Financial Conduct Authority
Document Approved
Date: 9 October 2013
Signed: Jill Kwan

SUPPLEMENTAL PROSPECTUS DATED 9 OCTOBER 2013

PRUDENTIAL

Prudential plc

(Incorporated with limited liability in England under the Companies Act 1985 with registered number 1397169)

as Issuer

£5,000,000,000

Medium Term Note Programme

This Supplemental Prospectus (the "Supplemental Prospectus", which definition shall include all information incorporated by reference herein) to the base prospectus dated 19 December, 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 medium term note programme (the "Programme") established by Prudential plc (the "Issuer").

Terms defined in the Prospectus have the same meanings when used in this Supplemental Prospectus.

This Supplemental Prospectus 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 Supplemental Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "FCA") which is the competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a supplemental prospectus 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 accepts responsibility for the information contained in this Supplemental Prospectus. 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 Supplemental Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. Purpose

The purpose of this Supplemental Prospectus is to:

(i) incorporate by reference certain sections of the Issuer's annual report and account for the financial year ended 31 December, 2012 (the "Issuer's Annual Report and Accounts");

(ii) incorporate by reference the Issuer's IFRS Disclosure and Additional Financial Information and the Issuer's European Embedded Value (EEV) basis results for the six months ended 30 June, 2013 (together, the "Issuer's Half Year Results");

(iii) update certain elements of the summary set out in the Prospectus to include updated key financial information in respect of the year ended 31 December, 2012 and the six months ended 30 June, 2013;

(iv) supplement the current Risk Factor in the Prospectus addressing regulatory risks applicable to the Issuer to include additional disclosure in respect of regulatory developments since the date of the Prospectus;

(v) update the current Risk Factor in the Prospectus addressing risks relating to the Capital Adequacy Condition to include up-to-date financial ratios; (vi) to update the Prospectus to reflect certain changes to the Board of Directors and committees of the Issuer and recent developments of the business of the Issuer;

(vi) update the Prospectus to include additional disclosure relating the fine levied on the Issuer and The Prudential Assurance Company Limited by the FSA in March 2013 and the related censure of the Group CEO;

(vii) update the Prospectus to reflect certain changes to the credit ratings applicable to the Issuer; and

(viii) provide updated 'no significant change' and 'no material adverse change' statements as set out at paragraph 10 of this Supplemental Prospectus.

2. Incorporation by reference of the Issuer's Annual Report and Accounts

On 5 April, 2013, the Issuer published the Issuer's Annual Report and Accounts.

By virtue of this Supplemental Prospectus, the audited consolidated financial statements of the Issuer for the year ended 31 December, 2012 (together with the audit report prepared in connection therewith and the notes thereto), which appear on pages 146 to 364 (inclusive) of the Issuer's Annual Report and Accounts, and the unaudited financial information of the Issuer for the year ended 31 December, 2012, which appears on pages 365 to 385 (inclusive) of the Issuer's Annual Report and Accounts, are hereby incorporated in and form part of this Supplemental Prospectus, and are thereby incorporated in and form part of the Prospectus.

By virtue of this Supplemental Prospectus, the following sections of the Issuer's Annual Report and Accounts are hereby incorporated in and form part of this Supplemental Prospectus, and are thereby incorporated in and form part of the Prospectus:

- pages 93 to 109 (inclusive) of the section headed "Governance"; and
- pages 113 to 143 (inclusive) of the section headed "Directors' remuneration report".

A copy of the Issuer's Annual Report and Accounts has been filed with the National Storage Mechanism.

3. Incorporation by reference of the Issuer's Half Year Results

On 12 August, 2013, the Issuer published the Issuer's Half Year Results.

By virtue of this Supplemental Prospectus, the Issuer's Half Year Results are hereby incorporated in and form part of this Supplemental Prospectus, and are thereby incorporated in and form part of the Prospectus.

A copy of the Issuer's Half Year Results has been filed with the National Storage Mechanism.

4. Summary of the Programme

Element B.10 of the Summary of the Programme shall be supplemented to reflect the publication of the Issuer's Annual Report and Accounts. Element B.10 as so supplemented is set out below:

B.10	Any qualifications in the audit report	Not Applicable. There are no qualifications in the audit reports to the Annual Report 2011 and the Annual Report 2012 of the Issuer.

Element B.12 of the Summary of the Programme shall be supplemented to reflect the publication of the Issuer's Annual Report and Accounts and the Issuer's Half Year Results. Element B.12 as so supplemented is set out in the Annex to this Supplemental Prospectus.

Element B.17 of the Summary of the Programme shall be supplemented to reflect the a change in certain of the credit ratings applicable to the Issuer. Element B.17 as so supplemented is set out below:

B.17	Credit ratings assigned to the Issuer or its debt securities at the request or with the cooperation of the Issuer in the rating	The Issuer has a short-term/long-term debt rating of P-1/A2 (stable outlook) by Moody's Investors Service Ltd ("Moody's"), A-1/A+ (stable outlook) by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") and F1/A (stable outlook) by Fitch Ratings Limited ("Fitch"). The Programme has been rated (P)A2 (Senior Notes), (P)A3 (Dated Tier 2 Notes), (P)A3 (Undated Tier 2 Notes) and (P)Baa1 (Tier 1 Notes) by Moody's; A+ (Senior Notes), A- (Dated Tier 2 Notes), A- (Undated Tier 2 Notes) and A- (Tier 1 Notes) by Standard & Poor's, and A (Senior Notes) and BBB+ (subordinated

	process	debt) by Fitch. Each of Moody's, Standard & Poor's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). [The Notes [have been]/[are expected to be] rated [ ] by [ ]. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]

5. Risk Factors

Regulatory Developments

The Issuer conducts its businesses subject to regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations and any accounting standards in the markets in which it operates

There have been a number of global regulatory developments since the date of the Prospectus which could impact the way in which the Group is supervised in its many jurisdictions. These include the Dodd-Frank Act in the US, the work of the Financial Stability Board ("FSB") on Global Systemically Important Insurers ("G-SIIs") and the Common Framework for the Supervision of Internationally Active Insurance Groups ("ComFrame") being developed by the International Association of Insurance Supervisors ("IAIS").

