

**SUPPLEMENT DATED 19 JUNE 2013 TO THE PROSPECTUS DATED 20 NOVEMBER 2012**



**AVIVA plc**

***(incorporated in England with limited liability, registered number 2468686)***

**£5,000,000,000**

**Euro Note Programme**

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This Supplement (the "**Supplement**", which definition shall also include all information incorporated by reference herein) to the base prospectus dated 20 November 2012 (the "**Prospectus**", which definition includes the Prospectus as supplemented, amended or updated from time to time and includes all information incorporated by reference therein), constitutes a supplementary prospectus for the purposes of 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**"). Senior Notes issued under the Programme will be guaranteed by Aviva Insurance Limited (the "**Guarantor**"). 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 by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a supplement to the Prospectus. The Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes under the Programme.

The Issuer and the Guarantor accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Guarantor (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:

- (A) to incorporate by reference pages 145 to 272 of the Issuer's Annual Report and Accounts (as defined below);
- (B) to incorporate by reference pages 9 to 84 of the Guarantor's Annual Report and Accounts (as defined below);
- (C) to incorporate by reference certain sections of the Issuer's Interim Management Statement (as defined below);
- (D) to update the section entitled "**Risk Factors**" of the Prospectus by incorporating by reference one new risk factor from the Issuer's Annual Report and Accounts (as defined below) as set out at paragraph 2 of this Supplement;
- (E) to update the Prospectus to reflect recent changes to the outlook of the ratings of the Issuer and its core operating subsidiaries as set out at paragraph 3 of this Supplement;
- (F) to provide updated 'no significant change' and 'no material adverse change' statements as set out at paragraphs 4.1 and 4.2 of this Supplement;
- (G) to update the Prospectus to reflect changes to the directors of the Issuer as set out at paragraph 5 of this Supplement;
- (H) to update the Prospectus to reflect the restructuring of the Guarantor as set out at paragraph 6 of this supplement; and
- (I) to update the Prospectus in respect of the replacement of the United Kingdom Financial Services Authority (the "**FSA**") with the FCA and the United Kingdom Prudential Regulation Authority as set out at paragraph 7 of this Supplement.

## 1. DOCUMENTS INCORPORATED BY REFERENCE

- 1.1 On 25 March 2013, the Issuer published its annual report and accounts for the financial year ended 31 December 2012 (the "Issuer's Annual Report and Accounts"). By virtue of this Supplement, the audited consolidated financial statements of the Issuer for the year ended 31 December 2012 (together with the audit report prepared in connection therewith), which appear on pages 146 to 272 of the Issuer's Annual Report and Accounts, are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Prospectus.
- 1.2 On 27 March 2013, the Guarantor submitted its annual report and accounts for the financial year ended 31 December 2012 (the "**Guarantor's Annual Report and Accounts**") to the FSA. By virtue of this Supplement, the audited non-consolidated financial statements of the Guarantor for the year ended 31 December 2012 (together with the audit report prepared in connection therewith), which appear on pages 9 to 84 of the Guarantor's Annual Report and Accounts are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the Prospectus.

1.3 On 16 May 2013, the Issuer published its unaudited interim management statement for the three months to 31 March 2013 (the “**Interim Management Statement**”). By virtue of this Supplement, the Interim Management Statement 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 statements in the Interim Management Statement 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 bullet “IFRS net asset value<sup>3</sup> increased 9% to 302p (FY12:278p<sup>4</sup>)” and the second bullet “Pro forma economic capital surplus<sup>6</sup> £7.3 billion, 173% (FY12: £7.1 billion, 172%)” under the heading entitled ‘Balance sheet’ on the first cover page of the Interim Management Statement;
- (B) the words “Net asset value has increased by 9% to 302 pence and” in the penultimate paragraph on the first cover page of the Interim Management Statement;
- (C) The words “Pro forma estimated economical capital surplus<sup>5</sup>” and “Pro forma IFRS net asset value per share<sup>6</sup>” and the figures relating thereto under the heading entitled “Capital position” under the section entitled “Key financial metrics” on the second cover page of the Interim Management Statement;
- (D) the first bullet “Pro forma IFRS NAV<sup>1</sup> 9% higher at 302p” and the first paragraph starting “IFRS net asset value<sup>1</sup> per share increased 9% ...” under the heading entitled ‘Balance sheet strength’ on the second page of the Interim Management Statement; and
- (E) the second bullet “Pro forma economic capital surplus<sup>3</sup> £7.3 billion” and the second paragraph starting “Maintaining an economic capital surplus ratio...” under the heading entitled ‘Balance sheet strength’ on the second page of the Interim Management Statement.

