementation of the policy, exposure levels and supports large or complex transactions.

Derivatives are used for efficient investment management, risk hedging purposes or to structure specific retail-savings products. Derivative transactions are materially covered by either cash or corresponding assets and liabilities. Speculative activity is prohibited. Over the counter derivative contracts are entered into only with approved counterparties, in accordance with UK Life's policies, thereby reducing the risk of credit loss. UK Life applies strict requirements to the administration and valuation processes it uses, and has a control framework that is consistent with market and industry practice for the activity that is undertaken.

(vii) Correlation risk

Interdependencies between risks are taken into consideration in SII through the aggregation of the stress tests. Stress and Scenario testing also considers scenarios involving a number of correlated events.

(c) Credit risk

Credit risk is the risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Company's management of credit risk under the oversight of ALCO, includes the articulation of risk appetite, exposure limit frameworks and investment and lending criteria within credit risk policies and management agreements.

The nature of the Company's business means that it is not exposed to significant credit risk. This is because its receivables are mainly inter-company balances. A significant amount of business relates to the Aviva Group of companies and exposure is managed through regular and timely payments. At the balance sheet date there are no material financial assets subject to credit risk that are past due or impaired.

No collateral is held against loan balances.

Reinsurance credit exposures

UK Life is exposed to concentrations of risk with individual reinsurers, due to the nature of the reinsurance market. UK Life places reinsurance with those reinsurers that have acceptable credit ratings. It operates a policy to manage its reinsurance counterparty exposures and the impact from reinsurer default is measured regularly, in particular through SII tests, and is managed accordingly.

Derivative credit exposures

UK Life is exposed to counterparty credit risk through derivative trades. This risk is mitigated through collateralising almost all trades (the exception being certain FX trades where it has historically been the market norm not to collateralise). UK Life operates strict standards around collateral management and controls including the requirement that all "over the counter" derivatives are supported by credit support annexes and ISDAs.

(d) Life insurance risk

(i) Type of risk

Life insurance risk includes mortality risk, morbidity risk, longevity risk, persistency risk, expense risk (including commissions) and policyholder behaviour risk around take-up of insurance guarantees and options.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

(ii) Risk management

UK Life has developed a policy for the management of life insurance risk and guidelines for the practical application of key areas of life insurance practice. The impact of life insurance risk is monitored by UK Life as part of the control cycle of business management. Exposure is monitored through the assessment of liabilities, the asset liability management framework, operation of a deals governance framework that includes economic capital assessments of insurance risk-related deals, profit reporting under IFRS, Stress & Scenario analysis, and the Internal Model process.

Mortality and morbidity risks are mitigated by use of reinsurance. UK Life assesses the risk exposures and monitors the aggregation of risk ceded to individual reinsurers.

Longevity risk is carefully monitored against the latest internal and external industry data and emerging trends.

Persistency risk is managed through frequent monitoring of UK Life experience, benchmarked against expectations. Where possible the financial impact of lapses is reduced through appropriate product design and risk management actions.

Expense risk is primarily managed through the assessment of profitability and frequent monitoring of expense levels.

In addition to economic capital modelling and Stress & Scenario analysis, SII reporting uses sensitivity testing to measure the impact on the SII closing balance sheet due to exposure to life insurance risks. This enables UK Life to determine whether action is required to reduce risk, or whether that risk is within the overall risk appetite.

(iii) Concentration risk

UK Life writes a diverse mix of business that is subject to similar risks (mortality, persistency etc). It assesses the relative costs and concentrations of each type of risk through the Internal Model. This analysis enables UK Life to assess whether accumulations of risk exceed risk appetite.

The main concentrations of insurance risk for UK Life are persistency, mortality, morbidity and longevity. It continually monitors these risks and the opportunities for mitigating actions through reinsurance, improved asset liability matching, or innovative solutions that emerge in the market. Internal Model analysis help identify both concentrations of risk types and the benefits of diversification of risk.

(iv) Embedded derivatives within insurance contracts

UK Life has exposure to a variety of embedded derivatives within its long-term savings business due to product features offering varying degrees of guaranteed benefits at maturity or on early surrender, along with options to convert their benefits into different products on pre-agreed terms. Examples of each type of embedded derivative affecting UK Life are:

Options: call, put, surrender and maturity options, guaranteed annuity options, option to cease premium payment, options for withdrawals free of market value adjustment, annuity option, guaranteed insurability options;

Guarantees: embedded floor (guaranteed return), maturity guarantee, guaranteed death benefit, guaranteed minimum rate of annuity payment;

Other: indexed interest or principal payments, maturity value, loyalty bonus.

The impact of these is reflected in the economic capital model reporting and managed as a part of the asset liability framework.

(e) Liquidity risk

The nature of the business means that the Company is not exposed to significant liquidity risk. ALCO seeks to determine that the Company has sufficient financial resources to meet its obligations as they fall due.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

The following table provides an analysis of liabilities based on the remaining period at the statement of financial position date to their contractual maturity. Contractual undiscounted cash flows of these borrowings are shown below. The figures include contractual interest payments and so do not agree directly to the carrying amounts shown on the statement of financial position.