The Dodd-Frank Act represents a comprehensive overhaul of the financial services industry within the United States that, among other reforms to financial services entities, products and markets, may subject financial institutions designated as systematically important to heightened prudential and other requirements intended to prevent or mitigate the impact of future disruptions in the US financial system. The full impact of the Dodd-Frank Act on the Group's businesses is not currently clear, as many of its provisions have a delayed effectiveness and/or require rulemaking or other actions by various US regulators over the coming years.

In July 2013, the FSB announced the initial list of nine insurance groups that have been designated as G-SIIs. This list included the Issuer as well as a number of its competitors. The designation as a G-SII is likely to lead to additional policy measures being applied to the designated group. Based on a policy framework released by the IAIS concurrently with the initial list, these additional policy measures will include enhanced group-wide supervision, which is intended to commence immediately and which will include the development by July 2014 of a Systemic Risk Management Plan ("SRMP") under supervisory oversight and implementation thereafter; recovery and resolution planning requirements ("RRP"); and higher loss absorption ("HLA") capacity, for conducting non-traditional and non-insurance activities. As a foundation for HLA requirements, backstop capital requirements (i.e. loss absorption ("LA") requirements) for all group activities will first be finalised. The Issuer is monitoring the development of, and the potential impact of, the framework of policy measures and engaging with the PRA on the implications of this designation. The IAIS currently expects to finalise LA and HLA proposals in

2014 and 2015 respectively. Implementation of the regime is likely to be phased in over a period of years with LA expected to be introduced between 2015 and 2019 and HLA not applied to G-SIIs until 2019.

ComFrame is also being developed by the IAIS to provide common global requirements for the supervision of insurance groups. The framework is designed to develop common principles for supervision and so may increase the focus of regulators in some jurisdictions. It is also currently expected that some prescriptive requirements, including group capital requirements, will be included in the framework. A revised draft ComFrame proposal is expected in October 2013.

Risks relating to the Notes

As described in the Prospectus, the Issuer may defer payments of interest on Tier 1 Notes, Undated Tier 2 Notes or Dated 2 Tier Notes which are specified as Option A Notes in the Final Terms where it determines (by reference to the Issuer's then current financial condition), at its sole discretion, that the Capital Adequacy Condition will not be met on such date.

The following tables show up-to-date financial ratios in respect of the Issuer for the purposes of determining compliance with the Capital Adequacy Condition, together, in each case, with historic financial ratios reproduced from the Prospectus for the purposes of comparison.

The following table shows the percentage, as per test (a), of the Regulatory Assets of Prudential Assurance to its Regulatory Capital Requirement at 31 December, 2012 together with the relevant percentages from previous years which are reproduced from the Prospectus:

At 31 December							
2006	2007	2008	2009	2010	2011	2012	Current Threshold for Optional Interest Payment Date
150%	151%	191%	178%	162%	149%	161%	125%

The following table shows the percentage, as per test (b), by which the Issuer and its Subsidiaries as a group exceed the Regulatory Capital Requirements, as per the Insurance Group Directive and after allowing for dividend payment at 31 December, 2012 together with the relevant percentages from previous years which are reproduced from the Prospectus:

At 31 December							
2006	2007	2008	2009	2010	2011	2012	Current Threshold for Optional Interest Payment Date
37%	77%	41%	165%	180%	157%	181%	25%

The following table shows the percentage, as per test (c), by which the Issuer's total Assets exceeded its total Liabilities at 31 December, 2012 together with the relevant percentages from previous years which are reproduced from the Prospectus:

At 31 December							
2006	2007	2008	2009	2010	2011	2012	Current Threshold for Optional Interest Payment Date
41%	29%	33%	36%	39%	64%	65%	16%

As at 31 December, 2012, the Regulatory Capital Requirement specifically applicable to Prudential Assurance was approximately 14%.

The following table shows the minimum percentage by which the Issuer's EEA Insurance Subsidiaries exceeded their minimum capital requirements pursuant to the Capital Regulations at 31 December, 2012 together with the relevant percentages from previous years which are reproduced from the Prospectus:

At 31 December

2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
28%	37%	40%	48%	66%	82%	124%

6. FSA Final Notices

In March 2013, the Issuer and The Prudential Assurance Company Limited settled with the FSA over issues relating to Prudential's unsuccessful bid to acquire AIA, the Asian subsidiary of AIG, in early 2010. The companies agreed to pay fines totalling £30 million, in respect of a decision by the FSA that it and the UKLA should have been informed earlier about the Issuer's contemplation of the potential transaction. The Group Chief Executive also agreed to be censured in respect of a decision by the FSA that it should have been informed earlier. Final Notices published on 27 March 2013 concerning these decisions accordingly represent the final resolution of the matter.

In a statement accompanying the Final Notices, the FSA stated that the investigation was into past events and did not concern the current conduct of the management of the Prudential Group. The FSA accepted that Prudential did consider their obligations in forming their assessment in respect of informing the regulator. Therefore, although the FSA considered that the circumstances of the breaches were serious, the FSA did not consider the breaches were reckless or intentional. Prudential has confirmed that the Group Chief Executive acted at all times in the interests of the Issuer and with the full knowledge and authority of the Board. Prudential works diligently to maintain close and positive relationships with its regulators, and the Issuer considers that the Group's relationship with its UK regulators continues to be good.

7. Changes to the Board of Directors and certain committees of the Issuer

Keki Dadiseth FCA

Independent non-executive director and member of the Remuneration Committee

On 1 May, 2013, Keki Dadiseth retired from the Board of Directors of the Issuer.