## 2. **NEW RISK FACTOR**

As a result of the publication of the Issuer's Annual Report and Accounts, the paragraph entitled ‘Changes in short or long term inflation may cause policyholders to surrender their contracts, increase the size of our claims payments and expenses and reduce the value of our investments, which could adversely affect our results of operations and financial condition’, which appears on page 136 of the Issuer's Annual Report and Accounts is incorporated in and forms part of this Supplement, and is thereby incorporated in and forms part of the Prospectus.

## 3. **CREDIT RATINGS OF THE ISSUER AND THE ISSUER'S CORE OPERATING SUBSIDIARIES**

Since the date of the Prospectus, Moody's have downgraded the insurance financial strength ratings of the Issuer's core operating subsidiaries (including the Guarantor) from Aa3 with a “Negative” outlook to A1 with a “Stable” outlook.

## 4. **SIGNIFICANT AND MATERIAL ADVERSE CHANGE STATEMENTS**

4.1 There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2012, being the date of the last financial period for which the audited financial

statements of the Issuer has been published, and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2012, being the date to which the last published audited financial statements of the Issuer were made up.

- 4.2 There has been no significant change in the financial or trading position of the Guarantor since 31 December 2012, being the date of the last financial period for which the audited financial statements of the Guarantor has been published, and no material adverse change in the financial position or prospects of the Guarantor since 31 December 2012, being the date to which the last published audited financial statements of the Guarantor were made up.

## **5. RECENT DEVELOPMENTS – THE ISSUER**

With effect from 31 December 2012, Ms. Euleen Goh, an independent non-executive director, stepped down from the board.

With effect from 1 January 2013, Mr Mark Wilson became Group Chief Executive Officer ('CEO'), and Mr John McFarlane, who had been acting in an executive capacity pending the appointment of the CEO, became non-executive Chairman.

Sir Adrian Montague and Mr Bob Stein were appointed as non-executive directors on 14 January 2013 and 28 January 2013 respectively.

With effect from 8 May 2013, Mr Trevor Matthews, executive director, Mr Richard Goeltz, non-executive director, and Mr Russell Walls, non-executive director, stepped down from the board.

## **6. GUARANTOR RESTRUCTURING**

As announced on 7 March 2013, the Group has undertaken a major restructuring. One of the main objectives of the restructuring was to improve the governance relating to the Guarantor so that the focus of the Guarantor was as the main UK general insurer within the Group. This was achieved by transferring overseas operations of the Group, which had been held indirectly by the Guarantor, to its parent, Aviva Group Holdings Limited, in return for a secured loan.

## **7. RECENT DEVELOPMENTS**

With effect from 1 April 2013, the United Kingdom Financial Services Authority ("FSA") ceased to exist and has been replaced by the United Kingdom Prudential Regulation Authority (the "PRA") and the United Kingdom Financial Conduct Authority (the "FCA"). From such date onwards, the Issuer is authorised in the UK by the PRA and regulated by the PRA and the FCA.

## **8. 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.

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 Directive 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. Any information contained in a document incorporated by reference in this Supplement which is not incorporated in, and does not form part of, this Supplement is not relevant for investors or is contained elsewhere in this Supplement.

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.