



Aviva plc

Incorporated in England with limited liability (Registered number 2468686)

£7,000,000,000

Euro Note Programme

This Supplement (the “**Supplement**”, which definition shall also include all information incorporated by reference herein) to the base prospectus dated 1 May 2020 as supplemented on 21 May 2020 and the date hereof (the “**Prospectus**”) (which comprises a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”), constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the Euro Note Programme (the “**Programme**”) established by Aviva plc (the “**Issuer**”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus issued by the Issuer and all documents which are incorporated herein or therein by reference.

This Supplement has been approved as a supplement to the Prospectus by the FCA, which is the United Kingdom competent authority for the purposes of the Prospectus Regulation. The Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Notes under the Programme.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to:

1. incorporate by reference into the Prospectus the Half Year Report 2020 (as defined below) other than that section listed at paragraph 1(A) of this Supplement;
2. update the no significant change statement of the Issuer in the Prospectus;

3. update the section of the Prospectus entitled “Risk Factors”;
4. update the sub-section of the Prospectus entitled “Directors of the Issuer” under “Management of the Issuer” in the section headed “Description of the Group”; and
5. update the sub-sections of the Prospectus entitled “Strategy of the Group” and “Recent business developments” under the section headed “Description of the Group”.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Prospectus to which this Supplement relates.

1. DOCUMENTS INCORPORATED BY REFERENCE

Half Year Report 2020

On 6 August 2020, the Issuer published its unaudited interim half year report for the six months to 30 June 2020 (the “**Half Year Report 2020**”). By virtue of this Supplement, the Half Year Report 2020 is hereby incorporated in and forms part of this Supplement (and is thereby incorporated in and forms part of the Prospectus), except that the following section in the Half Year Report 2020 shall not be deemed to be incorporated in, and shall not be deemed to form part of, the Supplement or the Prospectus:

- A. the first eight pages of the Half Year Report 2020 titled “News Release”.

Alternative performance measures

Certain alternative performance measures (“**APMs**”) are included or referred to in the Half Year Report 2020. APMs are non-GAAP measures, used by the Group within its financial publications to supplement disclosures prepared in accordance with other regulations such as IFRS and Solvency II. The Issuer considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. APMs have been referenced using the “‡” in the Half Year Report 2020. An explanation of each such metric’s components and calculation method can be found at pages 99 to 107 (incorporated by reference herein) of the Half Year Report 2020 for the half year ended 30 June 2020.

2. GENERAL INFORMATION

The no significant change statement of the Issuer at page 223 of the Prospectus is updated as set out below:

“There has been no significant change in the financial performance or financial position of the Group since 30 June 2020, being the date to which the Issuer’s last published interim financial information (as set out in the Half Year Report 2020) was prepared.”

3. RISK FACTORS

- a) The third paragraph of the risk factor on page 28 of the Prospectus titled “*Uncertainty surrounding the UK’s future relationship with the EU may have a negative effect on global economic conditions, financial markets and the Group’s business*” shall be deleted in its entirety and be replaced by the following paragraph:

“The EU has a number of unilateral reserved powers in relation to third countries, which impact trade and market access depending on whether the EU considers the third country’s regulations to be equivalent to the EU’s, in particular in relation to financial services and data protection. Subsequent to the end of the implementation period, the UK will be treated by the EU as a third country. The outcome of the EU’s equivalence assessments remains unclear.”

- b) The second paragraph of the risk factor on page 33 of the Prospectus titled “*Changes to IFRS generally or specifically for insurance companies may materially adversely affect the reporting of the Group’s financial results*” shall be deleted in its entirety and be replaced by the following paragraph:

“On 18 May 2017, the International Accounting Standards Board (the “**IASB**”) published IFRS 17, Insurance Contracts, effective from 1 January 2021. In March 2020 the IASB deferred the effective date to 1 January 2023. The final standard was published in June 2020 and remains subject to the EU and UK endorsement processes. This new standard introduces significant changes to the statutory reporting of insurance entities that prepare financial statements according to IFRS, changing the presentation and measurement of insurance contracts, including the effect of technical reserves and reinsurance on the value of insurance contracts.”

4. DIRECTORS

The sub-section of the Prospectus entitled “Directors of the Issuer” under “Management of the Issuer” in the section headed “Description of the Group” on pages 167 and 168 of the Prospectus, as amended by paragraph 3(c) of the supplement to this Prospectus dated 21 May 2020, shall be supplemented by the following updated information:

“Maurice Tulloch stepped down as Chief Executive Officer of the Issuer and retired from his position on the Board of Directors on 6 July 2020.

Amanda Blanc was appointed Chief Executive Officer of the Issuer with effect from 6 July 2020.