	Within 1 year £'000	1-5 years £'000	Over 5 years £'000	No contractual maturity £'000	2017 Total £'000
Liabilities					
Borrowings	5,255	260,277	-	-	265,532
Payables and other financial liabilities	-	-	-	125,356	125,356
	Within 1 year £'000	1-5 years £'000	Over 5 years £'000	No contractual maturity £'000	2016 Total £'000
Liabilities					
Borrowings	4,713	263,823	-	-	268,536
Payables and other financial liabilities	-	-	-	120,939	120,939

The borrowings and payables and other financial liabilities figures include £125,356,000 (2016: £120,939,000) which has no contractual maturity, as it primarily relates to amounts owed to group undertakings. It is estimated that £32,455,000 of this will be payable within one year (2016: £27,779,000).

The undiscounted value of borrowings without a contractual maturity is £nil (2016: £nil). The undiscounted value of the payables and other financial liabilities without a contractual maturity is £125,356,000 (2016: £120,939,000). Further information on borrowings is included in note 17.

(f) Risk and capital management

UK Life uses a number of sensitivity test-based risk management tools to understand the volatility of earnings, the volatility of its capital requirements, and to manage its capital more efficiently. Primarily Stress & Scenario analysis and Internal Model are used. Sensitivities to economic and operating experience are regularly produced on all of UK Life's financial performance measurements to inform the decision making and planning processes, and as part of the framework for identifying and quantifying the risks to which UK Life is exposed.

Some results of sensitivity testing for long-term business are set out below. For each sensitivity test the impact of a change in a single factor is shown, with other assumptions left unchanged.

Sensitivity Factor	Description of sensitivity factor applied
Interest rate and investment return	The impact of a change in market interest rates by +/- 1% (e.g. if a current interest rate is 5%, the impact of an immediate change to 4% and 6%). The test allows consistently for similar changes to investment returns and movements in the market value of fixed interest securities.
Expenses	The impact of an increase in maintenance expenses by 10%.
Equity/property market values	The impact of a change in equity/property market values by +/- 10%.
Assurance and annuitant mortality/morbidity	The impact of a decrease/increase in mortality/morbidity rates for assurance and annuitant contracts by 5%.
Credit spreads	The impact of an increase of 0.5% in credit spreads.

The above sensitivity factors are applied using actuarial and statistical models, with the following pre-tax impacts on profit and shareholders' equity at 31 December:

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Impact on UK Life profit before tax and shareholders' equity before tax

	Interest rates +1 % £m	Interest rates -1 % £m	Equity/ property +10 % £m	Equity/ property -10 % £m	Assurance mortality +5 % £m	Annuitant mortality -5 % £m	Credit Spreads +0.5 % £m
2017	(403)	446	(142)	68	(79)	(583)	(532)
2016	(172)	102	(32)	126	(61)	(605)	(446)

Limitations of sensitivity analysis

The above table demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, such an occurrence is remote, due to correlations between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that UK Life's assets and liabilities are actively managed and may be different at the time that any actual market movement occurs. Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent UK Life's view of possible near-term market changes that cannot be predicted with any certainty, and the assumption that all interest rates move in an identical fashion.

22. Related party transactions

(a) The members of the Board of Directors are listed on page 1 of these financial statements.

(b) Income receivable from related parties

During the year, the Company received dividend income of £1,550,000,000 (2016: £931,000,000) from its subsidiaries.

During the year, the Company received interest of £5,433,000 (2016: £5,034,000) from subsidiaries and £nil (2016: £nil) from parent.

Loans receivable at year end are due from the following:

	2017 £'000	2016 £'000
Subsidiaries	200,000	200,000

Other amounts receivable at year end are due from the following:

	2017 £'000	2016 £'000
Subsidiaries	68	67
Fellow group undertakings	-	20,549
	68	20,616

The related parties' receivables are not secured and no guarantees were received in respect thereof. No provision or expense has been recognised during the year in respect of bad and doubtful debts (2016: £nil).

(c) Services provided by related parties

Under a management agreement, UKLS supplies and makes charges for the provision of operational assets and staff to the Company. The agreement specifies the amounts payable to UKLS in respect of these expenses, which were £46,000 (2016: £45,000).

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

During the year the Company paid interest of £5,321,000 (2016: £5,910,000) to its parent and £38,000 (2016: £nil) to its subsidiaries.

Loans payable at year end are due to the following:

	2017 £'000	2016 £'000
Subsidiary undertakings	275,000	250,000

Other amounts payable at year end are due to the following:

	2017 £'000	2016 £'000
Subsidiary undertakings	121,632	120,876
Fellow group undertakings	3,723	-
	125,355	120,876

The related parties' payables are not secured and no guarantees were received in respect thereof.

(d) Key management compensation

No charge is disclosed by the Company for key management personnel as they are key management of a number of fellow subsidiary undertakings and it is not possible to make an accurate apportionment of their compensation in respect of each of the individual subsidiary undertakings.

(e) Ultimate parent undertaking and controlling party

The immediate parent undertaking is Aviva Group Holdings Limited, a company incorporated in England.

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in England.

Aviva plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2017. The consolidated financial statements of Aviva plc are available on www.aviva.com or by application to the Group Company Secretary, Aviva plc, St. Helen's, 1 Undershaft, London EC3P 3DQ.

