



Prudential plc

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

as Issuer

£6,000,000,000

Medium Term Note Programme

This Supplementary Prospectus (the “Supplementary Prospectus”, which definition shall include all information incorporated by reference herein) to the base prospectus dated 16 May, 2016 (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 Supplementary Prospectus.

This Supplementary 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 Supplementary 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 Supplementary 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 Supplementary 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 Supplementary Prospectus is to:

- (A) incorporate by reference the annual report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December, 2016 (the “**Issuer’s Annual Report and Accounts**”);
- (B) update certain elements of the summary set out in the Prospectus to include updated key financial information in respect of the twelve months ended 31 December, 2016;
- (C) supplement the Risk Factor on pages 33 and 34 of the Prospectus entitled “*The Issuer’s businesses are inherently subject to market fluctuations and general economic conditions*” to include additional information in relation to the UK’s submission on 29 March, 2017 of a formal notification of its intention to withdraw from the EU pursuant to Article 50 of the Treaty on the Functioning of the European Union;
- (D) supplement the Risk Factor on pages 37 and 38 of the Prospectus entitled “*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*” to include a description of the risk that termination of the UK’s membership of the EU could result in significant changes to the regulatory regime under which the Group operates;
- (E) supplement the Risk Factor on pages 38 and 39 of the Prospectus entitled “*The resolution of several issues affecting the financial services industry could have a negative impact on the Issuer’s reported results or on its relations with current and potential customers*” to include a description of the risks arising as a result of the Issuer’s agreement with the FCA to review past non-advised annuity sales practices and related potential redress;
- (F) update the Prospectus to reflect certain changes to the Board of Directors of the Issuer; and
- (G) provide updated ‘no significant change’ and ‘no material change’ statements as set out at paragraph 6 of this Supplementary Prospectus.

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

On 24 March, 2017 the Issuer published the Issuer’s Annual Report and Accounts.

By virtue of this Supplementary Prospectus, the Issuer’s Annual Report and Accounts are hereby incorporated in and form part of this Supplementary Prospectus, and are thereby incorporated in and form part of the Prospectus.

The table below sets out cross-references to certain sections of the Issuer’s Annual Report and Accounts:

Section heading	Page numbers in Issuer's Annual Report and Accounts
Consolidated income statement	Page 161
Consolidated statement of comprehensive income	Page 162
Consolidated statement of changes in equity	Pages 163 - 164
Consolidated statement of financial position	Page 165
Consolidated statement of cash flows	Page 166
Notes on financial statements	Pages 167 - 308
Independent auditor's report to the members of Prudential plc	Pages 319 - 322

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

3. Summary of the Programme

Elements B.10 and B.12 of the Summary of the Programme shall be supplemented to reflect the publication of the Issuer's Annual Report and Accounts. Elements B.10 and B.12 as so supplemented are set out in the Annex to this Supplementary Prospectus.

4. Supplements to Risk Factors in the Prospectus

4.1 Market fluctuations and general economic conditions

The Risk Factor on pages 33 and 34 of the Prospectus entitled "*The Issuer's businesses are inherently subject to market fluctuations and general economic conditions*" is supplemented by, and shall be read together with, the following:

On 29 March, 2017 the UK submitted the formal notification of its intention to withdraw from the EU pursuant to Article 50 of the Treaty on the Functioning of the European Union, as amended. Following submission of this notification, the UK has a period of a maximum of two years to negotiate the terms of its withdrawal from the EU. If no formal withdrawal agreement is reached between the UK and the EU, then it is expected that the UK's membership of the EU will automatically terminate.

4.2 Regulatory and associated regulatory risks

The Risk Factor on pages 37 and 38 of the Prospectus entitled "*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*" is supplemented by, and shall be read together with, the following:

Termination of the UK's membership of the EU could, amongst other things, result in significant changes to the regulatory regime under which the Group operates.