Patrick Flynn was appointed as a Senior Independent Director with effect from 7 September 2020”

5. DESCRIPTION OF THE GROUP

- a) The content of the sub-section of the Prospectus entitled “Strategy of the Group” in the section headed “Description of the Group” on page 161 of the Prospectus shall be deleted in its entirety and replaced with the following:

“Following her appointment as the new Group Chief Executive Officer on 6 July 2020, Amanda Blanc announced in August 2020 that, to enable the Group to deliver meaningful change and unlock value for shareholders, the Group’s strategy would be focussed on three priorities:

- Focus the portfolio
- Transform performance
- Financial strength

Focus the portfolio

The Group will focus on the UK, Ireland and Canada where it has leading market positions and significant potential. The Group will invest for growth in these markets, where it has a right to win via scale, capability, brand or a unique proposition for customers. International businesses in Europe and Asia will be managed for long-term shareholder value. The Group will build on the good work its teams are doing to grow and optimise their businesses, but where the Group cannot meet its strategic objectives it will be decisive and withdraw capital.

Transform performance

As customer expectations and preferences change, delivering profitable growth will require the Group to transform customer experiences and provide excellent value for money. The Group has strong foundations, particularly in the UK where its transactional net promoter score and digital metrics are amongst the best in the industry. It must build on these foundations and go further in efficiency and performance management to ensure the Group is top quartile in both value and profitability.

Financial strength

Financial strength, resilience and sustainability will be a critical underpin for the Group's strategy. The Group has maintained capital strength, built central liquidity and made good progress in reducing debt leverage in recent years. In conjunction with actions to focus the portfolio, the Group's strategy is to increase its financial flexibility. This would enable the Group to further strengthen its financial position and will give it options to invest in its businesses and provide returns to shareholders."

- b) The following wording shall be added after the sub-section of the Prospectus entitled "Recent business developments" in the section "Description of the Group" on page 167 of the Prospectus, as amended by paragraph 3(b) of the supplement to this Prospectus dated 21 May 2020:

"On 16 July 2020, the Issuer made an announcement via the RNS confirming the completion of the sale of Friends Provident International Limited ("**FPIL**") to RL360 Holding Company Limited, a subsidiary of International Financial Group Limited ("**IFGL**"). The Issuer has sold a 76 per cent. shareholding in FPIL to IFGL for £259 million, of which £209 million is in cash and £50 million in deferred cash consideration. The completion of the transaction under the revised structure will result in minimal impact on the Issuer's Solvency II capital surplus and IFRS book value as of 31 December 2019, in line with the held for sale accounting treatment. The Issuer and IFGL have entered into a shareholders' agreement under which the Issuer has certain ongoing commitments and customary rights given the minority shareholding.

On 11 September 2020, the Issuer made an announcement via the RNS confirming that it has agreed to sell a majority shareholding in Aviva Singapore to a consortium led by Singapore Life Ltd ("**Singlife**") to support the creation of one of the country's leading insurance companies. The combination brings together Aviva Singapore's scale and leading franchise with Singlife's innovative and digitally focused capabilities. In Singapore, the new business will be initially branded as Aviva Singlife. The Singlife consortium includes TPG, a leading global alternative asset firm, which will become the largest shareholder in the new group upon completion, Sumitomo Life, a leading Japanese insurer, and other existing Singlife shareholders. On completion, the Issuer will receive SGD 2.7 billion (£1.6 billion) in consideration, which is comprised of SGD 2.0 billion (£1.2 billion) in cash and marketable securities¹,

¹ Comprising SGD1.7bn of cash, SGD80m pre completion dividend and a SGD260m debt capital instrument underwritten by the Issuer on market terms with the intention to sell to external investors in due course.

SGD 250 million in vendor finance notes and a 25% equity shareholding in the new group. The transaction represents a multiple of 18.7x Aviva Singapore's 2019 IFRS profit after tax, 2.0x Solvency II Own Funds at 30 June 2020 and 1.9x Net Asset Value at 30 June 2020. The transaction would have increased the Issuer's Net Asset Value at 30 June 2020 by £0.7 billion², strengthened Solvency II capital surplus by £0.5 billion and increased the Group Solvency ratio on a shareholder basis by approximately 4 percentage points. In 2019, Aviva Singapore's IFRS profit after tax was £83 million and it remitted £46 million cash to the group. The gross assets of Aviva Singapore were £6.6 billion at 30 June 2020. Customers and partners of Aviva Singapore will continue to deal with the Group as usual and there is no impact to customer policies as a result of the agreement³. Aviva Investors' operations and clients in Asia will not be impacted by this transaction. The proceeds will be used to further strengthen the Issuer's central liquidity and will be considered as part of the Issuer's broader capital management and debt reduction objectives. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to complete by January 2021."

6. GENERAL

Copies of all documents or information incorporated by reference in this Supplement and the Prospectus can be obtained from the Issuer as described in the Prospectus or are otherwise available for viewing free of charge on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-homes.html.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus prior to the date of this Supplement, the statements in (a) above will prevail.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference to this Supplement or where this Supplement is specifically defined as including such information.

Save as disclosed in this Supplement and any supplement previously issued by the Issuer, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since publication of the Prospectus.

No person is authorised to give any information or to make any representation not contained in the Prospectus or this Supplement, and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Dealers. The delivery of the Prospectus and/or this Supplement at any time does not imply that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in either of them is correct as at any time subsequent to each of their respective dates.

THIS SUPPLEMENT IS DATED 17 SEPTEMBER 2020

² Consideration translated into GBP at 30 June spot rate of 1.72.

³ The current Aviva Singapore CEO Nishit Majmudar will be appointed as CEO of the combined entity's Singapore licensed business.