

PRUDENTIAL PLC  
Form 20-F  
March 30, 2012

As filed with the Securities and Exchange Commission on 30 March 2012

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

---

**FORM 20-F**

- o REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR (G) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended 31 December 2011  
  
OR
- o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- o SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
**Commission File Number: 1-15040**

**PRUDENTIAL PUBLIC LIMITED COMPANY**

(Exact Name of Registrant as Specified in its Charter)

**England and Wales**

(Jurisdiction of Incorporation)

**12 Arthur Street,  
London EC4R 9AQ, England**

(Address of Principal Executive Offices)

**David Martin  
Head of Financial Accounting  
Prudential plc  
12 Arthur Street,  
London EC4R 9AQ, England  
+44 20 7548 3640  
david.martin@prudential.co.uk**

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

**Securities registered or to be registered pursuant to Section 12(b) of the Act:**

Title of Each Class

Name of Each Exchange on Which Registered

American Depositary Shares, each representing 2  
Ordinary Shares, 5 pence par value each

New York Stock Exchange

Edgar Filing: PRUDENTIAL PLC - Form 20-F

Ordinary Shares, 5 pence par value each New York Stock Exchange\*

6.75% Perpetual Subordinated Capital Securities Exchangeable at the Issuer's Option into Non-Cumulative Dollar Denominated Preference Shares New York Stock Exchange

6.50% Perpetual Subordinated Capital Securities Exchangeable at the Issuer's Option into Non-Cumulative Dollar Denominated Preference Shares New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

The number of outstanding shares of each of the issuer's classes of capital or common stock as of 31 December 2011 was:

2,548,039,330 Ordinary Shares, 5 pence par value each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Edgar Filing: PRUDENTIAL PLC - Form 20-F

Yes  No

\*

Not for trading, but only in connection with the registration of American Depositary Shares.

---

Table of Contents

## TABLE OF CONTENTS

	<b>Page</b>
Item 1.	Not Applicable
Item 2.	Not Applicable
<u>Item 3.</u>	<u>Key Information</u>
	<u>Selected Historical Financial Information of Prudential</u>
	<u>Dividend Data</u>
	<u>Exchange Rate Information</u>
	<u>Risk Factors</u>
	<u>Forward-Looking Statements</u>
	<u>EEV Basis and New Business Results</u>
<u>Item 4.</u>	<u>Information on the Company</u>
	<u>Business of Prudential</u>
	<u>Overview</u>
	<u>Summary of Strategy, Performance, Capital and Risk Management</u>
	<u>Company Address and Agent</u>
	<u>Significant Subsidiaries</u>
	<u>Asian Business</u>
	<u>US Business</u>
	<u>UK Business</u>
	<u>Group Risk Framework</u>
	<u>Investments</u>
	<u>Description of Property Corporate property</u>
	<u>Competition</u>
	<u>Intellectual Property</u>
	<u>Legal Proceedings</u>
	<u>Sources</u>
	<u>Supervision and Regulation of Prudential</u>
	<u>UK Supervision and Regulation</u>
	<u>Asian Supervision and Regulation</u>
	<u>US Supervision and Regulation</u>
<u>Item 4A.</u>	<u>Unresolved staff comments</u>
<u>Item 5.</u>	<u>Operating and Financial Review and Prospects</u>
	<u>Introduction</u>
	<u>IFRS Critical Accounting Policies</u>
	<u>Summary Consolidated Results and Basis of Preparation of Analysis</u>
	<u>Explanation of Movements in Profits After Tax and Profits Before Shareholder Tax by Reference to the Basis Applied for Segmental Disclosure</u>
	<u>Explanation of Movements in Profits Before Shareholder Tax by Nature of Revenue and Charges</u>
	<u>IFRS Shareholders' Funds and Summary Balance Sheet</u>
	<u>Other results based information</u>
	<u>Liquidity and Capital Resources</u>
<u>Item 6.</u>	<u>Directors, Senior Management and Employees</u>
	<u>Compensation</u>
	<u>Share Ownership</u>
	<u>Board Practices</u>
	<u>Employees</u>

# Edgar Filing: PRUDENTIAL PLC - Form 20-F

## Table of Contents

		<b>Page</b>
<u>Item 7.</u>	<u>Major Shareholders and Related Party Transactions</u>	<u>263</u>
	<u>Major Shareholders</u>	<u>263</u>
	<u>Related Party Transactions</u>	<u>265</u>
<u>Item 8.</u>	<u>Financial Information</u>	<u>266</u>
<u>Item 9.</u>	<u>The Offer and Listing</u>	<u>267</u>
	<u>Comparative Market Price Data</u>	<u>267</u>
	<u>Market Data</u>	<u>268</u>
<u>Item 10.</u>	<u>Additional Information</u>	<u>268</u>
	<u>Memorandum and Articles of Association</u>	<u>268</u>
	<u>Material Contracts</u>	<u>275</u>
	<u>Exchange Controls</u>	<u>275</u>
	<u>Taxation</u>	<u>276</u>
	<u>Documents on Display</u>	<u>282</u>
<u>Item 11.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>282</u>
	<u>Overview</u>	<u>282</u>
	<u>Major Risks</u>	<u>283</u>
	<u>Currency of Investments</u>	<u>283</u>
	<u>Currency of Core Borrowings</u>	<u>284</u>
	<u>Sensitivity Analysis</u>	<u>284</u>
<u>Item 12.</u>	<u>Description of Securities other than Equity Securities</u>	<u>287</u>
<u>Item 13.</u>	<u>Defaults, Dividend Arrearages and Delinquencies</u>	<u>288</u>
<u>Item 14.</u>	<u>Material Modifications to the Rights of Security Holders</u>	<u>288</u>
<u>Item 15.</u>	<u>Controls and Procedures</u>	<u>288</u>
<u>Item 16A.</u>	<u>Audit Committee Financial Expert</u>	<u>289</u>
<u>Item 16B.</u>	<u>Code of Ethics</u>	<u>289</u>
<u>Item 16C.</u>	<u>Principal Accountant Fees and Services</u>	<u>290</u>
<u>Item 16D.</u>	<u>Exemptions from the Listing Standards for Audit Committees</u>	<u>292</u>
<u>Item 16E.</u>	<u>Purchases of Equity Securities by Prudential plc and Affiliated Purchasers</u>	<u>292</u>
<u>Item 16F.</u>	Not Applicable	
<u>Item 16G.</u>	<u>Corporate Governance</u>	<u>293</u>
<u>Item 17.</u>	Not Applicable	
<u>Item 18.</u>	<u>Financial Statements</u>	<u>F-1</u>
	<u>Consolidated Financial Statements</u>	<u>F-1</u>
	<u>Condensed Financial Information of Registrant</u>	<u>S-1</u>
<u>Item 19.</u>	<u>Exhibits</u>	