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Appendix A - INVESTMENTS IN GROUP UNDERTAKINGS AND PARTICIPATING INTERESTS

Direct related undertakings of the Company as at 31 December 2017 are listed below:

Held directly by the Company	Registered Office	Nature of business	Incorporated in	Class of shares	% owned by UKLH
Friends Life FPG Limited	Pixham End Dorking Surrey RH4 1QA	Holding Company	England and Wales	£0.05 Deferred	100%
Aviva Investment Solutions UK Limited	Pixham End Dorking Surrey RH4 1QA	Holding Company	England and Wales	£0.05 Ordinary £1.00 Ordinary shares	100%
CGNU Life Assurance Limited	Aviva Wellington Row York YO90 1WR	Dormant	England and Wales	£100.00 Ordinary shares	100%
Peak Re Designated Activity Company	One Park Place Hatch Street Dublin 2	Reinsurance Company	Ireland	£1.00 Ordinary €1.27 Ordinary	100% 100%
Commercial Union Life Assurance Company Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant	England and Wales	£1.00 Ordinary shares	100%
Aviva Wrap UK Limited	Aviva Wellington Row York YO90 1WR	Customer investment	England and Wales	£1.00 Ordinary shares	100%
Aviva Trustees UK Limited	Aviva Wellington Row York YO90 1WR	Activities auxiliary to insurance and pension funding	England and Wales	£1.00 Ordinary shares	100%
Aviva Life Services UK Limited	Aviva Wellington Row York YO90 1WR	Business support services	England and Wales	£1.00 Ordinary shares	100%
Aviva Life & Pensions UK Limited	Aviva Wellington Row York YO90 1WR	Life Insurance	England and Wales	£1.00 Ordinary shares	100%
Undershaft (NULLA) Limited	Aviva Wellington Row York YO90 1WR	Dormant	England and Wales	£1.00 Ordinary shares	100%
Tenet Group Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£0.0001 B Ordinary	25.2%
AvivaUK Digital Limited	St. Helen's Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	9.524%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Indirect related undertakings of the Company as at 31 December 2017 are listed below:

Held indirectly by the Company	Registered Office	Nature of business	Incorporated in	Class of shares	% owned by subsidiary
Anna Livia Properties Limited	25/28 North Wall Quay Dublin 1 Ireland	Investment and development of property	Ireland	€1.00 Ordinary shares	100%
Aviva (Peak No.1) UK Limited	Pitheavlis Perth PH2 0NH	Dormant Company	Scotland	£1.00 Ordinary shares	100%
Aviva (Peak No.2) UK Limited	Aviva Wellington Row York YO90 1WR	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Annuity UK Limited	Aviva Wellington Row York YO90 1WR	Pension Funding	England and Wales	£1.00 Ordinary shares	100%
Aviva Equity Release UK Limited	Aviva Wellington Row York YO90 1WR	Financial intermediation	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors European Renewable Energy S.A	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610 Luxembourg	Operating Company	Luxembourg	€1.00 Ordinary shares	100%
Aviva Investors Property Fund Management Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Pension Trustees UK Limited	Aviva Wellington Row York YO90 1WR	Financial intermediation	England and Wales	£1.00 Ordinary shares	100%
Aviva Undershaft Four Limited	One Park Place Hatch Street Dublin 2	Dormant Company	Ireland	€1.25 Ordinary shares	100%
Barwell Business Park Nominee Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Centaurus CER (Aviva Investors) Sarl	47 Avenue John F. Kennedy L - 1855 Luxembourg	Operating Company	Luxembourg	€100.00 Ordinary shares	100%
Cornerford Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant Company	England and Wales	£1.00 A Ordinary £1.00 B Ordinary £1.00 Preference	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