4.3 Issues affecting the financial services industry

The Risk Factor on pages 38 and 39 of the Prospectus entitled "*The resolution of several issues affecting the financial services industry could have a negative impact on the Issuer's reported results or on its relations with current and potential customers*" is supplemented by, and shall be read together with, the following:

In October 2016, the FCA published the results of its thematic review of non-advised annuities sales practices. In response, the UK business has undertaken to the FCA to review annuities sold without advice after 1 July, 2008 to its contract-based defined contribution pension customers and to potentially provide redress to certain such customers. The review will examine whether customers were given sufficient information about their potential eligibility to purchase an enhanced annuity, either from the Group or another pension provider. The review is expected to commence in 2017 and last a period of three years. A provision of £175 million has been established at 31 December, 2016 to cover the costs of undertaking the review and any potential redress. The ultimate amount that will be expended by the Group on the review remains uncertain. Although the Group's professional indemnity insurance may mitigate the overall financial impact of this review, with potential insurance recoveries of up to £175 million, no such recovery has been factored in the provision.

5. Changes to the Board of Directors of the Issuer

On 23 February, 2017, it was announced that:

- (A) Ann Godbehere will retire as a Non-executive Director of the Issuer with effect from the close of the Annual General Meeting on 18 May, 2017;
- (B) David Law, a Non-executive Director of the Issuer, will succeed Ann Godbehere as Chairman of the Audit Committee and become a member of the Risk Committee and the Nomination and Governance Committee with effect from 19 May, 2017; and
- (C) Lord Turner, a Non-executive Director of the Issuer, will become a member of the Audit Committee with effect from 19 May, 2017.

6. 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 31 December, 2016.

There has been no material adverse change in the prospects of the Issuer and its subsidiaries as a whole since 31 December, 2016.

7. General

For so long as Notes may be issued pursuant to the Prospectus (as supplemented by this Supplementary 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:

- (A) a copy of this Supplementary Prospectus; and
- (B) the Issuer's Annual Report and Accounts.

Copies of documents incorporated by reference in this Supplementary Prospectus may be obtained:

- (A) by a request in writing to the Issuer at its registered office at Laurence Pountney Hill, London EC4R 0HH and marked for the attention of the Company Secretary;
- (B) by visiting the Issuer's website at:
<http://www.prudential.co.uk/investors/reports/reports/2016>; or
- (C) 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 Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus; and (b) any other statement in or incorporated by reference in the Prospectus prior to the date of this Supplementary 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 Supplementary Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in this Supplementary Prospectus or where this Supplementary Prospectus is specifically defined as including such information. Any information contained in a document incorporated by reference in this Supplementary Prospectus which is not incorporated in, and does not form part of, this Supplementary Prospectus is not relevant for investors or is contained elsewhere in this Supplementary Prospectus.

Save as disclosed in this Supplementary 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 Supplementary 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 Supplementary 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.

