

CAPITAL REQUIREMENTS DIRECTIVE IV

COUNTRY-BY-COUNTRY REPORTING DISCLOSURE

21 December 2017

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Aviva: **Public**



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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 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 FY16, there are two CRD IV institutions within the Aviva Investors group, which are both located in the United Kingdom. The jurisdiction of each 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 of the full time equivalent basis. Contractors and agency staff are excluded from the disclosure. In addition, where the employees of the United Kingdom and Republic of Ireland were employed by entities not within the scope of the CRD IV Regulations, and 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 2015 can be found in our Aviva Investors Pillar III Disclosures document as at 31 December 2015 on our website at:

https://www.avivainvestors.com/content/dam/aviva-investors/global/documents/crd_country-by-country_reporting_15122015.pdf

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 United Arab Emirates representative office	United Arab Emirates (non-EEA)	Investment Management (distribution)
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 Switzerland branch	Switzerland (non-EEA)	Investment Management (distribution)

Institution 1 - Subsidiaries

Institution 1 - Subsidiaries	Jurisdiction	Description of Activities
Aviva Investors Ireland Holdings Limited ('AIHL')	Republic of Ireland	Non trading
Aviva Investors Ireland Limited ('AILL')	Republic of Ireland	Non trading
Aviva Investors Schweiz GmbH	Switzerland (non-EEA)	Investment Management (distribution)

Institution 2

Institution 2	Jurisdiction	Description of Activities
Aviva Investors UK Funds Limited ('AIUKFL')	United Kingdom	Investment Management

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Note 3: Disclosure information

These disclosures relate to the year ending 31 December 2016. 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)
	2016	2016	2016	2016	2016
	£'000		£'000	£'000	£'000
Institution 1 by Jurisdiction					
United Kingdom	287,531	-	26,861	31	-
Germany	1,135	8	(68)	(103)	-
United Arab Emirates	113	1	(305)	-	-
Netherlands	1,122	3	705	-	-
Republic of Ireland	880	2	656	145	-
Sweden	440	2	(98)	-	-
Switzerland	3,311	7	1,305	95	-

	Turnover	Number of Employees	Profit/(loss) before tax	Corporation tax paid/(recovered)	Group relief paid/(recovered)
	2016	2016	2016	2016	2016
	£'000		£'000	£'000	£'000
Institution 2 by Jurisdiction					
United Kingdom	34,046	-	21,953	-	2,126

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

We have audited the accompanying schedule of Aviva Investors Global Services Limited for the year ended 31 December 2016 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Directors' Responsibility for the schedule

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the country-by-country information in the schedule as at 31 December 2016 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the disclosure, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of Aviva Investors Global Services Limited. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants

21 December 2017
London

(a) The maintenance and integrity of the Country by Country information on the website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the disclosure since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of Country by Country reporting disclosures may differ from legislation in other jurisdictions.

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Independent auditors' report to the Directors of Aviva Investors UK Funds Limited

We have audited the accompanying schedule of Aviva Investors UK Funds Limited for the year ended 31 December 2016 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Directors' Responsibility for the schedule

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the country-by-country information in the schedule as at 31 December 2016 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the disclosure, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of Aviva Investors UK Funds Limited. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
21 December 2017
Leeds

(a) The maintenance and integrity of the Country by Country information on the website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the disclosure since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of Country by Country reporting disclosures may differ from legislation in other jurisdictions.