Table of Contents**Item 3. Key Information****SELECTED HISTORICAL FINANCIAL INFORMATION OF PRUDENTIAL**

The following table sets forth the selected consolidated financial data for Prudential plc (the Company) together with its subsidiaries (collectively the Group or Prudential) for the periods indicated. Certain data is derived from Prudential's audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and as endorsed by the European Union ('EU'). EU-endorsed IFRS may differ from IFRS as issued by the IASB if, at any point in time, new or amended IFRSs have not been endorsed by the EU. As at 31 December 2011, there were no unendorsed standards effective for the years presented below affecting the consolidated financial information of Prudential and there were no differences between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to Prudential. Accordingly, the selected consolidated financial data presented below that is derived from Prudential's audited consolidated financial statements is derived from audited consolidated financial statements prepared in accordance with IFRS as issued by the IASB. This table is only a summary and should be read in conjunction with Prudential's consolidated financial statements and the related notes included elsewhere in this document, together with Item 5, 'Operating and Financial Review and Prospects'.

The following table presents the income statement, statement of financial position and other data for and as at the years ended 31 December 2007 to 2011, as presented in accordance with IFRS, and has been derived from Prudential's consolidated financial statements, audited by KPMG Audit Plc:

**Income statement data**

<b>Year Ended 31 December</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>\$m(1)</b>	<b>£m(1)</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Gross premium earned	<b>39,939</b>	<b>25,706</b>	24,568	20,299	18,993	18,359
Outward reinsurance premiums	<b>(667)</b>	<b>(429)</b>	(357)	(323)	(204)	(171)
Earned premiums, net of reinsurance	<b>39,272</b>	<b>25,277</b>	24,211	19,976	18,789	18,188
Investment return	<b>14,543</b>	<b>9,360</b>	21,769	26,889	(30,202)	12,225
Other income	<b>2,904</b>	<b>1,869</b>	1,666	1,234	1,146	2,457
Total revenue, net of reinsurance	<b>56,719</b>	<b>36,506</b>	47,646	48,099	(10,267)	32,870
Benefits and claims and movement in unallocated surplus of with-profits funds, net of reinsurance	<b>(45,506)</b>	<b>(29,289)</b>	(40,518)	(41,195)	10,824	(26,785)
Acquisition costs and other expenditure	<b>(7,776)</b>	<b>(5,005)</b>	(4,799)	(4,572)	(2,459)	(4,859)
Finance costs: interest on core structural borrowings of shareholder-financed operations	<b>(444)</b>	<b>(286)</b>	(257)	(209)	(172)	(168)
Loss on sale of Taiwan agency business				(559)		
Total charges, net of reinsurance	<b>(53,726)</b>	<b>(34,580)</b>	(45,574)	(46,535)	8,193	(31,812)
Profit (loss) before tax (being tax attributable to shareholders' and policyholders' returns)(2)	<b>2,993</b>	<b>1,926</b>	2,072	1,564	(2,074)	1,058
Tax credit (charge) attributable to policyholders' returns	<b>26</b>	<b>17</b>	(611)	(818)	1,624	5
Profit (loss) before tax attributable to shareholders	<b>3,019</b>	<b>1,943</b>	1,461	746	(450)	1,063
Tax (charge) credit attributable to shareholders' returns	<b>(698)</b>	<b>(449)</b>	(25)	(55)	59	(354)

Edgar Filing: PRUDENTIAL PLC - Form 20-F

Profit (loss) from continuing operations after tax	<b>2,321</b>	<b>1,494</b>	1,436	691	(391)	709
Discontinued operations (net of tax)				(14)		241
Profit (loss) for the year	<b>2,321</b>	<b>1,494</b>	1,436	677	(391)	950

1

---

Table of Contents

**As of and for the Year Ended  
31 December**

**2011      2011      2010      2009      2008      2007**

**(In \$m,  
Except Share  
Information)(1)**

**(In £m, Except Share Information)(1)**

**Statement of financial position data**

Total assets	<b>425,061</b>	<b>273,580</b>	260,806	227,754	215,542	219,382
Total policyholder liabilities and unallocated surplus of with-profits funds	<b>367,124</b>	<b>236,290</b>	224,980	196,417	182,391	190,317
Core structural borrowings of shareholder financed operations	<b>5,610</b>	<b>3,611</b>	3,676			