EBISU Investments Limited	1020 Eskdale Road Winnersh Wokingham RG41 5TS United Kingdom	In liquidation	England and Wales	£1.00 Ordinary shares	100%
EPI NU Societe a responsabilite limitee	47 Avenue John F. Kennedy L - 1855 Luxembourg	Dormant Company	Luxembourg	€25.00 Ordinary shares	100%
GA Life Property Ireland Limited	25/28 North Wall Quay Dublin 1 Ireland	In liquidation	Ireland	€1.27 Ordinary shares	100%
Goodman European Business Park Fund (Lux) Sarl	47 Avenue John F. Kennedy L - 1855 Luxembourg	Operating Company	Luxembourg	€25.00 Ordinary	42.3%
Hemel Hempstead Estate Management Limited	St Helen's 1 Undershaft London EC3P 3DQ	Management of real estate	England and Wales	£1.00 Ordinary shares	100%
Hexagone Sarl	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610 Luxembourg	Operating Company	Luxembourg	€25.00 Ordinary	100%
Hillswood Management Limited	Shakespeare House 42 Newmarket Road Cambridge CB5 8EP	Development of building projects	England and Wales	£0.10 A Ordinary £0.10 B Ordinary	0% of A Ordinary 23.5% of B Shares
Lancashire and Yorkshire Reversionary Interest Company Limited	Aviva Wellington Row York YO90 1WR	Life insurance	England and Wales	£9.25 Ordinary shares	100%
Matthew Parker Street (Nominee no 1) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Matthew Parker Street (Nominee no 2) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Norwich Union (Shareholder GP) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Holding Company	England and Wales	£1.00 Ordinary shares	100%
Norwich Union Life Insurance Company Limited	Aviva Wellington Row York YO90 1WR	Dormant Company	England and Wales	£1.00 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Origo Services Limited	7 Lochside View Edinburgh EH12 9DH United Kingdom	Operating Company	Scotland	£1.00 Ordinary shares	21.6%
Quarryvale One Limited	St Helen's 1 Undershaft London EC3P 3DQ	Development of building projects	England and Wales	£1.00 Ordinary shares	100%
Swan Valley Management Limited	St Helen's 1 Undershaft London EC3P 3DQ	Management of real estate	England and Wales	£1.00 A Ordinary £1.00 B Ordinary	100% (A Ordinary Shares) 0% (B Ordinary Shares)
Synergy Sunrise (Sentinel House) Limited	Aviva Wellington Row York YO90 1WR	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Tenet Group Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£0.0001 B Ordinary	24.4%
Victor Hugo 1 Sarl	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610	Operating Company	Luxembourg	€25.00 Ordinary	100%
10-11 GNS LIMITED	Luxembourg St Helen's 1 Undershaft London EC3P 3DQ	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Aviva (Hayes Road) Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva ERFA 15 UK Limited	Aviva Wellington Row York YO90 1WR	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva UKLAP De-Risking Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Dormant	England and Wales	£1.00 Ordinary shares	100%
AXA UK Infrastructure SAS	20 Place Vendome Paris 75001 France	Operating	France	€1.00 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
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F&C Commercial Property Trust Limited	PO Box 255 Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL, Guernsey	Operating	Guernsey	£0.01 Ordinary Shares	20.65%
FPB Holdings GmbH	c/o WSWP Weinert GmbH Theatinerstr. 31 80333 Munich Germany	Operating	Germany	€1.00 A Ordinary €1.00 B Ordinary	100%
FPPE Fund Public Limited Company	Georges Court 54-62 Townsend Street Dublin 2 Ireland	Operating	Ireland	€1.00 Shares of No Par Value €1.00 Subscriber Shares	100%
Friends AELLAS Limited	Pixham End Dorking Surrey RH4 1QA United Kingdom	Dormant	England	£0.01 Ordinary	100%
Friends AELRIS Limited	Pixham End Dorking Surrey RH4 1QA United Kingdom	Operating	England	£1.00 Ordinary Shares	100%
Friends SL Nominees Limited	Pixham End Dorking Surrey RH4 1QA United Kingdom	Dormant	England	£1.00 Ordinary Shares	100%
Hengrove Park Bristol (Phase 2) Management Company Limited	Pixham End Dorking Surrey RH4 1QA United Kingdom	Dormant	England	£1.00 Ordinary Shares	100%
UKP Holdings Inc.	2711 Centreville Road Suite 400 Wilmington New Castle Delaware 19808 USA	Operating	United States	\$1.00 Common Stock \$100.00 Non Cumulative Preferred Stock	100%
Suntrust Limited	Pixham End Dorking Surrey RH4 1QA United Kingdom	Operating	England	£1.00 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Winslade Investments Inc	Cogency Global Inc. 850 New Burton Road Suite 201 Dover Delaware Kent County 19904, USA	Operating	United States	US\$ Common Stock	100% 75.8%
				US\$ A Preference	0%
Yatra Capital	C/O Citco Jersey Limited Second Floor No. 4 The Forum Grenville Street St Helier JE2 4UF Jersey	Operating	Jersey	US\$ B Preference Ordinary - No par value	27.27%
Cannock Consortium LLP	Nations House 3rd Floor 103 Wigmore Street London W2U 1WH United Kingdom	Operating	England and Wales	N/A (Limited Liability Partnership)	42%
AIEREF Holding 1	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610 Luxembourg	Operating Company	Luxembourg	€1.00 Ordinary shares	100%
AIEREF Holding 2	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610 Luxembourg	Operating Company	Luxembourg	€1.00 Ordinary shares	100%
AIEREF Renewable Energy SRO	5/482 Ve Svahu Prague 4 147 00 Czech Republic	Operating Company	Czech Republic	CZK1.00 Ordinary shares	100%
Eólica Almatret S.L.	1D, 13 Edificio América Av. de Bruselas, 28108, Alcobendas (Madrid), Spain	Operating Company	Spain	€2861.9427 Ordinary shares	50%
GEBPF Marseille (France) Sarl	62 Rue de la Chaussee d'Antin 75009 Paris France	Operating Company	France	€1.00 Ordinary shares	100%
Vauban Developpement Sarl	62 Rue de la Chaussee d'Antin 75009 Paris France	Operation Company	France	€50.00 Ordinary	42.3%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

