



Aviva plc

Incorporated in England with limited liability (Registered number 2468686)

£7,000,000,000

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 22 April 2016 as supplemented on the date hereof (the “**Prospectus**”) (which comprises a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU, as amended (the “**Prospectus Directive**”)), 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**”). 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 United Kingdom Financial Conduct Authority (the “**FCA**”), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom. 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 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 the Half Year Report 2016 (as defined below) other than those sections listed at paragraphs (A) to (W) of this Supplement;
2. update the no significant change statement of the Issuer in the Prospectus; and
3. supplement and update the section of the Prospectus headed "Risk Factors".

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 2016

On 4 August 2016, the Issuer published its unaudited interim half year report for the six months to 30 June 2016 (the "**Half Year Report 2016**"). By virtue of this Supplement, the Half Year Report 2016 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 Half Year Report 2016 shall not be deemed to be incorporated in, and shall not be deemed to form part of the Supplement or the Prospectus:

- A. The statement from the Group Chief Executive Officer "with a solvency ratio of 174%, toward the upper end of our working range", together with footnotes 2 and 3 relating thereto, on the first cover page of the Half Year Report 2016.
- B. Under the heading "Capital", the first, second and third bullet points "Solvency II capital surplus £9.5 billion (FY15: £9.7 billion)", "Solvency II coverage ratio of 174% (FY15: 180%)" and "Solvency II operating capital generation £1.2 billion" together with, where applicable, footnotes 2 and 3 relating thereto, on the first cover page of the Half Year Report 2016.
- C. The entire section entitled "Operating capital generation: Solvency II basis", being the first table on the second cover page of the Half Year Report 2016.
- D. The "Estimated Solvency II cover ratio" and "Estimated Solvency II surplus" in the table entitled "Capital position", together with footnote 4 and 5 relating thereto, on the second cover page of the Half Year Report 2016.
- E. The words "Our Solvency II coverage ratio of 174% (FY15: 180%) remains toward the upper end of our working range", together with footnotes 1 and 2 relating thereto, and the words "Solvency II operating capital generation was £1.2 billion" in the third paragraph under the heading entitled "Overview" on the first page of the Group Chief Executive's report.
- F. The words "We remain on track to deliver on the plan outlined at our recent investor day to increase the dividend payout ratio to 50% of operating EPS by the end of 2017, up from

42% in 2015”, together with footnote 3 thereto, in the fourth paragraph under the heading entitled “Overview” on the first page of the Group Chief Executive Officer’s report.

- G. The words “During the second half of 2016 we expect our general insurance operations to benefit from the RBCI acquisition in Canada and distribution partnerships in the UK” in the third paragraph under the heading entitled “Operating profit” on the first page of the Group Chief Executive Officer’s report.
- H. The first and third paragraph under the heading entitled “Capital” on the first page of the Group Chief Executive Officer’s report, together with footnotes 1 and 2 relating thereto.
- I. The words “We reiterate our expectation that the £225 million integration synergy target will be delivered by the end of 2016, one year ahead of our original plan” under the heading entitled “Friends Life integration” on the second page of the Group Chief Executive Officer’s report.
- J. The words “In the UK, we will have all of our digital customer information on a single database by the end of 2016” under the heading entitled “Digital” on the second page of the Group Chief Executive Officer’s report.
- K. The words “and we continue to target mid-single digit growth in operating profit over the medium term” under the heading entitled “Outlook” on the second page of the Group Chief Executive Officer’s report.
- L. The words “Excluding these items, progression in operating EPS is consistent with our medium term objective of mid-single digit growth” and the third and fourth paragraphs under the heading entitled “Overview” on the first page of the Chief Financial Officer’s report, together with footnotes 1, 2 and 3 relating thereto.
- M. The words “Our Solvency II ratio of 174% (FY15: 180%) remains toward the upper end of our working range and we continue to have modest levels of sensitivity to fluctuations in investment markets” under the heading “Balance Sheet” in the first paragraph on the first page of the Chief Financial Officer’s report, together with footnotes 1 and 2 relating thereto.
- N. The first paragraph under the heading entitled “Capital generation and cash-flow” in the first paragraph on the first page of the Chief Financial Officer’s report.
- O. The entire section entitled “Operating capital generation: Solvency II basis”, being the first table on page 2 of the Half Year Report 2016.
- P. The “Estimated Solvency II cover ratio” and “Estimated Solvency II surplus” in the table entitled “Capital position”, together with footnote 4 and 5 relating thereto, on page 2 of the Half Year Report 2016.
- Q. The words “We currently expect to receive cash remittances from France and Aviva Investors in the second half of the year” in the section entitled “1.i – Cash remitted to Group” on page 3 of the Half Year Report 2016.