Antony Nightingale CMG SBS JP

Independent Non-Executive Director and member of the Remuneration Committee

On 1 June, 2013, Anthony Nightingale was appointed as an independent non-executive director to the Board of Directors of the Issuer. Mr Nightingale was also appointed to the Issuer's Remuneration Committee.

Anthony Nightingale was Managing Director of the Jardine Matheson Group from 2006 to 2012. He joined the Group in 1969 where he held a number of senior positions before joining the Board of Jardine Matheson Holdings in 1994. He is now a non-executive director of Jardine Matheson Holdings and of other Jardine Matheson group companies. These include Dairy Farm, Hongkong Land, Jardine Cycle & Carriage, Jardine Strategic and Mandarin Oriental. He is a commissioner of Astra International. Anthony is a non-executive director of Schindler Holding AG and China Xintiandi Limited, and a senior adviser to Academic Partnerships International and Dickson Concepts.

Anthony is a Hong Kong representative to the APEC Business Advisory Council. He is Chairman of the Action Plan and Advocacy Committee and Chairman of The Hong Kong-APEC Trade Policy Study Group. He is also a member of the Securities and Futures Commission Committee on Real Estate Investment Trusts, a council member of the Employers' Federation of Hong Kong, a member of the UK ASEAN Business Council Advisory Panel and a Non-Official member of the Commission on Strategic Development in Hong Kong. Anthony is a past chairman of the Hong Kong General Chamber of Commerce.

The Hon. Philip Remnant CBE ACA

Senior Independent Director, Member of the Audit, Nomination and Remuneration Committees

On 1 January, 2013, Philip Remnant was appointed as an independent non-executive director to the Board of Directors of the Issuer, and as the Senior Independent Director. He was also appointed to the Issuer's Nomination, Audit and Remuneration Committees.

Philip Remnant is a senior adviser at Credit Suisse, a Deputy Chairman of the Takeover Panel, a non-executive director of UK Financial Investments Limited (since 2009) and Chairman of City of London Investment Trust plc (since 2011). He was previously a Vice Chairman of Credit Suisse First Boston (CSFB) Europe and Head of the UK Investment Banking Department. Philip was seconded to the role of Director General of the Takeover Panel, which administers the UK's code on takeovers and mergers, from 2001 to 2003 and again in 2010. He served on the Board of Northern Rock plc from 2008 to 2010 and from 2007 to 2012 was Chairman of the Shareholder Executive, which manages the relationships between the UK Government and the businesses in which it is a shareholder.

Alice Schroeder

Independent Non-Executive Director and member of the Audit Committee

On 10 June, 2013, Alice Davey Schroeder was appointed as an independent non-executive director to the Board of Directors of the Issuer. Ms Schroeder was also appointed to the Issuer's Audit Committee.

Alice Schroeder is an independent board member of Cetera Financial Group and an independent director of WebTuner Corp. She is a member of the National Association of Corporate Directors, WomenCorporateDirectors and a board member of The Committee of 200 Foundation. Alice began her career as a qualified accountant at Ernst & Young in 1980 where she worked for 11 years before leaving to join the Financial Accounting Standards Board as a manager. From September 1993 she worked as an analyst at Paulsen, Dowling Securities before leading teams of analysts specialising in property-casualty insurance, first as a Managing Director of Oppenheimer & Co and then at PaineWebber & Co. In June 2000 she joined Morgan Stanley, becoming a Managing Director in 2001 heading the Global Insurance Equity Research team and, separately, the US team of top-ranked analysts specialising in property-casualty insurance. In May 2003 Alice became a senior adviser at Morgan Stanley leaving in November 2009. She is a highly respected analyst and the author of the official biography of Warren Buffett, Chairman and CEO of Berkshire Hathaway.

John Foley

Group Investment Director

On 6 August, 2013, the Issuer announced the appointment of John Foley to the new role of Group Investment Director.

John has been replaced as Group Chief Risk Officer by Pierre-Olivier Bouée. Mr Bouée was also appointed to the Group Executive Committee of the Issuer in August 2013.

Michael Garrett

Former Independent Non-Executive Director and member of the Remuneration Committee

On 31 August, 2013, Michael Garrett resigned as an independent non-executive director from the Board of Directors of the Issuer. Mr Garrett was formerly a member of the Issuer's Remuneration Committee.

Rob Devey

Former Chief Executive, Prudential UK and Europe

On 5 September, 2013, Rob Devey resigned as an executive director of the Issuer and as Chief Executive of Prudential UK and Europe.

Jackie Hunt

Chief Executive, Prudential UK and Europe

Jackie Hunt was appointed as Director and Chief Executive, Prudential UK & Europe on 5 September, 2013. Before joining Prudential, Jackie was a Director and Chief Financial Officer of Standard Life, which she joined in 2009 as Deputy Chief Financial Officer. Prior to this, she held a number of senior financial management positions in companies including Norwich Union Insurance, Aviva, Hibernian Group, Royal & Sun Alliance and PricewaterhouseCoopers. Jackie is a Non-Executive Director of National Express Group PLC. Jackie was also Chairman of the Prudential Financial and Taxation Committee of the Association of British Insurers and remains a Member of the Association of British Insurers.

Conflicts of interest

Investors should be aware of the information regarding related party transactions disclosed in note I7 to the annual report and audited consolidated annual financial statements of the Issuer for the year ended 31 December, 2012.