AFRP Sarl	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610	Operating Company	Luxembourg	€25.00 Ordinary	100%
Sapphire Ile de France 1 Sarl	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610	Operating Company	Luxembourg	€25.00 Ordinary	100%
Sapphire Ile de France 2 Sarl	16, Avenue de la Gare Luxembourg Grand duchy of Luxembourg L-1610	Operating Company	Luxembourg	€25.00 Ordinary	100%
Sapphire Ile de France SCI	24 - 26 rue de la Pepiniere 75008 Paris France	Operating Company	France	€1.23 Ordinary	100%
Quarryvale Three Limited	St Helen's 1 Undershaft London EC3P 3DQ	Development of building project	England and Wales	£1.00 Ordinary shares	100%
Reschop Carre Hattingen GmbH	Thurn-und-Taxis-Platz 6 60313 Frankfurt am Main Germany	Operating Company	Germany	€0.00 Ordinary	95%
Reschop Carre Marketing GmbH	Thurn-und-Taxis-Platz 6 60313 Frankfurt am Main Germany	Operating Company	Germany	€1.00 Ordinary	100%
20 Gracechurch (General Partner) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1 A Ordinary £1 B Ordinary	100% 100%
2-10 Mortimer Street GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1 B Ordinary	100% (overall ownership 50%)
Apia Regional Office Fund (General Partner) Limited <i>Dissolved 04/01/2018</i>	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company <i>Dissolved 04/01/2018</i>	England and Wales	£1 A Ordinary	100% (overall ownership 50%)
Ascot Real Estate Investments GP LLP	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	N/A	50%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Aviva Investors (FP) Limited	Pitheavlis Perth PH2 0NH	Dormant	Scotland	£1.00 Ordinary shares	100%
Aviva Investors (GP) Scotland Limited	Pitheavlis Perth PH2 0NH	Operating Company	Scotland	£1.00 Ordinary shares	100%
Aviva Investors Commercial Assets GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors EBC GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors Ground Rent GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors Infrastructure GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors Polish Retail GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors Social Housing GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors UK Real Estate Recovery (General Partner) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Aviva Special PFI GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Cardiff Bay GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant	England and Wales	£1.00 Ordinary shares	100%
Designer Retail Outlet Centres (General Partner) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant	England and Wales	£1 A Ordinary	100% (overall ownership 50%)
Gobafoss General Partner Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Igloo Regeneration (General Partner) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating	England and Wales	£1 A Ordinary	100% (overall ownership 50%)
Lime Property Fund (General Partner) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

New Oxford Street (General Partner) Limited <i>Dissolved</i> <u>03/01/2018</u>	St Helen's 1 Undershaft London EC3P 3DQ	Dormant <i>Dissolved</i> <u>03/01/2018</u>	England and Wales	£1.00 Ordinary shares	100%
NUPPP (GP) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Paddington Central III (GP) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1 A Ordinary £1 B Ordinary	100% 100%
Quantum Property Partnership (General Partner) Limited	180 Great Portland Street London England W1W 5QZ	Operating Company	England and Wales	£1.00 Ordinary shares	50%
Rugby Radio Station (General Partner) Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1 B Ordinary	100% (overall ownership 50%)
Serviced Offices UK GP Limited	St Helen's 1 Undershaft London EC3P 3DQ	Dormant	England and Wales	£1 A Ordinary	100% (overall ownership 50%)
Southgate General Partner Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1 A Ordinary	100% (overall ownership 50%)
SUE GP LLP	St Helen's 1 Undershaft London EC3P 3DQ	Dormant	England and Wales	N/A	50%
The Designer Retail Outlet Centres (Livingston) General Partner Limited	St Helen's 1 Undershaft London EC3P 3DQ	In Liquidation	England and Wales	£1.00 Ordinary shares	100%
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
The Designer Retail Outlet Centres (York) General Partner Limited	St Helen's 1 Undershaft London EC3P 3DQ	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Tenet Business Solutions Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Tenet Client Services Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
Tenet Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
Aspire Financial Management Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
Living in Retirement Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Active non-trading	England and Wales	£1.00 Ordinary shares	24.4%
Paragon Insurance Company Guernsey Limited	St Martin's House Le Bordage St Peter Port	Operating Company	Guernsey	£1 Ordinary Shares	24.4%
Sinfonia Asset Management Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£0.0001 Ordinary shares	24.4%
Tenet Financial Solutions Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
Tenet Financial Services Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1 A Ordinary £1 Redeemable Ordinary	34.64% 100% (overall combined 18.1%)
Tenet Platform Services Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
TenetConnect Services Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
TenetConnect Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
TenetLime Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

TenetSelect Limited	5 Lister Hill Horsforth Leeds West Yorkshire LS18 5AZ	Operating Company	England and Wales	£1.00 Ordinary shares	24.4%
Serviced Offices UK (Services) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Serviced Offices UK Nominee Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Quantum Property Partnership (Nominee) Limited	180 Great Portland Street London England W1W 5QZ	Dormant	England and Wales	£1 Ordinary shares	50%
BMG (Livingston) General Partner Limited Dissolved 04/01/2018	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant Dissolved 04/01/2018	England and Wales	£1 Ordinary shares	50%
BMG (Mansfield) General Partner Limited Dissolved 03/01/2018	1020 Eskdale Road Winnersh Wokingham RG41 5TS United Kingdom	Dormant Dissolved 03/01/2018	England and Wales	£1 Ordinary shares	50%
BMG (York) General Partner Limited Dissolved 04/01/2018	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Dormant Dissolved 04/01/2018	England and Wales	£1 Ordinary shares	50%
Igloo Regeneration Developments (General Partner) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Igloo Regeneration Developments (Nominees) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Blueprint (General Partner) Limited	FIRST FLOOR OFFICE SUITE, 48-50 ST MARYS GATE, LACE MARKET, NOTTINGHAM, NG1 1QA	Operating	England and Wales	£1 B Ordinary	100% (overall ownership 25%)
Blueprint (Nominees) Limited	FIRST FLOOR OFFICE SUITE, 48-50 ST MARYS GATE, LACE MARKET, NOTTINGHAM, NG1 1QA	Dormant	England and Wales	£1 Ordinary shares	25%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

