

CAPITAL REQUIREMENTS DIRECTIVE IV

COUNTRY-BY-COUNTRY REPORTING DISCLOSURE

03 September 2020

avivainvestors.com

Aviva Investors: **Public**



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03 SEPTEMBER 2020



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Overview

The Capital Requirements (Country-by-Country Reporting) Regulations 2013 (the 'Regulations') came into effect on 1 January 2014 impacting companies that fall into scope of Article 89 of the EU Directive 2013/36/EU, otherwise known as the Capital Requirements Directive IV ('CRD IV').

Under Article 89, Aviva Investors management is required to disclose the following for the institutions that fall into scope of the CRD IV rules:

- a. The name, nature of activities and geographic location of the institution and any subsidiaries and branches;
- b. Turnover;
- c. Number of employees;
- d. Profit or loss before tax;
- e. Corporation tax paid; and
- f. Public subsidies received.

Note 1: Basis of preparation

Jurisdiction

As at FY19, there is one CRD IV institution within the Aviva Investors group, which is located in the United Kingdom. The jurisdiction of the CRD IV institution is determined by the country of incorporation. The jurisdiction for subsidiaries, branches and representative offices of institutions is determined by the location of the office and its management and employees. Under the Regulations, Aviva Investors management discloses information about subsidiaries, branches and representative offices, whether they are located in the European Economic Area ('EEA') or not, provided that the parent institution is located in the EEA. Currently Aviva Investors does not have any subsidiaries, branches or representative offices in the EEA relating to institutions established in a third country.

Nature

Aviva Investors management have classified the nature of the key activities as either investment management or distribution of investment management.

Turnover

Disclosure on turnover provides an indication of the size of business in each jurisdiction. Turnover is shown net of fee expenses and inclusive of net interest income. All amounts are presented in accordance with the requirements per International Financial Reporting Standards ('IFRSs').

Number of employees

The number of employees has been calculated as the monthly average number on the full time equivalent basis. Contractors and agency staff are excluded from the disclosure. In addition, where the employees of the United Kingdom were employed by entities not within the scope of the CRD IV Regulations, these were not included in the disclosure.

Profit / (loss) before tax

These numbers reflect IFRS accounting profits.

Corporation tax and Group relief paid/(recovered)

This figure only includes corporation tax paid and amounts settled by way of Group relief with Aviva Group companies. The taxes paid or recovered in a given year will not necessarily relate directly to the profits or loss in that year instead representing the amounts paid/recovered in the accounting period. This is because tax on profits is paid across multiple years as determined by tax laws.

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Public subsidies received

For the purposes of this disclosure public subsidies are interpreted as direct support by the government. None of the institutions or their subsidiaries, branches or representative offices currently receive any public subsidies.

Consolidation methodology

An intra-country consolidation has been performed for the purpose of this disclosure. Under this approach, transactions between group companies in the same country are consolidated away, but intra-group cross border transactions are disclosed.

The comparable information for 2019 can be found on our website within the Aviva Investors Regulatory Section, Market Disclosures Folder, named as 'Country by Country Reporting as at December 2018' as per the link below:

<https://www.avivainvestors.com/en-gb/capabilities/regulatory/>

Note 2: CRD IV institutions in scope within Aviva Investors

CRD IV institutions		
Institution 1	Jurisdiction	Description of Activities
Aviva Investors Global Services Limited ('AIGSL')	United Kingdom	Investment Management
AIGSL Germany branch	Germany	Investment Management
AIGSL Netherlands branch	Netherlands	Investment Management (distribution)
AIGSL Republic of Ireland branch	Republic of Ireland	Investment Management (distribution)
AIGSL Sweden branch	Sweden	Investment Management (distribution)
AIGSL Italy representative office	Italy	Representative office

Institution 1 - Subsidiaries	Jurisdiction	Description of Activities
Aviva Investors Schweiz GmbH	Switzerland (non-EEA)	Investment Management (distribution)

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Note 3: Disclosure information

These disclosures relate to the year ending 31 December 2019. Amounts presented below are in thousands (£'000). Balances in foreign currency have been converted at the average rate for the year used by the Aviva Group.

Disclosure information					
	Turnover	Number of Employees	Profit/(loss) before tax	Corporation tax paid/(recovered)	Group relief paid/(recovered)
	2019	2019	2019	2019	2019
	£'000		£'000	£'000	£'000
Institution 1 by Jurisdiction					
United Kingdom	352,672	-	43,611	-	13,276
Germany	400	18	(3,265)	-	-
Netherlands	427	1	42	656	-
Republic of Ireland	1,673	-	1,126	(7)	-
Sweden	142	1	(351)	13	-
Italy	-	2	-	-	-
Switzerland	1,225	2	563	301	-

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Independent auditors' report to the directors of Aviva Investors Global Services Limited

Report on the audit of the country-by-country information

Opinion

In our opinion, Aviva Investors Global Services Limited's country-by-country information for the year ended 31 December 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2019 in the Country-by-Country Reporting Disclosure.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information 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 country-by-country information in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to note 1 of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

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 country-by-country information is not appropriate; or

the directors have not disclosed in the country-by-country information 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 country-by-country information is 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.

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Independent auditors' report to the directors of Aviva Investors Global Services Limited (continued)

Responsibilities for the country-by-country information and the audit

Responsibilities of the directors for the country-by-country information

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in note 1 to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, 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 country-by-country information

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is 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 this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information 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 opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, 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.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

03 September 2020