

Aegon Asset Management UK

Capital Requirements Directive – Country by Country Reporting

Scope and application of the requirements

The disclosures in this document are made in respect of Aegon Asset Management UK Holdings Ltd, a wholly owned subsidiary within the Aegon N.V. group and its subsidiaries Aegon Asset Management UK Plc and Aegon Asset Management Ltd on a consolidated basis ("The AAM UK Group"). One of the entities within the Group, Aegon Asset Management UK Plc, is authorised and regulated by the FCA.

The Capital Requirements (country-by-country) Reporting Regulations 2013 ("the regulations") implement Article 89 of the Capital Requirements Directive IV (CRD IV – Directive 2013/36/EU). The regulations impose reporting obligations on institutions in the United Kingdom that are in scope of CRD IV.

As one of the members of the AAM UK Group, Aegon Asset Management UK Plc, is a limited licence firm, and within the scope of CRD IV country by country reporting obligations, the Group must comply with the UK Regulations which bring these requirements into force in the UK on or before the 31 December 2015 and annually thereafter. The AAM UK Group will report on a consolidated basis

- 1) Name, nature of activities and locations of the institution and any subsidiaries and branches
- 2) Turnover
- 3) Average number of employees on a full time equivalent basis
- 4) Profit or loss before tax
- 5) Corporation tax paid
- 6) Public subsidies received

Names of entities covered

Aegon Asset Management UK Holdings Limited
Aegon Asset Management UK Plc
Aegon Asset Management Limited

Basis of preparation

The Capital Requirements Directive Country by Country Reporting disclosure is prepared in line with the financial statements of the entities listed above which have been prepared on the going concern basis, under the historic cost convention. This is in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as endorsed by the EU, with interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Nature of activities

The principle activities of the companies within the group are :-

- investment management
- investment administration services for clients in the UK and abroad
- acting as Authorised Corporate Director (ACD) of Aegon Asset Management UK ICVC, the Aegon Asset Management UK Investment Portfolios ICVC and the Aegon Asset Management UK Unit Trust
- acting as investment manager of the Aegon Asset Management UK Investment Company (Ireland) plc and the Aegon Asset Management UK QIF Plc

- performance of the duties of Appointed Representative for the Scottish Equitable and Mobius Life Pooled Funds.
- institutional investment advice
- acting as an investment holding company

Location of the institution and any related subsidiaries and branches

All members of the AAM UK Group are incorporated and domiciled in the United Kingdom.

Turnover

Turnover for the accounting period ended 31 December 2021 was £77.1m (2020:- £69.2m)

Average number of employees on a full time equivalent basis.

The group had an average of 308 employees on a full time equivalent basis during the accounting period ended 31 December 2021 (2020:- 305 employees).

Profit or Loss before tax

The AAM UK Group made Losses before tax of £14.7m for the year ended 31 December 2021 (2020:- Loss before tax £18.3m).

Corporation tax paid

The AAM UK Group received Corporation tax payments of £0m for the year ended 31 December 2021 (2020: £0.8m).

Public subsidies received

The AAM UK Group received no public subsidies for the year ended 31 December 2021 (2020:- no public subsidies).

Independent auditors' report to the directors of Aegon Asset Management UK plc

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

Opinion

In our opinion, Aegon Asset Management UK plc's country-by-country information for the year ended 31 December 2021 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 2021 in the Country-by-Country Report.

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 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as applicable tax legislation and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the country-by-

country information (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes including those of the Board and the Audit Committee;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; entries posted by unexpected users; and entries which were backdated, where any such journal entries were identified.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

The engagement partner responsible for this audit is Kirsty Boyle.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
19 December 2022