8. Recent Developments

Group performance

The Group's IFRS operating profit[1] based on longer-term investment returns increased by 22 per cent during the first six months of 2013 to £1,415 million (2012: £1,157 million[2]). Asia life operating profit[1] was up 18 per cent to £474 million, with strong contributions from Asia's four largest operations of Hong Kong, Indonesia, Malaysia and Singapore and growing contributions from some of Asia's smaller but well performing businesses such as the Philippines and Thailand. US life operating profit increased 32 per cent to £582 million (2012: £442 million), reflecting Jackson's strategic focus on fee income generated by its variable annuity sales and higher insurance income following the acquisition of REALIC in 2012. UK Life operating profit increased 1 per cent to £341 million (2012: £336 million), but was up 7 per cent on a like-for-like basis, i.e. excluding the large bulk annuity transaction entered into in the first half of 2012, as UK did not enter any bulk transactions in the first half of 2013. M&G delivered record operating profit of £204 million, an increase of 17 per cent, reflecting continued strong net inflows combined with favourable market movements in the period.

New business profit was up 11 per cent to £1,268 million (2012: £1,141 million), driven by 20 per cent growth in Asia including strong contributions from both agency and bancassurance channels. APE sales increased 7 per cent to £2,162 million (2012: £2,030 million), led mainly again by the Group's Asia business, which saw double-digit growth in eight markets, for example China up 42 per cent, Hong Kong up 21 per cent, Philippines up 38 per cent, Singapore up 21 per cent and Thailand up 32 per cent. Jackson achieved growth of 11 per cent in the US, reflecting the excellent progress of Jackson's Elite Access product. M&G delivered strong net inflows of £3.8 billion (2012: £4.9 billion) benefiting from record levels of retail sales from Continental Europe, while Eastspring Investments, the Group's Asia asset management business, reported significantly higher levels of net sales[3] at £2 billion (2012: £426 million).

Free surplus generation[1] from the Group's life and asset management businesses – an important metric for the Group as it is a good indication of the actual cash generation from its life in-force book and from its large asset management activities – was 11 per cent higher at £1,548 million, before reinvestment in new business, reflecting the increased scale of the Group's in-force life portfolio and a larger contribution from its asset management businesses. Investment in new business has increased to £396 million (2012: £364 million), primarily as a result of growth in new business volumes. Net cash remittances from the Group's businesses to the Issuer increased by 16 per cent to £844 million (2012: £726 million). The Issuer's balance sheet continues to be defensively positioned and at the end of the period its IGD surplus[4] was estimated at £3.9 billion, equating to coverage of 2.3 times.

Asia

The Group's businesses in Asia delivered a strong set of results in the first half of 2013. This performance is evidence of the disciplined execution of the Group's strategy to drive both profitable growth and cash, building on its distribution and product suite in the region, which allow the Group to cater successfully and profitably to the needs of a growing and increasingly wealthy Asian middle class.

As a result, Asia's life new business profit increased 20 per cent to £659 million (2012: £547 million), outpacing APE sales growth of 12 per cent in part due to the positive impact of higher interest rates, primarily in Hong Kong, and a more favourable geographic mix. The second quarter saw record sales for seven local business units, with sales at the half year for Hong Kong up 21 per cent, China up 42 per cent, Indonesia up 17 per cent, Singapore up 21 per cent, Thailand up 32 per cent, Philippines up 38 per cent, Korea up 38 per cent and Vietnam up 28 per cent. Total sales of health and protection comprised 30 per cent of the mix of business. This contributed to a regional internal rate of return in excess of 20 per cent and a payback period of four years.

Life IFRS operating profit[5] was £474 million, up 18 per cent, driven by the increasing scale of the in-force book.

EEV operating profit[5] grew by 24 per cent to £1,077 million, supported by three factors, (i) the Group's strong new business growth, (ii) the increasing scale and intrinsic profitability of the in-force book and (iii) the positive impact of higher interest rates.

Highlights of the Group's performance in Asia during the first half of 2013 include the continued success of its agency distribution channel, where APE sales growth of 15 per cent was driven by strong increases in agency activity. The Group remains focused on both building the scale of its agency force and improving the productivity of its agents through initiatives aimed at enhancing quality and performance. During the first half of 2013, the Group saw particularly good growth in active agent numbers in Indonesia, Hong Kong and Singapore. It was also very successful in growing its active agency force in the Philippines, which combined with ongoing progress in partnership distribution, was a major factor in driving strong APE sales growth in that market of 38 per cent.

The Group has continued to drive agent productivity gains in Hong Kong and Singapore. In Hong Kong this partly results from the success of sales of participating products and the launch of a new medical product, PRUmyhealth lifelong crisis protector. Singapore benefited from the success of new product campaigns including a revised health and protection product. Vietnam and China have also benefited from a large improvement in productivity, reflecting enhancements in agency training and management. In Malaysia, the Group remains focused on deepening its presence in the Bumi sector and building the share of health and protection product sales through its agency force. Excluding Taiwan, where the Group chose not to provide low-margin guaranteed products, bancassurance APE sales growth was 21 per cent, with broad-based growth across its major partners, especially in Singapore and China, which has continued its excellent start to 2013. Sales performance in Korea was boosted by increased volumes in the first quarter ahead of a one-off regulatory change in February that restricted some of the policyholder tax benefits associated with life insurance policies.

The Group continues to 'invest to grow' in markets where it has not been as strong in the past. In Thailand, the integration of Thanachart Life is going well. Effective preparation between the signing of the agreement in quarter four 2012 and its completion on 3 May 2013 enabled the Group to commence sales through Thanachart Bank immediately and performance is currently running ahead of the Group's plans.

In Cambodia, where the Group started operating in January 2013, its new life business is progressing well, thanks to a partnership with the largest bank in the country, Acleda. The Group has also opened a representative office in Myanmar during the first half of 2013, starting to plant the seeds of what it believes will be a significant presence in that promising market.

In parallel to these growth initiatives, the Group continues to manage the business with discipline, focusing on exceeding its target returns and payback periods. This strategy led the Group to close its traditional life business in Japan to new business on 15 February, 2010 and to put the in-force book in run-off. The Group took a further step on 16 July, 2013 when it announced its intention to sell its closed-book life insurance business in Japan for US$85 million, subject to regulatory approvals. The Group remains committed to its well performing asset management business in this country, Eastspring Investments Japan.

