

SUPPLEMENT DATED 21 MAY 2020 TO THE PROSPECTUS DATED 1 MAY 2020



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 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 the Prospectus Regulation and Section 87G of the Financial Services and Markets Act 2000 (“**FSMA**”) 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 SFCR (as defined below);
2. update the section of the Prospectus entitled “Risk Factors”; and
3. update the sub-sections of the Prospectus entitled “Recent business developments”,

“Environment, Social and Governance Practices” and “Management of the Issuer” under the section headed “Description of the Group”.

1. DOCUMENTS INCORPORATED BY REFERENCE

Solvency and Financial Condition Report

On 5 May 2020, the Issuer published its Solvency and Financial Condition Report 2019 for the year ended 31 December 2019 (the “**SFCR**”). By virtue of this Supplement, the SFCR is hereby incorporated in and forms part of this Supplement (and is thereby incorporated in and forms part of the Prospectus).

2. RISK FACTORS

The second paragraph of the risk factor on page 23 of the Prospectus titled “*The occurrence of epidemics such as COVID-19 may affect the Group’s business and the global economy more widely*” shall be deleted in its entirety and replaced by the following paragraphs:

“As an insurer, the Group is impacted by the COVID-19 pandemic through its general insurance products primarily as a result of adverse claims experience arising from disruption to business and travel insured by the Group; life protection products as a result of increased mortality; savings products as a result of potentially lower future premiums and higher future outflows; and income protection, critical illness and health insurance products as a result of increased morbidity. The COVID-19 pandemic may also result in increased operational risk through enforced remote working, staff absences for sickness and childcare, market volatility and through the Group’s outsourcing arrangements impacting the quality and continuity of service to customers and the reputation of the Group, as well as increasing the Group’s exposure to risks relating to extensive working from home including cyber, data loss and occupational health. While the Group has remained operational since the onset of the COVID-19 pandemic, a deterioration in the situation could have further adverse implications arising from the impacts on financial markets, insurance exposures and operations. The Group is also keeping its underwriting, pricing and strategy under review given changes in the risk profile of future new business and expected future investments.

The Group’s balance sheet exposure has been reviewed and actions are being taken to further reduce the sensitivity to economic shocks. COVID-19 provides unprecedented uncertainty and could give rise to a severe economic downturn. This may adversely impact the Group’s results, not least potential changes in investment performance, capital generation and remittances. Financial results may also be impacted by other factors such as investment performance and customer trends. Financial market performance and economic activity are also likely to impact revenues in the savings and asset management businesses, which are sensitive to asset values. The Group remains committed to achieving its 2022 targets, however COVID-19 is expected to provide additional challenges to achieving these targets. The Group continues to maintain strong solvency levels and expects to continue to meet its solvency capital requirements. Notwithstanding this, the COVID-19 pandemic and the associated volatility in financial markets will most likely have an adverse impact on the Group’s own funds and solvency cover ratio.

On 8 April 2020, the Issuer announced that, in light of the significant uncertainties presented by the COVID-19 pandemic, the Board of Directors of the Issuer had agreed to withdraw its recommendation to pay the 2019 final dividend to ordinary shareholders in June 2020. The Board considers that it is prudent to suspend dividend payments at this time, and expects to reconsider any distributions to ordinary shareholders in the fourth quarter of 2020.

As a result of the above factors, the business, results of operations, corporate reputation and financial condition of the Group could be adversely impacted for a substantial period of time.”

3. DESCRIPTION OF THE GROUP

- a) The following wording shall be added immediately after the sub-section of the Prospectus titled “Social” under “7. Environment, Social and Governance Practices” in the “Description of the Group” on pages 165-166 of the Prospectus:

“The Group has committed £43 million to help those most affected by the crisis, including donations to a fund established by the Association of British Insurers, the British Red Cross, NHS Charities Together and further financial support to several communities where it operates including in Milan, Toronto and Singapore. In France the Group has decided to allocate €100 million to invest in innovative small and medium-sized enterprises, especially in the health, medical research and environment sectors and the tourism industry.”

- b) The paragraph in the sub-section of the Prospectus headed “Recent business developments” on page 167 of the Prospectus shall be deleted in its entirety and replaced by the following paragraph:

“On 8 April 2020 the Issuer made an announcement via the Regulatory News Service (“**RNS**”) which stated that the Issuer’s Board of Directors had agreed to withdraw its recommendation to pay the 2019 final dividend to ordinary shareholders in June 2020 in light of the significant uncertainties presented by the COVID-19 pandemic. The Board considers that it is prudent to suspend dividend payments at this time, and expects to reconsider any distributions to ordinary shareholders in the fourth quarter of 2020.

On 21 May 2020, the Issuer announced via the RNS that as at 31 March 2020, the Group’s estimated solvency capital cover ratio¹ remains strong at 182 per cent. and such estimate reflects COVID-19 related impacts. The reduction compared with the cover ratio for the financial year 2019 is consistent with published sensitivities and primarily reflects capital markets impacts, in particular the widening of corporate credit spreads, reductions in risk free yields and declines in equity markets. The estimate allows for a range of COVID-19 impacts in general insurance, updates UK property assumptions at Q1 2020 (releasing Brexit property allowance and makes assumptions for reductions in UK property values) and makes adjustments for potential future credit rating downgrades in the UK annuity corporate bond portfolio.

In the operating update dated 21 May 2020, the Issuer announced that, based on analysis as at 30 April, the estimate of COVID-19 related claims in the Group’s general insurance businesses, incorporating notified and projected claims, is £160 million (net of reinsurance). This is based on estimated claims in business interruption insurance, amounting to approximately £200 million (net of reinsurance across global general insurance), estimated claims in other commercial lines and travel insurance, and allows for favourable impacts in other product lines that are expected to partially offset COVID-19 claims across the Group’s international general insurance businesses. While the vast majority of policies do not cover business interruption claims arising from COVID-19, the Group anticipates potential areas of exposure in certain specialist schemes and broker programmes and has paid claims in the UK and Canada where coverage exists. The continuing nature of the pandemic

¹ The estimated position represents the shareholder view. Please refer to note 58 and the “Other Information” section of the Issuer’s Annual Report and Accounts for the year ended 31 December 2019 for more information.

means that these figures are subject to significant uncertainty. The estimates assume government confinement measures are in place through to the end of the second quarter of 2020.

As at 21 May 2020, the Group's investment portfolio continues to perform well, with no defaults in the shareholder-backed corporate bond portfolio in 2020. While some covenant pressure is anticipated, this has not been translated into any meaningful impact on debt service in the Group's commercial mortgage portfolio as at 21 May 2020.

COVID-19 provides unprecedented uncertainty and could give rise to a severe economic downturn. This may adversely impact the Group's results, not least potential changes in investment performance, capital generation and remittances. Sales volumes for the year are likely to remain below expectations. In addition to the estimated general insurance claims impact from COVID-19, financial market performance and economic activity are also likely to impact revenues in the savings and asset management business, which are sensitive to asset values. In life insurance, mortality and longevity claims experience arising from COVID-19 are expected to broadly offset. The Group remains committed to achieving its 2022 targets, however COVID-19 is expected to provide additional challenges to achieving these targets."

- c) The second paragraph of the sub-section of the Prospectus titled "Directors of the Issuer" under "Management of the Issuer" in the "Description of the Group" on page 167 of the Prospectus shall be deleted in its entirety and replaced by the following paragraph:

"George Culmer will be appointed as Chairman of the Board of Directors with effect from 27 May 2020, succeeding Sir Adrian Montague who will retire from the Board on 31 May 2020."

4. 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 21 MAY 2020