400 Caledonian Road Management Company Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	50%
Porth Teigr Management Company Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 B Ordinary	50%
Carillion-Igloo Limited	Carillion House, 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom	Operating	England and Wales	£1 Ordinary shares	25%
Maling Street Management Company Limited	Cheviot House Beaminster Way East Newcastle Upon Tyne NE3 2ER United Kingdom	Operating	England and Wales	£1 Ordinary shares	25%
Carillion-Igloo Nominees Limited	Carillion House, 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	25%
BIGG Regeneration (General Partner) Limited	SCOTTISH CANALS CANAL HOUSE, 1 APPLECROSS STREET, GLASGOW, G4 9SP, United Kingdom	Operating	Scotland	£1 A Ordinary	100% (overall ownership 25%)
Igloo Regeneration (Nominee) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Igloo Regeneration (Butcher Street) Limited	St Helen's 1 Undershaft LONDON, EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Aviva Investors Polish Retail Sarl	16 Avenue de la Gare, Luxembourg, 1610, Luxembourg	Operating	Luxembourg	€100 Ordinary Shares	100%
Focus Mall Zielona Gora Sp. Z.o.o	A1., Jana Pawla II 25, Warsaw, Poland	Operating	Poland	PLZ50 Ordinary Shares	100%
Focus Park Piotrkow Trybunalski Sp.Zo.o	A1., Jana Pawla II 25, Warsaw, Poland	Operating	Poland	PLZ500 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Lime Property Fund (Nominee) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	100%
Tyne Assets Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	100%
Tyne Assets (No. 2) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	100%
Rugby Radio Station (Nominee) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Southgate LP (Nominee 1) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Southgate LP (Nominee 2) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Aviva Investors Social Housing Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	Company Limited by Guarantee	N/A
Sue GP Nominee Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Aviva Investors EBC Sarl	16 Avenue de la Gare, Luxembourg, 1610, Luxembourg	Operating	Luxembourg	€125 A Ordinary €125 B Ordinary €125 C Ordinary €125 D Ordinary €125 E Ordinary €125 F Ordinary €125 G Ordinary €125 H Ordinary €125 I Ordinary €125 J Ordinary PLZ50 Ordinary Shares	100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%
Wroclaw B.C. Sp.zoo	Al Jana Pawla II 25, 00-854, Warsaw, Poland	Operating	Poland	PLZ50 Ordinary Shares	100%
Lodz B.C. Sp.zoo	A1., Jana Pawla II 25, Warsaw, Poland	Operating	Poland	PLZ50 Ordinary Shares	100%
Aviva Investors Ground Rent Holdco Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV1 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV2 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£0.10 Ordinary shares	100%
Aviva Investors GR SPV3 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£0.10 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Aviva Investors GR SPV4 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV5 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV6 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV7 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV 8 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV9 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors GR SPV 10 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£0.10 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Aviva Investors GR SPV11 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£0.10 Ordinary shares	100%
Aviva Investors GR SPV12 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors GR SPV13 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors GR SPV 14 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors GR SPV15 Limited	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1.00 Ordinary shares	100%
Aviva Investors GR SPV16 Limited	Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom	Operating	England and Wales	£1.00 Ordinary shares	100%
Mortimer Street Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Fitzroy Place Residential Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	50%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Mortimer Street Associated Co 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Mortimer Street Associated Co 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Fitzroy Place Management Co Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
2-10 Mortimer Street (GP No.1) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	50%
Mortimer Street Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Fitzroy Place GP 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Mortimer Street Nominee 3 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	50%
Aviva Investors REaLM Infrastructure No. 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Solar Clean Energy Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£0.01 Ordinary shares	100%
TGHC Limited	The Green, Easter Park, Benyon Road, Reading, Berkshire, England, RG7 2PQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Free Solar Holdco Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

Free Solar (Stage 1) Limited	The Green, Easter Park, Benyon Road, Reading, Berkshire, England, RG7 2PQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Free Solar (Stage 2) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Anesco South West Limited	The Green, Easter Park, Benyon Road, Reading, Berkshire, England, RG7 2PQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Renewable Clean Energy Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
EES Operations 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Norton Energy SLS Limited	The Green, Easter Park, Benyon Road, Reading, Berkshire, England, RG7 2PQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Freetricity South East Limited	Argyll House, All Saints Passage, London, England, SW18 1EP, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Anesco Mid Devon Limited	The Green, Easter Park, Benyon Road, Reading, Berkshire, England, RG7 2PQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
New Energy Residential Solar Limited	The Green, Easter Park, Benyon Road, Reading, Berkshire, England, RG7 2PQ, United Kingdom	Operating	England	£1 Ordinary shares	100%
Homesun Limited	c/o ANESCO LIMITED, THE GREEN EASTER PARK, BENYON ROAD, READING, England, RG7 2PQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Homesun 2 Limited	c/o ANESCO LIMITED, THE GREEN EASTER PARK, BENYON ROAD, READING, England RG7 2PQ United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Homesun 3 Limited	c/o ANESCO LIMITED, THE GREEN EASTER PARK, BENYON ROAD, READING, England, RG7 2PQ United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Homesun 4 Limited	c/o ANESCO LIMITED, THE GREEN EASTER PARK, BENYON ROAD, READING, England, RG7 2PQ United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Homesun 5 Limited	c/o ANESCO LIMITED THE GREEN EASTER PARK BENYON ROAD READING England, RG7 2PQ United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors REaLM Infrastructure No. 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Medium Scale Wind No.1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
CE01 PEP Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
AD06 PEP Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
CE07 PEP Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