Eastspring Investments saw net third-party inflows[3] of £2 billion, 371 per cent higher than in 2012, mainly due to the appeal of Taiwan's US high-yield bond funds, Japan's Asia Oceania equity fund, bond funds in India and new bond funds in China. Given these high net flows and positive market movements, funds under management at 30 June, 2013 were £62 billion, 15 per cent higher than at the same time last year. IFRS operating profit[1] grew 19 per cent to £38 million (2012: £32 million).

Eastspring Investments was awarded the 'Best Asset Management Company of the Year – South-east Asia' at The Asset Triple A Investor and Fund Management Awards 2013. The Group is also making good progress with its strategy to broaden its distribution reach into the US and Europe.

The Group has a long standing presence in Asia and in line with its values, the Group wishes to make a positive contribution to the countries and communities where it operates. Therefore, in April 2013, the Prudence Foundation, the Group's Asian CSR platform, announced a series of multi-country programmes in partnership with Save the Children and Plan International with two main objectives: to enable communities to better cope with disasters and to help children receive a better start to their education through the First Read initiative. More than 170,000 people in Cambodia, Indonesia, the Philippines, Thailand and Vietnam are expected to benefit from these programmes over a three-year period.

The long-running project to domesticate the Group's Hong Kong insurance business is approaching the closing stages. This will better align the legal entity structure with the Group's management structure. The Group continues to work very closely with its regulators in both the UK and Hong Kong in order to achieve a satisfactory conclusion for all affected stakeholders, with whom the Group will be engaging in due course. The Group will also be reorganising its Asia businesses under a single new entity, the Board of which will be chaired by Tidjane Thiam. Ultimately this will bring all of the Group's Asian geographies under one umbrella company and create a simpler, more effective corporate structure.

US

In the first half of 2013, there was a considerable amount of activity in the variable annuity ("VA") market as insurers continued to make changes to their product offerings to ensure that they are fit for the current economic environment, characterised by historically low long-term interest rates. Several insurers with challenging legacy books have launched buyout offers to their existing policyholders. Following a prolonged period of successive increases in VA pricing and the adoption of less and less attractive product features for customers across the market, there are early signs of movement in the opposite direction by some VA providers who are starting to make their products more attractive to customers. This should lead, after a long period of increasing concentration among the three largest providers, to a period where players lower in the league table are likely to gain market share.

Towards the end of the first half of 2013, comments from the Federal Reserve Chairman in relation to a potential tapering of quantitative easing resulted in significant movements in US bond markets. This led to a strengthening of the US dollar and an increase in the 10-year Treasury rate to end the period at 2.5 per cent. While interest rates remain well below historic averages, this recent move upwards in long-term yields, if sustained, would be beneficial to the financial performance of the VA industry.

In the first half of 2013, beyond these market considerations, Jackson achieved APE retail sales of £758 million, an 8 per cent increase compared to the first half of 2012. These sales levels were achieved while maintaining pricing discipline and Jackson continued to write new business at aggregate internal rates of return in excess of 20 per cent and payback period of two years. Including institutional sales, total APE sales were £797 million, an 11 per cent increase over the same period in 2012.

In that context, total variable annuity APE sales increased to £665 million (2012: £611 million). This growth was exclusively driven by the rapid progress of Elite Access, Jackson's variable annuity without guarantees, which contributed £127 million of APE sales in the period (2012: £14 million) . Excluding Elite Access, VA sales actually declined 10 per cent to £538 million, reflecting the actions taken in the final quarter of 2012 to control sales of VAs with living benefit guarantees to match the Group's risk appetite. Of the Group's total VA sales in the first half of 2013, 29 per cent did not feature living benefit guarantees (2012: 14 per cent) and this change in product mix is in line with the strategy outlined by the Group for its US business at the Group's investor conference held in New York in November 2012. Net inflows for variable annuities' separate accounts continue to be strongly positive at £4,054 million (2012: £3,842 million) reflecting the growth in new business sales and low, stable levels of policy surrenders.

Fixed annuity APE sales of £30 million remained relatively flat compared to 2012, while fixed index annuity APE sales of £62 million increased 24 per cent. The Group has seen a moderate increase in demand for fixed index annuities as consumers seek to increase their exposure to equity markets following the recent strong performance of the S&P 500.

Jackson's new business profit increased 8 per cent to £479 million, driven by higher sales as well as the positive effects of pricing and product actions and rising interest rates.

Life IFRS operating profit was £582 million during the first half of 2013, up 32 per cent from £442 million in 2012. This result reflects strong underlying growth in fee income, which was partially offset by higher expenses. In addition, the performance benefited from the inclusion of operating profit totalling £56 million from REALIC. REALIC was acquired in the third quarter of 2012 and continues to both perform in line with expectations and deliver the objective of improving the diversity of Jackson's earnings.

EEV operating profit increased by 26 per cent to £1,016 million (2012: £805 million) as Jackson continues to grow the underlying book, including REALIC. Jackson has maintained its discipline of managing its in-force business for value and Jackson has generated large positive contributions from operating experience variances and assumption changes.

The Group's US asset management businesses, PPM America and Curian, increased IFRS operating profit to £8 million (2012: £2 million) and £14 million (2012: £7 million) respectively, largely reflecting higher average assets under management due to market accretion. IFRS operating profit from the Group's broker-dealer network, National Planning Holdings, was up 50 per cent to £12 million (2012: £8 million).

Jackson's strong earnings progress has enabled it to remit £294 million to Group while supporting its balance sheet growth and maintaining adequate capital. Jackson continues to price new business on a conservative basis targeting value over volume, and its financial market hedging remains focused on the economics of its exposures rather than the accounting. This approach has enabled Jackson to deliver significant profitable growth since the financial crisis while maintaining a strong balance sheet. Over the last three years Jackson has remitted £945 million of cash to the Group, demonstrating that Jackson's recent growth is quickly translating into profits and cash, the ultimate metric for the Group over time of a successful strategy.

