



**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 29 November, 2013 (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 the Issuer's annual report and accounts for the financial year ended 31 December, 2013 (the "Issuer's Annual Report and Accounts");
- (ii) 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, 2013;
- (iii) update the Prospectus to reflect certain changes to the Board of Directors and to directors' other publicly quoted directorships;
- (iv) update the disclosure in the Prospectus to reflect recent developments in the Group's business and Prudential's position in relation to the changes to the UK pension system announced as part of the 2014 UK Budget, and the FCA's review of closed funds;
- (v) update the Prospectus to reflect a change to the outlook for the credit rating applicable to The Prudential Assurance Company Limited; and
- (vi) provide updated 'no significant change' and 'no material adverse change' statements as set out at paragraph 7 of this Supplemental Prospectus.

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

On 1 April, 2014, the Issuer published the Issuer's Annual Report and Accounts.

By virtue of this Supplemental Prospectus, 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.

<b><i>Information incorporated by reference into this Prospectus</i></b>	<b><i>Page numbers in Annual Report and Accounts 2013</i></b>
Audited consolidated financial statements	Pages 126 to 332 (inclusive)
Unaudited financial information	Pages 334 to 361 (inclusive)
Governance	Pages 69 to 85 (inclusive)
Remuneration report	Pages 89 to 123 (inclusive)

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 Supplemental Prospectus.

### **4. Changes to the Board of Directors and to directors' other publicly quoted directorships**

#### **John Foley**

##### **Group Investment Director**

On 1 April, 2014, John Foley resigned from the Board of Directors of the Issuer.

Mr Foley will continue his role as Group Investment Director and as a member of the Group Executive Committee of the Issuer.

#### **Pierre-Olivier Bouée**

##### **Group Chief Risk Officer**

On 1 April, 2014, Pierre-Olivier Bouée was appointed to the Board of Directors of the Issuer.

Mr Bouée has been Group Chief Risk Officer since 6 August, 2013 and is a member of the Group Executive Committee of the Issuer.

#### **Philip Remnant CBE**

##### **Senior Independent Director**

On 31 March, 2014, Philip Remnant CBE, Senior Independent Director of the Issuer, was appointed as an independent non-executive director of Severn Trent plc.

### **5. Recent Developments**

#### **Standard Chartered Bancassurance Agreement**

On 12 March, 2014, the Group announced that it had entered into an agreement expanding the term and geographic scope of its strategic pan-Asian bancassurance partnership with Standard Chartered PLC. Under the new 15-year agreement, which will commence on 1 July, 2014, a wide range of Prudential life insurance products will be exclusively distributed through Standard Chartered branches in nine markets – Hong Kong, Singapore, Indonesia, Thailand, Malaysia, the Philippines, Vietnam, India and Taiwan – subject to applicable regulations in each country. In China and South Korea, Standard Chartered will distribute Prudential's life insurance products on a preferred basis. Prudential and Standard Chartered have also agreed to explore additional opportunities to collaborate in due course elsewhere in Asia and in Africa, subject to existing exclusivity arrangements and regulatory restrictions. In line with common practice for agreements of this nature, the contract makes provision for a number of payments throughout the life of the agreement, most of which are contingent on future sales levels over the next 15

years. These sales could be influenced by a number of factors, for example the changing economic and political environment.

## **2014 UK Budget – Change to Pensions System**

In March, 2014, the UK Government announced that from 2015, individuals over the age of 55 will be able to draw down their pension funds subject to income tax only at marginal rates on three-quarters of the funds, thereby removing the effective requirement to purchase an annuity. The implications of this proposed change are as yet uncertain, but may result in a significant reduction in consumer demand for new pension annuity business in the UK market. Prudential's approach is to provide market-based solutions that give consumers choice and flexibility in the ways in which they save and draw down income in retirement, and it intends to work with the Government, regulators and other industry participants to seek to ensure that the new pensions system which emerges from the consultation period produces better outcomes for British savers. Alongside other market participants, Prudential anticipates a disruption to sales, which could be significant, in the individual annuities market as the industry works with the Government to define the new pensions system.

## **FCA Review of Closed Funds**

On 31 March, 2014 the FCA published its business plan for 2014/15. The plan includes a statement that the FCA will assess whether life insurance firms are operating historic (often termed "legacy" or "heritage") products in a fair way, and whether they have adopted strategies that are not in the best interests of existing customers. By way of a separate press release published on 28 March, 2014, the FCA clarified that it will be looking at how customers in closed funds are being treated and will be reviewing a representative sample of firms to look at whether they are treating their customers fairly. The release further clarified that the FCA does not intend to look at removing exit fees from policies, provided that they were compliant at the time, and that the review is not of the sales practices for legacy customers. Furthermore, the FCA release has confirmed that it is not looking to apply current standards retrospectively, for example on exit charges.

## **6. Credit Rating**

On 1 April, 2014, Moody's Investors Service Ltd ("Moody's") revised the outlook applicable to the credit rating of The Prudential Assurance Company Limited.

Prior to revision, The Prudential Assurance Company Limited had a financial strength rating of Aa2 (stable outlook) from Moody's. Following the revision, and as at the date of this Supplemental Prospectus, The Prudential Assurance Company Limited has a financial strength rating of Aa2 (negative outlook) from Moody's.

Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

## **7. 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, 2013.

There has been no material adverse change in the prospects of the Issuer and its subsidiaries as a whole since 31 December, 2013.

## **8. 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) this Supplemental Prospectus; and
- (ii) the Issuer's Annual Report and Accounts.

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.