SE06 PEP Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
SE11 PEP Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Aviva Investors REaLM Infrastructure No. 4B Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary shares	100%
Aviva Investors REaLM Infrastructure No. 3 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary shares	100%
Biomass UK No.1 LLP	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	N/A	75%
Sunrise Renewables (Hull) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£0.001 Deferred Shares	100%
				£0.001 Ordinary Shares	100%
Biomass UK No 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£0.01 A Ordinary	100%
				£0.01 B Ordinary	100%
				£0.01 C Ordinary	100%
				£0.01 Deferred Shares	
				£0.001 Ordinary Shares	100%
Sunrise Renewables (Barry) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£0.001 Ordinary Shares	100%
Biomass UK No.3 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£0.01 A Ordinary	100%
				£0.01 Deferred Shares	100%
Boston Biomass Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£0.01 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Boston Wood Recovery Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Aviva Investors REaLM Infrastructure No. 4A Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England	£1 Ordinary shares	100%
Aviva Investors REaLM Infrastructure No. 5 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary shares	100%
Jacks Lane Energy Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary shares	100%
Turncole Wind Farm Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary shares	100%
Woolley Hill Electrical Energy Ltd	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary shares	100%
Den Brook Energy Ltd	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary shares	100%
Mill NU Properties Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 A Ordinary £1 B Ordinary	100% (overall ownership 60%)
NU 3PS Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
Building a Future (Newham Schools) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NUPPP Nominees Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England	£1 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

NU Developments (Brighton) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
The Square Brighton Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Library for Brighton Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Bradford) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Farnham) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NUPPP (Care Technology and Learning Centres) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Offices for Redcar Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Schools for Redbridge Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Chichester No. 1) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Chichester No. 2) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Chichester No. 3) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

NU Local Care Centres (Chichester No. 4) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Chichester No. 5) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Local Care Centres (Chichester No. 6) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
NU Technology and Learning Centres (Hackney) Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England	£1 Ordinary Shares	100%
11-12 Hanover Square Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
11-12 Hanover Square Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
30 Warwick Street Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
30 Warwick Street Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
30-31 Golden Square Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
30-31 Golden Square Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
130 Fenchurch Street Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

130 Fenchurch Street Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Barratt House Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Barratt House Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Chancery House London Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Chancery House London Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Irongate House Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Irongate House Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
New Broad Street House Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
New Broad Street House Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Pegasus House and Nuffield House Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Pegasus House and Nuffield House Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