UK

The UK life and pensions industry has continued to undergo considerable regulatory and market change in the first half of 2013 with the appointment of two new industry regulatory bodies, the phasing in of auto-enrolment for company pensions and the introduction of the ABI Code on Retirement Choices. The distribution landscape continues to be in transition, post the implementation of the recommendations of the Retail Distribution Review ("RDR"). These combined developments, as anticipated, have presented a series of challenges in a number of the Group's key UK activities. The competitive landscape across the UK life and pension sector remains in a state of flux as providers, distributors, advisers and their clients adjust to the new environment.

In the second quarter of 2013, the effects of the transition to adviser charging triggered by the RDR have started to reduce and monthly sales levels have settled to a more steady pattern compared to the first quarter of 2013. However, advisers are still working through the impact of the RDR on their business models and the bancassurance market has continued to contract. The experience for many customers is that in the short term their access points to advice are reduced. As a result, the Group anticipates that a degree of market dislocation will persist and that this will dampen particularly its sales of investment bonds in 2013 compared to the unusually high level of sales achieved in 2012. Looking at with-profit bonds, it appears that the impact of the anticipated fall in adviser numbers post-RDR has been less severe in the first half of 2013 than expected, with volumes 25 per cent down on the first half of 2012 but in line with the first half of 2011. This was partly due to the fact that there was a significant pipeline of business advised ahead of the date of implementation of the RDR.

The Group's UK small direct advice channel, Prudential Financial Planning ("PFP") continues to establish its presence, with a deliberately limited ambition of focusing primarily on the Group's existing direct customer base. By the end of 2013, two years from launch, PFP adviser numbers should reach around 200.

In the first half of 2013 the Group commenced sales operations in Poland, one of Europe's fastest-growing economies, which has an expanding middle class and high savings rates.

The Group continues to manage its UK business by focusing on its strengths in individual annuities and with-profits products. The strength of the Group's with-profits proposition continues to drive strong demand for its Income Choice Annuity, which offers customers attractive returns with a potential for income growth even in the current sustained low interest rate environment. Customers also continue to be attracted to the Group's Additional Voluntary Contribution plans where, despite a challenging market environment, Prudential UK remains the largest provider within the public sector, with arrangements in place with 68 of the 99 public sector authorities in the UK.

Total APE sales of £355 million were 14 per cent lower than the first half of 2012. In the wholesale market, the Group did not complete any significant bulk annuity transactions in the first half of 2013 (2012: single deal APE £27 million). Retail APE sales of £355 million were 8 per cent lower than the first half of 2012, as a result of the decrease in with-profits bonds sales that was caused by the implementation of the RDR, lower corporate pensions sales and the cessation of Department of Work and Pensions rebate business, which contributed APE sales of £9 million in the first half of 2012.

Individual annuities APE sales increased 6 per cent to £111 million. External annuities APE sales increased 13 per cent to £44 million, while internal vestings were 2 per cent higher at £67 million. In terms of product mix, the half year saw higher sales of with-profits annuities, offset by lower conventional annuity sales. Corporate pensions APE sales of £93 million were 11 per cent lower, mainly due to reduced levels of new scheme sales.

Total new business profit of £130 million was lower than the £152 million earned in the first half of 2012 which included a £22 million contribution from the bulk annuity transaction that has not been repeated. Retail new business profit was in line with the first half of 2012, as lower sales volumes were offset by positive effects of mix and pricing activity.

Life IFRS operating profit was up 1 per cent at £341 million (2012: £336 million), with £133 million (2012: £146 million) from with-profits and the balance from shareholder-backed business. During the first half of 2013 Prudential UK remitted cash of £226 million to the Group, including £206 million from the annual with-profits transfer to shareholders.

M&G

The Group's European-based asset management business, M&G, has continued to focus on delivering superior investment performance for its customers while expanding the reach of its distribution capabilities. It has pursued business diversification across asset classes and geographies and its retail funds are now registered for sale in 21 jurisdictions, with offices in 16 countries.

Net retail fund flows remained strong during the first half of 2013 at £4.8 billion, principally through increased sales in Continental Europe, where net inflows totalled £5.6 billion (2012: £2.2 billion). Funds under management ("FUM") from outside of the UK have doubled to £21.2 billion over the past 12 months and now represent 34 per cent of retail FUM, up from 22 per cent a year ago. During the period, eight funds attracted net sales of at least £150 million each with the majority of new money going into the M&G Optimal Income Fund, a flexible bond portfolio, and into the M&G Global Dividend Fund. In the UK, after four consecutive calendar years and 15 consecutive quarters as the number one house for both net and gross sales, an unprecedented achievement, new business has slowed. M&G has proactively decided to slow contributions to two of its market-leading corporate bond funds in the UK to protect their investment performance. M&G's sales in the UK stabilised during the second quarter with overall net outflows of £1.2 billion in the first six months (2012: inflows of £2.8 billion). The implementation of the RDR at the start of 2013 has also contributed to dampening activity across the industry. Total retail FUM now stand at £62.7 billion, up 30 per cent compared to 30 June 2012.

M&G's institutional business incurred total net outflows of £0.9 billion during the year to June. This largely reflects the start of scheduled withdrawals from a single large but low-margin mandate of £7.6 billion received during 2012. Despite the net outflows in the period, institutional FUM increased to £55.5 billion, up 20 per cent compared to 30 June 2012.