## Annex

### Amended Summary of the Prospectus

<b>B.10</b> 1	Any qualifications in the audit report	Not Applicable. There are no qualifications in the audit reports to the Annual Report 2012 and the Annual Report 2013 of the Issuer.																																				
<b>B.12</b> 2	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 and as at the years ended 31 December, 2013 and 31 December, 2012. The information has been derived from the Issuer's audited consolidated financial statements audited by KPMG Audit Plc.</p> <p><b>Audited Consolidated Financial Statements</b></p> <p><b>International Financial Reporting Standards (IFRS) Basis Results</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th><th style="width: 15%; text-align: right;">Year Ended 31 December 2013</th><th style="width: 15%; text-align: right;">2012*</th></tr> <tr> <th></th><th style="text-align: right;">£ million</th><th></th></tr> </thead> <tbody> <tr> <td><b>Statutory IFRS basis results</b></td><td></td><td></td></tr> <tr> <td>Gross premiums earned .....</td><td style="text-align: right;"><b>30,502</b></td><td style="text-align: right;">29,113</td></tr> <tr> <td>Outward reinsurance premiums .....</td><td style="text-align: right;"><b>(658)</b></td><td style="text-align: right;">(491)</td></tr> <tr> <td>Earned premiums, net of reinsurance .....</td><td style="text-align: right;"><b>29,844</b></td><td style="text-align: right;">28,622</td></tr> <tr> <td>Investment return .....</td><td style="text-align: right;"><b>20,347</b></td><td style="text-align: right;">23,931</td></tr> <tr> <td>Other income .....</td><td style="text-align: right;"><b>2,184</b></td><td style="text-align: right;">1,885</td></tr> <tr> <td>Total revenue, net of reinsurance .....</td><td style="text-align: right;"><b>52,375</b></td><td style="text-align: right;">54,438</td></tr> <tr> <td>Profit before tax attributable to shareholders .....</td><td style="text-align: right;"><b>1,635</b></td><td style="text-align: right;">2,747</td></tr> <tr> <td>Tax charge attributable to shareholders' returns .....</td><td style="text-align: right;"><b>(289)</b></td><td style="text-align: right;">(584)</td></tr> <tr> <td>Profit for the year attributable to equity holders of the Issuer .....</td><td style="text-align: right;"><b>1,346</b></td><td style="text-align: right;">2,163</td></tr> </tbody> </table>		Year Ended 31 December 2013	2012*		£ million		<b>Statutory IFRS basis results</b>			Gross premiums earned .....	<b>30,502</b>	29,113	Outward reinsurance premiums .....	<b>(658)</b>	(491)	Earned premiums, net of reinsurance .....	<b>29,844</b>	28,622	Investment return .....	<b>20,347</b>	23,931	Other income .....	<b>2,184</b>	1,885	Total revenue, net of reinsurance .....	<b>52,375</b>	54,438	Profit before tax attributable to shareholders .....	<b>1,635</b>	2,747	Tax charge attributable to shareholders' returns .....	<b>(289)</b>	(584)	Profit for the year attributable to equity holders of the Issuer .....	<b>1,346</b>	2,163
	Year Ended 31 December 2013	2012*																																				
	£ million																																					
<b>Statutory IFRS basis results</b>																																						
Gross premiums earned .....	<b>30,502</b>	29,113																																				
Outward reinsurance premiums .....	<b>(658)</b>	(491)																																				
Earned premiums, net of reinsurance .....	<b>29,844</b>	28,622																																				
Investment return .....	<b>20,347</b>	23,931																																				
Other income .....	<b>2,184</b>	1,885																																				
Total revenue, net of reinsurance .....	<b>52,375</b>	54,438																																				
Profit before tax attributable to shareholders .....	<b>1,635</b>	2,747																																				
Tax charge attributable to shareholders' returns .....	<b>(289)</b>	(584)																																				
Profit for the year attributable to equity holders of the Issuer .....	<b>1,346</b>	2,163																																				

<sup>1</sup> 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.

<sup>2</sup> 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 2013, 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.

		Year Ended 31 December 2013      2012* £ million	
<b>Supplementary IFRS basis information</b>			
Operating profit based on longer-term investment returns:			
Asia operations .....	1,075	975	
US operations .....	1,302	1,003	
UK operations .....	1,176	1,107	
Other income and expenditure.....	(558)	(498)	
Solvency II implementation costs.....	(29)	(48)	
Restructuring costs .....	(12)	(19)	
Operating profit based on longer-term investment returns.....	2,954	2,520	
Short-term fluctuations in investment returns on shareholder-backed business.....	(1,110)	187	
Amortisation of acquisition accounting adjustments .....	(72)	(19)	
Gain on dilution of Group holdings.....	-	42	
(Loss) profit attaching to held for sale Japan Life business** .....	(102)	17	
Costs of domestication of Hong Kong branch.....	(35)	-	
Profit before tax attributable to shareholders .....	1,635	2,474	
Operating earnings per share (reflecting operating profit based on longer-term investment returns after related tax and non-controlling interests).....	90.9p	76.9p	
		Year Ended 31 December 2013      2012*	
Basic earnings per share .....	52.8p	85.1p	
Shareholders' equity, excluding non-controlling interests .....	£9.7bn	£10.4bn	
Dividends per share declared and paid in reporting period.....	30.52p	25.64p	
Dividends per share relating to reporting period .....	33.57p	29.19p	
Funds under management.....	£443bn	£406bn	
<p>* The Group 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.</p> <p>** To facilitate comparisons of operating profit based on longer-term investment returns that reflects the Group's retained operations, the results attributable to the held for sale Japan Life business are included separately within the supplementary analysis of profit above.</p> <p>The Issuer prepared the above accounts in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU").</p>			

		<p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of the Issuer and its subsidiaries as a whole since 31 December, 2013.</p> <p>There has been no material adverse change in the prospects of the Issuer and its subsidiaries as a whole since 31 December, 2013.</p>
--	--	--