- R. The entire section entitled “1.ii – Operating Capital generation: Solvency II basis” on page 3 of the Half Year Report 2016.
- S. The words “UK Life operating profit includes a net benefit of £84 million including a c.£30 million benefit that is expected to recur (HY15: £50 million) from various net reserve and other movements” in the section entitled “2 – Operating Profit: IFRS basis” on page 4 of the Half Year Report 2016.
- T. The words “and a c.£30 million benefit (that is expected to recur) which includes increased spread margins following a refinement to reflect a lower expected cost of credit defaults in operating profit” under the heading “Operating profit: IFRS basis” in the section entitled “6.i – United Kingdom and Ireland Life” on page 8 of the Half Year Report 2016.
- U. The paragraphs under the sub-heading “Cash” in the sections entitled “6.ii – United Kingdom and Ireland general insurance & health” on page 9, “6.iv – Canada” on page 12 and “6.vi – Fund Management” on page 14 of the Half Year Report 2016.
- V. The sentence “We currently expect to receive cash remittances from France in the second half of the year” under the heading “Cash” in the section entitled “6.iii – Europe” on page 10 of the Half Year Report 2016.
- W. The entire section entitled “8.iv – Solvency II” on pages 26-28 of the Half Year Report 2016.

## 2. GENERAL INFORMATION

The no significant change statement of the Issuer at page 163 of the Prospectus is updated as set out below:

There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2016, being the date to which the Issuer's last published interim financial information (as set out in the Half Year Report 2016) was prepared.

## 3. RISK FACTORS

The section of the Prospectus headed “Risk Factors” shall be supplemented and updated as follows:

1. Page 15 of the Prospectus shall be supplemented by the inclusion of the following new risk factor:

**“Following the UK’s referendum vote to withdraw from the EU, 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.**

On 23 June 2016, the UK voted in a national referendum to withdraw from the EU. It is unclear when the UK will formally serve notice to the European Council of its desire to withdraw, a process that could involve lengthy negotiation to draft and

approve a withdrawal agreement in accordance with Article 50 of the Treaty on European Union.

Considerable uncertainty exists over the arrangements which will be put in place between the UK and the EU as the UK departs from the EU including the UK's continued access to the EU single market in relation to trade in goods and services. Adverse outcomes from the UK's negotiations with the EU could have a material impact on the regulatory and legal framework within which the Group's UK and European businesses operate.

The UK referendum on EU membership has also increased the risk of a number of other political events occurring both in the UK and the EU, including similar referendums in other EU member states and a new Scottish referendum on independence. The possible occurrence of such events and the uncertain outcome of the arrangements which will be put in place for the UK to exit the EU could result in heightened market volatility and a significant risk of macroeconomic deterioration. The Bank of England has also responded by loosening its monetary policy causing a reduction in the long term interest rates on UK gilts with the possibility that such rates could stay at record low levels for a prolonged period. The European Central Bank may also follow suit causing a reduction in the interest rates on European government securities. While Aviva actively manages its risk exposure, sustained low yields alongside macroeconomic uncertainty and heightened volatility could impact the Group's business."

2. The fourth paragraph under the heading "***Losses due to defaults by counterparties, or changing market perceptions as to the risk of default, including potential sovereign debt defaults or restructurings, could adversely affect the value of the Group's investments and reduce its profitability and shareholder's equity.***" on page 17 of the Prospectus:

"The Group has significant holdings of UK sovereign and corporate debt. Credit rating agencies have indicated that in the event of the UK leaving the EU as a result of the referendum on UK – EU membership, the credit rating of the UK government could be downgraded. In the event this occurred it could result in a fall in the price of UK sovereign and corporate debt, adversely impacting the Group's solvency, profitability and shareholder's equity."

shall be deleted in its entirety.

3. The fourth paragraph under the heading "***Falls in equity or property prices could have an adverse impact on the Group's investment portfolio and impact on its results of operations and shareholders' equity.***" on page 18 of the Prospectus:

"Heightened uncertainty surrounding the UK referendum on EU membership and subsequent possible exit may increase market volatility and act as a drag on the relative valuations of UK equities or other companies making use of the common market from the UK, with a negative impact on insurers, such as the Group, whose assets are exposed to UK equity markets. It may also have an adverse impact on European equity markets and beyond."

shall be deleted in its entirety.

4. The third paragraph under the heading “***From time to time, changes in the interpretation of existing tax laws, amendments to existing tax rates or the introduction of new tax legislation may adversely impact the Group’s business***” on page 31 of the Prospectus shall be supplemented and updated so that the following words are inserted at the end of that paragraph:

“In the longer term, applicability of the ECJ judgment is dependent on the outcome of UK-EU negotiations on their new trading relationship.”

#### 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](http://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 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.

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 30 AUGUST 2016**