M&G currently has a strong pipeline of higher-margin institutional business. In particular, M&G has used its investment expertise to develop a number of products that allow institutional investors to take advantage of the gap created by the decline in long-term commercial bank loans. These opportunities include lending to medium-sized companies, housing association-registered providers, commercial real estate borrowers and infrastructure projects. The Group's property business, formerly known as PRUPIM, was rebranded as M&G Real Estate during the period. Recent activity includes a return to the residential property market in the UK with a £104 million investment in London housing.

Fund sales, combined with a 14 per cent increase in equity market levels and 8 per cent rise in bond markets, pushed total FUM to £234.3 billion, 15 per cent higher than a year ago. External client assets of £118.1 billion now account for over half of the total, compared to a third five years ago.

Underlying profits[1] rose by 16 per cent to a new half-year record of £195 million. Over the past five years, underlying profits have grown at an annualised rate of 15 per cent, principally reflecting very strong net sales over the period.

The strong growth in FUM over the first half of 2013 has helped the business achieve a cost/income ratio of 54 per cent (2012: 53 per cent) despite a larger cost base as a result of increased headcount and continued investment in the operational infrastructure of the business. Following the addition of performance-related fees and profit from the Group's associate investment in South Africa, total operating profit at the half year stands at a record level of £204 million. This is an increase of 17 per cent on the 2012 position of £175 million.

Given the strength of its financial performance, M&G continues to provide capital-efficient profits and cash generation for the Group and remitted cash totalling £109 million in the first half of 2013 (2012: £98 million).

M&G has been recognised for its investment performance with numerous awards, including the European Pensions Awards of 2013 Investment Manager of the Year, Fixed Income Manager of the Year and Property Manager of the Year.

Looking ahead, M&G will continue to seek diversification by both asset class and geography, while remaining focused on delivering excellent investment performance and service to its clients.

Capital and risk management

The Group takes a disciplined approach to capital management and has continued to implement a number of measures over the last few years to enable it to make its capital work more efficiently and more effectively for the Group. Using the regulatory measure of the Insurance Groups Directive ("IGD"), the Group's capital surplus[3] position at 30 June 2013 was estimated at £3.9 billion, before allowing for the interim dividend, equating to coverage of 2.3 times.

In July 2013, the Issuer was listed by the FSB as one of nine companies to be designated as a G-SII. The Issuer is monitoring the development of and the potential impact of the framework of policy measures and engaging with the United Kingdom Prudential Regulation Authority on the implication of this designation. Solvency II remains subject to delays in policy development and therefore the outlook continues to be uncertain. Despite this uncertainty the Group remains focused on preparing for implementation of the new regime.

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[1] The 2012 comparative results have been adjusted from those previously published for the retrospective application of the new and amended accounting standards as discussed in note B of the Issuer's IFRS Disclosure and Additional Financial Information for the six months ended 30 June, 2013 which are incorporated in and form part of this Supplemental Prospectus. In addition, following its reclassification as held for sale at 30 June 2013, operating results exclude the result of the Japan Life insurance business. 2012 comparatives have been retrospectively adjusted on a comparable basis.

[2] Historic comparatives relate to the same date or period, as applicable, in respect of the relevant year cited.

[3] Excluding Money Market Funds

[4] As disclosed in the Issuer's Annual Report and Accounts, from March 2013 the basis of calculating Jackson's contribution to the Group's IGD surplus was changed.

[5] For IFRS reporting purposes, the Group adopted new and amended accounting standards. Accordingly, the IFRS elements and EEV basis shareholders' interest for the comparative results have been adjusted for the retrospective application of this adoption of IFRS accounting policies, as discussed in note B to the Issuer's IFRS financial statements for the period ended 30 June, 2013 and note 1 to the Issuer's EEV basis results for the period ended 30 June, 2013, which are incorporated in and form part of this Supplemental Prospectus. In addition, following its reclassification as held for sale at 30 June, 2013, operating results exclude the results of the Japan Life insurance business. 2012 comparatives have been retrospectively adjusted on a comparable basis.

9. Credit Ratings

On 22 May, 2013, Standard and Poor's took action to upgrade the outlook applicable to certain credit ratings of the Issuer, The Prudential Assurance Company Limited and Jackson. As at the date of this Supplemental Prospectus:

- the Issuer has short-term/long-term debt rating of A-1/A+ (stable outlook) from Standard and Poor's;
- The Prudential Assurance Company Limited has a financial strength rating of AA (stable outlook) from Standard and Poor's; and
- Jackson has a financial strength rating of AA (stable outlook) by Standard and Poor's.

10. Significant and material adverse change statements

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries as a whole since 30 June, 2013.

There has been no material adverse change in the prospects of the Issuer and its subsidiaries as a whole since 31 December, 2012.

11. General

For so long as Notes may be issued pursuant to the Prospectus (as supplemented by this Supplemental Prospectus), copies of the following documents will be available during normal business hours from the registered offices of the Issuer and the specified office of the Issue and Paying Agent for the time being in London:

(i) a copy of this Supplemental Prospectus;

(ii) the Issuer's Annual Report and Accounts; and

(iii) the Issuer's Half Year Results.

Copies of documents incorporated by reference in this Supplemental Prospectus may be obtained: (i) by a request in writing to the Issuer at its registered office as set out at the end of this Prospectus and marked for the attention of the Company Secretary; (ii) by visiting the Issuer's website at *http://www.prudential.co.uk/investors/regulatory-news/lse*; or (iii) from the specified office of the Issue and Paying Agent for the time being in London.

To the extent that there is any inconsistency between (a) any statement in this Supplemental Prospectus or any statement incorporated by reference into the Prospectus by this Supplemental Prospectus, and (b) any other statement in or incorporated by reference in the Prospectus prior to the date of this Supplemental Prospectus, the statements in (a) will prevail.
If documents which are incorporated by reference themselves incorporate any information or other documents by reference therein, either expressly or implicitly, such information or other documents will not form part of this Supplemental Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in this Supplemental Prospectus or where this Supplemental

Prospectus is specifically defined as including such information. Any information contained in a document incorporated by reference in this Supplemental Prospectus which is not incorporated in, and does not form part of, this Supplemental Prospectus is not relevant for investors or is contained elsewhere in this Supplemental Prospectus.