Annex

Amended Summary of the Programme

B.10¹	Any qualifications in the audit report	Not Applicable. There are no qualifications in the audit reports to the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December, 2015 or the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December, 2016.																																							
B.12²	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	<p>The following tables present the profit and loss account and balance sheet data for the years ended and as at 31 December, 2015 and 31 December, 2016. The information has been derived from the Issuer's audited consolidated financial statements for the year ended 31 December, 2016 audited by KPMG LLP.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Audited Consolidated Financial Statements</th> <th colspan="2" style="text-align: center;">Year ended 31 December</th> </tr> <tr> <th></th> <th style="text-align: center;">2016</th> <th style="text-align: center;">2015</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">£ million</th> </tr> </thead> <tbody> <tr> <td colspan="3">Statutory IFRS basis results</td> </tr> <tr> <td>Gross premiums earned</td> <td style="text-align: right;">38,981</td> <td style="text-align: right;">36,663</td> </tr> <tr> <td>Outward reinsurance premiums</td> <td style="text-align: right;">(2,020)</td> <td style="text-align: right;">(1,157)</td> </tr> <tr> <td>Earned premiums, net of reinsurance</td> <td style="text-align: right;">36,961</td> <td style="text-align: right;">35,506</td> </tr> <tr> <td>Investment return</td> <td style="text-align: right;">32,511</td> <td style="text-align: right;">3,304</td> </tr> <tr> <td>Other income</td> <td style="text-align: right;">2,370</td> <td style="text-align: right;">2,495</td> </tr> <tr> <td>Total revenue, net of reinsurance</td> <td style="text-align: right;">71,842</td> <td style="text-align: right;">41,305</td> </tr> <tr> <td>Profit before tax attributable to shareholders</td> <td style="text-align: right;">2,275</td> <td style="text-align: right;">3,148</td> </tr> <tr> <td>Tax charge attributable to shareholders' returns</td> <td style="text-align: right;">(354)</td> <td style="text-align: right;">(569)</td> </tr> <tr> <td>Profit after tax attributable to equity holders of the Issuer</td> <td style="text-align: right;">1,921</td> <td style="text-align: right;">2,579</td> </tr> </tbody> </table>	Audited Consolidated Financial Statements	Year ended 31 December			2016	2015		£ million		Statutory IFRS basis results			Gross premiums earned	38,981	36,663	Outward reinsurance premiums	(2,020)	(1,157)	Earned premiums, net of reinsurance	36,961	35,506	Investment return	32,511	3,304	Other income	2,370	2,495	Total revenue, net of reinsurance	71,842	41,305	Profit before tax attributable to shareholders	2,275	3,148	Tax charge attributable to shareholders' returns	(354)	(569)	Profit after tax attributable to equity holders of the Issuer	1,921	2,579
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¹ Element B.10 of the Summary of the Programme has been revised to include a confirmation that there are no qualifications in the audit report to the Issuer's Annual Report and Accounts.

² Element B.12 of the Summary of the Programme has been revised to include (i) selected historical key financial information regarding the Issuer in respect of the year ended 31 December, 2016, derived from the Issuer's Annual Report and Accounts, and (ii) statements that (a) there has been no material adverse change in the prospects of the Issuer since the date of the Issuer's Annual Report and Accounts and (b) there have been no significant changes in the financial or trading position of the Issuer subsequent to the period covered by the historical financial information.

		Supplementary IFRS basis information	
		Operating profit based on longer-term investment returns:	
		Asia operations*	1,644 1,286
		US operations	2,048 1,702
		UK operations	1,280 1,656
		Other income and expenditure	(693) (617)
		Solvency II implementation costs	(28) (43)
		Restructuring costs	(38) (15)
		Interest received from tax settlement	43 -
		Operating profit based on longer-term investment returns....	4,256 3,969
		Short-term fluctuations in investment returns on shareholder-backed business	(1,678) (755)
		Amortisation of acquisition accounting adjustments	(76) (76)
		(Loss) profit attaching to the held for sale Korea life business*	(227) 56
		Cumulative exchange loss on the sold Japan life business recycled from other comprehensive income	- (46)
		Profit before tax attributable to shareholders	2,275 3,148
		Operating earnings per share (reflecting operating profit based on longer-term investment return).....	131.3p 124.6p
		* To facilitate future comparisons of operating profit based on longer-term investment returns that reflect the Group's retained operations, the results attributable to the held for sale Korea life business have been included separately within the supplementary analysis above.	
			Year Ended 31 December
			2016 2015
		Basic earnings per share	75.0p 101.0p
		Shareholders' equity, excluding non-controlling interests	£14.7bn £13.0bn
		Dividends per share declared and paid in reporting period:	
		Interim ordinary dividend / final ordinary dividend....	39.40p 38.05p
		Special dividend.....	10.00p -
		Dividends per share relating to reporting period:	
		Interim ordinary dividend	43.50p 38.78p
		Special dividend	- 10.00p
		Funds under management	£599.3bn £508.6bn
		The Issuer prepared the above accounts in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU").	
		<i>Statements of no significant or material adverse change</i>	
		There has been no significant change in the financial or trading position of the Issuer and its subsidiaries as a whole since 31 December, 2016.	
		There has been no material adverse change in the prospects of the Issuer and its subsidiaries as a whole since 31 December, 2016.	

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One Bunhill Row
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