W Nine Nominee 1 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
W Nine Nominee 2 Limited	St Helen's, 1 Undershaft, LONDON, EC3P 3DQ, United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Gobafoss Partnership Nominee No 1 Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
Aviva Investors Infrastructure Income No.2B Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Ili (Haywoodhead) Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£1 Ordinary Shares	50%
Ili (Garelwood) Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£1 Ordinary Shares	100%
Coalville Wind Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	Scotland	£1 Ordinary Shares	50%
London & Cambridge Energy Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	N/A	TBC
Stafford Wind Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	Scotland	£1 Ordinary Shares	100%
Sunnyside 1 Wind Turbine Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£0.01 Ordinary Shares	100%
Sunnyside 2 Wind Turbine Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.01 Ordinary Shares	84%
Saunton Wind Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£0.01 Ordinary Shares	20%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Pre (Whitehill) Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	50%
Windlend (Southrigg) Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.01 Ordinary Shares	42.5%
Windlend (Leicestershire) Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.50 Ordinary Shares	42.5%
Ili (Neilstonside) Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£1 A Ordinary £1 B Ordinary	50%
Lli (Letham) Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£1 Ordinary Shares	100%
Lli (West Strathore Farm) Limited	Pitheavlis Perth PH2 ONH Scotland	Operating	Scotland	£0.50 A Ordinary £0.50 B Ordinary	50%
Minnygap Energy Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Houlton Commercial Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	N/A – Limited by Guarantee	50%
Houlton Community Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	N/A – Limited by Guarantee	50%
Chesterford Park (General Partner) Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 A Ordinary £1 B Ordinary	100% 0%
Chesterford Park (Nominees) Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Aviva Investors Secure Income REIT plc	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.01 Ordinary Shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Aviva Investors UK CRESO GP Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Aviva Investors Energy Centres No.1 GP Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
Aviva Investors REaLM Energy Centres GP Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£1 Ordinary Shares	100%
COW Real Estate Investment General Partner Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
COW Real Estate Investment Nominee Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Dormant	England and Wales	£1 Ordinary Shares	100%
1-5 Lowndes Square Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.25 A Ordinary £0.25 B Ordinary	0% 100%
20 Lowndes Square Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.25 A Ordinary £0.25 B Ordinary	0% 100%
41-42 Lowndes Square Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.25 A Ordinary £0.25 B Ordinary	0% 100%
43 Lowndes Square Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.25 A Ordinary £0.25 B Ordinary	0% 100%
44-49 Lowndes Square Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.25 A Ordinary £0.25 B Ordinary	0% 100%
6-10 Lowndes Square Management Company Limited	St Helen's 1 Undershaft LONDON EC3P 3DQ United Kingdom	Operating	England and Wales	£0.25 A Ordinary £0.25 B Ordinary	0% 100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Friends Life FPL Limited	Pixham End Dorking Surrey RH4 1QA	Holding Company	England and Wales	£0.10 Deferred	100%
				£0.10 Ordinary	
Friends Provident Distribution Holdings Limited	Pixham End Dorking Surrey RH4 1QA	Holding Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life Limited	Pixham End Dorking Surrey RH4 1QA	Life Insurance	England and Wales	£1.00 Ordinary shares	100%
Aviva Administration Limited	Pixham End Dorking Surrey RH4 1QA	Operating Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life Staff Schemes Limited	Pixham End Dorking Surrey RH4 1QA	In Liquidation	England and Wales	£0.25 Ordinary shares	100%
Aviva Management Services UK Limited	Pixham End Dorking Surrey RH4 1QA	Business support service	England and Wales	£1.00 Ordinary shares	100%
London and Manchester Group Limited	Pixham End Dorking Surrey RH4 1QA	Holding Company	England and Wales	£0.25 Ordinary shares	100%
Friends Life FPLMA Limited	Pixham End Dorking Surrey RH4 1QA	Non-trading	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Pension Scheme Trustees Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Aviva Client Nominees UK Limited	Aviva Wellington Row York YO90 1WR	Dormant	England and Wales	£1.00 Ordinary shares	100%
Undershaft FPLLA Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Undershaft FAL Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Friends Life Assurance Society Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£0.05 Ordinary shares	100%
Friends Life Marketing Limited	Pixham End Dorking Surrey RH4 1QA	In Liquidation	England and Wales	£1.00 Ordinary shares	100%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Friends AEL Trustees Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Friends Life Company Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Life Assurance Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Managed Pension Funds Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Friends Life WL Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Investment Holdings	Pixham End Dorking Surrey RH4 1QA	Investment Holding Company	England and Wales	£1.00 Ordinary A shares	100%
				£1.00 Ordinary B shares	100%
Friends Life and Pensions Limited	Pixham End Dorking Surrey RH4 1QA	Insurance	England and Wales	£1.00 Ordinary shares	100%
Friends Life Distribution Limited	Pixham End Dorking Surrey RH4 1QA	Holding Company	England and Wales	£1.00 Ordinary shares	100%
DBS Financial Management Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1.00 Ordinary shares	100%
Sesame Bankhall Group Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Sesame Mortgages Limited	Pixham End Dorking Surrey RH4 1QA	In Liquidation	England and Wales	£1 Ordinary shares	100%
Sesame General Insurance Services Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Sesame Services Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 A Ordinary	100%
				£1 B Ordinary	100%
Sesame Bankhall Valuation Services Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 A Ordinary	75%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Sesame Group India Private Limited	A-47 (L.G.F) Hauz Khas New Delhi Delhi India	Operating	India	INR10 Equity Shares	100%
IFA Network Limited	Pixham End Dorking Surrey RH4 1QA	In Liquidation	England and Wales	£1 Ordinary shares	100%
Optimum Investment Management Limited	201 Bishopsgate London EC2M 3AE United Kingdom	Dormant	England and Wales	£1 A Ordinary Shares	100% (Overall ownership 50%)
Sesame Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Bankhall Investment Management Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Bankhall Support Services Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Sesame Regulatory Services Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1 Ordinary shares	100%
SB Loan Administration Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Gateway Specialist Advice Services Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£1 Ordinary shares	100%
Wealth Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1 Ordinary shares	100%
DBS Management Limited	Pixham End Dorking Surrey RH4 1QA	Operating	England and Wales	£0.05 Ordinary shares	100%
Premier Mortgage Service Limited	Pixham End Dorking Surrey RH4 1QA	Dormant	England and Wales	£1 Ordinary shares	100%
Synergy Financial Products Limited	1st Floor 45 Grosvenor Road St. Albans Hertfordshire AL1 3AW United Kingdom	Operating	England and Wales	£1 Ordinary shares	28.5%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Defined Returns Limited	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU United Kingdom	In Liquidation	England and Wales	£1 Ordinary shares	28.5%
Opal (UK) Holdings Limited	1st Floor 45 Grosvenor Road St Albans Hertfordshire AL1 3AW United Kingdom	Operating	England and Wales	£1 Ordinary shares	28.5%
NDF Administration Limited	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU United Kingdom	In Liquidation	England and Wales	£0.01 Ordinary shares £1 B Non-voting	33.3%
Outsourced Professional Administration Limited	1st Floor 45 Grosvenor Road St. Albans Hertfordshire AL1 3AW United Kingdom	Operating	England and Wales	£1 Ordinary shares	28.5%
Opal Information Systems Limited	1st Floor 45 Grosvenor Road St. Albans Hertfordshire AL1 3AW United Kingdom	Operating	England and Wales	£1 Ordinary shares	28.5%

Aviva Life Holdings UK Limited
Notes to the financial statements
For the year ended 31 December 2017 (continued)

Indirect related undertakings of the Company (managed, not owned) as at 31 December 2017 are listed below:

Company	Address	Incorporated in
Equity Release Funding (No.1) plc	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
Equity Release Funding (No.2) plc	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
Equity Release Funding (No.3) plc	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
Equity Release Funding (No.4) plc	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
Equity Release Funding (No.5) plc	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
Equity Release Holdings Limited	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales

Aviva Life Holdings UK Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

ERF Trustee (No. 4) Limited	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
ERF Trustee (No. 5) Limited	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales
Equity Release Holdings (Jersey) Limited	26 NEW STREET ST HELIER JERSEY JE2 3RA	Jersey
Equity Release Holdings (No. 5) Limited	c/o WILMINGTON TRUST SP SERVICES (LONDON) LIMITED THIRD FLOOR 1 KING'S ARMS YARD LONDON EC2R 7AF	England and Wales