Save as disclosed in this Supplemental Prospectus, 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 has been authorised by the Issuer, any Dealer or the Trustee to give any information or to make any representation not consistent with the Prospectus, this Supplemental Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, any Dealer or the Trustee.

The delivery of the Prospectus and/or this Supplemental Prospectus 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.

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Annex

Amended Summary of the Prospectus

B.10	Any qualifications in the audit report	Not Applicable. There are no qualifications in the audit reports to the Annual Report 2011 and the Annual Report 2012 of the Issuer.
B.12	Selected historical key financial information regarding the Issuer plus a statement that there has been no material adverse change in the prospects of the Issuer since the date of its last audited financial statements or a description of any material adverse change and a description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information	The following tables present the profit and loss account and balance sheet data for and as at the six months ended 30 June, 2013 and 30 June, 2012 and the years ended 31 December, 2012 and 31 December, 2011. The information has been derived from the Issuer's unaudited consolidated half year financial statements and the Issuer's audited consolidated financial statements audited by KPMG Audit Plc.

Consolidated Half Year Financial Results

International Financial Reporting Standards (IFRS) Basis Results

Statutory IFRS basis results	**Half Year 2013**	**Half Year 2012***
Profit after tax attributable to equity holders of the Company	**£365m**	£887m
Basic earnings per share	**14.3p**	35.0p
Shareholders' equity, excluding non-controlling interests	**£9.6bn**	£9.3bn
Supplementary IFRS basis information		
Operating profit based on longer-term investment returns.....	**£1,415m**	£1,157m
Short-term fluctuations in investment returns on shareholder-backed business..	**£(755)m**	£(47)m
Amortisation of acquisition accounting adjustments	**£(30)m**	-
Gain on dilution of Group's holdings........................	-	£42m
(Loss) profit attaching to held for sale Japan Life business**.	**£(124)m**	£14m
Profit before tax attributable to shareholders	**£506m**	£1,166m
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests)	**42.2p**	34.6p

	Half Year 2013	**Half Year 2012**
Dividends per share declared and paid in reporting period ...	**20.79p**	17.24p
Dividends per share relating to reporting period	**9.73p**	8.40p
Funds under management	**£427bn**	£363bn

* The Issuer has adopted new accounting standards on consolidated financial statements and joint arrangements, and amendments to the employee benefits accounting standard, from 1 January 2013. Accordingly, the 2012 comparative results have been adjusted retrospectively from those previously published.

* To facilitate comparisons of operating profit based on longer-term investments that reflect the Issuer's retained operations, the results attributable to the Japan Life business classified as held for sale as at 30 June 2013 are included separately within the supplementary analysis of the profit above.

Audited Consolidated Financial Statements

	Year Ended 31 December 2012*	2011*
	£ million	
Statutory IFRS basis results		
Gross premiums earned	**29,910**	25,706
Outward reinsurance premiums	**(506)**	(429)
Earned premiums, net of reinsurance	**29,404**	25,277
Investment return	**24,051**	9,360
Other income	**2,021**	1,869
Total revenue, net of reinsurance	**55,476**	36,506
Profit before tax attributable to shareholders	**2,810**	1,828
Tax charge attributable to shareholders' returns	**(613)**	(409)
Profit for the year	**2,197**	1,419
Less: attributable to non-controlling interests	**-**	(4)
Profit after tax attributable to equity holders of the Issuer	**2,197**	1,415
Supplementary IFRS basis information		
Operating profit based on longer-term investment returns:		
Asia operations	**988**	784
US operations	**1,003**	675
UK operations	**1,107**	1,080
Other income and expenditure	**(498)**	(483)
RPI to CPI inflation measure change on defined benefit pension schemes	**-**	42
Solvency II implementation costs	**(48)**	(55)
Restructuring costs	**(19)**	(16)
Operating profit based on longer-term investment returns	**2,533**	2,027
Short-term fluctuations in investment returns on shareholder-backed business	**204**	(220)
Shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	**50**	21
Gain on dilution of Group's holdings	**42**	-
Amortisation of acquisition accounting adjustments arising on the purchase of REALIC	**(19)**	-
Profit before tax attributable to shareholders	**2,810**	1,828
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests)	**76.8p**	62.8p

	Year Ended 31 December 2012*	2011*
Basic earnings per share	**86.5p**	**55.8p**
Shareholders' equity, excluding non-controlling interests	**£10.4bn**	**£8.6bn**
Dividends per share declared and paid in reporting period	**25.64p**	**25.19p**
Dividends per share relating to reporting period	**29.19p**	**25.19p**
Funds under management	**£405bn**	**£351bn**

* The figures for the years end 31 December, 2012 and 2011 are as published in the 2012 Annual Report of the Issuer and have not been adjusted for the retrospective application of the new accounting standards on consolidated financial statements and joint arrangements, amendments to the employee benefits accounting standard, from 1 January 2013 and altered presentation for the classification of Japan Life business as held for sale as at 30 June 2013. On the retrospective application of these changes for the year ended 31 December 2012 to be consistent with the presentation applied in the half year 2013 financial results, the operating profit based on longer-term investment returns of the Issuer altered from £2,533 million to £2,520 million (2011: from £2,027 million to £2,017 million) and profit before tax attributable to shareholders altered from £2,810 million to £2,747 million (2011: from £1,828 million to £1,801 million). There was no impact of these changes on shareholders' equity as at 31 December 2012 and 2011.

The Issuer prepared the above accounts in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union (EU).

Statements of no significant or material adverse change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries as a whole since 30 June, 2013.

There has been no material adverse change in the prospects of the Issuer and its subsidiaries as a whole since 31 December, 2012.